

JUNE 16, 2022
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





NOTICE OF PUBLIC BOARD MEETING

Thursday, June 16, 2022

9:00 a.m. – 12:00 p.m. (or until the conclusion of business)

Contractors State License Board
John C. Hall Hearing Room
9821 Business Park Drive, Sacramento, CA 95827

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

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.

MEETING AGENDA

- 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 offer comment on items not on the meeting agenda; however, the CSLB can neither discuss nor take official action on matters brought before the Board by members of the public at the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Recognition – May Include Oral Presentations Commemorating Staff and Members of the Public
- D. Executive
 - 1. Review and Possible Approval of the March 30, 2022, Board Meeting Minutes
 - 2. Registrar’s Report
 - a. Tentative Board Meeting Schedule
 - b. National Association of State Contractors Licensing Agencies (NASCLA) Update

3. CSLB Budget Update
4. Administration Update Regarding Personnel and Facilities
5. Information Technology Update
6. Election of 2022-23 Board Officers

E. Licensing

1. Licensing and Testing Program Statistical Update
2. Construction Management Education Account Update
3. Test Administration Centers Outsourcing Update

F. Enforcement

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

2. Update on the Solar Energy System Restitution Program

G. Public Affairs Update

1. 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. Legislation
 - a. Update on Previously Considered 2021-2022 Pending Legislation
 - i. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
 - ii. AB 1733 (Quirk) State bodies: open meetings
 - iii. AB 1747 (Quirk) Contractors: disciplinary action
 - iv. AB 1874 (Smith) Contractors: unlicensed work
 - v. AB 2105 (Smith) Contractors: initial license fee reduction: veterans
 - vi. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping
 - vii. SB 1237 (Newman) Licenses: military service
 - viii. SB 216 (Dodd) Contractors: Workers' Compensation Insurance: mandatory coverage

- b. Review, Discussion, and Possible Action on 2021-22 Pending Legislation
 - i. AB 2894 (Cooper) Contractors: Workers' Compensation Insurance
 - ii. AB 2916 (McCarty) Contractors: disclosure of letters of admonishment
 - iii. SB 1076 (Archuleta) Lead-based paint
 - iv. SB 1164 (Stern) Energy: building energy efficiency: document repository and registry
 - v. SB 1443 (Roth) The Department of Consumer Affairs
 - vi. SB 1495 (Committee on Business, Professions and Economic Development) Professions and vocations
 - vii. PACE Recovery Fund Legislative Proposal

2. Regulations

- a. Review, Discussion and Solicitation of Public Comment on 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
- b. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend California Code of Regulations, Title 16, Sections 810 (Definitions), 832.10 (Class C-10, Electrical Contractor), and 832.46 (Class C-46, Solar Contractor) relating to the scope of the C-10 and C-46 contractors' authority to perform work relating to battery energy storage systems.

I. 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 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, 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.



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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

FRANK ALTAMURA, JR

RODNEY M. COBOS

DAVID DE LA TORRE

MIGUEL GALARZA

SUSAN GRANZELLA

ALAN GUY

DIANA LOVE

MICHAEL MARK

STEVEN PANELLI

JAMES RUANE

JOHNNY SIMPSON

MARY TEICHERT



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

(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 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 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

Recognition – May Include Oral
Presentations Commemorating
Staff and Members of the Public



AGENDA ITEM D

Executive



AGENDA ITEM D-1

Review and Possible Approval of the March 30, 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 and Appointment of Nomination Committee Members

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order on March 30, 2022, at 9 a.m. via WebEx teleconferencing.

Board Members Present

Susan Granzella, Chair
Frank Altamura
Rodney Cobos
David De La Torre
Miguel Galarza
Don Giarratano
Diana Love
Michael Mark
Steven Panelli
Jim Ruane
Johnny Simpson
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Cindy Kanemoto, Chief Deputy Registrar
Jason Perez, Chief of Information Technology
Michael Jamnetski, Chief of Legislation
Mike Melliza, Chief of Administration
Steve Grove, Chief of Enforcement
Stacey Paul, Budgets Manager
Joyia Emard, Public Affairs Manager

DCA Staff Present

Jason Hurtado, DCA Legal
Ryan Marcroft, DCA Legal

DOJ Staff Present

Joshua Room, Deputy Attorney General

A quorum was established. Board Secretary Mary Teichert led the Board in the Pledge of Allegiance.

Chair Granzella welcomed new board member Alan Guy.



Member Alan Guy said they were very excited to be part of the board. Guy stated they have been working in the industry for over 15 years and look forward to giving back.

Chair Granzella welcomed Cindy Kanemoto as the interim Chief Deputy Registrar. Granzella said Kanemoto is a retired annuitant, working part-time to assist CSLB in the absence of Tonya Corcoran. Kanemoto served as Chief Deputy Registrar prior to Tonya Corcoran.

Chair Granzella announced that board members David De La Torre and Johnny Simpson have been appointed to the board officer nomination committee. Granzella stated De Le Torre and Simpson will recommend a slate of officers for Board member consideration and the Board will elect new officers at the June Board meeting.

B. Public Comment

There were no public comments.

C. Recognition

Chair Granzella said CSLB was recognizing Tonya Corcoran for her exceptional contributions and leadership as the Chief Deputy Registrar at CSLB. Granzella stated Corcoran served as the Chief Deputy for more than four years and always demonstrated superior commitment, dedication, and service to CSLB and the public. Granzella said Tonya Corcoran was an integral part of the CSLB Executive Team. Granzella thanked Corcoran for their service and said they knew Corcoran will do well in their new position at the Department of Consumer Affairs.

Board Member Comment:

Board Secretary Diana Love thanked Corcoran and said Corcoran had been an inspiration to them. Love stated that Corcoran always made themselves available for calls and Love wishes them the best.

Board Vice Chair Mary Teichert thanked Corcoran for the exceptional support and help they provided as Teichert transitioned onto the Board. Teichert stated Corcoran went above and beyond and they wish Corcoran great luck in the future.

Board member Jim Ruane said thank you to Corcoran and emphasized work they have done to help the Board through COVID.

Board member David De La Torre thanked Corcoran for their service to the Board and to consumers throughout the state. De La Torre said that Corcoran was instrumental in their success as the previous Board Chair.



Board member Miguel Galarza thanked Corcoran for their help with onboarding during COVID. Galarza said they look forward to seeing Corcoran continue to serve in a different role.

Board member Michael Mark said they appreciated Corcoran's service. Mark mentioned that Corcoran's strength is their ability to communicate effectively with Board members. Mark wished Corcoran luck.

Board member Johnny Simpson thanked Corcoran for their ability to get things done and said they were very much appreciated.

Chair Granzella introduced David Fogt to comment on Corcoran's recognition.

Registrar Fogt said when the pandemic hit, Corcoran's administrative skills were instrumental in moving to a telework environment and managing office closures, while performing high-level public service. Fogt thanked Corcoran on behalf of senior staff for their hard work, positive attitude, and solution-based approach to management.

Chair Granzella said CSLB was also recognizing San Mateo County Deputy District Attorney, Kimberly Perrotti. Granzella said Deputy Perrotti has been an outstanding partner with the CSLB in protecting consumers and maintaining the integrity of the construction industry in San Mateo County.

On behalf of the Board, Granzella thanked Deputy Perrotti for their partnership in consumer protection.

Public Comment:

Eddie Bernacchi thanked Corcoran for their service to the industry.

Secretary Love thanked Perrotti for their time and service to the Contractors State License Board and congratulated Perrotti on their recognition.

Registrar Fogt said Perrotti's partnership with CSLB began over five years ago when they volunteered to identify and prosecute several CSLB cases that had not been filed. Fogt said Perrotti took a special interest prosecuting businesses that have an RMO being paid for use of their license but is not involved in the supervision or control of operations. Fogt emphasized how this activity undermines CSLB's licensing structure and consumer protection goals. Fogt said that while these cases can be challenging to prosecute, Perrotti has aggressively and successfully pursued them. Fogt mentioned that Perrotti was instrumental in the prosecution of one of CSLB's "Most Wanted," Matthew Sean Breen, and went the extra mile to extradite Breen from Massachusetts so they could be prosecuted for the felonies they committed. Fogt thanked Perrotti for all their assistance and commitment to consumer protection.



Member Miguel Galarza said that Perrotti’s help, and protection of seniors was worthy of recognition and said their help is an important part of what CSLB does to protect members of the public.

D. Executive

D. 1-3 Board Meeting Minutes and Committee Meeting Summary Reports

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

Chair Granzella said they would begin with the November 29, 2021 Board meeting minutes that began on page 9 of the board packet.

Chair Granzella asked Board members if they had edits to the November 29, 2021, meeting minutes.

No comments were made.

Public Comment:

There was no public comment.

Motion: Approve the November 29, 2021, Board meeting minutes. Jim 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	✓				
Don Giarratano	✓				
Alan Guy				✓	
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

Chair Granzella introduced agenda item D-2, the review and possible approval of the January 26, 2022, Enforcement, Public Affairs, Executive, Licensing and Legislative Committee meeting summary reports on page 29 of the board packet.



Chair Granzella asked Board members if they had edits to the January 26, 2022, committee meeting summary reports.

Board Member Comment:
No comments were made.

Public Comment:
There was no public comment.

Motion: Approve the January 26, 2022, Committee meeting summary reports. Mary Teichert moved; Rodney Cobos seconded. The motion passed.

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

Chair Granzella introduced agenda item D-3, the review and possible approval of the February 23, 2022, Board meeting minutes, on page 59 of the board packet.

Chair Granzella asked Board members if they had edits to the February 23, 2022, Board meeting minutes.

Board Member Comment:
No comments were made.

Public Comment:
There was no public comment.



Motion: Approve the February 23, 2022, Board meeting minutes. Diana Love moved; David De La Torre seconded. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos	✓				
David De La Torre	✓				
Miguel Galarza	✓				
Don Giarratano	✓				
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.

D.4 Registrar’s Report

Chair Granzella introduced agenda item D-4, the Registrars Report and turned the meeting over to David Fogt.

Registrar Fogt said regarding CSLB’s next two board meetings, the tentative schedule is to have a meeting in person in Sacramento on June 16th and the next meeting would be August 30th and 31st in San Diego. Fogt stated the August meeting would coincide with the National Association of State Contractors Licensing Agencies (NASCLA) annual conference and that would be the meeting where CSLB would have a three-to-four-hour session with the Nevada board members. Fogt said that meeting may also be an opportunity to invite some board members from other states to attend CSLB’s meeting and to interact with them and find out their challenges and opportunities. Fogt added that Vice Chair Teichert was asked to facilitate or moderate a panel on women in construction at the NASCLA meeting.

Registrar Fogt said that CSLB is piloting a national database consisting of licensing and enforcement data. They said that it is an opportunity for participating states to provide information that could be used by other states to determine if somebody has already



met minimum license requirements and if someone has any disciplinary action that may preclude licensure. Fogt stated that he and Chief of Information Technology Jason Perez had met with NASCLA, and NASCLA had hired a consultant to help facilitate this effort and take the workload off states that are participating. Fogt also stated that Perez explained to NASCLA that CSLB has a public information portal for most of the information they would need and informed them CSLB would not share exam scores since CSLB does not share the scores with applicants now.

Registrar Fogt went on to tell board members that Senior Scam Stoppers are continuing to be held and they are successful in educating and protecting consumers from construction-related scams. Fogt said it has also been effective in furthering and securing CSLB's relationship with legislators who participate, and it is also an opportunity for board members to participate. Fogt stated that if any members have interest in attending and participating in a Senior Scam Stopper, they can let Mariah Rovera or Fogt know. Fogt mentioned that the events are currently being held virtually but they may be conducted in person in the future. Fogt stated CSLB had conducted 28 Senior Scam Stoppers last year and looked forward to conducting even more this year.

Registrar Fogt introduced the 2021 Accomplishment and Activities report, stating board members and staff had a lot to be proud of in the 58-page report. Fogt stated the committee chairs would highlight the accomplishments throughout the meeting.

Chair Granzella thanked Fogt for their report and encouraged board members to participate in the Senior Scam Stopper events. Granzella stated it is a benefit to work with legislative staff and speak on behalf of CSLB. Granzella also said that the events are good press for CSLB, and it is gratifying to work with the public.

Public Comment:

There was no public comment.

D.5 Board Member Administrative Procedure Manual

Chair Granzella introduced agenda item D.5, the review of the Board Member Administrative Procedure Manual. Granzella said the manual was last revised by the Board in November 2020 and the edits had been reviewed and approved by the Executive Committee on January 26, 2022. Granzella stated the proposed edits were intended to provide clarity on current board policy and to make other grammatical corrections. Granzella noted that edits are noted using underline and strike-out and all new text in underlined and deleted text is shown as strike-out.

Chair Granzella went on to discuss a few of the changes. Granzella said that throughout the document any reference to "he or she" has been replaced with gender neutral language. They also mentioned that referenced policies, memorandums, website addresses, and statutory references have been reviewed and updated.



Chair Granzella continued by stating the final proposed change they wanted to bring to the Board’s attention on page 48 and was specific to salary per diem. They stated that section was updated to clarify what will be paid for attendance at official board and committee meetings and DCA training. Granzella also stated the section clarifies what may be paid for, which is substantial services performed by a board member, more than 1 hour, to attend official gatherings, events, hearings, conferences, or meetings. They also stated it further clarifies that the Board Chair will perform a final approval of all salary per diem or travel-related expenses.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Chair Granzella explained the Executive Committee recommendation is the Board vote to approve the revised Board Member Administrative Procedure Manual. They said that since the recommendation comes from a Committee of the Board, it comes as a fully formed motion and didn’t need a first or second prior to a vote.

The motion passed unanimously.

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

D.6 2022-2024 Strategic Plan

Chair Granzella introduced agenda item D-6, the review and approval of the 2022-2024 Board Strategic Plan. Granzella stated each of the Board’s five committees reviewed



their respective objectives and proposed target dates and that the full strategic plan began on page 99 of the board packet.

Chair Granzella said the Board acknowledges the hard work of the staff and committees in preparing the plan and said they looked forward to hearing updates in future meetings.

Chair Granzella stated the Licensing Division’s proposed goal, 1.1, is to take steps to increase licensee diversity as it relates to women and minorities in construction. Granzella said the Assembly and the Senate recently introduced concurrent resolutions declaring the first full week of March as Women in Construction Week to highlight women as a visible component of the construction industry. Granzella said that on March 11th, they approved two letters, one to the Assembly and one to the Senate, on behalf of the Board to express CSLB’s support for the resolution and commitment to increasing participation of women in the industry.

Board Member Comment:

Secretary Love thanked Mary Teichert for their leadership in Women in Construction and said that it is a wonderful opportunity for women to get into the field.

Vice Chair Teichert thanked Love for their comment. Teichert said it is a critical topic and mentioned the need for interested and capable people to support this effort.

Public Comment:

There was no public comment.

Motion: Approve the 2022-2024 Strategic Plan. Moved by David De La Torre; seconded by Jim Ruane. The motion passed.

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

Mary Teichert	✓				
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D.7 Budget Update

Chair Granzella introduced agenda item D-7, the CSLB budget update on page 119 of the board packet and introduced Board Secretary Diana Love and Budget Manager Stacey Paul.

Secretary Love explained that they serve as the Board’s budget liaison with staff monitoring and reporting of the budget to the Board.

Secretary Love said that because there are newer Board members, they wanted to provide background on the budget and actions taken by the board over the last few years.

Secretary Love stated CSLB is a Special Fund entity, meaning it is funded entirely by licensing fees and enforcement disciplinary actions. Love explained, as a Special Fund entity, CSLB receives no General Fund support and renewal fees constitute the main source of revenue. Love said licensees renew their licenses every two years.

Secretary Love said throughout 2019 and 2020, the Board discussed CSLB budget and the need for long-term solutions to balance governor-approved expenditures with revenue.

Secretary Love explained that in September 2019, the Board approved seeking emergency regulations to raise renewal fees and directed staff to hire a consultant to complete a comprehensive fee study with recommendations for long-term financial stability.

Secretary Love explained in December 2019, the Board received approval by the Office of Administrative Law to raise renewal fees under existing statutory authority by \$50. Love said CSLB began collecting the fees effective February 2020.

Secretary Love said in September 2020, the Board took measures to reduce expenditures and approved a \$7.1 million expenditure reduction plan so CSLB could remain solvent through the remainder of the fiscal year.

Secretary Love said in December 2020, the Board considered increasing fees or making significant permanent cuts to CSLB expenditures. Love explained the Board approved the recommendations of the fee study and was successful in finding an author to support the fee bill SB 607.

Secretary Love went on to explain that in June 2021, the Board took similar measures as in the prior year to reduce expenditures and approved a \$5 million expenditure reduction plan.



Secretary Love said in September 2021, the CSLB fee bill SB 607 was approved by the Governor and became effective January 1, 2022; and based on all these efforts and many challenges along the way, the fund has remained solvent.

Secretary Love moved onto budget oversight, saying that on January 27, 2022, Chair Granzella, Stacey Paul, Mike Jamnetski, Dave Fogt, and Love met with representatives from the Department of Consumer Affairs Budget Office to review the final current year budget with adjustments and the proposed Governor's Budget for next fiscal year. Love said that at that meeting, it was highlighted that the Board's cost-saving measures over the last 2 years helped the fund remain solvent while maintaining critical ongoing operations. Love then turned the meeting over to Stacey Paul.

Paul directed the Board to page 121 of the board packet and explained the first chart showed CSLB's Fiscal Year 21/22 final budget and expenditures through January. Paul pointed out that the Board was spending slightly lower than expected at only 54% of the budget authority keeping CSLB on track to spend about \$70M of the authorized \$75M dollar budget. Paul explained the chart below that showed CSLB's revenue through February. Overall, it shows we are exceeding the prior year revenue by 6%. This increase reflects the new fees that took effect January 1st, which in comparing to the same time last year, for the months of January and February, CSLB collected an additional \$4M in revenue.

Paul directed the Board to the chart on page 122. Paul explained the chart highlighted CSLB's final budget with adjustments for the current fiscal year, which increased by \$1.6 million mainly due to employee compensation and staff benefits to cover increases in health rates. Paul said the following page showed the Board's approval of \$5 million in expenditure reductions and the column on the right in blue reflects the \$3 million in savings achieved through December. Paul said the Board adopted this plan back in June to ensure the Board had enough cash flow for essential operations until a fee increase was secured. Paul explained that now that the fee increase had been implemented, CSLB will continue with normal operations and not focus on reducing costs in these specific areas. Paul stated that this will be the last reporting of achieved savings in the outlined areas.

Paul continued to the next page of the board packet and explained the chart indicated was the CMEA fund condition. Paul said the Board was successful in increasing the annual appropriation of the CMEA fund this year to \$175,000. Paul explained the success of this increase will be discussed later in the Licensing update. The increase allowed the Board to disburse more grants to qualified institutions based on the fund balance. Paul said the fund is healthy to support grant disbursements for many years to come.

Paul concluded with the statistical summary details on the next 3 pages of the board packet. Paul said CSLB was seeing increases in new applications and the issuance of



new licenses. Paul explained CSLB renewals have stayed steady as CSLB was still seeing a 7 percent increase over 2 years ago. Paul concluded with asking if board members had questions regarding the budget.

Chair Granzella stated they commend management staff on bringing CSLB reserve up from where it was back in 2020. Granzella asked what Department of Consumer Affairs (DCA) reserve range was for bureaus and boards.

Paul replied that the DCA reserve range cannot exceed six months in reserve and the recommended range is three to four months. Paul said CSLB will gradually get there within the next two years and then maintain a six-month revenue.

Board Member Comment:

There was no comment.

Public Comment:

Farrell Neeley introduced themselves as a licensed contractor in the state of California. Neeley states they had recently been at the offices of Senator Hurtado and Senator Grove because they thought the Enforcement Unit must be underfunded. Neeley wants to find a way to fund CSLB with more than contractor's license fees. They asked who they can speak with regarding their concerns.

Chair Granzella advised Neeley to leave their contact information and said staff would respond.

Neeley stated they have contacted the Fresno office a couple of times and was disappointed that they had not heard back from them.

D.8 Administrative Update

Chair Granzella introduced agenda item D-8, the Administrative Update, on page 129 of the board packet and welcomed Chief of Administration, Mike Melliza.

Melliza directed the Board to page 131 on the board packet. Melliza explained during the second quarter of Fiscal Year 2021-22 (October 1 to December 31, 2021), CSLB Personnel staff completed 25 personnel transactions. Melliza said this included the addition of seven employees from other state agencies and five employees new to state service and within CSLB, six employees were promoted and five transferred to different positions. Melliza added two Examination Proctors and one student assistant were hired, and four employees accepted Training and Development assignments.

Melliza said CSLB averaged 47 vacancies since the beginning of Fiscal Year 2021-22 and 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.



Melliza said CSLB staff are very busy with recruitment activities to reduce these vacancies. Melliza explained the number is trending downwards, but it may take some time to reduce the number of vacancies. Melliza also explained upward mobility of CSLB staff and staff retention is a priority for the board and CSLB says staff are promoting to fill these vacant positions. Melliza said when staff promotes to fill vacant positions, they also create a vacant position, which leads to more recruitment activity to fill that position.

Melliza said historical figures regarding our average monthly vacancy by fiscal year is reflected in the table at the top of page 132.

Melliza said Personnel staff remain busy managing recruitment efforts and assisting with onboarding new employees. In addition, Melliza highlighted that staff is preparing for the State's Biennial Bilingual Survey, which will occur later in the year. Melliza said the survey is conducted every two years in accordance with the Dymally-Alatorre Bilingual Services Act, which requires every state agency to conduct a survey identifying the public it serves, the language(s) spoken, and the bilingual resources available to ensure equal access to information.

Melliza explained that board packet pages 132 and 133, list civil service classification examinations and exam schedules to assist in filling CSLB vacancies.

Melliza further explained that staff was working with DCA and the Department of General Services to negotiate lease renewals for two of CSLB field office locations:

- West Covina: The current lease expires November 30, 2022.
- Bakersfield: The current lease expires December 31, 2022. Melliza said a list of contracts and procurements are listed on the bottom of page 134 of the board packet.

Melliza noted that on page 135 of the board packet, staff tracked and reported the completion of two (2) DCA mandatory trainings that needed to be completed by all CSLB staff by December 31, 2021. Melliza explained the mandatory trainings included: Sexual Harassment Prevention Training and Information Security Assessment Training.

D.9 Information Technology Update

Chair Granzella introduced agenda item D-9, the Information Technology Update, on page 137 of the packet and welcomed Chief of Information Technology Jason Perez.

Perez stated that CSLB was now processing over 50 percent of renewals online since the latest implementation of Single Qualifier renewals, having met the goal at the end of 2021.



Perez said CSLB was very excited about the latest project to implement Software-Defined Wide Area Network. Perez said CSLB headquarters is scheduled to have the first portion completed the first week of April. Perez added this increased bandwidth along with greater visibility to CSLB's network traffic will allow network engineers to better protect CSLB's data.

Perez stated the chart at the bottom of page 137 shows continued monthly increases with CSLB's Online Citation Payment application reaching 50 percent at the end of 2021.

Perez said CSLB IT resources have been dedicated to the exam administration to PSI project with the first phase release scheduled for April 1 with 14 trades and the Law & Business exam.

Board Member Comment:

Granzella asked Perez to describe the type of citations that are being paid for and how the fee was collected.

Perez said the enforcement fees are for unlicensed and licensed contractors that have received administrative citation and stated the fees can be paid by credit card online.

Public Comment:

There was no public comment.

E. Licensing

Committee Chair Granzella announced that Foad Gharahgozlou has been selected as the Chief of the Licensing Division. Granzella stated Gharahgozlou has been instrumental in leading the division to reduce processing timeframes and improve processes. Granzella added Gharahgozlou is highly respected in the division, and they are excited to welcome Gharahgozlou in their role. Granzella said Licensing Committee Chair Miguel Galarza will lead the Licensing and Testing portion of the meeting.

Committee Chair Galarza mentioned that they had the pleasure of meeting Gharahgozlou and stated they were an outstanding selection.

E.1 Accomplishment and Activities Report

Committee Chair Galarza introduced Licensing agenda item E-1, the Accomplishment and Activities Report. Galarza started with highlighting some of the Licensing Division's achievements for the 2021 calendar year. Galarza said the Licensing Division successfully transitioned its in-person "Get Licensed to Build" workshops to a fully online interactive virtual workshop in 2021. Galarza stated the workshops are held each month with an average attendance of more than 100 people, the first entirely Spanish workshop was held in December, and the workshops have continued into 2022.



Committee Chair Galarza said the Testing Unit within the Licensing Division developed the new Residential Remodeling contractor license examination with record speed considering the bill authorizing the license classification became effective January of 2021 and CSLB began to accept applications by August. Galarza stated CSLB has already issued 63 of these licenses and expects the number to steadily climb.

Committee Chair Galarza said the Licensing Division's Judgment Enforcement Unit helped secure \$44 million in liability suspension as a result of its outstanding liability suspension program in 2021.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

E.2 Licensing and Testing Program Statistical Update

Committee Chair Galarza went on to agenda item E-2, Licensing and Testing Program Statistical Update, on page 145 of the meeting packet.

Committee Chair Galarza said regarding applications, the processing time for original applications and original waiver applications was five to six weeks as of February 2022. Galarza added that as of March 18th, the processing times are down to three and half weeks.

Committee Chair Galarza stated the processing of license renewals was also under two weeks and had been since August. Galarza noted that this was an improvement from the regular three weeks to process renewals that the division was averaging earlier in 2021. Galarza reminded licensees that anyone who had one qualifier on their license could go to CSLB's website and complete the renewal online. Galarza added that those who chose the online option would have the entire process completed and the license history updated within 24 hours.

Committee Chair Galarza said the high number of pending applications at the close of the 2020-2021 Fiscal Year is notated on page 149 of the board packet. Galarza said this was due to the backlog in examinations being scheduled for applicants after the intermittent closing and reopening of CSLB test centers during the pandemic. Galarza stated with the transition to PSI testing services, CSLB anticipates pending applications lowering to a more manageable 17,000 or so by the end of this calendar year.

Committee Chair Galarza noted the 2021 calendar year total renewals shows 122,386 received, which reflects a decline from the last two calendar years. Galarza said the number of renewals received for last Fiscal Year 2020-21 is actually 125,699, which



was an increase over the past two years, and the difference is due to the way the data time frame is reported. Galarza explained that staff is not concerned by what appears to be a renewal decline on page 150 of the board meeting packet because the fiscal year renewals have increased.

Committee Chair Galarza went on to say the call wait times for the CSLB Licensing Information Center (or call center) are on page 156. Galarza said they were pleased to report that all the reported caller wait times had decreased significantly from the prior year, along with a very large increase in the number of calls answered compared to last year.

Galarza directed everyone to page 160 of the board packet. Galarza stated CSLB's testing centers closed twice during the pandemic and have been working to eliminate a backlog since those closures. Galarza continued that seating is now currently at full capacity, and exams are being scheduled between three and five weeks out. Galarza mentioned that pre-COVID, CSLB saw a pending exam count of 4,500 at any given time and now there is currently a pending examination count of around 6,700 but staff believed the pending examinations will to 4,500 by the time staff transition exam administration to PSI Exams in the spring.

Committee Chair Galarza stated the Exam Development Unit held numerous remote workshops to continue occupational analysis work for updating existing exams. Galarza said information about the examinations being administered and the examinations under development were on pages 160-162.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

E.3 Construction Management Education Account Update

Committee Chair Galarza directed everyone to page 167 of the meeting packet, which explains staff's efforts to increase the appropriation in the Governor's Budget for CSLB's Construction Management Education Account, due to the increased number of donations over the years. Galarza said this would allow more money to be disbursed to schools for their construction management programs.

Committee Chair Galarza said the fund had previously been appropriated at \$100,000 available for schools each year, and staff worked over the last year to increase that amount by \$75,000. They explained that this effort was successful, and staff was able to invite approved schools to apply for funds in the higher amount.



Committee Chair Galarza said CSLB was pleased to update that the schools have returned their applications for the higher amounts and as of Monday, March 21, staff approved \$175,000 worth of awards to the four approved schools.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

E.4 Test Administration Centers Outsourcing Update

Committee Chair Galarza introduced the final update item, CSLB transitioning of its license examination administration services to a third-party vendor. Galarza explained the change occurred through a CSLB-sponsored bill that authorized CSLB to contract with a third party for examination services to greatly expand testing options for licensees.

Committee Chair Galarza said staff have worked hard to complete the transition and is in the final stages of the pre-development work necessary to move its examination administration services to vendor PSI. Galarza stated CSLB Licensing and Information Technology staff involved in the transition were able to attend a vendor demonstration on March 22 to work out final details such as examination security and functionality.

Committee Chair Galarza announced the first CSLB examinations will be administered by PSI in April and will slowly transition over until July 1, when CSLB expects all its CSLB examinations will be administered by the vendor.

Committee Chair Galarza said CSLB staff will continue to update the Board on this transition at the next Board meeting.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

F. Enforcement

Chair Granzella invited Enforcement Committee Chair Rodney Cobos to lead the Board in the Enforcement section of the agenda.

Committee Chair Cobos introduced the new Chief of Enforcement, Steve Grove. Cobos said Grove brought a wealth of skills and experience to the position and that Grove had been with CSLB for 24 years. Cobos explained that Grove was an investigator that rose



to program manager of CSLB's Statewide Investigative Fraud Team Force (SWIFT) prior to their assignment as chief.

Committee Chair Cobos went on the mention Deputy Chief of Enforcement, Jessie Flores, for stepping up as Enforcement Division's acting chief while the position was vacant. Cobos explained that Flores took on a long list of responsibilities and kept the Enforcement Division moving forward during trying times. Cobos thanked Flores.

F.1 Accomplishments and Activities Report

Committee Chair Cobos stated that agenda item F-1 shows the Enforcement Division's contributions to the newly published Accomplishments and Activities report. Cobos directed the Board to page 29 of the A & A report for a summary of the impressive work done by Enforcement Division staff during the previous year. Cobos recited from the highlights:

- 17,660 complaint investigations were closed.
- \$27.8 million in restitution and corrected work was recovered for consumers – which was a 7 percent increase over the previous year.
- 2,818 administrative legal actions were brought against violators.
- 1,067 cases were referred to local prosecutors for criminal prosecution due to egregious misconduct.

Committee Chair Cobos said a few of the criminal cases were highlighted on the following pages of the report, and they were pleased to see that the Enforcement Division continued to prioritize actions against predatory contractors.

Committee Chair Cobos stated on page 28 of the A & A report, the Board could read about the exploits of unlicensed contractor Peter Koke, who preyed on multiple victims of the Tubbs Fire in Sonoma County. Cobos stated Koke made it on CSLB's "Most Wanted" list and fled the state. Cobos stated Koke was found in custody on other charges in North Carolina and was extradited to California. Cobos said last August, Koke pled guilty to felony grand theft, misdemeanor theft, and two counts of contracting without a license. Cobos explained that for the misdemeanor counts, Koke was sentenced to 86 days in county jail, 12 months' probation, and restitution in the amount of \$13,380. Cobos said sentencing on the felony charge has been deferred until this June.

Committee Chair Cobos went on to say that on page 29 of the A & A report, the Board could also read about unlicensed contractor Tommy Min Jue, who installed defective fire alarms in several San Francisco apartment buildings. Cobos explained the alarm system Jue installed in one building failed to sound when the building erupted in flames, and one resident died. Cobos said based on a joint investigation, the District Attorney had charged Jue with grand theft, fraudulent use of a license, forgery, and insurance fraud. Jue is now awaiting criminal trial.



Committee Chair Cobos said, beginning on page 36, that the A & A report discussed the continued expansion of the Enforcement Division's solar enforcement efforts. Cobos said CSLB continued to receive about 100 solar-related complaints per month. Cobos went on to say that in 2021, the division implemented a new Solar Complaint form to expedite these investigations, as described on page 37.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

F.2 Enforcement Program Statistical Update

Committee Chair Cobos introduced agenda item F-2, the Enforcement Program Statistical Update, located on page 179 of the board meeting packet.

Committee Chair Cobos explained that over a 10-year period, contractor William Schwartz found an unending series of projects that "needed" to be done at the home of a female senior citizen. Cobos said by the time CSLB was notified, the victim had paid Schwartz almost \$500,000. Cobos stated all the work was shoddy and done without permits, and CSLB's Industry Expert estimated the total value of work at only \$86,000. Cobos said CSLB's investigation resulted in an accusation and revocation of Schwartz's two licenses and because this was such egregious misconduct, the investigator also referred the case to the District Attorney. Cobos said the DA charged Schwartz with two felonies: grand theft and financial elder abuse. Cobos stated that on February 8 of this year, Schwartz appeared in court and pled guilty to grand theft. Cobos explained that because of a plea agreement, Schwartz avoided one year in jail by paying \$333,000 in restitution. Cobos said Schwartz also paid lesser fines and penalties and was placed on two years' probation. Cobos concluded that the case received a lot of local media attention due to the extent of the crimes and the size of the restitution check.

Committee Chair Cobos referred to the current statistical overview of Enforcement Division at the bottom of page 179 of the packet. Cobos said the division initiated 19,225 complaints during the 13-month period that ended on January 31, 2022. Cobos said this represents an 8 percent increase in complaints over the same timeframe the previous year.

Committee Chair Cobos said the next few entries in the Program Update reveal that the number of incoming complaints is overtaking production output:

- The number of pending investigations is currently 4,390, which is 15 percent above the desired maximum.
- The average number of cases closed per investigator per month is eight, which is lower than the closure goal of 10.



- And the number of aged cases – which is those over 270 days old – is currently 188 – well above the goal of 100.

Committee Chair Cobos stated that Steve Grove was working with the Enforcement team to address these numbers, and progress is already being made.

Committee Chair Cobos said the next sections of the Program Update starting on page 180 highlighted some of the division's positive accomplishments. Cobos explained that for the 13-month period ending on January 31, 2022: mediation efforts of the Intake and Mediation Centers and the Investigative Centers resulted in over \$20 million in restitution to financially injured parties; 447 investigations were referred for criminal prosecution; 1,444 citations were issued, 46 percent of which were issued to licensees; 185 new accusations were filed; 209 licenses were revoked by accusation; and 102 licenses were placed on probation.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

F.3 Proactive Enforcement

Committee Chair Cobos introduced agenda Item F-3, an update on CSLB's proactive enforcement efforts, on page 185 of the Board Packet. Cobos explained proactive enforcement of contracting laws and regulations is conducted by Special Investigators in CSLB's Statewide Investigative Fraud Team (or SWIFT). Cobos said the COVID pandemic impacted SWIFT more than any other unit in the division but even so, the unit was busy. Cobos stated SWIFT conducted 19 undercover sting operations, participated in 178 days of enforcement sweeps, and responded to 981 leads.

Committee Chair Cobos said as a result, SWIFT closed 2,972 cases resulting in 856 administrative or criminal legal actions, 228 work Stop Orders issued, and 1,007 Advisory Notices for minor violations.

Cobos directed the Board to page 186 regarding SWIFT's continuing outreach to victims of the devastating Camp Fire in Paradise. Cobos explained that since March 14, 2022, a SWIFT special investigator had been present at the Paradise Building Resiliency Center twice a month to assist fire victims, contractors, and members of the public with questions or concerns surrounding the rebuilding of local homes and businesses. Cobos said the assigned investigator will also conduct jobsite compliance inspections in the area. Cobos asked Grove if they had proactive highlights to share.

Grove said that one of the negative impacts of COVID on Enforcement was the decrease in the number of sting operations the SWIFT unit had been able to conduct.



Grove stated they were proud to say the SWIFT unit never stopped responding to leads from public, contractors, and industry and continued to conduct limited joint sweep operations with agency partners on the Labor Enforcement Task Force and Joint Enforcement Strike Force. Grove stated they would be working with the public and industry to secure sting properties and return to pre-COVID level of regular sting operations across the state.

Grove said they are preparing to participate in this year's annual NASCLA (National Association of State Contractor Licensing Agencies) enforcement effort. Grove explained this consists of partnering with several different state agencies across the country and conducting sweeps and stings in coordination with the other state agencies. Grove concluded that if any Board members are interested in seeing a sting firsthand to let them know.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

F.4 Update on the Solar Energy System Restitution Program

Committee Chair Cobos introduced agenda item F-4, an update on CSLB's Solar Energy System Restitution Program [SESRP], on page 191 of the board packet. Cobos explained the SESRP was created by Assembly Bill 137, which was enacted on July 16, 2021. Cobos said the program provides \$5 million to CSLB to provide restitution for qualifying homeowners who were financially harmed by a solar contractor through fraud, misrepresentation, or another unlawful act.

Committee Chair Cobos went on to explain this is CSLB's first-ever restitution program, and staff had worked hard and methodically to get it up and running. Cobos said staff developed new policies and procedures, created a series of new forms, trained Industry Experts, had meetings with the CSLB arbitration vendor, and coordinated with the Department of Consumer Affairs regarding payment procedures. Cobos stated CSLB had worked with the media to publicize the program and reached out directly to identified consumers who were likely victims of solar fraud.

Committee Chair Cobos stated the program is now fully operational and as of March 2022, CSLB had received 99 claims. Cobos explained that of those, 28 claims have been approved with a request that DCA issue checks for more than \$318,000 in consumer restitution. Cobos said an additional 11 claims were closed for various reasons such as duplicate claim filing or lack of jurisdiction. Cobos added that two claims were referred to arbitration, and 58 claims were pending.



Committee Chair Cobos commented that as word spreads, CSLB expected the number of SESRP claims to increase significantly in the coming months.

Board Member Comment:

There was no comment.

Public Comment:

Lourdes Medina, a former activist with the Dolores Huerta Foundation, stated that they received information on this meeting via Facebook. Medina said they have received texts from some Parlier residents saying they are excited and looking forward to some peace of mind in regard to abandoned equipment and restitution help. Medina offered their email address for continued communication.

Committee Chair Cobos requested Medina leave their contact information in the meeting chat.

Registrar Fogt thanked Medina for their help in establishing the fund and mentioned that Medina served as a liaison to Central Valley financially injured solar consumers. Fogt mentioned that CSLB could use Medina's help again to partner with CSLB Investigator, Dania Vaquera. Fogt explained that CSLB sought to prioritize central California consumers, but CSLB has not had the response they were hoping for.

Registrar Fogt said the task force was motivated to process solar claims in a responsible manner and that a task force member very recently submitted five more claims for \$98,000 to add to the total Cobos just reported. Fogt said they would reach out to Medina for ideas to help central California consumers complete claim forms.

F.5 PACE Recovery Fund Legislative Proposal

Committee Chair Cobos introduced the agenda item F-5, an informational item about the possible creation of another CSLB restitution fund. Cobos explained that CSLB staff had been recently contacted by the Clean Energy Justice organization, which is a group of legal firms that assist homeowners struggling with loans issued through the Property Assessed Clean Energy program (or PACE). Cobos said Clean Energy Justice is suggesting that a restitution program – like CSLB's existing SESRP – could be created within CSLB to assist victims who were financially harmed through PACE funding agreements. Cobos said Registrar Fogt and Legislative Chief Jamnetski had met with representatives of both Clean Energy Justice and the California Department of Financial Protection and Innovation (DFPI) and had raised jurisdictional and technical concerns regarding this proposal. Cobos stated the Board would be kept apprised of any significant developments. Cobos asked Fogt if they had any updates to share.

Registrar Fogt explained that many solar claims being processed have PACE funding. Fogt said that PACE funding can cause harm in some cases because the contractor was paid directly by the PACE administrator for work not performed. Fogt said in some



cases the contractor had not performed the work they were paid, and some consumers have multiple PACE loans on their home. Fogt stated the consumers believed the loan would be paid through their existing property tax payments and there would not be an increase in the property tax; however, there is an increase in property tax bill with a PACE loan.

Registrar Fogt said there are situations where consumers have PACE loans of \$100,000 for a \$30,000 system and have incurred financial harm of which there is no recovery available and that is where the PACE Recovery Fund is being considered. Fogt explained licensees and registered salespeople are negotiating the PACE property tax assessment. Fogt stated it had been made clear CSLB would require authorization to hire staff for the PACE Recovery Fund. Fogt said they would need new staff dedicated solely to the fund, there would need to be an implementation period, and there also would need to be an agreement with DFPI (Department of Financial Protection and Innovation) because they have jurisdiction over the PACE administrators. Fogt said they would keep the Board aware of the ongoing discussion and said they welcome any board member feedback.

Registrar Fogt explained the benefit of the PACE recovery program is that it would provide restitution to consumers that have suffered a significant financial harm because of predatory PACE loans, but that was not to say anything negative about the PACE program as it is beneficial overall. Fogt said there are outlying cases where the restitution fund could help.

Member Cobos stated the agenda item was an information only item and there was no action required.

Board Member Comment:

Member Mark commented that PACE loans have been rampant, and contractors were taking advantage of consumers. Mark said they trust CSLB staff to recognize the issues and would like Fogt to look into it.

Public Comment:

Lourdes Medina thanked the Board again. Medina said CSLB has been the best resource that small businesses have to support their business. Medina said California has been held hostage since 2013 by solar and renewable energy loans or assessments. Medina said PACE needs to be regulated more and the restitution fund is a dire need.

Josh Buswell-Charkow, a member of CalSSA, said Medina could reach out to them. Charkow mentioned that CalSSA has a customer intake form for when customers have been taken advantage of, they can complete the form, and they will reach out to the company on the consumers behalf to try to resolve disputes.

G. Public Affairs



Chair Granzella announced that Public Affairs Chair Michael Mark would lead the Board in the Public Affairs update on page 197. Granzella also said there would be a break after the Public Affairs update.

Committee Chair Mark introduced themselves as one of the Board's public members and Chair of the Public Affairs Committee.

Committee Chair Mark explained the Public Affairs Office is the communications arm of CSLB – the team works with the media, conducts consumer and stakeholder outreach, maintains a social media presence, creates publications and videos to educate both consumers and licensees, and broadcasts CSLB public meetings.

G.1 Accomplishments and Activities Report

Committee Chair Mark introduced agenda item G-1 to highlight some of the important work Public Affairs undertook in 2021, which was included in the 2021 Accomplishments and Activities Report on page 45.

Committee Chair Mark said last year, Public Affairs coordinated CSLB communications on the unprecedented wildfires in California. Mark stated CSLB licensing staff provided in-person staffing at nine local assistance centers in counties throughout California, and Public Affairs staff ensured emergency-related materials were available to share with disaster survivors and confirm the Disaster Help Center on the website was updated. Mark explained Public Affairs then conducted outreach to congressional and state legislator offices, as well as building departments and chambers of commerce in the affected areas. They said Public Affairs issued a press release that warned wildfire survivors about the dangers of using unlicensed contractors, and staff posted that messaging on social media. Mark said these communications were critical for those devastated by wildfires to help protect them from unlicensed contractors.

Committee Chair Mark highlighted that in 2021, Public Affairs staff also distributed 21 industry bulletins, circulated seven news releases, fielded 72 media inquiries (including requests for interviews) broadcasted 20 live webcasts, organized and conducted 28 public outreach events, including Senior Scam Stopper seminars, and published 12 publications, including meeting packets, reports, fliers, and the 2021 California Contractors License Law & Reference Book. Mark said CSLB and the Board appreciated their efforts.

Board Member Comment:

There was no comment.

Public Comment:



Lourdes Medina commended the outreach efforts. Medina also commented that they would like the Public Affairs Office to do more to combat misinformation on social media as it relates to construction advertisements.

G.2 Public Affairs Update

Committee Chair Mark introduced the Public Affairs update on page 203 of the packet.

Committee Chair Mark said on page 205, there was information about the Public Affairs staff prioritizing the creation of Spanish versions of CSLB videos and collaborating with Licensing staff to produce a live, interactive online workshop each month for those interested in getting a California contractor license. Mark said the workshop is called “Get Licensed to Build.”

Mark said in December 2021, CSLB began holding monthly online “Get Licensed to Build” workshops in Spanish with staff answering questions in Spanish in real time. Mark explained videos of the workshops were then posted on the CSLB website for further viewing.

Committee Chair Mark said on page 208, the meeting packet outlines Public Affairs social media highlights. Mark stated they included social media posts promoting women in construction and ongoing posts promoting the work of CSLB’s Statewide Investigative Fraud Team, and when needed, disaster-related posts. Mark said sting-related posts were typically the most popular on social media and got the most interaction from the public.

Committee Chair Mark invited everyone to follow CSLB on Facebook, Twitter, Instagram, YouTube, LinkedIn, and Flickr. Mark said the links could be found on the CSLB website.

Committee Chair Mark stated that for stakeholder communications, Public Affairs staff had issued several industry bulletins, most recently in January when the topics were on new contracting laws and the 2022 Law Book.

Committee Chair Mark said media relations was another important responsibility of public affairs as seen on page 213 of the board packet. Mark said that besides responding to numerous media inquiries, staff also distributed press releases on enforcement stings and sweeps along with press releases encouraging wildfire survivors to hire only licensed contractors.

Committee Chair Mark stated that on page 214, everyone could see Public Affairs was working with California legislators on consumer and Senior Scam Stoppers workshops held virtually, Mark said hundreds of consumers had been reached in person at these events and then the videos were posted to the legislators’ websites where they get more views.



Committee Chair Mark explained that on page 216, Public Affairs included a list of graphics and publication projects completed by the Public Affairs staff including the 2022 Law Book.

Committee Chair Mark said staff regularly updated the employee Intranet site with stories, photos, and informational updates. Mark concluded that the Public Affairs staff continues to further CSLB’s communication objectives and thanked them for their hard work and dedication.

Board Member Comment:

There was no comment.

Public Comment:

Medina commended the CSLB for having a dynamic, interactive, updated website. Medina stated the information the agency gives consumers is very helpful. Medina mentioned internet websites are being abused by the industry with unlicensed contractor ads.

Chair Granzella announced a 10-minute break at 11:01 a.m.

CSLB board members returned to session at 11:10 a.m.

Chair Granzella asked Mariah Rovera to take roll. A quorum was established.

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

Member Rodney Cobos had an excused absence from the remainder of the board meeting.



H. Legislation

Chair Granzella announced Legislative Chair Jim Ruane would lead the Board in the Legislative update on page 223 of the board meeting packet.

H.1 Accomplishment and Activities Report

Committee Chair Ruane introduced agenda item H-1, to highlight some Legislative achievements for the calendar year 2021. Ruane said the 2021 Accomplishments and Activities report was provided to the Board as a separate publication with the meeting's Board packet.

Ruane stated Legislative staff were able to ensure the passage and enactment of two CSLB-sponsored bills in 2021: AB 246, which made the illegal dumping of construction debris a cause for license discipline; and AB 569, which increases the maximum civil penalties CSLB can assess for law violations to modern day costs. Ruane said staff were also directly involved in other measures by providing technical assistance on the bills that resulted in a restitution fund at CSLB and the bill that increased CSLB's application and license fees to address the Board's structural budget imbalance.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

H.2 (a) Update on Previously Considered 2021-2022 Pending Legislation

H.2 (a.) (i.) AB 646 (Low) Department of Consumer Affairs: Boards: Expunged Convictions

Committee Chair Ruane said page 229 of the packet was an update for the Board on two bills that CSLB had already acted on.

Committee Chair Ruane introduced AB 646, a bill that would allow contractors whose licenses were revoked for a criminal conviction that is later expunged to provide that expungement to CSLB so that it may be reflected in the license record as appropriate. The Board has a support position on this bill from 2021.

Committee Chair Ruane said they would refer to Chief of Legislation Mike Jamnetski to provide any information or updates for the Board on this bill.

Jamnetski said the Board supported this bill over a year ago and it moved to the Senate in January. Jamnetski stated that they wanted to update the Board on the movement



and remind everyone of the Board position from last March. Jamnetski advised the Board that the initial \$50 licensee fee in the bill was also dropped to \$25.

Committee Chair Ruane explained this was a status update only; no further action was required from the Board at that time.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

H.2 (a) (ii) SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage

Committee Chair Ruane said the update on SB 216 was on page 231 of the packet. This CSLB-sponsored bill would require C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors have a certificate of workers' compensation insurance on file with CSLB in the first year, and for all contractors after three years. The Board has a support position on this bill.

Committee Chair Ruane asked Jamnetski if they had additional information or update for the Board on this bill.

Jamnetski stated that the Board's fiscal impact had gone up 30 or 40 percent because of the licensing fee increase for renewals that had occurred since the last renewal. Jamnetski stated that the new fiscal is based on the speculation that some licensed contractors may not renew their license as opposed to having to get workers' comp. Jamnetski explained that it is hard to predict how the population will react.

Jamnetski stated there are possible amendments to the bill requested by industry that would make clear that a joint venture licensed by CSLB can still obtain the workers' compensation exemption, but that if the joint venture intends to be the employer, they will still have to obtain workers' compensation. Jamnetski added that the bill may not be heard in the Assembly until the summer.

Committee Chair Ruane explained this was a status update only; no further action was required from the Board at that time.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.



H.2 (b) Review, Discussion, and Possible Action on 2021-22 Pending Legislation

Committee Chair Ruane directed the board to page 234. Ruane explained that CSLB Legislative staff routinely go through all bills that were introduced or amended and flag the measures that affect the Board, or that the Board may wish to take a position on. Ruane said sometimes, the Legislature acts on those measures before the Board has an opportunity to weigh in, which the Board procedure manual has a process for addressing. Ruane stated they would discuss two of those measures.

H.2 (b) (i) AB 1733 (Quirk) State Bodies: Open Meetings

Committee Chair Ruane said AB 1733 would authorize state agencies like CSLB to hold public meetings remotely, as long as one physical location is provided that the public can access to observe the meeting remotely. Ruane said Jamnetski would provide the Board a review of the bill.

Jamnetski stated most of the Board’s meetings have been over teleconference the last couple of years rather than in person. Jamnetski explained that the bill would change the statutory definition of the word “meeting” for the purposes of Bagley-Keene to include teleconference and it would provide procedures for allowing teleconference meetings to be held with specific requirements as described in the bill.

Committee Chair Ruane said the staff recommendation was that the Board support the bill. Ruane explained that this would include the authority for staff to communicate the position in written letters and public testimony.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: To support AB 1733. Moved by Michael Mark; seconded by David De La Torre. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Don Giarratano	✓				
Alan Guy	✓				



Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

H.2 (b) (ii) AB 1747 (Quirk) Contractors: Disciplinary Action

Committee Chair Ruane said AB 1747, a CSLB-sponsored bill, increases the administrative fines for a licensed contractor’s failure to comply with building permit requirements as well as other health and safety requirements. Ruane said they worked with staff and the Board Chair to submit a support letter to the Legislature. Ruane asked Jamnetski to provide any updates on the bill.

Jamnetski said the bill passed out of the policy committee and on to appropriations. Jamnetski thanked member Mark for helping staff get the word out on the bill.

Committee Chair Ruane explained this was an update only; no further action was required from the Board at that time.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

H.2 (b)(iii) AB 1874 (Smith) Contractors: Unlicensed Work

Committee Chair Ruane said AB 1874 would allow an unlicensed contractor to advertise to perform construction work if the value of the labor for the project is less than \$500, without considering the cost of materials and other items. Ruane said the staff recommendation on page 239 is to oppose the bill. There is also some additional history on page 239 about two similar bills the Board has voted on in the past. Ruane asked Jamnetski to explain the recommendation.

Jamnetski explained the bill was heard in policy committee and failed passage. Jamnetski added that there was not a request for reconsideration, which usually means the bill is dead. Jamnetski said it wouldn’t hurt if the Board took a position on this matter, so it would be on record just in case something happens with the bill.

Committee Chair Ruane thanked Jamnetski. Ruane said the staff recommendation was the Board oppose the bill. Ruane explained the recommendation included the authority for staff to communicate the position in written letters and public testimony.



Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: To oppose AB 1874. Moved by Michael Mark; seconded by Mary Teichert. The motion passed.

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

H.2 (b) (iv) AB 2105 (Smith) Contractors: Initial License Fee Reduction: Veterans

Committee Chair Ruane said AB 2105 would require CSLB to grant a 50% fee reduction for an initial license to an applicant who has served as an active-duty member of the Armed Forces or California National Guard and was honorably discharged.

Committee Chair Ruane explained the bill is consistent with CSLB’s continued practice of assisting past and present military personnel and their spouses/domestic partners with application and licensure documentation. Ruane said the bill had its first hearing before the Board could review the bill, so staff worked with the Board Chair and Ruane to submit a support letter to the Legislature. Ruane asked Jamnetski to provide updates on the bill.

Jamnetski stated the fiscal impact is less than \$100,000 in revenue per year based on the number of requests CSLB receives. Jamnetski said the bill passed a policy committee on consent and it was on its way to appropriations.



Committee Chair Ruane explained this was an update only; no further action was required from the Board at that time.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

H.2 (b) (v) AB 2374 (Bauer-Kahan) Crimes Against Public Health and Safety: Illegal Dumping

Committee Chair Ruane said AB 2374 would increase 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. Ruane said Jamnetski would provide a review of this bill and explain the staff recommendation.

Jamnetski explained CSLB sponsored a bill last year that make illegal dumping on construction debris a cause for disciplinary action. Jamnetski said this bill would change the penal code section for illegal dumping and give the criminal court some discretion in the fines and punishment of persons with a professional or business license who are caught dumping

Committee Chair Ruane said the staff recommendation was that the Board support the bill. Ruane explained support would include the authority for staff to communicate the position in written letters and public testimony.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: To support AB 2374. Moved by Susan Granzella; seconded by Diana Love. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				



Don Giarratano	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

H.2 (b) (vi) AB 2894 (Cooper) Contractors: Workers’ Compensation Insurance

Committee Chair Ruane said AB 2894 would require a licensed contractor, if they have workers’ compensation insurance, to inform CSLB of their workers’ compensation classification code and requires CSLB to post that information on its website. Ruane asked Jamnetski to please provide information on the bill.

Jamnetski explained that the workers’ compensation code is not something that CSLB regulates and explains that the code is used to by contractors to obtain workers’ compensation coverage and there is a rate attached to the code based on the type of work, which is used to calculate premium. They explained that the bill as written would not require CSLB to do anything other than report the code as reported by the licensee.

Committee Chair Ruane said the staff had not made a recommendation on the bill, which amounted to a watch, or neutral, or no position. Ruane explained this was an update only and no action was required of the Board unless a board member made a motion.

Board Member Comment:

Member Mark asked Jamnetski if CSLB already kept this information.

Jamnetski replied no. Jamnetski stated that currently licensees are required to file a workers’ compensation certificate or if they claim to have no employees, a workers’ compensation exemption. Jamnetski explained that on a workers’ compensation certificate are the dates of coverage, the insurer, and the broker. They said it is a standard form used in the industry and there is not a box for this classification code, so CSLB would either rework that form or the way it intakes information to include this code.

Member Mark asked if there would be a benefit to the public.

Jamnetski said the fact sheet indicates that reporting the classification code to the public would be beneficial.



Member Mark asked for clarification on the neutral position if it would benefit the public.

Jamnetski stated staff wanted the opportunity for the Board to weigh in on the issue and CSLB does not regulate misclassification of workers and premium fraud or regulate details of payroll. Jamnetski said the fact sheet indicates the CSLB license lookup tool shows whether a company carrying workers' compensation insurance policy but does not indicate the four-digit workers' compensation code associated with obtaining the policy.

Registrar Fogt stated that it is always helpful to have information available to the public, but they were not aware of any consumer harm that's occurred because of a contractor that's not accurately reporting to their insurer the type of workers they are employing.

Jamnetski added that bill does not require anything further from CSLB than to report the information. Jamnetski explained when licensees report their workers' comp and policy details the licensing staff processes the document for the benefit of the public but there is no investigation into the licensee's workforce unless there is a consumer complaint. Jamnetski said CSLB would accept the classification code and display it but there wouldn't be a process to investigate the accuracy of it.

Committee Chair Ruane said the enforcement part would stem from the audits that occur between the insurance companies and workers' compensation appeals board. Ruane is neutral on the bill.

Chair Granzella said there's always consideration on the impact of the staff and that consideration affects the neutral support or nonsupport. Granzella stated CSLB needs more information about the bill.

Member Guy said it is their understanding that employers report multiple codes as a business; there wouldn't be just one code for a contractor. Guy added contractors could still misreport and doesn't seem like a CSLB issue.

Public Comment:

Eddie Bernacchi, from Politico, stated they were working with the sponsors of the bill to determine what reporting would look like. Bernacchi said they would come back to the Board with some more information as they get further clarification from the sponsors.

Ruane asked Jamnetski to keep the Board posted on any future developments.

H.2 (b) (vii) SB 1237 (Newman) Licenses: Military Service

Committee Chair Ruane said SB 1237 provides that Department of Consumer Affairs boards and bureaus, which would include CSLB, waive the renewal fees of a licensee or registrant who is stationed outside of California and is called to active duty as a member of the Armed Forces or California National Guard.



Committee Chair Ruane explained the bill is consistent with CSLB’s continued practice of assisting past and present military personnel and their spouses/domestic partners with application and licensure documentation. Ruane stated the staff recommendation was support, and Jamnetski would provide additional information.

Jamnetski said the packet laid out the different options that were available for licensing boards to assist the military and family population with their licensing documents. Jamnetski explained the there is an existing requirement to waive renewal fees for licensees called to active duty and said CSLB had received very few requests in recent years.

Committee Chair Ruane said the staff recommendation was that the Board support the bill. Ruane said this would include the authority for staff to communicate the position in written letters and public testimony.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: To support SB 1237. Moved by Johnny Simpson; seconded by Diana Love. The motion passed.

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

H.2 (b) (viii) SB 1443 (Roth): The Department of Consumer Affairs



Committee Chair Ruane said bill changes the statutory sunset date of the CSLB from January 1, 2024, to January 1, 2025. Ruane asked Jamnetski to provide information on the bill.

Jamnetski said CSLB's Sunset Review by the Legislature is every four years, but COVID-19 threw off the cycle for the boards and bureaus. They said CSLB, along with the Dental Board, Board of Accountancy, and Architects Board had their statutes adjusted by the bill, extended one-year.

Committee Chair Ruane said staff had not made a recommendation on the bill, which amounted to a watch, or staying neutral. Ruane explained this was an update only and no action was required of the Board unless a board member made a motion.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

H.3 Regulations

Committee Chair Ruane said they were moving to page 247 of the online version of the board packet and going forward all page numbers referred to the online version. Ruane explained that there are three items they would be discussing, CSLB's Code of Regulations Section 823 and 858.2 and Battery Energy Storage.

H.3 (a) Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 823 (Definitions: Bona Fide Employee; Direct Supervision and Control)

Committee Chair Ruane said staff requests Board authority to engage the rulemaking process to make a non-substantive change to one of its regulations, California Code of Regulations Section 823.

Committee Chair Ruane stated this section provides definitions of the words "bona fide employee" and "direct supervision and control" for the purposes of responsible managing employees and qualifiers of contractor licenses.

Committee Chair Ruane mentioned the change was necessary because a recent legislative bill, AB 830 (passed in 2021), provided new and/or different definitions for



these words. Ruane explained the new statutory definitions preempt the regulation, making Section 823 no longer valid.

Committee Chair Ruane said as a result, staff was requesting to repeal the regulation that provides these definitions to clean up CSLB regulations. Ruane said the language showing the entire strikethrough of this section can be found on page 251 of the online packet. Ruane asked Jamnetski if they had anything to add.

Jamnetski stated that there are three ways to do regulations: the regular rulemaking process, the emergency rulemaking process, and then a technical non-substantive rulemaking, and this agenda item was a request for the latter. Jamnetski summarized the staff recommendation on page 250.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: To approve the proposed regulatory text for CCR Section 823. Moved by Susan Granzella; seconded by Mary Teichert. The motion passed.

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

H.3 (b) Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 858.2 (Application for Approval of Blanket Performance and Payment Bond)



Committee Chair Ruane said staff requests Board authority to engage the rulemaking process to make a non-substantive change to one of its regulations, California Code of Regulations Section 858.2.

Committee Chair Ruane said the section is CSLB’s application for licensees who wish to have a blanket bond on file with CSLB. Ruane explained the section sets forth requirements the licensee must meet for CSLB to approve the blanket bond. *Editors Note: “A blanket bond is a bond obtained to lower a set amount of contracted work during a specified time.”*

Committee Chair Ruane explained for background, that a contractor who files with CSLB what is sometimes called a blanket bond is not required to follow the down payment restrictions on home improvement contracts and may request the full amount of the contract up front. Ruane said the blanket bond guarantees that they will cover full performance of every contract.

Committee Chair Ruane said the language changes staff was recommending to this form is to a revision date on the form (changing 2011 to 2021) and some grammatical changes, which could be found on page 254. Ruane asked if Jamnetski had anything to add.

Jamnetski said the first paragraph of the recommendation was authority to do the non-substantive changes and the second paragraph was in case it became substantive.

Board Member Comment:

There was no comment.

Public Comment:

Lourdes Medina asked if the language would include the solar industry in the revisions.

Jamnetski stated that regulations that they are discussing do not mention the solar industry; they apply generally to all licensees.

Motion: To approve the proposed regulatory text for CCR 858.2. Moved by Johnny Simpson; seconded by Michael Mark. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza			✓		
Don Giarratano	✓				



Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

H.3 (c) Battery Energy Storage Systems

Committee Chair Ruane introduced Battery Energy Storage Systems (BESS), located on page 257 of the hard copy board packet.

H.3 (c) (i) Background, Board Update, and Preliminary Considerations

Committee Chair Ruane explained in 2018, the Board began looking at the proper classifications to install BESS. Since 2018, several public meetings have been held and the Board directed staff to prepare a report. Ruane said in March 2019, the Board reviewed the CSLB staff report on Energy Storage Systems and directed staff to begin to develop regulations to present to the Board that would prohibit or restrict certain classifications from performing the installation of BESS. Ruane said the Board further directed that this matter be assigned to the Legislative Committee.

Committee Chair Ruane said on August 6, 2019, the Legislative Committee held a meeting and invited three industry experts to present on the appropriate classification to install BESS. Several hours of testimony was heard.

Committee Chair Ruane said on November 7, 2019, the Legislative Committee met again and recommended that the Board consider retaining an outside consultant to further study the issue before pursuing regulatory rulemaking.

Committee Chair Ruane explained at the December 12, 2019, Board meeting, the Board agreed with the Legislative Committee recommendation to hire an outside consultant. Ruane states staff worked with DCA and the Department of General Services to select a qualified consultant to review and make a recommendation regarding the appropriate classifications to install BESS. In December 2020, CSLB entered into contract with UC Berkeley to serve as the consultant.

Committee Chair Ruane said at the July 27, 2021, Board meeting, the UC Berkeley consultants presented their completed study to the Board. Ruane stated the consultants stated their conclusion that precluding C-46 Solar contractors from installing BESS would have significant safety benefits, minimal adverse economic impacts, and benefit the workforce. Ruane said at that meeting, the Board moved and voted to rescind all prior staff determinations that a C-46 Solar contractor may install Battery Energy



Storage Systems as incidental and supplemental work and adopted UC Berkeley's recommendation to preclude the C-46 Solar contractor from installing BESS in any setting.

Committee Chair Ruane said on September 23, 2021, the California Solar and Storage Association (CalSSA) filed a petition for writ of mandate and complaint in the San Francisco Superior Court on the ground that CSLB did not comply with the Administrative Procedure Act (APA) when it moved to preclude the C-46 from BESS installation without going through the formal rulemaking process.

Committee Chair Ruane explained at the November 29, 2021, Board Meeting, staff presented draft regulatory rulemaking language to codify the Board's July 27, 2021, motion into CSLB's administrative regulations (Title 16, Division 8 of the California Code of Regulations). Ruane said a description of the development of this issue between the November 29, 2021, Board meeting and present day began on page 258 of the online packet.

Committee Chair Ruane said the Board did not vote to approve the November 29, 2021, draft language, which would have precluded the C-46 Solar contractor from installing BESS in all applications consistent with the UC Berkeley recommendation. Ruane said instead, staff was directed to develop alternative language that may be acceptable to the electrical and solar stakeholders and was further directed to bring the November 29 language back to the Board for consideration at its March meeting if acceptable alternative language could not be developed.

Committee Chair Ruane stated the solar classification regulation does not include Battery Energy Storage Systems; therefore, CSLB must add Battery Energy Storage Systems to the C-46 classification if the C-46 Solar classification is to be authorized to install Battery Energy Storage Systems.

Committee Chair Ruane said the board packet explained the Government Code statutes that require state agency-made regulations to be consistent with existing law and informed by facts, studies, and evidence that demonstrate the need for the regulations. Consistent with these requirements, the board Packet described the existing laws and evidence available to the Board on this topic as well as two options for the Board to consider before authorizing staff to commence the rulemaking process to add BESS to its regulations.

Committee Chair Ruane advised the Board that the existing laws and evidence governing this topic were between pages 263 and 265 of the packet. Ruane said the pages described the Board's authority to regulate specialty contractors and lay out different building standards codes established by the California Building Commission through their rulemaking process. Ruane said examples of such codes described in the packet provided that certain requirements apply when a BESS system or systems have ratings of 20kWh, or 50kWh in groups, or 600kWh.



Committee Chair Ruane said they would briefly introduce each option before the Board.

Committee Chair Ruane said option one was that staff present for Board consideration the language initially provided on November 29, 2021, which would preclude C-46 Solar contractors from installing BESS in any setting. Ruane stated, to be clear, this option is included in order to comply with the Board's November 29, 2021, motion. Ruane said this option is not staff's current recommendation, which was option two.

Committee Chair Ruane explained option two was, staff present for Board consideration an alternative option that would have the Board direct staff to obtain an industry expert within 30 days and for the industry expert to prepare a report, which will assist staff in developing draft regulatory text that reflects an appropriate kilowatt-hour threshold. Ruane said the draft regulatory text will be referred to the Legislative Committee for their review in May. Ruane explained the Legislative Committee will consider the draft regulatory text and may make a recommendation to the full board for consideration and possible approval to commence the regulatory rulemaking process.

Committee Chair Ruane explained the staff recommendation was on page 270.

Board Member Comment:

Member Love said they were in favor of option two: to continue with conversations between all the contractors involved.

Member Simpson asked if they could make a motion.

Committee Chair Ruane asked for further comment and reiterated the two options that had been presented to the Board.

Member Simpson made motion to accept staff recommendation. Teichert seconded the motion.

DCA Legal Counsel, Jason Hurtado, asked to read the staff recommendation for the record.

Committee Chair Ruane agreed to the reading of the recommendation by Hurtado.

STAFF RECOMMENDATION

That the Board direct staff to take all necessary steps to identify and retain an outside consultant(s) or expert to consider BESS information received, to perform additional fact-finding as necessary, and to provide CSLB an assessment of whether authorizing a C-46 Solar contractor to install Battery Energy Storage Systems to a kWh threshold within 50 kWh or another appropriate range, supported by existing Title 24 codes, is



prevalent among C-46 contractors in the construction business, and is consistent with ensuring public safety.

Direct staff to identify the expert within 30 days and direct the expert to return the report within 30 days after CSLB retains the expert. Upon receipt of the expert report, (1) direct staff to provide a copy of the report to stakeholders; and (2) if staff deems it appropriate, direct staff to refer this matter to the Legislative Committee for a public meeting to invite comment from relevant stakeholders and members of the public on the expert report. Following the Legislative Committee and any additional stakeholder meetings staff deems appropriate, draft regulatory language consistent with the expert report and any additional relevant input provided and present it to the Board at the quarterly June 2022 meeting.

Committee Chair Ruane thanked Hurtado for reading the staff recommendation and stated CSLB received correspondence that morning from one of the stakeholders and wanted to remind people the purpose of the board meeting; the board is not being asked to establish a threshold limit. Ruane said option two would direct staff to identify and retain subject matter experts and see what they come up with.

Board Member Comment:

Member Mark asked for clarification that an expert would be hired within 30 days and then a report would be returned to staff; the Board and stakeholders and then rulemaking and language would be presented at the June Board meeting.

Committee Chair Ruane said yes, that was their understanding.

Hurtado agreed that was their understanding as well.

Public Comment:

Suzanne Lita, senior director and head of policy and strategy at SunPower, thanked the Board for voting to further study this issue. Lita stated SunPower has been in business for more than 36 years leading solar battery storage and energy services across all 50 states. Lita said she wanted to emphasize the importance of recognizing that system sizes for battery storage are growing over time. Lita stated there is a challenge with available workforce that includes electricians.

Bernadette Del Chairo thanked the Board for rejecting the prohibition on the C-46 Solar contractors from installing all energy storage systems. Del Chairo stated that with regards to agenda number two, CalSSA had offered to compromise proposals with a one-megawatt hour and 600-kilowatt hour thresholds, and they stand firm behind their track record of safe battery installations performed by C-46 contractors. Del Chairo noted that the 50-kilowatt hour threshold is not consistent with established usage in the industry, and it would harm contractors and their workers. Del Chairo stated they look forward to working with the board to arrive at a reasonable level of flexibility for the contractor community.



Jeanine Cotter, co-founder, president, and C-46 licensed qualifier for Luminalt, thanked the Board for the time spent on this issue. Cotter explained the Luminalt installed 2.6-megawatt hour battery storage paired with their solar systems. Cotter explained the storage systems are getting bigger as a result of decarbonization. They appreciate the Board getting an expert involved to come up with a recommendation size assessment.

Tom Enslow, from the NECA Labor Management Cooperation Committee, stated that they support option one but respect the desire to proceed with the second option and commit to participate in good faith in the proceeding to find a reasonable threshold standard. Enslow stated that CalSSA's claim that the decision was going to disrupt industry or interfere with state energy goals is not supported. Enslow said this would affect 341 C-46 contractors who do not currently also have a C-10 license, compared to the 26,000 C-10 and C-46 contractors that are currently authorized to install PV and Battery Energy Storage Systems. Enslow explained the 94% of solar installations are performed by contractors that already hold an additional license that allow them to install an energy storage system either separately or together. Enslow stated they support solar energy storage projects and the reduction of greenhouse gases.

Steven Campbell, senior policy manager at Grid Alternatives, a nonprofit clean energy and storage provider that serves disadvantaged communities, stated that if the licensing regulations CSLB adopts are too restrictive, there will not be enough people to do the work required to meet the state mandates to electrify the economy. Campbell said they have tried to hire certified electricians for the last three years and not been successful. Campbell added barriers to establishing a build rate create an equity issue.

Emily Langenbahn, from Renova Energy in Palm Desert, stated that imposing any sort of limit for C-46 licenses based on system size will unfairly discriminate against communities living in desert areas. Langenbahn said they have higher loads in their area because temperatures hit over 120 degrees in the summertime and many of the homes are older and require heavier electrical loads to maintain livable conditions. Langenbahn concluded that any changes would impose difficulty on them.

Eddie Bernacchi thanked Chair Granzella and Vice Chair Teichert for their work to bring both industries together to work on a compromise. Bernacchi said they were happy to work with the Board and pursue a reasonable standard or scope that would allow for continued installation by those that only have a C-46 contractor's license. Bernacchi said they support the motion that was on the floor and thanked the Board for their time.

Board Member Comment:

Member De La Torre asked if this would affect A and B licenses negatively or if would affect them at all.

Member Simpson answered that this would not affect them at all.



Member Mark said that it was unfortunate that a compromise could not be made. Mark appreciated that there was a pathway to get experts and have them weigh in.

Motion: Approve staff to identify an expert within 30 days and return report within 30 days after CSLB retains the expert. Moved by Johnny Simpson; seconded by Mary Teichert. The motion passed.

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

I. Closed Session

Chair Granzella stated the Board would move into closed session to discuss pending litigation.

Board returned to open session at 12:52 p.m.

J. Adjournment

Motion: Adjourn March 30, 2022, Board meeting. Moved by Mary Teichert; seconded by David De La Torre.

Chair Granzella adjourned the Board meeting at 12:53 p.m.

AGENDA ITEM D-2

Registrar's Report

- a. Tentative Board Meeting Schedule
- b. National Association of State Contractors Licensing Agencies (NASCLA) Update



AGENDA ITEM D-3

CSLB Budget Update





CONTRACTORS STATE LICENSE BOARD

CSLB BUDGET

CSLB Budget Update

Fiscal Year (FY) 2021-22 CSLB Budget, Expenditures, and Revenue

CSLB authorized Governor's Budget is \$75 million, plus an additional \$5 million in mandatory external costs for a total of \$80 million.

CSLB projects the final year-end expenses at \$75 million which includes the mandatory external costs and the final revenue at \$80 million.

Expenditures

Through March 31, 2022, CSLB spent or encumbered almost \$52 million, roughly 69 percent of its FY 2021-22 budget:

EXPENDITURE DESCRIPTION	FY 2021-22 FINAL BUDGET	MARCH 2022 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	\$30,381,000	\$20,480,971	\$9,900,029	32.6%
Board Members	16,000	10,200	5,800	36.3%
Temp Help	800,000	808,635	-8,635	-1.1%
Exam Proctor	101,000	198,601	-97,601	-96.6%
Overtime	146,000	216,709	-70,709	-48.4%
Staff Benefits	15,592,000	10,683,047	4,908,953	31.5%
TOTALS, PERSONNEL	\$47,036,000	\$32,398,163	\$14,637,837	31.1%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	\$16,882,000	\$15,511,778	\$1,370,222	8.1%
Exams – Subject Matter Experts	436,000	120,697	315,303	72.3%
Enforcement	10,921,000	4,403,098	6,517,902	59.7%
TOTALS, OE&E	\$28,239,000	\$20,035,573	\$8,203,427	29.0%
TOTALS	\$75,275,000	\$52,433,736	\$22,841,264	30.3%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-109,578	-243,422	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-686,691	686,691	
GRAND TOTALS	\$74,922,000	\$51,637,467	\$23,284,533	31.1%

Revenue

CSLB received the following revenue through April 30, 2022:

Revenue Category	Through 04/30/2022	Percentage of Revenue	Change from prior year (04/30/2021)
Duplicate License/Wall Certificate Fees	\$187,060	0.3%	86.5%
New License and Application Fees	\$15,486,027	22.3%	32.7%
License and Registration Renewal Fees	\$45,567,737	65.8%	1.0%
Delinquent Renewal Fees	\$6,428,792	9.3%	23.3%
Citation Penalty Assessments	\$1,458,338	2.1%	6.7%
Misc. Revenue	\$144,728	0.2%	14.0%
Total	\$69,272,682	100.00%	9.0%



CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund, which shows the final FY 2020-21 reserve (\$1.9 million, less than 1.0 month reserve), along with the projected reversion amounts for current year (CY) 2021-22 through budget year (BY) 2022-23:

<i>(Dollars in thousands)</i>	Final FY 2020-21	Projected CY 2021-22	Projected BY 2022-23
Beginning Balance <i>(Fund/Savings Account)</i>	\$627	\$1,865	\$6,332
Prior Year Adjustment	\$(1,075)	\$0	\$0
Adjusted Beginning Balance	\$-448	\$1,865	\$6,332
Revenues and Transfers			
Revenue	\$73,265	\$79,895	\$92,400
Total Resources <i>(Revenue + Fund/Savings Acct.)</i>	\$72,817	\$81,760	\$98,732
Expenditures			
Board Expenditures	\$65,886	\$69,700	\$76,973
External Costs	\$5,066	\$5,728	\$5,728
Total Expenditures	\$70,952	\$75,428	\$82,701
Ending Balance <i>(Fund/Savings Account)</i>	\$1,865	\$6,332	\$16,031
Months in Reserve	0.3	1.0	2.3
Dollars in Reserve	\$1.9 M	\$6.3 M	\$16.0 M

Notes:

- 1) Board Expenditures include staff pay, benefits, and operating expenses
- 2) External Costs include statewide pro rata
- 3) CY 2021-22 & BY 2022-23 assumes additional revenue based on fee study projections
- 4) BY 2022-23 expenditures is Governor's Budget with no savings.



Construction Management Education Account (CMEA) Fund Condition

Below is the CMEA fund condition, which shows the final FY 2020-21 reserve (\$492,000 – approximately 32 months’ reserve), along with the projected reversion amounts for current year (CY) 2021-22 through budget year (BY) 2022-23:

<i>(Dollars in thousands)</i>	Final FY 2020-21	Projected CY 2021-22	Projected BY 2022-23
Beginning Balance	\$ 420	\$ 492	\$ 494
Prior Year Adjustment	\$-8	\$0	\$0
Adjusted Beginning Balance	\$ 412	\$ 492	\$ 494
Revenues and Transfers			
Revenue	\$185	\$187	\$187
Totals, Resources	\$ 597	\$ 679	\$ 681
Expenditures			
Disbursements:			
Program Expenditures (State Operations)	\$5	\$10	\$10
Local Assistance Grant Disbursements	\$100	\$175	\$175
Total Expenditures	\$ 105	\$ 185	\$ 185
Fund Balance			
Reserve for economic uncertainties	\$ 492	\$ 494	\$ 496
Months in Reserve	31.9	32.0	32.2

Notes:

- 1) Projected CY 2021-22 and ongoing includes increasing grants based on assumed approved CMEA annual augmentation.



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
Total	41,203	39,083	33,758	41,409

% Change from Prior FY 22.7%

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
Total	18,953	16,203	11,255	16,803

% Change from Prior FY 49.3%

% 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
Total	14,034	12,232	10,403	15,271

% Change from Prior FY 46.8%



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
Total	96,512	94,002	102,178	96,796

% Change from non-Peak FY 2019-20 3.0%

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
Total	4,957	5,165	5,349	5,933

% Change from Prior FY 10.9%

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
Total	3,792	4,051	5,531	5,315

% Change from Prior FY -3.9%



License Population by Status

Status	May 1, 2019	May 1, 2020	May 1, 2021	May 1, 2022
Active	230,401	230,380	228,893	235,967
Inactive	55,012	53,796	52,038	50,791
Total	285,413	284,176	280,931	286,758

% Change from Prior FY 2.1%

HIS Registration Population by Status

Status	May 1, 2019	May 1, 2020	May 1, 2021	May 1, 2022
Active	18,930	20,912	22,406	24,718

% Change from Prior FY 10.3%

Complaints By Fiscal Year

Complaints	2017-18	2018-19	2019-20	2020-21
Received	20,674	20,474	18,190	16,551
Reopened	969	1,124	1,133	1,058
Closed	21,584	21,644	20,272	16,851
Pending (As of June 30)	4,796	4,807	3,898	4,716

AGENDA ITEM D-4

Administration Update Regarding Personnel and Facilities





ADMINISTRATION UPDATE

PERSONNEL UNIT

TRANSACTIONS

During the third quarter of Fiscal Year 2021-22 (January 1 to March 31, 2021), CSLB Personnel staff completed 50 personnel transactions. This included the addition of 11 employees from other state agencies and 11 employees new to state service. Within CSLB, 9 employees were promoted and 14 transferred to different positions. In addition, 2 examination proctors and 1 retired annuitant were hired, and 2 employees accepted Training and Development assignments.

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	---
New to State Service	3	5	11	---
Student Assistants	1	0	---	---
Retired Annuitants	0	0	1	---
Promotions	7	6	9	---
Transfers within CSLB	7	5	14	---
Training and Development	4	0	2	---
Examination Proctors	8	2	2	---
Total Per Quarter	35	25	50	---

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
Total Per Quarter	145	37	35	31



VACANCIES

CSLB averaged 47 vacancies since the beginning of 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	---	---
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

PERSONNEL UNIT ACTIVITIES

Personnel staff remain busy managing recruitment efforts and assisting with onboarding new employees. Staff also prepared weekly vacancy reports and monthly position reports, as well as assisting employees with time and attendance concerns, salary issues, benefits, and health and safety issues. The Personnel Unit continues to collect and track annual policies signed by all employees and ensures that telework agreements and emergency contact forms are updated.

The Personnel Unit also coordinates the ergonomic program designed to identify, prevent, and/or correct repetitive motion injuries caused by repetitive job process or operation of identical work activity.

CAREER DEVELOPMENT

The CSLB Career Development and Mentoring Program Steering Committee hosted its third “Career Development...Live!” event on April 27, 2022. These online events highlight each of the CSLB divisions, the work that they do, and the jobs available in those divisions.

A panel of staff representing different units within the Licensing and Examination 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.



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	TBD
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:	December 2021
	Next effective date of exam:	June 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.
- **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.
- **Norwalk Enforcement:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Norwalk Enforcement field office. The current lease expires October 31, 2023.
- **Norwalk Testing:** Staff completed and submitted all appropriate forms to terminate the Norwalk Testing field office. The suite is expected to be vacated on October 1, 2022. The current lease expires October 31, 2023.
- **San Jose:** Staff were notified effective May 1, 2022, CSLB will no longer be administering exams at the San Jose field office. CSLB will be having a pre-closing inspection meeting with a Department of General Services representative on June 15, 2022.

CONTRACTS AND PROCUREMENTS

CONTRACTS IN PROCESS:

- The California Highway Patrol contract provides protective services for the CSLB offices, Board Meetings, testing sites and sting operations throughout California. The current contract expires June 30, 2022.
- The American Express contract provides online credit, debit, and charge card acceptance services as provided under the terms of the Master Service Agreement. The current contract expires June 30, 2022.
- The West Publishing Corporation, dba West, A Thomson Reuters Business contract provides access to the CLEAR online electronic library database. The current contract expires June 30, 2022.
- The InaBind System, Inc. contract provides maintenance services on CSLB's binding machine used for board packets. The current contract expires on June 30, 2022.



EXECUTED CONTRACTS/PROCUREMENT:

- Contract with FedEx and General Logistics Systems to provide statewide shipping and receiving services.
- Laminate products for testing to laminate CSLB exams.
- Enforcement identification patches for SWIFT.
- Personal Protection Equipment (PPE) supplies including masks, hand sanitizer, and wipes to replenish existing supplies.

AGENDA ITEM D-5

Information Technology Update





INFORMATION TECHNOLOGY UPDATE

Software Defined - Wide Area Network (SD-WAN)

The IT Division deployed CSLB's first Software Defined - Wide Area Network (SD-WAN) to the Norwalk Branch office. SD-WAN enables CSLB to securely support application growth, network agility, and simplify branch office implementations. CSLB partnered with the California Department of Technology (CDT) with its first successful deployment for CSLB. CSLB continues with the network deployments; headquarters was completed in May and the remaining field offices will follow in 2022.

Exam Administration Outsourcing Project

The IT Division will be closing out the Exam Administration Project in July 2022, which includes the transition of all CSLB trade exams, the Law and Business exam, and certification exams to an outside vendor. During July, IT Project managers will complete the post-implementation review process and lessons learned. This will lead into the second phase of the project where objectives and scope will be defined for the second phase to further automate the forms and letters during the examination process.

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	8,063	67.2%
February 2022	4,453	3	330	8,877	53.9%
March 2022	5,508	4	391	12,890	45.8%
April 2022	5,076	2	350	10,317	52.6%
Totals	20,158	12	1,373	40,147	53.6%

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%
2022 Totals	\$397,074	\$730,634	54.3%

AGENDA ITEM D-6

Election of 2022-23 Board Officers



AGENDA ITEM E

Licensing



AGENDA ITEM E-1

Licensing and Testing Program Statistical Update





CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

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			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Original Exam	1,316	1,524	1,227	802	806	810	750	1,847	1,252	1,031	1,454	1,419
Original Waiver	598	697	555	336	347	501	270	697	713	611	707	620
Add Class	355	307	349	239	302	278	206	445	369	316	376	380
Qualifier Replacer	240	254	234	177	172	230	156	278	240	237	283	278
Home Improvement	928	1,236	1,088	1,115	990	903	965	1,114	695	675	949	937
Total Per Month	3,437	4,018	3,453	2,669	2,617	2,722	2,347	4,381	3,269	2,870	3,769	3,634
3 – Month Totals	May - Jul: 10,908			Aug - Oct: 8,008			Nov - Jan: 9,997			Feb - Apr: 10,273		

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
Total Received	38,088	41,473	42,480	37,194	42,649



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			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Original Exam	8.0	8.1	7.9	7.8	7.6	7.0	7.5	6.5	6.1	6.1	3.6	3.3
Original Waiver	4.4	3.7	4.4	4.4	4.1	3.1	3.9	5.2	5.3	4.8	3.6	3.7
Add Class	3.1	4.8	4.8	3.5	2.8	3.1	4.1	5.6	4.6	4.1	4.1	3.4
Qualifier Replacer (Exams & Waiver)	3.3	4.4	5.0	3.5	2.8	3.1	4.4	5.5	4.6	4.0	4.0	2.7
Home Improvement	3.4	4.1	4.2	2.1	0.5	0.6	0.7	0.6	2.7	2.5	3.1	2.9
Renewal	3.4	2.7	2.4	3.1	2.3	2.0	2.3	2.1	1.8	2.7	1.8	1.0
Add New Officer	3.8	4.4	4.0	4.1	3.6	3.4	2.9	4.2	4.1	0.9	1.6	1.1
Address/ Name Change	3.8	4.4	3.8	4.2	4.0	4.1	3.0	4.2	4.5	1.9	1.7	0.8
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	0.6
Workers' Comp / Exempt	3.0	3.2	3.3	3.9	4.3	4.3	5.5	5.7	5.5	4.8	3.1	2.8
Certified License History	7.0	7.0	7.0	7.5	4.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0
Copies of Documents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Criminal Offender Record Information (CORI) Review*	2.1	2.2	2.1	1.7	1.7	1.9	2.1	1.8	1.7	1.9	2.4	2.1

*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*
2017-2018	39,118	20,132	6,562	12,424
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

* 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).

The higher number of pending applications for fiscal year (FY) 2020 and 2021 is the result of the test administration backlog that occurred due to the COVID-19 pandemic closure of CSLB examination centers between March of 2020 and June of 2020, and December 2020 and February 2021.. The office closures resulted in license applicants being unable to sit for examinations. Staff have substantially reduced the backlog which will be completely eliminated with the transfer of test administration to PSI July 2022.



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						
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Reactivation	79	111	98	98	116	95	75	118	84	80	128	82
Active	8,744	9,744	5,554	9,385	8,282	6,103	6,697	8,495	6,288	6,990	10,312	8,400
Inactive	1,028	1,178	701	1,074	938	763	738	875	639	705	1,018	741
Delinquent Active	1,143	1,291	829	1,149	1,060	1,086	1,116	1,147	904	969	1,287	962
Delinquent Inactive	196	197	148	197	163	160	186	177	148	133	145	132
Received Per Month	11,190	12,521	7,330	11,903	10,559	8,207	8,812	10,812	8,063	8,877	12,890	10,317
3 – Month Totals	May - Jul: 31,041			Aug - Oct: 30,669			Nov - Jan: 27,687			Feb - Apr: 32,084		

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
Total Received	126,878	132,491	125,721	125,287	122,386

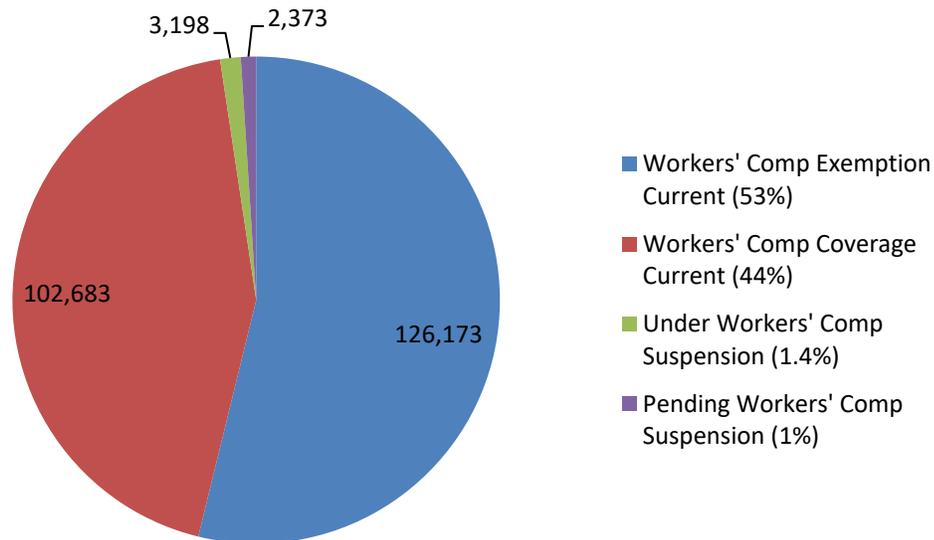


WORKERS' COMPENSATION RECERTIFICATION STATISTICS

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 - April 30, 2022



Total Number of Active Licenses: 235,890

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

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

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,451	9,309	14,760	37%
B General Building	62,280	41,131	103,411	60%
B-2 Residential Remodeling	80	16	96	83%
C-2 Insulation and Acoustical	281	894	1,175	24%
C-4 Boiler Hot Water	185	560	745	25%
C-5 Framing / Rough Carp	508	436	944	54%
C-6 Cabinet-Millwork	2,642	1,962	4,604	57%
C-7 Low Voltage Systems	2,010	2,810	4,820	42%
C-8 Concrete	2,670	3,745	6,415	42%
C-9 Drywall	1,238	1,809	3,047	41%
C10 Electrical	14,275	11,981	26,256	54%
C11 Elevator	40	164	204	20%
C12 Earthwork & Paving	1,005	1,428	2,433	41%
C13 Fencing	697	941	1,638	43%
C15 Flooring	3,669	3,447	7,116	52%
C16 Fire Protection	776	1,426	2,202	35%
C17 Glazing	1,104	1,872	2,976	37%
C20 HVAC	6,951	5,690	12,641	55%
C21 Building Moving Demo	525	1,208	1,733	30%
C22 Asbestos Abatement	2	299	301	0.7%
C23 Ornamental Metal	405	649	1,054	38%
C27 Landscaping	4,923	6,706	11,629	42%
C28 Lock & Security Equipment	143	223	366	39%
C29 Masonry	997	1,323	2,320	43%
C31 Construction Zone	65	294	359	18%
C32 Parking Highway	182	307	489	37%
C33 Painting	8,731	6,918	15,649	56%
C34 Pipeline	154	366	520	30%
C35 Lath & Plaster	605	1,203	1,808	33%
C36 Plumbing	9,164	7,079	16,243	56%
C38 Refrigeration	929	931	1,860	50%
C39 Roofing	0	4,709	4,709	0%
C42 Sanitation	385	599	984	39%
C43 Sheet Metal	407	1,025	1,432	28%
C45 Signs	373	504	877	43%
C46 Solar	464	804	1,268	37%
C47 Gen Manufactured House	225	225	450	50%
C50 Reinforcing Steel	72	195	267	27%
C51 Structural Steel	416	1,085	1,501	28%
C53 Swimming Pool	1,199	1,496	2,695	44%
C54 Tile	3,635	2,803	6,438	56%
C55 Water Conditioning	127	171	298	43%
C57 Well Drilling	304	493	797	38%
C60 Welding	551	479	1,030	53%
C61 Limited Specialty	8,087	10,686	18,773	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	159,692
CORI Information Received	5,900	6,729	6,657	5,375	6,818	31,479
Denials	63	65	63	16	8	215
Appeals	39	42	31	11	5	128
Probationary Licenses Issued (conditional license, requires periodic review)	83	61	86	101	177	508



EXPERIENCE VERIFICATION UNIT STATISTICS

Business and Professions Code section 7068(g) and California Code of Regulations 824 require that the CSLB registrar conduct a comprehensive investigation of a minimum of three percent of applications. Such investigations shall include those areas of experience claimed and other areas the registrar deems appropriate for the protection of the public.

Since implementation in September 2014, Experience Verification unit staff have been assigned and have reviewed 3,852 applications.

The following chart provides a monthly breakdown of actions taken for applications referred to the Experience Verification Unit for the past 12 months.

	2021								2022			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Withdrawn	1	1	0	2	1	4	1	2	3	2	3	1
Verified	4	8	11	5	5	3	4	6	6	5	9	9
Denied	0	1	0	0	1	1	3	1	6	2	4	0
Appealed	0	2	1	0	0	0	0	0	0	0	0	0

The chart on the following page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification for the past 24 months.

** Please Note: Since the pandemic began, staff have not been able to pull the 3 percent regulatory requirement due to staffing issues. The Licensing and Enforcement Divisions are working with personnel so we can return to this historic level of review in 2022.*

**Experience Verification by Classification
April 1, 2020 to April 30, 2022**

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	0	3	11	3	17
B General Building	1	31	82	21	135
B-2 Residential Remodeling	0	0	0	2	2
C2 Insulation and Acoustical	0	0	0	1	1
C4 Boiler Hot Water	0	0	0	0	0
C5 Framing / Rough Carp	0	0	0	0	0
C6 Cabinet-Millwork	0	0	2	1	3
C7 Low Voltage Systems	0	0	2	1	3
C8 Concrete	0	1	4	0	5
C9 Drywall	0	0	0	0	0
C10 Electrical	1	2	17	1	21
C11 Elevator	0	0	0	0	0
C12 Earthwork & Paving	0	0	1	1	2
C13 Fencing	0	0	1	0	1
C15 Flooring	1	1	3	0	5
C16 Fire Protection	0	0	3	1	4
C17 Glazing	0	1	1	0	2
C20 HVAC	0	1	7	4	12
C21 Building Moving Demo	0	0	0	0	0
C22 Asbestos Abatement	1	0	1	0	2
C23 Ornamental Metal	0	0	0	0	0
C27 Landscaping	0	2	6	1	9
C28 Lock & Security Equipment	0	0	0	0	0
C29 Masonry	0	0	1	0	1
C31 Construction Zone	0	0	0	0	0
C32 Parking Highway	0	0	0	0	0
C33 Painting	0	3	9	0	12
C34 Pipeline	0	0	0	0	0
C35 Lath & Plaster	0	2	2	0	4
C36 Plumbing	0	3	5	3	11
C38 Refrigeration	0	0	0	0	0
C39 Roofing	0	1	8	3	12
C42 Sanitation	0	1	1	1	3
C43 Sheet Metal	0	0	0	0	0
C45 Signs	0	0	2	0	2
C46 Solar	0	0	0	0	0
C47 Gen Manufactured House	0	0	0	0	0
C50 Reinforcing Steel	0	0	0	0	0
C51 Structural Steel	0	0	1	0	1
C53 Swimming Pool	0	3	2	2	7
C54 Tile	0	0	2	0	2
C55 Water Conditioning	0	0	0	0	0
C57 Well Drilling	0	0	0	0	0
C60 Welding	0	0	2	0	2
C61 Limited Specialty	1	0	5	0	6
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
Total	5	55	181	46	287



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 (May-Dec), 2022 (Jan-Apr). 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 helps with workload monitoring. In addition, telework schedules have been modified for more consistent coverage. As the result of these changes, CSLB has significantly reduced LIC wait time and numbers are currently more inline with 2017 and 18 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

	2021 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan	Feb	Mar	Apr
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OUTSTANDING LIABILITIES (FROM CALIFORNIA STATE AGENCIES)												
Initial	78	64	143	91	89	93	96	99	95	65	156	83
Suspend	19	39	66	57	125	71	81	74	76	67	100	45
Reinstate	37	21	41	46	57	57	41	66	37	57	119	38
Total	134	124	250	194	271	221	218	239	208	189	375	166

FINAL JUDGMENTS (FROM COURT ACTIONS)												
Initial	41	61	59	38	67	51	48	27	11	36	39	61
Suspend	25	15	16	17	23	22	18	40	55	18	7	28
Reinstate	51	39	62	54	41	33	41	50	40	48	42	44
Total	117	115	137	109	131	106	107	117	106	102	88	133

PAYMENT OF CLAIMS (FROM BOND SURETY COMPANIES)												
Initial	80	103	153	83	109	77	82	90	61	113	147	111
Suspend	51	59	58	42	77	66	49	66	26	39	41	5
Reinstate	70	77	93	66	76	76	67	70	38	63	123	109
Total	201	239	304	191	262	219	198	226	125	215	311	225

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
Total Monetary Savings	\$52,308,099	\$45,647,705	\$53,871,203	\$48,850,913	\$44,703,089



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
May 2021	\$1,524,620	\$425,677	\$493,572	\$2,443,869
June	\$209,256	\$203,132	\$108,901	\$521,289
July	\$848,824	\$367,692	\$310,054	\$1,526,570
August	\$287,688	\$558,954	\$591,219	\$1,437,861
September	\$1,887,011	\$523,823	\$477,955	\$2,888,789
October	\$992,599	\$1,644,895	\$360,193	\$2,997,687
November	\$1,076,707	\$405,469	\$92,564	\$1,574,740
December	\$1,705,358	\$632,855	\$957,282	\$3,295,495
January	\$762,940	\$32,299	\$80,971	\$876,210
February	\$1,428,118	\$540,716	\$153,707	\$2,122,541
March	\$2,105,902	\$212,245	\$134,886	\$2,453,033
April	\$734,075	\$263,992	\$171,967	\$1,170,034
TOTALS	\$13,563,098	\$5,811,749	\$3,933,271	\$23,308,118



CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing Division’s EAU administers CSLB’s 47 examinations at seven computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response messages received by CSLB that are related to testing.

EAU provides reasonable accommodations to applicants when needed and approves translator requests for candidates.

EAU currently has no vacancies.

Number of Examinations Scheduled Per Month May 2021 – April 2022

May 2021	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr 2022	Total
5034	5423	5946	6483	5733	5909	5555	5477	5752	5175	6022	6006	68,515

*Due to the Shelter-in-Place orders during the COVID-19 pandemic, all testing was halted in early December and January 2021. All test centers reopened at half capacity on February 1, 2021. All test centers moved to full capacity on July 15, 2021.

CSLB currently maintains test centers in the following locations:

- Sacramento
- Fresno
- San Jose
- San Diego
- Oxnard
- Norwalk
- San Bernardino

On April 1, 2022 CSLB began administering examinations at PSI Exams test centers. By July 1, 2022 all of CSLB examinations will be given through PSI and the CSLB test centers will be closed.



Number of Examinations Scheduled by Test Center May 2021 – April 2022

Test Center	Number of Examinations Scheduled
Fresno	3,964
Norwalk	18,241
Oxnard	7,938
Sacramento	13,010
San Bernardino	10,229
San Diego	6,879
San Jose	8,206
PSI Exams	48
Total	68,515

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: two Research Data Analysts I/II.



The following examinations have been released since March 2022:

- C-28 Lock and Security – March 30, 2022
- C-33 Painting and Decorating – April 27, 2022
- C-43 Sheet Metal – April 27, 2022

Examination Programs in Progress as of May 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-6 Cabinet, Millwork & Finish Carpentry
	C-7 Low Voltage
	C-8 Concrete
	C-9 Drywall
	C-11 Elevator
	C-12 Earthwork and Paving
	C-17 Glazing
	C-20 Warm-Air Heating, Ventilating & Air Conditioning
	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, at the third quarter board meeting.

AGENDA ITEM E-2

Construction Management Education Account Update





Construction Management Education Account - Background

CSLB administers the Construction Management Education Sponsorship Act of 1991 (Business and Professions Code sections 7139 – 7139.10, or “Act”). The Act creates a separate Construction Management Education Account (CMEA) in CSLB’s fund for construction management education.

CMEA is funded by voluntary donations from contractors on license renewals. It provides for CSLB to establish an advisory committee to recommend grant awards. The Board then awards grants to qualified public postsecondary educational institutions for the support of courses of study in construction management.

Fund Appropriation Levels

The Budget Act of 2018 appropriated \$100,000 for CMEA for Fiscal Year [FY] 2019-2020. However, CSLB receives an average of \$120,000 in CMEA contributions a year with \$185,000 received in FY 20-21.

For this reason, staff reported at the March 25, 2021, Board Meeting that it submitted a budget change proposal for FY 2021-22 to allow CSLB to increase or decrease grants based on the fund balance rather than be capped at \$100,000 each year. CSLB staff worked with the control agencies to draft budget bill language that authorizes the Department of Finance (DOF) to approve any augmentations to the account 30 days after notifying the Legislature of its intent to do so. The 2021 Budget Act (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB128) includes this language for the CMEA appropriation under CMEA account number 1111-001-0093.

Latest Developments

CSLB followed the procedure in the budget bill and worked with the Department of Consumer Affairs to ask DOF to augment the appropriation to \$175,000 for FY 21-22. Staff reported at the November 29, 2021, Board Meeting that it was awaiting DOF’s response to this request. As a result, the Board approved two different grant disbursements to schools at the November 29, 2021, Board Meeting, one for \$100,000 and the other for \$175,000, depending on whether the augmentation was approved.

On January 3, 2022, DOF notified the Legislature of its intent to approve the augmentation to the CMEA account after 30 days. On March 4, 2022, CSLB received the executive order authorizing the augmentation increase by \$75,000 to the CMEA fund.



CONTRACTORS STATE LICENSE BOARD

CONSTRUCTION MANAGEMENT EDUCATION ACCOUNT UPDATE

As a result of the augmentation, CSLB was able to send out the authorization forms to the qualified institutions so they could apply for their CMEA grants this year based on \$175,000 worth of awards.

In April 2022, CSLB disbursed grant checks to the following schools:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
CSU Chico	111	\$538.46	\$59,769.00
CSU Sacramento	58	\$538.46	\$31,231.00
CSU Fresno	36	\$538.46	\$19,385.00
Cal Poly – SLO	120	\$538.46	\$64,615.00
Total	325		\$175,000.00

AGENDA ITEM E-3

Test Administration Centers Outsourcing Update





Test Administration Centers Outsourcing Update

The process of outsourcing CSLB exam administration to the vendor, PSI Exams, is halfway complete. CSLB has moved 28 of its 47 examinations to PSI and will be moving the remainder of the examination in two phases on June 1, 2022, and then July 1, 2022. Overall, the process is running smoothly. As of May 11, 2022, PSI has administered 108 of CSLB's examinations and 284 more are to be scheduled. 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. In addition, the programming process for system communication between CSLB and PSI is going well. CSLB will be closing all its test centers as of July 1, 2022.

AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Enforcement Program Update

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





STAFF VACANCY UPDATE

CSLB's Enforcement Management team has worked hard to reduce the number of vacancies due to Covid-19 and statewide budget issues. There currently are 23 enforcement vacancies comprised of 1 SSII, 3 SSI-1, 8 SI, 6 CSR, 4 OT(T), and 1 PTII position. Candidates have been selected and pending approval for 4 positions while the other 19 have been or will be posted in the very near future.

INVESTIGATION HIGHLIGHTS

Santa Rosa Serial Offender Gets Six-Year Sentence

The long criminal case against former licensees Salvador and Pamela Chiaramonte is finally drawing to a close. Their Chiaramonte Construction & Plumbing was based in Tulare, but the Chiaramontes came to Santa Rosa after the devastating Tubbs Fire in 2017 killed 22 and destroyed 4,600 homes. The Chiaramontes signed contracts with approximately 40 wildfire survivors who had either lost their homes or suffered severe damage. More than half of their customers were over the age of 65. It was not long before the complaints were received by CSLB and the Sonoma District Attorney's (DA's) Office. Customers complained of paying money for work that was either poorly done or not done at all, despite constant promises from the Chiaramontes. The combined losses of Chiaramonte consumers were estimated at \$2 million.

CSLB's investigations of the Chiaramontes was handled by a peace officer with the Board's Special Investigations Unit, who worked closely with the DA's office to assemble the complex case against the Chiaramontes. The hard work of the investigators resulted in the Chiaramontes and their daughter, Amy Diane Perry, each being charged with 59 felony counts in July 2020. The charges included grand theft, diversion of funds, embezzlement, forgery, fraud, identity theft, and elder abuse. On April 22, all three defendants signed plea agreements. Salvador Chiaramonte pled guilty to 14 felony counts, with a penalty of six years in prison and restitution of \$1.1 million. Pam Chiaramonte and Amy Perry each pled guilty to one count of diversion of funds, resulting in 240 and 60-days confinement, respectively. Formal sentencing is scheduled for July 14, 2022. The Chiaramontes still face more than a dozen civil lawsuits filed by their victims.

Unlicensed Electrician Arrested in Shasta County

Starting in 2019, CSLB received numerous complaints in Shasta County against unlicensed electrician Samuel Crain. CSLB is fortunate to have a tenacious investigator based in Redding, and based on her investigations, she referred three of her cases to the local district attorney for criminal charges. In one of these cases, Crain installed a Shingletown homeowner's new backup generator and transfer switch for \$1,000. Not only did the system not work correctly, but the homeowner received a bad shock when he tried to energize the generator. Based on CSLB's investigations, the Shasta County



District Attorney (DA) charged Crain with two counts of grand theft, and an arrest warrant was issued in May 2021. Crain disappeared for a while, but new complaints against Crain started coming in earlier this year – with five complaints lodged in just two weeks. Coordinating with CSLB, the district attorney’s office set up an undercover sting and lured Crain to bid on a potential job. Crain was arrested as soon as he showed up at the sting and was booked in jail on the outstanding warrant.

Contractor Cheats a Wildfire Victim

A Santa Rosa homeowner whose mobile home was damaged in the 2017 Tubbs Fire hired Green Collar Builders to remodel and relocate his mobile home. The total contract price was \$235,401. Work began in October 2019, but excessive delays and excuses prompted the homeowner to cancel the contract and hire another contractor in May 2020. By that time, the homeowner had paid Green Collar a total of \$85,528, of which \$35,685 was payment specifically earmarked for relocating the mobile home. Green Collar never moved the mobile home and did not return those funds to the homeowner. The consumer filed a complaint, and CSLB’s investigation supported charges of diversion of funds and accepting payment that exceeded the value of work performed. An accusation for revocation was filed in December 2021; and on March 3, 2022, the Registrar adopted a Default Decision revoking the contractor’s license. Green Collar was ordered to pay the homeowner \$35,685 in restitution and \$5,689 to CSLB for investigative costs prior to reissuance of a license. Criminal charges against the contractor are also pending.

STATISTICAL OVERVIEW

Complaint Handling Statistics (July 1, 2021 through April 31, 2022)

Investigations Initiated & Complaints Received

- CSLB initiated 15,385 investigations from July 1, 2021 through April 31, 2022, which was 2,552 higher than the same timeframe the previous year.

Pending Investigations

- With current staffing levels, the optimum maximum Enforcement Division caseload is 4,020 pending complaints. As of April 2022, the pending caseload was 4,777.

Special Investigator Production Goals

- For July 1, 2021 through April 31, 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. As of April 2022, 206 of the 4,777 open complaints (4%) exceeded 270 days in age.

Restitution to Financially Injured Persons

- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. From July 1, 2021 through April 31, 2022, complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$17 million in restitution to financially injured parties.

Investigative Center Legal Actions

- From July 1, 2021 through April 31, 2022, the Investigative Centers referred 432 (29 %) of the 1,484 legal action investigations for criminal prosecution.

Case Management Activities (July 1, 2021 through April 31, 2022)**Arbitration**

- 424 arbitration cases initiated, resulting in \$2,251,008 in restitution ordered to injured parties.
- 73 licenses revoked for non-compliance with an arbitration award.

Citations

- 1,195 citations issued (555 to licensees, 640 to non-licensed).
- 432 citations appealed (258 licensees, 174 non-licensed).
- 750 citations complied with (423 licensees, 327 non-licensed).

Civil Penalties Collected

- Licensee Citation Civil Penalties
 - Informal Citation Conferences conducted: 158
 - Civil penalties collected: \$1,015,461
 - Restitution: \$817,350
- Non-Licensee Citation Civil Penalties
 - Informal settlement conferences conducted: 144
 - Civil penalties collected: \$451,223

Accusations

- Accusations filed: 257
- License revocations: 283



- Licenses placed on probation: 130
- Restitution paid to injured parties: \$1,537,450
- Cost recovery collected: \$1,034,135

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 jobsites, respond to leads, and conduct enforcement sweeps and undercover sting operations targeting unlicensed persons.

From July 1, 2021 to April 30, 2022, SWIFT conducted 11 sting operations, participated in 242 sweep days, and responded to 823 leads. SWIFT closed 2,995 cases because of stings, sweeps, and leads, of which 915 resulted in an administrative or criminal legal action, as well as the issuance of 1,133 advisory notices for minor violations.

District Attorney Referrals

From July 1, 2021 to April 30, 2022, SWIFT referred 309 cases to local district attorneys' offices for criminal prosecution – 243 for contracting without a license and 66 against licensees, primarily for failure to secure workers' compensation insurance.

Administrative Actions

From July 1, 2021 to April 30, 2022, SWIFT issued 501 licensee and non-licensee citations, issued 103 Letters of Admonishment, filed three accusations, and assessed \$563,700 in non-licensee citation civil penalties. Administrative violations include 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. From July 1, 2021 to April 30, 2022, SWIFT issued 243 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 April 30 th)
CSLB	\$114,880	\$139,775	\$82,938	\$32,705
EDD	\$15,091,585	\$10,372,682	\$9,149,749	\$5,031,036
DIR-Cal/OSHA	\$3,270,360	\$1,031,736	\$267,256	\$80,049
DIR-DLSE	\$1,423,337	\$2,726,391	\$3,476,291	\$463,153
FTB	\$6,490,225	\$4,211,003	\$5,868,340	\$1,049,253
Totals	\$26,390,387	\$18,481,567	\$18,844,574	\$6,656,196

Labor Enforcement Task Force

The Labor Enforcement Task Force (LETF) is comprised of investigators from CSLB, the Department of Industrial Relations' (DIR) Division of Labor Standards and Enforcement (DLSE) and Division of Occupational Health and Safety (Cal/OSHA), and the Employment Development Department (EDD). LETF combats the underground economy in California and aims to ensure that workers receive proper payment of wages and are provided a safe work environment. Below are LETF statistics for July 1, 2021 to March 31, 2022*:

CATEGORY	RESULT
Number of Contractors Inspected	157
Number of Contractors Out of Compliance	123
Percentage of Contractors Out of Compliance	750
Total Initial Assessments	\$243,260

Note: *At the time of this report, data provided in the table above was not available for April 2022*. The results reflect joint LETF inspections with Cal/OSHA, CSLB, DLSE & EDD. Total initial assessments reflect the amount assessed by Cal/OSHA and DLSE at the time of the inspection. These amounts are subject to change.

AGENDA ITEM F-2

Update on the Solar Energy System Restitution Program





CONTRACTORS STATE LICENSE BOARD

Update on the Solar Energy System Restitution Program

On July 16, 2021, Assembly Bill (AB) 137 was enacted creating the Solar Energy System Restitution Program at CSLB. The program was designed to provide financial restitution for owners of single-family residences who were financially harmed by a solar contractor because of fraud, misrepresentation, or another unlawful act such as poor workmanship or abandonment and 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 is available for restitution and, if needed, up to \$1 million is 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.

Staff collaborated with the Department of Consumer Affairs to develop policy and procedures for claim-tracking, review, and payout criteria and issuance. Industry expert and arbitration training was conducted and in October 2021, CSLB staff partnered with the Dolores Huerta Foundation to host a bilingual (English/Spanish) webinar to inform and assist financially injured solar consumers on the steps necessary to file a Solar Energy System Restitution Program claim. CSLB staff sent 140 webinar flyers to identified consumers who may qualify for the restitution program.

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 to ensure effective and equitable restitution. 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 April 2022, the CSLB task force handling these claims continues to send additional correspondence to consumers identified in prior Board investigations as possibly eligible for claims under the fund.

As of April 28, 2022, 127 claims have been received. Of those, 63 claims have been approved for more than \$752,579 and are being submitted to DCA for check issuance. An additional 11 claims were closed for various reasons such as duplicate claim filing or lack of jurisdiction. Two claims were referred to arbitration, and 69 complaints are pending. Most of the pending complaints are waiting for additional supporting evidence, such as a CSLB paid industry expert inspection to establish the value of work performed and/or the cost to perform correction and complete work.

AGENDA ITEM G

Public Affairs



AGENDA ITEM G-1

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 StopperSM and Consumer Scam StopperSM 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.

During 2021, California experienced another round of devastating wildfires. According to Cal Fire, these 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 also 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.



Butte County Disaster Outreach

In October 2021, CSLB partnered with Valley Contractors Exchange to conduct a Butte County Disaster Recovery workshop. A CSLB investigator and other staff informed disaster survivors on how they can rebuild without getting scammed by unlicensed individuals and how they can file complaints.

Disaster Training with Catholic Charities

In March 2022, CSLB partnered with Catholic Charities of California and the Department of Financial Protection and Innovation (DFPI) to conduct a Disaster Rebuilding training workshop. A CSLB staff member informed Catholic Charities staff of the CSLB resources available for disaster survivors, including elements from CSLB’s Disaster Help Center.

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.

VIDEO/DIGITAL SERVICES

Consumer, Licensee and Applicant Tips Videos



Public Affairs staff continue developing consumer and licensee video tips 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 of 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.

Webcasts/Videos Produced

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

Date Published	Video Title
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
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
1/21/2022	Taller para que obtenga licencia de Construir (Spanish Workshop)
1/26/2022	CSLB Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meetings
2/4/2022	Get Licensed to Build Workshop
2/23/2022	CSLB Board Meeting
3/4/2022	Get Licensed to Build Workshop
3/18/2022	Taller para que obtenga licencia de Construir (Spanish Workshop)
3/30/2022	CSLB Board Meeting
4/1/2022	Get Licensed to Build Workshop
4/21/2022	Taller para que obtenga licencia de Construir (Spanish Workshop)

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

Date Published	Video Title
7/21/2021	Tips for Becoming a Registered Home Improvement Salesperson (HIS)
8/12/2021	CSLB Contractor Sting, Sacramento
8/30/2021	Rebuilding After a Disaster
10/11/2021	CSLB Quick Tips: Contracting in Disaster Areas
11/10/2021	2021 WIC Conference – Susan Granzella Message
12/9/2021	10 Consejos Para Asegurar Que Su Contratista Sea Calificada
12/13/2021	Reconstrucción después de un desastre
2/15/2022	Consejos rápidos de CSLB: Encuentre a mi contratista con licencia
3/4/2022	Consejos rápidos de CSLB: ChecktheLicenseFirst.com
4/25/2022	Proyectos de Hogar de Primavera
4/30/2022	Consejos rápidos de CSLB – Jardinero vs. Paisajista



CONTRACTORS STATE LICENSE BOARD
Board Meeting | Wednesday, March 30, 2022

Agenda Item A
Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction and Appointment of Nomination Committee Members



Who Needs a License?

Use Q&A to ask a question

- Construction projects priced at \$500 or more in both labor & materials
 - Can't break down project into \$499 pieces
 - Cannot charge hourly rate to try and get around law
- Definition of a Contractor (*Business & Professions Code §7026.1*)
 - Any person, consultant to an owner-builder, firm, association, organization, partnership, business trust, corporation, or company, who or which undertakes, offers to undertake, purports to have the capacity to undertake, or submits a bid to construct any building or home improvement project, or part thereof.





SOCIAL MEDIA HIGHLIGHTS

Followers on CSLB's Social Media July 1, 2021 – April 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
December 2021	5,749	2,844	42	3,211	596	1,308	13
January 2022	5,758	2,855	42	3,288	606	1,328	13
February 2022	5,785	2,860	43	3,400	612	1,349	13
March 2022	5,801	2,874	43	3,534	626	1,360	12
April 2022	5,805	2,885	46	3,711	639	1,399	13



Contractors State License Board
 Published by Contractors State License Board · April 26 at 10:17 AM · 🌐

- Press Release: Unlicensed Contractors Make Big Bids in San Diego County Undercover Sting
- Unlicensed Contractor Offers \$11,245 bid in Contractors State License Board operation in city of Vista
- Thirteen individuals cited for unlicensed contracting

Learn more: <https://mailchi.mp/d673d4383993/vista-sting-5180401>

Enforcement-Related Social Media Posts

CSLB utilizes social media to highlight the hard work of the Enforcement Division. A recent post on an undercover sting operation in San Diego County received 16,000 impressions across all of CSLB’s social channels. Impressions are the estimated number of times the content was shown to viewers.

Licensing-Related Social Media Posts

CSLB uses video on social media to assist applicants and licensees. For example, a February 2022 post on CSLB’s study guides received hundreds of views.

Each study guide includes:

- ▶ Breakdown of exam topics
- ▶ Sample questions
- ▶ Resources to help you study
- ▶ Test site policies

cacontractorsboard CSLB Quick Tips: CSLB’s website has study guides for each trade exam and the law and business exam. Learn more: cslb.ca.gov/getlicensed

10w

101 views
FEBRUARY 24



Women in Construction Social Media Posts

CSLB uses social media to promote the role of women in the construction industry. Every March, CSLB also publishes social posts promoting Women in Construction Week. A recent video featuring CSLB Board Chair Susan Granzella explaining CSLB’s mission to encourage women in the industry gained 600 impressions on Facebook.

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 April 30, 2022, CSLB reached 59,000 people on its Facebook page.

- 67 percent of those who follow CSLB on Facebook are male, 32 percent female.
- 56 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 April 30, 2022, CSLB had 120,000 impressions. CSLB has 2,885 Twitter followers.

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

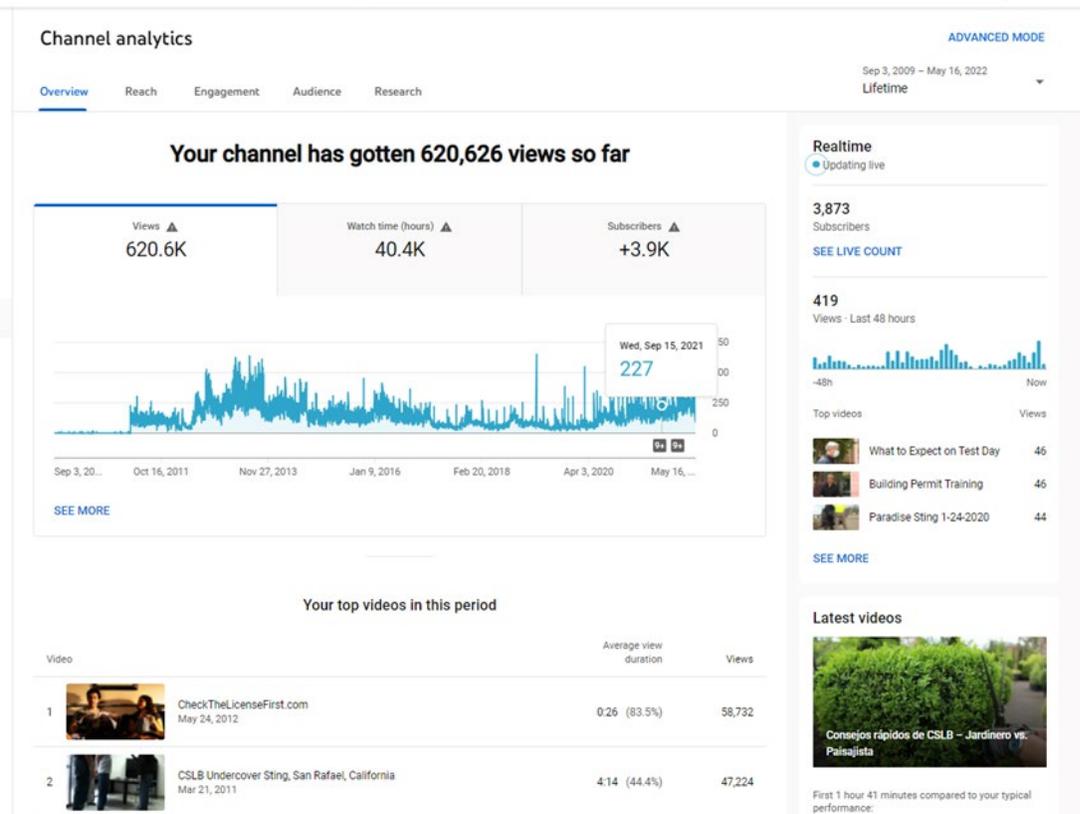


Top tweets:

- 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 1,200 subscribers, 6,400 hours of watch time, and 65,800 more views since July 2021. The channel has a total of 620,626 views (40,400 hours watched) and 3,873 subscribers since the page was created in 2009.



Instagram Growth

CSLB has 1,399 Instagram followers, an increase of 230 from July 1, 2021, to April 30, 2022.

- 67 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 April 30, 2022, CSLB had 377 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.

STAKEHOLDER COMMUNICATIONS**Email Alert Feature**

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 41,619.

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 April 30, 2022, CSLB issued 14 Industry Bulletins on topics such as the expansion of testing services, guidance for contractors who use forklifts, and the release of the updated law book.

**Industry Bulletins
July 1, 2021 – April 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 April 30, 2022, PAO responded to 49 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 April 30, 2022. This includes sting operation press releases and the announcement of the Spanish Get Licensed to Build Workshop.



**News Releases
July 1, 2021 – April 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

CONSUMER/COMMUNITY OUTREACH

Senior Scam StopperSM Seminars

CSLB continues to provide virtual Senior Scam StopperSM (SSS) seminars. The workshops are held virtually via Zoom, WebEx and Facebook Live.

**Outreach Events
July 1, 2021 – April 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



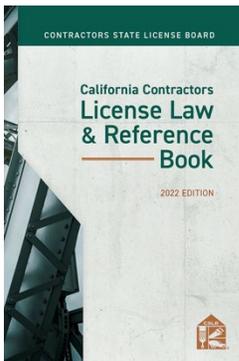
PUBLICATION/GRAPHIC DESIGN SERVICES

From July 1, 2021, to April 30, 2022, PAO’s Graphic Design Unit completed the following publications and reports.

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

Publications & Reports
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)
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)

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 April 30, 2022, PAO published 40 employee intranet articles.

**Employee Intranet Stories
July 1, 2021 – April 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
8/4/2021	Easy Summer Pasta
8/16/2021	CSLB Staff Comes Together to Launch B-2 Trade in a True Team Effort
8/30/2021	Testing Division Develops New Trade Exam for Tree and Palm Contractors
9/20/2021	CSLB Helps Wildfire Survivors at Local Assistance Center's
9/27/2021	It's OK to Not Be OK and It's OK to Get Help
10/4/2021	CSLB Celebrates Hispanic Heritage Month Now through October 15
10/13/2021	Staff Shares Hispanic Heritage Month Celebrations
10/20/2021	CSLB Launches Video on Contracting in Disaster Zones
10/25/2021	IT Staff Celebrate CSLB Milestone with Online Renewal Web Tool
10/28/2021	A Spooktacular Halloween Dessert
10/28/2021	CSLB's 1 st Annual Virtual Costume Contest
11/4/2021	Fall Back!
11/8/2021	CSLB First Annual Virtual Halloween Costume Contest Results are In!
11/15/2021	What Are You Thankful For?
11/19/2021	Quarterly Board Meeting Coming Up November 29



11/23/2021	Happy Thanksgiving!
12/3/2021	Message from CSLB Board Chair Susan Granzella
12/8/2021	Depression is More Than Just a Rough Patch...Here are Some Resources
12/16/2021	CSLB Announces Fee Increases Beginning in 2022
12/21/2021	Happy Holidays from CSLB!
12/27/2021	CSLB Wishes You A Happy New Year!
1/5/2022	CSLB Releases First Spanish Language Videos to Further Aid Licensees and Consumers
1/10/2022	Bureau of Automotive Repair (BAR) Shares Winter Car Care Tips
1/19/2022	Tune in to the Enforcement, Public Affairs, Executive, Licensing, and Legislation Committee Meetings
1/26/2022	DCA Style Guide Available for Employees
1/31/2022	California Contractors License Law & Reference Book - 2022 Edition Now Available
2/9/2022	Easy Valentine's Day Recipe
3/7/2022	CSLB Celebrates Women in Construction
3/11/2022	Spring Forward!
3/23/2022	Watch the March Board Meeting
3/30/2022	CSLB's Accomplishments & Activities Report Now Available
4/1/2022	CSLB to Expand Testing Services for Licensed Contractor Examinations
4/8/2022	CSLB Staff Asked to Save Water as State Faces Drought
4/8/2022	Licensing Division Recognized for Outstanding Work
4/19/2022	Build a Career at CSLB from the Ground Up
4/26/2022	Do You Speak and Write Spanish?

AGENDA ITEM H

Legislation



AGENDA ITEM H-1

Legislation

- a. Update on Previously Considered 2021-2022 Pending Legislation
 - i. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
 - ii. AB 1733 (Quirk) State bodies: open meetings
 - iii. AB 1747 (Quirk) Contractors: disciplinary action
 - iv. AB 1874 (Smith) Contractors: unlicensed work
 - v. AB 2105 (Smith) Contractors: initial license fee reduction: veterans
 - vi. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping
 - vii. SB 1237 (Newman) Licenses: military service
 - viii. SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage
- b. Review, Discussion, and Possible Action on 2021-22 Pending Legislation
 - i. AB 2894 (Cooper) Contractors: Workers' Compensation Insurance
 - ii. AB 2916 (McCarty) Contractors: disclosure of letters of admonishment
 - iii. SB 1076 (Archuleta) Lead-based paint
 - iv. SB 1164 (Stern) Energy: building energy efficiency: document repository and registry
 - v. SB 1443 (Roth) The Department of Consumer Affairs
 - vi. SB 1495 (Committee on Business, Professions and Economic Development) Professions and vocations
 - vii. PACE Recovery Fund Legislative Proposal





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

STATUS/LOCATION (as of 5.18.22): In the Senate Business and Professions 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 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 1733 (Quirk)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1733

STATUS/LOCATION (as of 5.18.2022): Remains in Assembly Governmental Organization Committee

SPONSOR: Author sponsored

SUBJECT: State bodies: open meetings

CODE SECTIONS: Business and Professions Code (BPC): amend Section 101.7; Government Code: amend Sections 11122.5, 11123, 11124, 11125, 11125.4, 11128.5, and 11129. Repeal Section 11123.5.

SUMMARY: This bill would revise Bagley-Keene Open Meeting Act (Act) provisions to authorize state bodies to hold public meetings with one publicly accessible physical location that has web accessibility, along with any number of remote locations.

EXISTING LAW: Requires Department of Consumer Affairs (DCA) boards to meet at least twice a year, once in Northern California and once in Southern California. The Act currently defines a “meeting” to include the gathering of a majority of the members at the same time and place. Existing law also authorizes teleconferenced meetings in specified circumstances but only if certain requirements are met; For example, a member must be physically present at the teleconference location, which must be noticed to the public and be accessible to the public for public participation, and the agenda must be posted at the teleconference location.

THIS BILL: Would not require boards to meet in Northern and Southern California each year if the board’s meetings are held entirely by teleconference. The bill also redefines “meeting” in the Act to include one held entirely by teleconference. It also requires all open meetings be teleconferenced and removes the requirement that teleconference locations be identified and made physically accessible. The bill requires that state bodies make meetings accessible remotely and provide this information in the notice so that the public may address the state body at the meeting. It also requires the state body to provide a physical location with internet accessibility so that the public may hear, observe, and address the state body remotely. The bill also provides guidance for electronic and video requirements, including should equipment fail during a meeting, and retains the 10-day notice and agenda posting requirements in advance of a meeting.

The bill would also require members attending a meeting by teleconference to disclose whether someone over the age of 18 years is present in the room and the general relationship of that person to the member.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

As written, the bill is declared urgent, taking effect immediately upon approval and requiring a 2/3 vote.

COMMENT/ANALYSIS: DCA and the Administration have expressed support for the continuation of teleconferenced public meetings that have been held the last two years during the COVID-19 pandemic. Also, staff does not believe the bill precludes boards from holding meetings entirely in person if they wish.

FISCAL IMPACT: If the law is changed to allow meetings to be held remotely for members, then the physical location requirement for the public can be provided at any CSLB public offices using existing CSLB resources; therefore, no additional costs are anticipated.

Recently, a Board cost analysis compared costs for holding in-person vs remote quarterly meetings. The total costs showed holding four meetings a year in-person costs approximately \$90,000 while remote meetings cost \$6,500.

STAFF RECOMMENDATION: Update only. The Board took at **SUPPORT** position on this bill at its March meeting. This was not heard by policy committees before the Legislative deadline, and the bill did not move forward.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: AB 1747 (Quirk)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1747

STATUS/LOCATION (as of 5.18.2022): Assembly Appropriations Committee hearing
May 19

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 quality 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.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

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 1874 (Smith)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1874

STATUS/LOCATION (as of 5.18.2022): Assembly Business and Professions Committee

SPONSOR: Author sponsored

SUBJECT: Contractors: unlicensed work

CODE SECTIONS: Amend Business and Professions Code (BPC) Section 7027.2

SUMMARY: Would allow an unlicensed contractor to advertise to perform construction work if value of the labor for the project is less than \$500, without regard to the cost of materials or other items on the project.

EXISTING LAW: Authorizes an unlicensed person to advertise for construction work if the aggregate contract price for labor, material, and all other items is less than \$500, and the person states in the advertisement that they are not a licensed contractor.

THIS BILL: Authorizes an unlicensed person to advertise for construction work if the price of labor only is less than \$500. It removes from that threshold the cost of materials and all other items. It retains the provision that unlicensed persons state they are unlicensed in construction advertisements.

COMMENT/ANALYSIS: According to the author's fact sheet, the bill "changes the \$500 cap for unlicensed contract work to apply only to the cost of labor" to provide some relief to small contractors and handymen from the cost of doing business in California.

By removing the cost of materials and all other items from the total amount an unlicensed contractor can advertise to perform and limiting the \$500 advertising threshold to just the cost of labor, the bill allows an unlicensed contractor to advertise for much larger projects than current law would allow.

FISCAL IMPACT: No impact.

STAFF RECOMMENDATION: **Update only.** The Board took an **OPPOSE** position on this bill at the March Board meeting. The bill failed to pass out of the Assembly Business and Professions Committee on March 29, 2022.



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

STATUS/LOCATION (as of 5.16.22): In Senate Rules Committee

SPONSOR: Author sponsored

SUBJECT: Contractors: initial license fee reduction: veterans

CODE SECTIONS: Would add Section 7137.1 to the Business and Professions Code

SUMMARY: Requires CSLB to grant a 50 percent fee reduction for an initial license to an applicant who has served as an active-duty member of the California National Guard or the United States Armed Forces and was honorably discharged.

BACKGROUND/EXISTING LAW: For the Board's information, many current laws remove barriers to licensure for current and previously serving military members and family. Existing law requires DCA boards/bureaus, if specified requirements are met, to:

- Renew without penalty the license of a member of the military or armed forces that expired during active duty (B&P Code 114).
- Waive renewal fees and other requirements of license maintenance for a licensee called to active duty (B&P Code 114.3).
- Inquire in every application if the applicant is serving or previously served in the military (B&P Code 114.5).
- Expedite and assist the initial licensure process for applicants who served and were honorably discharged (B&P 115.4).
- Expedite the licensure process for applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.5).
- Effective July 2023, after appropriate investigation, issue temporary 12-month licenses to applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 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.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

- 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.

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

STATUS/LOCATION (as of 5.18.2022): In Senate Rules Committee

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: SB 1237 (Newman)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1237

STATUS/LOCATION (as of 5.18.2022): In Assembly. Read first time. Held at Desk.

SPONSOR: California Optometric Association

SUBJECT: Licenses: military service

CODE SECTIONS: Amend Business and Professions Code Section 114.3

SUMMARY: Provides that a Department of Consumer Affairs (DCA) board waive the renewal fees of a licensee or registrant called to active duty as a member of the United States Armed Forces or the California National Guard if the licensee or registrant is stationed outside of California.

BACKGROUND/EXISTING LAW: For the Board's information, many current laws remove barriers to licensure for current and previously serving military members and family. Existing law requires DCA boards/bureaus, if specified requirements are met, to:

- Renew without penalty the license of a member of the military or armed forces that expired during active duty (B&P Code 114).
- Waive renewal fees and other requirements of license maintenance for a licensee called to active duty (B&P Code 114.3).
- Inquire in every application if the applicant is serving or previously served in the military (B&P Code 114.5).
- Expedite and assist the initial licensure process for applicants who served and were honorably discharged (B&P 115.4).
- Expedite the licensure process for applicants married to or otherwise in union or partnership with an active-duty member when the applicant has a current similar license in another state (B&P 115.5).
- Effective July 2023, after appropriate investigation, issue temporary 12-month licenses to applicants married to or otherwise in union or partnership with an active-duty member when the applicant has a current similar license in another state (B&P 115.6).

COMMENT/ANALYSIS: Preliminary review indicates CSLB's renewal fee waiver (pursuant to BPC 114.3 above) 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. The was recently amended to further define "active duty."



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: SB 216 (Dodd)

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB216

STATUS/LOCATION (as of 5.18.2022): In Senate Business and Professions Committee

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 2025.

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 2025.

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.



Fiscal Impact: Currently, the mechanism for contractors and insurance companies to electronically submit the Workers’ Compensation insurance certificate is available on the CSLB website. The Licensing staff estimates it would be about the same amount of time to process additional workers’ compensation insurance certifications for those currently on file as exempt.

CSLB cannot accurately predict how this legislation will affect the CSLB license population and corresponding renewal revenue, if at all. However, it is possible a percentage of contractors may elect not to renew their contractor’s license rather than obtain workers compensation insurance, as required by the bill. When a similar requirement was imposed on C-39 Roofing contractors in 2007, CSLB witnessed a decline in the C-39 license population that appeared to correlate with the requirement. However, some of that license population was absorbed into other existing classifications. It is therefore difficult to predict whether there will be a similar decline when this requirement is imposed on additional classifications. To provide a conservative projection, if CSLB estimates a 5 percent decline in the license population with workers’ compensation exemptions on file, it would equate to the following impact over the next five years:

Fiscal Year	Classifications	Potential Loss in Annual Revenue
2022-23	C-8, C-20, C-22, and D-49	\$120,000 - \$185,000
2023-24		\$120,000 - \$185,000
2024-25		\$120,000 - \$185,000
2025-26	Everyone	\$900,000 - \$1.4M
2026-27		\$1.7M - \$2.6M

Due to CSLB’s recent fee structure change, licenses are now “tiered” by renewal fee cost into sole owner and others (i.e., corporation, partnership, LLC, JV) entities. Therefore, the fiscal loss in revenue is slightly higher than reported last year because it is a ranged approach to capture minimum and maximum loss per year. Finally, if the bill amendments described below are accepted, the dates in the chart above would move forward by one year.

The fiscal impact would be minimal and absorbable (staff costs), and the decreased revenue is estimated at **\$120,000 - \$185,000** (based on tier renewals) annually for three fiscal years and then roughly **\$1.7 million - \$2.6 million** (based on tier renewals) annually ongoing.

STAFF RECOMMENDATION: UPDATE ONLY. This is a CSLB-sponsored measure.



At the March 30, 2022, Board meeting, staff reported to the committee that amendments were sent to the author's office that do the following:

1. Move the effective dates of the bill that require workers compensation for all licensees in the bill 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.

As of this writing, the amendments are not in print.



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

STATUS/LOCATION (as of 5.18.2022): Assembly third reading file

SPONSOR: District Council of Iron Workers (DCIW) of California and Vicinity

SUBJECT: Contractors: workers' compensation insurance

CODE SECTIONS: Adds section 7128 to the Business and Professions Code

SUMMARY: Requires a licensed contractor, if they have workers' compensation insurance, to inform CSLB of their workers' compensation classification code and requires CSLB to post that information on its 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: Would require licensees report to CSLB the licensee's workers' compensation classification code (WCC) developed by the Workers' Compensation Insurance Rating Bureau or otherwise approved by the Insurance Commissioner.

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: The fiscal impact was revised after the Board discussed this bill in March based on concerns from the Information Technology Division that extensive programming would be required to incorporate all the WCIRB codes into CSLB systems. However, staff reached out to the author's office and bill sponsors after consulting with the CSLB Legislative Committee Chair and recommended technical amendments that address this concern. An update will be provided at the meeting.

STAFF RECOMMENDATION: **Update only.** The Board did not take a position on this bill when it was discussed at the March 30, 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

STATUS/LOCATION (as of 5.18.2022): To Senate Rules Committee for assignment
May 12

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 are no financial injury to a consumer, LOAs have been effective at saving CSLB the expense of defending citation appeals for minor violations. 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.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

STAFF RECOMMENDATION: None. Staff worked with the Legislative and Board Chair to take a “Support” position after the author accepted staff’s amendments.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: SB 1076 (Archuleta)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1076

STATUS/LOCATION (as of 5.18.2022): Senate Appropriations Hearing May 19

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; staff will update the Board in June.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: SB 1164 (Stern)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1164

STATUS/LOCATION (as of 5.18.2022): Senate Appropriations Hearing May 19.

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: This bill requires the California Energy Commission (CEC) draft a report to the legislature that would propose development of a statewide HVAC database.

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 to submit a report to the legislature by January 1, 2024, that would propose a statewide registry that stores compliance, installation, and acceptance test documentation for HVAC systems. The bill requires CEC to consult with the State Air Resources Board (CARB) and CSLB in drafting its report.

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 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.

The bill would have CEC draft a report that would propose a repository for government agencies to confirm that all requisite documents have been completed for a project. The bill provides that CSLB be consulted when CEC drafts its report, but CSLB is not mandated to do anything with the data. However, should such a repository ultimately be created, it could be an excellent resource for CSLB enforcement staff investigating complaints against HVAC contractors.

FISCAL IMPACT: Minimal. As written, the bill requires CEC to consult with CSLB in the drafting of its report.

STAFF RECOMMENDATION: Support. CSLB sponsored a bill this year to compel compliance with HVAC installation standards by increasing fines for permit violations.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: SB 1443 (Roth)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1443

STATUS/LOCATION (as of 5.18.2022): Senate Appropriations Hearing May 19.

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 March.



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

STATUS/LOCATION (as of 5.25.2022): Senate floor

SUBJECT: Professions and vocations

CODE SECTIONS: multiple Business and Professions Code sections

SUMMARY:

As of this writing, this bill does not impact CSLB.

However, 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).

If the Committee accepts the change, SB 1495 may be the bill that is amended with the change.

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 provides no forum for contractors to dispute an SESRP payment.

THIS BILL: The change to the law, **if accepted by the Committee,** would provide that the disclosure only be imposed on licenses that are revoked or pending revocation.

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 SESRP does not allow them to dispute a claim payment and the case is over four years old so CSLB is time barred per contractors license law from investigating the complaint (BPC 7091).

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.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

STAFF RECOMMENDATION: None at this writing. If the bill is amended prior to the June 2022 Board meeting, staff will have a verbal update and the Board may elect to take a position on the bill as appropriate.

PROPOSED CHANGE:

Business and Professions Code 7086.10.

(a) For any licensee *whose license is revoked or pending revocation* whose actions have caused the payment of an award to a consumer pursuant to the program, the board shall display a notice on the public license detail on the board's internet website stating that the licensee was the subject of a payment pursuant to the program.

(b) The notice specified in subdivision (a) shall remain on the board's internet website until seven years after the date of the payment.

(c) This section shall operate independently of, and is not subject to, Section 7124.6.

SOLAR RESTITUTION FUND LAWS:

[https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=3.&chapter=9.&lawCode=BPC&article=6.5.](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=3.&chapter=9.&lawCode=BPC&article=6.5)



CONTRACTORS STATE LICENSE BOARD

PACE Recovery Fund Legislative Proposal

CSLB currently administers a solar energy system restitution program. That program does not consider whether a contractor or Property Assessed Clean Energy (PACE) Program Administrator violated PACE laws, or whether a financial injury was caused by a predatory PACE loan. The existing PACE recovery fund is limited to violations of the Contractor's Law on solar projects resulting in financial harm.

Earlier this year, CSLB staff were contacted by www.cleanenergyjustice.org. The group is interested in creating a new restitution fund at CSLB for consumers who are harmed by PACE funding agreements on any home improvement project for which PACE was used, in addition to solar. At the March 2022 Board meeting staff updated the Board to this proposal and staffs' discussions with the group and the Department of Financial Protection and Innovation, the agency which regulates PACE. At the time, the group had not yet secured a legislative author for the proposal, but they have since done so.

The group provided draft legislative language for the CSLB to review and provide technical assistance. The language is not in a bill yet, and the request for money for this restitution fund has not been made by the California Legislature. As a result, there is not a detailed bill analysis to provide at this time.

The draft language would provide CSLB \$5 million from the General Fund to administer a restitution program for residential consumers harmed by the PACE program for clean energy construction projects. The draft language does not include a total restitution fund amount, but the group has mentioned requesting \$60 million for the fund from the General Fund. Because the request will come from the State General Fund and not CSLB's Special Fund, the restitution fund will not use money funds from CSLB operations.

At the time of this writing, CSLB staff have reviewed the draft language with DFPI staff and made technical suggestions to the legislative language. If a bill is introduced, it will likely be a budget "trailer" bill later in the summer.

Additional information will be provided at the Board meeting.

AGENDA ITEM H-2

Regulations

- a. Review, Discussion and Solicitation of Public Comment on 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
- b. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend California Code of Regulations, Title 16, Sections 810 (Definitions), 832.10 (Class C-10, Electrical Contractor), and 832.46 (Class C-46, Solar Contractor) relating to the scope of the C-10 and C-46 contractors' authority to perform work relating to battery energy storage systems.





AGENDA ITEM H (2) Regulations

Review, Discussion and Solicitation of Public Comment on 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

The content for this board meeting packet is the “CSLB Staff Report in Consolation with Expert Consultants.” The report is located under the Battery Energy Storage Systems section of the “Solar Smart” page on the CSLB website at the following link:

https://www.cslb.ca.gov/Resources/BoardPackets/2022/CSLB_Staff_Report_in_Consultation_with_Expert_Consultants.pdf



AGENDA ITEM H (2) Regulations

Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend California Code of Regulations, Title 16, Sections 810 (Definitions), 832.10 (Class C-10, Electrical Contractor), and 832.46 (Class C-46, Solar Contractor) relating to the scope of the C-10 and C-46 contractors' authority to perform work relating to battery energy storage systems

On the next page is the draft regulatory language for Board consideration of this item. Following the draft regulatory language is a staff recommendation.



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PROPOSED TEXT

Amend Section 810, as follows:

§ 810. Definitions

(a) For purposes of this division, “battery energy storage system” means one or more devices, assembled together, capable of storing energy in order to supply electrical energy at a future time.

(b) For the purposes of this ~~chapter~~ division, “Board” means the Contractors State License Board and “Code,” unless otherwise defined, means the Business and Professions Code.

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Section 7008, Business and Professions Code.

Amend Section 832.10, as follows:

§ 832.10, Class C-10 - Electrical Contractor

An electrical contractor places, installs, erects or connects any electrical wires, fixtures, appliances, apparatus, raceways, conduits, battery energy storage systems, ~~solar~~ photovoltaic solar energy systems cells or any part thereof, which generate, transmit, transform or utilize electrical energy in any form or for any purpose.

Note: Authority cited: [Sections 7008](#) and [7059, Business and Professions Code](#).
Reference: [Sections 7058](#) and [7059, Business and Professions Code](#).

Amend Section 832.46, as follows:

§ 832.46. Class C-46 - Solar Contractor

(a) A solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems. A licensee classified in this section shall not undertake or perform building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.

(b) For the purposes of this section, a battery energy storage system, as defined in section 810, shall not be considered part of a photovoltaic solar energy system or



CONTRACTORS STATE LICENSE BOARD

BATTERY ENERGY STORAGE SYSTEMS

required to install a photovoltaic solar energy system. Except as provided in subdivision (c), a licensee classified in this section shall not install, connect, modify, maintain, or repair a battery energy storage system.

(c) For purposes of Section 7059 of the Code and this division, a licensee classified in this section may install a battery energy storage system as “incidental and supplemental” to the installation of a photovoltaic solar energy system if the battery energy storage system does not exceed a rating of 80 kWh.

Note: Authority cited: [Sections 7008](#) and [7059, Business and Professions Code](#).
Reference: [Sections 7058](#) and [7059, Business and Professions Code](#).

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.

AGENDA ITEM I

Adjournment

