

AUGUST 30-31, 2022  
SAN DIEGO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting  
DAY 1







**CONTRACTORS STATE LICENSE BOARD**

9821 Business Park Drive, Sacramento, California 95827  
Mailing Address: P.O. Box 26000, Sacramento, CA 95826  
800.321.CSLB (2752) | [www.cslb.ca.gov](http://www.cslb.ca.gov) | [CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)

STATE OF CALIFORNIA

Governor Gavin Newsom

**NOTICE OF PUBLIC BOARD MEETING**

**Day 1:** August 30, 2022, 1:00 p.m. – 5:00 p.m. (or until the conclusion of business)

**Day 2:** August 31, 2022, 8:30 a.m. – 11:30 a.m. (or until the conclusion of business)

**MEETING LOCATION**

Holiday Inn San Diego Bayside  
4875 N. Harbor Drive  
San Diego, CA 92106

Meetings are open to the public except when specifically noticed otherwise in accordance with the Open Meeting Act. All times when stated are approximate and subject to change without prior notice at the discretion of the Board unless listed as “time certain.” Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. **Action may be taken on any item listed on this agenda, including information-only items.** The meeting may be canceled without notice.

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the board chair.

The meeting will also be live webcast (with an approximate 30 second delay). Links are available at the end of this agenda.

**MEETING AGENDA – Day 1**

**Tuesday, August 30, 2022 – 1:00 p.m.**

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests  
*(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).*
- C. Presentation of Certificates of Recognition – May Include Oral Presentations  
Commemorating Board Member and Subject Matter Expert Achievements
- D. Executive
  - 1. Review and Possible Approval of the June 16, 2022, Board Meeting Minutes
  - 2. Review and Possible Approval of the August 3, 2022, Enforcement Committee Meeting Summary Report

3. Registrar's Report
4. CSLB Budget Update
5. Administration Update Regarding Personnel and Facilities
6. Information Technology Update
7. Update, Review, Discussion and Possible Action on 2022-24 Administration and Information Technology Strategic Plan Objectives

#### E. Enforcement

1. Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives
2. Enforcement Program Update
  - a. Statistical Update
  - b. Staff Vacancy Update
  - c. Consumer Investigation Highlights
  - d. General Complaint-Handling Statistics
  - e. Statewide Investigative Fraud Team Highlights and Statistics
3. Update on the Solar Energy System Restitution Program

#### F. Licensing

1. Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Strategic Plan Objectives
2. Licensing and Testing Program Statistical Update
3. Test Administration Centers Outsourcing Update
4. Review, Discussion, and Possible Action on Entering into a General Building Trade Exam Waiver Agreement with Mississippi Pursuant to Business and Professions Code Section 7065.4

#### G. Public Affairs

1. Update, Review, Discussion and Possible Action on 2022-24 Public Affairs Strategic Plan Objectives
2. Public Affairs Update

- a. Disaster Response
- b. Video/Digital Services
- c. Social Media Highlights
- d. Stakeholder Communications
- e. Media Relations
- f. Consumer/Community Outreach
- g. Publication/Graphic Design Services
- h. Intranet/Employee Relations

## H. Legislation

1. Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives
2. Review, Discussion, and Possible Action on 2021-22 Pending Legislation
  - a. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
  - b. AB 1747 (Quirk) Contractors: disciplinary action
  - c. AB 2105 (Smith) Contractors: initial license fee reduction: veterans
  - d. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping
  - e. AB 2894 (Cooper) Contractors: workers' compensation insurance
  - f. AB 2916 (McCarty) Contractors: disclosure of letters of admonishment
  - g. SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage
  - h. SB 1076 (Archuleta) Lead-based paint
  - i. SB 1164 (Stern) Energy: building energy efficiency: heating, ventilation, and air conditioning equipment: sale registry and compliance tracking system: compliance document data registry
  - j. SB 1237 (Newman) Licenses: military service
  - k. SB 1443 (Roth) The Department of Consumer Affairs
  - l. SB 1495 (Committee on Business, Professions and Economic Development) Professions and vocations
3. Regulatory Updates / Actions
  - a. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations (CCR), Section 811 (Fees) and Repeal Section 812 (Dishonored Check Service Charge)
  - b. Review, Discussion, and Possible Action to Amend Title 16, CCR, Section 872 (Disclosure of General Liability Insurance) and Update on Title 16, CCR, Section 872.1 (Checklist for Homeowners) Rulemaking

## I. Adjournment

**MEETING AGENDA DAY 2**  
**Wednesday, August 31, 2022, 8:30 a.m.**

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests  
*(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).*
- C. Joint Discussion with Nevada State Contractors Board (NSCB)
  - 1. Presentation by National Electrical Contractors Association Executive Director of Network Integration and Services Jeff Beavers
  - 2. Discussion Regarding CSLB and NSCB Operational and Structural Comparison
    - a. Board Member Composition
    - b. Budget
    - c. License Population
    - d. License Fee Schedule
    - e. Criminal Background Checks
    - f. Insurance Requirements
    - g. Exam Waivers with Other States
    - h. Consumer Restitution Programs
  - 3. Discussion on Combatting Nevada's and California's Underground Economy
    - a. Unlicensed Activity
    - b. Workers' Compensation Enforcement
    - c. Permit Avoidance
    - d. House Flipping
  - 4. Partnering with State Agencies
    - a. Joint Enforcement Strike Force
    - b. Labor Enforcement Strike Force
  - 5. Multi-State Sting and Sweeps
  - 6. Outreach Successes and Opportunities
- D. Adjournment

**Note:** The Board intends to provide a live webcast of the meeting. Please be aware there will be an approximate thirty (30) second delay in the webcast. The webcast can be found at [www.cslb.ca.gov](http://www.cslb.ca.gov) or on the board's YouTube Channel: <https://www.youtube.com/user/ContractorsBoard/>. Webcast availability cannot be guaranteed due to limitations on resources or technical difficulties. The meeting will not be cancelled if webcast is not available. Meeting adjournment may not be webcast if adjournment is the only item that occurs after a closed session

The meetings are accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the meetings may make a request by calling (916) 255-4000, or emailing [Mariah.Rovera@cslb.ca.gov](mailto:Mariah.Rovera@cslb.ca.gov), or mailing a request for an accommodation to: Contractors State License Board, 9821 Business Park Drive, Sacramento, CA, 95827. Providing your request at least five business days prior to the meetings will help ensure availability of the requested accommodation.







# CONTRACTORS STATE LICENSE BOARD

## TABLE OF CONTENTS

### Contractors State License Board Meeting Tuesday, August 30, 2022 1:00 p.m. – 5:00 p.m. (or upon adjournment)

#### Day 1 – Tuesday, August 30, 2022

A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction .....	1
B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests .....	3
C. Presentation of Certificates of Recognition – May Include Oral Presentations Commemorating Board Member and Subject Matter Expert Achievements.....	5
D. Executive.....	7
1. Review and Possible Approval of the June 16, 2022, Board Meeting Minutes.....	9
2. Review and Possible Approval of the August 3, 2022, Enforcement Committee Meeting Summary Report .....	37
3. Registrar's Report.....	47
4. CSLB Budget Update.....	49
5. Administration Update Regarding Personnel and Facilities .....	59
6. Information Technology Update .....	65
7. Update, Review, Discussion and Possible Action on 2022-24 Administration and Information Technology Strategic Plan Objectives .....	69
E. Enforcement .....	73
1. Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives .....	75
2. Enforcement Program Update.....	85
a. Statistical Update	
b. Staff Vacancy Update	
c. Consumer Investigation Highlights	
d. General Complaint-Handling Statistics	
e. Statewide Investigative Fraud Team Highlights and Statistics	



# CONTRACTORS STATE LICENSE BOARD

## TABLE OF CONTENTS

3. Update on the Solar Energy System Restitution Program .....	93
F. Licensing .....	97
1. Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Strategic Plan Objectives.....	99
2. Licensing and Testing Program Statistical Update .....	103
3. Test Administration Centers Outsourcing Update.....	121
4. Review, Discussion, and Possible Action on Entering into a General Building Trade Exam Waiver Agreement with Mississippi Pursuant to Business and Professions Code Section 7065.4 .....	123
G. Public Affairs .....	129
1. Update, Review, Discussion and Possible Action on 2022-24 Public Affairs Strategic Plan Objectives .....	131
2. Public Affairs Update .....	135
a. Disaster Response	
b. Video/Digital Services	
c. Social Media Highlights	
d. Stakeholder Communications	
e. Media Relations	
f. Consumer/Community Outreach	
g. Publication/Graphic Design Services	
h. Intranet/Employee Relations	
H. Legislation .....	153
1. Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives .....	155
2. Review, Discussion, and Possible Action on 2021-22 Pending Legislation.....	159
a. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions	
b. AB 1747 (Quirk) Contractors: disciplinary action	
c. AB 2105 (Smith) Contractors: initial license fee reduction: veterans	
d. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping	



# CONTRACTORS STATE LICENSE BOARD

## TABLE OF CONTENTS

- e. AB 2894 (Cooper) Contractors: workers' compensation insurance
- f. AB 2916 (McCarty) Contractors: disclosure of letters of admonishment
- g. SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage
- h. SB 1076 (Archuleta) Lead-based paint
- i. SB 1164 (Stern) Energy: building energy efficiency: heating, ventilation, and air conditioning equipment: sale registry and compliance tracking system: compliance document data registry
- j. SB 1237 (Newman) Licenses: military service
- k. SB 1443 (Roth) The Department of Consumer Affairs
- l. SB 1495 (Committee on Business, Professions and Economic Development) Professions and vocations

3. Regulatory Updates / Actions..... 181

- a. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations (CCR), Section 811 (Fees) and Repeal Section 812 (Dishonored Check Service Charge)
- b. Review, Discussion, and Possible Action to Amend Title 16, CCR, Section 872 (Disclosure of General Liability Insurance) and Update on Title 16, CCR, Section 872.1 (Checklist for Homeowners) Rulemaking

I. Adjournment..... 193



## AGENDA ITEM A

# Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

### Board Member Roster

RODNEY M. COBOS

DIANA LOVE

DAVID DE LA TORRE

MICHAEL MARK

MIGUEL GALARZA

STEVEN PANELLI

SUSAN GRANZELLA

JAMES RUANE

ALAN GUY

JOHNNY SIMPSON

JACOB LOPEZ

MARY TEICHERT





# AGENDA ITEM B

## Public Comment for Items Not on the Agenda and Future Agenda Item Requests

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). Public comments will be taken on agenda items at the time the item is heard and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

### BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board should not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending administrative or criminal action.

- (1) If, during a Board and Committee meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.
- (2) If, during a Board and Committee meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:
  - (a) The Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or,
  - (b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).
- (3) If a person becomes disruptive at the Board meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.







## AGENDA ITEM C

Presentation of Certificates of Recognition  
– May Include Oral Presentations  
Commemorating Board Member and  
Subject Matter Expert Achievements





# AGENDA ITEM D

## Executive





## AGENDA ITEM D-1

# Review and Possible Approval of the June 16, 2022, Board Meeting Minutes





# CONTRACTORS STATE LICENSE BOARD

## BOARD MEETING MINUTES

### Board Meeting Minutes

#### A. Call To Order, Roll Call, Establishment of Quorum, and Chair’s Introduction

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order on June 16, 2022, at 8:58 a.m. at Contractor State License Board Headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Secretary Diana Love led the Board in the Pledge of Allegiance. A quorum was established.

#### Board Members Present

Susan Granzella, Chair	Michael Mark
Frank Altamura	Steven Panelli
Miguel Galarza	James Ruane
Alan Guy	Johnny Simpson
Diana Love	

Board members Rodney Cobos, David De La Torre, and Mary Teichert have approved absences.

#### CSLB Staff Present

David Fogt, Registrar (via WebEx)	Mike Melliza, Chief of Administration
Michael Jamnetski, Chief of Legislation	Jason Perez, Chief of IT
Steve Grove, Chief of Enforcement	Stacey Paul, Budget Manager
Foad Gharahgozlou, Chief of Licensing	Mariah Rovera, Executive Staff

#### DCA Staff Present

Jason Hurtado, DCA Legal	Ryan Marcroft, DCA Legal
Danielle Rogers, DCA Legal	John Cumming, DCA Legal

#### Public Visitors

Rick Pires, Basic Crafts	Martin Herzfeld, Licensed Contractor
Jeanine Cotter, Luminalt	Brandon Carlson, Allume Energy
Eddie Bernacchi, NECA	Rachel Shoemake
Dustin Sable, Schetter	Alex Lantsberg, SFEU
Carla Palmer, CCE	William Minyard, CCE
Juan Perez, IBEW	Derek Cole, IBEW LV302
Mark Buck, IBEW 59	Kyle Church, Contra Costa Electric
Jess Padilla, Contra Costa Electric	Jodiah Castro
Rene Cruz Martinez, Utility	Charlotte Stevens, Utility



**B. Public Comment**

There was no public comment.

**C. Recognition**

Board Chair Granzella announced CSLB would be recognizing Legal Counsel Jason Hurtado, CSLB Personnel Manager Ingrid Witowski-Sedlar, and CSLB Business Services Manager Alex Christian.

Board Chair Granzella said Board Counsel Jason Hurtado has accepted appointment as legal counsel at the Board of Cannabis Control. Chair Granzella stated the Board has benefitted from Jason Hurtado’s expert, wise, and conscientious representation of CSLB through several challenging issues over the last few years. Chair Granzella stated Board members and CSLB staff have enjoyed working with Jason Hurtado. Chair Granzella congratulated Jason Hurtado on their new position.

Board Chair Granzella presented a certificate to Jason Hurtado and read the certificate aloud: *“On behalf of the Contractors State License Board members and staff, thank you for your outstanding work as board counsel. Your exemplary dedication, professionalism, and commitment have been an inspiration, and your diligent efforts have been greatly appreciated by the Board. You will be truly missed by all of us who have had the privilege of working with you. We wish you all the best with your future endeavors!”*

Board Member Comment:

Member Diana Love thanked Jason Hurtado for their hard work and wished them well.

Member Michael Mark thanked Jason Hurtado for being straightforward when dealing with complex issues.

Member Johnny Simpson said Jason Hurtado was a pleasure to work with.

Board Chair Granzella introduced Registrar David Fogt to make a comment on Jason Hurtado’s recognition.

Registrar David Fogt said there is a lot that goes on behind the scenes at CSLB and on occasion administrative law judge decisions are received that are not adopted requiring Jason Hurtado to draft a replacement decision. Registrar Fogt said Jason Hurtado met with attorneys from other state agencies regarding jurisdictional questions and routinely reviewed and discussed complex licensing and enforcement issues. Registrar Fogt said Jason Hurtado excelled at providing sound legal advice in a professional manner in all situations. Registrar Fogt thanked Jason Hurtado for their outstanding legal representation and council.



Board Chair Granzella said CSLB Personnel Manager Ingrid Witowski-Sedlar was instrumental during the last three years to respond to the COVID-19 pandemic. Manager Witowski-Sedlar worked tirelessly to ensure CSLB followed personnel best practices and staff continue to have a safe and productive work environment. Chair Granzella explained Manager Witowski-Sedlar was vital in planning and executing new ways of doing business in the new telework environment. Chair Granzella said Manager Witowski-Sedlar worked closely with CSLB's executive management team in executing new telework agreements and revamped CSLB's "Employee Expectations and Guidelines" for staff. Chair Granzella said Manager Witowski-Sedlar and her staff put in extra work complying with new COVID-19 reporting requirements and health and safety issues related to COVID-19. Chair Granzella stated Manager Witowski-Sedlar also managed to ensure all recruitment, onboarding of new employees, career development, training and all other personnel related issues kept moving forward.

Board Chair Granzella presented a certificate to Manager Witowski-Sedlar and read the certificate aloud: *"In recognition of your vital work to control COVID-19 exposures and reduce the spread of the virus within the workplace by ensuring that CSLB staff have the equipment and resources they need to perform their jobs safely and keeping CSLB offices accessible to the public."*

Board Chair Granzella said CSLB Business Services Manager Alex Christian had worked to ensure that CSLB staff had the resources they need to perform their jobs safely, and CSLB offices remained accessible to the public. Chair Granzella added that Manager Christian and their staff worked diligently to provide CSLB staff with necessary Personal Protective Equipment (PPE), office supplies, and equipment to do their jobs safely. Chair Granzella said Alex Christian ensures that CSLB Headquarters and all CSLB's field offices are properly cleaned and sanitized as COVID-19 cases are reported.

Board Chair Granzella presented a certificate to Alex Christian and read the certificate aloud: *"In recognition of your outstanding work to control COVID-19 exposures and reduce the spread of the virus within the workplace by ensuring that CSLB staff have the equipment and resources they need to perform their jobs safely and keeping CSLB offices accessible to the public."*

Board Member Comment:

Member Diana Love thanked Managers Witowski-Sedlar and Christian for helping keep everyone safe.

Public Comment:

There was no public comment.

**D. Executive**





**1. Review and Possible Approval of the March 30, 2022, Board Meeting Minutes**

Board Chair Granzella introduced agenda item D-1, the review and possible approval of Board meeting minutes.

Chair Granzella asked if any Board members had any edits to the March 30, 2022, meeting minutes.

Member Love asked for Vice Chair Mary Teichert’s title to be corrected from Secretary to Vice Chair in the meeting minutes.

Public Comment:

There was no public comment.

**Motion:** Approve the March 30, 2022, Board meeting minutes. James Ruane moved; Johnny Simpson seconded. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

**2. Registrars Report**

Chair Granzella introduced agenda item D-2, the Registrars Report and turned the agenda item over to Registrar David Fogt.



Registrar Fogt announced the next quarterly board meeting will be a joint meeting with the Nevada Board. Registrar Fogt said the plan is to conduct the CSLB specific meeting Tuesday, August 30<sup>th</sup> and the joint meeting with Nevada on the morning of Wednesday, August 31<sup>st</sup>. Registrar Fogt said they had spoken with Nevada Board Executive Office Margi Grein, and the agenda items may include a discussion of new and emerging construction technologies, outreach opportunities and California and Nevada enforcement strategies.

Registrar Fogt explained the Board meeting in August will coincide with the National Association of State Contractors Licensing (NASCLA) annual conference in San Diego. Registrar Fogt said an investigator training will run at the same time of the conference and CSLB may send 15 investigators to the training. Registrar Fogt said agenda items include enforcement strategies and raising industry performance by recruiting people into the construction industry to become competent professionals and future industry leaders. Registrar Fogt stated California presenters include a supervising Alameda County District Attorney and Board Chair Mary Teichert. Registrar Fogt asked Board members to let him know if they are interested in attending the conference that runs from Tuesday, August 29<sup>th</sup> through Thursday, September 1<sup>st</sup>.

Board Member Comment:

No was no comment.

Public Comment:

There was no public comment.

**3. CSLB Budget Update**

Board Chair Granzella introduced agenda item D-3, the Budget Update, located on page 57 of the packet. Chair Granzella invited Board Secretary Diana Love to introduce the Budget Update.

Board Secretary Diana Love said they serve as the Boards budget liaison with staff in the monitoring and reporting of the budget to the Board. Secretary Love explained the budget runs on a fiscal year calendar, from July through June. Secretary Love added the authorized Governor's Budget is \$75 million, plus an additional \$5 million in mandatory external costs. Secretary Love highlighted at year-end CSLB is projected to spend \$75 million in total expenditures and is projecting the final revenue at \$80 million. Secretary Love said the numbers highlight all the hard work that has been done over the last two years in balancing the budget and the dedication and commitment by staff has paid off.

Secretary Love introduced Budget Manager Stacey Paul to provide a detailed budget update.



Budget Manager Stacey Paul directed the Board to page 59 of the packet and explained the first chart shows CSLB fiscal year 21/22 final budget and expenditures through March. Budget Manager Paul explained CSLB is spending slightly lower than expected at 69% of the budget authority keeping CSLB on track to spend about \$70 million of the authorized \$75 million budget. Budget Manager Paul said the next chart shows CSLB revenue through April and indicates CSLB is exceeding the prior year revenue by 9%. The increases reflect the new fees that took effect January 1, 2022, and CSLB has collected an additional \$7 million in revenue compared the same time last year.

Budget Manager Paul directed the Board to page 60 of the packet, the CSLB fund condition which projects out to Budget Year 22/23. Budget Manager Paul stated the middle column is current year, CSLB began this fiscal year with \$1.9 million in reserves and the projected revenue for this year is \$80M. Budget Manager Paul said CSLB projected board expenditures and external costs are \$75M for this year. Budget Manager Paul explained the last column (which is next year), CSLB should end the year with over 2 months in reserves at \$16M.

Budget Manager Paul said the chart on page 61 of the packet is the Construction Management Education Account (CMEA) fund condition. Budget Manager Paul explained the Board was successful in increasing the annual appropriation this year to \$175,000. The increase will allow the Board to disburse more grants to qualified institutions based on the fund balance.

Manager Paul explained the statistical summary details on 63 through 64 of the packet. They stated the Board continues to see increases in all areas especially in new applications and the issuance of new licenses. Budget Manager Paul said renewals have stayed steady with 3% increase over 2 years ago.

Board Member Comment:

Board Chair Granzella mentioned that in 2020 the reserve was a concern for CSLB and through the work of Board members and staff, CSLB now has a healthy reserve.

Public Comment:

There was no public comment.

#### **4. Administration Update Regarding Personnel and Facilities**

Board Chair Granzella introduced agenda item D-4, the Administrative Program Update and invited Administration Division Chief Mike Melliza to provide an update to the Board.

Chief Melliza provided a Personnel Unit update and summarized completed transactions during the third quarter of the fiscal year, which included new state employees, employees from other state agencies and employee promotions.



Chief Melliza stated CSLB averaged 47 vacancies since the beginning of fiscal year 2021-22 and the Personnel Unit works with CSLB hiring managers and DCA to identify and minimize any delays in the recruitment efforts. Chief Melliza added that recent recruitment activity brought the vacancy number down to 41.5.

Chief Melliza described the CSLB career development and mentoring program that held its third career development live event April 27, 2022. Chief Melliza explained the online events highlight each of the CSLB divisions, the work they do and available vacant positions.

Chief Melliza provided an update on Business Services activities, including the status of building facilities, contracts, and procurements; most notably ensuring CSLB had ample supply of PPE equipment.

Board Member Comment:

Member Michael Mark asked if the internal promotions were the result of the career development event and asked to participate in the next live event.

Chief Melliza stated the promotions were throughout the quarter and that the live events are once a quarter. Chief Melliza added they would be happy to include Member Mark in the next event.

Public Comment:

There was no public comment.

## **5. Information Technology Update**

Board Chair Granzella introduced agenda item D-5, the Information Technology Update on page 73 of the Board packet and invited Chief of Information Technology Division Jason Perez to update the Board.

Chief Perez stated CSLB IT was excited about its implementation of Software Defined-Wide Area Network, or SD-WAN. Chief Perez explained that SD-WAN enables CSLB to securely support application growth, network agility, and simple branch office implementations. Chief Perez said that in January 2022, CSLB IT concluded its proof of concept at the Norwalk office and in May 2022 CSLB Headquarters was completed.

Chief Perez stated the implementation has increased bandwidth along with providing greater visibility to CSLB's network traffic and reported the Fresno field office would transition to the new solution on Friday, June 17, 2022. Chief Perez explained the remaining field offices are awaiting an external vendor to complete the circuit installation at their respective sites.



Chief Perez said the IT Division has been committed to complete the Exam Administration Outsourcing project and in a few weeks, they will have completed the fourth and final phase of transferring trade exams to contracted vendor PSI. Chief Perez explained the project was a huge effort for the Licensing Division, the IT Division, and DCA's Office of Professional Services. Chief Perez said effective July 1, 2022, CSLB will move the project into the operational phase.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

**6. Election of Officers**

Board Chair Granzella stated at the March 2022 board meeting, she appointed Board Members David De La Torre and Johnny Simpson to the nomination committee to recommend to the board a slate of officers for the officers of Chair, Vice Chair and Secretary for the next fiscal year, starting July 1, 2022.

Chair Granzella turned the floor over to Johnny Simpson to announce the recommended slate of officers.

Member Johnny Simpson said that he and David De La Torre had enjoyed serving on the 2022 nomination committee and had recently met to consider the requests of fellow board member for the three officer positions. Member Simpson announced their recommendations: Mary Teichert for Chair, Diana Love for Vice Chair and Michael Mark for Secretary.

Chair Granzella announced they would now begin the nomination process. Chair Granzella explained, for each officer position, they would state the nominated candidate and then ask if there were a motion from the floor for any other individuals the Board members would like to nominate. Chair Granzella said the Board does not need a motion for the person that has been recommended by members Simpson and De La Torre, only if there is an alternative recommendation. Chair Granzella stated all floor nominations require a second and candidates would then be given up to two (2) minutes to make their statement or describe why they are qualified for the position. Chair Granzella added that the Board will then take a roll call vote for each nominee, in alphabetic order. Chair Granzella explained if there is only one nominee for the position, members can vote by yes, no, or abstain.

Public Comment:

There was no public comment.



**Motion:** To approve the Nomination Committee’s recommendation to elect Board member Mary Teichert as Board Chair. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Public Comment:

There was no public comment.

**Motion:** To approve the Nomination Committee’s recommendation to elect Board member Diana Love as Board Vice Chair. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Public Comment:

There was no public comment.

**Motion:** To approve the Nomination Committee’s recommendation to elect Board member Michael Mark as Board Secretary. The motion passed.



BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Public Comment:

There was no public comment.

Chair Granzella congratulated the new officers and stated the newly elected Chair, Vice Chair and Secretary will assume the duties of the respective offices on July 1<sup>st</sup>.

**E. Licensing**

Chair Granzella introduced agenda item E, Licensing and Testing, led by Licensing Committee Chair Miguel Galarza.

**1. Licensing and Testing Program Update and Statistical Summary**

Chair Galarza highlighted the processing time for all application types remains between 3-4 weeks. Chair Galarza stated the goal is to drop all processing times below 3 weeks and maintain that level. Chair Galarza explained that the high number of pending applications shown on page 85 of the packet for FY2020, and FY 2021 is the result of test administration backlog that occurred due to COVID-19 pandemic closure of examination centers in 2020 and 2021. Chair Galarza stated staff has substantially reduced the backlog in 2022 and should be eliminated with the transfer of test administration to PSI July 2022.

Chair Galarza noted that the number of incoming renewals continue to be steady, and the renewal processing times are currently under one week. Chair Galarza said the short processing time is combination of the unit being fully staffed, and licensees using CSLB’s online renewal service.

Chair Galarza highlighted the call wait times for the CSLB Licensing Information Center (call center). Chair Galarza said the Licensing Information Center or “LIC” has filled vacant positions, including a supervisor position that helps with workload monitoring.



Chair Galarza added that telework schedules have been modified for more consistent coverage; and as a result, CSLB has significantly reduced LIC wait times that are currently more in line with 2017 and 2018, approximately 6 minutes

Chair Galarza said the Testing update located on page 96 and 97 of the packets. Chair Galarza stated CSLB has completed the third phase of its transition to PSI Exams, with the final phase scheduled for July 1<sup>st</sup>. Chair Galarza explained there were 619 applicants scheduled to take their examinations though PSI and special recognition was due testing staff for their work on transitioning CSLB examination administration to PSI Exams. Chair Galarza stated the 34 CSLB trade examinations and one law and business examination have been transitioned to PSI Exams.

Chair Galarza said the exam development unit had held numerous remote workshops to continue occupational analysis for updating existing exams.

Chief of Licensing Foad Gharahgozlou provided an update on efforts to eliminate hurdles for military spouses to obtain a license through SB 607 by expediting applications of military personnel spouses and waiving the licensing fee.

Board Member Comments:

Member Love asked for details on the wait times listed on page 92.

Chief Gharahgozlou said the wait time starts from the time the 800 number is dialed and the call is answered by a technician.

Chair Granzella asked if there is a feedback option for the PSI Exams.

Chief Gharahgozlou said a survey is sent to applicants and from the feedback so far, applicants are pleased with having access to more exam facilities.

Member Michael Mark asked about the 3% experience verification for licensing applications. He asked if the percent pulled should be increased.

Registrar Fogt explained the 3% verification was established by the Board a number of years ago to provide for field investigation by the Enforcement division. Many of the field investigations relate to people who included on their application they have the necessary experience but can't show all the required records. Registrar Fogt continued that with the 3% field experience verification, staff can work with applicants to document their experience or provide suggestions on how they can obtain the necessary experience in the future.

Registrar Fogt confirmed that Licensing staff review all applications to ensure they meet minimum qualifying requirements. The 3% in-depth investigation is not required for most applications because many applicants have gained their experience through working for licensed contractors or apprenticeship programs that can readily verify their experience.





Chief Gharahgozlou explained that Licensing has procedures to follow to verify the experience, making calls to certifiers and other contractors.

## **2. Construction Management Education Account Awards**

Chair Galarza stated that at the March Board meeting, staff reported to the Board that the Department of Finance approved CSLB's ability to increase Construction Management Education Account grants by \$75,000 to eligible schools. Chair Galarza explained grant checks were distributed to all schools at the higher amount of \$175,000 in April 2022.

## **3. Test Administration Centers Outsourcing Update**

Chair Galarza stated the process of outsourcing CSLB exam administration to the vendor PSI Exams, would be complete July 1, 2022. Chair Galarza explained CSLB has moved 35 of its 47 written examinations to PSI and would be moving the remainder by July 1. Chair Galarza said PSI had administered 443 CSLB examinations to date. They added that CSLB would be closing all its test centers July 1, 2022.

Chief Gharahgozlou recognized the IT and Exam Development staff for their work during the transition to PSI. Chief Gharahgozlou added that over the last six months, exam development created over 80 new examination versions for CSLB's 47 exams to send to PSI for administration.

### Board Member Comment:

Board Chair Granzella asked Chief Gharahgozlou to provide the cost of PSI transition at the next board meeting.

Member Love asked about the CMEA fund and if it is appropriated every year.

Manager Paul explained CSLB is appropriated every year and because CSLB was receiving so many donations, CSLB asked to increase the authority up to \$175,000.

### Public Comment:

There was no public comment.

## **F. Enforcement**

Chair Granzella introduced agenda item F, Enforcement, led by Chief of Enforcement Steve Grove.

### **1. Enforcement Program Update**



Chief Grove gave a brief update on staff vacancies within the Enforcement Division, stating Enforcement has 229.5 allocated positions out of the 430 Board wide positions. Chief Grove stated Enforcement had 23 vacant staff positions but four of the positions are in the process of being filled and the remaining positions are in the various stages of the hiring process.

Chief Grove provided summaries of two recent field investigations that illustrate the Enforcement division continues to prioritize the investigation of egregious misconduct in the construction industry. One of the investigations involved Salvador and Pamela Chiamontes and Amy Perry in the Santa Rosa area and Samuel Crain in Shasta County.

Chief Grove explained the statistical overview of the Enforcement division was located on page 114 of the packet and the statistics covered the fiscal year of Jul1, 2021 through April 31, 2022. Chief Grove stated during the nine-month period, the division initiated 15,385 complaint investigations, which is over 1,700 complaints per month and a 20% increase over the previous fiscal year. Chief Grove stated they are working with management and division supervisors to address the productivity with the increase of incoming complaints. Chief Grove went on to highlight division achievements located on page 115 of the packet.

Chief Grove explained that CSLB's Statewide Investigative Fraud Team (SWIFT) has been busy with their preventative enforcement efforts and have conducted 11 undercover sting operations, participated in 242 days of Enforcement sweeps and responded to 823 leads. Chief Grove said as a result of these activities, SWIFT closed 2,995 cases.

Chief Grove said one of the major hurdles for SWIFT staff has been obtaining a property to conduct stings, whether they be commercial buildings or private residences. Chief Grove stated that SWIFT has conducted 12 operations in the current calendar year, but the overall number of stings remains low. Chief Grove recounted recent sting operations in Fresno, South Lake Tahoe, and Butte County.

## **2. Update on the Solar Energy System Restitution Program**

Chief Grove provided an update on CSLB's Solar Energy System Restitution Program (SESRP). Chief Grove gave a brief overview of the SESRP history and overview. Chief Grove explained that as of June 3, 2022, 210 claims had been received by CSLB and of those, 64 claims have approved and sent to DCA for the issuance of checks. Chief Grove said the total amount of approved restitution is almost \$760,000.

Chief Grove explained CSLB is continuing SESRP outreach with a new bilingual press release and letters sent to prior complainants who were potential program claimants. Chief Grove added that CSLB is continuing collaborate with other stakeholders to maximize the visibility of the program.



Board Member Comment:

Member Mark asked if there is a per diem provided to property owners for sting sites.

Chief Grove confirmed property owners are paid for the use of the property.

Public Comment:

There was no public comment.

**G. Public Affairs**

Chair Granzella introduced agenda item G, Public Affairs, led by Public Affairs Committee Chair Michael Mark.

**1. Public Affairs Update**

Chair Mark highlighted the five “Get Licensed to Build” webcasts Public Affairs has hosted since the last Board meeting in March, stating two of the videos were in Spanish. Chair Mark explained the workshops are in English and in Spanish. The Spanish workshops include Spanish-speaking staff who answer questions in real time. The videos are then posted to the CSLB website for further viewing. Chair Mark stated providing multi-media content in English and Spanish is part of the larger Public Affairs strategic plan goal of improving user experience and accessibility.

Chair Mark stated the number of social media followers on CSLB’s accounts had continued to increase on every social media service since the beginning of the new year. Chair Mark said the increase demonstrates staffs hard work in getting the word out about CSLB’s consumer protection mission. Chair Mark explained posts include Licensing and Enforcement topics, as well as special issues and disaster related posts. Chair Mark went on to highlight Public Affairs stakeholder communications, ongoing media relations work and their work with California legislators on CSLB’s consumer and Senior Scam Stopper workshops.

Chair Mark commented that Public Affairs staff help to inform the public and manage the CSLB website which they believe is one of CSLB’s most effective tools.

Board Member Comments:

Member Love asked if the CSLB videos had sign language for the hearing impaired.

Chief Jamnetski said they were not sure about sign language specifically, but they would look into it for Member Love and let them know.

Public Comment:

There was no public comment.



Chair Granzella announced a 10-minute break at 10:28 a.m.

CSLB Board members returned to session at 10:46 a.m.

## **H. Legislation**

Chair Granzella introduced agenda item H, Legislation, led by Legislative Committee Chair James Ruane.

### **1. Legislation**

Chief Jamnetski provided an update on 2021-2022 pending Legislation that was previously considered by the Board. Updates were also provided on AB 646, AB 1733, AB 1747, AB 1874, AB 2105, AB 2374, SB 1237, and SB 216.

Committee Chair Ruane explained that the information provided by Chief Jamnetski were updates only and there would be no action required by the Board on them.

#### Board Member Comment:

There was no comment.

#### Public Comment:

There was no public comment.

Committee Chair Ruane explained legislative bill AB 2894, which requires a licensed contractor with workers' compensation insurance to inform CSLB of the workers' compensation classification code or codes endorsed on the policy and requires CSLB to post that information on its website.

Chief Jamnetski explained the bill's fiscal impact on the Board. Chief Jamnetski said language was going to be added to the bill to include the information required by the bill on the existing CSLB renewal form to reduce the fiscal impact to the Board.

Chair Ruane explained legislative bill AB 2916, which provides CSLB discretion to publicly disclose a Letter of Admonishment (LOA) on a contractor's license for either one or two years depending on the severity of the alleged violation. Chair Ruane explained that, due to the timing of amendments proposed to the bill, the Board was unable to hear the bill at a regularly scheduled meeting. Chair Ruane also explained that CSLB staff worked with Chair Ruane and Board Chair Granzella to propose technical amendments to the author's office.

Chief Jamnetski explained that existing law provides that LOAs be disclosed for one year and that prior to the current board meeting, the bill was amended to require CSLB



to publicly disclose LOAs for two years. Chief Jamnetski explained that they worked with Chair Granzella and Legislative Chair Ruane to propose amendments that would authorize the Board to determine when disclosure should be one year or two years. Chief Jamnetski explained that providing the Board this discretion would preserve the intent of the LOA program. Chief Jamnetski explained that Chair Ruane and Chair Granzella provided staff the authority to take a support position on the bill when the amendments were eventually made.

Board Member Comment:

Member Mark asked for clarification about whether a request to the Board was presently needed, given a support a position was communicated when the bill was amended,

Chief Jamnetski explained that in this case because a bill affecting CSLB was introduced that required action be taken before the Board could publicly meet, staff used the authority provided in the Board procedure manual that allows the Legislative Committee Chair and the Board Chair to authorize staff to issue a support position.

Public Comment:

There was no public comment.

Chair Ruane introduced legislative bill SB 1076, which requires the State Department of Public Health (CDPH) and CSLB implement an education program that would inform Californians affected by lead renovation, repair, and painting requirements. Chair Ruane added that staff worked with the Board Chair and Committee Chair Ruane to provide possible technical amendments to the bill.

Chief Jamnetski provided an update on the bill and explained the technical amendments staff provided to the author's office recommend that the CDPH implement the education program and CSLB publish any CDPH education materials on its website

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Chair Ruane introduced legislative bill SB 1164, which requires the California Energy Commission (CEC) draft a report to the Legislature that would propose development of a statewide HVAC database that stores compliance, installation, and acceptance test documentation for HVAC systems. Chair Ruane added that the bill requires CEC



consult with CSLB in drafting the report. Chair Ruane explained staff recommend the Board support this bill.

Chief Jamnetski said the bill was recently amended and provided an update on the bill. Chief Jamnetski said that the description in the board packet about the HVAC compliance program to be created by the bill is still accurate, but that instead of requiring CEC to draft a report to the Legislature about creating the program, CEC will create the program through its rulemaking process. Chief Jamnetski said the bill is designed to encourage compliance with Title 24 HVAC standards.

Board Member Comment:

Member Frank Altamura asked if consumers would be required to register their HVAC systems with the state.

Chief Jamnetski said they're creating a tracking system for the purchase of HVAC systems. The tracking system will confirm the license number of the contractor purchasing the system, the license contractor license number, whether a permit was obtained.

Member Steve Panelli asked how the reporting system described in the bill would track information when the HVAC system is just being updated, not a full install.

Chief Jamnetski did not have the answer to that question but said they could include Member Panelli on communications with the author's office to get the answer to the question.

Public Comment:

There was no public comment.

**Motion:** To support SB 1164. Michael Mark moved; Miguel Galarza seconded. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura		✓			
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				

Johnny Simpson	✓				
Mary Teichert			✓		

Chair Ruane introduced legislative bill SB 1443, which changes the statutory sunset date of the CSLB form January 1, 2024, to January 1, 2025.

Chief Jamnetski said the Board has already reviewed it and said it relates to the sunset date being extended one year due to COVID delays.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Chair Ruane introduced legislative bill SB 1495 which as written (as a committee omnibus bill) does not affect CSLB but staff worked with the Board Chair and Legislative Committee Chair to suggest technical amendments to the bill regarding the CSLB solar restitution program.

Chief Jamnetski explained that CSLB jurisdiction to investigate a complaint and take a disciplinary action (that would provide for a formal administrative hearing) against a license is four-years from the contracting activity. An exception is a solar recovery fund claim that may be filed for contracting activity that occurred on or after January 1, 2016. The statute governing the recovery fund provides for CSLB to send to arbitration solar restitution claims for work that occurred more than four years ago. The amendment staff proposed would exempt contractor’s licensed and in good standing from public disclosure if the contacting activity was outside of CSLB general complaint handling four-year statute of limitations.

Board Member Comment:

Member Altamura asked why CSLB would disclose after a license is already revoked.

Chief Jamnetski and Registrar Fogt jointly answered the question. They explained that the fund program currently provides that disclosure be made against a contractor’s license but does not consider whether the license has been revoked or not. They explained that this creates a problem when a contractor is still in business (as opposed to a revoked contractor), is identified by the CSLB solar energy system restitution program as a contractor that harmed a solar consumer, and the CSLB statute of limitations prevents CSLB from investigating the contractor. The explained that in those cases, the contractor disputes the claim payout, largely because it would result in disclosure on their license. This prevents the consumer from receiving restitution. They



explained that the amendment requested would allow CSLB to provide restitution in those cases without regard to whether the contractor disputes the claim.

Public Comment:

There was no public comment.

Chair Ruane stated a legal services group reached out to CSLB and DFPI regarding a restitution fund for consumers harmed by contractors who sold them Property Assessed Clean Energy (PACE) loans and that the group was lobbying the government to create an additional restitution fund at CSLB for this purpose

Chief Jamnetski updated the Board on the status of the group's proposal, which is a \$ 65 million request to the Legislature to allocate general fund money to CSLB for this purpose. Chief Jamnetski said the proposal was not included in the budget bill.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

**2. Regulations**

Committee Chair Ruane introduced agenda item H2, Regulations.

Board Chair Granzella explained that Board Member Alan Guy represents B General Building contractors on the Board and is an officer for Anvil Builders and Anvil Power Inc. that holds a C-10 classification. Chair Granzella added that legal counsel determined that member Guy does not have a conflict of interest regarding Battery Energy Storage Systems or BESS and there is no need to recuse themselves from voting on BESS agenda item.

Chair Ruane explained the first item for discussion is H2a: review, discussion, and solicitation of public comment of the expert report regarding a recommendation for possible regulatory rulemaking that would authorize a C-46 solar contractor to install battery energy storage systems to an appropriate kilowatt-hour threshold. Chair Ruane explained that regardless of any discussion of this agenda item or any Board vote in the next agenda item, no laws are being made and no license classification descriptions are being changed at this time.

CSLB's regulatory counsel Danielle Rogers provided the Board with a description of the regulatory rulemaking process.





Board Member Comment:

Member Love asked if there was someone present to speak to fire codes. Member Love requested clarification on home capacity and maximum allowances.

Chief Jamnetski said public comment would likely clarify Member Love's questions.

Chair Ruane provided a summary of the Board's actions to date on the BESS topic. Chair Ruane recounted the public meetings, discussions with California Solar and Storage Association (CalSSA) and National Electrical Contractors Association / International Brotherhood of Electrical Workers Labor Management (IBEW-NECA), and the UC Berkeley study. Chair Ruane explained CSLB recently published a report in consultation with expert consultants as requested by the Board at the March 30, 2022, Board meeting. Chair Ruane said the report recommends the Board consider amending the C-46 solar contractor classification to expressly permit them to install a BESS up to 80 kWh when installed as incidental and supplemental to the solar photovoltaic energy system being installed at the same time.

Registrar Fogt added that the BESS matter began in 2016 but efforts to develop a mutually agreed upon proposal for Board consideration have not been successful. Registrar Fogt stated CSLB staff are of the opinion that after years of presenting this topic at public board meetings where facts, evidence, and research reports were discussed, that CSLB must commence the regulatory process to include BESS within its specialty contractor regulations.

Board Member Comment:

Member Simpson stated the CSLB has done their due diligence, it is time to act and that they support the staff recommendation.

Member Galarza asked if they are setting a kilowatt hour that will be significantly lacking as we move away from fossil fuels. Member Galarza asked to consider the bar be set so it does not disenfranchise small businesses or the workforce.

DCA Legal Counsel Jason Hurtado clarified that this agenda item is for soliciting Board member and public comment only.

Member Love asked for clarification on the regulatory rulemaking process.

Chief Jamnetski explained the regulatory rulemaking process.

Legal Counsel Hurtado explained that today the board is asked to consider directing staff to commence the rulemaking process and any proposed text would circle back to the Board for final approval.



Member Mark asked if the current average for residential projects 20 kilowatt-hours and 35 kilowatt-hours are for commercial. Member Mark added that the report's 80 kilowatt-hours target future industry.

Chief Jamnetski stated the report numbers are a compilation of 2015 through 2020 interconnection data throughout the state.

Member Altamura asked about unresolved issues regarding C-46 contractors installing just a battery on an existing system and the economic impact.

Chief Jamnetski stated the recommendation would be to address both issues during the regulatory rulemaking process.

Public Comment:

Heather Minner, CalSSA Legal Counsel, requested a rational rule that does not burden the solar industry and its customers. Minner added the 80-kilowatt hour threshold will be harmful to the solar industry and it would additionally affect contractors with dual licenses, C-10, and C-46 because it would require contractors to use certified electricians and there are not enough certified electricians available.

Mike Mendoza, state certified electrician, commented on C-46 only contractors installing energy storage systems when paired with PV solar. Mendoza stated it is an issue of safety, of equity, and precedent. Mendoza continued that most C-10 electrical contractors are non-union shops, but all C-10 contractors are required to use certified electricians to perform electrical work, and this is no different than requiring a solar contractor to hold a roofing license if they want to replace a customer's roof before installing solar.

Joel Pickett, California state certified electrician, stated this is not about taking jobs away from C-46 contractors and most solar contractors already hold a C-10 license or other license that allows them to install energy storage systems. Pickett added the matter is based on CalSSA's claims to protect their contractors that won't be able to expand into the energy storage work without investing in additional safety training.

Meghan Stimler, Solar Hut, stated they have been installing batteries since 2008 and have contacted C-10 contractors in their area to help them and have not received responses. Stimler added the demand to add batteries increases every day from their existing customers and requests they not be limited in their ability to move forward in advancing technologies.

Renee Cruz-Martinez, utility employee, disagrees that there is justification to expand the scope of the C-46 contractor license but if the Board did amend the C-46 class to allow some BESS, they recommend a limit based on the size of the battery system due to technical safety and economic perspective.



Charlotte Stevens, utility employee, stated this is an issue of safety and equity and is not about union jobs and that most C-10 electrical contractors are non-union shops, but all C-10 contractors are required to use certified electricians to perform electrical work, and this is no different than requiring a solar contractor to hold a roofing license if they want to replace a customer's roof before installing solar.

Natalie Higley, who works in the electrical industry, stated enforcing traditional contractor license classification requirements would have no impact on solar energy storage installation other than to improve safety and quality. Higley stated they support clarifying this through the regulatory rulemaking process and encourage lowering the threshold size.

Rachel Shoemake, California state certified electrician, supports a threshold that is consistent with the existing contractor classification regulatory framework allowing incidental and supplemental work and added that at a certain size a battery is so large it can no longer be considered incidental and supplemental to a solar PV system installation. Shoemake supports moving forward with regulations.

Juan Perez, state certified electrician, stated this is not about taking jobs away from C-46 contractors and most solar contractors already hold a C-10 license or other license that allows them to install energy storage systems. Perez added the matter is based on CalSSA's claims to protect their contractors that won't be able to expand into the energy storage work without investing in additional safety training.

Georgina Jalawathi, state certified electrician, thinks anybody installing anything in regard to an electrical system be required to have an electrical certification and agrees with setting a kilowatt-hour capacity threshold for energy storage and added that at a certain size a battery is so large it can no longer be considered incidental and supplemental work. Jalawathi asked to move forward with the regulatory process.

Peter Seeberg, state certified electrician, agrees with setting the kilowatt-hour capacity threshold for energy system work performed by C-46 contractors and added that at a certain size a battery is so large it can no longer be considered incidental and supplemental work. Seeberg wanted to move forward with regulations to clarify this issue.

Will Smith, state certified electrician, asked the Board to consider common sense before making their decision.

Stephen Booker, state certified electrician, supports limiting the size of the battery energy storage systems installed by C-46 contractors as incidental and supplemental work to a solar project. Booker added they think 80 kilowatt-hours is on the high end of what should be allowed but supports moving forward to create certainty in the industry.

Jason Gumataotao, state certified electrician, stated they are one of over 200 certified electricians in the city of Oakland and C-46 contractors don't hire electricians like



themselves and asks the Board to consider equity and opportunities in the city of Oakland and other cities in California regarding C-46.

Brandon Carlson, Allume Energy C-10 contractor, stated they are present on behalf of the C-46 contractors because they believe there is information in the staff report that is misleading or wrong. Carlson offered to donate their time to address some of the concerns in the report.

Derek Cole, state certified electrical worker, stated they do not see justification to expand the C-46 license to further overlap with the C-10 electrical scope and they recommend limit size of the battery storage system.

Martin Hertzfeld, C-10, C-46, C-7, D-31, and D-56 licensed contractor, strongly suggests not making any changes and leaving the classification as it is.

Dustin Sable, who works for a contractor, asked the Board to remember these are separate systems with separate requirements.

Alex Lantsberg, SFEU, supports establishing regulations for C-46 contractors on energy systems and said allowing C-46 contractors to enter this market is an abdication of the state's workforce development goals and the state's push towards clean energy and a disservice to the people who will be using this technology.

Judiah Castro, electrician, encouraged the Board to limit C-46 installation of energy storage and photovoltaic solar and said their primary concern is the safety of the public. Castro added that they support setting a clear limit on battery systems and they agree with Member Simpson, that they have heard this all before and it is time to act.

Carla Palmer, who works for an electric contractor, supports the 80-kilowatt-hour threshold, and supports moving forward with regulations in this area.

William Minyard, CCE, stated they do not see justification to expand the C-46 license to further overlap with the C-10 electrical scope and recommend limiting the size of the battery storage system.

Gretchen Newsom, IBEW 569 in San Diego, said this will impact the work outlook of thousands of electricians as well as the safety and quality of life for the public. Newsom said energy storage construction and installation should be done by C-10 contractors that employ certified electricians. Newsom said the proposal could lead to low-road jobs and abandonment of public safety by allowing C-46 contractors to perform electrical work using lower-paid, untrained non-electricians. Newsom asked the Board to take these deliberations very seriously because they will impact future generations.

Ben Davis, CalSSA, agrees with CalSSA counsel that 600 kilowatts is the appropriate threshold if a threshold is being set and that 80 kilowatt-hours would be harmful to the market. Davis added that the knowledge, skills, and code regulations required to install



an 80-kilowatt-hour energy storage system is the same for energy storage systems that are larger than 80 kilowatt-hours and the regulations change at 600 kilowatt-hours.

Mark Buck, state certified electrician, stated they believe 80 kilowatt-hours is too high and believe 40 kilowatt-hours would be better, but they support the Board moving forward at this time.

Kyle Church, licensed electrician, stated it does not make sense to expand the scope of C-46 contractor license at the expense of contractors that hold the correct licenses but suggest sticking with the 80 kilowatts and recommend keeping it to residential systems.

Jessie Padilla, electrician, stated they oppose expanding the C-46 license at all and 80 kilowatt-hours is too high but support having staff move this to the regulatory process.

Jeanine Cotter, Luminalt, stated solar contractors have been doing this work for a long time and DIR electrician certification has told their workers they are not qualified to sit for the exam because hours worked for solar cannot qualify a candidate. Cotter added the decision today would bar them from being able to do that work.

Bernie Cotlier, California Labor Management Cooperation Committee, stated the state does not require a C-46 worker to be trained, tested, or certified, so there is no way for a consumer hiring them to know how much training they have or whether they are capable of doing this work and added qualified people are needed to perform this work.

Tom Enslow, IBEW-NECA labor management and cooperation committee, stated under this proposal C-46 contractors will continue to be able to install the majority of PV energy storage systems. Enslow explained that 80-kilowatt-hour standard correlates with safety fire risk, the more capacity/energy it stores the greater the risk.

Eddie Bernacchi, NECA, stated BESS was jurisdiction creep that was allowed by the Board by placing questions from industry experts from the solar industry on the examination that related to battery energy storage about six years ago. Bernacchi added the electrical industry believes this is separate electrical work, but they urge the Board to move forward with regulations today and they support staff recommendations.

Billy Hall, Luminalt, stated they have been doing solar for eight years with safety as a top priority and they will continue to do so.

Christopher Smith, C-10 contractor, commented that if you have a C-46 license, it would be easy to get a C-10 license and would allow you to make your mark in the industry in terms of safety and knowledge.

Chair Ruane introduced agenda item H2b; review, discussion, and possible action by the Board to initiate the rulemaking process pursuant to the Administrative Procedure Act to amend the California Code of Regulation, Title 16, Sections 810, 832.10 and 832.46 relating to the scope of the C-10 and C-46 contractors' authority to perform work



relating to battery energy storage systems. Chair Ruane explained the draft regulatory language is consistent with the recommendation of the CSLB staff report in consultation with expert consultants as discussed in the previous agenda item and any vote the Board makes today is not establishing new law or changing any license classification.

Staff recommendation: approve the proposed regulatory text for California Code of Regulations, Title 16, sections 810, 832.10, and 832.46. Authorize the Registrar to take all steps necessary to initiate the rulemaking process; making any non-substantive changes to the text and/or rulemaking package as needed throughout the process; and, if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested.

If the CSLB and/or Registrar does not receive any adverse comments during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at California Code of Regulations, Title 16, sections 810, 832.10, and 832.46 as filed with the Office of Administrative Law for public notice, and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Public Comment:

Heather Minner, CalSSA Legal Counsel, recommends sending this to the Legislative Committee prior to the Board acting and any draft language should allow solar contractors to repair the batteries they have already installed.

Jeanine Cotter, Luminalt, referred to an article about Melissa Brewster who runs their construction production unit and mentioned how this decision may affect workforce diversification.

Brandon Carlson, C-10 contractor, stated that electrification is coming and as gas is being phased out in housing, the demand is coming for larger solar electrical systems. Carlson recommended not to set low thresholds.

Eddie Bernacchi, NECA, stated that through the regulatory process changes can be made to whatever proposals are being considered and reminded the Board that the UC Berkeley report recommended that the work only be performed by C-10 contractors.

Tom Enslow, IBEW-NECA labor management and cooperation committee, stated that this concern is about jurisdiction creep and all specialty contractors should be concerned. Enslow recapped the regulatory rulemaking process for the Board.

Board Member Comment:

Member Love commented that the issue is complex and asked for a definition of non-substantive changes in relations to the regulatory rulemaking process.



Chief Jamnetski explained that non-substantive would be a change such as grammatical or typo changes and that substantive changes such as changing the kilowatt hour amount would come back to the board.

Member Mark commented that they believe 80 kilowatt-hours is high but agrees 80 kilowatt-hours is a good compromise.

Chair Granzella mentioned that the Board has listened to impassioned speeches regarding this issue for the last six years and it is a very important decision to make. Chair Granzella added that this issue impacts industries and consumers and their vote would be to support the staff recommendation and move into the regulatory rulemaking.

**Motion:** Initiate the Regulatory Rulemaking process to amend California Code of Regulations, Title 16, Sections 810, 832.10 and 832.46 relating to the scope of the C-10 and C-46 contractors' authority to perform work relating to battery energy storage systems. Moved by Johnny Simpson; seconded by Michael Mark. Motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura		✓			
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza		✓			
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

**I. Adjournment**

**Motion:** Adjourn June 16, 2022, Board meeting. Moved by Johnny Simpson; seconded by Michael Mark.

Susan Granzella adjourned the Board meeting at 12:48 p.m.





## AGENDA ITEM D-2

# Review and Possible Approval of the August 3, 2022, Enforcement Committee Meeting Summary Report





# CONTRACTORS STATE LICENSE BOARD

## ENFORCEMENT COMMITTEE MEETING SUMMARY REPORT

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

Enforcement Committee Chair Michael Mark, called the meeting of the Contractors State License Board (CSLB) to order on Wednesday, August 3, 2022, at 9:05 a.m., via WebEx teleconferencing. A quorum was established.

#### Committee Members Present

Michael Mark, Committee Chair  
Rodney Cobos  
Jacob Lopez  
Alan Guy  
Susan Granzella

#### CSLB Staff Present

David Fogt, Registrar	Amy Lawrence, Public Affairs
Michael Jamnetski, Chief Deputy Registrar	Stacey Paul, Executive Staff
Foad Gharahgozlou, Chief of Licensing	Mariah Rovera, Executive Staff
Mike Melliza, Chief of Administration	Alison Adams, Enforcement Staff
Steve Grove, Chief of Enforcement	

#### DCA Staff Present

Shelly Jones, DCA Staff – Host and Moderator  
Joseph Chin, Board Counsel  
John Cumming, Board Counsel

#### Members of the Public Present

Greg Leonard	Hua Wang
David Shue	Martin Herzfeld
Cary Harwin	Gorgina Halafia
Judy Huiggins	Davi Rodrigues
Ben Brown	Mark Phelps
Jeanette Gallant-Gronsky	Josh Buswell-Charkow
Gus Kubrick	Phil Vermeulen, CLC
Steven Melton	City Rise
Scott Bateman	Benjamin Mora
Sabrina Hernandez	James Alvarez
Terry Seabury	Sven Kaludzinski
Cesar Lopez	Arely Payne



Committee Chair Michael Mark opened the meeting with the Pledge of Allegiance. Followed by welcoming newest Board and Committee Member, Jacob Lopez, who was appointed to the Board last month and assigned to the Enforcement Committee by Mary Teichert. Lopez is a public member appointed by the Senate. Lopez is employed by Southern California Carpenters.

## **B. Public Comment**

Chair Mark introduced the public comment section and explained that this section is provided for public comment pertaining to items not on the agenda.

Moderator Shelly Jones read a comment from Cesar Lopez explaining that licensed contractors cannot compete with unlicensed business.

Davi Rodrigues is concerned that many municipalities do not believe they are subject to CSLB laws. Furthermore, Rodrigues believes that artists need outreach from CSLB to educate them on licensing requirements. Rodrigues requests a future agenda item to address these two items. Chair Mark advised Rodrigues to leave their information in the chat feature so that CSLB staff can reach out to them.

### Committee Member Comment:

There was no committee member comment.

## **C. Enforcement Program Update**

### **a. Staff Vacancy Update**

Chair Mark referred to the Staff Vacancy table, which shows 37 vacancies for CSLB Enforcement Division as of July 21, 2022. It was discovered subsequently that there are 25 vacancies, including staff out on extended leave. Enforcement Management has moved quickly to fill vacant positions, but report that the tight labor market has presented challenges.

### **b. Complaint Handling Statistics**

Chair Mark referred to the Statistical Overview of Enforcement Division activity for fiscal year 2021/22, which shows the following information:

- Enforcement Division opened 19,158 complaint investigations (a 16% increase over the previous FY)
- 4,747 pending investigations (goal of 3,620) as of the end of July
- 261 aged cases (goal of 100) as of the end of July



Chair Mark provided additional information to the committee regarding the backlog of complaints and increase in aged cases. Chair Mark noted that Enforcement Chief Steve Grove is working diligently to fill vacancies, a limited amount of overtime has been approved, and Enforcement supervisors are monitoring caseloads and production.

Chair Mark outlined Enforcement Division accomplishments for fiscal year 2021/22 as follows:

- Over \$22M is restitution returned to financially injured consumers
- 506 cases referred to criminal prosecution
- 218 accusations filed for license revocation or suspension
- 1,551 administrative citations issued
- Almost \$1.9M in civil penalties collected
- 354 Letters of Admonishment issued

Chair Mark outlined SWIFT accomplishments in fiscal year 2021/22 as follows:

- Conducted 17 undercover sting operations
- Participated in 337 enforcement sweeps
- Responded to 996 leads
- Completed 2,972 investigations resulting in
  - 390 referrals to DAs for criminal prosecution
  - 598 citations issued
  - 129 Letters of Admonishment issued
  - 319 stop orders issued
  - 1,386 advisory notices issued
- Over \$10M outstanding liabilities collected or resolved in joint efforts with partnering agencies
- Participated in the nationwide enforcement operations coordinated by NASCLA from June 6-24, 2022
  - Conducted three undercover stings, made 53 sweeps on construction sites, working in 20 counties throughout California
  - Resulting in 142 legal actions and 40 stop orders

This is an information only item.

Public Comment:

Steven Melton, a floor contractor in Fresno CA, is concerned because he is losing business to unlicensed workers. Melton would like to know what can be done about this. Chair Mark advised Melton to leave their information in the chat



feature so that CSLB staff can reach out to them, and informed Melton about the Fresno Office.

Moderator Shelly Jones read a comment from a member of the public who inquired if there a place on the website where these statistics can be downloaded. Shelly Jones and Chair Mark confirmed that this information is included with the meeting materials.

Committee Member Comment:

Board Member Susan Granzella inquired how we are positioned and what the game plan is to ramp up SWIFT operations and general enforcement in the coming year. Chief Grove confirmed that he has been working with staff and is anxious to get back to normal levels of sting operations, however Chief Grove is currently having difficulty finding sting properties and has put out requests seeking assistance from contractors and the public. Chair Mark commented that the amount of unlicensed activity that is being caught is great - given the number of vacancies CSLB had.

**D. Update, Review, Discussion, and Possible Action on 2022-24 Enforcement Strategic Plan Objectives**

Chair Mark provided updates on five of the Enforcement Division's six strategic goals and asked for possible committee action on three of them.

Strategic Goal 2.1

Chair Mark introduced Strategic Goal 2.1, which reads: Leverage current enforcement tools to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses.

Chair Mark explained that the issue is how to steer errant contractors into educational courses that would help them better comply with Contractors License Law requirements. Chair Mark highlighted the Letter of Admonishment (LOA) and the Accusation. Chair Mark clarified that the LOA could require a contractor to complete a specified training as part of a corrective action plan but is a lower level of corrective action. Also at present, the only mechanism to compel a licensee to complete a mandated training course related to an Accusation is to file a second Accusation, which is a costly and time-consuming process. Chair Mark explained that ideally, a respondent who was required to complete training as the result of an Accusation would have their license automatically revoked if they failed to comply. Chair Mark added that industry leaders and Deputy Attorney General liaisons were receptive to the change, and that CSLB staff has



identified several training classes that could be appropriately prescribed for specific violations.

Committee Member Comment:

Board Member Susan Granzella inquired whether we would have the list of classes and information on how they would remedy the specific violations available for the full board. Registrar Fogt assured that CSB would have that information available for the full board meeting on August 30, 2022.

Public Comment:

Jeanette Gallant-Gronsky’s concern is related to the previously discussed SWIFT issue. Upon learning about CSLB processes, they would like to know if there could be an option that would allow complainants to contact someone to come investigate and possibly work on a solution before the problem progresses. Chair Mark advised Gallant-Gronsky to leave their information in the chat feature so that CSLB staff can reach out to them.

Steven Melton expanded on their previous public comment regarding unlicensed contractors in the Fresno area.

**MOTION:** For the Enforcement Committee to request the full board consider a legislative proposal authorizing CSLB to automatically revoke a license subject to a formal disciplinary order if the receiving respondent does not complete a specified instructional course and/or take and pass the business law or trade exam. Board Member Rodney Cobos moved; seconded by Board Member Susan Granzella. The motion carried, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Michael Mark	✓				
Rodney Cobos	✓				
Susan Granzella	✓				
Alan Guy	✓				
Jacob Lopez	✓				

Strategic Objective 2.2

Chair Mark introduced Strategic Goal 2.2, which reads: Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

Chair Mark provided the committee with background about the underground economy. Chair Mark explained that industry leaders were supportive of CSLB efforts but pointed out that without knowing the full extent the underground



economy, it is difficult for CSLB management to determine whether the limited enforcement resources are being properly allocated. Therefore, CSLB staff is recommending that an outside contractor be hired. Chair Mark explained that the specific scope of work could be found within the packet, but that the two general objectives are to better assess the size of California’s underground economy in the construction industry, and to review all CSLB enforcement operations and staffing to ensure public safety is optimized.

Public Comment:

There was no public comment.

Committee Member Comment:

There was no committee member comment.

**MOTION:** Enforcement Committee recommends to the full board that up to \$75,000 be authorized to hire a private consultant to assess CSLB enforcement operations and staffing, as specified. Board Member Rodney Cobos moved, seconded by Board Member Alan Guy. The motion carried, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Michael Mark	✓				
Rodney Cobos	✓				
Susan Granzella	✓				
Alan Guy	✓				
Jacob Lopez	✓				

Strategic Objective 2.3

Chair Mark introduced Strategic Goal 2.3, which reads: Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors’ state license law (CSLL) and other business requirements.

Chair Mark provided information to the committee, including that industry experts are supportive of the goal, Registrar Fogt has been in touch with representatives from the Joint Enforcement Strike Force (JESF) regarding their participation/assistance in future licensing workshops, and that EDD has confirmed they will include CSLB in their construction related seminars and workshops. The Public Affairs office will be taking the lead in coordinating. This is an information only item

Public Comment:

There was no public comment.



Committee Member Comment:

Chair Mark informed the committee that he attended the meeting on July 6<sup>th</sup> and confirmed that there are several industry experts in the field trying to tackle the underground economy. Chair Mark supports this coordinated effort.

Strategic Objective 2.5

Chair Mark introduced Strategic Goal 2.5, which reads: Research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce contractors state license law requirements.

Chair Mark explained that this goal was discussed at the July 6<sup>th</sup> meeting and the consensus was that a dedicated public works unit was not necessary. The existing Quality Assurance Unit could give appropriate attention to public works investigations if the unit was augmented to include four Special Investigator positions, whose duties would include public works complaints, “Dig Alert” investigations, electrician certification violations, media sensitive complaints, and other special assignments.

Chair Mark stated that the committee may want to consider this an information only item but could also make a motion to refer the matter to the full board to amend the strategic goal.

Committee Member Comment:

Board Member Susan Granzella had concerns regarding how CSLB went from research to dedicating four special investigators. Board Member Granzella added that it seemed very narrow as an objective and inquired how we got there and whether it was necessary to bring the issue forward. Registrar Fogt explained that CSLB performed outreach to compliance groups and looked at public works complaints as part of the process. The thought was to place the special investigators who were already handling specialized investigations under one supervisor and then provide cross training. Registrar Fogt added that there is a need for a dedicated unit for public works complaints but does not want to take away from consumer filed complaints and added that CSLB was able to identify three special investigator positions. The proposal would be to move those positions, as well as a vacant position from the Testing Center, into the Quality Assurance Unit. Registrar Fogt recommends making a motion to the full board since this is a change to the original objective.

Board Member Alan Guy agreed that there is a need for a specialized positions to investigate public works complaints and thinks it is a good idea as long as it does not impact the ability to address consumer complaints.





Board Member Rodney Cobos inquired whether this would limit CSLB options if more positions were needed. Registrar Fogt stated that CSLB is always evaluating workload and explained that additional positions could be requested during the budget process but at this time it is believed that four positions are sufficient.

Chair Mark provided the committee with a review of the two options: keep this as an information only item or amend the strategic goal.

Public Comment:

Davi Rodrigues expanded on their previous comment regarding unlicensed contractors.

James Alvarez inquired whether the board plans to expand their exemptions to reflect the national average and reciprocity states. Additionally, Alvarez inquired whether the board would be allowing open book testing. Chair Mark advised Alvarez to leave their information in the chat feature so that CSLB staff can reach out to them.

**MOTION:** Refer the matter to the full board with a recommendation to amend the Strategic Goal. A potential amendment would change the goal from “research the need for a public works unit” to “dedicate four Special Investigators to work specified public works complaints within the existing Quality Assurance Unit. Board Member Cobos moved; seconded by Board Member Susan Granzella. The motion carried, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Michael Mark	✓				
Rodney Cobos	✓				
Susan Granzella	✓				
Alan Guy	✓				
Jacob Lopez	✓				

Strategic Objective 2.6

Chair Mark introduced Strategic Goal 2.6, which reads: Continue to enforce workers’ compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees.

Chair Mark provided the committee with additional information, including that the maximum civil penalty for filing a false exemption from workers’ compensation insurance was recently increased from \$5,000 to \$30,000 (Assembly Bill 569), and that this goal was strongly supported by industry representatives at the July 6<sup>th</sup> meeting.



Committee Member Comment:

There was no committee member comment.

Public Comment:

There was no public comment.

**E. Adjournment**

**MOTION:** To adjourn the August 3, 2022, Enforcement Committee meeting. Board Member Rodney Cobos moved; seconded by Board Member Alan Guy. The motion was not voted on. The Enforcement Committee meeting adjourned at approximately 10:15 a.m.

## AGENDA ITEM D-3

# Registrar's Report





# AGENDA ITEM D-4

## CSLB Budget Update





### CSLB Budget Update

#### Final Fiscal Year (FY) 2021-22 CSLB Budget Summary

CSLB had an enacted authorized Governor’s Budget of \$75 million and projects final year-end board expenditures at \$70 million.

In addition to its expenditures in the ordinary course of business, the board projects \$5.7 million in external costs and \$2.6 million from a one-time payment to the General Fund June of 2022 (further details are in the Fund Condition below), for total costs and expenditures of approximately \$8.3 million.

The CSLB beginning reserve balance was \$1.9 million with a final revenue projection at \$81 million. As a result of these figures and projections, CSLB anticipates a fund reserve of \$5.2 million to commence FY 2022-23, which is slightly less than one month of spending.

This information is summarized in the chart below:

FY 2021-22 BUDGET SUMMARY	
Description	Amount
Beginning Reserve Balance	\$1,865,000
Final Revenue <i>(Projected)</i>	\$81,430,000
Board Expenditures <i>(Projected)</i>	\$69,700,000
External Costs <i>(Projected)</i>	\$5,728,000
One-Time General Fund Payment	\$2,622,000
<b>Ending Reserve Balance <i>(Projected)</i></b>	<b>\$5,245,000</b>
<b>Months in Reserve</b>	<b>0.8</b>

What follows are details of CSLB’s budget for each of the following topics:

- Expenditures
- Revenue
- One-time General Fund payment
- CSLB Fund condition
- Construction Management Education Account Fund Condition
- Fiscal Year 2022-23 CSLB Preliminary Budget



**Expenditures**

Through May 31, 2022, CSLB spent or encumbered almost \$64 million, roughly 85 percent of its FY 2021-22 budget:

EXPENDITURE DESCRIPTION	FY 2021-22 FINAL BUDGET	MAY 2022 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>PERSONNEL SERVICES</b>				
Salary & Wages (Staff)	\$30,381,000	\$24,874,676	\$5,506,324	18.1%
Board Members	16,000	13,300	2,700	16.9%
Temp Help	800,000	1,090,029	-290,029	-36.3%
Exam Proctor	101,000	210,426	-109,426	-108.3%
Overtime	146,000	278,047	-132,047	-90.4%
Staff Benefits	15,592,000	13,054,681	2,537,319	16.3%
<b>TOTALS, PERSONNEL</b>	<b>\$47,036,000</b>	<b>\$39,521,159</b>	<b>\$7,514,841</b>	<b>16.0%</b>
<b>OPERATING EXPENSES AND EQUIPMENT (OE&amp;E)</b>				
Operating Expenses	\$16,882,000	\$16,868,244	\$13,756	0.1%
Exams – Subject Matter Experts	436,000	151,417	284,583	65.3%
Enforcement	10,921,000	7,944,131	2,976,869	27.3%
<b>TOTALS, OE&amp;E</b>	<b>\$28,239,000</b>	<b>\$24,963,792</b>	<b>\$3,275,208</b>	<b>11.6%</b>
<b>TOTALS</b>	<b>\$75,275,000</b>	<b>\$64,484,951</b>	<b>\$10,790,049</b>	<b>14.3%</b>
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-126,143	-226,857	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-805,918	805,918	
<b>GRAND TOTALS</b>	<b>\$74,922,000</b>	<b>\$63,552,890</b>	<b>\$11,369,110</b>	<b>15.2%</b>

**Revenue**

CSLB received the following revenue through year-end:

Revenue Category	Through 06/30/2022	Percentage of Revenue	Change from prior year (06/30/2021)
Duplicate License/Wall Certificate Fees	\$276,264	0.3%	128.0%
New License and Application Fees	\$19,600,207	24.1%	35.8%
License and Registration Renewal Fees	\$51,829,972	63.7%	2.3%
Delinquent Renewal Fees	\$7,704,616	9.5%	24.6%
Citation Penalty Assessments	\$1,839,843	2.2%	8.1%
Misc. Revenue	\$178,736	0.2%	-3.3%
<b>Total</b>	<b>\$81,429,638</b>	<b>100.00%</b>	<b>11.1%</b>



**Fiscal Year (FY) 2021-22 State Retirement (CalPERS) General Fund Payback**

At the end of June 2022, CSLB was notified by the DCA that part of the Governor’s May Revision included a one-time payback by all state departments to the general fund to lower state employer contribution rates immediately to generate savings to mitigate a recession cause by the pandemic. CSLB’s allocation share of DCA’s \$21.8 million payback was \$2.6 million and was taken from the fund immediately in 2021-22. The fund condition below shows the line-item expenditure captured under external costs.

**CSLB Fund Condition**

Below is the fund condition for the Contractors’ License Fund, which reflects the projected “final” fiscal year (FY) 2021-22 reserve (\$5.2 million, less than 1.0 month reserve), along with the projected reversion amounts for current year (CY) 2022-23 through budget year (BY) 2023-24:

<i>(Dollars in thousands)</i>	<b>Final FY 2021-22</b>	<b>Projected CY 2022-23</b>	<b>Projected BY 2023-24</b>
<b>Beginning Balance <i>(Fund/Savings Account)</i></b>	<b>\$1,865</b>	<b>\$5,245</b>	<b>\$14,337</b>
Prior Year Adjustment	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$1,865</b>	<b>\$5,245</b>	<b>\$14,337</b>
<b>Revenues and Transfers</b>			
Revenue	\$81,430	\$92,400	\$92,400
<b>Total Resources <i>(Revenue + Fund/Savings Acct.)</i></b>	<b>\$83,295</b>	<b>\$97,645</b>	<b>\$106,737</b>
<b>Expenditures</b>			
Board Expenditures	\$69,700	\$76,973	\$79,282
External Costs	\$5,728	\$6,335	\$6,335
<b>State Retirement (CalPERS) General Fund Payback</b>	<b>\$2,622</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenditures</b>	<b>\$78,050</b>	<b>\$83,308</b>	<b>\$85,617</b>
<b>Ending Balance <i>(Fund/Savings Account)</i></b>	<b>\$5,245</b>	<b>\$14,337</b>	<b>\$21,120</b>
<b>Months in Reserve</b>	0.8	2.0	2.9
<b>Dollars in Reserve</b>	\$5.2 M	\$14.3 M	\$21.1 M

Notes:

- 1) Board Expenditures include staff pay, benefits, and operating expenses
- 2) External Costs include statewide pro rata
- 3) CY 2022-23 & BY 2023-24 assumes additional revenue based on fee study projections
- 4) CY 2022-23 & BY 2023-24 assumes board expenditures is Governor’s Budget with no savings.





**Construction Management Education Account (CMEA) Fund Condition**

Below is the CMEA fund condition, which reflects the projected “final” fiscal year (FY) 2021-22 reserve (\$494,000, approximately 32 months in reserve), along with the projected reversion amounts for current year (CY) 2022-23 through budget year (BY) 2023-24:

<i>(Dollars in thousands)</i>	<b>Final FY 2021-22</b>	<b>Projected CY 2022-23</b>	<b>Projected BY 2023-24</b>
<b>Beginning Balance</b>	\$ 492	\$ 494	\$ 496
Prior Year Adjustment	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$ 492</b>	<b>\$ 494</b>	<b>\$ 496</b>
<b>Revenues and Transfers</b>			
Revenue	\$187	\$187	\$187
<b>Totals, Resources</b>	<b>\$ 679</b>	<b>\$ 681</b>	<b>\$ 683</b>
<b>Expenditures</b>			
Disbursements:			
Program Expenditures (State Operations)	\$10	\$10	\$10
Local Assistance Grant Disbursements	\$175	\$175	\$175
<b>Total Expenditures</b>	<b>\$ 185</b>	<b>\$ 185</b>	<b>\$ 185</b>
<b>Fund Balance</b>			
Reserve for economic uncertainties	<b>\$ 494</b>	<b>\$ 496</b>	<b>\$ 498</b>
<b>Months in Reserve</b>	32.0	32.2	32.3

Notes:

- 1) Projected CY 2022-23 and ongoing includes increasing grants based on assumed approved CMEA annual augmentation.

The CMEA fund reflects a balance of \$494,000, approximately 32 months in reserve. For many years, CSLB was only authorized to disburse \$100,000 to schools while receiving an average of \$120,000 in CMEA contributions. However, the last few years, CSLB saw a substantial increase in contributions with an annual average of \$186,000. As detailed at Board Meetings the last year, staff sought authority to disburse amounts to schools based on the amount available in the fund. At the June Board Meeting, staff reported that Department of Finance (DOF) authorized CSLB to disburse \$175,000 to schools. This request has already been submitted to DOF to increase the authority for this fiscal year.

CSLB will work each year to increase the amount it is authorized by the budget to disburse grants to schools to spend down the reserve, for schools that are authorized to receive CMEA funds and to ensure that licensee donations are expended for their intended purpose.



Fiscal Year 2022-23 CSLB Preliminary Budget

The chart below details the preliminary FY 2022-23 CSLB budget and authorized positions which was included in the 2022 Budget Bill (Senate Bill 154, Chapter 43, Statutes of 2022):

EXPENDITURE DESCRIPTION	FY 2022-23 Approved Preliminary Budget
<b>POSITIONS</b>	
Authorized Positions	425.0
Temporary Help Positions	2.6
<b>TOTAL POSITIONS</b>	<b>427.6</b>
<b>PERSONNEL SERVICES</b>	
Salary & Wages (Staff)	30,381,000
Board Members	16,000
Temp Help	860,000
Exam Proctor	41,000
Overtime	146,000
Staff Benefits	15,720,000
<b>TOTALS, PERSONNEL</b>	<b>47,164,000</b>
<b>OPERATING EXPENSES AND EQUIPMENT (OE&amp;E)</b>	
Operating Expenses	18,888,000
Exams	436,000
Enforcement	10,838,000
<b>TOTALS, OE&amp;E</b>	<b>30,162,000</b>
<b>TOTAL APPROPRIATION</b>	<b>77,326,000</b>
Scheduled Reimbursements	-353,000
Unscheduled Reimbursements	
<b>TOTAL APPROPRIATION with Reimbursements</b>	<b>76,973,000</b>



# CONTRACTORS STATE LICENSE BOARD

## STATISTICS SUMMARY

### Statistics Summary

#### All Applications Received

Month	2018-19	2019-20	2020-21	2021-22
July	3,478	4,511	3,323	4,479
August	3,761	4,733	3,863	3,527
September	3,418	4,366	3,441	3,398
October	4,550	4,166	4,324	3,909
November	3,736	3,854	3,168	2,958
December	3,682	3,320	2,681	4,687
January	4,232	4,132	3,112	4,634
February	4,428	4,068	3,178	3,881
March	5,157	3,649	3,585	4,967
April	4,761	2,284	3,083	4,969
May	4,800	2,512	3,006	5,430
June	4,208	3,177	3,411	4,347
<b>Total</b>	<b>50,211</b>	<b>44,772</b>	<b>40,175</b>	<b>51,186</b>

% Change from Prior FY      27.4%

#### Original Applications Received (includes exam and waivers)

Month	2018-19	2019-20	2020-21	2021-22
July	1,454	1,935	1,311	1,782
August	1,815	1,967	1,226	1,138
September	1,595	1,820	1,122	1,153
October	2,182	1,616	1,834	1,311
November	1,763	1,440	1,218	1,020
December	1,697	1,245	926	2,544
January	1,972	1,829	1,099	1,965
February	2,047	1,697	1,083	1,642
March	2,211	1,594	901	2,161
April	2,217	1,060	535	2,087
May	2,112	1,010	643	2,159
June	1,837	1,368	1,031	1,916
<b>Total</b>	<b>22,902</b>	<b>18,581</b>	<b>12,929</b>	<b>20,878</b>

% Change from Prior FY      61.5%

% of All Apps Rcvd are Original Apps      41%

**Original Licenses Issued**

Month	2018-19	2019-20	2020-21	2021-22
July	1,394	1,426	1,032	1,650
August	1,616	1,331	1,084	1,760
September	1,377	1,293	1,171	1,516
October	1,580	1,383	1,257	1,438
November	1,250	1,195	1,119	1,339
December	1,244	1,181	1,115	1,418
January	1,441	1,263	880	1,413
February	1,374	1,118	657	1,230
March	1,342	1,102	918	1,698
April	1,416	940	1,170	1,809
May	1,441	674	1,158	1,497
June	1,343	662	1,523	1,523
<b>Total</b>	<b>16,818</b>	<b>13,568</b>	<b>13,084</b>	<b>18,291</b>

*% Change from Prior FY 39.8%***Licenses Renewed** *(Peak renewal years notated in red)*

Month	2018-19	2019-20	2020-21	2021-22
July	8,307	11,234	12,460	7,232
August	10,544	9,631	10,396	11,805
September	8,173	9,409	11,507	10,443
October	13,154	7,901	9,252	8,112
November	7,563	6,003	6,843	8,737
December	7,362	7,846	11,087	10,694
January	11,000	9,582	10,271	7,979
February	9,698	7,163	7,174	8,797
March	11,700	12,059	11,923	12,762
April	9,011	13,174	11,265	10,235
May	8,976	10,827	11,111	9,732
June	10,871	9,806	12,410	10,355
<b>Total</b>	<b>116,359</b>	<b>114,635</b>	<b>125,699</b>	<b>116,883</b>

*% Change from non-Peak FY 2019-20 2.0%*



Original HIS Registrations Issued

Month	2018-19	2019-20	2020-21	2021-22
July	476	677	596	533
August	422	526	487	742
September	442	634	570	677
October	549	579	594	722
November	415	594	513	513
December	437	519	444	519
January	570	429	523	467
February	400	457	396	452
March	590	350	554	824
April	656	400	672	484
May	526	360	587	631
June	530	297	609	550
<b>Total</b>	<b>6,013</b>	<b>5,822</b>	<b>6,545</b>	<b>7,114</b>

% Change from Prior FY 8.7%

HIS Registrations Renewed

Month	2018-19	2019-20	2020-21	2021-22
July	328	408	646	541
August	435	497	714	588
September	354	421	646	566
October	461	387	548	571
November	342	212	385	538
December	302	534	385	571
January	381	319	464	440
February	321	294	477	441
March	432	571	656	561
April	436	408	610	498
May	398	383	573	481
June	493	308	570	483
<b>Total</b>	<b>4,683</b>	<b>4,742</b>	<b>6,674</b>	<b>6,279</b>

% Change from Prior FY -5.9%



**License Population by Status**

Status	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022
Active	230,281	228,432	230,461	236,195
Inactive	54,808	53,488	51,980	50,239
<b>Total</b>	<b>285,089</b>	<b>281,920</b>	<b>282,441</b>	<b>286,434</b>

*% Change from Prior FY 1.4%*

**HIS Registration Population by Status**

Status	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022
Active	19,213	20,597	22,814	25,221

*% Change from Prior FY 10.6%*

**Complaints By Fiscal Year**

Complaints	2018-19	2019-20	2020-21	2021-22
Received	20,474	18,190	16,551	19,158
Reopened	1,124	1,133	1,058	1,231
Closed	21,644	20,272	16,851	19,397
Pending (As of June 30)	4,807	3,898	4,716	5,747

## AGENDA ITEM D-5

# Administration Update Regarding Personnel and Facilities





# CONTRACTORS STATE LICENSE BOARD

## ADMINISTRATION UPDATE

### ADMINISTRATION UPDATE

#### PERSONNEL UNIT

#### TRANSACTIONS

During the third quarter of Fiscal Year 2021-22 (April 1 to June 30, 2022), CSLB Personnel staff completed 32 personnel transactions. This included the addition of 13 employees from other state agencies and 9 employees new to state service. Within CSLB, 5 employees were promoted and 3 transferred to different positions. In addition, 2 employees accepted Training and Development assignments within the CSLB.

#### Total Number of Personnel Transactions Per Quarter – FY 2021-22

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	5	7	11	13
New to State Service	3	5	11	9
Student Assistants	1	0	0	0
Retired Annuitants	0	0	1	0
Promotions	7	6	9	5
Transfers within CSLB	7	5	14	3
Training and Development	4	0	2	2
Examination Proctors	8	2	2	0
<b>Total Per Quarter</b>	<b>35</b>	<b>25</b>	<b>50</b>	<b>32</b>

#### Total Number of Personnel Transactions Per Quarter – FY 2020-2021

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	4	5	10	3
New to State Service	1	2	7	10
Student Assistants	0	1	0	0
Retired Annuitants	0	0	0	0
Promotions	119	21	8	3
Transfers within CSLB	17	8	10	3
Training and Development	4	0	0	2
Examination Proctors	0	0	0	7
<b>Total Per Quarter</b>	<b>145</b>	<b>37</b>	<b>35</b>	<b>31</b>





**VACANCIES**

CSLB averaged 47 vacancies in Fiscal Year 2021-22. The Personnel Unit continuously works with CSLB hiring managers and Department of Consumer Affairs’ (DCA) Office of Human Resources to identify and minimize any delays in recruitment for key positions.

**Average Monthly Vacancies by Fiscal Year**

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2021-22	43	45	49	52	51	45	47	50	47	44	46	42
2020-21	43	50	51	50	47	51	55	50	47	49	45	40
2019-20	21	25	31	35	34	34	23	22	24	22	36	40
2018-19	29	33	30	24	22	21	23	22	24	22	22	19

**CAREER DEVELOPMENT**

The CSLB Career Development and Mentoring Program Steering Committee hosted it’s fourth “Career Development...Live!” online event on July 27, 2022, featuring CSLB’s Information Technology (IT) Division. These online events highlight each of the CSLB divisions, the work that they do, and the jobs available in those divisions. These events are hosted by CSLB’s Career Development and Mentoring Steering Committee which is comprised of rank-and-file staff representing each of CSLB’s divisions.

A panel of staff representing different units within the IT Division spoke to an audience of CSLB employees about the different jobs they perform, the roles and functions of the different units, the types of classifications utilized in the division, potential career paths, and training opportunities.

Board Member Michael Mark provided opening remarks and spoke of the Board’s ongoing commitment to assist CSLB’s talented and motivated employees by preparing them for promotional opportunities and assisting them in all aspects of their careers at the CSLB.

**STRATEGIC PLAN ITEM 5.4 UPDATE**

Strategic Plan Item 5.4: Improve staff recruitment, onboarding, and training/team building for staff development.

**Current Status:** In progress

Staff drafted a plan addressing the areas of recruitment, onboarding, and training. This plan contains increased recruitment and outreach activities in the areas of job fairs, recruitment advertising, social media outreach, and online recruitment websites. The plan also outlines an onboarding plan for newly hired CSLB employees which includes



new tools, resources, onboarding checklists, and a dedicated intranet page for new employees and hiring managers to locate these tools and resources. Finally, the plan provides a training roadmap for new employees and existing staff that meet the core competencies as defined by the California Department of Human Resources (CalHR).

**EXAMINATIONS**

The majority of examinations are now done online through CalHR at <https://jobs.ca.gov/>. Listed below are the CSLB classifications with examinations administered by DCA.

ADMINISTERED BY DCA	STATUS	DATE
Consumer Services Representative	Effective date of last exam:	May 2022
	Next effective date of exam:	November 2022
Office Services Supervisor II	Effective date of last exam:	April 2021
	Tentative effective date of next exam	October 2022
Supervising Special Investigator I	Effective date of last exam:	January 2022
	Tentative effective date of next exam	August 2022
Supervising Special Investigator II	Effective date of last exam:	June 2022
	Next effective date of exam:	December 2022
Staff Service Analyst Transfer Exam	N/A	March/June
		September/December



## **ADMINISTRATION UPDATE**

### **BUSINESS SERVICES UNIT**

#### **FACILITIES**

- **West Covina:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's West Covina field office. The current lease expires November 30, 2022. Staff are working closely with DCA and DGS to ensure that tenant improvements are completed, and the new lease is executed.
- **Bakersfield:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Bakersfield field office. The current lease expires December 31, 2022. Staff are working closely with DCA and DGS to ensure that tenant improvements are completed, and the new lease is executed.
- **Norwalk Enforcement:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Norwalk Enforcement field office. A "Kick off" meeting was conducted on June 27, 2022. Staff submitted tenant improvements for the building to DCA for review. The current lease expires October 31, 2023.
- **Norwalk Testing:** Staff completed and submitted all appropriate forms to terminate the Norwalk Testing lease. The suite is expected to be vacated on December 31, 2022.
- **San Jose:** Staff completed and submitted all appropriate forms to terminate the San Jose lease. The suite is expected to be vacated on December 31, 2022.

#### **CONTRACTS AND PROCUREMENTS**

##### **CONTRACTS IN PROCESS:**

- Renewing 24-hour alarm monitoring for the Oxnard office. The current contract expires August 30, 2022.
- The Shred City contract provides confidential shredding services for the Sacramento Headquarters office. The current contract expires October 31, 2022.

##### **EXECUTED CONTRACTS/PROCUREMENT:**

- The West Publishing Corporation, dba West, A Thomson Reuters Business contract provides access to the CLEAR online electronic library database. The new term dates of the contract are as follows July 1, 2021, through June 30, 2023.
- The InaBind System, Inc. contract provides maintenance services on CSLB's binding machine used for board packets. The new term dates of the contract are as follows July 1, 2022, through June 30, 2025.
- The American Express contract provides online credit, debit, and charge card acceptance services as provided under the terms of the Master Service



Agreement was amended for an additional year. The new term dates of the contract are as follows July 1, 2019, through June 30, 2023.

- The Council on Licensure, Enforcement and Regulation (CLEAR) contract which provides National Certified Investigator and Inspector Training (NCIT). Both Basic and Specialized training are offered.
- The California Highway Patrol (CHP) contract which provides protective services for CSLB offices, Board Meetings, testing sites and sting operations throughout California. The term dates are as follows July 1, 2022, through June 30, 2023.
- The Survey Monkey contract for CSLB's subscription to conduct online surveys. The new term dates of the contract are as follows October 1, 2022, through September 30, 2022.

## **TRAINING AND DEVELOPMENT**

- In August of 2022, Administrative Division staff drafted a plan to improve staff recruitment, onboarding, training, and team building for staff development. The Administrative Division coordinates with Public Affairs to distribute weekly emails about CSLB job openings.
- The Enforcement Division has developed and implemented a 41 point "Training Checklist" for new Special Investigators. This checklist is designed to ensure that new investigators in the division are thoroughly and consistently trained during their probationary period.
- Twenty-seven CSLB Special Investigators are attending specialized National Certified Investigator Training (NCIT) in September and November instituted by the Council on Licensure, Enforcement, and Regulation (CLEAR)
- CSLB is utilizing specially designated training funds to enroll 15 selected Special Investigators in the three-day Investigator Training course presented by the National Association of State Contractors Licensing Agencies at their annual conference on August 30 through September 1, 2022
- Staff have also been in negotiation with the Office of the Attorney General to reestablish a structured Enforcement Academy, which CSLB previously instituted for eight years through up until 2019 when one instructor retired and the other was reassigned.
- Enforcement staff receive regular training from CSLB's Attorney General Liaisons on establishing the evidence necessary to support violations of the Contractors State License Law.
- Over the last twelve months, Enforcement Special Investigators have attended courses designed for public safety professionals from renowned vendor 21Clets
- All CSLB staff have access to and are encouraged to attend trainings offered by the California Department of Human Resources on any number of topics for career development.

## AGENDA ITEM D-6

# Information Technology Update





### INFORMATION TECHNOLOGY UPDATE

#### **Business Modernization - Sole Owner License Application**

CSLB business modernization project will provide applicants with the capability to submit online license applications. This will be to address a defined business problem where applicants do not correctly fill out the application and staff must manually enter data from paper into the Teale system. The manual process requires extensive workload for staff to prepare, review and enter the data which can cause data integrity issues. The inefficient use of staff time delays processing times. Business operations are negatively affected by application errors and the lack of data integrity resulting from the collection of data. The objectives of the project are to: (1) allow online functionality to accept and process license applications, (2) allow online functionality to accept payments for license applications, and (3) reduce processing times for applications.

CSLB IT staff is looking for a software vendor to develop a web application and an interface to the Teale system. Once selected CSLB IT will initiate a proof of concept. The anticipated time frame for selecting a vendor is by December 2022.

#### **Information Technology Security Updates**

CSLB IT Division switched over to an cloud based "Always On" VPN solution in August 2022. This solution provides a consistent and secure connection to the CSLB network for mobile and remote users. This allows for CSLB IT staff to secure internet traffic and define security user profiles for all network traffic on a CSLB managed asset. Deployment to all CSLB staff will be December 2022.

#### **Exam Administration Outsourcing Project**

The IT Division completed the transition to PSI Exams in July 2022 and officially closed the Exam Administration Outsourcing project in August 2022. During July, IT project managers completed the post-implementation review process and lessons learned. Exam Administration is in the maintenance and operation phase and will continue to look for service improvement opportunities.



### Online Renewal Single Qualifier Program

In April 2020, programming was complete to allow sole owner licenses with a single qualifier to renew their licenses online. In October 2021, programming was complete for corporations, partnerships, and limited liability companies with a single qualifier to also renew their licenses online. This new feature allows 96 percent of CSLB licensees to renew online.

The chart below includes sole qualifier online renewal statistics.

### Online Renewal Statistics

Online Renewal Transactions

	Single Qualifier	eKiosk	HIS	Total Renewals	% of Online Transactions
January 2022	5,121	3	302	8,068	67.2%
February 2022	4,453	3	330	8,887	53.8%
March 2022	5,508	4	391	12,915	45.7%
April 2022	5,076	2	350	10,334	52.5%
May 2022	5,521	4	364	9,843	59.8%
June 2022	5,574	0	367	10,485	56.6%
<b>Totals</b>	<b>31,253</b>	<b>16</b>	<b>2,104</b>	<b>60,532</b>	<b>51.6%</b>

### Online Citation Payment

The Information Technology Division (IT), along with the Enforcement Division, released the online citation payment program in January 2021. This allowed licensees and non-licensees to pay penalty assessments online through the CSLB website. All payments are processed in real time and the CSLB database is updated immediately with the new payment information.

Citation Payments

	Online Payments	Total Payments	% Of Online Payments
January 2022	\$80,850	\$156,435	51.7%
February 2022	\$98,879	\$174,889	56.5%
March 2022	\$118,782	\$226,423	52.5%
April 2022	\$98,563	\$172,887	57.0%
May 2022	\$83,594	\$189,964	44.0%
June 2022	\$74,631	\$149,005	50.0%
<b>2022 Totals</b>	<b>\$555,299</b>	<b>\$1,069,603</b>	<b>51.9%</b>





## AGENDA ITEM D-7

# Update, Review, Discussion and Possible Action on 2022-24 Administration and Information Technology Strategic Plan Objectives





## 2022-24 Strategic Plan – Executive: Administration and Information Technology Objectives

### Item 5.1

**Description:** Regularly report to the Board on IT security to protect and secure CSLB sensitive data.

**Target Date:** Ongoing

**Current Status:** Report CSLB security policy and enhancement updates to the Board at regularly scheduled quarterly meetings commencing August 2022. Explore with the Executive Division and Board Chair adding a second member to the IT Advisory Committee.

### Item 5.2

**Description:** 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

**Target Date:** July 2022

**Current Status:** CSLB Executive Staff have conferred and committed to developing three additional surveys for distribution in 2023 and 2024: (1) Reasons for not renewing recently expired licenses; (2) Website users, navigation / features / accessibility improvement; (3) Online renewal services – how are we doing?

### Item 5.3

**Description:** Replace the automated phone system to ensure callers can speak to a representative in a timely fashion

**Target Date:** March 2023

**Current Status:** IT is defining business and technology requirements.

### Item 5.4

**Description:** Improve staff recruitment, onboarding, and training/team building for staff development

**Target Date:** Plan Due July 2022

**Current Status:** Draft plan is complete for Executive Review. Plan includes enhanced recruitment efforts/outreach, provides online resources/tools/checklists for onboarding, and identifies training classes that adhere to core competencies defined by the California Department of Human Resources (CalHR). Special attention will be given to recruiting in disadvantaged areas, promotion of a diverse work environment, and analysis of the consumer services representative classification should be reclassified to open the position to a broader audience.



## 2022-24 Strategic Plan – Executive: Administration and Information Technology Objectives

### Item 5.5

**Description:** Evaluate applicant and licensee online logins or profiles to help tailor the content to the user, track submissions/interactions, etc.

**Target Date:** December 2023

**Current Status:** IT staff currently evaluating Licensing Management software.



# AGENDA ITEM E

## Enforcement





## AGENDA ITEM E-1

# Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives





### **Agenda Item E-2 – Update, Review, Discussion, and Possible Action On 2022-24 Enforcement Strategic Plan Objectives**

The Enforcement Committee convened virtually on August 3, 2022, and staff provided committee members with an update regarding five of the six Enforcement objectives in the 2022-24 Strategic Plan. As a result of the information and recommendations provided, the Enforcement Committee unanimously passed three fully formed motions to bring before the full board. The Strategic Objectives and the motions passed by the Enforcement Committee are shown below, followed by an update on all the objectives.

**Strategic Objective 2.1** – *Leverage current enforcement tools to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses.*

**Enforcement Committee Recommendation:** That the full board request a legislative proposal authorizing CSLB to automatically revoke a license subject to a formal disciplinary order if the receiving respondent does not complete a specified instructional course.

**Strategic Objective 2.2** – *Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.*

**Enforcement Committee Recommendation:** That the full board authorize the expenditure of up to \$75,000 to hire a private consultant to assess CSLB enforcement operations and staffing, as specified.

**Strategic Objective 2.5** – *Research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce contractors state license law requirements.*

**Enforcement Committee Recommendation:** That the full board amend the objective from “research the need for a public works unit,” to dedicate four Special Investigators to work specified public works complaints within the existing Quality Assurance Unit.



**Strategic Objective 2.1 – Leverage current enforcement tools to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses.**

**Current Status:** In progress

**Update:** For contractor violations that are less serious than accusations or citations CSLB can already require contractors to take specified educational courses. For example, CSLB can issue a Letter of Admonishment (LOA) with a “Corrective Action Plan” (CAP) that requires contractors to take specified corrective measures, including the completion of a training class or other coursework. The LOA program was authorized by industry supported legislation in 2018. In Fiscal Year 2021-2022, CSLB issued 354 LOAs, and 23 percent of them included a CAP (most of which required completion of CSLB’s own permit training course).

For formal disciplinary actions (accusations), CSLB guidelines provide for “staying” (or pausing) the revocation of a license if the contractor complies with certain conditions (also known as probation), which can include taking specified instructional courses. CSLB staff have leveraged current enforcement tools on this topic, as follows:

- The expanded use of educational requirements in CSLB disciplinary actions was discussed at the July 6 meeting with industry representatives, and no objections or concerns were expressed.
- CSLB staff have researched available educational resources. Staff have worked with several academic institutions to identify available instructional courses that could be appropriately prescribed for specific violations. A list of the available options will be provided to enforcement staff soon for use with LOA CAPs.

Under current law, if a contractor fails to complete the instructional coursework imposed on probation, CSLB does not have authority to reimpose revocation; a second accusation must be filed. This is a costly and time-consuming option to ensure contractors complete the coursework. It would be more effective if CSLB has similar authority that is already in place for when a contractor fails to comply with pay ordered restitution as part of a stayed revocation. In those cases, CSLB has authority to simply reimpose revocation without filing another accusation.

**Enforcement Committee Recommendation:** Authorizing CSLB to revoke a probationary license by operation of law for the respondent’s failure to complete specified training would require legislation. The development of a legislative proposal to accomplish this is recommended by the Enforcement Committee and by staff.



**Strategic Objective 2.2 – Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.**

**Current Status:** In progress

**Update:** This Strategic Objective was discussed with construction industry representatives at a meeting with CSLB on July 6, 2022, and the attendees said they would welcome and support all CSLB efforts to increase enforcement of state licensing requirements.

The size of the underground economy is notoriously difficult to estimate since transactions are not formally reported or documented. Enforcement Division staff have reviewed prior research on this subject conducted by other institutions, including the Little Hoover Commission. Among that commission's 15 recommendations was increased enforcement by government regulatory agencies. However, the commission's report did not specifically address the construction industry in California.

In a preliminary effort to assess the size of the underground economy in the construction sector, CSLB Public Affairs staff conducted a survey of online contracting advertisements in June 2022. This survey of 180 randomly selected contractors' ads found that **78 percent** did not provide their contractor's license number, and many were likely unlicensed.

In part because of the scarcity of information on this subject, CSLB staff have proposed hiring a private consultant 1) to better assess the size of the underground economy in the construction industry and 2) to review all CSLB enforcement operations and staffing. The specific scope of work proposed for the consultant study would include:

- Review prior research efforts and collaborate with CSLB staff, industry representatives, and other sources to evaluate the size of the underground economy in California.
- Evaluate CSLB's reactive and proactive enforcement investigation needs.
- Determine whether existing CSLB enforcement resources are properly allocated to maximize consumer protection.
- Evaluate whether current production goals for staff, which were last set by the Board in 2006, are appropriate and realistic.
- Examine Enforcement Division staff classifications to determine if they are appropriate for the work performed.
- Prepare a written report on all findings and recommend achievable adjustments that will enhance Enforcement Division operations and maximize consumer protection.



Enforcement Division staff have explored potential vendors who would be able and qualified to conduct the proposed study. Staff estimates that the cost of completing the proposed study would not exceed \$75,000.

**Enforcement Committee Recommendation:** The Enforcement Committee and staff have recommended that the full board authorize the expenditure of up to \$75,000 to hire a private consultant to assess CSLB enforcement operations and staffing, as specified above.

---

**Strategic Objective 2.3 – Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors state license law and other business requirements.**

**Current Status:** In progress

**Update:** This objective was discussed with industry representatives at the July 6, 2022, meeting with CSLB. Those present at this meeting were supportive of the objective. Since then, Registrar Fogt has reached out to executive staff at the Joint Enforcement Strike Force regarding their participation and/or assistance with future licensing workshops.

The Joint Enforcement Strike Force (JESF) is a partnership of California enforcement agencies that work with local and federal agencies to combat the underground economy in California and promote a level playing field for California businesses. The Employment Development Department (EDD) director or director's designee serves as the Chairperson of JESF. JESF/EDD leadership has confirmed EDD will include CSLB in their construction-related educational seminars and workshops that can be found here: America's Job Center of California (AJCC) ([https://edd.ca.gov/Jobs\\_and\\_Training/TCLobby.htm](https://edd.ca.gov/Jobs_and_Training/TCLobby.htm)).

CSLB staff will participate in construction related seminars to discuss:

- License requirements
- Workers' compensation insurance
- Other Contractors License Law requirements specific to audience in addition to the standard subjects that include:
  - Labor law
  - Personnel issues
  - Payroll Tax
  - Unemployment Insurance
  - Disability Insurance

**Enforcement Committee Recommendation:** None. This is an information item only.



---

**Strategic Objective 2.4 – Review and create a structured training program with enforcement academy to achieve statewide investigation and legal action consistency.**

**Current Status:** In progress

**Update:** The Enforcement Division has developed and implemented a 41-point “Training Checklist” for new Special Investigators. This checklist is designed to ensure that new investigators in the division are thoroughly and consistently trained during their probationary period.

Staff have also been in negotiations with the Office of the Attorney General to reestablish a structured Enforcement Academy and are confident this objective will be achieved by the target date of July 2023.

In the meantime, CSLB is utilizing specially designated training funds to enroll 15 selected Special Investigators in the three-day Investigator Training course presented by the National Association of State Contractors Licensing Agencies at their annual conference on August 30 through September 1, 2022.

**Enforcement Committee Recommendation:** None. This is an information item only.

---

**Strategic Objective 2.5 – Research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce contractors state license law requirements.**

**Current Status:** In progress

**Update:** This objective was discussed with industry representatives at the July 6, 2022, meeting with CSLB. Additionally, CSLB staff recently met with compliance groups that included the Foundation for Fair Contracting, Operating Engineers, and others to discuss anticipated workload and collaboration strategies.

After research and later discussion of the need to establish a separate public works enforcement unit, the consensus of all is that the creation of an independent, dedicated public works unit with a supervisor and support staff is not necessary. Rather, the existing Quality Assurance (QA) Unit within Enforcement Division can be augmented to give appropriate attention to public works investigations.

This would be accomplished by assigning four Special Investigators that do not work on consumer-filed complaints to the Quality Assurance Unit as follows:



1. The DigAlert Special Investigator position established through the Budget Change Process.
2. The Special Investigator position established to investigate electrician certification violations. Note: Financial support for this position already exists from the extra \$20 C-10 Electrical contractors pay on their renewal fee.
3. Reclassification of a test center position that is no longer needed because of the transition of test administration to PSI.
4. Reassignment of some duties of the existing Quality Assurance investigator to handle Special assignments and Public Works investigations.

Proposed duties for the four investigators include the enforcement of:

- Unlicensed contracting
- Workers' compensation insurance requirements
- Illegal contractor substitutions
- Civil wage and penalty assessments Issued by the Division of Labor Standards Enforcement
- Electrician certification requirements
- DigAlert violations

**Enforcement Committee Recommendation:** The Committee and staff have recommended that the full board amend the objective from “research the need for a public work unit,” to dedicate four Special Investigators to work specified public works complaints within the existing Quality Assurance Unit.

---

**Strategic Objective 2.6 – Continue to enforce workers’ compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees.**

**Current Status:** In progress

**Update:** This objective was discussed with industry representatives at the July 6, 2022, meeting with CSLB. The representatives who were present strongly support the continued strict enforcement of workers’ compensation insurance (WC) requirements and appreciate all efforts by CSLB towards this end. Further, CSLB continues to receive consumer complaints and industry leads alleging licensed contractors are employing workers without the required workers’ compensation insurance.

On July 20, 2022, a statewide Enforcement supervisors’ meeting was conducted with CSLB and division management. The supervisors were reminded that uninsured employees pose a public health threat to their workers, property owners, the public and



have an unfair competitive over licensed contractors that carry workers compensation insurance. To address this concern, CSLB sponsored AB 569 (Grayson). This bill was chaptered, and it increases the civil penalty for filing a false workers' compensation insurance exemption from \$5,000 to \$30,000.

**Enforcement Committee Recommendation:** None. This is an information item only.



### 2022-24 Strategic Plan – Enforcement

#### Item 2.1

**Description:** Leverage current enforcement tools (letters of admonishment and accusations) to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses.

**Target Date:** July 2022

**Current Status:** On August 3, 2022, the Enforcement Committee recommended that the full board request a legislative proposal authorizing CSLB to automatically revoke a license subject to a formal disciplinary order if the receiving respondent does not complete a specified instructional course.

#### Item 2.2

**Description:** Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

**Target Date:** July 2022

**Current Status:** On August 3, 2022, the Enforcement Committee recommended that the full board authorize the expenditure of up to \$75,000 to hire a private consultant to assess CSLB enforcement operations and staffing, as specified.

#### Item 2.3

**Description:** Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors' state license law and other business requirements.

**Target Date:** July 2022

**Current Status:** The Joint Enforcement Strike Force (JESF) and Employment Development Department (EDD) leadership has confirmed EDD will include CSLB in their construction related educational seminars and workshops.

#### Item 2.4

**Description:** Review and create a structured training program with enforcement academy to achieve statewide investigation and legal action consistency.

**Target Date:** July 2023

**Current Status:** Staff have been in negotiation with the Office of the Attorney General to reestablish a structured Enforcement Academy and are confident this objective will be achieved by the target date of July 2023.



**Item 2.5**

**Description:** Research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance group and government entities to enforce CSLL requirements.

**Target Date:** July 2022

**Current Status:** On August 3, 2022, the Enforcement Committee recommended that the full board amend the objective from “research the need for a public works unit,” to dedicate four Special Investigators to work specified public works complaints with the existing Quality Assurance Unit.

**Item 2.6**

**Description:** Continue to enforce workers’ compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees.

**Target Date:** Ongoing

**Current Status:** CSLB continues to receive consumer complaints and leads alleging licensed contractors are employing workers without the required workers compensation insurance. Enforcement management has reminded supervisors that the CSLB sponsored bill, AB 569 (Grayson), increased the civil penalty for filing false workers’ compensation insurance exemption from \$5,000 to \$30,000.



## AGENDA ITEM E-2

# Enforcement Program Update

- a. Statistical Update
- b. Staff Vacancy Update
- c. Consumer Investigation Highlights
- d. General Complaint-Handling Statistics
- e. Statewide Investigative Fraud Team Highlights and Statistics





# CONTRACTORS STATE LICENSE BOARD

## ENFORCEMENT PROGRAM UPDATE & STATISTICAL REVIEW

### **STAFF VACANCY UPDATE**

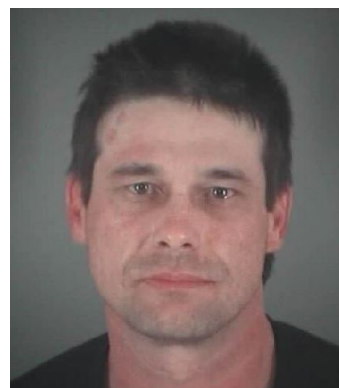
There are currently 25 vacancies In Enforcement Division. The division’s management team is working hard to fill these vacancies, and candidates have been selected and are pending approval for eight positions. The other 17 positions are publicly posted or are under review prior to public posting. The current vacancies are listed below by position classification.

<b><i>Position Classification</i></b>	<b>#</b>
Supervising Special Investigator II	1
Supervising Special Investigator I	2
Special Investigator	11
Associate Governmental Program Analyst	1
Consumer Services Representative	4
Office Technician (Typing)	5
Program Technician II	1
TOTAL	25

### **INVESTIGATION HIGHLIGHTS**

#### **Serial Offender Convicted of 38 Felonies**

Unlicensed contractor Shanadoa Wayne Johnson is no stranger to CSLB – or to other law enforcement agencies. He was previously convicted of 8 felonies and 10 misdemeanors in three different states, including crimes in five California counties. Beginning in March 2020, Johnson became active in Siskiyou County, where he defrauded as many as two dozen victims. Johnson would typically approach his victims, most of whom were elderly, and offer to complete needed roof or driveway repairs. He often falsely claimed to be licensed and would extract large payments from his victims in advance. He would then do little or no work before disappearing.



An investigator in CSLB’s Statewide Investigative Task Force (SWIFT) worked closely with the Siskiyou District Attorney’s Office to build a solid case against Johnson.



Additional help was provided by the Franchise Tax Board, which determined that Johnson had paid no taxes on an income of more than half a million dollars. Johnson was able to elude prosecution until November 2021, when he was arrested in Butte County. As further evidence of his habitual criminal behavior, Johnson filed a fraudulent claim for welfare benefits in December 2021 – while he was in the Siskiyou County jail!

Based on the extensive evidence presented during Johnson’s criminal trial, the Superior Court jury convicted him of an incredible 38 felonies, including first degree burglary, grand theft from an elder, misappropriation of construction funds, extortion, failure to file a tax return, perjury, welfare fraud, conspiracy, failure to appear in court, and using a false contractor’s number with intent to defraud. Johnson was also convicted of 16 misdemeanors, including contracting without a license, charging an excessive down payment, misappropriation of funds, providing false information to a peace officer, and driving on a suspended license. The district attorney stated that the investigation “was able to uncover a breadth of bad behavior by a serial fraudster to a degree that no other jurisdiction has approached.” Johnson is scheduled to be sentenced on August 9, 2022 and could receive up to 27 years in state prison.

**\$6 Million Judgment Against Solar Scammers**

A long civil case against unlicensed solar contractor Jose Nelson Solis came to an end on July 28, 2022, with a summary judgment against Solis, his collaborators, and his corporate entities. Doing business primarily as Eco Solar Home Improvement, Solis took out substantial home improvement loans on behalf of homeowners – sometimes even without their consent – through the Property Assessed Clean Energy (PACE) program. Solis and his salespeople concealed the true costs and terms of the PACE



loans. After the loan proceeds and upfront payments were received, Solis would stop work and abandon the project, sometimes leaving the property in worse shape than when they started. Solis defrauded approximately 100 homeowners in the Los Angeles area, saddling them with solar projects that were not completed and debt they never expected.

The investigation was handled by a peace officer in CSLB’s Special Investigation Unit, who worked directly with the Los Angeles City Attorney’s Office. Based on their investigation, the court found that Solis was guilty of embezzlement, diversion of construction funds, false advertising, and contracting without a license. The final judgment requires restitution to financially injured consumers of over \$2.2 million, and the imposition of civil penalties of over \$4 million. The judgment also permanently prohibits Solis and his co-defendants from ever again engaging in contracting services or sales.



**COMPLAINT HANDLING STATISTICS (Fiscal Year 2021/2022)**

**Investigations Initiated & Complaints Received**

- CSLB initiated 19,158 investigations in FY 2021/2022, which was 2,607 higher than FY 2020/2021.

**Pending Investigations**

- With current staffing levels, the optimum maximum Enforcement Division caseload is 3,620 pending complaints. As of July 2022, the pending caseload was 4,747.

**Special Investigator Production Goals**

- For FY 2021/2022, the weighted monthly case-closing average per Special Investigator in Investigative Centers was eight closures per month, two fewer than the closure goal of 10.

**Complaint-Handling Cycle Time**

- The Board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. Of the 4,747 complaints that were open at the end of the fiscal year, 261 (or five percent) exceeded 270 days in age.

**Restitution to Financially Injured Persons**

- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. For FY 2021/2022, complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$22 million in restitution to financially injured parties.

**Investigative Center Legal Actions**

- For FY 2021/2022, the Investigative Centers referred 506 (28 percent) of the 1,782 legal action investigations for criminal prosecution.

**Case Management Activities (FY 2021/2022)**

**Arbitration**

- 481 arbitration cases initiated, resulting in \$2,847,683 in restitution ordered to injured parties
- 95 licenses revoked for non-compliance with an arbitration award

**Citations**

- 1,551 citations issued (736 to licensees, 815 to non-licensed)
- 528 citations appealed (320 licensees, 208 non-licensed)



- 915 citations complied with (519 licensees, 436 non-licensed)

**Civil Penalties Collected**

- Licensee Citation Civil Penalties
  - Informal citation conferences conducted: 191
  - Civil penalties collected: \$1,274,656
  - Restitution: \$1,032,020
- Non-Licensee Citation Civil Penalties
  - Informal settlement conferences conducted: 169
  - Civil penalties collected: \$600,459

**Accusations**

- Accusations filed: 218
- License revocations: 204
- Licenses placed on probation: 88
- Restitution paid to injured parties: \$1,158,327
- Cost recovery collected: \$924,701

---

**STATEWIDE INVESTIGATIVE FRAUD TEAM**

CSLB's Statewide Investigative Fraud Team (SWIFT) is comprised of Special Investigators who enforce license and workers' compensation insurance requirements at active job sites, respond to leads, and conduct enforcement sweeps and undercover sting operations targeting unlicensed persons.

In Fiscal Year (FY) 2021/2022, SWIFT conducted 17 sting operations, participated in 337 sweep days, and responded to 996 leads. SWIFT completed 3,634 investigations resulting from stings, sweeps, and leads. Of these 3,634 cases, 1,119 resulted in an administrative or criminal legal action, as well as the issuance of 1,386 Advisory Notices for minor violations.

**District Attorney Referrals**

In FY 2021/2022, SWIFT referred 390 cases to local district attorneys' offices for criminal prosecution – 308 for contracting without a license and 82 involving licensees. Most of the licensee referrals were for failure to secure workers' compensation insurance.



**Administrative Actions**

In FY 2021/2022, SWIFT issued 598 licensee and non-licensee citations, wrote 129 Letters of Admonishment, filed two accusations, and assessed \$637,200 in non-licensee citation civil penalties. Administrative violations included working out of classification, working under a suspended or expired license, failing to obtain permits, and other license law violations that do not warrant a criminal referral.

**Stop Orders**

A Stop Order is a legal demand to cease all employee labor at any jobsite due to workers' compensation insurance violations until an appropriate policy is obtained. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to \$10,000. In FY 2021/2022, SWIFT issued 319 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers' compensation policy.

**Outstanding Tax and State Agency Liability Suspensions**

CSLB can suspend a license if the licensee is delinquent in paying outstanding liabilities owed to CSLB or other state agencies. The table below summarizes liabilities owed to state agencies that were collected or resolved to avoid a license suspension or to reinstate a suspended license.

**Amounts Collected or Resolved**

	2019	2020	2021	2022 (Through June 30 <sup>th</sup> )
CSLB	\$114,880	\$139,775	\$82,938	\$57,300
EDD	\$15,091,585	\$10,372,682	\$9,149,749	\$7,423,380
DIR-Cal/OSHA	\$3,270,360	\$1,031,736	\$267,256	\$100,279
DIR-DLSE	\$1,423,337	\$2,726,391	\$3,476,291	\$713,312
FTB	\$6,490,225	\$4,211,003	\$5,868,340	\$2,057,604
<b>Totals</b>	<b>\$26,390,386</b>	<b>\$18,481,587</b>	<b>\$18,844,574</b>	<b>\$10,351,875</b>

\* Total for six months January 1 - June 30, 2022.

**NASCLA Enforcement Campaign**

From June 6 to June 24, 2022, SWIFT participated in an annual nationwide enforcement effort coordinated by the National Association of State Contractors Licensing Agencies (NASCLA). This campaign was designed to heighten consumer



**CSLB**

## ENFORCEMENT PROGRAM UPDATE

awareness about the value of hiring licensed contractors and the risks of using those who are not licensed.





## AGENDA ITEM E-3

# Update on the Solar Energy System Restitution Program





# CONTRACTORS STATE LICENSE BOARD

## UPDATE ON THE SOLAR ENERGY SYSTEM RESTITUTION PROGRAM

CSLB's Solar Energy System Restitution Program (SESRP) was created in 2021 by Assembly Bill (AB) 137. The program was designed to provide financial restitution to owners of single-family residences who were financially harmed by a solar contractor because of fraud, misrepresentation, or other unlawful act, such as poor workmanship or abandonment, and who do not have available reimbursement from another source.

AB 137 included a \$5 million appropriation to CSLB from the state's General Fund. Of those funds, \$4 million was to be made available for restitution and, if needed, up to \$1 million was allocated to pay for CSLB administrative costs. Any homeowner who used a licensed or unlicensed contractor after January 1, 2016, to contract for the installation of a solar energy system on a single-family residence and can demonstrate to CSLB a financial loss or injury as result of specified acts may be eligible for restitution from the fund. The program became fully operational in late 2021.

To ensure the effective and equitable approval of restitution CSLB continues to collaborate with the Dolores Huerta Foundation, Bet Tzedik Legal Services, the California Public Utilities Commission, and the Department of Financial Protection and Innovation. In addition, CSLB has issued a press release and worked with the media to publicize the fund, posting information regarding the fund on its website and making consumers aware of the fund during investigations. In July 2022, the local CBS affiliate in Sacramento aired a story on the SESRP and posted information online. Additionally, CSLB staff members handling these claims continue to send additional correspondence to consumers identified in prior Board investigations as possibly eligible for claims under the fund.

With the additional publicity, SESRP activity has increased substantially. From a handful of claims approved in late 2021, the total restitution paid to consumers has increased to over \$1.4 million. As of August 12, 2022, staff reports the following totals for the SESRP:

<b><i>SESRP Activity as of August 12, 2022</i></b>	
Claims Received	307
Claims Approved	107
Restitution Approved for Payment	\$1,416,635
Claims Closed Without Restitution Paid *	38
Claims Pending	160
Claims Referred to Arbitration	2

\* Reasons for closure without payment include duplication of claims and lack of jurisdiction.



The SESRP has been extremely well received by the victims of solar-related fraud, many of whom had given up any hope of recovering their lost funds. As one example of the program's positive impacts, the following "thank you" email was received by Enforcement Division on July 27, 2022:

Thank you more than words can ever express to have worked so diligently for the past couple of years to establish the restitution fund for people like me and my husband who were defrauded by the now defunct Petersen-Dean.

Our check arrived today! And, after wiping away a tear stain or two, will be deposited forthwith into our savings account. It is a great deal of money, especially for us retirees, and we know how fortunate we are to have it replaced.

Thank you for your compassion and your expertise, and for guiding me all along the way through a maze that started almost 3 years ago.



# AGENDA ITEM F

## Licensing





## AGENDA ITEM F-1

# Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Strategic Plan Objectives





### 2022-24 Strategic Plan – Licensing & Testing Objectives

#### Item 1.1

**Description:** 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.

**Target Date:** Progress is ongoing. The Licensing Division will coordinate outreach efforts with the Public Affairs Office to optimize online and public reach to all communities about the importance of licensing need for trade expertise in California. Plan will mirror outreach strategies developed for the outreach plan in objective 5.4.

#### Item 1.2

**Description:** Study and appraise existing and prospective reciprocity agreements to determine if they are needed; and if so, whether qualifying criteria for reciprocity agreements be updated or codified legislatively.

**Target Date:** June 2023

**Current Status:** CSLB is working with Mississippi and Ohio boards for possible reciprocity agreement. Chair Teichert has appointed Board Members David De La Torre and Miguel Galarza to advisory committee to review issues of reciprocity.

#### Item 1.3

**Description:** Continue automating and streamlining all online application, licensing, and examination processes to improve processing efficiency.

**Target Date:** December 2024

**Current Status:** July 2022, senior staff received the first presentation by InLumon (licensing software) representatives.

#### Item 1.4

**Description:** 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.

**Target Date:** ongoing; presentation to Board August 2022





2019-21 Strategic Plan – Licensing & Testing Objectives

**Item 1.5**

**Description:** In partnership with Public Affairs, streamline and eliminate jargon on CSLB licensing webpages, handouts, publications, and forms to reduce user confusion and processing times.

**Target Date:** December 2022 and ongoing

**Current Status:** 2 licensing analysts have been assigned to this project as of July 2022. First recommendation regarding Military Webpage was submitted to executive office for review.

**Item 1.6**

**Description:** Complete exam administration outsource transition and assess remote testing options.

**Target Date:** September 2022

**Current Status:** Completed July 1<sup>st</sup>, 2022. CSLB applicants now can use 20 PSI test centers throughout California to schedule their exams.



## AGENDA ITEM F-2

# Licensing and Testing Program Statistical Update





# CONTRACTORS STATE LICENSE BOARD

## LICENSING PROGRAM UPDATE

### APPLICATION PROCESSING STATISTICS

The charts below provide the total number of incoming applications received by the application units each month, quarter, and calendar year.

### Total Number of Applications Received Per Month

	2021						2022					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Original Exam	1,227	802	806	810	750	1,847	1,252	1,031	1,454	1,460	1,408	1,223
Original Waiver	555	336	347	501	270	697	713	611	707	627	751	693
Add Class	349	239	302	278	206	445	369	316	376	380	260	286
Qualifier Replacer	234	177	172	230	156	278	240	237	283	280	279	230
Home Improvement	1,088	1,115	990	903	965	1,114	695	675	949	937	1,196	1,080
<b>Total Per Month</b>	<b>3,453</b>	<b>2,669</b>	<b>2,617</b>	<b>2,722</b>	<b>2,347</b>	<b>4,381</b>	<b>3,269</b>	<b>2,870</b>	<b>3,769</b>	<b>3,684</b>	<b>3,894</b>	<b>3,512</b>
<b>3 – Month Totals</b>	<b>Jul - Sep: 8,739</b>			<b>Oct - Dec: 9,450</b>			<b>Jan - Mar: 9,908</b>			<b>Apr - Jun: 11,090</b>		

### Total Applications Received – Prior Calendar Years

	CY 2017	CY 2018	CY 2019	CY2020	CY2021
Original Exam	13,642	15,500	15,244	13,193	15,729
Original Waiver	8,462	9,327	8,796	7,456	7,558
Add Class	3,974	4,220	4,526	4,231	4,138
Qualifier Replacer	2,488	2,706	2,792	2,620	2,813
Home Improvement	9,522	9,720	11,122	9,694	12,411
<b>Total Received</b>	<b>38,088</b>	<b>41,473</b>	<b>42,480</b>	<b>37,194</b>	<b>42,649</b>

CSLB management closely monitors processing times for the various licensing units on a weekly and monthly basis.

The chart below provides the “weeks to process” for applications, license transactions, and public information unit documents (i.e., record certification) received each month. “Weeks to process” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.



Weeks To Process

	2021						2022					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Original Exam	7.9	7.8	7.6	7.0	7.5	6.5	6.1	6.1	3.6	3.3	3.9	4.7
Original Waiver	4.4	4.4	4.1	3.1	3.9	5.2	5.3	4.8	3.6	3.7	3.8	4.7
Add Class	4.8	3.5	2.8	3.1	4.1	5.6	4.6	4.1	4.1	3.4	3.3	4.4
Qualifier Replacer (Exams & Waiver)	5.0	3.5	2.8	3.1	4.4	5.5	4.6	4.0	4.0	2.7	3.4	4.4
Home Improvement	4.2	2.1	0.5	0.6	0.7	0.6	2.7	2.5	3.1	2.9	3.3	3.9
Renewal	2.4	3.1	2.3	2.0	2.3	2.1	1.8	2.7	1.8	1.0	0.9	1.6
Add New Officer	4.0	4.1	3.6	3.4	2.9	4.2	4.1	0.9	1.6	1.1	1.0	1.0
Address/ Name Change	3.8	4.2	4.0	4.1	3.0	4.2	4.5	1.9	1.7	0.8	0.9	0.9
Bond / Bond Exemption	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7
Workers' Comp / Exempt	3.3	3.9	4.3	4.3	5.5	5.7	5.5	4.8	3.1	2.8	1.0	1.6
Certified License History	7.0	7.5	4.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.1
Copies of Documents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Criminal Offender Record Information (CORI) Review*	2.1	1.7	1.7	1.9	2.1	1.8	1.7	1.9	2.4	2.1	1.9	2.2

\*Outside CSLB Control—DOJ /FBI timeframe



The chart below illustrates the number of applications received in the previous fiscal years and the final disposition of these applications, regardless of the year they were processed. This is the combined total for all exam, waiver, add class, qualifier replacement, and home improvement salesperson applications. This report allows staff to monitor application cycle times and dispositions.

**Disposition of Applications by Fiscal Year**

Fiscal Year	Number of Apps Received	Processed & Issued	Voided	Pending*
2018-2019	42,344	20,379	6,766	15,199
2019-2020	38,251	16,415	4,161	17,675
2020-2021	41,864	16,176	4,098	21,590
2021-2022	43,707	19,148	4,801	19,758

\* These are the total number of applications pending at the close of each fiscal year.

An application may be classified as pending because:

- The applicant does not pass the exam but is still within the 18-month window during which they may retest.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background unit.
- The applicant has not submitted final issuance requirements (proof of bond, workers’ compensation insurance, asbestos open book examination results, and/or fees).



RENEWAL PROCESSING STATISTICS

The charts below provide the number of incoming renewals received by the Renewal Unit each month, quarter, and calendar year.

Total Number of Renewals Received Per Month

	2021						2022					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Reactivation	98	98	117	95	75	118	89	90	153	99	111	130
Active	5,554	9,385	8,282	6,103	6,697	8,495	6,288	6,990	10,312	8,400	7,767	8,412
Inactive	701	1,074	938	763	738	875	639	705	1,018	741	734	767
Delinquent Active	829	1,149	1,060	1,086	1,116	1,147	904	969	1,287	962	1,079	1,022
Delinquent Inactive	148	197	163	160	186	177	148	133	145	132	152	154
<b>Received Per Month</b>	<b>7,330</b>	<b>11,903</b>	<b>10,560</b>	<b>8,207</b>	<b>8,812</b>	<b>10,812</b>	<b>8,068</b>	<b>8,887</b>	<b>12,915</b>	<b>10,334</b>	<b>9,843</b>	<b>10,485</b>
<b>3 – Month Totals</b>	<b>Jul - Sep: 29,793</b>			<b>Oct - Dec: 27,831</b>			<b>Jan - Mar: 29,870</b>			<b>Apr - Jun: 30,662</b>		

Total Renewals Received – Prior Calendar Years

	CY 2017	CY 2018	CY 2019	CY 2020	CY2021
Reactivation	1,558	1,421	1,358	1,164	1,230
Active	97,884	104,330	98,901	97,037	94,480
Inactive	14,280	13,757	13,007	12,379	11,351
Delinquent Active	11,211	11,091	10,721	12,636	13,162
Delinquent Inactive	1,945	1,892	1,734	2,071	2,163
<b>Total Received</b>	<b>126,878</b>	<b>132,491</b>	<b>125,721</b>	<b>125,287</b>	<b>122,386</b>

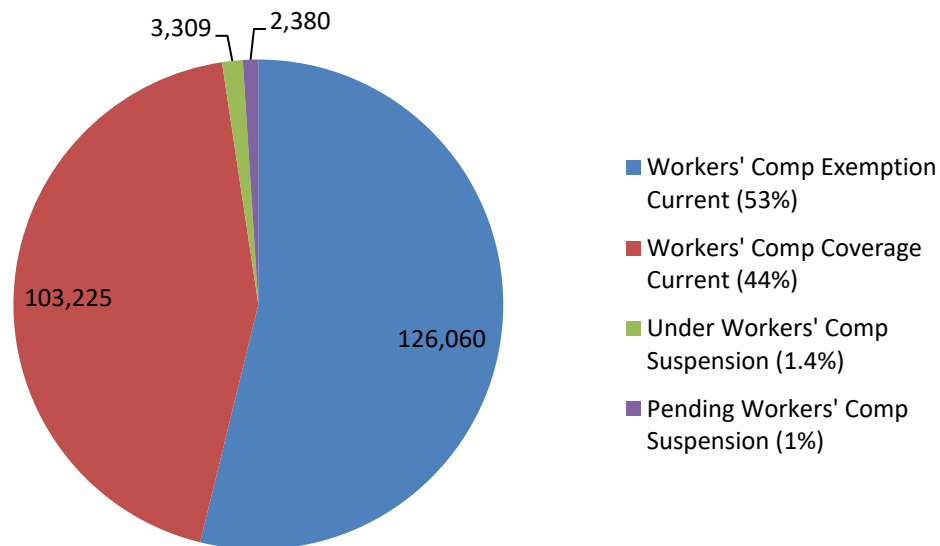


### WORKERS' COMPENSATION RECERTIFICATION STATISTICS

The law requires that at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify that exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If at the time of renewal, the licensee fails to comply, then the law allows for the retroactive renewal of the license if the licensee submits the required documentation of the missing information within 30 days after notification by CSLB.

The chart below provides a snapshot of workers' compensation coverage for active licenses.

### Workers' Comp Coverage for Active Licenses - June 30, 2022



**Total Number of Active Licenses: 236,196**

The following chart shows the workers' compensation coverage (policies and exemptions) on file as of June 30, 2022, for active licenses by classification and the percentage of exemptions per classification.



**Active License Classifications Workers' Comp Status: As of June 30, 2022**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,450	9,303	14,753	37%
B General Building	62,148	41,244	103,392	60%
B-2 Residential Remodeling	112	25	137	82%
C-2 Insulation and Acoustical	280	896	1,176	24%
C-4 Boiler Hot Water	190	558	748	25%
C-5 Framing / Rough Carp	504	434	938	54%
C-6 Cabinet-Millwork	2,632	1,952	4,584	57%
C-7 Low Voltage Systems	2,013	2,807	4,820	42%
C-8 Concrete	2,655	3,744	6,399	41%
C-9 Drywall	1,252	1,828	3,080	41%
C10 Electrical	14,265	12,062	26,327	54%
C11 Elevator	39	163	202	19%
C12 Earthwork & Paving	1,006	1,421	2,427	41%
C13 Fencing	690	950	1,640	42%
C15 Flooring	3,650	3,453	7,103	51%
C16 Fire Protection	773	1,428	2,201	35%
C17 Glazing	1,115	1,884	2,999	37%
C20 HVAC	6,990	5,705	12,695	55%
C21 Building Moving Demo	525	1,216	1,741	30%
C22 Asbestos Abatement	2	296	298	0.7%
C23 Ornamental Metal	403	649	1,052	38%
C27 Landscaping	4,946	6,744	11,690	42%
C28 Lock & Security Equipment	141	224	365	39%
C29 Masonry	979	1,333	2,312	42%
C31 Construction Zone	64	297	361	18%
C32 Parking Highway	174	304	478	36%
C33 Painting	8,696	6,928	15,624	56%
C34 Pipeline	150	366	516	29%
C35 Lath & Plaster	604	1,226	1,830	33%
C36 Plumbing	9,193	7,101	16,294	56%
C38 Refrigeration	926	931	1,857	50%
C39 Roofing	0	4,724	4,724	0%
C42 Sanitation	390	597	984	40%
C43 Sheet Metal	395	1,027	1,422	28%
C45 Signs	373	500	873	43%
C46 Solar	462	816	1,278	36%
C47 Gen Manufactured House	218	225	443	49%
C50 Reinforcing Steel	71	197	268	26%
C51 Structural Steel	406	1,087	1,493	27%
C53 Swimming Pool	1,198	1,519	2,717	44%
C54 Tile	3,622	2,815	6,437	56%
C55 Water Conditioning	131	175	306	43%
C57 Well Drilling	306	493	799	38%
C60 Welding	549	483	1,032	53%
C61 Limited Specialty	8,107	10,721	18,828	43%



**FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS**

As mandated in January 2005, CSLB continues to fingerprint all license applicants. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide criminal offender record information to CSLB for in-state convictions and for out-of-state and federal convictions.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the results are delayed. This does not necessarily indicate a conviction, as sometimes the results reveal a clear record. Most delays are resolved within 30 days; however, some continue for up to 90 days or longer because DOJ and FBI may need to obtain court records. Since DOJ and FBI are independent agencies, CSLB has no control over these delays and must wait for the fingerprint results before issuing a license. Staff follows up with DOJ regarding delayed responses to confirm the review has commenced and to make sure DOJ requires no further information.

Below is a breakdown of Criminal Background Unit statistics for the past five calendar years.

**CRIMINAL BACKGROUND UNIT STATISTICS**

	CY 2017	CY 2018	CY 2019	CY 2020	CY2021	TOTALS
DOJ Records Received	29,189	34,664	33,553	27,172	35,114	<b>159,692</b>
CORI Information Received	5,900	6,729	6,657	5,375	6,818	<b>31,479</b>
Denials	63	65	63	16	8	<b>215</b>
Appeals	39	42	31	11	5	<b>128</b>
Probationary Licenses Issued (conditional license, requires periodic review)	83	61	86	101	177	<b>508</b>



**EXPERIENCE VERIFICATION**

Business and Professions Code section 7068(g) requires that statements made on an application about a contractor’s experience be verified. Of course, every application and certification of work experience is reviewed by staff for its veracity, and they are often returned for correction, or to request clarification, and staff regularly contact the work experience “certifiers” regarding their statements.

In addition, California Code of Regulations section 824 requires, in addition to that verification, that the Registrar conduct a compressive field investigation of a minimum of 3% of all such applications.

As staff have reported the last several board meetings, staff have not been able to pull the 3 percent of files since the onset of the pandemic due to staffing limitations. Staff have worked with personnel and recently referred many of the experience verification field investigation files to the enforcement division. The full 3% investigative review of applications is anticipated to resume September 2022.



LICENSING INFORMATION CENTER STATISTICS

Licensing Information Center Support Services

CSLB’s Licensing Information Center (LIC) is the first point of contact for applicants, consumers, licensees, and governmental agencies needing information about licensing laws, hiring a contractor, licensing application information, and the status of an application. On average, the LIC receives 12,000 calls monthly. Staff who respond to calls must have knowledge of licensing transaction processes in order to assist callers with correct and complete information or transfer the caller to the appropriate person.

Table with 13 columns: Inbound Activity, 2021 (Jul-Dec), 2022 (Jan-Jun). Rows include Calls Received, Calls Answered, Caller Abandoned, Longest Wait Time, Shortest Wait Time, and Avg. Wait Time.

Licensing Information Center Call Data - Prior Calendar Years

Table with 6 columns: Inbound Activity, CY 2017, CY 2018, CY 2019, CY 2020, CY 2021. Rows include Calls Received, Calls Answered, Caller Abandoned, Average Longest Wait Time, Average Shortest Wait Time, and Average Wait Time.

The Licensing Information Center (LIC) has filled vacant LIC positions, including a supervisor position which has helped with workload monitoring. In addition, telework schedules have been modified for more consistent phone coverage. As a result of these changes, CSLB has significantly reduced LIC wait time and numbers are currently more in line with 2017 and 2018 statistics.



## **JUDGMENT UNIT STATISTICS**

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement Division, and other governmental agencies. The Judgment Unit also processes all documentation and correspondence related to resolving issues such as satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
  - Division of Occupational Safety and Health
  - Division of Labor Standards Enforcement
- Franchise Tax Board
- State Board of Equalization
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payment of claims are reported to CSLB by bonding (surety) companies.

The charts on the following page provide the number of notifications mailed to licensees related to outstanding liabilities, judgments, and payment of claims affecting their license status, including the savings to the public as a result of compliance.

**Judgment Unit****Number of Reimbursements to State Agencies and Public****OUTSTANDING LIABILITIES (FROM CALIFORNIA STATE AGENCIES)**

	2021 Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan	Feb	Mar	Apr	May	Jun
Initial	143	91	89	93	96	99	95	65	156	83	87	79
Suspend	66	57	125	71	81	74	76	67	100	45	65	72
Reinstate	41	46	57	57	41	66	37	57	119	38	37	38
<b>Total</b>	<b>250</b>	<b>194</b>	<b>271</b>	<b>221</b>	<b>218</b>	<b>239</b>	<b>208</b>	<b>189</b>	<b>375</b>	<b>166</b>	<b>189</b>	<b>189</b>

**FINAL JUDGMENTS (FROM COURT ACTIONS)**

	2021 Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan	Feb	Mar	Apr	May	Jun
Initial	59	38	67	51	48	27	11	36	39	61	55	61
Suspend	16	17	23	22	18	40	55	18	7	28	22	12
Reinstate	62	54	41	33	41	50	40	48	42	44	50	53
<b>Total</b>	<b>137</b>	<b>109</b>	<b>131</b>	<b>106</b>	<b>107</b>	<b>117</b>	<b>106</b>	<b>102</b>	<b>88</b>	<b>133</b>	<b>127</b>	<b>126</b>

**PAYMENT OF CLAIMS (FROM BOND SURETY COMPANIES)**

	2021 Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan	Feb	Mar	Apr	May	Jun
Initial	153	83	109	77	82	90	61	113	147	111	68	156
Suspend	58	42	77	66	49	66	26	39	41	5	70	71
Reinstate	93	66	76	76	67	70	38	63	123	109	44	93
<b>Total</b>	<b>304</b>	<b>191</b>	<b>262</b>	<b>219</b>	<b>198</b>	<b>226</b>	<b>125</b>	<b>215</b>	<b>311</b>	<b>225</b>	<b>182</b>	<b>320</b>

**Reimbursement Amounts to State Agencies and Public  
Prior Calendar Years**

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Outstanding Liabilities	\$23,282,397	\$23,899,670	\$26,277,077	\$18,342,630	\$18,765,840
Final Judgments	\$20,175,529	\$12,167,435	\$16,514,073	\$20,586,833	\$18,003,223
Payment of Claims	\$8,850,173	\$9,580,600	\$11,080,053	\$9,921,280	\$7,934,026
<b>Total Monetary Savings</b>	<b>\$52,308,099</b>	<b>\$45,647,705</b>	<b>\$53,871,203</b>	<b>\$48,850,913</b>	<b>\$44,703,089</b>



# CONTRACTORS STATE LICENSE BOARD

## LICENSING PROGRAM UPDATE

### State Agency Outstanding Liabilities Collected

	Employment Dev. Department (EDD)	Franchise Tax Board (FTB)	Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE) Division of Occupational Safety & Health (DOSH) Office of the Director – Legal Unit (ODL)	Total Liabilities Collected
July 2021	\$848,824	\$367,692	\$310,054	<b>\$1,526,570</b>
August	\$287,688	\$558,954	\$591,219	<b>\$1,437,861</b>
September	\$1,887,011	\$523,823	\$477,955	<b>\$2,888,789</b>
October	\$992,599	\$1,644,895	\$360,193	<b>\$2,997,687</b>
November	\$1,076,707	\$405,469	\$92,564	<b>\$1,574,740</b>
December	\$1,705,358	\$632,855	\$957,282	<b>\$3,295,495</b>
January 2022	\$762,940	\$32,299	\$80,971	<b>\$876,210</b>
February	\$1,428,118	\$540,716	\$153,707	<b>\$2,122,541</b>
March	\$2,105,902	\$212,245	\$134,886	<b>\$2,453,033</b>
April	\$734,075	\$263,992	\$171,967	<b>\$1,170,034</b>
May	\$1,163,900	\$149,918	\$247,468	<b>\$1,561,286</b>
June	\$1,228,445	\$858,433	\$22,921	<b>\$2,109,799</b>
<b>TOTALS</b>	<b>\$14,221,567</b>	<b>\$6,191,291</b>	<b>\$3,601,187</b>	<b>\$24,014,045</b>



# CONTRACTORS STATE LICENSE BOARD

## TESTING PROGRAM UPDATE

### EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing Division’s EAU utilizes PSI Exams to administer CSLB’s 47 examinations at 20 computer-based test centers. PSI provides applicants with more testing hours, including evening and weekend testing, and allows them to select their own test dates, times, and locations. CSLB and PSI mail applicants’ instructions on how to schedule exams.

EAU will continue to serve an administrative support function to PSI as they administer CSLB examinations. EAU also provides reasonable accommodations to applicants when needed and approves translator requests for candidates. More information about the PSI transition is included in the next agenda item of this packet.

EAU currently has two vacancies: two Associate Governmental Program Analyst positions.

Below is information about the number of examinations scheduled through the fiscal year at CSLB and then, starting April, PSI test centers. The last several months, CSLB staff have updated the Board to the transition between CSLB examination administration to PSI examination administration. By the next Board meeting, all test administration updates will show testing data only from PSI.

### Number of Examinations Scheduled Per Month July 2021 – June 2022

Jul 2021	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun 2022	Total
5946	6483	5733	5909	5555	5477	5752	5175	6022	6007	5105	5888	69,052

CSLB currently utilizes PSI test centers in the following locations:

- Agoura Hills
- Atascadero
- Bakersfield
- Carson
- Diamond Bar
- El Monte / Santa Fe Springs
- Fresno
- Irvine
- Lawndale
- Redding
- Riverside
- Sacramento
- San Diego
- San Francisco
- Santa Clara
- Santa Rosa
- Union City
- Ventura
- Visalia
- Walnut Creek





**Number of Examinations Scheduled by Test Center July 2021 – June 2022**

Test Center	Number of Examinations Scheduled
Fresno	4,214
Norwalk	17,822
Oxnard	8,665
Sacramento	12,520
San Bernardino	10,051
San Diego	6,828
San Jose	7,983
PSI	969
<b>Total</b>	<b>69,052</b>

**EXAMINATION DEVELOPMENT UNIT (EDU)**

The Testing Division’s EDU ensures that CSLB’s 47 examinations are written, maintained, and updated in accordance with testing standards and guidelines, Department of Consumer Affairs policies, and CSLB regulations, as well as federal and California state law.

**Examination Development**

State law requires that all license examinations be updated at least every five to seven years. All CSLB examination programs meet this standard. The revision process takes approximately one year and is conducted in two phases: 1) occupational analysis and 2) item bank development.

The occupational analysis determines what topics are relevant to each contractor classification and in what proportion they should be tested. This process starts with interviews of a statewide sample of active California licensees in each specific classification. The interviews result in a draft list of the job tasks performed by contractors in that trade and the knowledge needed to work safely and competently. EDU staff then conduct a workshop with licensees who act as subject matter experts to finalize the task and knowledge statements. A large-scale online survey is conducted with a greater number of subject matter experts. A second workshop is then conducted to develop a validation report, which includes an examination outline that serves as a blueprint for constructing examination versions/forms.

The item bank development phase involves numerous workshops with subject matter experts to review and revise existing test questions, write, and review new test questions, and determine the passing score for examinations from that point forward.



EDU currently has two vacancies: one Research Data Analyst I/II and one Research Data Specialist I/II.

The following examinations have been released since May 2022:

- C-6 Cabinet, Millwork, and Finish Carpentry – July 1, 2022
- C-20 Warm-air Heating, Ventilating & Air Conditioning – July 1, 2022

**Examination Programs in Progress as of July 31, 2022**

Occupational Analysis	Item Bank Development
Hazardous Substance Removal Certification	Asbestos Certification
	C-2 Insulation & Acoustical
	C-4 Boiler, Hot Water Heating, & Steam-fitting
	C-7 Low Voltage
	C-8 Concrete
	C-9 Drywall
	C-11 Elevator
	C-12 Earthwork and Paving
	C-17 Glazing
	C-27 Landscaping
	C-29 Masonry
	C-31 Construction Zone Traffic Control
	C-32 Parking & Highway Improvement
	C-39 Roofing
	C-42 Sanitation Systems
	C-46 Solar
	C-49 Tree and Palm
C-53 Swimming Pool	
C-54 Ceramic & Mosaic Tile	
C-57 Well Drilling	



### **Ongoing Consumer Satisfaction and Applicant Surveys**

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement Division's handling of complaints related to eight customer service topics. This survey is sent to a sample of complainants who provided CSLB with their email address. Respondent comments are provided to the Enforcement Division each month for review.

EDU also conducts an ongoing survey of applicants who complete the application process. The surveys are emailed after license issuance to all applicants who provide CSLB with their email address. Follow up emails are sent a few weeks later to applicants who have not yet responded. Respondent comments are provided to the Licensing division each month for review. Statistics based on survey responses for both surveys are compiled and presented to the board annually.



## AGENDA ITEM F-3

# Test Administration Centers Outsourcing Update





### **Test Administration Centers Outsourcing Update**

As of July 1, 2022, all CSLB examinations are administered by PSI Exams and CSLB test centers are now closed. PSI Exams is currently administering all CSLB's 47 examinations at 20 test centers operating throughout California.

As of August 10, 2022, PSI has administered 4,280 CSLB examinations with 3,748 exams currently scheduled. 100 exams were administered with the assistance of a translator for ESL candidates.

During the peak of the pandemic, there was a backlog of 11,000 pending examinations. With social distance requirements in place, additional testing sessions were implemented at all CSLB test centers as well as the creation of additional test centers in Norwalk and Sacramento in efforts to reduce the backlog. CSLB was able to administer 50,000 exams in 2021 and reduced the backlog by over 50 percent before exams were fully transitioned to PSI Exams.

With this new vendor, candidates must contact PSI directly to schedule their exams instead of being automatically scheduled a date by CSLB. PSI has all the booklets and rules it needs to administer CSLB exams in their test centers.

## AGENDA ITEM F-4

Review, Discussion, and Possible  
Action on Entering into a  
General Building Trade Exam  
Waiver Agreement with Mississippi  
Pursuant to Business and Professions  
Code Section 7065.4





### Licensing Reciprocity

#### **Background**

In October 2016, the Little Hoover Commission (LHC) issued a report, “Jobs for Californians: Strategies to Ease Occupational Licensing Barriers.” The report found that while occupational licensing provides many health and safety benefits to consumers, licensing requirements can also act as a barrier that prevent some people from practicing a particular profession.

The report contained eight recommendations, including the following on reciprocity:

The Legislature should require reciprocity for all professionals licensed in other states as the default, and through the existing sunset review process, require boards to justify why certain licenses should be excluded. Specifically, licensing boards should be required to (1) identify whether licensing requirements are the same or substantially different in other states, and (2) grant partial reciprocity for professionals licensed in states with appropriately comparable testing and education requirements.

#### **CSLB Reciprocity with Other States**

Business and Professions Code 7065.4 allows CSLB to waive a trade exam as follows:

The registrar may accept the qualifications of an applicant who is licensed as a contractor in a similar classification in another state if that state accepts the qualifications of a contractor licensed in this state for purposes of licensure in that other state, and if the board ascertains, on a case-by-case basis, that the professional qualifications and conditions of good standing for licensure and continued licensure are at least the same or greater in that state as in California.

The registrar may waive the trade examination for that applicant if the applicant provides written certification from that other state in which he or she is licensed, that the applicant’s license has been in good standing for the previous five years.

CSLB currently has limited reciprocity with three states – Arizona, Nevada, and Louisiana. As such, CSLB will waive the general building trade exam for a qualified applicant who has passed the General Building Contractor exam in Arizona, Nevada, or Louisiana. Applicants must take and pass the California law and business exam.

#### **Department of Consumer Affairs (DCA) Office of Professional Examination Services**

The law provides that CSLB can make its own decisions about conducting examinations without review by DCA ((Business and Professions Code (BPC) section 109), and that





CSLB set the minimum standards for knowledge and experience by written examination (BPC 7065 and BPC 7068).

However, BPC section 139 provides that DCA work with boards and bureaus on their policies for examination development, validation, and administration. The DCA Office of Professional Examination Services (OPES) partners with boards and bureaus to establish a schedule for review of their respective licensing examination programs, regardless of their use of state or national exams. The CSLB values its partnership with DCA examination services, and has worked with them on reciprocity projects, as described below.

### **NASCLA Commercial General Building Examination**

In 2017, the Board added a review of reciprocity to the Licensing Division strategic plan. Staff researched the topic and in November 2017, recommended a trade examination waiver be granted to qualified applicants who hold a license from states that use the National Association of State Contractors Licensing Agencies (NASCLA) Commercial General Building Contractor examination.

At the November 2017 meeting, the Licensing Committee heard a presentation from the Department of Consumer Affairs (DCA) Office of Professional Examination Services (OPES) about the use of NASCLA trade exams and trade exam waivers.

OPES explained that reciprocity is intended to remove barriers to licensure, enhance mobility for licensees and reduce redundant licensing requirements. Further, reciprocity promotes consistent licensure standards and uniform scopes of practice, and allows for the acceptance of national examinations.

OPES recommended that in considering reciprocity, CSLB should evaluate the difference in the scope of practice, examination content, format, passing scores, and passing rates. OPES further recommended that if CSLB does adopt the NASCLA General Building exam, CSLB should:

1. Accept that the exams are not parallel
2. Maintain existing waiver regulations
3. Accept the NASCLA exam only for reciprocity (not administer)
4. Participate in the NASCLA occupational analysis process

The CSLB Licensing Committee requested CSLB staff do more research, including information on any enforcement statistics regarding complaints CSLB has received against reciprocity licensees. In February 2018, the Licensing Division reported to the Licensing Committee that current licensees licensed through reciprocity were 40 percent less likely to receive a complaint than the general licensing population. Updated licensing reciprocity complaint information will be provided at the August 30, 2022 Board meeting during the presentation of this item.



**Louisiana Review:**

In 2018, the CSLB staff met with the Louisiana State Licensing Board for Contractors regarding their interest in a reciprocity agreement for the CSLB B-General Building license and the Louisiana Building Construction license. After communications between the two agencies and comparison between two agencies experience requirements and exam contents, the staff brought the matter to the Board. At the April 2018 Meeting, the Board approved a staff recommendation to pursue a reciprocity agreement for a qualified applicant that has passed the NASCLA Commercial General Building examination if the state agrees to accept CSLB’s “B” general building trade examination. On July 13, 2018, CSLB reached a reciprocity agreement with Louisiana.

**Mississippi Review:**

In 2022, the CSLB received a request from Mississippi regarding their interest in a reciprocity agreement with the CSLB. The Mississippi State Board of Contractors (MSBOC) is interested in reciprocity with a CSLB B-General Building license and a MSBOC Building Construction license. The agencies have exchanged examination comparison information. For their General Builder classification, Mississippi accepts the NASCLA Accredited Examination for Commercial General Building as well as their own examination.

On August 8, 2022, CSLB staff met with the Office of Professional Examination Services (OPES) at DCA to discuss the possibility of a reciprocity agreement with Mississippi for their Building Construction license. CSLB provided OPES an analysis of the comparison between CSLB’s B-General Building examination plan and the Mississippi Building Construction classification examination plan.

OPES responded that they would assist CSLB with drafting a reciprocity policy if approved by the Board.

The CSLB and OPES discussed that if CSLB receives requests from other states for which the Board has not reviewed the examination requirements or performed an analysis, the state’s examination should be reviewed by OPES and the CSLB Licensing Committee prior to full Board review.

**Staff Recommendation**

Direct staff to pursue a reciprocity agreement with Mississippi to waive the CSLB “B” General Building examination for a qualified applicant that has passed the NASCLA Commercial General Building examination, if Mississippi agrees to accept CSLB’s “B”



General Building trade examination. Further, those applicants must take and pass the California law and business examination.



# AGENDA ITEM G

## Public Affairs





## AGENDA ITEM G-1

# Update, Review, Discussion and Possible Action on 2022-24 Public Affairs Strategic Plan Objectives





### 2022-24 Strategic Plan – Public Affairs Objectives

#### Item 4.1

**Description:** Expand CSLB’s online presence through both standard platforms and emerging technologies to improve effectiveness in educating consumers and the industry.

**Target Date:** Immediate

**Current Status:** Ongoing. CSLB is constantly exploring innovative ways to expand its online presence. Outreach continues through Facebook, Twitter, YouTube, LinkedIn, Instagram, and Flickr, and the number of CSLB followers across all platforms has already increased by over 1,000 in 2022. In 2022 so far, PAO has participated in twelve virtual video events with communities affected by disasters as well as Senior Scam Stopper events, reaching over 690 viewers.

#### Item 4.2

**Description:** Establish a CSLB-specific new board member orientation to educate board members about legislative processes, licensing and testing functions, and enforcement procedures.

**Target Date:** January 2023

**Current Status:** Public Affairs is currently working with the Executive Office to develop an outline for new board member orientation.

#### Item 4.3

**Description:** Update the website content, accessibility, and navigation to improve the user experience.

**Target Date:** Immediate

**Current Status:** Ongoing. PAO staff regularly works with the Information Technology Division to ensure all website content is accessible and works with all divisions to consistently update and revise outdated content.

#### Item 4.4

**Description:** Develop video tutorials on processes and procedures to reduce consumer, licensee, and applicant errors (for example, how to complete forms).

**Target Date:** Two videos per year beginning in 2022

**Current Status:** One video completed, “CSLB Quick Tips: Renew Your License Online.” With transition to PSI complete, preliminary work beginning on “What to Expect On Test Day.”



**Item 4.5**

**Description:** 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.

**Target Date:** December 2022

**Current Status:** Public Affairs Office is working with the Executive office to develop an Industry Bulletin for C-20 and C-38 licensees. In June, CSLB staff met with representatives of industries who engage in the distribution, sale, and installation of fossil fuel appliances to discuss the impact of statewide decarbonization goals and recent energy policies on the industry



## AGENDA ITEM G-2

# Public Affairs Update

- a. Disaster Response
- b. Video/Digital Services
- c. Social Media Highlights
- d. Stakeholder Communications
- e. Media Relations
- f. Consumer/Community Outreach
- g. Publication/Graphic Design Services
- h. Intranet/Employee Relations





### **PUBLIC AFFAIRS PROGRAM UPDATE**

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer communications, as well as outreach. PAO provides proactive public relations, response to media inquiries, publication and newsletter development and distribution, and contractor education and outreach.

PAO creates and posts content on the CSLB social media channels to educate and inform consumers, licensees, the construction industry, and government officials. PAO staff produces content for the CSLB website that includes webcasts and videos. The staff also conducts Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> workshops, holds seminars for both disaster survivors and contractors in disaster zones, and presents speeches to service groups and organizations. Staff also develops posts for the employee intranet.

### **DISASTER RESPONSE**

CSLB works to educate property and business owners, so they are not harmed by unlicensed and other unscrupulous contractors after a disaster. Many individuals try to take advantage of disaster survivors during the rebuilding process.

From August 1-4, 2022, PAO staff supported CSLB at a Local Assistance Center (LAC) in Mariposa County to help survivors of the Oak Fire. As of August 1, Cal Fire reports the Oak Fire burned at least 19,000 acres and destroyed at least 190 structures. This follows a busy fire season in 2021, when fires burned more than 2.4 million acres, killed three people, and destroyed or damaged more than 3,600 structures.

CSLB's disaster response includes immediate and longer-term outreach, enforcement efforts, participation in multi-agency task forces, and assistance for affected licensees.

### **Short- and Long-Term Outreach**

PAO coordinates additional outreach to congressional offices and state legislator offices in the affected disaster areas, as well as building departments, construction industry associations, and chambers of commerce.

PAO contacts local counties and jurisdictions to set up wildfire rebuilding workshops for longer-term outreach. CSLB offers two wildfire rebuilding workshops:

1. For fire survivors looking to rebuild.
2. For contractors who plan to work on the rebuilding effort.

The fire survivor workshop includes essential consumer protection tips, information about contractor licensing and other requirements, insurance issues, how to work with an architect, and an update on the local rebuild provided by the local building department.

The contractor workshop includes a building department update on the local rebuild and any special rules established for plan approvals and inspections. Licensing



requirements are covered, as are bonds and insurance, how to obtain a workers' compensation policy, contract requirements, how to prevent complaints, and how the selection of building materials and the choice of building methods can help prevent future disasters.

CSLB continues to utilize its partnership with NextDoor, a social networking service for neighborhoods, to reach disaster survivors. CSLB also makes regular disaster-related posts through its social media channels, including Facebook, Twitter, and Instagram.

### **Task Force Participation**

CSLB staff participate on a multi-agency task force established by the California Office of Emergency Services that focuses on housing. The task forces include representatives from local, state, and federal agencies, with a goal of coordinating and streamlining the debris cleanup efforts and addressing both short-term housing needs for survivors and the rebuild. PAO staff presented at the housing task force meetings in February and October 2021.

### **Assistance for Licensees/Applicants**

PAO communicates via social media and the website that CSLB continues its practice of waiving fees for licensees to replace their wall certificate and/or plastic pocket license in disaster zones. PAO also communicates that CSLB waives delinquent fees for failure to renew a license before it expires for fire survivors and works to expedite license applications for those planning to work in fire areas.

### **Consumer, Licensee and Applicant Tips Videos**

Public Affairs staff continue developing consumer and licensee videos for promotion on social media and the CSLB website. Topics have ranged from tips on when to hire a gardener or a landscaper and safety tips for spring landscaping projects to information on how to check that a contractor is licensed and how to find a contractor through CSLB's "Find My Licensed Contractor" page.

Staff have translated and produced Spanish versions of several videos, including a series on how to navigate the CSLB website.

Staff have also continued to produce English and Spanish versions of the monthly Get Licensed to Build workshop for those interested in a contractor's license. These live webcasts have been well attended via WebEx, Facebook, and YouTube, and are also archived on CSLB's website.

## **VIDEO/DIGITAL SERVICES**

### **Consumer, Licensee and Applicant Tips Videos**

Public Affairs staff continue developing consumer and licensee tips videos for promotion on social media and the CSLB website. Topics have ranged from tips on how to renew your license online or become a registered home improvement sales person to information on contracting in disaster areas and for rebuilding after a disaster.



Staff continue to translate and produce Spanish versions of consumer and licensee tips videos, including a series on how to navigate the CSLB website a various tips for hiring a contractor.

Staff have also continued to produce English and Spanish versions of the monthly Get Licensed to Build workshop for those interested in a contractor’s license. These live webcasts have been well attended via WebEx, Facebook, and YouTube, and are also archived on CSLB’s website.

**Webcasts/Videos Produced**

**Live/Recorded Webcasts  
July 1, 2021 – June 30, 2022**

<b>Date Published</b>	<b>Video Title</b>
7/2/2021	Get Licensed to Build Workshop
7/23/2021	Interagency Solar Consumer Taskforce Meeting
7/27/2021	CSLB Board Meeting
8/6/2021	Get Licensed to Build Workshop
9/3/2021	Get Licensed to Build Workshop
9/17/2021	Battery Energy Storage Systems Classification Workshop
9/22/2021	CSLB Board Meeting Day 1
9/23/2021	CSLB Board Meeting Day 2
9/29/2021	CSLB Board Meeting
10/1/2021	Get Licensed to Build Workshop
10/28/2021	Solar Consumer Restitution Webinar
11/5/2021	Get Licensed to Build Workshop
11/29/2021	CSLB Board Meeting
12/3/2021	Get Licensed to Build Workshop
12/10/2021	Taller para que obtenga licencia de Construir (Spanish Workshop)
1/7/2022	Get Licensed to Build Workshop



<b>1/21/2022</b>	Taller para que obtenga licencia de Construir (Spanish Workshop)
<b>1/26/2022</b>	CSLB Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meetings
<b>2/4/2022</b>	Get Licensed to Build Workshop
<b>2/23/2022</b>	CSLB Board Meeting
<b>3/4/2022</b>	Get Licensed to Build Workshop
<b>3/18/2022</b>	Taller para que obtenga licencia de Construir (Spanish Workshop)
<b>3/30/2022</b>	CSLB Board Meeting
<b>4/1/2022</b>	Get Licensed to Build Workshop
<b>4/21/2022</b>	Taller para que obtenga licencia de Construir (Spanish Workshop)
<b>5/6/2022</b>	Get Licensed to Build Workshop
<b>5/20/2022</b>	Taller para que obtenga licencia de Construir (Spanish Workshop)
<b>6/3/2022</b>	Get Licensed to Build Workshop
<b>6/16/2022</b>	CSLB Board Meeting
<b>6/17/2022</b>	Taller para que obtenga licencia de Construir (Spanish Workshop)

**Videos Created/Posted Online  
July 1, 2021 – June 30, 2022**

<b>Date Published</b>	<b>Video Title</b>
<b>7/21/2021</b>	Tips for Becoming a Registered Home Improvement Salesperson (HIS)
<b>8/12/2021</b>	CSLB Contractor Sting, Sacramento
<b>8/30/2021</b>	Rebuilding After a Disaster
<b>10/11/2021</b>	CSLB Quick Tips: Contracting in Disaster Areas
<b>11/10/2021</b>	2021 WIC Conference – Susan Granzella Message
<b>12/9/2021</b>	10 Consejos Para Asegurar Que Su Contratista Sea Calificada
<b>12/13/2021</b>	Reconstrucción después de un desastre
<b>2/15/2022</b>	Consejos rápidos de CSLB: Encuentre a mi contratista con licencia



3/4/2022	Consejos rápidos de CSLB: ChecktheLicenseFirst.com
3/24/2022	Tips for Spring Landscaping Projects
4/7/2022	CSLB Staff Onboarding Video (2022 Update)
4/25/2022	Proyectos de Hogar de Primavera
5/2/2022	NASCLA Conference Anniversary Video
5/17/2022	Consejos rápidos de CSLB – Jardinero vs. Paisajista
6/21/2022	CSLB Quick Tips: Renew Your License Online

**El proceso de examen**  
Antes del examen

- Uso de traductores**
  - CSLB puede permitir el uso de traductor para leerle el examen
  - El traductor debe ser aprobado con antelación
  - No se presente el día del examen con un traductor si no ha sido preaprobado
- Si no se presenta a su examen**
  - Debe pagar una tarifa de reprogramación no reembolsable de \$ 100
  - La tarifa puede ser eximida una vez con evidencia documentada de emergencia médica u otra circunstancia fuera de su control.
- Guías de estudio de CSLB**
  - Enumera las secciones y temas cubiertos por el examen
  - Incluye preguntas de ejemplo
  - Muestra cómo se pondera cada sección
  - Muestra materiales de recursos recomendados para estudiar

Utilice la función de preguntas y respuestas para hacer una pregunta

Guías de estudio: [https://www.cslb.ca.gov/Contractors/Qualifications/Examination\\_Study\\_Guides/](https://www.cslb.ca.gov/Contractors/Qualifications/Examination_Study_Guides/)

CONTRACTORS STATE LICENSE BOARD | Quarterly Board Meeting | June 16, 2022 | Agenda Item B

### SOCIAL MEDIA HIGHLIGHTS

#### Followers on CSLB’s Social Media July 1, 2021 – June 30, 2022

Date	Facebook	Twitter	Twitter (@CSLBNews)	YouTube	LinkedIn	Instagram	Flickr
July 2021	5,654	2,794	41	2,699	553	1,169	11
August 2021	5,686	2,811	42	2,850	563	1,203	11
September 2021	5,706	2,820	41	2,915	569	1,215	12
October 2021	5,727	2,825	41	3,051	585	1,263	13
November 2021	5,743	2,839	41	3,161	590	1,288	13





<b>December 2021</b>	5,749	2,844	42	3,211	596	1,308	13
<b>January 2022</b>	5,758	2,855	42	3,288	606	1,328	13
<b>February 2022</b>	5,785	2,860	43	3,400	612	1,349	13
<b>March 2022</b>	5,801	2,874	43	3,534	626	1,360	12
<b>April 2022</b>	5,805	2,885	46	3,711	639	1,399	13
<b>May 2022</b>	5,859	2,894	47	3,822	660	1,437	13
<b>June 2022</b>	5,885	2,930	49	3,933	667	1,471	13



**Consumer Protection Social Media Posts**

CSLB utilizes social media to highlight tips and resources to protect consumers. A recent post announcing the Solar Energy System Restitution Program received nearly 3,000 impressions across all of CSLB’s social channels. Impressions are the estimated number of times the content was shown to viewers.

**Wildfire Home Protection Social Media Campaign**

CSLB uses social media to educate consumers. For example, a June 2022 campaign provided information about how homeowners can prepare for wildfires using licensed contractors. The week-long campaign was posted in English and Spanish and received nearly 5,000 impressions across all of CSLB’s social channels.



**Contractors State License Board** is with California Department of Consumer Affairs. ...  
June 13 · 🌐

Get your home wildfire ready using CSLB licensed contractors. **CAL FIRE** says residents should make sure to protect their homes and be ready for wildfire—focus on creating defensible space and home hardening retrofits.

Visit [cslb.ca.gov](http://cslb.ca.gov) to find a licensed contractor and [readyforwildfire.org](http://readyforwildfire.org) for more wildfire readiness resources.

Prepare su hogar contra incendios forestales utilizando contratistas con licenc... See more

**Contractors State License Board**  
Published by Hootsuite · June 14 · 🌐

Wildfire season is here! Here are a few tips consumers should keep in mind when hiring a licensed contractor to protect your home. Learn how to protect yourself using CSLB's Disaster Help Center at [cslb.ca.gov/disaster](http://cslb.ca.gov/disaster).

¡La temporada de incendios forestales ya está aquí! Aquí hay algunos consejos que los consumidores deben tener en cuenta al contratar a un contratista con licencia para proteger su hogar. Aprend... See more

**CA Contractors Board @CSLB** · May 31 · 🌐

Be SWIFT and report #unlicensed activity!

#CSLB has a Statewide Investigative Fraud Team (SWIFT). They accept complaints against unlicensed individuals actively working on #construction projects costing \$500 or more.

Report unlicensed activity online: [bit.ly/3lkKPBO](http://bit.ly/3lkKPBO)

### Enforcement-Related Social Media Posts

CSLB uses social media to promote the Enforcement Division's Statewide Investigative Fraud Team (SWIFT). The post encourages consumers to report unlicensed activity and use CSLB's online lead referral form to file complaints against unlicensed contractors. This post from May 2022 received nearly 3,000 impressions and 55 click-throughs to the lead referral form.

### Social Media Questions on Status of CSLB Services

CSLB receives an average of 12 to 25 questions per week through its social media channels. Questions often relate to applications, testing, and renewals. CSLB also receives suspected unlicensed activity tips, which are forwarded to the Enforcement Unit.

### Facebook Growth

Between July 1, 2021, and June 30, 2022, CSLB reached 63,000 people on its Facebook page.



- 67 percent of those who follow CSLB on Facebook are male, 32 percent female.
- 57 percent of CSLB's Facebook followers are between the ages of 35 and 54.
- Most viewed posts:
  - Press Release: San Diego Co. Undercover Sting – reached 13,700 people
  - Press Release: Unlicensed Contractors Arrested in Butte County Disaster Area – reached 11,944 people

### **Twitter Growth**

CSLB manages two Twitter pages — a main account and one that contains only news release information and items of interest to the media.

On CSLB's main Twitter account, between July 1, 2021, and June 30, 2022, CSLB had 129,000 impressions. CSLB has 2,930 Twitter followers.

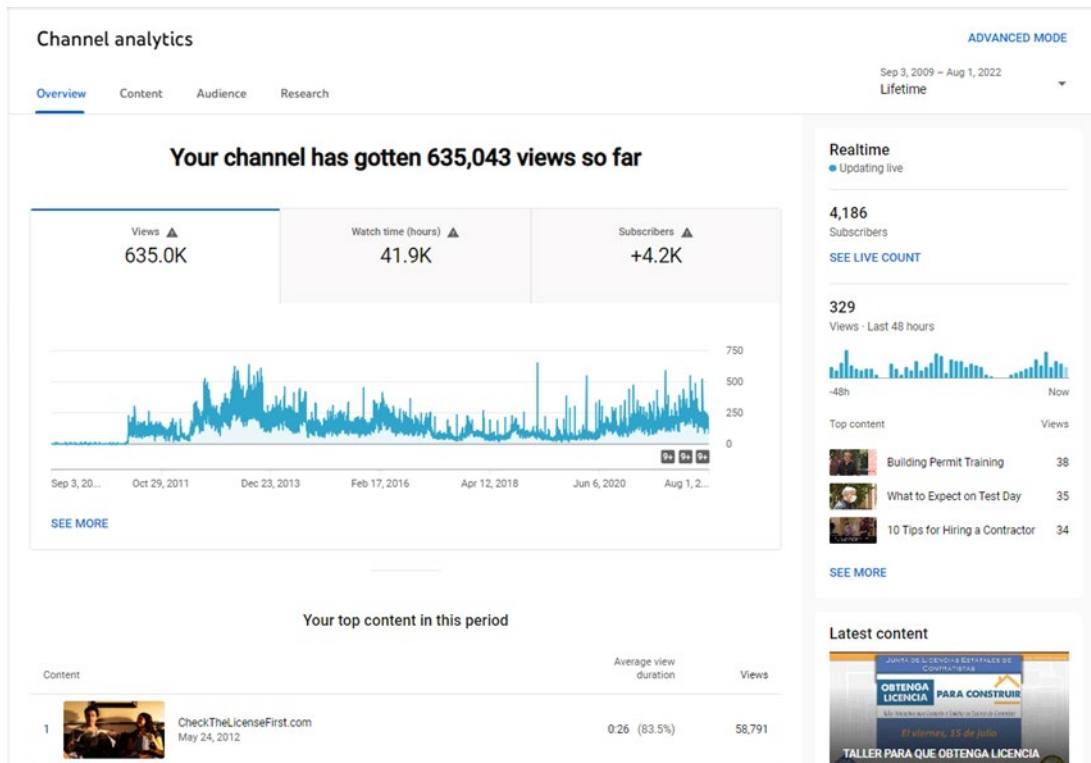
The most popular categories of Twitter posts are disaster recovery, sting operations, and news releases.

Top tweets:

- CSLB Warning: Unlicensed contractors often target victims of natural disasters – 6,757 impressions
- File a complaint with CSLB: 5,948 impressions
- CSLB will reopen its test centers on Feb. 1, 2021: 5,206 impressions

### **YouTube Channel Growth**

CSLB's YouTube channel continues to grow, with an increase of approximately 1,500 subscribers, 7,800 hours of watch time, and 78,300 more views since July 2021. The channel has a total of 635,000 views (41,900 hours watched) and 4,186 subscribers since the page was created in 2009.



### Instagram Growth

CSLB has 1,536 Instagram followers, an increase of 367 from July 1, 2021, to June 30, 2022.

- 70 percent of CSLB Instagram followers are between the ages of 25-44.
- 75 percent of CSLB Instagram followers are male, 25 percent female.
- CSLB’s audience is most likely to be on Instagram between 9 a.m. and 9 p.m.

### Flickr Growth

CSLB is expanding its portfolio of photographs on Flickr, which is a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs or in an album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of June 30, 2022, CSLB had 376 photos available for download on Flickr.

### LinkedIn Growth

PAO actively posts current job vacancies to LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase



exposure and act as an effective recruiting tool to attract quality employees for CSLB positions. As of June 20, 2022, CSLB has 700 followers and 2,100 page views.

**Email Alert Feature**

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 41,999.

These include:

- Industry Bulletins
- Public Meeting Notices/Agendas
- *California Licensed Contractor* Newsletters
- News Releases/Consumer Alerts
- Surveys
- CSLB Job Openings
- Podcasts/Webcasts

**Industry Bulletins**

Important CSLB updates are issued in Industry Bulletins, which are emailed to those who signed up via CSLB’s Email Alert System. From July 1, 2021, to June 30, 2022, CSLB issued 20 Industry Bulletins on topics such as the expansion of testing services, new license benefits for military spouses, and opportunities for contractors in the Earthquake Brace+Bolt program.

**Industry Bulletins  
July 1, 2021 – June 30, 2022**

Date	Industry Bulletins
7/7/2021	Historic First: Three Women Elected to Lead Contractors State License Board
7/9/2021	CSLB Battery Energy Storage Systems Report Released
7/28/2021	Fraud Alert: Scammers Pose as CSLB Staff, Demand Money Over Phone
8/12/2021	CSLB Announces Contractor Classifications Authorized to Install Battery Energy Storage Systems
9/2/2021	CSLB Holds Online BESS Workshop and Answers Frequently Asked BESS Questions
9/13/2021	Air Resources Board Invites CSLB Licensees to Attend Workgroup on Proposed Amendment for Off-Road Diesel Vehicles
9/27/2021	Contractor Input Needed for State Understanding of Disability Access Construction
10/8/2021	New Requirement for C-47 General Manufactured Housing Contractor License



11/5/2021	CSLB Announces New Fee Schedule for 2022
12/23/2021	New Contracting Laws Come into Play January 1, 2022
1/24/2022	2022 California Contractors License Law & Reference Book Now Available
2/18/2022	Attention Contractors Who Use Forklifts
4/4/2022	CSLB to Expand Testing Services for Licensed Contractor Examinations
4/26/2022	New Website Offers Guidance for Managing Treated Wood Waste

**MEDIA RELATIONS**

**Media Calls**

From July 1, 2021, to June 30, 2022, PAO responded to 57 media inquiries, providing information and/or interviews to a variety of media outlets.

**News Releases**

PAO issued 8 news releases from July 1, 2021, to June 30, 2022. This includes the statewide sting operation for NASCLA press release and information on the Solar Energy System Restitution Program.

**News Releases  
July 1, 2021 – June 30, 2022**

Date Published	News Release Title
8/20/2021	Unlicensed Contractors Discovered in Fresno County During CSLB Sweeps
9/20/2021	Wildfire Survivors Urged to Hire Only Licensed Contractors for Repairs, Debris Clearing or Rebuilding
10/4/2021	Santa Cruz Undercover Construction Sting Catches Unlicensed Contractors
10/12/2021	Sacramento County Undercover Construction Sting Catches Unlicensed Contractors
12/2/2021	CSLB to Hold Virtual Spanish Get Licensed to Build Workshop
2/1/2022	Unlicensed Contractors Arrested in Butte County Disaster Area Sting
3/21/2022	Unlicensed Contractors Cited in Fresno County Undercover Sting
4/27/2022	Unlicensed Contractors Make Big Bids in San Diego County Undercover Sting



5/12/2022	Contractors State License Board Helps Consumers with \$5 Million Solar Energy System Restitution Program
6/30/2022	Contractors Face 142 Legal Actions After Series of Statewide Stings and Sweeps

**CONSUMER/COMMUNITY OUTREACH**

**Senior Scam Stopper<sup>SM</sup> Seminars**

CSLB continues to provide virtual Senior Scam Stopper<sup>SM</sup> (SSS) seminars. The workshops are held virtually via Zoom, WebEx and Facebook Live.

In June 2022, Board Member Miguel Galarza was a featured speaker at Senior Scam Stopper event that was held with Senator Dave Min. Members of CSLB, the Department of Financial Protection and Innovation and the Department of Real Estate also attended.

**Outreach Events  
July 1, 2021 – June 30, 2022**

Date	Location	Legislative/Community Partner(s)	Attendance
July 15, 2021	Zoom	Sen. Bob Wieckowski	90
July 21, 2021	Zoom	Asm. Chris Ward	50
July 26, 2021	Zoom	Asm. Evan Low	67
July 27, 2021	Zoom/Geraldine Middleton	Asm. Evan Low	42
July 29, 2021	Zoom/Mike Jamnetski	Contractors Licensing & Workers' Compensation Webinar/Ventura County	N/A
August 4, 2021	Zoom	La Mesa-Foothills Democratic Club	60
August 10, 2021	Zoom	Sen. Rosilicie Ochoa Bogh	10
August 17, 2021	In-Person/Geraldine Middleton	Oasis Senior Center, Corona Del Mar	5
August 17, 2021	Zoom	Asm. Marc Berman	182
August 25, 2021	Zoom/Geraldine Middleton	Rep. Scott Peters	15
August 27, 2021	Zoom/Geraldine Middleton	Asm. Freddie Rodriguez	N/A
September 30, 2021	Zoom/Kevin Albanese intro	Sen. Dave Cortese	80
October 5, 2021	Zoom	Sen. Dave Min	65
October 19, 2021	Zoom	Asm. Rudy Salas	N/A
October 27, 2021	Zoom	Homeowner Outreach with Ventura County Homeowners	N/A
November 12, 2021	Zoom	Asm. Brian Maienschein	30





November 15, 2021	Zoom	Asm. Steve Bennett	37
February 9, 2022	Virtual	Senior Scam Stopper with Sen. Ben Allen	283
February 16, 2022	Virtual	Senior Scam Stopper with Santa Clara Senior Center	35
March 3, 2022	Virtual	Disaster Outreach with Catholic Charities	53
March 24, 2022	Virtual	Senior Scam Stopper – Sen. Melissa Hurtado	n/a
March 25, 2022	Virtual	Senior Scam Stopper – Asm. Steven Choi	45
April 11, 2022	Hybrid/ Fremont	Senior Scam Stopper – Asm. Alex Lee	66 online, 26 in-person
April 14, 2022	Virtual	Senior Scam Stopper – Asm. Bill Quirk	24
April 22, 2022	Virtual	Senior Scam Stopper with Asm. Steve Bennett	67
April 26, 2022	Virtual	Senior Scam Stopper with Asm. Chris Holden	20
May 3, 2022	Paradise	Community Outreach Meeting in Paradise	40
June 10, 2022	Virtual	Senior Scam Stopper with Sen. Dave Min	17
June 10, 2022	Lakewood	Senior Scam Stopper with Asm. Anthony Rendon	40

**PUBLICATION/GRAPHIC DESIGN SERVICES**

From July 1, 2021, to June 20, 2022, PAO’s Graphic Design Unit completed the following publications and reports.

**Publications & Reports  
July 1, 2021 – June 30, 2022**

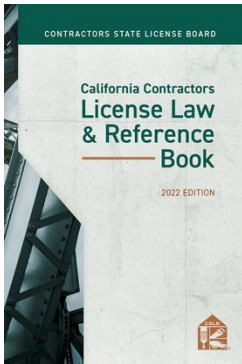
<b>Publications &amp; Reports</b>
2021 Accomplishments & Activities Report
2022 Board Administrative Procedure Manual
2022 California Contractors License Law & Reference Book
2022-2025 Strategic Plan
Get Licensed to Build: A Guide for Becoming a California Licensed Contractor (English & Spanish)
Descriptions of Classifications (English & Spanish)
What You Should Know Before Hiring A Contractor Brochure





Mandatory Arbitration Program Guide
Voluntary Arbitration Program Guide
July 27, 2021 Quarterly Board Meeting Packet (Teleconference)
September 22-23, 2021 Quarterly Board Meeting Packet (Hybrid)
November 29, 2021 Quarterly Board Meeting Packet (Teleconference)
January 26, 2022 Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meeting Packet (Teleconference)
March 30, 2022 Quarterly Board Meeting Packet (Teleconference)
June 16, 2022 Quarterly Board Meeting Packet

**2022 California Contractor License Law & Reference Book**



PAO completed production of the 2022 edition of the *California Contractor License Law & Reference Book* and the content was online on the CSLB website and available for purchase from the publisher in January 2022.

**INTRANET/EMPLOYEE RELATIONS**

*CSLBin* is the employee-only intranet site. Stories and photos highlight employee and organizational accomplishments. The site also contains the latest forms, policies, reports, and other information used by CSLB staff around the state. From July 1, 2021, to June 30, 2022, PAO published 50 employee intranet articles.

**Employee Intranet Stories  
July 1, 2021 – June 30, 2022**

Date Published	Title
7/1/2021	CSLB Welcomes Returning COVID Contact Tracers
7/8/2021	Three Women Elected to Lead CSLB – A Historic First for the Board
7/21/2021	CSLB Participates in Nationwide Sting and Sweep Operations
7/28/2021	CSLB Launches Video on the Home Improvement Salesperson Registration Process



<b>8/4/2021</b>	Easy Summer Pasta
<b>8/16/2021</b>	CSLB Staff Comes Together to Launch B-2 Trade in a True Team Effort
<b>8/30/2021</b>	Testing Division Develops New Trade Exam for Tree and Palm Contractors
<b>9/20/2021</b>	CSLB Helps Wildfire Survivors at Local Assistance Center's
<b>9/27/2021</b>	It's OK to Not Be OK and It's OK to Get Help
<b>10/4/2021</b>	CSLB Celebrates Hispanic Heritage Month Now through October 15
<b>10/13/2021</b>	Staff Shares Hispanic Heritage Month Celebrations
<b>10/20/2021</b>	CSLB Launches Video on Contracting in Disaster Zones
<b>10/25/2021</b>	IT Staff Celebrate CSLB Milestone with Online Renewal Web Tool
<b>10/28/2021</b>	A Spooktacular Halloween Dessert
<b>10/28/2021</b>	CSLB's 1 <sup>st</sup> Annual Virtual Costume Contest
<b>11/4/2021</b>	Fall Back!
<b>11/8/2021</b>	CSLB First Annual Virtual Halloween Costume Contest Results are In!
<b>11/15/2021</b>	What Are You Thankful For?
<b>11/19/2021</b>	Quarterly Board Meeting Coming Up November 29
<b>11/23/2021</b>	Happy Thanksgiving!
<b>12/3/2021</b>	Message from CSLB Board Chair Susan Granzella
<b>12/8/2021</b>	Depression is More Than Just a Rough Patch...Here are Some Resources
<b>12/16/2021</b>	CSLB Announces Fee Increases Beginning in 2022
<b>12/21/2021</b>	Happy Holidays from CSLB!
<b>12/27/2021</b>	CSLB Wishes You A Happy New Year!
<b>1/5/2022</b>	CSLB Releases First Spanish Language Videos to Further Aid Licensees and Consumers
<b>1/10/2022</b>	Bureau of Automotive Repair (BAR) Shares Winter Car Care Tips
<b>1/19/2022</b>	Tune in to the Enforcement, Public Affairs, Executive, Licensing, and Legislation Committee Meetings
<b>1/26/2022</b>	DCA Style Guide Available for Employees



<b>1/31/2022</b>	California Contractors License Law & Reference Book - 2022 Edition Now Available
<b>2/9/2022</b>	Easy Valentine's Day Recipe
<b>3/7/2022</b>	CSLB Celebrates Women in Construction
<b>3/11/2022</b>	Spring Forward!
<b>3/23/2022</b>	Watch the March Board Meeting
<b>3/30/2022</b>	CSLB's Accomplishments & Activities Report Now Available
<b>4/1/2022</b>	CSLB to Expand Testing Services for Licensed Contractor Examinations
<b>4/8/2022</b>	CSLB Staff Asked to Save Water as State Faces Drought
<b>4/8/2022</b>	Licensing Division Recognized for Outstanding Work
<b>4/19/2022</b>	Build a Career at CSLB from the Ground Up
<b>4/26/2022</b>	Do You Speak and Write Spanish?
<b>5/3/2022</b>	Celebrating Public Service Recognition Week
<b>5/4/2022</b>	Testing Staff Handle Backlog with Tenacity
<b>5/11/2022</b>	Licensing Division Unites During Spirit Week
<b>5/19/2022</b>	Announcing New Three-Year Strategic Plan
<b>5/25/2022</b>	CSLB Student Assistant Goes Above and Beyond
<b>6/2/2022</b>	CSLB Video Break: New Spanish Language Quick Tips
<b>6/9/2022</b>	CSLB's Quarterly Board Meeting Announcement
<b>6/16/2022</b>	CSLB Staff Reminders for Wildfire Season
<b>6/23/22</b>	Help Build Careers at CSLB—Join the Committee!
<b>6/23/22</b>	CSLB Applauds Staff Achievements



# AGENDA ITEM H

## Legislation





## AGENDA ITEM H-1

# Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives





### 2019-21 Strategic Plan – Legislative Objectives

#### Item 3.1

**Description:** Host an annual legislative day to build proactive relationships with lawmakers and to enhance effectiveness.

**Target Date:** April 2023: Annually Thereafter

**Current Status:** In Spring of 2022, staff had initial discussions with industry partners about scheduling such an event, but it was determined to be impractical as a result of construction at the Capitol and Covid-19 precautions. A legislative day is planned for 2023.

#### Item 3.2

**Description:** Review policies, procedures, and current practices for compliance with the Administrative Procedure Act to ensure appropriate decision making.

**Target Date:** July 2022: Conduct Internal Review

**Current Status:** Not yet begun. The Legislative Division will execute a plan to systematically review CSLB all licensing and enforcement guidelines, criteria, bulletins, manuals, instructions, orders, standards, or other documents for any practice or procedure that could be deemed a “regulation” that has not been adopted as such and filed with the Secretary of State.

#### Item 3.3

**Description:** Use plain language in all CSLB legislative proposals and bill analyses for better consumer and contractor understandings.

**Target Date:** Immediate and Ongoing

**Current Status:** The legislative division has already reformatted its legislative and regulatory document templates to simplify how information is displayed to the public and constantly strives to present bill and regulatory summaries in a clear and concise manner.

#### Item 3.4

**Description:** Pursue legislation requiring workers’ compensation insurance for all contractors to protect consumers and workers.

**Target Date:** September 2022

**Current Status:** Ongoing. the Board authorized staff to seek a legislative author for a bill to support this requirement, the Legislative Division located an author for CSLB-sponsored Senate Bill (SB) 216 which was introduced in January 2021. If passed, the bill will require proof of workers’ compensation for four classifications (C-8, C-20, C-22, and D-49) immediately, and for all classifications by 2026. As of August 16, 2022, the bill is pending its “third reading” on the Assembly Floor.





**Item 3.5**

**Description:** Identify and include fiscal impacts for the Board’s consideration in all legislative proposals and bill analyses.

**Target Date:** Immediate and ongoing.

**Current Status:** All bill analyses presented to the Board in 2022 to date have incorporated a fiscal analyses.

**Item 3.6**

**Description:** Review 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

**Target Date:** July 2023.

**Current Status:** Not yet begun.



## AGENDA ITEM H-2

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

- a. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
- b. AB 1747 (Quirk) Contractors: disciplinary action
- c. AB 2105 (Smith) Contractors: initial license fee reduction: veterans
- d. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping
- e. AB 2894 (Cooper) Contractors: workers' compensation insurance
- f. AB 2916 (McCarty) Contractors: disclosure of letters of admonishment
- g. SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage
- h. SB 1076 (Archuleta) Lead-based paint
- i. SB 1164 (Stern) Energy: building energy efficiency: heating, ventilation, and air conditioning equipment: sale registry and compliance tracking system: compliance document data registry
- j. SB 1237 (Newman) Licenses: military service
- k. SB 1443 (Roth) The Department of Consumer Affairs
- l. SB 1495 (Committee on Business, Professions and Economic Development) Professions and vocations





# CONTRACTORS STATE LICENSE BOARD

## 2021-22 PENDING LEGISLATION

### Review, Discussion and Possible Action on 2021-22 Pending Legislation: Summary of bills

The Board has acted on or reviewed all of the bills below. The following information is current as of August 15, 2022. Any updates will be provided orally at the August 30, 2022, board meeting.

**a. AB 646 (Low) Department of Consumer Affairs: boards: expunged**

**Convictions:** For contractors whose licenses are revoked because of a criminal conviction, this bill allows CSLB to collect \$25 to remove or amend the disclosure of that conviction on its website if the conviction is expunged.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB646](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB646)

**Board Position:** Support (March 2021)

**Status:** 8/11/22 Senate Appropriations suspense hearing. **Held in committee**

**b. AB 1747 (Quirk) Contractors: disciplinary action:** Increases from \$5,000 to \$30,000 CSLB's civil penalties for a licensed contractor failing to comply with building permit requirements as well as other health and safety violations.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1747](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1747)

**Board Position:** Support (March 2022) (Board Sponsored)

**Status:** 8/11/22 Senate Third Reading

**c. AB 2105 (Smith) Contractors: initial license fee reduction: veterans:** Authorizes CSLB to grant a 50% licensing fee reduction for license applicants who are armed forces veterans that meet certain criteria.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2105](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2105)

**Board Position:** Support (March 2022)



**Status:** 8/12/22. Enrolled.

**d. AB 2374 (Bauer-Kahan) Crimes against public health and safety:**

**illegal dumping:** This bill would require a criminal court to notify CSLB if a licensed contractor is convicted of illegal dumping of construction debris. CSLB would then be required to post the conviction on its website.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2374](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2374)

**Board Position:** Support (March 2022)

**Status:** 8/15/22 Senate Third Reading

- e. AB 2894 (Cooper) Contractors: Workers' Compensation Insurance:** This bill requires contractors, at the time of license renewal, to report to CSLB the top three "classification codes" on their workers' compensation policy for which the highest payroll is reported for their workers. The CSLB would then be required to post this information on the contractor's public license detail on CSLB's website

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2894](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2894)

**Board Position:** No position

**Status:** 8/11/22 Senate Appropriations Suspense Hearing. **Held in committee**

- f. AB 2916 (McCarty) Contractors: disclosure of letters of Admonishment:** For the public posting on the CSLB website of a Letter of Admonishment (LOA) issued to a contractor, provides CSLB the discretion to determine whether the LOA should be published for one year or two years.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2916](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2916)

**Board Position:** Support (May 2022)

**Status:** 8/15/22 Senate Third Reading

- g. SB 216 (Dodd) Contractors: Workers' Compensation Insurance:**



**mandatory coverage:** Requires C-8 Concrete, C-20 HVAC, C-22 Asbestos Abatement, and D-49 Tree Service contractor license classifications to have certificates of workers' compensation insurance on file with CSLB as a condition of licensure starting next year. Requires this of all licensed contractors by 2026.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB216](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB216)

**Board Position:** Support (February 2021) (Board Sponsored)

**Status:** 8/15/22 Assembly 2<sup>nd</sup> Reading File, Senate Bills

- h. **SB 1076 (Archuleta) Lead-based paint:** Imposes requirements on the Department of Public Health (CDPH) to make California compliant with federal lead-safe laws, such as requiring lead trainers and renovators to be certified by the state. Requires CSLB collaborate with CDPH on education and outreach about the requirements.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1076](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1076)

**Board Position:** None

**Status:** 8/15/22 Assembly 2<sup>nd</sup> Reading File, Senate Bills. **Will be amended to remove CSLB from development of the education and outreach campaign.**

- i. **SB 1164 (Stern) Energy: building energy efficiency: document repository and registry:** Would require the California Energy Commission to develop an online registry to track the sale and installation of HVAC systems in California. It would identify HVAC equipment installed without permits or the required compliance, installation, and acceptance test documentation. It would be searchable by agencies like CSLB but not be available to the public.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1164](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1164)

**Board Position:** Support (June 2022)

**Status:** 8/11/22 Assembly Appropriations Suspense Hearing. **Held in Committee**

- j. **SB 1237 (Newman) Licenses: military service:** Existing law requires boards like CSLB to waive renewal fees for a licensee who is called to active duty as a member of the U.S. Armed Forces or California National Guard. This bill expands the



definition of “called to active duty” to align with definitions elsewhere in federal and state law. It also extends existing law to licensees on active duty during a “state of insurrection” or during a “state of extreme emergency.”

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1237](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1237)

**Board Position:** Support (March 2022)

**Status:** 8/12/22. Enrolled.

- k. **SB 1443 (Roth) The Department of Consumer Affairs:** Extends the CSLB’s “sunset” date before the California State Legislature from January 1, 2024, to January 1, 2025.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1443](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1443)

**Board Position:** None

**Status:** 8/15/22 Assembly 2<sup>nd</sup> Reading File, Senate Bills.

- l. **SB 1495 (Committee on Business, Professions and Economic Development) Professions and Vocations:** Existing law provides that when a restitution claim payment is made under the CSLB solar energy system restitution program, the CSLB will disclose that fact on the public license detail of the contractor involved, for seven years. This bill would clarify that the public disclosure will extend to contractors whose licenses are revoked or pending revocation.

**Link:**

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1495](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1495)

**Board Position:** None

**Status:** 8/15/22 Assembly 3rd Reading File, Senate Bills.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 646 (Low, Cunningham, Gipson) (Coauthor Sen. Roth)  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB646](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB646)

**STATUS/LOCATION (as of 8.12.22):** 8/11/22 Senate Appropriations suspense hearing. Held in committee

**SPONSOR:** Author-sponsored

**SUBJECT:** Department of Consumer Affairs: boards: expunged convictions

**CODE SECTION:** Add § 493.5 to the Business and Professions Code (BPC)

**SUMMARY:** For licensees who have been revoked because of a criminal conviction and had that conviction expunged, this bill authorizes CSLB to collect a \$25 fee for the cost of removing from its website the criminal conviction information that was the basis for the revocation or post on its website that the conviction has been expunged.

**EXISTING LAW:** Authorizes CSLB to disclose on its public website the reason a contractor's license was revoked. In the case of a criminal conviction, CSLB posts that the contractor was disciplined for a violation of BPC § 7123, "conviction of a substantially related crime."

**THIS BILL:** For any contractor whose license was revoked for a conviction of a substantially related crime, and who supplies CSLB with proof that the conviction was expunged, this bill would require CSLB do one of two things: (1) post the expungement order on its website if the contractor reapplies for licensure or becomes relicensed; or (2) remove the posting of a revocation for BPC § 7123 if the contractor is not currently licensed and does not reapply for licensure.

**COMMENT/ANALYSIS:** This bill only applies to contractors whose licenses were revoked due to a construction related conviction, and/or revocation that occurred due to a failure to pay a citation for a construction related conviction, and who provide CSLB proof that the conviction was expunged. Expungement tends to be for less serious crimes, as most serious crimes in California do not qualify for expungement under Penal Code section 1203.4.

**FISCAL IMPACT:** Minimal fiscal impact. The bill allows the Board to charge \$25 for the cost of processing the expungements. In 2021, there were 94 accusations that included a violation of BPC 7123. If an unknown percentage of those who were fully revoked because of that conviction obtain an expungement, it may result in positive revenue to CSLB of under \$1,000 a year.

**STAFF RECOMMENDATION:** Update only. The Board has a **SUPPORT** position on this bill.





# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 1747 (Quirk)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1747](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1747)

**STATUS/LOCATION (as of 8.12.22):** 8/11/22 Senate Third Reading

**SPONSOR:** Contractors State License Board

**SUBJECT:** Contractors: disciplinary action

**CODE SECTIONS:** Amend Business and Professions Code (BPC) sections 7099.2, 7110

**SUMMARY:** Increases from \$5,000 to \$30,000 the administrative fines for a licensed contractor failing to comply with building permit requirements as well as other health and safety violations.

**EXISTING LAW:** Provides that a licensed contractor's failure to comply with any state or local law relating to the issuance of building permits is a cause for disciplinary action and provides that the maximum civil penalty CSLB can assess for such a violation is \$5,000. Existing law also provides that a failure to comply with certain health and safety laws, water laws, safe excavation requirements, pest control requirements, illegal dumping, and other state laws related to building and insurance requirements may only be assessed at a maximum of \$5,000.

**THIS BILL:** Would increase the civil penalty for a failure of a contractor to comply with building permit requirements, as well as with other health and safety violations from \$5,000 to \$30,000.

**COMMENT/ANALYSIS:** This bill arose out of CSLB consultation with the California Energy Commission (CEC) on ways to increase compliance with Title 24 clean energy standards in installation of HVAC equipment. The workgroup recommended disciplinary authority be expanded with higher consequences for contractors who fail to obtain permits that meet CEC HVAC installation standards. Because the other violations in the same section of law as the CSLB permit violation (BPC 7110) are health and safety concerns, the proposal increases all those violations to the higher tier of \$30,000.

**FISCAL IMPACT:** No additional workload would be required by the Enforcement Division. Revenue increase would be initial and ongoing. CSLB issued citations for 151 violations of Section 7110 in 2020 and 141 in 2021 for an average fine of \$3,338. About 26% (or 40) of those citations were issued in the current maximum amount of \$5,000. If the bill is successful and patterns remain the same, the maximum amount would increase from \$5,000 to \$30,000. As a result, the bill may result in \$1 million increased revenue a year.

**STAFF RECOMMENDATION:** Update only. The Board has a **SUPPORT** position on this CSLB sponsored bill.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 2105 (Smith) (Multiple Co-Authors)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2105](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2105)

**STATUS/LOCATION (as of 8.12.22):** 8/12/22. **Enrolled.**

**SPONSOR:** Author sponsored

**SUBJECT:** Contractors: initial license fee reduction: veterans

**CODE SECTIONS:** Amends Section 7137 of the Business and Professions Code

**SUMMARY:** Requires CSLB to grant a 50 percent fee reduction for an initial license to an applicant who is a veteran of the United States Armed Forces, including the National Guard or Reserve components, and was not dishonorably discharged.

**EXISTING LAW:** The CSLB has no current provisions for granting a fee reduction to military veterans. However, there are a number of provisions in existing law that provide for the expediting or priority handling of military applications in specified situations (see B&P Codes 114, 114.3, 114.5, 115.4, 115.5, 115.6).

**COMMENT/ANALYSIS:** The Author's fact sheet notes the following:

- Veterans face numerous challenges when transitioning from active duty to the civilian workforce, including lower earning and employment rates, which are exacerbated by licensing fees.
- Many veterans transferring to civilian life choose to become licensed contractors due to the relevant education and training they receive in the military.
- Reducing initial CSLB licensing fees by 50 percent would help remove the financial barrier and ease the burden for veterans currently residing in California to apply for licenses.
- Veterans often gain valuable job skills during military service, which can be used upon entering the civilian workforce.
- Easing this financial barrier will bring skilled labor into California and help chip away at the growing issue of veteran homelessness in the state.

The bill was amended on May 31, 2022 to provide that the applicant's "discharge grade" can be demonstrated to CSLB by the applicant providing a driver's license with the veteran's designation on its face, or a copy of the applicant's DD-214 paperwork.

**FISCAL IMPACT:** CSLB issues approximately 550 expedited licenses to honorably discharged veterans a year. At current initial license fee levels (\$200 sole owners/\$350 corporations, partners, etc.), if all such applicants received a 50% initial license fee reduction, the impact would range from \$55,000 - \$96,250 in lost revenue per year.

**STAFF RECOMMENDATION: UPDATE ONLY.** The Board is in support of this bill.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 2374 (Bauer-Kahan)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2374](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2374)

**STATUS/LOCATION (as of 8.12.22):** 8/15/22 Senate Third Reading

**SPONSOR:** Contra Costa County

**SUBJECT:** Crimes against public health and safety: illegal dumping

**CODE SECTIONS:** Amend Penal Code Section 374.3

**SUMMARY:** Increases various criminal penalties for illegal dumping, including authorizing a criminal court to require a person convicted of illegal dumping to surrender a license issued by CSLB for the duration of the term of probation.

**EXISTING LAW:** Defines the crime of illegal dumping in California as a misdemeanor and imposes several penalties for illegally dumping as specified.

**THIS BILL:** Would increase the criminal fines for the dumping of commercial quantities of waste by a business that employs more than 10 employees. The bill would require the court to notify the appropriate DCA Board or Bureau who has issued a license to the convicted person and the entity would be required to post the person's conviction on their website.

**COMMENT/ANALYSIS:** CSLB sponsored AB 246 (Quirk, Chapter 46, Statutes of 2021) in 2021, which authorizes CSLB to take disciplinary action against a contractor who illegally dumps construction debris. This bill would allow the court to inform CSLB directly of the conviction, and CSLB would post the conviction on its website.

The author's fact sheet states that illegal dumping continues to be a serious problem in California and has been for many years. The fact sheet states that businesses dump illegally to cut corners and maximize profits. It states that the fines for the violation are minimal and district attorneys have difficulty prosecuting the cases.

**FISCAL IMPACT:** Minor and absorbable costs for Information Technology staff to update CSLB website of a conviction in the event CSLB receives an illegal dumping conviction on one of its licensees.

**STAFF RECOMMENDATION:** Update only. The Board took a support position on this bill at its March meeting. The bill was amended since the Board discussed this bill, but the amendments do not substantially change the impact to CSLB.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 2894 (Cooper, coauthor M. Dahle)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220AB2894](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2894)

**STATUS/LOCATION (as of 8.12.22):** 8/11/22 Senate Appropriations Suspense Hearing. **Held in committee**

**SPONSOR:** District Council of Iron Workers (DCIW) of California and Vicinity

**SUBJECT:** Contractors: workers' compensation insurance

**CODE SECTIONS:** Amend, repeal, and add Section 7125.5 to the Business and Professions Code

**SUMMARY:** Requires contractors, at the time of license renewal, to report to CSLB the top three "classification codes" on their workers' compensation policy for which the highest payroll is reported for their workers. The CSLB would then be required to post this information on the contractor's public license detail on CSLB's website.

**EXISTING LAW:** Existing law requires contractors with workers to file a current and valid certificate of workers' compensation or certification of self-insurance with CSLB that include the licensee's business name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable. Existing law precludes the board from maintaining, renewing, reinstating, or reactivating a license that does not comply with these requirements.

**THIS BILL:** When the Board last reviewed this bill, it was written to require a licensee, if they have workers' compensation insurance, to report to CSLB on a separate form their workers' compensation classification code(s) as developed by the Workers' Compensation Insurance Rating Bureau (WCIRB). As introduced, the bill would have required this information at the time of license application or renewal. This bill was amended on June 21, 2022 to require that information be provided at renewal only, and be limited to only the top three (by payroll) WCIRB codes.

**COMMENT/ANALYSIS:** According to the Author's fact sheet, the WCC is a code used by contractors to obtain workers' compensation insurance coverage and is used by insurance companies to provide workers' compensation insurance coverage. The WCC is based on the type of work performed by the contractor. According to the fact sheet, since rates for workers' compensation insurance vary based on the four-digit WCC code used, some contractors may intentionally misclassify their employees to receive lower rates. The fact sheet states that AB 2894 will protect workers by requiring contractors to provide information to CSLB to ensure employees are properly insured and will prevent unscrupulous contractors from purchasing less expensive coverage.

**FISCAL IMPACT: \$227,500:** Staff time and workload to make changes to CSLB enterprise licensing system and website to receive and post additional workers



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

compensation classification code data. Costs would include hiring a limited-term IT consultant to, among other things, add new classification codes to CSLB's system and allow data to post from the system to the licensee's public data portal and the CSLB's website, including collaborating with and downloading information from WCIRB.

**STAFF RECOMMENDATION: Update only.** The Board did not take a position on this bill when it was discussed at the June 2022 Board meeting.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 2916 (McCarty)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2916](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2916)

**STATUS/LOCATION (as of 8.12.22):** 8/15/22 Senate Third Reading

**SPONSOR:** Author-sponsored

**SUBJECT:** Contractors: disclosure of letters of admonishment

**CODE SECTIONS:** Section 7124.6 of the Business and Professions Code

**SUMMARY:** This bill would provide CSLB the discretion to publicly disclose a Letter of Admonishment (LOA) on a contractor's license for either one year or two years depending on the severity of the alleged violation in the LOA.

**EXISTING LAW:** CSLB sponsored the bill that established CSLB's LOA program (Monning, Chapter 308, Statutes of 2017). The LOA is an intermediate action between an advisory notice and a citation for a contractor's law violation. Issued only when there is no financial injury to a consumer, LOAs have been effective at saving CSLB the expense of defending citation appeals for minor violations, since CSLB can conduct LOA appeal hearings internally. Existing law provides that LOAs be disclosed on the license record for one year. In contrast, advisory notices are not disclosed on the website and citations are disclosed for 5 years.

**THIS BILL:** This bill would provide that LOAs be disclosed for either one or two-year years, at CSLB's discretion depending on the severity of the violation.

**COMMENT/ANALYSIS:** The author's fact sheet for the bill suggests that the disparity in disclosure periods for an LOA (1 year) versus a citation (5 years) is too great. The author's office is interested in protecting the "integrity of the profession" and "additional protection and disclosure to consumers" for these minor violations.

This bill was amended to its present form on March 24, 2022, and as a result could not be brought to the March 30 Board meeting. The bill at that time required CSLB disclose all LOAs for two years. After consulting with the Legislative Chair and the Board Chair, staff was able to work with the author's office to take a support if amended position on behalf of the Board. The amendment requested was to provide CSLB the discretion to choose whether the disclosure was one year or two years, which the author accepted.

**FISCAL IMPACT:** The changes required by this bill will involve staff time from the Public Affairs, Enforcement and IT Divisions to update publications, letters and processes for LOA disclosure from one year only to one year *or* two years. With staff time and benefits, CSLB's financial impact is approximately \$10,000.

**STAFF RECOMMENDATION:** None. CSLB has a support position on this bill.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 216 (Dodd)

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB216](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB216)

**STATUS/LOCATION (as of 8.12.22):** 8/15/22 Assembly 2<sup>nd</sup> Reading File, Senate Bills

**SPONSOR:** Contractors State License Board

**SUBJECT:** Contractors: workers' compensation insurance: mandatory coverage

**CODE SECTION:** Amend, repeal, and add §§ 7125 of the Business and Professions Code

**SUMMARY:** Precludes CSLB from accepting certificates of exemption from workers' compensation insurance from licensed C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors in the first year and from all contractors in three years, requiring that all contractors have a certificate of workers' compensation insurance on file by 2026.

**EXISTING LAW:** Requires every licensed contractor have on file with CSLB a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. Contractors can file a certificate of exemption, certifying that they have no employees and are not required to obtain or maintain workers' compensation insurance. Existing law requires C-39 Roofing contractors with an active license to have a valid Certificate of Workers' Compensation Insurance at all times, whether or not they have employees.

**THIS BILL:** Would include the C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractor licenses as those, along with the C-39 Roofing contractor, who must always have a Certificate of Workers' Compensation Insurance on file with CSLB. The bill further provides that by 2025, CSLB would no longer accept a certificate of exemption from workers' compensation insurance, thereby requiring that all contractors with an active license have a certificate of insurance on file by 2026.

**COMMENT/ANALYSIS:** Despite years of enforcement efforts, the number of workers' compensation exemptions on file with CSLB, and the number of contractors in violation of the workers' compensation laws remains consistent. CSLB research confirms that many of the approximate 50 to 60 percent of licensed contractors who currently claim an exemption do have employees. There is a demonstrated problem of contractors employing workers without providing workers' compensation insurance coverage. This problem creates an unfair competitive disadvantage for law-abiding contractors who are subject to higher business costs and puts employees and the public at risk for workplace injuries. This bill will eliminate that problem.

At its June 2022 Board Meeting, the board was informed of amendments to the bill that do the following:





1. Move the effective dates of this bill that will require workers compensation for all licensees a year forward since the bill was delayed a year, from 2025 to 2026.
2. Add 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 an employer to file a workers' compensation certificate with the Board. This amendment was the result of a concern raised by industry 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.

**Fiscal Impact:** Assembly Appropriations Committee: CSLB anticipates, based on experience with a similar requirement imposed on roofing contractors, a potential decrease in renewal revenue as a result of contractors who choose to not renew their licenses rather than obtain workers' compensation insurance as required by this bill. The exact decrease is unknown, but, for illustration purposes, a 5% decline in the relevant license population would equate to a revenue loss of \$120,000 to \$185,000 (various special funds) annually, for two fiscal years, and then approximately \$1.7 million to \$2.6 million (various special funds) annually, for two fiscal years beginning January 1, 2026, when all CSLB's licensing classifications are included in the bill's requirements.

Fiscal Year	Classifications	Potential Loss in Annual Revenue
2023-24	C-8, C-20, C-22, and D-49	\$120,000 - \$185,000
2024-25	C-8, C-20, C-22, and D-49	\$120,000 - \$185,000
2025-26	Everyone	\$900,000 - \$1.4M
2026-27	Everyone	\$1.7M - \$2.6M

**STAFF RECOMMENDATION: UPDATE ONLY.** This is a CSLB-sponsored measure.





# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 1076 (Archuleta)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220SB1076](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1076)

**STATUS/LOCATION (as of 8.12.22):** 8/15/22 Assembly 2<sup>nd</sup> Reading File, Senate Bills.

**SPONSOR:** Environmental Working Group and California Association of Code Enforcement Officers

**SUBJECT:** Lead-based paint

**CODE SECTIONS:** Health and Safety Code sections 105254 and 105250.5

**SUMMARY:** This bill requires the State Department of Public Health (CDPH) to adopt a program that complies with federal lead renovation, repair, and painting requirements.

**EXISTING LAW:** CDPH is already required to implement and administer a residential lead-based paint hazard reduction program. This includes adopting regulations for “accreditation” for those who provide lead-safe training to people involved with lead-related construction. Federal law requires that persons performing renovation, repair, and painting projects that disturb lead-based paint in specified pre-1978 structures be certified and trained by the Federal EPA or through a program in an EPA authorized state.

**THIS BILL:** Would impose requirements on CDPH to make California compliant with federal lead-safe requirements. CDPH would be required to adopt the certification requirements for trainers and renovators described. As written, the bill would provide that CDPH and CSLB “collaborate” to develop and implement an education and outreach program for every person required to have a lead-safe certificate.

**COMMENT/ANALYSIS:** As written, the bill would require CSLB implement with CDPH an education program that would inform Californians affected by the requirements about the need to be lead-certified. While the requirements will apply to contractors who disturb lead paint, they extend beyond contractors to workers and employees, inspectors, real estate licensees, plan designers, and/or property managers and other persons and entities that CSLB does not regulate. The CSLB would not possess the expertise on the federal requirements for certifying individuals not subject to its jurisdiction. And CSLB outreach would only extend to contractors and consumers who may hire contractors.

**FISCAL IMPACT:** The bill does not define what the education program would entail or the resources required to develop it. Based on available information, staff speculates one full-time permanent staff in the Public Affairs Office would be needed to implement the requirements; staff cost with benefits is approximately \$140,000.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**STAFF RECOMMENDATION: Neutral.** With the approval of the Board Chair and Legislative Committee Chair, staff was able to negotiate favorable amendments to this bill to negate the fiscal impact and CSLB's role.

On August 11, the bill was passed out of Assembly Appropriations with the understanding that CSLB would be removed from the responsibility of co-developing the education and outreach campaign. As of this writing, these amendments are not in print.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 1164 (Stern)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220SB1164](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1164)

**STATUS/LOCATION (as of 8.12.22):** 8/11/22 Assembly Appropriations Suspense Hearing. **Held in Committee.**

**SPONSOR:** Western States Council of Sheet Metal Workers and California State Pipe Trades Council

**SUBJECT:** Energy: building energy efficiency: document repository and registry

**CODE SECTIONS:** Public Resources Code sections 25402.20 and 25402.21

**SUMMARY:** Would require the California Energy Commission to develop an online registry to track the sale and installation of HVAC systems in California. It would identify HVAC equipment installed without permits or the required compliance, installation, and test documentation. It would be searchable by agencies like CSLB but not be available to the public.

**EXISTING LAW:** The CEC regulates building design and construction standards as it relates to energy and water conservation. The CEC also sets minimum standards for energy and water efficient appliances that use large amounts of energy. The CEC is required to approve regulatory plans that promote compliance with these standards for systems like HVAC and heat pumps.

**THIS BILL:** Requires CEC develop an online repository that would have track HVAC sales to identify equipment installed without permits or required documentation. The CEC would be required to adopt regulations for this electronic statewide registry that would store compliance, installation, and test documentation data. The bill would specify that the HVAC equipment sales registry and compliance tracking system and the electronic statewide compliance document data registry are not to be directly accessible to the public.

**COMMENT/ANALYSIS:** The author's fact sheet for the bill states that HVAC system efficiency depends on installation quality. According to the CEC, 85% of replacement HVAC installations are not installed to CEC standards and that energy efficiency compliance rates are low. The fact sheet states that the lack of compliance and enforcement hurts contractors that comply with requirements who must bid against contractors that cut costs by ignoring the standards.

**FISCAL IMPACT:** Minimal. The repository would be a third-party tool CSLB staff could consult in the investigation of consumer complaints

**STAFF RECOMMENDATION:** Update only. The Board voted to support the bill at its June 2022 meeting.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 1237 (Newman)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1237](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1237)

**STATUS/LOCATION (as of 8.12.22):** 8/12/22. **Enrolled.**

**SPONSOR:** California Optometric Association

**SUBJECT:** Licenses: military service

**CODE SECTIONS:** Amend Business and Professions Code Section 114.3

**SUMMARY:** Existing law requires boards like CSLB waive renewal fees for a licensee who is called to active duty as a member of the U.S. Armed Forces or California National Guard. This bill expands the definition of “called to active duty” to align with definitions elsewhere in federal and state law. It also extends existing law to licensees on active duty during a “state of insurrection” or during a “state of extreme emergency.”

**COMMENT/ANALYSIS:** Preliminary review indicates CSLB’s renewal fee waiver for a licensee called to active duty is rarely used. Therefore, there is reason to believe that a waiver for a licensee or registrant licensed in California but stationed in another state may also be infrequent.

**FISCAL IMPACT:** None.

**STAFF RECOMMENDATION:** Update only. The Board took a support position on this bill at its March meeting.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 1443 (Roth)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1443](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1443)

**STATUS/LOCATION (as of 8.12.2022):** 8/15/22 Assembly 2nd Reading File

**SPONSOR:** Author

**SUBJECT:** The Department of Consumer Affairs

**CODE SECTIONS:** Multiple sections of the Business and Professions Code; as it relates to CSLB, Sections 7000.5 and Section 7011

**SUMMARY:** This bill affects multiple Department of Consumer Affairs (DCA) boards and bureaus. As it relates to CSLB, this bill amends the statutory sunset date of CSLB from January 1, 2024, to January 1, 2025.

**EXISTING LAW:** Provides for a 15-member Contractors State License Board to be subject to review by the Legislature and subject to repeal on January 1, 2024. Existing law also provides for a registrar to carry out all the administrative and lawful duties of the Board, which is also subject to repeal January 1, 2024.

**THIS BILL:** Changes the dates in the provisions of law described above from January 1, 2024, to January 1, 2025.

**COMMENT/ANALYSIS:** DCA boards and bureaus are each subject to review by the legislature according to “sunset” statutes in their respective practice acts; the review occurs according to the month and year indicated in each agency’s “sunset” statute. The Sunset Review is a comprehensive process that allows the Legislature to review the laws and regulations pertaining to each board and evaluate the board’s programs and policies; determine whether the board operates and enforces its regulatory responsibilities and is carrying out its statutory duties; and examine fiscal management practices and financial relationships with other agencies. If the Board is not extended the legislature may reconstruct it as a Bureau, with a Bureau Chief appointed by the Governor.

As a result of the Covid-19 pandemic, the sunset reviews for many boards and bureaus were delayed. This pushed the review of those agencies up against the statutory review periods of agencies that were due for review the following year. To avoid having to review too many boards and bureaus in a single year, this bill was introduced to place the review of boards and bureaus on a more manageable schedule.

**FISCAL IMPACT:** None.

**STAFF RECOMMENDATION:** **Update only.** The Board did not take a position on this measure in June.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 1495 (Committee on Business, Professions and Economic Development)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1495](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1495)

**STATUS/LOCATION (as of 8.12.22):** 8/15/22 Assembly 3rd Reading File, Senate Bills

**SUBJECT:** Professions and vocations

**CODE SECTIONS:** As an “omnibus bill,” this measure amends multiple Business and Professions Code sections. As it relates to CSLB, it amends BPC Section 7086.10.

**SUMMARY:** Existing law provides that when a restitution claim payment is made under the CSLB solar energy system restitution program, the CSLB will disclose that fact on the public license detail of the contractor involved, for seven years. This bill would clarify that the public disclosure will extend to contractors whose licenses are revoked or pending revocation.

**EXISTING LAW:** Provides that when a consumer receives payment under the SESRP, that payment shall be publicly disclosed on the license of any contractor whose solar project resulted in the financial injury.

Existing law provides that payments can be made in cases that are outside of CSLB’s four-year statute of limitations to discipline a license and does not provide notice and hearing to a contractor for disclosure on their contractor’s license of a claim payment.

**THIS BILL:** Provide that the disclosure only be imposed on licenses that are revoked or pending revocation.

**BACKGROUND** On April 15, 2022, the Board Chair and Legislative Division Chair approved staff requesting of the Senate Business and Professions Committee a technical change to the Business and Professions Code to resolve an issue with the Solar Energy System Restitution Program (SESRP). At the June 16, 2022, Board Meeting, staff reported this development to the Board and explained the need for the amendment.

**COMMENT/ANALYSIS:** When the SESRP bill was written, it was believed that the contractors causing most of the solar-related financial injuries were unlicensed or already revoked by CSLB. This has mostly proven true in implementation. Disclosure of an SESRP claim payment on these licenses present no concern.

However, in very rare situations, a contractor is still in business at the time of claim payment, but the case is over four years old, so CSLB is time barred per the contractor’s license law from taking disciplinary action (BPC 7091).



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

Limiting license disclosure only to those contractors CSLB has disciplined will prevent license disclosure on contractors who are in good standing with CSLB and are unable to dispute the claim payment.

**STAFF RECOMMENDATION:** None.





## AGENDA ITEM H-3

### Regulatory Updates / Actions

- a. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations (CCR), Section 811 (Fees) and Repeal Section 812 (Dishonored Check Service Charge)
- b. Review, Discussion, and Possible Action to Amend Title 16, CCR, Section 872 (Disclosure of General Liability Insurance) and Update on Title 16, CCR, Section 872.1 (Checklist for Homeowners) Rulemaking





### **Rulemaking to Amend Title 16 California Code of Regulations (CCR) Section 811 and Repeal Section 812**

Business and Professions Code (BPC) section 7137 authorizes the Board to set fees by regulation and provides permissible fee ranges within which CSLB may establish fees. The regulation setting these fees is section 811 (of Title 16, Division 8, California Code of Regulations (CCR)).

Enacted in 2021, Senate Bill (SB) 607 (Min, Chapter 376, Statutes of 2021) increased all the fee ranges in BPC section 7137. Since the bill became effective in 2022, the Board has been charging the new minimum fees as detailed in section 7137. Those minimum fees are not in Section 811, so Board regulations must be updated to align with BPC 7137.

This regulatory request is not increasing fees; it is merely amending CSLB's existing regulation to be consistent with section 7137. The draft text also reorganizes CCR 811 to directly align with the structure of section 7137.

In addition to proposed amendments to section 811, Board staff recommends repealing section 812. Section 812 establishes a \$10 fee for dishonored checks. However, SB 607 added the fee to BPC section 7137 and increased it to \$25. Since the dishonored check fee is now in statute (BPC section 7137) it is no longer needed in regulation (Section 811).

As these amendments are considered non-substantive, or without regulatory effect, the Board can authorize a section 100 rulemaking to make the changes described above, as opposed to a regular rulemaking that would require notice and a 45-day public comment period.

Following the staff recommendation below is the language for Board consideration.

#### **STAFF RECOMMENDATION**

Approve the proposed regulatory text for sections 811 and 812, authorize the Registrar to take all steps necessary to pursue the rulemaking through the section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-



**CSLB**

RULEMAKING TO AMEND TITLE 16  
CCR § 811 AND REPEAL 16 CCR § 812

day comment period, authorize the Registrar to adopt the proposed regulations in sections 811 and 812 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.



**CONTRACTORS STATE LICENSE BOARD  
ORIGINALLY PROPOSED LANGUAGE**

**California Code of Regulations  
Title 16, Division 8**

**Article 1.5. Revenue**

**Amend Section 811 as follows:**

**§ 811. Fees.**

(a) The fee for:

- ~~(1) An application for an original license in a single classification is \$300.~~
- ~~(2) An application for each additional classification is \$75.~~
- ~~(3) An application to replace a responsible managing officer or employee is \$75.~~
- ~~(4) Rescheduling an examination is \$60.~~
- ~~(5) Scheduling or rescheduling an examination pursuant to Business and Professions Code Section 7137(c) is \$60.~~
- ~~(6) Initial license of an active or inactive license is \$180.~~
- ~~(7) Renewal of an active license is \$450.~~
- ~~(8) Renewal of an inactive license is \$225.~~
- ~~(9) Reactivation of an inactive license is the full amount of the renewal fee for an active license.~~
- ~~(10) An application for a home improvement salesperson registration is \$75.~~
- ~~(11) Renewal of a home improvement salesperson registration is \$95.~~
- ~~(12) An application for an asbestos certification examination is \$75.~~
- ~~(13) An application for a hazardous substance removal or remedial action certification examination is \$75.~~

(a) The fees for applications are as follows:

- (1) An application for an original license in a single classification is \$450.



(2) An application for each additional classification applied for in connection with an original license is \$150.

(3) An application for each additional classification pursuant to Section 7059 is \$230.

(4) An application to replace a responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee pursuant to Section 7068.2 is \$230.

(5) An application to add personnel, other than a qualifying individual, to an existing license is \$125.

(6) An application for an asbestos certification examination is \$125.

(7) An application for a hazardous substance removal or remedial action certification examination is \$125.

(b) The fees for scheduling examinations are as follows:

(1) Rescheduling an examination for an applicant who has applied for an original license, additional classification, a change of responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee, or for an asbestos certification or hazardous substance removal certification is \$100.

(2) Scheduling or rescheduling an examination for a licensee who is required to take the examination as a condition of probation is \$100.

(c) The fees for initial license and registration fees are as follows:

(1) The initial license fee for an active or inactive license for an individual owner is \$200.

(2) The initial license fee for an active or inactive license for a partnership, corporation, limited liability company, or joint venture is \$350.

(3) The registration fee for a home improvement salesperson is \$200.

(d) The fees for license and registration renewals are as follows:

(1) The renewal fee for an active license for an individual owner is \$450.

(2) The renewal fee for an inactive license for an individual owner is \$300.



(3) The renewal fee for an active license for a partnership, corporation, limited liability company, or joint venture is \$700.

(4) The renewal fee for an inactive license for a partnership, corporation, limited liability company, or joint venture is \$500.

(5) The renewal fee for a home improvement salesperson registration is \$200.

(e) Miscellaneous fees are as follows:

(1) The fee to change the business name of a license as it is recorded under this chapter is \$100.

Note: Authority cited: Sections 7008 and 7137, Business and Professions Code.  
Reference: Sections ~~7076.5 and 7137~~, Business and Professions Code.

**Repeal Section 812 as follows:**

**~~§ 812. Dishonored Check Service Charge.~~**

~~The dishonored check service charge authorized by Section 6157 of the Government Code is \$10.00 for each check.~~

~~Note: Authority cited: Section 7008, Business and Professions Code. Reference: Section 7008, Business and Professions Code; and Section 6157, Government Code.~~



### **Rulemaking to Amend Title 16 California Code of Regulations (CCR) Section 872 and Update on Title 16 CCR Section 872.1**

Sections 872 and 872.1 of Title 16, Division 8, California Code of Regulations (CCR) were first enacted in 2001. Both sections provide information to consumers who are using home improvement contracts. Section 872 provides information about contractors carrying commercial general liability insurance, and Section 872.1 provides a “checklist” for homeowners considering hiring a contractor.

In 2006, the legislature repealed one of CSLB’s statutes (BPC Section 7159.3, AB 316, Ch. 385, Stats. of 2005). The repeal of that statute made much of the information in Section 872 regarding commercial general liability insurance incorrect.

As a result, in September 2021, staff brought a proposal to the Board to amend both Section 872 and 872.1. Staff presented draft amendments to both sections and the Board authorized staff to commence a section 100 rulemaking to make the necessary changes. Staff then commenced the regulatory rulemaking to amend both sections.

Since that date, the following two events occurred, for which staff will provide additional verbal explanation at the August 2022 board meeting:

1. **Section 872:** Legal counsel advised that CSLB’s suggested amendments to Section 872 be proposed as a regular rulemaking instead of a section 100 rulemaking. **It is for this reason this agenda item is before the board for possible vote.**
2. **Section 872.1:** (consumer checklist). The Office of Administrative Law approved a modified version of the CSLB’s September 2021 proposed amendments that includes the checklist. Staff will explain the differences in the text at the August board meeting. There is no recommended action for the Board on Section 872.1, **the discussion on this section is informational only.**

Following the staff recommendation below is the language for Board consideration.

### **STAFF RECOMMENDATION**

Approve amendments to section 872 as shown below. If approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations in CCR section 872 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.



**CONTRACTORS STATE LICENSE BOARD  
ORIGINALLY PROPOSED LANGUAGE**

**California Code of Regulations  
Title 16, Division 8**

**Article 7. Special Provisions**

**Amend Section 872 as follows:**

~~(a) As used in this regulation, "home improvement contract" is defined in Code Section 7151.2. The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. This is 14-point type. This is 12-point type. This is 11-point type in italics.~~

~~Pursuant to Bus. & Prof. §7159.3 (SB 2029), home improvement contractors must provide this notice and disclose whether or not they carry commercial general liability insurance.~~

~~Information about Commercial General Liability Insurance.~~

~~Did your contractor tell you whether he or she carries Commercial General Liability Insurance?~~

~~Home improvement contractors are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the bid, if there is one, and the contract.~~

~~What does this insurance cover?~~

~~Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.~~

~~Is this insurance required?~~

~~No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?~~

~~How can you make sure the contractor is insured?~~





~~If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project. What about a contractor who is self-insured?~~

~~A self-insured contractor has made a business de a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance? For more information about Commercial General Liability Insurance, contact the Contractors State License Board at [www.cslb.ca.gov](http://www.cslb.ca.gov) or call 800-321-CSLB (2752).~~

~~(b) The following statement must accompany every contract described in Code Section 7164. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. Headings and questions shall be boldface type. This is 14-point type. This is 12-point type. This is 11-point type in italics.~~

~~Pursuant to Bus. & Prof. §7164 (SB 2029), contractors building single-family residences for owners who intend to occupy the home for at least a year must provide this notice and disclose whether or not they carry commercial general liability insurance.~~

~~Information about Commercial General Liability Insurance~~

~~The following heading and statement prepared by the Board regarding commercial general liability insurance must be included in all written contracts for the construction of a single-family dwelling to be retained by the owner for at least one year, pursuant to subparagraph (5) of subdivision (b) of Section 7164 of the Code.~~

~~Information about Commercial General Liability Insurance~~

~~Did your contractor tell you whether he or she carries they carry Commercial General Liability Insurance commercial general liability insurance?~~

~~Contractors building single-family residences for owners who intend to occupy the home for at least a year are required by law to tell you whether ~~or not~~ they carry ~~Commercial General Liability Insurance~~ commercial general liability insurance. This written statement must accompany the contract.~~

~~What does this insurance cover?~~

~~Commercial ~~G~~eneral ~~L~~iability ~~I~~nsurance is comprehensive insurance that covers a business for bodily injury, personal injury, and property damage that occur as a result of the contractor's operations. ~~can protect against third-party bodily injury and accidental property damage.~~ It is a valuable tool to protect the contractor and consumer by~~



~~covering the costs of such problems should they arise. It is not intended to cover the work the contractor performs.~~

Commercial general liability insurance is different from workers' compensation insurance and the contractor's bond. Visit [www.cslb.ca.gov](http://www.cslb.ca.gov) for information about workers' compensation insurance and the contractor's bond.

Is this insurance required?

~~No. But~~ Commercial general liability insurance is required for contractors licensed as limited liability companies (LLCs), but it is not required for other contractors. However, the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

How can you make sure the contractor is insured?

~~If he or she is~~ they are insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. ~~Check with the insurance company to verify that the contractor's insurance coverage will cover your project.~~

What about a contractor who is ~~self-insured~~ uninsured?

~~A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. The Board cautions you to evaluate the risks to your family and property when you are considering hiring a contractor who is not insured. Before contracting with a self-insured~~ an uninsured contractor, ask yourself, "If something went wrong, would this contractor be able to cover losses that should be covered by insurance?"

Below is information about whether this contractor carries commercial general liability insurance. If the contractor you are hiring carries commercial general liability insurance, the Board encourages you to check with the insurance company to verify that the contractor's insurance policy is up to date and that the coverage will cover your project.

Contractor: \_\_\_\_\_  
(Contractor's Name)

carries commercial general liability insurance.

The insurance company is \_\_\_\_\_  
(Company Name)

You may call the insurance company at \_\_\_\_\_ to verify coverage.  
(Telephone Number)



**CSLB**

RULEMAKING TO AMEND TITLE 16  
CCR § 872

does not carry commercial general liability insurance.

For more information about ~~C~~commercial ~~G~~general ~~L~~liability ~~I~~insurance, contact the Contractors State License Board at [www.cslb.ca.gov](http://www.cslb.ca.gov) or call 800-321-CSLB (2752).

Note: Authority cited: Sections 7008, ~~7159.3~~ and 7164, Business and Professions Code.  
Reference: Section ~~7151.2~~ 7164, Business and Professions Code.



# AGENDA ITEM I

Adjournment

