

JUNE 6-7, 2019
SOUTH LAKE TAHOE, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





NOTICE OF PUBLIC BOARD MEETING

Day 1: Thursday, June 6, 2019, 1:00 p.m. – 5:00 p.m. (or until the conclusion of business)

Day 2: Friday, June 7, 2019, 8:30 a.m. – 12:00 p.m. (or until the conclusion of business)

Lake Tahoe Resort Hotel
4130 Lake Tahoe Blvd.
South Lake Tahoe, CA 96150

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 CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

MEETING AGENDA – DAY 1

Thursday, June 6, 2019 – 1:00 p.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Presentation of Certificates of Recognition – May Include Oral Presentations
Commemorating Achievements and Service of Board Members Joan Hancock and Frank Schetter
- C. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- D. Public Affairs
 1. Committee Chair Update on May 13, 2019, Public Affairs Committee Meeting
 2. Public Affairs Program Update
 - a. Public Affairs Program Update
 - b. Online Highlights
 - c. Video/Digital Services
 - d. Social Media Highlights
 - e. Media Relations Highlights
 - f. Publications/Graphic Design Highlights
 - g. Industry/Licensee Outreach Highlights
 - h. Consumer/Community Outreach Highlights
 - i. Intranet/Employee Relations
 - j. CSLB’s 90th Anniversary

3. Review and Discussion of Public Affairs 2019-21 Strategic Plan Objectives
 - a. Review and Discussion of CSLB's Draft Disaster Response Plan
 - b. Review and Discussion of Media Efforts to Publicize Enforcement Activities and Relaunch of CSLB's Most Wanted List on CSLB's Website
 - c. Review and Discussion of Outreach Efforts to Industry and Licensees

E. Licensing

1. Committee Chair Update on May 13, 2019, Licensing Committee Meeting
 - a. Status Update on Development of Possible Remodeling and Home Improvement License Classification
2. Licensing Program Update
 - a. Application Processing Statistics
 - b. Renewal Processing Statistics
 - c. Workers' Compensation Recertification Statistics
 - d. Fingerprinting/Criminal Background Unit Statistics
 - e. Experience Verification Statistics
 - f. Licensing Information Center Statistics
 - g. Judgment Unit Statistics
3. Testing Program Update
 - a. Examination Administration Unit Update
 - b. Examination Development Unit Update
4. Review, Discussion and Possible Action on Whether to Enter into a Reciprocity Agreement with North Carolina and Oregon for the "B" General Contractor License and Research Legislative Options for Trade Exam Waivers
5. Update and Discussion of Licensing 2019-21 Strategic Plan Objectives

F. Enforcement

1. Committee Chair Update on May 13, 2019, Enforcement Committee Meeting
2. Enforcement Program Update
 - a. Staff Vacancy Update
 - b. Consumer Investigation Highlights
 - c. General Complaint-Handling Statistics
 - d. Statewide Investigative Fraud Team Highlights and Statistics
 - e. Joint Enforcement Strike Force Update
 - f. Renewal of CSLB and Employment Development Department Memorandum of Understanding
 - g. Partnership Opportunities for Mandatory Workers' Compensation for Specified License Classifications
3. Review, Discussion, and Possible Action on Guidelines for Allocation and Prioritization of CSLB Enforcement Staff Resources

4. Update and Discussion of Enforcement 2019-21 Strategic Plan Objectives

G. Legislation

1. Committee Chair Update on May 13, 2019, Legislative Committee Meeting
 - a. Status Update on Future Meetings Regarding Appropriate License Classification(s) to Install Energy Storage Systems
2. Review, Discussion, and Possible Action on 2019-20 Pending Legislation
 - a. SB 601 (Morrell) State Agencies: Licenses: Fee Waiver
 - b. SB 610 (Glazer) Contractors: Licensing and Regulation
 - c. AB 613 (Low) Professions and Vocations: Regulatory Fees
 - d. AB 193 (Patterson) Professions and Vocations
 - e. AB 1024 (Frazier) Home Inspectors: Licensing: Contractors State License Board
 - f. AB 1551 (Daly) Property Assessed Clean Energy Program
 - g. SB 255 (Bradford) Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community Choice Aggregators
 - h. SB 556 (Pan) Professional Land Surveyors and Engineers
 - i. SB 144 (Mitchell and Hertzberg) Criminal Fees
 - j. AB 544 (Brough) Profession and Vocations: Inactive License Fees and Accrued and Unpaid Renewal Fees
 - k. AB 1076 (Ting) Criminal Records: Automatic Relief
 - l. AB 1545 (Oberholte) Civil Penalty Reduction Policy
 - m. SB 53 (Wilk) Open Meetings
3. Review, Discussion, and Possible Action on Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account
4. Review, Discussion, and Possible Action to Initiate Rulemaking to Add Title 16, California Code of Regulations (16 CCR) Section 832.49 and Amend 16 CCR Section 832 to Create a New License Classification (C-49) for Tree and Palm Contractors
5. Update and Discussion of Legislative 2019-21 Strategic Plan Objectives

H. Executive

1. Review and Possible Approval of March 21, 2019 Board Meeting Minutes
2. Review and Possible Approval of May 13, 2019 Public Affairs, Licensing, Enforcement, and Legislative Committee Meetings Summary Reports
3. Registrar's Report
 - a. Update on CSLB Research Related to Mandating Workers' Compensation for Additional License Classifications
 - b. Tentative Board Meeting Schedule
4. Budget Update

5. Administration Update Regarding Personnel and Facilities
 - a. Update and Discussion of Administration 2019-21 Strategic Plan Objectives
 6. Information Technology Update
 - a. Presentation of New CSLB Website Feature for Providing Access to Public Records
 - b. Update and Discussion of Information Technology 2019-21 Strategic Plan Objectives
 7. Election of 2019-20 Board Officers
- I. Adjournment

MEETING AGENDA – DAY 2
Friday, June 7, 2019 – 8:30 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Joint Discussion with Nevada State Contractors Board (NSCB)
 1. Discussion Regarding CSLB and NSCB Operational and Structural Comparison
 - a. Board Member Composition
 - b. Budget
 - c. License Population
 - d. License Fee Schedule
 - e. Criminal Background Checks
 - f. Insurance Requirements
 - g. Exam Waivers and Reciprocity with Other States
 - h. Consumer Restitution Programs
 2. Discussion Regarding Enacted or Proposed Legislation in California and Nevada Related to Barriers to Licensure and Efforts to Reduce Barriers to Licensure
 - a. Little Hoover Commission Report on *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*
 - b. Applicant and Licensee Criminal Convictions
 - c. Licensing Fees
 - d. License Requirements
 - e. Licensure by Endorsement Program (NSCB)
 3. Discussion Regarding Proposed Improvements to CSLB and NSCB Original License Application
 4. Discussion of CSLB and NSCB Enforcement Operations
 - a. Multi-State Sting Operations
 - b. Plans to Address Transient Criminal Activities

5. Discussion Regarding Recently Enacted California and Nevada Legislation and Enforcement Strategies Related to Solar Industry and Financing
6. Discussion Regarding CSLB and NSCB Disaster Response
 - a. Presentation of Video on CSLB Disaster Response
7. Discussion on CSLB and NSCB Workforce Development Programs

D. Adjournment

The Board intends to provide a live webcast of the meeting. The webcast can be located at www.cslb.ca.gov. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend. For verification of the meeting, call (916) 255-4000 or access the CSLB website at <http://www.cslb.ca.gov>.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Phyliz Jones at (916) 255-4000 or phyliz.jones@cslb.ca.gov or send a written request to Phyliz Jones, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.



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1:00 p.m. – 5:00 p.m. (or upon adjournment)**

**Day 2: Friday, June 7, 2019,
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JUNE 6-7, 2019
SOUTH LAKE TAHOE, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD
Quarterly Board Meeting
DAY 1



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

KEVIN J. ALBANESE	JOAN HANCOCK
FRANK ALTAMURA, JR.	MIKE LAYTON
AGUSTIN BELTRAN	MARLO RICHARDSON
DAVID DE LA TORRE	FRANK SCHETTER
DAVID DIAS	JOHNNY SIMPSON
SUSAN GRANZELLA	NANCY SPRINGER



AGENDA ITEM B

Presentation of Certificates of Recognition
– May Include Oral Presentations
Commemorating Achievements and
Service of Board Members Joan Hancock
and Frank Schetter



AGENDA ITEM C

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.



AGENDA ITEM D

Public Affairs



AGENDA ITEM D-1

Committee Chair Update on May 13, 2019, Public Affairs Committee Meeting



AGENDA ITEM D-2

Public Affairs Program Update

- a. Public Affairs Program Update
- b. Online Highlights
- c. Video/Digital Services
- d. Social Media Highlights
- e. Media Relations Highlights
- f. Publications/Graphic Design Highlights
- g. Industry/Licensee Outreach Highlights
- h. Consumer/Community Outreach Highlights
- i. Intranet/Employee Relations
- j. CSLB's 90th Anniversary





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, as well as outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam StopperSM and Consumer Scam StopperSM seminars, and seminars for both disaster survivors and contractors; speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; website and employee Intranet content, including webcasts and video; as well as disaster outreach and education.

STAFFING UPDATE

PAO is staffed with seven full-time positions and two part-time Student Assistants. PAO currently has three vacancies. Since the last Board meeting, a Student Assistant position was filled.

Staff Name	Position
Rick Lopes	Chief of Public Affairs
Claire Goldstene	Information Officer II
Amber Foreman	Graphic Designer III
Jane Kreidler	Associate Government Program Analyst
Kevin Durawa	Information Officer I

Staff Name	Position
Natalie Watmore	Information Officer I
Vacant (New Position)	Television Specialist
Leslie Gutierrez	Student Assistant
Vacant	Student Assistant

ONLINE HIGHLIGHTS

"Find My Licensed Contractor" Website Feature

On January 8, 2018, CSLB launched a new "Find My Licensed Contractor" website feature that allows consumers to search for licensed contractors by classification within a specific geographic area based on either city or zip code. All search results, which link to current licensing information, are displayed in random order, which changes with each search conducted. Lists can be downloaded as either a .pdf or into a spreadsheet for future reference.

PAO began a more concerted effort to promote the page at the first of the year. At this point, that appears to have increased how often this page has been viewed, to more than 80,000 per month:



Month	# of Page Views	
	2018	2019
January	44,909	82,133
February	55,734	76,651
March	68,701	77,204
April	61,732	86,724
May	65,810	
June	63,640	
July	66,686	
August	66,033	
September	54,591	
October	66,401	
November	57,443	
December	49,374	
TOTAL	721,054	322,712
AVE PER MONTH	60,088	80,678

VIDEO/DIGITAL SERVICES

Public Meetings

- *Board Meetings and Live Webcasts*
 - March 29, 2019: Quarterly Board meeting in San Diego
 - April 18, 2019: Woolsey Wildfire Rebuilding Workshop (Contractors)
 - April 18, 2019: Woolsey Wildfire Rebuilding Workshop (Consumers)
 - May 13, 2019: Public Affairs Committee Meeting
 - May 13, 2019: Licensing Committee Meeting
 - May 13, 2019: Enforcement Committee Meeting
 - May 13, 2019: Legislative Committee Meeting
- *Other Published Videos*
 - April 18, 2019: Mock Utility Strike
 - March 15, 2019: Energy Storage Systems Videos 1-4
 - Feb. 27, 2019: CSLB Sunset Hearing





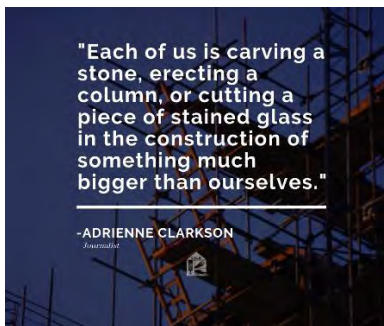
Social Media Highlights

Followers on CSLB’s Social Media Channels

Date	Facebook	Twitter	YouTube	Periscope	LinkedIn	Instagram	Flickr
November 2010	86	50	2	-	-	-	-
November 2011	731	638	20	-	-	-	-
November 2012	1,139	1,040	282	-	-	-	-
November 2013	1,457	1,349	343	-	-	-	-
November 2014	1,796	1,622	352	-	-	-	-
November 2015	2,228	1,824	434	10	14	-	-
November 2016	2,909	2,123	600	62	59	12	7
November 2017	3,312	2,405	702	46	105	99	10
November 2018	3,680	2,471	832	-	153	210	12
May 1, 2019	4,440	2,540	923	-	199	289	12

CSLB continues to use a variety of posts that include infographics to enhance engagement with audiences via a variety of social media. The use of infographics has increased CSLB’s interaction by 67.5 percent in comparison to posts without graphics.

Below are examples of infographics recently posted on Facebook, Twitter, Instagram, and LinkedIn:





Nextdoor Partnership



Nextdoor is a private social network for neighborhoods. This network serves over 158,000 neighborhoods across the country and is used as a source of local information.

CSLB is a Nextdoor Public Agency Partner, which allows PAO to create targeted messages to reach residents in communities of declared disaster areas. CSLB's agency account can currently reach all active neighborhoods in Napa, Sonoma, Yuba, Butte, Lake, Mendocino, Nevada, Orange, and Solano counties.

In April 2019, 20,568 people joined CSLB's reachable Nextdoor Network, bringing the total number of verified residents in CSLB's network to 806,602.

Facebook Growth

Between March 21, 2018 and May 1, 2019, CSLB "reached" 49,968 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 fans are between the ages of 35 and 54.
- Most viewed posts:
 - Check the License and picture I.D. – reached 7,500 people
 - Press Release: Nine contractors caught without workers' comp insurance – reached 5,800 people

Since the March 21, 2019, Public Affairs Committee meeting, CSLB produced three Facebook Live videos.



PAO produced two Facebook live videos for a Rebuilding Workshop that took place in the Woolsey Fire area in Malibu to answer questions for survivors looking to rebuild, and for contractors wanting to aid that process. The videos were streamed on Saturday, April 13, 2019. CSLB, along with the city of Malibu and Los Angeles County Department of Public Works

presented two 90-minute wildfire rebuilding workshops which were also hosted by Assemblymember Richard Bloom, State Senator Henry Stern, and Los Angeles County Supervisor Sheila Kuehl.

On Thursday, May 2, 2019, Jefferson Public Radio discussed the long road to rebuilding after the Carr Fire in Redding with PAO Chief, Rick Lopes. The interview previewed survivor and contractor workshops in Redding that were held later that day.





The chart below shows the net growth per day from March 21, 2019 through May 1, 2019, for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas represent individuals who have “liked” CSLB at one point, but subsequently “un-liked” CSLB.



Twitter Growth

Between March 1, 2019 and May 1, 2019, CSLB had 59.4K impressions on Twitter. In total, CSLB has 2,539 twitter followers.

- 58 percent of CSLB’s Twitter followers are female; 42 percent male.
- Top tweets:
 - Throwback Thursday: the 1970s – 2,524 impressions





- CSLB Senior Scam Stopper Seminar – 994 impressions

CA Contractors Board @CSLB · Apr 22
CSLB invites you to attend a Senior Scam Stopper this Friday in San Pablo. @BuffyWicks @supejohngioia and DDA Jill Henderson will attend the event which begins at 9:00 a.m. More information here ow.ly/9hro50re7S0
pic.twitter.com/ABYNi2dRKG

YouTube Growth

CSLB's YouTube Channel received 3,608 views between March 21, 2019 and May 1, 2019, an average of 123 viewers per day. Viewers watched a combined total of 23,029 minutes of video. CSLB gained 29 subscribers on YouTube since the March board meeting, growing from 888 to 917.

- CSLB has a total of 465,901 views (1,526,835 minutes watched) since the page was created in 2009.

Instagram Growth

- CSLB has 293 Instagram followers. 67% are between the ages of 25-44. 73% of our followers are men and 27% are women. Our audience is more likely to be on Instagram between the hours of 12pm and 9pm. To increase audience engagement, PAO has started to post Instagram stories, a growing means of communication which attracts 500 million users a day worldwide.

Flickr Growth

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

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

As of May 1, 2019, CSLB had 347 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.

Periscope Growth



CSLB maintains a Periscope account for streaming live video, but at currently focuses on streaming through Facebook, due to having a larger number of followers on that platform.

Email Alert Feature

Nine years ago, in May 2010, PAO launched a website feature that allows people to subscribe to various CSLB email alerts. Today, those choices include:

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

The total subscriber database currently stands at 29,501 contacts, which includes 149 new accounts since the March 2019 meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This database now consists of addresses for 146,188 licensees, which brings the combined database contacts to 175,689 email addresses.

Date	Industry Bulletins	Meeting Notices	CLC Newsletter	News Releases	Surveys	Job Openings
May 2010	185	187	103	277	57	-
May 2011	2,390	1,531	3,141	2,361	137	-
May 2012	4,387	2,879	5,212	4,015	284	-
May 2013	5,089	3,341	5,975	4,660	398	-
May 2014	6,027	4,017	6,947	5,538	476	-
May 2015	6,459	4,273	7,293	5,852	591	-
May 2016	6,866	4,479	7,575	6,096	673	17
May 2017	7,410	4,573	7,857	6,468	760	305
May 2018	7,525	4,653	8,017	6,720	843	462
May 2019	7,923	4,783	8,210	6,962	976	647



MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between March 1 and May 17, 2019, PAO staff responded to 35 media inquiries, providing information and/or interviews to a variety of media outlets.

News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between March 1, 2019 and May 17, 2019, PAO distributed seven news releases.

PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS

PAO staff regularly review and update publications for accuracy and to reflect any changes in the law. Below are the publish dates for current publications:

Publication	Description	Current Publish Date
10 Tips to Make Sure Your Contractor Measures Up	Card (English/Spanish)	Aug 2017
A Consumer Guide to Asbestos	Booklet (English)	June 2013
A Consumer Guide to Filing Construction Complaints	Brochure (English)	March 2017
A Consumer Guide to Filing Construction Complaints	Brochure (Spanish)	March 2017
A Guide to Contractor License Bonds	Brochure (English)	March 2016
A Homeowner's Guide to Preventing Mechanics Liens	Brochure (English)	Jan 2016
A Homeowner's Guide to Preventing Mechanics Liens	Brochure (Spanish)	Jan 2016
Advertising Guidelines for Contractors	Brochure (English)	Jan 2013
After a Disaster Don't Get Scammed	Brochure (English)	Feb 2018
After a Disaster Don't Get Scammed	Brochure (Spanish)	Feb 2018
Asbestos: Contractor's Guide & Open Book Exam	Booklet (English)	March 2017
Before You Dive into Swimming Pool Construction	Brochure (English)	Nov 2011
Building Official Information Guide	Booklet (English)	April 2011
Building Your Career as a Licensed Contractor	Brochure (English)	Aug 2017
Building Your Career as a Licensed Contractor	Brochure (Spanish)	Aug 2015
CA Contractors License Reference & Law Book (2018)	Book (English)	Jan 2018
Caught for Illegal Contracting What Happens Now	Brochure (English)	Sep 2015
Caught for Illegal Contracting What Happens Now	Brochure (Spanish)	Jan 2016
Choosing the Right Landscaper	Brochure (English)	Jan 2016
Consumer Guide to Using the Small Claims Court	Brochure (English)	June 2015



Contracting for Success: Contractor's Guide to Home Improvement	Booklet (English)	Sept 2006
Description of Classifications	Booklet (English)	June 2016
Description of Classifications	Booklet (Spanish)	Jan 2018
Industry Expert Program	Brochure (English)	Aug 2010
Mandatory Arbitration Program Guide	Pamphlet (English)	March 2017
Voluntary Arbitration Program Guide	Pamphlet (English)	March 2017
Owner-Builders Beware! Know Your Responsibilities	Brochure (English)	Aug 2010
Owner-Builders Beware! Know Your Responsibilities	Brochure (Spanish)	Aug 2011
Terms of Agreement: Consumer's Guide to Home Improvement	Booklet (English)	Sept 2012
Tips for Hiring a Roofing Contractor	Brochure (English)	Sept 2008
Tips for Hiring a Roofing Contractor	Brochure (Spanish)	Sept 2008
What is a Stop Order	Brochure (English)	June 2015
What is a Stop Order	Brochure (Spanish)	Feb 2018
What Seniors Should Know Before Hiring A Contractor	Brochure (English)	May 2017
What Seniors Should Know Before Hiring A Contractor	Brochure (Spanish)	July 2017
What You Should Know Before Hiring A Contractor	Brochure (English)	Aug 2015
What You Should Know Before Hiring Contractor	Brochure (Spanish)	Feb 2018
Building a Rewarding Career Protecting California Consumers	Brochure (English)	Feb 2016

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

The Winter/Spring 2019 edition of the licensee newsletter is currently in final production and includes articles on licensing, enforcement, and 2018 legislative changes. The newsletter will be distributed to over 154,000 email addresses as soon as it receives final Legal approval.

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins, which are sent out via email on an as-needed basis to more than 7,900 people and interested parties. Distribution includes those who signed-up to receive the bulletins through CSLB's Email Alert System. Between March 1, 2019 and May 17, 2019, PAO distributed one industry bulletins.

CONSUMER/COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars



CSLB’s Senior Scam StopperSM seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction-related scams and how seniors, who are often preyed upon by unlicensed or unscrupulous contractors, can protect themselves when hiring a contractor. Sessions feature expert speakers from local, state, and federal agencies, who present broader topics, including identity theft, auto repair, Medicare, foreign lotteries, and mail fraud.

The following seminars have been conducted and/or scheduled from April through June 2019:

Date	Location	Legislative/Community Partner(s)
April 5, 2019	Mission Viejo	Sen. Patricia Bates / Asm. Bill Brough
April 17, 2019	Milpitas	Sen. Bob Wieckowski / Asm. Kansen Chu
April 26, 2019 AM	San Pablo	Asm. Buffy Wicks
April 26, 2019 PM	Davis	Asm. Cecilia Aguiar-Curry
May 3, 2019	Paradise	Sen. Jim Nielsen / Asm. James Gallagher
May 10, 2019	Palo Alto	Asm. Marc Berman
May 15, 2019	Brentwood	Asm. Jim Frazier
May 17, 2019	Mission Hills	Asm. Luz Rivas
May 18, 2019	Huntington Beach	Asm. Tyler Diep
May 29, 2019	Woodlake	Sen. Melissa Hurtado
June 1, 2019	Seal Beach	Asm. Tyler Diep
June 5, 2019	Vallejo	Asm. Tim Grayson
June 7, 2019 AM	Los Angeles	Asm. Luz Rivas
June 7, 2019 PM	San Bernardino Co.	Sen. Susan Rubio
June 21, 2019	Kettleman City	Asm. Rudy Salas
June 26, 2019	Fresno Co. – TBA	Sen. Melissa Hurtado
June 28, 2019	Lakewood	Asm. Anthony Rendon

During the same time period, CSLB staff spoke or staffed booths for the following organizations/events, and conducted Consumer Scam StopperSM seminars:

Date	Location	Organization/Event
April 5, 2019	San Diego	San Diego Assn. of Pool & Spa Professionals
April 10, 2019	Pomona	CPUC Small Business Expo
April 12, 2019	Foster City	Rotary Health & Aging Education Day
April 12, 2019	San Diego	San Diego Insurance Auditors Assn.
April 16, 2019	Pleasanton	PHCC Trade Expo
April 18, 2019	San Diego	Better Business Bureau Solar event
April 18, 2019	San Mateo	City of San Mateo Building Department
April 18, 2019	Sacramento	Foundation for Fair Contracting Conference
April 18, 2019	Monterey Park	CA Insurance Auditors & Managers Assn.
April 18, 2019	Sacramento	Mock 811 Strike event



April 23, 2019	San Jose	National Council of Negro Women
April 24, 2019	Los Angeles	Dept. of Business Oversight Financial Literacy Fair
April 30, 2019	El Cerrito	City of El Cerrito Building Department
May 1, 2019	Lafayette	Savvy Seniors Seminar
May 2, 2019	Redding	CSLB Rebuilding Workshops for Fire Survivors and Contractors
May 3, 2019	Roseville	Sacramento Area Coalition of Mobilehome Owners Assn.
May 4, 2019	San Diego	PHC Expo
May 8, 2019	Yreka	Senior Services & Fraud Prevention Fair
May 10, 2019	San Mateo	Asm. Kevin Mullin's Community Resource Fair
May 15, 2019	Sacramento	Labor Rights Advocate Roundtable
May 22, 2019	Glendale	Glendale Building & Safety Month event
June 14, 2019	Los Angeles	Bet Tzedek's World Elder Abuse Symposium
June 19, 2019	Menifee	Identity Theft Seminar

INTRANET/EMPLOYEE RELATIONS

Intranet (CSLBin)

CSLBin, the employee-only Intranet site, was launched in November 2013. Stories and photos highlight employee and organizational accomplishments. In addition to employee news, the site is also kept up-to-date with the latest forms, policies, reports, and other information used by CSLB staff around the state.



Recent articles and photo galleries highlighted retirements, staff movement, committee meeting information, Public Service Recognition Week, video of a mock gas line strike, testing staff training, Pi Day celebration, and staff participation in National Consumer Protection Week Resource Fair.

CSLB Says Goodbye to Longtime Employee Who's Making the Move to DCA
Submitted By: Katherine White, Testing Division
5.15.2019



Natalie Chernich has been part of CSLB's Testing Division for most of her state career. She is leaving her role as manager of the Examination Administration Unit (EAU) to join the Department of Consumer Affairs' Office of Professional Examination Services (OPES) as operations manager.

A graduate of San Diego State with a degree in psychology, Natalie first worked in teaching before later transitioning to work in testing. She is excited to start her new job with CSLB Enforcement, working in offices in both Northern and Southern California. She also worked in San Diego IC Celebrates "Pi Day" with Pies!



Testing Staff Comes from Near and Far for Training and Comradery
4.18.2019



Front, from left: Jennifer Walker, Yskia Rodriguez, Tiffany Triku, Kim Rubin, Ashleigh Kurin, Angie Matsumoto, Reanna Munez, Amy Hsu-Wong, Amanda Rossett, Theresa Navarro, Natalie Chernich, and Henry Duong. Back, from left: Tony Tejeda, Isaac Lopez, Demetria Poole, Katherine White, and Brandi Gaboury



Pictured from left to right are: (back row) Sharon Thompson, Aaron Hildebrand, Anthony Ford (middle row) Asharna (Brazette) Luddy, Andia Dalton, Jose Sanchez, Mary Chapman (front row) Ana Garcia, Susanna Martin, Kelly Mascare



AGENDA ITEM D-3

Review and Discussion of Public Affairs 2019-21 Strategic Plan Objectives

- a. Review and Discussion of CSLB's Draft Disaster Response Plan
- b. Review and Discussion of Media Efforts to Publicize Enforcement Activities and Relaunch of CSLB's Most Wanted List on CSLB's Website
- c. Review and Discussion of Outreach Efforts to Industry and Licensees





CONTRACTORS STATE LICENSE BOARD

2019-21 STRATEGIC PLAN – PUBLIC AFFAIRS UPDATE

Public Affairs Objectives

ITEM	TARGET	UPDATE
4.1	Distribute a calendar of key meetings, events, and activities to Board members to increase participation and their ability to advocate on the Board's behalf. January 2019	Completed
4.2	In partnership with all divisions, lead effort to formalize CSLB's disaster response program. <i>(See Enforcement objective 2.1)</i> June 2019	PAO and Enforcement staff met and agreed upon elements of plan, which was presented at May 2019 Public Affairs Committee meeting
4.3	Conduct a workload analysis to determine if additional staffing resources are needed. June 2019	No Longer Needed
4.4	In partnership with the Enforcement division, develop, and implement a plan to identify opportunities to increase publicity concerning enforcement actions, including relaunch of CSLB's Most Wanted feature. <i>(See Enforcement objective 2.3)</i> Develop: June 2019 Implement: January 2020	Multi-pronged outreach plan being developed and was presented at May 2019 Public Affairs Committee meeting New suspect added to Most Wanted list; outreach effort expected Fall 2019
4.5	Research the feasibility of creating a text alert program to communicate with licensees and consumers and implement if possible. Feasibility: June 2019 Implement: March 2020	Information gathered from multiple companies, currently being reviewed by PAO staff
4.6	Expand website content to keep industry and licensees up-to-date on relevant information. September 2019 and ongoing	Working with IT and Dept. of Technology on new contractor website; new expanded content being developed
4.7	In partnership with the Licensing division and Information Technology unit develop online original contractor applications to reduce application return rates. <i>(See Licensing objective 1.7 and Information Technology objective 5.15)</i> December 2019	Staff continue to map processes and procedures and are currently working on a user-friendly interface



4.8	Develop orientation videos for new staff, managers and Board members. <i>(See Administrative objective 5.8)</i>	January 2020	Work will begin when PAO's new Television Specialist is hired
4.9	In partnership with the Information Technology unit, review and update web content to ensure information presented to the public is accurate and accessible. <i>(See Information Technology objective 5.16)</i>	March 2020	Content is currently being reviewed; updates will also focus on bringing website content into compliance with American with Disabilities Act (ADA) requirements
4.10	In partnership with the Enforcement and Licensing divisions, create online courses and content to educate licensees. <i>(See Enforcement objective 2.6 and Licensing objective 1.9)</i>	December 2021	Helped develop an online building permit compliance training course for licensees who fail to comply with local building department permit requirements When Television Specialist is hired, will begin process to develop additional courses

AGENDA ITEM E

Licensing



AGENDA ITEM E-1

Committee Chair Update on May 13, 2019, Licensing Committee Meeting

- a. Status Update on Development of Possible Remodeling and Home Improvement License Classification



AGENDA ITEM E-2

Licensing Program Update

- a. Application Processing Statistics
- b. Renewal Processing Statistics
- c. Workers' Compensation Recertification Statistics
- d. Fingerprinting/Criminal Background Unit Statistics
- e. Experience Verification Statistics
- f. Licensing Information Center Statistics
- g. Judgment Unit Statistics





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

	2018					2019						
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Original Exam	800	1,035	899	1,138	955	1,394	1,117	1,098	1,185	1,305	1,360	1,429
Original Waiver	390	618	555	688	640	788	646	599	787	742	851	788
Add Class	259	308	260	263	308	353	345	385	403	363	445	387
Qualifier Replacer	177	210	206	235	208	241	215	195	225	265	255	254
Home Improvement	853	761	778	937	717	832	773	745	859	926	965	996
Total Per Month	2,479	2,932	2,698	3,261	2,828	3,608	3,096	3,022	3,459	3,601	3,876	3,854
3 – Month Totals	May – Jul: 8,109			Aug – Oct: 9,697			Nov – Jan: 9,577			Feb – Apr: 11,331		

Total Applications Received – Prior Calendar Years

	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Original Exam	10,315	11,749	13,471	13,642	15,500
Original Waiver	7,918	8,109	8,603	8,462	9,327
Add Class	3,772	4,176	4,064	3,974	4,220
Qualifier Replacer	2,278	2,462	2,374	2,488	2,706
Home Improvement	10,932	13,945	10,373	9,522	9,720
Total Received	35,215	40,441	38,885	38,088	41,473



The chart below provides the total number of applications processed by the application units each month.

Total Number of Applications Processed Per Month

	2018					2019						
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Original Exam	2,447	2,392	2,355	2,292	1,916	2,463	1,944	1,855	2,298	2,018	2,224	2,991
Original Waiver	1,403	1,267	1,305	1,454	1,413	1,317	999	1,133	1,421	1,329	1,397	1,431
Add Class	614	559	432	533	425	530	450	475	634	532	618	642
Qualifier Replacer	362	298	281	344	261	316	264	306	271	326	352	391
Home Improvement	828	923	705	935	882	872	857	810	768	999	990	1,257
Total Per Month	5,654	5,439	5,078	5,558	4,897	5,498	4,514	4,579	5,392	5,204	5,581	6,712

The chart below provides the total number of applications processed by the application units each calendar year.

Total Applications Processed – Prior Calendar Years

	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Original Exam	18,673	17,223	22,035	20,795	28,185
Original Waiver	12,771	12,378	14,190	13,564	15,084
Add Class	5,202	5,314	5,925	5,133	6,128
Qualifier Replacer	2,886	2,945	3,157	3,035	3,580
Home Improvement	12,636	15,240	11,077	10,365	10,063
Total Processed	52,168	53,100	56,384	52,892	63,040

Application processing includes one or more of the following tasks:

- Application review is completed; application is returned for correction.
- Application review is completed; application is accepted or “posted” and exam(s) are scheduled.
- Application review is completed; bond and fee notification letter requesting issuance requirement(s) sent.
- Application review is completed; all issuance requirements are met, and license issued.
- Enforcement division flags a member of the application personnel; application is referred to Case Management.
- Application is referred to Judgment unit; application personnel are matched with an outstanding liability, judgment, or payment of claim on an existing license.
- Application is referred to Family Support unit; member of application personnel is out of compliance with child or family support judgment or order.



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.

	2018 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019 Jan	Feb	Mar	Apr
Original Exam	2.7	3.1	2.6	2.4	2.6	2.2	2.5	3.0	2.8	2.4	3.0	2.7
Original Waiver	3.1	2.9	2.7	2.6	1.7	1.3	1.5	1.7	1.1	0.9	1.1	1.0
Add Class	2.1	1.7	1.7	1.9	2.4	2.0	2.1	2.1	2.2	2.0	2.0	1.9
Qualifier Replacer (Exams & Waiver)	1.8	1.6	1.6	1.6	1.6	1.8	1.7	1.6	1.4	1.6	1.5	1.6
Home Improvement	1.7	1.5	1.6	1.9	1.4	1.4	1.5	1.5	1.4	1.6	1.5	1.6
Renewal	2.7	2.2	1.4	2.3	2.6	2.3	2.4	2.9	2.8	1.9	1.3	2.0
Add New Officer	2.5	2.7	2.7	2.7	2.8	3.2	1.6	1.1	1.5	1.6	1.4	1.6
Address/ Name Change	2.7	2.9	2.6	2.4	2.8	3.3	1.7	1.1	1.5	1.8	1.1	1.6
Bond / Bond Exemption	1.0	1.0	0.9	0.8	1.0	1.0	1.0	1.1	1.2	0.9	0.8	0.7
Workers' Comp / Exempt	2.0	1.5	0.9	0.9	1.0	1.0	1.0	1.5	1.4	0.9	0.9	1.1
Certified License History	0.3	0.0	0.2	0.2	0.0	0.5	0.3	0.0	2.0	3.0	4.0	3.5
Copies of Documents	0.0	0.2	0.1	0.1	0.0	0.3	0.0	0.0	0.0	0.4	0.4	0.8
CORI Review*	1.3	1.7	1.8	1.4	1.4	1.6	1.8	2.0	2.4	1.2	1.1	1.4

*Outside CSLB Control—DOJ /FBI timeframe

The time-to-process for applications and renewals includes an approximate two-day processing timeframe that accounts for the required cashiering and image-scanning tasks that CSLB staff must complete before an application or document can be processed.



The chart below shows the average total application processing time from receipt to license issuance. Processing times are most affected by applications that staff returns for correction, which can occur multiple times, as well as the criminal background check. These delays are outside of CSLB’s control. The chart does not include the average processing time of voided applications.

Average processing time is monitored whenever any of the following actions occur:

- Received Date to First Returned for Correction – Application review is completed; application is not acceptable and returned for correction.
- Received Date to First Exam – Application review is completed; application is accepted, and exams scheduled.
- Last Exam to Issuance – Exam requirement is met; applicants are sent a bond and fee notice requesting submission of issuance requirement(s).
- Received Date to Issuance – All issuance requirements are met, and license issued.

Average Weeks for Total Processing By Month

		2018								2019			
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
ORIGINAL EXAM	Received Date to First Returned for Correction	5.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	Received Date to First Exam	14.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0
	Last Exam to Issuance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	6.0	6.0	5.0
	Received Date to Issuance	24.0	24.0	24.0	24.0	25.0	27.0	26.0	26.0	27.0	27.0	27.0	25.0
QUALIFIER REPLACER EXAM	Received Date to First Returned for Correction	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Received Date to First Exam	8.0	11.0	8.0	8.0	7.0	9.0	9.0	8.0	9.0	10.0	7.0	9.0
	Last Exam to Issuance	2.0	3.0	2.0	2.0	2.0	2.0	3.0	2.0	4.0	2.0	2.0	4.0
	Received Date to Issuance	12.0	17.0	13.0	12.0	11.0	14.0	14.0	16.0	14.0	12.0	13.0	15.0
ORIGINAL WAIVER	Received Date to First Returned for Correction	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
	Received Date to Issuance	10.0	11.0	11.0	11.0	11.0	11.0	10.0	12.0	11.0	10.0	9.0	9.0
QUALIFIER REPLACER WAIVER	Received Date to First Returned for Correction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Received Date to Issuance	5.0	4.0	5.0	3.0	5.0	5.0	4.0	4.0	6.0	4.0	3.0	4.0
HOME IMPROVEMENT	Received Date to First Returned for Correction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	5.0	2.0	1.0
	Received Date to Issuance	7.0	6.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0

Note: Approximately 5 percent of all applications processed are pulled for judgment or case management review or have a dishonored check, which affects the overall weeks to process. These applications are not processed further until the judgment, enforcement, or cashing issue is cleared.



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 the disposition of applications and to identify any applications that require special attention.

Disposition of Applications by Fiscal Year

Fiscal Year	Number of Apps Received	Processed & Issued	Voided	Pending*
2016-2017	38,737	24,598	10,748	3,391
2017-2018	39,118	20,132	6,562	12,424

* 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 he or she must pass the examination.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background unit.
- The applicant has not submitted final issuance requirements (proof of bond, workers’ compensation insurance, asbestos open book examination results, and/or fees).



RENEWAL PROCESSING STATISTICS

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

Total Number of Renewals Received Per Month

	2018								2019			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Reactivation	140	107	113	130	116	149	108	76	105	111	139	128
Active	11,400	8,158	9,036	10,022	8,377	9,090	7,055	7,549	8,379	8,598	9,643	9,492
Inactive	1,496	1,079	1,199	1,284	1,121	1,228	909	978	1,088	1,110	1,295	1,323
Delinquent Active	1,119	926	907	937	938	1,081	870	782	955	926	994	923
Delinquent Inactive	207	138	150	130	150	188	133	160	160	155	171	170
Received Per Month	14,362	10,408	11,405	12,503	10,702	11,736	9,075	9,545	10,687	10,900	12,242	12,036
3 – Month Totals	May – Jul: 36,175			Aug – Oct: 34,941			Nov – Jan: 29,307			Feb – Apr: 35,178		

Total Renewals Received – Prior Calendar Years

	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Reactivation	2,052	1,913	1,846	1,558	1,526
Active	108,952	101,774	103,659	97,884	112,709
Inactive	15,732	15,495	16,064	14,280	14,845
Delinquent Active	14,986	12,792	11,853	11,211	12,046
Delinquent Inactive	2,456	2,230	2,195	1,945	2,052
Total Received	144,178	134,204	135,617	126,878	143,178

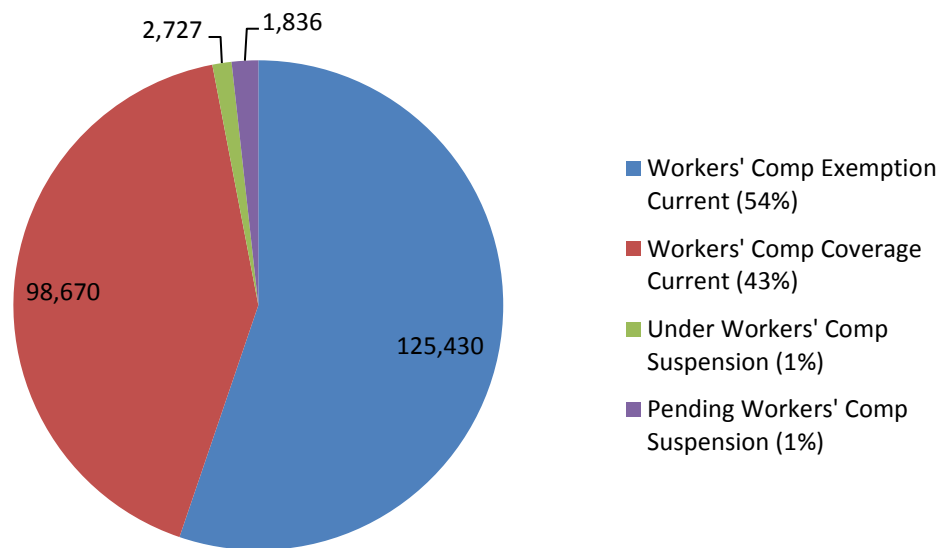


WORKERS' COMPENSATION RECERTIFICATION STATISTICS

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 recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.

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

Workers' Comp Coverage for Active Licenses - April 30, 2019



Total Number of Active Licenses: 230,550

The chart on the following page shows the workers' compensation coverage (policies and exemptions) on file as of April 30, 2019, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status – As of April 30, 2019**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,455	9,181	14,646	37%
B General Building	62,888	39,625	102,513	61%
C-2 Insulation and Acoustical	289	887	1,176	25%
C-4 Boiler Hot Water	216	586	802	30%
C-5 Framing / Rough Carp	487	362	849	57%
C-6 Cabinet-Millwork	2,744	1,921	4,665	59%
C-7 Low Voltage Systems	2,056	2,817	4,873	42%
C-8 Concrete	2,547	3,563	6,110	42%
C-9 Drywall	1,205	1,761	2,966	41%
C10 Electrical	13,948	11,350	25,298	55%
C11 Elevator	38	169	207	18%
C12 Earthwork & Paving	1,003	1,381	2,384	42%
C13 Fencing	684	877	1,561	44%
C15 Flooring	3,712	3,455	7,167	52%
C16 Fire Protection	754	1,394	2,148	35%
C17 Glazing	1,083	1,781	2,864	38%
C20 HVAC	6,503	5,421	11,924	55%
C21 Building Moving Demo	516	1,144	1,660	31%
C22 Asbestos Abatement	6	276	282	2%
C23 Ornamental Metal	452	607	1,059	43%
C27 Landscaping	4,752	6,579	11,331	42%
C28 Lock & Security Equipment	162	225	387	42%
C29 Masonry	1,072	1,374	2,446	44%
C31 Construction Zone	42	235	277	15%
C32 Parking Highway	186	307	493	38%
C33 Painting	8,785	6,799	15,584	56%
C34 Pipeline	168	345	513	33%
C35 Lath & Plaster	630	1,166	1,796	35%
C36 Plumbing	8,827	6,743	15,570	57%
C38 Refrigeration	947	965	1,912	50%
C39 Roofing	0	4,330	4,330	0%
C42 Sanitation	387	582	969	40%
C43 Sheet Metal	412	1,065	1,477	28%
C45 Signs	383	492	875	44%
C46 Solar	481	722	1,203	40%
C47 Gen Manufactured House	213	192	405	53%
C50 Reinforcing Steel	60	188	248	24%
C51 Structural Steel	426	1,040	1,466	29%
C53 Swimming Pool	1,143	1,336	2,479	46%
C54 Tile	3,641	2,775	6,416	57%
C55 Water Conditioning	125	182	307	41%
C57 Well Drilling	331	509	840	39%
C60 Welding	537	456	993	54%
C61 Limited Specialty	7,707	9,978	17,685	44%
ASB Asbestos Cert	297	703	1,000	28%
HAZ Hazardous Cert	549	1,320	1,869	29%



FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS

As mandated in January 2005, CSLB continues to fingerprint all applicants for licensure. 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, respectively.

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 60 or 90 days, or more often because the DOJ and FBI must 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, though staff follow-up with DOJ regarding delayed responses to confirm the review has commenced and DOJ requires no further information.

Below is a breakdown of CBU statistics for the past five calendar years.

CRIMINAL BACKGROUND UNIT STATISTICS

	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	TOTALS
DOJ Records Received	23,268	27,863	32,470	29,189	34,664	147,454
CORI RAPP Received	4,672	5,658	6,926	6,022	6,729	30,007
Denials	32	52	49	62	67	262
Appeals	19	29	26	39	42	155
Probationary Licenses Issued	96	68	90	83	61	398



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 3 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, the Experience Verification unit staff has been assigned and reviewed 3,074 applications.

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

	2018								2019			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Withdrawn	14	20	8	12	9	11	15	10	10	20	20	18
Verified	37	27	16	13	24	19	13	31	26	17	18	42
Denied	16	19	11	13	14	25	8	8	11	13	16	11
Appealed	1	6	0	0	0	1	1	0	0	0	2	2
Pending	102	99	124	100	83	123	135	132	110	90	92	108

The chart on the next page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification as of April 30, 2019.



Experience Verification by Classification
April 1, 2017 – April 30,2019

Table with 7 columns: Classification, Appealed, Withdrawn, Verified, Denied, Total. Rows list various classifications from A to HAZ with corresponding counts.



LICENSING INFORMATION CENTER (LIC) STATISTICS

LIC Support Services

CSLB’s Licensing Information Center 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. The LIC receives, on average, 13,000 calls monthly. Staff that respond to calls must have knowledge of all licensing transaction processes in order to assist callers with correct and complete information.

Inbound Activity	2018					2019						
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Calls Received	14,032	12,508	11,981	13,293	11,218	12,997	10,874	9,555	13,260	12,060	12,947	13,021
Calls Answered	12,731	10,017	10,090	11,375	9,748	11,873	9,955	8,913	12,247	11,182	12,030	11,740
Caller Abandoned	851	1,444	1,139	1,013	826	687	573	414	666	560	595	710
Longest Wait Time	11:49	16:52	15:56	14:18	11:26	08:43	11:35	11:27	09:22	09:46	06:48	06:38
Shortest Wait Time	00:36	01:41	01:41	01:48	01:22	00:57	00:53	00:31	00:52	00:41	01:06	00:24
Avg. Wait Time	04:19	07:45	6:23	05:31	05:18	03:42	03:40	02:33	03:28	03:08	03:10	02:48

Licensing Information Center Call Data - Prior Calendar Years

Inbound Activity	CY 2014	CY 2015	CY 2016	CY 2017	2018
Calls Received	161,986	158,409	163,076	166,918	152,845
Calls Answered	154,837	153,258	158,778	147,074	137,270
Caller Abandoned	6,677	5,124	4,178	16,527	9,426
Average Longest Wait Time	08:24	07:28	05:39	01:36	10:48
Average Shortest Wait Time	00:30	00:19	00:22	00:12	01:04
Average Wait Time	03:29	04:17	02:45	06:46	04:21



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. In addition, the Judgment unit 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

Payments 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 Reimbursement to State Agencies and Public

	2018					2019						
	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
OUTSTANDING LIABILITIES (FROM CALIFORNIA STATE AGENCIES)												
Initial	138	114	72	73	91	96	84	76	68	64	83	63
Suspend	51	56	116	95	56	66	74	79	63	58	51	57
Reinstate	42	69	66	97	56	60	53	45	65	51	45	45
Total	231	239	254	265	203	222	211	200	196	173	179	165
FINAL JUDGMENTS (FROM COURT ACTIONS)												
Initial	57	42	35	69	41	42	43	39	36	63	62	61
Suspend	30	27	15	18	19	17	26	13	17	18	16	7
Reinstate	70	52	53	64	33	55	40	41	55	46	61	53
Total	157	121	103	151	93	114	109	93	108	127	139	121
PAYMENT OF CLAIMS (FROM BOND SURETY COMPANIES)												
Initial	166	163	152	168	143	157	190	159	186	161	189	172
Suspend	80	72	84	79	95	69	99	89	105	65	77	109
Reinstate	133	97	112	128	119	117	98	144	139	117	125	139
Total	379	332	348	375	357	343	387	392	430	343	391	420

Reimbursement Amount to State Agencies and Public

	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Outstanding Liabilities	\$28,991,003	\$25,435,065	\$21,294,139	\$23,282,397	\$23,899,670
Final Judgments	\$32,989,198	\$45,605,109	\$21,075,805	\$20,175,529	\$12,167,435
Payment of Claims	\$9,193,734	\$9,965,960	\$8,852,480	\$8,850,173	\$9,580,600
Total Monetary Savings	\$71,173,935	\$81,006,134	\$51,222,424	\$52,308,099	\$45,647,705



State Agency Outstanding Liabilities Collected

	Employment Development 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)	Board of Equalization (BOE)	Total Liabilities Collected
May 2018	\$1,069,140	\$154,298	\$95,789	-	\$1,319,227
June	\$846,508	\$1,218,931	\$492,359	-	\$2,557,798
July	\$899,865	\$631,441	\$696,394	-	\$2,227,700
August	\$1,580,370	\$1,016,512	\$254,215	-	\$2,851,097
September	\$1,010,798	\$567,783	\$163,229	\$4,301	\$1,746,111
October	\$1,403,441	\$925,250	\$361,241	-	\$2,689,932
November	\$1,007,313	\$317,235	61,719	-	\$1,386,267
December	\$596,423	\$508,875	\$589,521	-	\$1,694,819
January 2019	\$680,226	\$489,676	\$297,813	-	\$1,467,715
February	\$765,900	\$365,475	66,540	-	\$1,197,915
March	\$1,171,400	\$383,623	\$139,886	-	\$1,694,909
April	\$652,619	\$735,871	\$241,401	-	\$1,629,891
TOTALS	\$15,200,131	\$9,073,432	\$4,038,043	\$4,301	\$28,323,432

AGENDA ITEM E-3

Testing Program Update

- a. Examination Administration Unit Update
- b. Examination Development Unit Update





CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division’s EAU administers CSLB’s 46 examinations at eight 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.

The annual EAU training was held April 11 and 12, 2019, in Sacramento for all EAU staff to review new protocols and procedures.

Number of Examinations Scheduled Per Month May 2018 - April 2019

May 2018	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2019	Feb	Mar	Apr	Total
4,838	4,914	4,944	4,779	4,194	4,594	4,010	3,560	4,103	4,027	4,426	4,273	52,662

CSLB maintains test centers in the following locations:

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

Number of Examinations Scheduled by Test Center May 2018 – April 2019

Test Center	Number of Examinations Scheduled
Berkeley	6,261
Fresno	2,805
Norwalk	13,398
Oxnard	6,634
Sacramento	6,804
San Bernardino	7,743
San Diego	4,471
San Jose	4,546
Total	52,662



EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards and guidelines, Department of Consumer Affairs policies, CSLB regulations, as well as federal and California state law.

Exam 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 information is relevant to each contractor classification, and in what proportion it should be tested. This process starts with interviews of a statewide sample of active California licensees in each specific classification. The interviews determine the job tasks performed by contractors in that trade and the knowledge needed to work safely and competently. EDU staff then conduct two workshops and a large-scale online survey with a larger number of licensees, who act as subject matter experts. The result is 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 released two new examinations in March 2019: C-55 Water Conditioning and C-60 Welding.

Examination Programs in Progress as of June 1, 2019

Occupational Analysis	Item Bank Development
A General Engineering	B General Building
C-11 Elevator	C-10 Electrical
C-28 Lock and Security Equipment	C-5 Framing and Rough Carpentry
C-36 Plumbing	C-22 Asbestos Abatement
	C-35 Lathing and Plastering
	C-38 Refrigeration
	C-51 Structural Steel

Ongoing Consumer Satisfaction Survey

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. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process.



Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email one month after the initial request is sent.

AGENDA ITEM E-4

Review, Discussion and Possible Action
on Whether to Enter into a Reciprocity
Agreement with North Carolina and
Oregon for the “B” General Contractor
License and Research Legislative Options
for Trade Exam Waivers





Background

During several meetings in 2017, the board considered whether to grant a trade exam waiver to qualified applicants who hold a license from states that use the National Association of State Contractors Licensing Agencies (NASCLA) Commercial General Building Contractor exam (NASCLA Exam).

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

OPES recommended that in considering reciprocity, CSLB should evaluate differences between the CSLB and NASCLA Exam in regard to the scope of practice, examination content, exam format, passing scores, and passing rates. OPES further recommended that if CSLB does adopt the NASCLA Exam, CSLB should:

- Accept that the CSLB and NASCLA exams are not parallel
- Maintain existing waiver regulations
- Accept the NASCLA Exam only for reciprocity purposes; California applicants must still take the "B" exam for California licensure
- Participate in the NASCLA Exam occupational analysis process

After additional research and discussion, in April 2018, the board directed staff to pursue reciprocity agreements with Louisiana, North Carolina, and Oregon and to waive the CSLB "B" General Building trade exam for a qualified applicant who has passed the NASCLA Exam if that state agrees to accept CSLB's "B" General Building trade exam for California licensees looking to work in those states.

To date, staff has entered into a reciprocity agreement with Louisiana, made inquiries with Oregon, and been in negotiations with North Carolina.

CSLB's Reciprocity Statute

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

The registrar may accept the qualifications of an applicant who is licensed as a contractor in a similar classification in another state if that state accepts the qualifications of a contractor licensed in this state for purposes of licensure in that other state, and if the board ascertains, on a case-by-case basis, that the professional qualifications and conditions of good standing for licensure and continued licensure are at least the same or greater in that state as in California. The registrar may waive the trade examination for that applicant if the applicant provides written certification from that other state in which he or she is licensed, that the applicant's license has been in good standing for the previous five years. [Emphasis added.]

**Oregon Examinations**

The Oregon Construction Contractors Board only requires a “Law and Business” exam; a trade exam such as the NASCLA Commercial Builders Exam is not a requirement for licensure. Pursuant to CSLB’s reciprocity statute, Oregon licensees do not qualify for a reciprocity exam waiver because Oregon does not require a trade exam (i.e., the qualifications for licensure are not the same or greater than California requirements).

North Carolina Examinations

The North Carolina Licensing Board for General Contractors (NCLB) allows applicants to take the NASCLA Exam or a North Carolina specific trade exam developed and administered by private exam developer PSI. However, NCLB will not enter into a reciprocity agreement with CSLB unless CSLB waives the “B” General Building trade exam for an applicant that has passed the NCLB trade exam.

Although the NASCLA Commercial General Building Contactor exam differs in several respects from California’s “B” General Building exam, CSLB staff continue to have a role in its development and maintenance and the board has previously approved entering into reciprocity agreements with states using this exam. The Board has not authorized staff to accept applicants that have taken the North Carolina state administered exam and OPES has not had the opportunity to thoroughly review the exam as it did with the NASCLA Exam.

Licensing Committee Recommendation:

- That the board directs staff to no longer pursue a reciprocity agreement with the State of Oregon because it does not require a trade examination for licensure;
- That the Board directs staff to no longer pursue a reciprocity agreement with the State of North Carolina because North Carolina requires CSLB accept the North Carolina state administered exam; and
- That the board directs staff to conduct research on whether the board should consider a legislative proposal that would grant a trade exam waiver to any individual in the United States that has: 1) passed the NASCLA Exam; and 2) has five years of good standing as a licensed general contractor in another state.

AGENDA ITEM E-5

Update and Discussion of Licensing 2019-21 Strategic Plan Objectives





Licensing & Testing Objectives

	ITEM	TARGET	UPDATE
1.1	Create an interactive online asbestos training to replace the open book asbestos exam	January 2019	Complete and available on the CSLB website
1.2	Review the licensing classification determinations for consistency and develop classification industry bulletins	January 2019 and ongoing	Work plan developed and initial industry bulletin about brush removal under review
1.3	Meet with stakeholders and develop a proposal for a new remodeling/home improvement license classification.	March 2019 (to meet with stakeholders)	Initial meetings held in April 2019; staff continue to gather data
1.4	Review barriers to licensure regarding criminal background information and make changes where possible to encourage licensure.	July 2019 (to review process and identify possible changes)	AB 2138 regulations approved by the board and are under review with DCA
1.5	In conjunction with the Legislation division, review multiple qualifier responsibilities and bonding requirements to determine if regulatory or legislative changes will improve consumer protection.	August 2019	Staff has begun research; new potential mandate from Senate Business and Professions Committee to study if current bond amount is sufficient, which will include an analysis of the bond of qualifying individual and multiple license qualifier issue
1.6	Research the feasibility of outsourcing test administration to reduce costs, reallocate resources, and expand testing options for licensees.	September 2019	Draft report currently under review and will present to Board in September
1.7	In partnership with Public Affairs and Information Technology, develop online original contractor license applications to reduce application return rates. <i>(See Public Affairs objective 4.7 and Information Technology objective 5.15)</i>	December 2019	Staff continue to map processes and procedures and are currently working on a user-friendly interface



1.8	Review feasibility of continuing education or online testing for license renewal to keep licensees informed of changes to laws and codes July 2020 (to complete research only)	July 2020 (to complete research only)	Not Yet Started
1.9	In partnership with the Public Affairs Office and Enforcement division, create online courses and content to educate licensees. <i>(See Public Affairs objective 4.10 and Enforcement objective 2.6)</i>	December 2021	Not Yet Started
1.10	Expand public records and licensing information on the website to increase transparency. <i>(See Information Technology objective 5.19)</i>	Ongoing	Workgroup formed with IT, Licensing, and PAO staff
1.11	Evaluate call center processes and procedures for consistency in communication with licensees, consumers, and other stakeholders to improve customer service	Ongoing	Staff are building a new procedure manual and reviewing call-in phone prompts
1.12	Review the subject matter expert pool to insure representation from a cross-section of industry to enhance test development.	Ongoing	Not Yet Started

AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Committee Chair Update on May 13, 2019, Enforcement Committee Meeting



AGENDA ITEM F-2

Enforcement Program Update

- a. Staff Vacancy Update
- b. Consumer Investigation Highlights
- c. General Complaint-Handling Statistics
- d. Statewide Investigative Fraud Team Highlights and Statistics
- e. Joint Enforcement Strike Force Update
- f. Renewal of CSLB and Employment Development Department Memorandum of Understanding
- g. Partnership Opportunities for Mandatory Workers' Compensation for Specified License Classifications





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

STAFF VACANCY UPDATE

Thanks to the combined efforts of division managers, supervisors, and the CSLB Personnel Unit, the number of vacancies is only 14. Eleven of these 14 vacancies have candidates selected for hire and pending final approval. The Enforcement division is actively trying to fill the chart below shows the status of all 14 vacant positions:

Position Class	Location	Status
Enforcement Rep II	SWIFT Central	Candidate selected; pending approval
Office Technician	SWIFT North	Candidate selected; pending approval
Enforcement Rep I/II	Fresno Investigative Center (IC)	Candidate selected; pending approval
Enforcement Rep II	West Covina IC	Candidate selected; pending approval
Enforcement Rep I	Valencia IC	Candidate selected; pending approval
Office Technician	San Bernardino IC	Candidate selected; pending approval
Enforcement Rep I	Orange Co IC	Candidate selected; pending approval
Consumer Services Rep	Norwalk Intake/Mediation Center (IMC)	Candidate selected; pending approval
Consumer Services Rep	Norwalk IMC	Candidate selected; pending approval
Consumer Services Rep	Norwalk IMC	Candidate selected; pending approval
Consumer Services Rep	Sacramento IMC	Candidate selected; pending approval
Enforcement Rep I	Norwalk IC	Position posted
Enforcement Rep I	Sacramento North IC	Position posted
Enforcement Rep II	Sacramento North IC	Position posted

INVESTIGATION HIGHLIGHTS

The 214 employees of CSLB's Enforcement division process, settle, and investigate all construction-related complaints. Consumer Services Representatives (CSRs) within the division's two Intake and Mediation Centers (IMCs) receive, process, and – when appropriate – attempt to settle most incoming complaints. If settlement efforts are unsuccessful or if a violation of state contractors' license law is suspected, the complaints are routed to one of the division's 10 Investigative Centers (ICs). An Enforcement Representative (ER) then begins a full investigation and decides if any enforcement action is necessary. Additionally, ERs in the division's three Statewide Investigation Fraud Teams (SWIFT) proactively enforce Contractors License Law through undercover stings and enforcement sweeps in the field. A few of the recent activities and investigations by these division units are highlighted below.



Contractor Charged with Elder Abuse in Solar Scam

In August 2016, a 71-year-old woman entered into a \$50,000 contract with EnerG Shield Home Inspection Services & General Contractor to perform energy efficiency upgrades at her San Jose home. Jesse Almari, claiming to be an EnerG registered salesperson, handled the paperwork. EnerG’s website assures customers “We will always conduct our business honorably and with integrity;” but the homeowner soon learned you can’t always trust what you read online. Almari helped the homeowner secure funding through the Property Assessed Clean Energy (PACE) program, which approved them for a maximum loan amount of \$68,125. Almari promptly bumped up the project cost to \$68,125 – \$18,125 above the original contract price – and then convinced the homeowner to sign the project’s Notice of Completion “so materials could be purchased.” Prior to any work being performed, Almari submitted the Notice of Completion to PACE and obtained the \$68,125. Months later, EnerG worked on the home for a few days, but soon abandoned the project altogether. The homeowner eventually hired another contractor to complete the project for \$42,600.



The homeowner filed a complaint with CSLB, which was investigated by the San Francisco Investigative Center. The investigation established that Almari is the actual owner of EnerG, although EnerG’s license lists Almari’s daughter as the “sole owner” and an absentee Responsible Managing Employee as the qualifier. A referral for legal action against the license and the salesperson registration was made in December 2018. A criminal referral was made to the Santa Clara County District Attorney. On April 19, 2019, both Almari and his daughter were charged with felony grand theft, financial elder abuse, and diversion of construction funds. An accusation for license revocation is also pending based on multiple violations of the Business and Professions Code, including commission of a fraudulent or willful act causing injury.

Non-Licensee Pleads Guilty to Felony Elder Abuse

In June 2018, a feeble 84-year-old senior citizen in the city of Redlands hired unlicensed contractor Victor Rodriguez Carbajal to make some repairs to her wood deck. Carbajal convinced the homeowner that the entire deck needed to be torn down and replaced, and she signed a contract for \$15,000. Carbajal advised the homeowner that she needed to pay him \$11,416 up front so he could buy the necessary materials from Home Depot. Carbajal immediately cashed the \$11,416 check but did not deliver any materials or perform any work. Carbajal also refused the homeowner’s request to see a copy of the invoice for the materials. The consumer contacted Home Depot and was advised that Carbajal did place an order for \$7,800 of materials, but subsequently cancelled his order. After the local police department said they couldn’t help her, the homeowner called CSLB and filed a complaint.

The complaint was investigated by the San Bernardino Investigative Center, and the investigation corroborated the homeowner’s allegations. The San Bernardino County



District Attorney's office filed felony charges against Carbajal who plead guilty on January 17, 2019 to felony elder abuse and unlicensed contracting. On April 22, 2019, Carbajal was sentenced to 30 days in custody and five years' formal probation. Carbajal will also be required to pay restitution and administrative fees in amounts to be determined by the County Probation Department.

CSLB Fugitive Arrested by Transportation Security Administration (TSA)

In December 2011, a consumer hired unlicensed contractor Andres Ruvalcaba to construct a swimming pool at their Indian Wells vacation home. Ruvalcaba and the consumer entered into a written contract for \$32,250. The project was completed in March 2012, and the consumer paid Ruvalcaba \$25,725 based on the revised contract price. Unfortunately, Ruvalcaba did not provide proper expansion joints in the project specifications; and in October 2015, the consumer contacted Ruvalcaba about large cracks that had formed in the pool deck and loose pool tiles. Ruvalcaba agreed to make the repairs, but never returned to correct his work. Ultimately, the consumer was forced to pay another contractor \$16,855.00 to correct the deficient workmanship.

The homeowner filed a complaint with CSLB and handled by a peace officer assigned to the Special Investigations Unit. The investigation verified the poor workmanship, and also established that Ruvalcaba used his son's contractor's license (without permission) to pull the project permit. The peace officer submitted his investigation to the Riverside County District Attorney's (DA) office in April 2017. The DA filed felony charges against Ruvalcaba, and an arrest warrant was issued in June 2017. One month later, Ruvalcaba was apprehended by at an airport by TSA officers. On April 29, 2019, Ruvalcaba pled guilty to felony grand theft and contracting without a license. He was sentenced to serve 120 days in custody, complete three years' formal probation, pay restitution to the victim for the full cost of repairs (\$16,855 plus interest), and pay administrative court fees in the amount of \$2,528.

Sting Targets Tree Service Companies

On March 20 - 21, the Statewide Investigative Fraud Team (SWIFT) partnered with the San Diego Police Department and the San Diego County District Attorney's Office (DA) to conduct an undercover sting operation at a residential property in San Diego. The focus of this sting was on unlicensed tree service contractors. Sixteen of the 24 people who came to the sting provided bids for jobs which would require a D-49 (Tree Service) specialty contractor's license. As a result, investigators issued 22 notices to appear in court and referred two additional cases to the DA. While speaking with one suspect, Miguel Cruz Ruiz, investigators detected symptoms of drug impairment. Ruiz had provided investigators with a bid of \$5,000 to remove six large trees on the property, a hazardous job that would require special skills, a D-49 license, and a clear head – none of which Ruiz





had. When investigators identified themselves, Ruiz provided a false name and claimed he had no identification. The law enforcement officers on-site performed a background check and discovered the suspect had multiple active arrest warrants (including one for driving while under the influence). He was apprehended and transported to the San Diego County jail for booking.

**GENERAL COMPLAINT-HANDLING STATISTICS
(July 2018 – March 2019)**

Pending Investigations

At present staffing levels, the optimum Enforcement division caseload is 3,840 pending complaints (see chart below). As of March 2019, the pending case load was 4,038, with an average of 36 cases assigned to each Enforcement Representative (ER). The preferred maximum case assignment for Consumer Services Representatives (CSRs) and Enforcement Representatives (ERs) is shown in the following chart:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER/CSR	Maximum Number of Cases per Classification
ERs	60	10	4	35	2,100
CSRs	29	20	2	60	1,740
TOTAL					3,840

Restitution to Financially-Injured Persons

CSLB continues to assist consumers and licensees to resolve non-egregious consumer complaints. From July 2018 to March 2019, complaint-negotiation efforts by Enforcement division staff resulted in more than \$17 million in restitution to financially-injured parties.

Financial Settlement Amount July 2018- March 2019	
Intake and Mediation Center	\$3,815,219.34
Investigative Centers	\$13,046,136.70
TOTAL RESTITUTION	\$17,809,550.05



Enforcement Representative Production Goals

From July 2018 to March 2019, Investigative Center ERs met the board’s goal of a weighted statewide average of 10 complaint closures per month, as shown in the chart below.

Average Monthly Closures of Consumer Complaints July 2018- March 2019										
CSLB OFFICE	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Ave
Fresno	9	8	11	10	5	6	11	9	10	9
San Fran	11	12	9	9	8	5	8	7	9	9
Sac (North)	12	12	11	10	8	7	6	7	8	9
Sac (South)	10	11	11	11	11	9	9	11	12	11
Orange County								10	12	11
Valencia	8	8	11	11	11	9	9	9	8	9
Norwalk	12	10	11	11	10	10	5	9	10	10
West Covina	11	11	10	9	8	9	10	8	10	10
San Bern	10	10	10	10	10	9	8	9	11	10
San Diego	15	9	11	11	10	11	8	9	11	11
SIU	7	5	9	9	4	7	7	7	9	7

Complaint-Handling Cycle Time

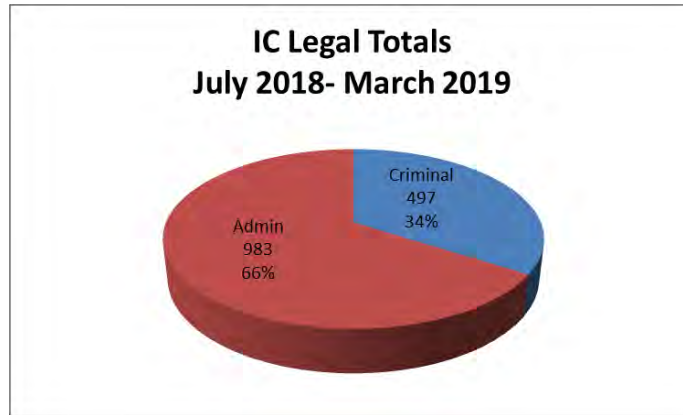
The board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As March 2019, 121 of the 4,038 open complaints – or 3 percent – exceeded 270 days in age. The following chart tracks the number of aged cases from July 2018 to March 2019.

Investigation Exceeding 270 Days in Age July 2018- March 2019										
CSLB OFFICE	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
Fresno	11	7	7	11	13	17	21	21	12	
San Fran	6	7	9	9	5	12	18	19	18	
Sac (North)	9	8	11	6	3	2	4	12	7	
Sac (South)	2	4	6	3	5	11	14	20	5	
Valencia	15	14	12	8	8	9	11	13	11	
Orange Co										11
Norwalk	15	21	26	18	20	18	4	13	2	
West Covina	14	20	14	15	13	17	11	6	10	
San Bern	16	13	12	8	5	6	0	2	6	
San Diego	7	7	5	3	2	4	1	11	12	
SIU	19	14	17	19	18	29	36	26	27	
Totals	114	115	119	100	92	125	120	143	121	



Investigative Center Legal Actions

From July 2018 to March 2019, the Investigative Centers (ICs) referred 34 percent, or 497 of the 1,480 legal action investigations for criminal prosecution.



Case Management July 2018 – March 2019

ARBITRATION		
Arbitration Cases Initiated		691
Arbitration Decisions Received		543
Licenses Revoked for Non-Compliance		87
Arbitration Restitution		\$2,908,162
CITATIONS ISSUED		
Citation Status	Licensee	Non-Licensee
Issued	549	384
Appealed	222	156
Compliance	422	195
ACCUSATIONS/STATEMENTS OF ISSUES		
Revocations by Accusation		259
Accusation Restitution Paid to Injured Persons		\$592,321
Statement of Issues (Applicants Denied)		24
Cost Recovery Received		\$337,915
Number of Cases Opened		270
Number of Accusations/Statement of Issues Filed		250
Number of Proposed Decisions Received		56
Number of Stipulations Received		76
Number of Defaults Received		124
Number of Decisions Mailed		260



STATEWIDE INVESTIGATIVE FRAUD TEAM

CSLB’s Statewide Investigative Fraud Team (SWIFT) is comprised of Enforcement Representatives (ERs) 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.

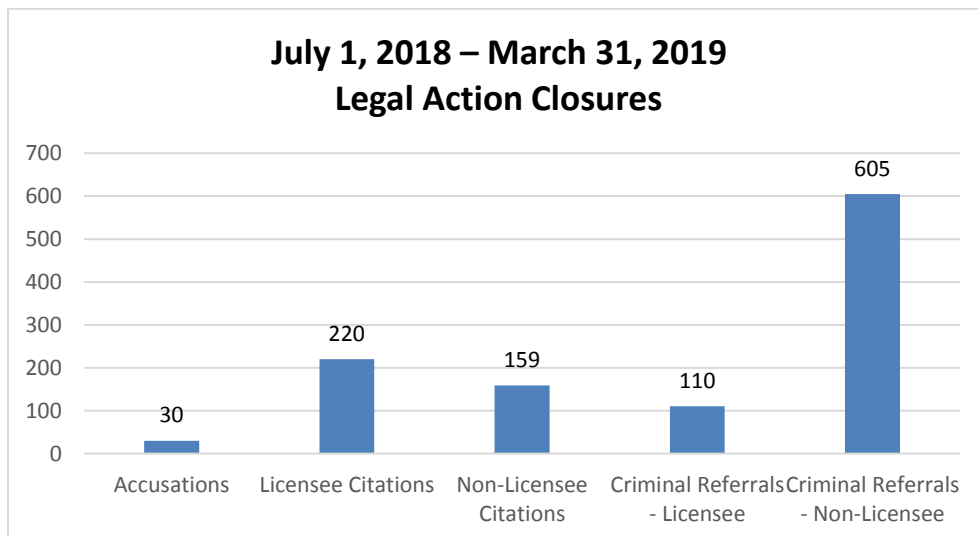
The sting operations targeted unlicensed repeat offenders and wanted criminals who work in the construction industry. At stings, SWIFT investigators invite suspected unlicensed contractors and wanted criminals to homes to place bids on home improvement projects. Suspects were found by searching online advertisements and from leads from the CSLB’s Intake Mediation Center.

Construction site inspections or sweeps are also an effective way for CSLB to ensure contractor compliance with California’s licensing and workers’ compensation insurance requirements. Investigators with CSLB’s Statewide Investigative Fraud Team spreads-out across the state throughout the year with investigators from partner agencies, and shows-up unannounced at active construction sites to check for appropriate licenses, permits, workers’ compensation insurance for employees, and adherence to safety rules.

From July 1, 2018 to March 31, 2019, SWIFT conducted 57 sting operations in partnership with other state agencies, law enforcement, and district attorneys. Working with other state and local agencies, SWIFT conducted 248 sweep days throughout the state.

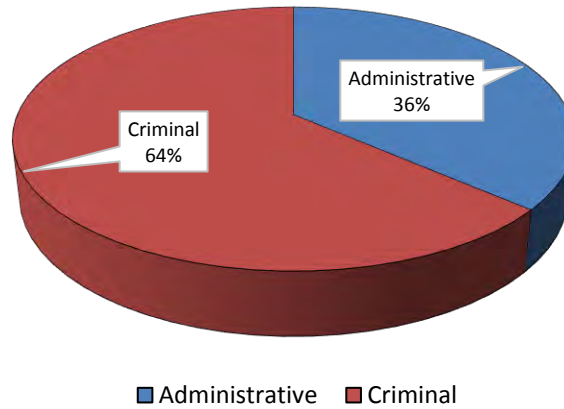
Legal Action Closures

From July 1, 2018 to March 31, 2019, SWIFT closed 2,907 cases as a result of stings, sweeps, and leads, of which 1,124 resulted in an administrative or criminal legal action. Investigators also issued 720 Advisory Notices for minor violations. SWIFT has referred 715 cases to local District Attorney’s Offices for criminal prosecution





July 1, 2018 – March 31, 2019 Legal Actions



Administrative Citations

From July 1, 2018 to March 31, 2019, SWIFT issued 379 licensee and non-licensee administrative citations and assessed \$443,000 in non-licensee citation civil penalties. Below is a breakdown of SWIFT’s administrative non-licensee citations.

Citation Amounts Assessed

July 1, 2018 - March 31, 2019 Non- Licensee Citations				
	Northern SWIFT	Central SWIFT	Southern SWIFT	Totals
July 2018	\$17,700	\$5,000	\$49,250	\$71,950
August 2018	\$2,550	\$1,500	\$37,250	\$41,300
September 2018	\$1,500	\$5,250	\$38,750	\$45,500
October 2018	\$36,700	\$5,750	\$73,000	\$115,450
November 2018	\$1,450	\$1,000	\$19,500	\$21,950
December 2018	\$750	\$4,500	\$5,750	\$11,000
January 2019	\$2,450	\$2,750	\$24,250	\$29,450
February 2019	\$7,450	\$2,250	\$34,750	\$44,450
March 2019	\$22,750	\$5,200	\$34,000	\$61,950
Totals	\$93,300	\$33,200	\$316,500	\$443,000



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 by a fine of up to \$10,000. From January 1, 2019 and March 31, 2019, SWIFT issued 60 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers’ compensation policy.

Calendar Year	2014	2015	2016	2017	2018	2019 Jan – March
Licensee Stop Orders Issued	154	259	258	366	374	60
Unlicensed Operator Stop Orders Issued	169	231	178	301	301	55
Total Stop Orders Issued	323	490	436	667	675	115
WC Policies Obtained	93	200	165	241	284	39
Licenses Suspended	38	31	49	26	68	24

JOINT ENFORCEMENT STRIKE FORCE UPDATE

The Joint Enforcement Strike Force (JESF) was established in 1995, to combat the underground economy by pooling resources and sharing data among the state agencies charged with enforcing licensing, labor, and payroll tax laws. The Employment Development Department (EDD) is the designated lead agency of the JESF, and the EDD Director or designee serves as its chair. The JESF members include:

- EDD – Tax Branch
- EDD – Investigation Division Criminal Tax Enforcement Program
- Department of Consumer Affairs
- Contractors State License Board
- Bureau of Automotive Repair
- Bureau of Security and Investigative Services
- Department of Industrial Relations – Division of Labor Standards Enforcement
- Department of Industrial Relations – Division of Occupational Safety and Health
- California Department of Insurance
- Franchise Tax Board
- California Tax and Fee Administration
- Department of Justice – Underground Economy Unit
- California Department of Alcoholic Beverage Control
- United States Department of Labor
- United States Internal Revenue Service



Outstanding Tax and State Agency Liability Suspensions

CSLB can suspend a license if the licensee is delinquent in paying outstanding liabilities due 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

	2014	2015	2016	2017	2018
CSLB	\$149,613	\$130,980	\$132,782	\$123,507	\$138,182
EDD	\$23,943,050	\$22,730,753	\$13,707,896	\$14,000,400	\$12,912,299
DIR-Cal/OSHA	\$265,788	\$815,684	\$784,421	\$445,698	\$2,085,120
DIR-DLSE	\$1,567,303	\$937,674	\$661,066	\$1,639,923	\$1,315,519
FTB	\$3,901,471	\$2,926,488	\$5,985,942	\$7,141,353	\$7,491,602
Totals	\$29,827,225	\$27,541,579	\$21,272,107	\$23,350,880	\$23,942,722

Labor Enforcement Task Force (LETF)

Created in 2012, the Labor Enforcement Task Force (LETF) is comprised of investigators from CSLB, Department of Industrial Relations (DIR), Division of Labor Standards and Enforcement (DLSE), DIR Division of Occupational Health and Safety (Cal/OSHA), and the Employment Development Department (EDD). LETF combats the underground economy by conducting structured sweeps and strives to create an environment where legitimate businesses can thrive. LETF aims to:

- Ensure that workers receive proper payment of wages and are provided a safe work environment;
- Ensure that California receives all employment taxes, fees, and penalties due from employers;
- Eliminate unfair business competition by leveling the playing field; and
- Make efficient use of state resources in carrying out LETF's mission.



Below are LETF statistics for July 1, 2018 to March 31, 2019:

CATEGORY	RESULT
Number of Contractors Inspected*	234
Number of Contractors Out of Compliance	207
Percentage of Contractors Out of Compliance	88.46%
Total Initial Assessments**	\$1,611,420

*The results reflect joint LETF inspections with Cal/OSHA, CSLB, DLSE & EDD

** Total amount of penalties assessed at the time of the initial inspection.

CSLB and Employment Development Department (EDD) Memorandum of Understanding Renewed

On September 11, 2018, CSLB and EDD renewed their memorandum of understanding (MOU) for an additional three years. The agreement is intended to:

1. Increase the efficiency of the enforcement efforts of EDD and CSLB in locating fraudulent employers and encouraging compliance with state laws and regulations;
2. Allow joint prosecution of businesses that violate state laws and regulations; and
3. Provide EDD collectors with CSLB asset and demographic information for the collection of delinquent payroll taxes and withholding.

Additionally, the MOU defines the joint responsibilities of SWIFT and JESF as follows:

1. EDD and CSLB shall form teams to conduct, as needed, joint on-site inspections and investigations of licensed and unlicensed construction contractors operating in the underground economy. This will include the review of government agency records and files, interviewing employers and employees, and preparing reports of findings.
2. Each team (consisting of one EDD Tax Auditor and one CSLB investigator) will work jointly a minimum of two days per month conducting field investigations. The teams will operate in locations throughout the state over the period of this agreement.

The partnership between EDD and CSLB, solidified by the MOU, has resulted in the formation of eight teams conducting up to a total of 16 days of joint field investigations monthly. This exceeds the expectation set forth in the agreement of two days per month.



Mandatory Workers' Comp for Specified Classifications Partnership Opportunities

On April 11, 2019, Registrar David Fogt made a presentation to JESF members about mandatory workers' compensation (WC) insurance for certain license classifications. Attendees include representatives from the California Department of Insurance (CDI), the Employment Development Department, Franchise Tax Board, and Department of Industrial Relations. JESF members supported the proposal to mandate workers' compensation insurance for specified license classifications (in addition to roofing), and offered ideas to ensure greater compliance with payroll reporting requirements, including:

1. Inspections targeted at classifications under consideration for mandatory workers' compensation;
2. Collaboration with the Workers' Compensation Insurance Rating Bureau to identify contractors underreporting payroll;
3. Meeting with the Uninsured Employers Benefit Trust Fund to obtain statistical information about workers filing a claim who were employed by a licensee in one of the prospective classifications for which WC may be mandated;
4. Supporting a legislative proposal to prohibit a licensee from filing a workers' compensation exemption with CSLB for 12 months if found to have a filed a false exemption; and
5. Utilizing CSLB consumer complaint information to identify candidates for a premium insurance fraud audit.

In addition, CDI reported at the meeting that \$40 million in grants have been awarded to district attorney offices in California to combat workers' compensation insurance fraud next year.

AGENDA ITEM F-3

Review, Discussion, and Possible Action on Guidelines for Allocation and Prioritization of CSLB Enforcement Staff Resources



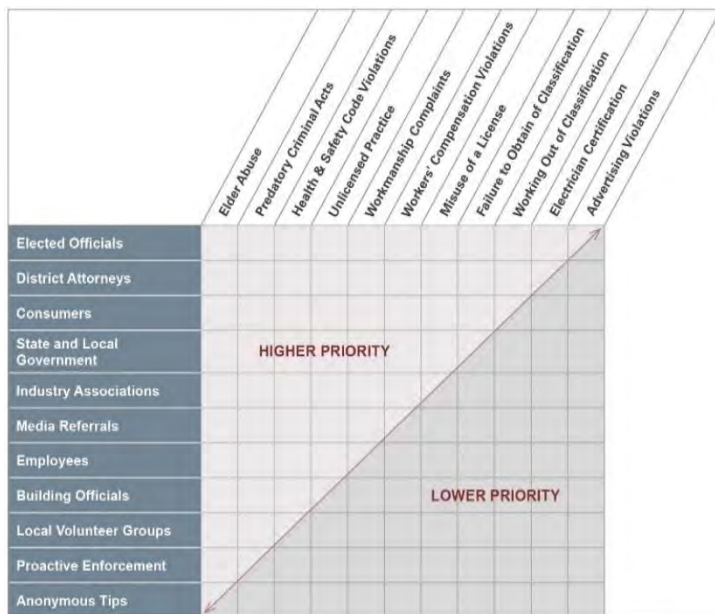


Background

The recent Sunset Review process required a careful review and analysis of almost all CSLB operations. For Enforcement division, that review included a critical reexamination of CSLB’s published complaint prioritization guidelines. The Sunset Review committee specifically asked the following questions of CSLB in item #37 of the package:

- How are [complaint] cases prioritized?
- What is the board’s compliant prioritization policy?
- Is it different from DCA’s *Complaint Prioritization Guidelines for Health Care Agencies*?

CSLB responded by stating the Board’s policies are consistent with DCA’s published prioritization guidelines, and assign the highest priority to complaints which involve threats to public safety, consumer harm, or criminal activity. Complaints involving lesser violations receive lower priority for completion. The Sunset Review response included a copy of CSLB’s prioritization matrix:



This chart was adopted in 2013 to help guide Enforcement division management and field supervisors with case assignments. Although the contents of the chart are essentially accurate, staff identified several shortcomings. Perhaps most significantly, the chart does not accurately reflect some current board priorities. For example, workers’ compensation insurance violations are now an enforcement priority; yet the chart ranks them at the mid-point. Similarly, “misuse of a license” is shown at the lower end of the chart, but is currently considered a high-priority violation.

Another deficiency in the existing chart is that it lists only eleven complaint categories, and does not clearly provide guidance for whole groups of complaints. For example, “diversion of funds” and “absentee Responsible Managing Officer” are both considered high-priority complaints, but are not listed on the existing chart. Staff recommended that additional complaint types be added to the chart to better communicate Board priorities and objectives.



Finally, the existing chart includes the “complaint source” as a prioritization factor (along the “y” axis of the chart). This design element is visually confusing, and gives the incorrect impression that the source of the complaint is equal in prioritization weight with complaint type. While complaint source is sometimes a consideration in case prioritization, that information is not always relevant – and seldom of equal weight with complaint type. Staff recommended that the complaint source be removed from the chart altogether.

Proposed Prioritization Guidelines Chart

A new complaint prioritization chart has been developed and proposed by Enforcement division staff to address the identified deficiencies of the current version. Although the actual prioritization of complaint types is mostly unchanged in the new chart, the presentation is completely different. The chart’s design was inspired by the Complaint Prioritization and Referral Guidelines published by the Department of Consumer Affairs in late 2017. In the CSLB’s chart, twenty-one different complaint types have been grouped into four prioritization categories: Urgent, High, Routine, and Low.

The proposed chart has the following significant advantages over its predecessor:

- The use of four, distinct prioritization categories – rather than a sliding scale – clearly and simply indicates how each complaint type should be ranked
- This prioritization is reinforced by color coding for each priority type
- The ranking of a few complaint types have been adjusted to more accurately reflect current Board priorities.
- The chart includes almost twice as many complaint categories (21 versus 11) to clearly convey to supervisors and managers how the most common complaint types should be prioritized
- The complaint source has been deleted from the chart

Enforcement division believes the proposed Complaint Prioritization Guidelines chart shown on the following page clearly and accurately reflects the Board’s objectives and priorities for complaint handling.



Contractors State License Board Complaint Prioritization Guidelines

URGENT	<ul style="list-style-type: none">• Health & Safety Code Violations• Elder Abuse• Predatory Criminal Acts• Diversion of Funds• Significant Public Interest
HIGH	<ul style="list-style-type: none">• Aiding and Abetting/Misuse of a License• Fraud/Misrepresentation• Workers' Compensation Violations• Subsequent Arrest• Repeat Offender• Absentee Qualifier
ROUTINE	<ul style="list-style-type: none">• Workmanship• Abandonment• Working Out of Classification• Building Permit Violations• Public Contract Code Violations• Labor Code Violations• Unlicensed Activity
LOW	<ul style="list-style-type: none">• Stand-Alone Contract Violations• Advertising Violations• Failing to Display License Number• Bonds



Enforcement Committee Action

At the May 13, 2019, Enforcement Committee meeting, members unanimously passed a motion to recommend to the full board adoption of the proposed Complaint Prioritization Guidelines chart with the following amendment: replace the phrase “Media/Politically Sensitive Cases” with Significant Public Interest.”

Enforcement Committee Recommendation

That the full board adopt the proposed Complaint Prioritization Guidelines chart.

AGENDA ITEM F-4

Update and Discussion of Enforcement 2019-21 Strategic Plan Objectives





Enforcement Objectives

ITEM	TARGET	UPDATE
<p>2.1 Formalize a disaster response program for greater efficiencies and to improve response time. <i>(See Public Affairs objective 4.2)</i></p>	June 2019	Designated a Disaster Response Coordinator to oversee staffing in affected areas; developed statistical charts to track expenditures and resources
<p>2.2 Educate the public about the complaint and investigative processes, as well as available resources for financial redress.</p>	June 2019	The automated contact letter sent to consumers immediately upon the filing of a complaint will be updated by June 30, 2019.
<p>2.3 In partnership with Public Affairs, develop and implement a plan to identify opportunities to increase publicity concerning enforcement actions, including relaunch of CSLB's Most Wanted feature. <i>(See Public Affairs objective 4.4)</i></p>	<p>Develop: June 2019</p> <p>Implement: January 2020</p>	In partnership with Public Affairs, developed a plan to identify investigative highlights to be utilized in publicity efforts. Additionally, the CSLB's Most Wanted feature has been reinitiated as reported at the May 2019 committee meetings
<p>2.4 Leverage social media to identify potential workers' compensation violations and unlicensed contracting.</p>	January 2020	In process
<p>2.5 Develop a program to improve complaint response by setting priorities and recognizing staff achievements.</p>	January 2020	<p>Developed updated complaint prioritization guidelines (May 2019)</p> <p>Starting July 2019 supervisors will submit monthly reports highlighting staff achievements</p>
<p>2.6 In partnership with the Public Affairs Office and Licensing division, create online courses and content to educate licensees. <i>(See Public Affairs objective 4.10 and Licensing objective 1.9)</i></p>	December 2021	Developed an online building permit compliance training course for licensees who fail to comply with local building department permit requirements



2.7	Provide training opportunities to improve morale and staff knowledge.	Ongoing	Conducted leadership training for all Enforcement supervisors; conducted training for Enforcement Representatives about case management and district attorney referral process
2.8	Prioritize proactive investigation of license requirements to protect the public and licensed contractors by removing unlicensed contractors from the marketplace.	Ongoing	Ongoing
2.9	Attend job fairs to promote employment opportunities at CSLB.	Ongoing	Ongoing

AGENDA ITEM G

Legislation



AGENDA ITEM G-1

Committee Chair Update on May 13, 2019, Legislative Committee Meeting

- a. Status Update on Future Meetings Regarding Appropriate License Classification(s) to Install Energy Storage Systems



AGENDA ITEM G-2

Review, Discussion, and Possible Action on 2019-20 Pending Legislation

- a. SB 601 (Morrell) State Agencies: Licenses: Fee Waiver
- b. SB 610 (Glazer) Contractors: Licensing and Regulation
- c. AB 613 (Low) Professions and Vocations: Regulatory Fees
- d. AB 193 (Patterson) Professions and Vocations
- e. AB 1024 (Frazier) Home Inspectors: Licensing:
Contractors State License Board
- f. AB 1551 (Daly) Property Assessed Clean Energy Program
- g. SB 255 (Bradford) Women, Minority, Disabled Veteran, and
LGBT Business Enterprise Procurement: Electric Service
Providers: Energy Storage System Companies: Community
Choice Aggregators
- h. SB 556 (Pan) Professional Land Surveyors and Engineers
- i. SB 144 (Mitchell and Hertzberg) Criminal Fees
- j. AB 544 (Brough) Profession and Vocations:
Inactive License Fees and Accrued and Unpaid Renewal Fees
- k. AB 1076 (Ting) Criminal Records: Automatic Relief
- l. AB 1545 (Oberholte) Civil Penalty Reduction Policy
- m. SB 53 (Wilk) Open Meetings





Pending Legislation – Bill Summaries and Legislative Committee Recommendations

- 1. SB 601 (Morrell) State Agencies: Licenses: Fee Waiver: [SUPPORT]** Would authorize any state agency that issues a business or occupational license to reduce or waive fees for licensure, renewal of licensure, or replacement of a physical license for display for a licensee displaced by a state or federally declared emergency within one year of the incident. The CSLB Legislative Committee passed a motion to “support” this bill at its May 13, 2019, meeting.
- 2. SB 610 (Glazer) Contractors: Licensing and Regulation: [SUPPORT]** Would extend CSLB’s “sunset” date and authorize the appointment of a registrar from January 1, 2020 to January 1, 2024; makes other changes to the California contractors’ state license law in response to CSLB’s 2018 Sunset Review Report and the Senate’s “omnibus” request for technical, non-substantive changes to the law. The CSLB Legislative Committee passed a motion to “support” this bill at its May 13, 2019, meeting.
- 3. AB 613 (Low) Professions and Vocations: Regulatory Fees: [SUPPORT IF AMENDED]** Would authorize Department of Consumer Affairs boards and bureaus to raise licensing fees once every four years consistent with increases in the California Consumer Price Index. The CSLB Legislative Committee passed a motion to “support if amended” this bill at its May 13, 2019, meeting.
- 4. AB 193 (Patterson) Professions and Vocations: [WATCH]** Would require the Department of Consumer Affairs to review the license requirements of every board and bureau under its jurisdiction and identify unnecessary requirements. It would also require each board to submit biennial reports documenting their progress in facilitating “licensure portability for active duty service members, veterans, and military spouses.” The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.
- 5. AB 1024 (Frazier) Home Inspectors: Licensing: Contractors State License Board: [WATCH]** Would require, beginning January 1, 2022, a person who performs home inspections to obtain a license from CSLB. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.
- 6. AB 1551 (Daly) Property Assessed Clean Energy Program: [WATCH]** Would prohibit a PACE assessment contract from containing a penalty for early payment, would require a property owner to be told that there will not be early repayment penalties, and would prohibit a PACE assessment contract from being executed unless a printed disclosure form is provided to the property owner. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.



- 7. SB 255 (Bradford) Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community Choice Aggregators: [WATCH]** Would require CSLB to assist the Public Utilities Commission in identifying distributed energy resource contractors. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.
- 8. SB 556 (Pan) Professional Land Surveyors and Engineers: [WATCH]** Would update and modernize the Professional Land Surveyors’ Act to clarify when a licensed professional land surveyor, rather than a licensed contractor, is required on the pre-construction phase of a project. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.
- 9. SB 144 (Mitchell and Hertzberg) Criminal Fees: [OPPOSE UNLESS AMENDED]** Existing law requires a court to order a contractor who defrauds a homeowner in a disaster zone to pay full restitution to the homeowner. This bill would place limitations on the court’s ability to order full restitution to a consumer. There is no staff analysis of this bill in the packet – there will be a verbal update from staff at the board meeting.
- 10. AB 544 (Brough) Professions and Vocations: Inactive License Fees and Accrued and Unpaid Renewal Fees: [OPPOSE]** Would reduce the fee to reactivate an inactive license by 50 percent. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.
- 11. AB 1076 (Ting) Criminal Records: Automatic Relief: [OPPOSE]** Current law allows a petitioner to request that certain criminal offender record information be sealed. This bill would require the Department of Justice to automatically seal eligible arrest and conviction records without requiring any action from a petitioner. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.
- 12. AB 1545 (Oberholte) Civil Penalty Reduction Policy: [OPPOSE]** Would require an agency that “significantly regulates small business” to: 1) assist small businesses in complying with the agency’s laws; 2) assist small businesses with an enforcement action taken by the agency; and 3) establish a policy to reduce civil penalties for a small business’s violation of the agency’s requirements. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.
- 13. SB 53 (Wilk) Open Meetings: [OPPOSE]** Would subject two-person advisory committees of a state board to the Bagley-Keene Open Meeting Act. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 601 (Morrell)(Coauthors: Sens. Bates, Borgeas, and Nielsen; Asms. Dahle and Mathis)
Status/Location: Senate Second Reading File
Sponsor: R Street Institute
Subject: State agencies: Licenses: Fee Waiver.
Code Section: Add section 11009.5 to the Government Code

Summary: This bill authorizes any state agency that issues a business or occupational license to reduce or waive fees for licensure, renewal of licensure, or replacement of a physical license for display for a licensee displaced by a state or federally declared emergency within one year of the incident.

Existing law requires licenses to be obtained by a person before engaging in certain professions or vocations or business activities, including licensure as a professional by various boards within the Department of Consumer Affairs.

This bill would authorize any state agency that issues any business license to reduce or waive any required fees for licensure, renewal of licensure, or the replacement of a physical license for display if a person or business establishes to the satisfaction of the state agency that the person or business has been displaced or affected by a declared emergency, federal emergency or proclaimed state emergency, as defined.

Background: The author identifies this bill as an effort to streamline economic recovery efforts in a state with local economies that have been harmed by disasters, including 381,784 businesses across nine counties in recent years.

Support: (5/13/19)
R Street Institute (Sponsor)
California Board of Accountancy
California Chamber of Commerce
California Dental Association
Rebuild Paradise Foundation
Southwest California Legislative Council

Opposition: None on file (5/13/19)

Fiscal Impact for CSLB: Minor/Absorbable

Committee Recommendation and Comments:

SUPPORT. The CSLB Legislative Committee passed a motion to “support” this bill at its May 13, 2019, meeting. This bill is a means for CSLB to support survivors of disasters that are increasingly common in the state.

Date: May 13, 2019

AMENDED IN SENATE MARCH 28, 2019

SENATE BILL

No. 601

Introduced by Senator Morrell
(Coauthors: Senators Bates, Borgeas, and Nielsen)
(Coauthors: Assembly Members Dahle and Mathis)

February 22, 2019

An act to add Section 11009.5 to the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 601, as amended, Morrell. State agencies: licenses: fee waiver.

Existing law requires various licenses to be obtained by a person before engaging in certain professions or vocations or business activities, including licensure as a healing arts professional by various boards within the Department of Consumer Affairs.

This bill would authorize any state agency that issues any business license to reduce or waive any required fees for licensure, renewal of licensure, or the replacement of a physical license for display if a person or business establishes to the satisfaction of the state agency that the person or business has been displaced *or affected* by a declared ~~emergency~~, *federal emergency or proclaimed state emergency*, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11009.5 is added to the Government
- 2 Code, to read:

1 11009.5. (a) Notwithstanding any other law, a state agency
2 that issues any business license may, within one year of the
3 ~~declaration~~ *proclamation* of an emergency as defined in Section
4 ~~8558, 8558~~ *or a declared federal emergency*, reduce or waive any
5 required fees for licensure, renewal of licensure, or the replacement
6 of a physical license for display if a person or business establishes
7 to the satisfaction of the state agency that the person or business
8 has been displaced *or affected* by the *proclaimed or* declared
9 emergency.
10 (b) For purposes of this section, “license” includes, but is not
11 limited to, a certificate, registration, or other required document
12 to engage in business.

O

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 610 (Glazer)
Status/Location: Senate Appropriations
Sponsor: Author
Subject: Contractors: Licensing and Regulation
Code Section: Amend Business and Professions Code sections 7000.5, 7006, 7011, 7018, 7040, 7071.6, 7071.17, 7124.6, 7137, and 7169

Summary: This bill extends the CSLB “Sunset” date and the authorization for the appointment of a registrar from January 1, 2020 to January 1, 2024, and makes other changes to the California Contractors’ State License Law in response to the CSLB 2018 Sunset Review Report and the Senate’s “omnibus” request for technical, non-substantive changes to the law.

Changes to Existing Law:

- Existing law provides for the existence of a Contractors State License Board and appointment of a registrar until January 1, 2020. This bill extends the statutory authority for CSLB and the appointment of its registrar until January 1, 2024.
- Existing law requires the board to provide a function on its website to allow consumers to search for licensed contractor by zip code or geographic location by January 1, 2019. This bill requires the board to maintain the contractor search function on its website without an end date. This change was made by the committee and not previously recommended or reviewed by CSLB staff or the Board.
- Existing law requires that the board meet quarterly to conduct its lawful business and hold such special meetings as necessary. This bill would require that CSLB webcast these meetings whenever possible. This change was made by the committee and not previously recommended or reviewed by CSLB staff or the Board.
- Existing law requires contractors to maintain a \$15,000 contractor’s bond as a condition of licensure. This bill requires that the board to conduct a study about whether the \$15,000 contractor bond is enough and submit its findings to the legislature by January 1, 2024. This change is the result of a discussion at the Sunset hearing itself, initiated by Senator Glazer, about whether the current bond amount is sufficient.
- Existing law requires that CSLB prohibit a license qualifier or member of personnel on a license from serving on another license if a constructed-related judgment is

entered *against a licensee* only. This bill would apply this requirement when a judgment is entered against a *licensee or any personnel of record of a licensee*.

- Existing law requires that CSLB suspend any other existing renewable license that contains any of the same personnel as the *licensee* named in a construction-related judgment. This bill extends that requirement to require CSLB to suspend any other existing renewable license that contains any of the same individuals named in the construction related judgment.
- Existing law allows the board to charge C-10 (Electrical) and C-7 (Low Voltage Systems) contractors a \$20 fee to enforce the electrician certification requirements in the Labor Code. This bill requires the board to charge C-10 contractors a \$20 fee to enforce this requirement and removes the C-7 \$20 fee option.

This bill, additionally, makes technical, clarifying and/or non-substantive changes to sections 7011, 7040, 7124.6 and 7169 of the BPC, all of which the Board approved at its December 2018 meeting for staff to present to the Senate Business, Profession & Economic Development Committee in response to the Committee's request for proposals for its omnibus bill.

Background: Each year, the Assembly Business and Professions Committee and the Senate Business, Professions and Economic Development Committee jointly hold Sunset Review Oversight Hearings to review the boards and bureaus under the Department of Consumer Affairs (DCA).

The sunset review process provides an opportunity for DCA, the Legislature, boards and bureaus, interested parties, and other stakeholders to discuss the performance of the boards and bureaus and make recommendations for improvements. The process culminates in a public hearing and a legislative bill that extends the "sunset" statute of affected boards and bureaus.

In 2018, CSLB was one of 10 DCA boards and bureaus scheduled for Sunset Review. In preparation for its hearing, CSLB developed a comprehensive report detailing its work since the last sunset review in 2014, and identified new issues, many of which were ideas for new legislation. CSLB submitted its 2018 Sunset Review report to the Legislature on November 21, 2018.

On February 26, 2019, CSLB had its hearing before the Legislature. Committee staff then prepared a background paper for its members, which included issues and recommendations to which CSLB had 30 days to prepare a response. At its March 21, 2019 meeting, the board approved the CSLB's responses, which were sent to the Legislature on March 25, 2019. On April 11, 2019, SB 610 (Glazer, 2019) was amended to extend the CSLB sunset date to January 2024.

Fiscal Impact for CSLB: Minor/absorbable

Support: (5/13/19)*

Associated Builders and Contractors of Northern California

**Note: The Legislature's analyses of this bill does not have a list of formal support beyond the one listed above; however CSLB did receive written and oral support from industry, consumer, and other stakeholder groups leading up to and during its Sunset Review process in 2019.*

Opposition: (5/13/19)

None on file

Committee Recommendation and Comments:

SUPPORT. The CSLB Legislative Committee passed a motion to “support” this bill at its May 13, 2019, meeting.

This is CSLB’s sunset bill.

Date: May 13, 2019

AMENDED IN SENATE APRIL 11, 2019
AMENDED IN SENATE MARCH 27, 2019

SENATE BILL

No. 610

Introduced by Senator Glazer

February 22, 2019

An act to amend Sections 7000.5, 7006, 7011, 7018, ~~7124.6~~, 7040, 7071.6, 7071.17, 7124.6, 7137, and 7169 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 610, as amended, Glazer. Contractors: licensing and regulation.

~~(1) The~~

The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board, Board (board), which is within the Department of Consumer Affairs. Existing

(1) Under existing law, the board is responsible for the licensure and regulation of contractors and the board is required to appoint a registrar of contractors. Existing law repeals these provisions establishing the board and requiring it to appoint a registrar on January 1, 2020.

This bill would extend the operation of these provisions to January 1, 2024.

Existing law requires the board to meet once each calendar quarter for the purpose of transacting business that comes before it. Existing law requires the board to appoint a registrar and requires the registrar, as specified, to publish a list of the names and addresses of contractors registered under that law, including a license check search function that would permit consumers to search for a licensed contractor by either ZIP Code or geographic location. Existing law requires an applicant

or licensee to file or have on file a contractor's bond in the sum of \$15,000.

This bill would require the ~~Contractors' State License Board~~ board to maintain the contractor search function on the board's internet website. *The bill would require the board to conduct a study and report to the Legislature regarding whether the current amount of the contractors' bond requirement is sufficient.* The bill would also require the board to make every effort to provide a webcast of all calendar quarter meetings of the board, as specified.

(2) Existing law provides that authorized representatives of the United States government, the State of California, and other specified agencies and entities are exempt from the provisions of the Contractors' State License Law, except as specified.

This bill would make a nonsubstantive change to these provisions.

(3) Existing law requires the registrar to make available to members of the public the date, nature, and status of all complaints on file against a licensee that meet specific qualifications. Under existing law, complaints resolved in favor of the contractor are not subject to disclosure. For legal actions against a licensee that require disclosure, existing law requires the disclosure to also appear on the license of record identified as a qualifier who is listed in the members of the personnel of record of the licensee issued the citation.

This bill would make clarifying changes to these provisions relating to legal actions that require disclosure of disciplinary action against a licensee.

(3) Existing law authorizes the board to set fees by regulation, according to a prescribed schedule, including an authorization to charge C-10 and C-7 contractors a fee, not to exceed \$20, to be used by the board to enforce provisions of the Labor Code related to electrician certification.

This bill would instead require the board to only charge C-10 contractors a \$20 fee for that purpose.

(4) Existing law requires, as a condition precedent to the board accepting an application for licensure, renewal, reinstatement, or to change officers or other personnel of record, that an applicant, previously found to have failed or refused to pay a contractor, subcontractor, consumer, materials supplier, or employee based on an unsatisfied final judgment, file or have on file with the board a bond sufficient to guarantee payment of an amount equal to the unsatisfied final judgment or judgments. Under existing law, if a judgment is entered

against a licensee, then a qualifying person or personnel of record is prohibited from serving as a qualifying individual or other personnel of record on any license until the judgment is satisfied.

This bill would extend that prohibition to when a judgment is entered against any personnel of record.

(4)

(5) Existing law requires the ~~Contractors’ State License Board~~ board to receive and review complaints and consumer questions, and complaints received from state agencies, regarding solar energy systems companies and solar contractors. Existing law requires the board to annually compile a report documenting complaints it received relating to solar contractors that it shall make available publicly on the board’s and the Public Utilities Commission’s internet websites.

This bill would make nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7000.5 of the Business and Professions
2 Code is amended to read:

3 7000.5. (a) There is in the Department of Consumer Affairs
4 a Contractors’ State License Board, which consists of 15 members.

5 (b) Notwithstanding any other provision of law, the repeal of
6 this section renders the board subject to review by the appropriate
7 policy committees of the Legislature.

8 (c) This section shall remain in effect only until January 1, 2020,
9 2024, and as of that date is repealed, unless a later enacted statute,
10 that is enacted before January 1, 2020, deletes or extends that date.
11 repealed.

12 SECTION 1.

13 SEC. 2. Section 7006 of the Business and Professions Code
14 is amended to read:

15 7006. The board shall meet at least once each calendar quarter
16 for the purpose of transacting business as may properly come
17 before it. The board shall make every effort to make all meetings
18 available as a webcast when the appropriate resources are available.

19 Special meetings of the board may be held at times as the board
20 may provide in its bylaws. Four members of the board may call a
21 special meeting at any time.

1 SEC. 3. Section 7011 of the Business and Professions Code is
2 amended to read:

3 7011. (a) The board, by and with the approval of the director,
4 shall appoint a registrar of contractors and fix ~~his or her~~ *the*
5 *registrar's* compensation.

6 (b) The registrar shall be the executive officer and secretary of
7 the board and shall carry out all of the administrative duties as
8 provided in this chapter and as delegated to ~~him or her~~ *the registrar*
9 by the board.

10 (c) For the purpose of administration of this chapter, there may
11 be appointed a deputy registrar, a chief reviewing and hearing
12 officer, and, subject to Section 159.5, other assistants and
13 subordinates as may be necessary.

14 (d) Appointments shall be made in accordance with the
15 provisions of civil service laws.

16 (e) This section shall remain in effect only until January 1, ~~2020,~~
17 ~~2024,~~ and as of that date is ~~repealed, unless a later enacted statute,~~
18 ~~that is enacted before January 1, 2020, deletes or extends that date.~~
19 *repealed.*

20 ~~SEC. 2.~~

21 SEC. 4. Section 7018 of the Business and Professions Code
22 is amended to read:

23 7018. The board shall maintain the current contractor license
24 check search function on their internet website that permits
25 consumers to search for a licensed contractor by either ZIP Code
26 or geographic location.

27 ~~SEC. 3.~~

28 SEC. 5. Section 7040 of the Business and Professions Code
29 is amended to read:

30 7040. (a) This chapter does not apply to an authorized
31 representative of the United States government, the State of
32 California, or any incorporated town, city, county, irrigation
33 district, reclamation district or other municipal or political
34 corporation or subdivision of this state when the entity or its
35 representative is acting within the scope of the entity's or
36 representative's official capacity.

37 (b) Nothing in this section authorizes the entity or its authorized
38 representative thereof either to enter into or authorize a contract
39 with an unlicensed contractor for work ~~which~~ *that* is required by
40 this chapter to be performed by a licensed contractor.

1 *SEC. 6. Section 7071.6 of the Business and Professions Code*
2 *is amended to read:*

3 7071.6. (a) The board shall require as a condition precedent
4 to the issuance, reinstatement, reactivation, renewal, or continued
5 maintenance of a license, that the applicant or licensee file or have
6 on file a contractor's bond in the sum of fifteen thousand dollars
7 (\$15,000).

8 (b) Excluding the claims brought by the beneficiaries specified
9 in subdivision (a) of Section 7071.5, the aggregate liability of a
10 surety on claims brought against a bond required by this section
11 shall not exceed the sum of seven thousand five hundred dollars
12 (\$7,500). The bond proceeds in excess of seven thousand five
13 hundred dollars (\$7,500) shall be reserved exclusively for the
14 claims of the beneficiaries specified in subdivision (a) of Section
15 7071.5. However, nothing in this section shall be construed so as
16 to prevent any beneficiary specified in subdivision (a) of Section
17 7071.5 from claiming or recovering the full measure of the bond
18 required by this section.

19 (c) No bond shall be required of a holder of a license that has
20 been inactivated on the official records of the board during the
21 period the license is inactive.

22 (d) Notwithstanding any other law, as a condition precedent to
23 licensure, the board may require an applicant to post a contractor's
24 bond in twice the amount required pursuant to subdivision (a) until
25 the time that the license is renewed, under the following conditions:

26 (1) The applicant has either been convicted of a violation of
27 Section 7028 or has been cited pursuant to Section 7028.7.

28 (2) If the applicant has been cited pursuant to Section 7028.7,
29 the citation has been reduced to a final order of the registrar.

30 (3) The violation of Section 7028, or the basis for the citation
31 issued pursuant to Section 7028.7, constituted a substantial injury
32 to the public.

33 (e) (1) *The board shall conduct a study to obtain information*
34 *to evaluate whether the current fifteen-thousand-dollar (\$15,000)*
35 *amount of the contractor bond is sufficient, or whether an increase*
36 *may be necessary.*

37 (2) *The board shall report its findings and recommendations*
38 *to the appropriate policy committees of the Legislature, in*
39 *accordance with Section 9795 of the Government Code, by January*
40 *1, 2024.*

1 *SEC. 7. Section 7071.17 of the Business and Professions Code*
2 *is amended to read:*

3 7071.17. (a) Notwithstanding any other provision of law, the
4 board shall require, as a condition precedent to accepting an
5 application for licensure, renewal, reinstatement, or to change
6 officers or other personnel of record, that an applicant, previously
7 found to have failed or refused to pay a contractor, subcontractor,
8 consumer, materials supplier, or employee based on an unsatisfied
9 final judgment, file or have on file with the board a bond sufficient
10 to guarantee payment of an amount equal to the unsatisfied final
11 judgment or judgments. The applicant shall have 90 days from the
12 date of notification by the board to file the bond or the application
13 shall become void and the applicant shall reapply for issuance,
14 reinstatement, or reactivation of a license. The board may not issue,
15 reinstate, or reactivate a license until the bond is filed with the
16 board. The bond required by this section is in addition to the
17 contractor's bond. The bond shall be on file for a minimum of one
18 year, after which the bond may be removed by submitting proof
19 of satisfaction of all debts. The applicant may provide the board
20 with a notarized copy of any accord, reached with any individual
21 holding an unsatisfied final judgment, to satisfy a debt in lieu of
22 filing the bond. The board shall include on the license application
23 for issuance, reinstatement, or reactivation, a statement, to be made
24 under penalty of perjury, as to whether there are any unsatisfied
25 judgments against the applicant on behalf of contractors,
26 subcontractors, consumers, materials suppliers, or the applicant's
27 employees. Notwithstanding any other provision of law, if it is
28 found that the applicant falsified the statement then the license
29 will be retroactively suspended to the date of issuance and the
30 license will stay suspended until the bond, satisfaction of judgment,
31 or notarized copy of any accord applicable under this section is
32 filed.

33 (b) (1) Notwithstanding any other provision of law, all licensees
34 shall notify the registrar in writing of any unsatisfied final judgment
35 imposed on the licensee. If the licensee fails to notify the registrar
36 in writing within 90 days, the license shall be automatically
37 suspended on the date that the registrar is informed, or is made
38 aware of the unsatisfied final judgment.

1 (2) The suspension shall not be removed until proof of
2 satisfaction of the judgment, or in lieu thereof, a notarized copy
3 of an accord is submitted to the registrar.

4 (3) If the licensee notifies the registrar in writing within 90 days
5 of the imposition of any unsatisfied final judgment, the licensee
6 shall, as a condition to the continual maintenance of the license,
7 file or have on file with the board a bond sufficient to guarantee
8 payment of an amount equal to all unsatisfied judgments applicable
9 under this section.

10 (4) The licensee has 90 days from date of notification by the
11 board to file the bond or at the end of the 90 days the license shall
12 be automatically suspended. In lieu of filing the bond required by
13 this section, the licensee may provide the board with a notarized
14 copy of any accord reached with any individual holding an
15 unsatisfied final judgment.

16 (c) By operation of law, failure to maintain the bond or failure
17 to abide by the accord shall result in the automatic suspension of
18 any license to which this section applies.

19 (d) A license that is suspended for failure to comply with the
20 provisions of this section can only be reinstated when proof of
21 satisfaction of all debts is made, or when a notarized copy of an
22 accord has been filed as set forth under this section.

23 (e) This section applies only with respect to an unsatisfied final
24 judgment that is substantially related to the construction activities
25 of a licensee licensed under this chapter, or to the qualifications,
26 functions, or duties of the license.

27 (f) Except as otherwise provided, this section shall not apply to
28 an applicant or licensee when the financial obligation covered by
29 this section has been discharged in a bankruptcy proceeding.

30 (g) Except as otherwise provided, the bond shall remain in full
31 force in the amount posted until the entire debt is satisfied. If, at
32 the time of renewal, the licensee submits proof of partial
33 satisfaction of the financial obligations covered by this section,
34 the board may authorize the bond to be reduced to the amount of
35 the unsatisfied portion of the outstanding judgment. When the
36 licensee submits proof of satisfaction of all debts, the bond
37 requirement may be removed.

38 (h) The board shall take the actions required by this section
39 upon notification by any party having knowledge of the outstanding
40 judgment upon a showing of proof of the judgment.

1 (i) For the purposes of this section, the term “judgment” also
 2 includes any final arbitration award where the time to file a petition
 3 for a trial de novo or a petition to vacate or correct the arbitration
 4 award has expired, and no petition is pending.

5 (j) (1) If a judgment is entered against a ~~licensee~~, *licensee or*
 6 *any personnel of record of a licensee*, then a qualifying person or
 7 personnel of record of the licensee at the time of the activities on
 8 which the judgment is based shall be automatically prohibited from
 9 serving as a qualifying individual or other personnel of record on
 10 ~~another~~ *any* license until the judgment is satisfied.

11 (2) The prohibition described in paragraph (1) shall cause the
 12 license of any other existing renewable licensed entity with any
 13 of the same personnel of record as the judgment debtor licensee
 14 *or with any of the same judgment debtor personnel* to be suspended
 15 until the license of the judgment debtor is ~~reinstated~~ *reinstated,*
 16 *the judgment is satisfied*, or until those same personnel of record
 17 disassociate themselves from the renewable licensed entity.

18 (k) For purposes of this section, lawful money or cashier’s check
 19 deposited pursuant to paragraph (1) of subdivision (a) of Section
 20 995.710 of the Code of Civil Procedure, may be submitted in lieu
 21 of the bond.

22 (l) Notwithstanding subdivision (f), the failure of a licensee to
 23 notify the registrar of an unsatisfied final judgment in accordance
 24 with this section is cause for disciplinary action.

25 ~~SEC. 4.~~

26 *SEC. 8.* Section 7124.6 of the Business and Professions Code
 27 is amended to read:

28 7124.6. (a) The registrar shall make available to members of
 29 the public the date, nature, and status of all complaints on file
 30 against a licensee that do either of the following:

31 (1) Have been referred for accusation.

32 (2) Have been referred for investigation after a determination
 33 by board enforcement staff that a probable violation has occurred,
 34 and have been reviewed by a supervisor, and regard allegations
 35 that if proven would present a risk of harm to the public and would
 36 be appropriate for suspension or revocation of the contractor’s
 37 license or criminal prosecution.

38 (b) The board shall create a disclaimer that shall accompany
 39 the disclosure of a complaint that shall state that the complaint is
 40 an allegation. The disclaimer may also contain any other

1 information the board determines would be relevant to a person
2 evaluating the complaint.

3 (c) (1) A complaint resolved in favor of the contractor shall not
4 be subject to disclosure.

5 (2) A complaint resolved by issuance of a letter of
6 admonishment pursuant to Section 7099.2 shall not be deemed
7 resolved in favor of the contractor for the purposes of this section.

8 A letter of admonishment issued to a licensee shall be disclosed
9 for a period of one year from the date described in paragraph (2)
10 of subdivision (c) of Section 7099.2.

11 (d) Except as described in subdivision (e), the registrar shall
12 make available to members of the public the date, nature, and
13 disposition of all legal actions.

14 (e) Disclosure of legal actions shall be limited as follows:

15 (1) (A) Citations shall be disclosed from the date of issuance
16 and for five years after the date of compliance if no additional
17 disciplinary actions have been filed against the licensee during the
18 five-year period. If additional disciplinary actions were filed against
19 the licensee during the five-year period, all disciplinary actions
20 shall be disclosed for as long as the most recent disciplinary action
21 is subject to disclosure under this section. At the end of the
22 specified time period, those citations shall no longer be disclosed.

23 (B) Any disclosure pursuant to this paragraph shall also appear
24 on the license record of any other license that includes a qualifier
25 that is listed as one of the members of personnel of record of the
26 license that was issued the citation.

27 (C) The disclosure described in subparagraph (B) shall be for
28 the period of disclosure of the citation.

29 (2) Accusations that result in suspension, stayed suspension, or
30 stayed revocation of the contractor's license shall be disclosed
31 from the date the accusation is filed and for seven years after the
32 accusation has been settled, including the terms and conditions of
33 probation if no additional disciplinary actions have been filed
34 against the licensee during the seven-year period. If additional
35 disciplinary actions were filed against the licensee during the
36 seven-year period, all disciplinary actions shall be posted for as
37 long as the most recent disciplinary action is subject to disclosure
38 under this section. At the end of the specified time period, those
39 accusations shall no longer be disclosed.

1 (3) All revocations that are not stayed shall be disclosed
2 indefinitely from the effective date of the revocation.

3 *SEC. 9. Section 7137 of the Business and Professions Code is*
4 *amended to read:*

5 7137. The board may set fees by regulation. These fees shall
6 be set according to the following schedule:

7 (a) (1) The application fee for an original license in a single
8 classification shall be three hundred thirty dollars (\$330) and may
9 be increased to not more than three hundred seventy-five dollars
10 (\$375).

11 (2) The application fee for each additional classification applied
12 for in connection with an original license shall not be more than
13 eighty-five dollars (\$85).

14 (3) The application fee for each additional classification pursuant
15 to Section 7059 shall be one hundred fifty dollars (\$150) and may
16 be increased to not more than one hundred seventy-five dollars
17 (\$175).

18 (4) The application fee to replace a responsible managing officer,
19 responsible managing manager, responsible managing member,
20 or responsible managing employee pursuant to Section 7068.2
21 shall be one hundred fifty dollars (\$150) and may be increased to
22 not more than one hundred seventy-five dollars (\$175).

23 (5) The application fee to add personnel, other than a qualifying
24 individual, to an existing license shall be one hundred dollars
25 (\$100) and may be increased to not more than one hundred fifteen
26 dollars (\$115).

27 (b) The fee for rescheduling an examination for an applicant
28 who has applied for an original license, additional classification,
29 a change of responsible managing officer, responsible managing
30 manager, responsible managing member, or responsible managing
31 employee, or for an asbestos certification or hazardous substance
32 removal certification, shall not be more than seventy dollars (\$70).

33 (c) The fee for scheduling or rescheduling an examination for
34 a licensee who is required to take the examination as a condition
35 of probation shall not be more than seventy dollars (\$70).

36 (d) The initial license fee for an active or inactive license shall
37 be two hundred dollars (\$200) and may be increased to not more
38 than two hundred twenty-five dollars (\$225).

1 (e) (1) The renewal fee for an active license shall be four
2 hundred dollars (\$400) and may be increased to not more than four
3 hundred fifty dollars (\$450).

4 (2) The renewal fee for an inactive license shall be two hundred
5 dollars (\$200) and may be increased to not more than two hundred
6 twenty-five dollars (\$225).

7 (f) The delinquency fee is an amount equal to 50 percent of the
8 renewal fee, if the license is renewed after its expiration.

9 (g) The registration fee for a home improvement salesperson
10 shall be eighty-three dollars (\$83) and may be increased to not
11 more than ninety-five dollars (\$95).

12 (h) The renewal fee for a home improvement salesperson
13 registration shall be eighty-three dollars (\$83) and may be increased
14 to not more than ninety-five dollars (\$95).

15 (i) The application fee for an asbestos certification examination
16 shall be eighty-three dollars (\$83) and may be increased to not
17 more than ninety-five dollars (\$95).

18 (j) The application fee for a hazardous substance removal or
19 remedial action certification examination shall be eighty-three
20 dollars (\$83) and may be increased to not more than ninety-five
21 dollars (\$95).

22 (k) In addition to any other fees charged to C-10 ~~and C-7~~
23 contractors, the board ~~may~~ *shall* charge a fee not to exceed twenty
24 dollars (\$20), which shall be used by the board to enforce
25 provisions of the Labor Code related to electrician certification.

26 (l) The service fee to deposit with the registrar lawful money
27 or cashier's check pursuant to paragraph (1) of subdivision (a) of
28 Section 995.710 of the Code of Civil Procedure for purposes of
29 compliance with any provision of Article 5 (commencing with
30 Section 7065) shall be one hundred dollars (\$100), which shall be
31 used by the board only to process each deposit filed with the
32 registrar, to cover the reasonable costs to the registrar for holding
33 money or cashier's checks in trust in interest bearing deposit or
34 share accounts, and to offset the costs of processing payment of
35 lawful claims against a deposit in a civil action.

36 (m) The service fee collected under subdivision (l) shall be
37 placed in the Contractors' Deposit Fund, which is hereby created
38 in the State Treasury, and shall, upon appropriation by the
39 Legislature, be available only for the regulatory purposes contained
40 in subdivision (l).

1 (n) The board shall, by regulation, establish criteria for the
2 approval of expedited processing of applications. Approved
3 expedited processing of applications for licensure or registration,
4 as required by other provisions of law, shall not be subject to this
5 subdivision.

6 (o) This section shall become operative on July 1, 2017.

7 ~~SEC. 5.~~

8 *SEC. 10.* Section 7169 of the Business and Professions Code
9 is amended to read:

10 7169. (a) The board, in collaboration with the Public Utilities
11 Commission, shall develop and make available a “solar energy
12 system disclosure document” or documents that provide a
13 consumer, at a minimum, accurate, clear, and concise information
14 regarding the installation of a solar energy system, total costs of
15 installation, anticipated savings, the assumptions and inputs used
16 to estimate the savings, and the implications of various financing
17 options.

18 (b) On or before July 1, 2018, the board, in collaboration with
19 the Public Utilities Commission, shall develop, and make available
20 on its internet website the disclosure document described in
21 subdivision (a) that a solar energy system company shall provide
22 to a consumer prior to completion of a sale, financing, or lease of
23 a solar energy system. The “solar energy system disclosure
24 document” shall be printed on the front page or cover page of every
25 solar energy contract. The “solar energy system disclosure
26 document” shall be printed in boldface 16-point type and include
27 the following types of primary information:

28 (1) The total cost and payments for the system, including
29 financing costs.

30 (2) Information on how and to whom customers may provide
31 complaints.

32 (3) The consumer’s right to a cooling off period of three days
33 pursuant to Section 7159 of the Business and Professions Code.

34 (c) At the board’s discretion, other types of supporting
35 information the board and the commission deem appropriate or
36 useful in furthering the directive described in subdivision (a) may
37 be included in the solar energy disclosure document following the
38 front page or cover page, including, but not limited to:

39 (1) The amounts and sources of financing obtained.

- 1 (2) The calculations used by the home improvement salesperson
- 2 to determine how many panels the homeowner needs to install.
- 3 (3) The calculations used by the home improvement salesperson
- 4 to determine how much energy the panels will generate.
- 5 (4) Any additional monthly fees the homeowner’s electric
- 6 company may bill, any turn-on charges, and any fees added for
- 7 the use of an ~~Internet~~ *internet* monitoring system of the panels or
- 8 inverters.
- 9 (5) The terms and conditions of any guaranteed rebate.
- 10 (6) The final contract price, without the inclusion of possible
- 11 rebates.
- 12 (7) The solar energy system company’s contractor’s license
- 13 number.
- 14 (8) The impacts of solar energy system installations not
- 15 performed to code.
- 16 (9) Types of solar energy system malfunctions.
- 17 (10) Information about the difference between a solar energy
- 18 system lease and a solar energy system purchase.
- 19 (11) The impacts that the financing options, lease agreement
- 20 terms, or contract terms will have on the sale of the consumer’s
- 21 home, including any balloon payments or solar energy system
- 22 relocation that may be required if the contract is not assigned to
- 23 the new owner of the home.
- 24 (12) A calculator that calculates performance of solar projects
- 25 to provide solar customers the solar power system’s projected
- 26 output, which may include an expected performance-based
- 27 buydown calculator.
- 28 (d) A contract for sale, financing, or lease of a solar energy
- 29 system and the solar energy system disclosure document shall be
- 30 written in the same language as was principally used in the oral
- 31 sales presentation made to the consumer or the print or digital
- 32 marketing material given to the consumer.
- 33 (e) For solar energy systems utilizing Property Assessed Clean
- 34 Energy (PACE) financing, the Financing Estimate and Disclosure
- 35 form required by subdivision (b) of Section 5898.17 of the Streets
- 36 and Highways Code shall satisfy the requirements of this section
- 37 with respect to the financing contract only, but not, however, with
- 38 respect to the underlying contract for installation of the solar energy
- 39 system.

1 (f) The board shall post the PACE Financing Estimate and
2 Disclosure form required by subdivision (b) of Section 5898.17
3 of the Streets and Highways Code on its internet website.

4 (g) For purposes of this section, “solar energy system” means
5 a solar energy device to be installed on a residential building that
6 has the primary purpose of providing for the collection and
7 distribution of solar energy for the generation of electricity, that
8 produces at least one kW, and not more than five MW, alternating
9 current rated peak electricity, and that meets or exceeds the
10 eligibility criteria established pursuant to Section 25782 of the
11 Public Resources Code.

12 (h) This section does not apply to a solar energy system that is
13 installed as a standard feature on new construction.

O

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 613 (Low)
Status/Location: Senate Committee on Bus., Prof., and Econ. Development
Sponsor: Author
Subject: Professions and Vocations: Regulatory Fees
Code Section: Add section 101.1 to the Business and Professions Code

Summary: This bill authorizes Department of Consumer Affairs (DCA) boards and bureaus to raise licensing fees once every four years consistent with the California Consumer Price Index increase.

Existing law establishes CSLB licensing and application fees according to a schedule set by statute; CSLB may also set fees by regulation (Business and Professions Code (BPC) section 7137). Consequently, under existing law, CSLB may only raise fees by either engaging in the regulatory or legislative process, processes which can take many months (by statute) or up to two years (by regulation).

This bill would add section 101.1 to the BPC to provide that any board or bureau within DCA may increase any fee, without engaging in the regulatory process, by an amount “not to exceed the increase in the California Consumer Price Index” (CPI) for the preceding four years. The DCA director would be required to approve any proposed increase, unless the fee exceeds the cost of the services it is funding, or the board has two years’ worth of unencumbered funds in an amount larger than its operating budget, or the director determines the fee is injurious to public health, safety, or welfare.

Background: According to the author’s office, the burden of having to raise fees by statute or regulation results in many boards and bureaus delaying fee increases to a point that their ongoing operations are affected. When fees are finally raised as needed, enough time has usually passed that the resulting increase is significant. Sudden sharp increases are unfair to licensees and makes fee adjustments controversial.

The CPI is used to evaluate the purchasing power of a dollar over time to identify a value of a service between a prior date and present day. The author states, “by allowing boards to easily adjust fees by an amount that simply conforms with CPI, boards are able to make modest, regularly scheduled changes to what they charge licensees, which will promote healthier fund conditions without the need for formal rulemaking.”

Support: (5/13/19)
California Board of Accountancy
California Pharmacists Association

Opposition: (5/13/19)
California Orthopedic Association

Fiscal Impact for CSLB: No impact.

Committee Recommendation and Comments:

SUPPORT IF AMENDED. The CSLB Legislative Committee passed a motion to “support if amended” this bill at its May 13, 2019, meeting.

CSLB would benefit from the authority proposed by this bill to raise fees without having to resort to the rulemaking process, which is the current procedure. However, the bill currently limits a board to raising fees once every four years based only on the Consumer Price Index (CPI). There may be times when a board needs to raise fees for budgetary or operational needs to a level or amount higher than the CPI. The committee discussed having staff work with the author’s office on an amendment that would preserve the ability of a board to raise fees by regulation above the CPI if there a reasonable need to do so.

Date: May 13, 2019

ASSEMBLY BILL

No. 613

Introduced by Assembly Member Low

February 14, 2019

An act to add Section 101.1 to the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 613, as introduced, Low. Professions and vocations: regulatory fees.

Existing law establishes the Department of Consumer Affairs, which is comprised of boards that are established for the purpose of regulating various professions and vocations, and generally authorizes a board to charge fees for the reasonable regulatory cost of administering the regulatory program for the profession or vocation. Existing law establishes the Professions and Vocations Fund in the State Treasury, which consists of specified special funds and accounts, some of which are continuously appropriated.

This bill would authorize each board within the department to increase every 4 years any fee authorized to be imposed by that board by an amount not to exceed the increase in the California Consumer Price Index for the preceding 4 years, subject to specified conditions. The bill would require the Director of Consumer Affairs to approve any fee increase proposed by a board except under specified circumstances. By authorizing an increase in the amount of fees deposited into a continuously appropriated fund, this bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 101.1 is added to the Business and
2 Professions Code, to read:

3 101.1. (a) Notwithstanding any other law, no more than once
4 every four years, any board listed in Section 101 may increase any
5 fee authorized to be imposed by that board by an amount not to
6 exceed the increase in the California Consumer Price Index, as
7 determined pursuant to Section 2212 of the Revenue and Taxation
8 Code, for the preceding four years in accordance with the
9 following:

10 (1) The board shall provide its calculations and proposed fee,
11 rounded to the nearest whole dollar, to the director and the director
12 shall approve the fee increase unless any of the following apply:

13 (A) The board has unencumbered funds in an amount that is
14 equal to more than the board’s operating budget for the next two
15 fiscal years.

16 (B) The fee would exceed the reasonable regulatory costs to the
17 board in administering the provisions for which the fee is
18 authorized.

19 (C) The director determines that the fee increase would be
20 injurious to the public health, safety, or welfare.

21 (2) The adjustment of fees and publication of the adjusted fee
22 list is not subject to the Administrative Procedure Act (Chapter
23 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
24 Title 2) of the Government Code.

25 (b) For purposes of this section, “fee” includes any fees
26 authorized to be imposed by a board for regulatory costs. “Fee”
27 does not include administrative fines, civil penalties, or criminal
28 penalties.

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 193 (Patterson); (Coauthors: Bates, Nielsen, Morrell, Melendez, Gallagher, Lackey, Choi, Voepel)
Status/Location: Assembly Business and Professions Committee (Two-year Bill)
Sponsor: Author
Subject: Professions and Vocations
Code Section: Adds Section 101.5 to the Business and Professions Code

Summary: This bill would require the Department of Consumer Affairs (DCA) to review the license requirements of every board and bureau under its jurisdiction and identify unnecessary requirements. It would also require each board to submit biennial reports documenting their progress in facilitating “licensure portability for active duty service members, veterans, and military spouses.”

Changes to Existing Law: This bill makes several changes to the Business and Professions Code (BPC) unrelated to CSLB; this analysis details only those changes relevant to DCA and CSLB.

Existing law establishes the DCA in the Business, Consumer Services, and Housing Agency to, among other things, ensure the adequate regulation of businesses and professions with a potential effect on the public health, safety, and welfare.

This bill creates a new section of law in the BPC that requires DCA to apply for federal funds that have been made available to review, update, and eliminate overly burdensome licensing requirements. The bill requires DCA to conduct a comprehensive review of all licensing requirements for each profession it regulates to identify unnecessary licensing requirements.

This bill requires every bureau and board (including CSLB) to submit to DCA every two years beginning February 1, 2021, an assessment of its progress in implementing policies to facilitate licensure portability for active duty service members, veterans, and military spouses. The bill provides that the assessment includes the following:

- The number of active duty service members, veterans, and military spouses who applied for licensure for each of the previous two calendar years;
- The board’s process for expediting applications for active duty service members, veterans, and military spouses; the average processing time; the number of requests; and the number of fees waived; and
- A list of the states with which the board maintains reciprocity agreements.

This bill requires that, beginning March 2023, DCA submit a biennial report to the Legislature that includes the information from each board's and bureau's assessment.

This bill defines "military spouse" to mean "a person who is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders."

This bill defines "unnecessary licensing requirement" as one that does not protect the health and safety of the public or a licensee or does not satisfy a national licensing or certification requirement.

Background: The bill declares that many entities, particularly the federal government, have "acknowledged the unnecessary burdens that occupational licensing places on otherwise qualified workers." The bill also declares that "unnecessary licensing" increases costs for consumers, restricts work opportunities, disproportionately affects minorities, exacerbates income equality, costs consumers \$200 billion nationally and costs Californians 195,917 jobs and \$22 billion in misallocated resources.

According to the bill fact sheet, California ranks as the most onerously licensed state and requires some sort of license for 76 out of 102 lower-paying jobs, with some license fees exceeding \$3,000. According to the author, burdensome licensure requirements prevent individuals, especially low-income individuals, from entering the workforce.

Support: (5/13/19)
Southwest California Legislative Council
U.S. Department of Defense

Opposition: (5/13/19)
California Nurses Association
Professional Beauty Federation of California

Fiscal Impact for CSLB: Pending

Committee Recommendation and Comments:

WATCH. This bill is now a two-year bill and the subject matter may change after September 2019. The CSLB Legislative Committee passed a motion to "watch" this bill at its May 13, 2019, meeting.

Date: May 13, 2019

AMENDED IN ASSEMBLY MARCH 20, 2019

AMENDED IN ASSEMBLY MARCH 5, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 193

Introduced by Assembly Member Patterson
(Coauthors: Assembly Members Choi, Gallagher, Lackey, Melendez,
and Voepel)

(Coauthors: Senators Bates, Morrell, and Nielsen)

January 10, 2019

An act to amend Sections 7316, 19011, 19017, 19051, 19059.5, 19060.6, and 19170 of, to add and repeal Section 101.5 of, and to repeal Sections 19010.1 and 19052 of, the Business and Professions Code, and to amend Section 110371 of the Health and Safety Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 193, as amended, Patterson. Professions and vocations.

(1) Existing law establishes the Department of Consumer Affairs in the Business, Consumer Services, and Housing Agency to, among other things, ensure that certain businesses and professions that have potential impact upon the public health, safety, and welfare are adequately regulated.

This bill would require the department, beginning on January 1, 2021, to conduct a comprehensive review of all licensing requirements for each profession regulated by a board within the department and identify unnecessary licensing requirements, as defined by the bill. *The bill, beginning February 1, 2021, and every 2 years thereafter, would require each board within the department to submit to the department an*

assessment on the board's progress in implementing policies to facilitate licensure portability for active duty service members, veterans, and military spouses that includes specified information. The bill would require the department to report to the Legislature on ~~January~~ *March* 1, 2023, and every 2 years thereafter, on the department's ~~progress;~~ *progress in conducting its review,* and would require the department to issue a final report to the Legislature no later than ~~January~~ *March* 1, 2033. The bill would require the biennial reports *to the Legislature to include the assessment information submitted by each board to the department,* to identify the professions ~~reviewed;~~ *reviewed by the department,* each unnecessary licensing requirement, and the department's recommendations to the Legislature on whether to keep, modify, or eliminate the unnecessary licensing requirement. The bill would require the department to apply for federal funds that have been made available specifically for the purpose of reviewing, updating, and eliminating overly burdensome licensing requirements, as provided.

(2) Existing law, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practice of cosmetology by the State Board of Barbering and Cosmetology in the department and defines the practice of both barbering and cosmetology to include shampooing the hair of any person. The act also specifies that, within the practice of cosmetology, there is the specialty branch of skin care, which includes applying makeup.

This bill would delete shampooing another person from the practice of barbering and cosmetology, and would delete the act of applying makeup on another person from the specialty practice of skin care. The bill would require a person who does not hold a barbering or cosmetology license to disclose that fact before the unlicensed person applies makeup to or shampoos the hair of another person.

(3) Existing law provides for the regulation of custom upholsterers by the Bureau of Household Goods and Services in the department, and requires every custom upholsterer to hold a custom upholsterer's license.

This bill would delete those provisions requiring licensure of custom upholsterers.

~~(4) The bill would make conforming and other nonsubstantive changes.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Many entities, including the Federal Trade Commission, the
4 United States Department of Labor, and the Milton Marks “Little
5 Hoover” Commission on California State Government Organization
6 and Economy, have acknowledged the unnecessary burdens that
7 occupational licensing places on otherwise qualified workers.

8 (b) Unnecessary licensing increases costs for consumers and
9 restricts opportunities for workers.

10 (c) Researchers show that occupational licensing restrictions
11 can result in almost three million fewer jobs and a cost of over
12 \$200,000,000,000 to consumers.

13 (d) The Institute for Justice estimates that burdensome licensing
14 in California results in a loss of 195,917 jobs and \$22,000,000,000
15 in misallocated resources.

16 (e) California is the most broadly and onerously licensed state
17 in the nation and has been identified as the nation’s worst licensing
18 environment for workers in lower-income occupations.

19 (f) Licensing is also believed to disproportionately affect
20 minorities and exacerbate income inequality.

21 SEC. 2. Section 101.5 is added to the Business and Professions
22 Code, to read:

23 101.5. (a) The department shall apply for federal funds that
24 have been made available specifically for the purposes of
25 reviewing, updating, and eliminating overly burdensome licensing
26 requirements.

27 (b) Beginning on January 1, 2021, the department shall conduct
28 a comprehensive review of all licensing requirements for each
29 profession and shall identify unnecessary licensing requirements.
30 The department shall conduct the review whether or not the state
31 receives federal funds pursuant to subdivision (a).

32 (c) (1) *Beginning on February 1, 2021, and every two years*
33 *thereafter, each board identified in Section 101 shall submit to the*
34 *department an assessment on the board’s progress in implementing*
35 *policies to facilitate licensure portability for active duty service*
36 *members, veterans, and military spouses. The assessment shall*
37 *include the following information:*

- 1 (A) *The number of active duty service members, veterans, and*
 2 *military spouses who applied for licensure for each of the previous*
 3 *two calendar years.*
- 4 (B) *The board's process for expediting applications for active*
 5 *duty service members, veterans, and military spouses, the average*
 6 *processing time for an expedited application, and the number of*
 7 *expedited application requests received in each of the previous*
 8 *two calendar years.*
- 9 (C) *The number of applications for waived renewal fees*
 10 *submitted by active duty service members in each of the previous*
 11 *two calendar years.*
- 12 (D) *If the board issues temporary licenses pursuant to Section*
 13 *115.6, the duration of, and requirements for obtaining, the*
 14 *temporary license.*
- 15 (E) *Whether an applicant may apply, and the requirements, for*
 16 *licensure by endorsement.*
- 17 (F) *A list of the states with which the board maintains*
 18 *reciprocity agreements, if any.*
- 19 (2) *The department shall submit the information received*
 20 *pursuant to paragraph (1) as part of the report required to be*
 21 *submitted to the Legislature pursuant to subdivision (d).*
- 22 (e)
- 23 (d) *The department shall report to the Legislature on ~~January~~*
 24 *March 1, 2023, and every two years thereafter until the department*
 25 *has completed its review, on the department's progress in*
 26 *conducting the review. The department shall issue a final report*
 27 *to the Legislature no later than ~~January~~ March 1, 2033. Each*
 28 *biennial report shall be organized by board and shall include all*
 29 *of the following:*
- 30 (1) *The professions reviewed by the department in the preceding*
 31 *two years.*
- 32 (2) *Unnecessary licensing requirements identified by the*
 33 *department for each profession reviewed.*
- 34 (3) *For each unnecessary licensing requirement, the department's*
 35 *recommendation to the Legislature to keep, modify, or eliminate*
 36 *the unnecessary licensing requirement.*
- 37 (4) *For each unnecessary licensing requirement that the*
 38 *department recommends to keep, facts supporting the department's*
 39 *recommendation.*

1 (5) *The information submitted to the department pursuant to*
2 *paragraph (2) of subdivision (c).*

3 ~~(d)~~

4 (e) The department may use national licensing standards, where
5 applicable, as a baseline for evaluating the necessity of licensing
6 requirements.

7 ~~(e)~~

8 (f) For purposes of this section, the following definitions apply:

9 (1) *“Military spouse” means a person who is married to, or in*
10 *a domestic partnership or other legal union with, an active duty*
11 *member of the Armed Forces of the United States who is assigned*
12 *to a duty station in this state under official active duty military*
13 *orders.*

14 ~~(1)~~

15 (2) *“Profession” means a profession or vocation regulated by a*
16 *board identified in Section 101.*

17 ~~(2)~~

18 (3) *“Unnecessary licensing requirement” means a licensing*
19 *requirement that does not satisfy either of the following criteria:*

20 (A) *Protects the health and safety of the public or a licensee.*

21 (B) *Satisfies a national licensing or certification requirement.*

22 ~~(f)~~

23 (g) A report to be submitted pursuant to subdivision ~~(e)~~ (d) shall
24 be submitted in compliance with Section 9795 of the Government
25 Code.

26 ~~(g)~~

27 (h) Notwithstanding Section 10231.5 of the Government Code,
28 this section is repealed on January 1, 2034.

29 SEC. 3. Section 7316 of the Business and Professions Code is
30 amended to read:

31 7316. (a) The practice of barbering is all or any combination
32 of the following practices:

33 (1) Shaving or trimming the beard or cutting the hair.

34 (2) Giving facial and scalp massages or treatments with oils,
35 creams, lotions, or other preparations either by hand or mechanical
36 appliances.

37 (3) Singeing, arranging, dressing, curling, waving, chemical
38 waving, hair relaxing, or dyeing the hair or applying hair tonics.

39 (4) Applying cosmetic preparations, antiseptics, powders, oils,
40 clays, or lotions to scalp, face, or neck.

- 1 (5) Hairstyling of all textures of hair by standard methods that
2 are current at the time of the hairstyling.
- 3 (b) The practice of cosmetology is all or any combination of
4 the following practices:
- 5 (1) Arranging, dressing, curling, waving, machineless permanent
6 waving, permanent waving, cleansing, cutting, relaxing, singeing,
7 bleaching, tinting, coloring, straightening, dyeing, applying hair
8 tonics to, beautifying, or otherwise treating by any means, the hair
9 of any person.
- 10 (2) Massaging, cleaning, or stimulating the scalp, face, neck,
11 arms, or upper part of the human body, by means of the hands,
12 devices, ~~apparatus~~ *apparatus*, or appliances, with or without the
13 use of cosmetic preparations, antiseptics, tonics, lotions, or creams.
- 14 (3) Beautifying the face, neck, arms, or upper part of the human
15 body, by use of cosmetic preparations, antiseptics, tonics, lotions,
16 or creams.
- 17 (4) Removing superfluous hair from the body of any person by
18 the use of depilatories or by the use of tweezers, chemicals, or
19 preparations or by the use of devices or appliances of any kind or
20 description, except by the use of light waves, commonly known
21 as rays.
- 22 (5) Cutting, trimming, polishing, tinting, coloring, cleansing,
23 or manicuring the nails of any person.
- 24 (6) Massaging, cleansing, treating, or beautifying the hands or
25 feet of any person.
- 26 (c) Within the practice of cosmetology there exist the specialty
27 branches of skin care and nail care.
- 28 (1) Skin care is any one or more of the following practices:
- 29 (A) Giving facials, giving skin care, removing superfluous hair
30 from the body of any person by the use of depilatories, ~~tweezers~~
31 *tweezers*, or waxing, or applying eyelashes to any person.
- 32 (B) Beautifying the face, neck, arms, or upper part of the human
33 body, by use of cosmetic preparations, antiseptics, tonics, lotions,
34 or creams.
- 35 (C) Massaging, cleaning, or stimulating the face, neck, arms,
36 or upper part of the human body, by means of the hands, devices,
37 apparatus, or appliances, with the use of cosmetic preparations,
38 antiseptics, tonics, lotions, or creams.
- 39 (2) Nail care is the practice of cutting, trimming, polishing,
40 coloring, tinting, cleansing, manicuring, or pedicuring the nails of

1 any person or massaging, cleansing, or beautifying from the elbow
2 to the fingertips or the knee to the toes of any person.

3 (d) The practice of barbering and the practice of cosmetology
4 do not include any of the following:

5 (1) The mere sale, fitting, or styling of wigs or hairpieces.

6 (2) Natural hair braiding. Natural hair braiding is a service that
7 results in tension on hair strands or roots by twisting, wrapping,
8 weaving, extending, locking, or braiding by hand or mechanical
9 device, provided that the service does not include haircutting or
10 the application of dyes, reactive chemicals, or other preparations
11 to alter the color of the hair or to straighten, curl, or alter the
12 structure of the hair.

13 (3) Threading. Threading is a technique that results in removing
14 hair by twisting thread around unwanted hair and pulling it from
15 the skin and the incidental trimming of eyebrow hair.

16 (4) Shampooing hair. However, before a person who does not
17 hold a barbering or cosmetology license shampoos the hair of
18 another person, the unlicensed person shall disclose verbally or in
19 writing to the other person that they do not hold a barbering or
20 cosmetology license.

21 (5) Applying makeup. However, before a person who does not
22 hold a barbering or cosmetology license applies makeup to another
23 person, the unlicensed person shall disclose verbally or in writing
24 to the other person that they do not hold a barbering or cosmetology
25 license.

26 (e) Notwithstanding paragraph (2) of subdivision (d), a person
27 who engages in natural hairstyling, which is defined as the
28 provision of natural hair braiding services together with any of the
29 services or procedures defined within the regulated practices of
30 barbering or cosmetology, is subject to regulation pursuant to this
31 chapter and shall obtain and maintain a barbering or cosmetology
32 license as applicable to the services respectively offered or
33 performed.

34 (f) Electrolysis is the practice of removing hair from, or
35 destroying hair on, the human body by the use of an electric needle
36 only.

37 “Electrolysis” as used in this chapter includes electrolysis or
38 thermolysis.

39 SEC. 4. Section 19010.1 of the Business and Professions Code
40 is repealed.

1 SEC. 5. Section 19011 of the Business and Professions Code
2 is amended to read:

3 19011. “Manufacturer” means a person who, either by
4 themselves or through employees or agents, makes any article of
5 upholstered furniture or bedding in whole or in part, using either
6 new or secondhand material.

7 SEC. 6. Section 19017 of the Business and Professions Code
8 is amended to read:

9 19017. “Owner’s material” means any article or material
10 belonging to a person for their own, or their tenant’s use, that is
11 sent to any manufacturer or bedding renovator or used in repairing
12 or renovating.

13 SEC. 7. Section 19051 of the Business and Professions Code
14 is amended to read:

15 19051. Every upholstered-furniture retailer, unless the person
16 holds an importer’s license, a furniture and bedding manufacturer’s
17 license, a wholesale furniture and bedding dealer’s license, or a
18 retail furniture and bedding dealer’s license, shall hold a retail
19 furniture dealer’s license.

20 (a) This section does not apply to a person whose sole business
21 is designing and specifying for interior spaces, and who purchases
22 specific amenable upholstered furniture items on behalf of a client,
23 provided that the furniture is purchased from an appropriately
24 licensed importer, wholesaler, or retailer. This section does not
25 apply to a person who sells “used” and “antique” furniture as
26 defined in Sections 19008.1 and 19008.2.

27 (b) This section does not apply to a person who is licensed as
28 a home medical device retail facility by the State Department of
29 Health Services, provided that the furniture is purchased from an
30 appropriately licensed importer, wholesaler, or retailer.

31 SEC. 8. Section 19052 of the Business and Professions Code
32 is repealed.

33 SEC. 9. Section 19059.5 of the Business and Professions Code
34 is amended to read:

35 19059.5. Every sanitizer shall hold a sanitizer’s license unless
36 the person is licensed as a home medical device retail facility by
37 the State Department of Health Services or as an upholstered
38 furniture and bedding manufacturer, retail furniture and bedding
39 dealer, or retail bedding dealer.

1 SEC. 10. Section 19060.6 of the Business and Professions
2 Code is amended to read:

3 19060.6. Every person who, on their own account, advertises,
4 solicits, or contracts to manufacture upholstered furniture or
5 bedding, and who either does the work themselves or has others
6 do it, shall obtain the particular license required by this chapter
7 for the particular type of work that the person solicits or advertises
8 that the person will do, regardless of whether the person has a shop
9 or factory.

10 SEC. 11. Section 19170 of the Business and Professions Code
11 is amended to read:

12 19170. (a) The fee imposed for the issuance and for the
13 biennial renewal of each license granted under this chapter shall
14 be set by the chief, with the approval of the director, at a sum not
15 more nor less than that shown in the following table:

	Maximum	Minimum
	fee	fee
19 Importer’s license	\$940	\$120
20 Furniture and bedding manufacturer’s		
21 license	940	120
22 Wholesale furniture and bedding		
23 dealer’s license	675	120
24 Supply dealer’s license	675	120
25		
26 Sanitizer’s license	450	80
27 Retail furniture and bedding dealer’s license	300	40
28 Retail furniture dealer’s license	150	20
29 Retail bedding dealer’s license	150	20
30		

31 (b) Individuals who, in their own homes and without the
32 employment of any other person, make, sell, advertise, or contract
33 to make pillows, quilts, quilted pads, or comforters are exempt
34 from the fee requirements imposed by subdivision (a). However,
35 these individuals shall comply with all other provisions of this
36 chapter.

37 (c) Retailers who only sell “used” and “antique” furniture as
38 defined in Sections 19008.1 and 19008.2 are exempt from the fee
39 requirements imposed by subdivision (a). Those retailers are also
40 exempt from the other provisions of this chapter.

1 (d) A person who makes, sells, or advertises upholstered
2 furniture and bedding as defined in Sections 19006 and 19007,
3 and who also makes, sells, or advertises furniture used exclusively
4 for the purpose of physical fitness and exercise, shall comply with
5 the fee requirements imposed by subdivision (a).

6 (e) A person who has paid the required fee and who is licensed
7 as an upholstered furniture and bedding manufacturer under this
8 chapter shall not be required to additionally pay the fee for a
9 sanitizer’s license.

10 ~~SEC. 12. Section 110371 of the Health and Safety Code is~~
11 ~~amended to read:~~

12 ~~110371. (a) A professional cosmetic manufactured on or after~~
13 ~~July 1, 2020, for sale in this state shall have a label affixed on the~~
14 ~~container that satisfies all of the labeling requirements for any~~
15 ~~other cosmetic pursuant to the Federal Food, Drug, and Cosmetic~~
16 ~~Act (21 U.S.C. Sec. 301, et seq.), and the federal Fair Packaging~~
17 ~~and Labeling Act (15 U.S.C. Sec. 1451, et seq.):~~

18 ~~(b) The following definitions shall apply to this section:~~

19 ~~(1) “Ingredient” has the same meaning as in Section 111791.5.~~

20 ~~(2) “Professional” means a person that has been granted a license~~
21 ~~by the State Board of Barbering and Cosmetology to practice in~~
22 ~~the field of cosmetology, barbering, or esthetics.~~

23 ~~(3) “Professional cosmetic” means a cosmetic product as it is~~
24 ~~defined in Section 109900 that is intended or marketed to be used~~
25 ~~only by a professional on account of a specific ingredient, increased~~
26 ~~concentration of an ingredient, or other quality that requires safe~~
27 ~~handling, or is otherwise used by a professional.~~

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1024 (Frazier)
Status/Location: Assembly Business and Professions Committee (Two-year Bill)
Sponsor: Author
Subject: Home Inspectors: Licensing: Contractors' State License Board
Code Section: Amend Business and Professions Code section 7076.5

Summary: This bill would require, beginning January 1, 2022, a person who performs home inspections to obtain a license from the Contractors State License Board (CSLB).

Existing law defines “home inspection” as “a noninvasive, physical examination, performed for a fee in connection with a transfer . . . of real property, of the mechanical, electrical, or plumbing systems or the structural and essential components of a residential dwelling of one to four units designed to identify material defects in those systems, structures, and components” (Business and Professions Code (BPC) section 7195). Existing law defines “home inspector” as any individual who performs a home inspection (BPC section 7195(d)). Currently, there is no California license for home inspectors.

This bill would require any persons who perform home inspections as defined to obtain a license from CSLB beginning January 1, 2022. The bill requires CSLB to establish criteria for licensing home inspectors and set reasonable fees for licensing and renewal. The bill provides the registrar authority to enforce the licensing requirements. The bill exempts from its requirements a person performing home inspections who is a licensed general contractor, pest control operator, architect, or professional engineer.

Background: Because the author has not released a fact sheet for this bill, other than the intent to require licensure for home inspectors in California the impetus of this bill is unclear. As of this writing, the bill has not been scheduled for a hearing in the Assembly Business and Professions committee.

CSLB staff has corresponded frequently with the author’s office, as well as Assembly Business & Professions Committee staff, about this bill. CSLB has also provided technical information about the CSLB licensing process to legislative representatives. Both the author’s office, as well as Assembly staff have since indicated that “CSLB may not be the right place for this bill.” According to Assembly staff, the bill will likely be a “two-year bill.”

Prior Related Legislation:

SB 2026 (Petris, 1986): Would have required CSLB to study problems related to home inspectors. **Failed passage.**

SB 974 (Petris, 1987): Would have required CSLB to regulate and license home inspectors. **Failed passage**

AB 2780 (O'Connell, 1994): Would have provided a statutory scheme for certification of home inspectors by a statewide nonprofit organization created for this purpose. **Failed passage on the Senate Floor.**

SB 258 (O'Connell, 1995): **Passed in 1996**, reflects current law (described on the previous page) regarding home inspectors and home inspections (BPC sections 7195–7199). Contains no licensing or certification requirements for home inspectors.

SB 1216 (Hughes, 1999): Would have required home inspectors to pass an examination to be created by the “Cooperative Services Joint Powers Authority.” Would have made it unlawful to represent oneself as a home inspector without passing the exam and provided for civil penalties to be recovered by homeowner. **Vetoed by the Governor.**

SB 1332 (Figueroa, 2001): Would have made it unlawful to refer to oneself as a certified home inspector unless demonstrating certain requirements to a home inspection professional association. Required inspectors to make certain disclosures. **Died in committee.**

AB 1976 (Maze, 2004): Would have required CSLB to consult with professional associations to develop a license and examination process for home inspectors and would have made violation of its provisions a misdemeanor. **Failed passage in committee.**

AB 1118 (Hayashi, 2009): Would have required certification of home inspectors by professional associations and the meeting of certain minimum requirements. Would have required DCA to develop an examination and made it unlawful to not comply. **Died as two-year bill.**

AB 717 (Dababneh, 2017): Would have made home inspectors licensees of CSLB. **Died as two-year bill.**

Support: None currently on file (5/13/19)

Opposition: None currently on file (5/13/19)

Fiscal Impact for CSLB:

Total estimated cost is \$2.4 million initially and \$1.8 million ongoing.

California does not currently license home inspectors. Based on the current bill language and without knowing the prospective size of the applicant and license population, CSLB can only give a rough estimate as to the costs associated with creating a new licensing program under its jurisdiction.

Existing CSLB staff cannot absorb this work. CSLB estimates it would need additional staff in its Licensing, Testing, and Enforcement divisions. This would also entail hiring an IT consultant, contracting with subject matter experts for exam development and occupational analysis, and additional Attorney General costs to prosecute and enforce the law.

Committee Recommendation and Comments:

WATCH. This bill is now a two-year bill and the subject matter may change after September 2019. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.

Date: May 13, 2019

ASSEMBLY BILL

No. 1024

Introduced by Assembly Member Frazier

February 21, 2019

An act to add Section 7195.1 to the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1024, as introduced, Frazier. Home inspectors: licensing: Contractors' State License Board.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board in the Department of Consumer Affairs. Existing law requires the board to appoint a registrar of contractors to carry out administrative duties, as provided.

Existing law defines home inspection and establishes a standard of care for persons performing home inspections.

This bill, beginning January 1, 2022, would require a person performing a home inspection, as defined, to be licensed by the Contractors' State License Board. The bill would authorize the board to establish criteria for licensing home inspectors and establish fees for licensing and renewal. The bill would authorize the registrar to enforce the licensing provisions. The bill would exempt a licensed general contractor, pest control operator, architect, or professional engineer from these licensing provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7195.1 is added to the Business and
- 2 Professions Code, to read:
- 3 7195.1. (a) Beginning January 1, 2022, a person who performs
- 4 home inspections, as defined in Section 7195, shall obtain a license
- 5 from the Contractors' State License Board.
- 6 (b) The Contractors' State License Board shall establish criteria
- 7 for licensing home inspectors under this section, including setting
- 8 reasonable fees for licensing and renewal.
- 9 (c) The registrar shall have the authority to enforce these
- 10 licensing requirements.
- 11 (d) This section shall not apply to a person performing home
- 12 inspections who is a licensed general contractor, pest control
- 13 operator, architect, or professional engineer.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1551 (Daly)
Status/Location: Assembly Banking and Finance Committee/two-year bill
Sponsor: California Association of Realtors
Subject: Property Assessed Clean Energy (PACE) Program
Code Section: Amend Section 22684 of the Financial Code; Amend Section 5913 and add Section 5913.1 to the Streets and Highways Code

Summary: This bill would prohibit a PACE assessment contract from containing a penalty for early payment, would require a property owner to be told that there will not be early repayment penalties, and would prohibit a PACE assessment contract from being executed unless a printed disclosure form is provided to the property owner.

Existing law related to the PACE program allows public agencies to enter voluntary contractual assessments with property owners to finance clean energy improvements that are permanently affixed to their home. A PACE “program administrator” administers a PACE program on behalf of a participating public agency.

Existing law prohibits a program administrator from executing an assessment contract – and prohibits work from commencing under a home improvement contract financed by the assessment contract – unless several different criteria are met. For example, the program administrator must ensure the financing is less than 15 percent of the value of the homeowner’s property and that the property owner is current on all mortgage debt and has not had recent late payments.

Existing law also requires the program administrator to make several oral confirmations to the property owner before the assessment contract is executed, such as confirming in plain language the key terms of the assessment contract, and discussing with the property owner how much money he or she will need to save in order to pay the annual costs under the assessment contract.

This bill would prohibit the sale of an assessment contract that contains a penalty for early repayment. This bill would also require, among the oral confirmations that must be made to the property owner, that they may make early repayments without penalty.

This bill requires the program administrator, before the contract is executed, to complete and deliver to the property owner a printed copy of the disclosure outlined in the bill in no smaller than 12-point type. The disclosure summarizes and explains important terms and provisions and provides that the property owner read the disclosure before agreeing to the PACE assessment.

Background:

According to the author, “AB 1551 aims to clarify and simplify the PACE contract disclosures in a consumer-friendly way, so homeowners are less likely to find themselves in a situation with financing they did not understand.”

The author states that the existing disclosures required for PACE assessment contracts do not disclose how much property taxes will increase each year because of the assessments, nor do they make it clear that PACE financing is not through the government but through private enterprises, some of which have pre-payment penalties. As such, AB 1551 “clarifies and simplifies key terms and considerations that homeowners should know prior to signing an assessment contract” and prohibits prepayment penalties.

Support: (5/13/19)

California Association of Realtors
California Land Title Association
Consumer Attorneys of California

Opposition: (5/13/19)

None currently on file

Fiscal Impact for CSLB: No Impact

Committee Recommendation and Comments:

WATCH. This bill is now a two-year bill and the subject matter may change after September 2019. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.

Date: May 13, 2019

AMENDED IN ASSEMBLY APRIL 1, 2019
AMENDED IN ASSEMBLY MARCH 28, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1551

Introduced by Assembly Member Daly

February 22, 2019

An act to amend Section 22684 of the Financial Code, and to amend Section 5913 ~~of~~ *of, and to add Section 5913.1 to*, the Streets and Highways Code, relating to financial institutions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1551, as amended, Daly. Property Assessed Clean Energy program.

(1) Existing law, commonly known as the Property Assessed Clean Energy (PACE) program, authorizes public agency officials and property owners, as provided, to enter into voluntary contractual assessments, known as PACE assessments, to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently fixed to real property.

Existing law, the California Financing Law (CFL), requires a program administrator who administers a PACE program on behalf of, and with the written consent of, a public agency to comply with specified requirements relating to the PACE program.

The CFL prohibits a program administrator from executing an assessment contract, prohibits any work from commencing under a home improvement contract that is financed by that assessment contract, and prohibits the execution of that home improvement contract, unless

the program administrator ensures that certain criteria related to that assessment contract are satisfied.

This bill would include within the criteria that an assessment contract is required to meet that the contract does not contain a penalty for early payment.

(2) Existing law requires a program administrator to provide an oral confirmation of the key terms of an assessment contract with the property owner on the call, or the property owner’s authorized representative, and to retain a copy of a recording of that confirmation for a period of 5 years after the recording is made. Existing law requires that oral confirmation to contain specified information.

The bill would require a program administrator to include in that oral confirmation that the property owner may repay an amount owed pursuant to an assessment contract before the date that amount is due under the contract without early repayment penalty.

This bill would prohibit a property owner from executing an assessment contract unless the program administrator completes and delivers a printed disclosure form to the property owner. The bill would require that disclosure form to list various information related to the terms of the contract, including that the PACE assessment is not with the government and that the assessment contract will be recorded as a lien on the property owner’s property.

The bill would also make nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22684 of the Financial Code is amended
- 2 to read:
- 3 22684. A program administrator shall not execute an
- 4 assessment contract, and no work shall commence under a home
- 5 improvement contract that is financed by that assessment contract
- 6 nor shall that home improvement contract be executed unless the
- 7 following criteria are satisfied:
- 8 (a) All property taxes for the property that will be subject to the
- 9 assessment contract are current. The program administrator shall
- 10 ask a property owner whether there has been no more than one
- 11 late payment of property taxes on the property for the previous

1 three years or since the current owner acquired the property,
2 whichever period is shorter.

3 (b) The property that will be subject to the assessment contract
4 has no recorded and outstanding involuntary liens in excess of one
5 thousand dollars (\$1,000).

6 (c) The property that will be subject to the assessment contract
7 has no notices of default currently recorded that have not been
8 rescinded.

9 (d) The property owner has not been a party to any bankruptcy
10 proceedings within the last four years, except that the property
11 owner may have been party to a bankruptcy proceeding that was
12 discharged or dismissed between two and four years before the
13 application date and the property owner has had no payments more
14 than 30 days past due on any mortgage debt or nonmortgage debt,
15 excluding medical debt, during the 12 months immediately
16 preceding the application date.

17 (e) The property owner is current on all mortgage debt on the
18 subject property and has no more than one late payment during
19 the six months immediately preceding the application date and if
20 the late payment did not exceed 30 days past due.

21 (f) The property that will be subject to the assessment contract
22 is within the geographical boundaries of the applicable PACE
23 program.

24 (g) The measures to be installed pursuant to the assessment
25 contract are eligible under the terms of the applicable PACE
26 program.

27 (h) The financing is for less than 15 percent of the value of the
28 property, up to the first seven hundred thousand dollars (\$700,000)
29 inclusive of the existing assessments, and is for less than 10 percent
30 of the remaining value of the property above seven hundred
31 thousand dollars (\$700,000).

32 (i) The total PACE assessments and the mortgage-related debt
33 on the property subject to the PACE assessment will not exceed
34 97 percent of the market value of the property as established by
35 the valuation required by Section 22685.

36 (j) The term of the assessment contract shall not exceed the
37 estimated useful life of the measure to which the greatest portion
38 of funds disbursed under the assessment contract is attributable.
39 The program administrator shall determine useful life for purposes
40 of this subdivision based upon credible third-party standards or

1 certification criteria that have been established by appropriate
2 government agencies or nationally recognized standards and testing
3 organizations.

4 (k) The program administrator shall verify the existence of
5 recorded PACE assessments and shall ask if the property owner
6 has authorized additional PACE assessments on the same subject
7 property that have not yet been recorded. The failure of a property
8 owner to comply with this subdivision shall not invalidate an
9 assessment contract or any obligations thereunder, notwithstanding
10 if the combined amount of the PACE assessments exceed the
11 criteria set forth in subdivision (h) or (i). The existence of a prior
12 PACE assessment or a prior assessment contract shall not constitute
13 evidence that the assessment contract under consideration is
14 affordable or meets any other program requirements.

15 (l) The assessment contract does not contain a penalty for early
16 repayment of an amount owed under the contract.

17 (m) The program administrator shall use commercially
18 reasonable and available methods to verify the above.

19 SEC. 2. Section 5913 of the Streets and Highways Code, as
20 amended by Chapter 837 of the Statutes of 2018, is amended to
21 read:

22 5913. (a) (1) Before a property owner executes an assessment
23 contract the program administrator shall do the following:

24 (A) Make an oral confirmation that at least one owner of the
25 property has a copy of the contract assessment documents required
26 by paragraph (2) of subdivision (a) of Section 5898.20 or Section
27 5899, 5899.3, or 5899.4, or Section 53328.1 of the Government
28 Code, as applicable, with all the key terms completed, the financing
29 estimate and disclosure form specified in Section 5898.17, and the
30 right to cancel form specified in Section 5898.16, with hard copies
31 available upon request.

32 (B) Make an oral confirmation of the key terms of the
33 assessment contract, in plain language, with the property owner
34 on the call or to a verified authorized representative of the owner
35 on the call and shall obtain acknowledgment from the property
36 owner on the call to whom the oral confirmation is given.

37 (2) The oral confirmation required pursuant to paragraph (1)
38 shall include, but is not limited to, all of the following information:

39 (A) The property owner on the call has the right to have other
40 persons present for the call, and an inquiry as to whether the

1 property owner would like to exercise the right to include anyone
2 else on the call. This shall occur at the onset of the call, after the
3 determination of the preferred language of communication.

4 (B) The property owner on the call is informed that they should
5 review the assessment contract and financing estimate and
6 disclosure form with all other owners of the property.

7 (C) The efficiency improvement being installed is being financed
8 by a PACE assessment.

9 (D) The total estimated annual costs the property owner will
10 have to pay under the assessment contract, including applicable
11 fees.

12 (E) The total estimated average monthly amount of funds the
13 property owner would have to save in order to pay the annual costs
14 under the PACE assessment, including applicable fees.

15 (F) That the county annual secured property tax bill, which will
16 include the installment of the PACE lien, will be mailed by the
17 county tax collector no later than November 1 each year, and that
18 if the lien is recorded after the fiscal year closes but before the bill
19 is mailed, the first installment may not appear on the county tax
20 bill until the following year.

21 (G) The term of the assessment contract.

22 (H) That payments on the assessment contract will be made
23 through an additional annual assessment on the property and paid
24 either directly to the county tax collector's office as part of the
25 total annual secured property tax bill, or through the property
26 owner's mortgage impound account, and that if the property owner
27 pays taxes through an impound account, the property owner should
28 notify the property owner's mortgage lender to discuss adjusting
29 the monthly mortgage payment by the estimated monthly cost of
30 the PACE assessment.

31 (I) That the property will be subject to a lien during the term of
32 the assessment contract and that the obligations under the
33 assessment contract may be required to be paid in full before the
34 property owner sells or refinances the property.

35 (J) That the property owner has disclosed whether the property
36 has received or is seeking additional PACE assessments and has
37 disclosed all other PACE assessments or special taxes that are or
38 about to be placed on the property, if known to and understood by
39 the property owner.

1 (K) That any potential utility savings are not guaranteed, and
2 will not reduce the assessment payments or total assessment
3 amount.

4 (L) That the program administrator and contractor do not provide
5 tax advice, and that the property owner should seek professional
6 tax advice if the property owner has questions regarding tax credits,
7 tax deductibility, or of other tax impacts on the PACE assessment
8 or assessment contract.

9 (M) That if that property tax payment is delinquent within the
10 fiscal year, the county tax collector will assess a 10-percent penalty
11 and may assess related costs, as required by state law. A delinquent
12 payment also subjects the property to foreclosure. If the delinquent
13 payment continues past June 30 of a given year and defaults, the
14 county tax collector will assess penalties at the rate of 1 ½ percent
15 per month (18 percent per year), and the property will continue to
16 be subject to foreclosure and may become subject to the county
17 tax collector’s right to sell the property at auction.

18 (N) That the property owner has a three-business day right to
19 cancel the assessment contract pursuant to subdivision (b) of
20 Section 5898.16, and that canceling the assessment contract may
21 also cancel the home improvement contract under Section 5940.

22 (O) That it is the responsibility of the property owner to contact
23 the property owner’s home insurance provider to determine whether
24 the efficiency improvement to be financed by the PACE assessment
25 is covered by the property owner’s insurance plan.

26 (P) That the property owner may repay an amount owed pursuant
27 to an assessment contract before the date that amount is due under
28 the contract without early repayment penalty.

29 (b) The program administrator shall comply with the following
30 when giving the oral confirmation described in subdivision (a):

31 (1) The program administrator shall record the oral confirmation
32 in an audio format in accordance with applicable laws.

33 (2) The program administrator may not comply with the
34 requirement in subdivision (a) through the use of a prerecorded
35 message, or other similar device or method.

36 (3) Recording of an oral confirmation shall be retained by the
37 program administrator for a period of at least five years from the
38 time of the recording.

1 (c) The provisions of this section shall be in addition to the
2 documents required to be provided to the property owner under
3 Sections 5898.16 and 5898.17.

4 (d) At the commencement of the oral confirmation, the program
5 administrator shall ask if the property owner on the call would
6 prefer to communicate during the oral confirmation primarily in
7 a language other than English that is specified in Section 1632 of
8 the Civil Code. If the preferred language is supported by the
9 program administrator, the oral confirmation shall be given in that
10 primary language, except where the property owner on the call
11 chooses to communicate through the property owner's own
12 interpreter. If the preferred language is not supported and an
13 interpreter is not chosen by the property owner on the call, the
14 PACE assessment transaction shall not proceed. For purposes of
15 this subdivision, "the property owner's own interpreter" means a
16 person, who is not a minor, is able to speak fluently and read with
17 full understanding both the English language and any of the
18 languages specified in Section 1632 of the Civil Code, and who
19 is not employed by, and whose services are not made available
20 through, the program administrator, the public agency, or the
21 contractor.

22 (e) (1) Beginning on January 1, 2019, if the oral confirmation
23 was conducted primarily in a language other than English that is
24 specified in Section 1632 of the Civil Code, the program
25 administrator shall deliver in writing the disclosures and contract
26 or agreement required by law, including, but not limited to, the
27 following:

28 (A) Assessment contract documents specified in paragraph (2)
29 of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or
30 5899.4, or a special tax described in Section 53328.1 of the
31 Government Code.

32 (B) The financing estimate and disclosure form specified in
33 Section 5898.17.

34 (C) The right to cancel form specified in Section 5898.16.

35 (2) Before the execution of any contract or agreement described
36 in paragraph (1), the program administrator shall deliver a
37 translation of the disclosures, contract, or agreement in the
38 language in which the oral confirmation was conducted, that
39 includes a translation of every term and condition in that contract
40 or agreement.

1 (f) This section shall remain in effect only until January 1, 2029,
2 and as of that date is repealed.

3 SEC. 3. Section 5913 of the Streets and Highways Code, as
4 added by Chapter 837 of the Statutes of 2018, is amended to read:

5 5913. (a) (1) Before a property owner executes an assessment
6 contract the program administrator shall do the following:

7 (A) Make an oral confirmation that at least one owner of the
8 property has a copy of the contract assessment documents required
9 by paragraph (2) of subdivision (a) of Section 5898.20 or Section
10 5899 or 5899.3, or Section 53328.1 of the Government Code, as
11 applicable, with all the key terms completed, the financing estimate
12 and disclosure form specified in Section 5898.17, and the right to
13 cancel form specified in Section 5898.16, with hard copies
14 available upon request.

15 (B) Make an oral confirmation of the key terms of the
16 assessment contract, in plain language, with the property owner
17 on the call or to a verified authorized representative of the owner
18 on the call and shall obtain acknowledgment from the property
19 owner on the call to whom the oral confirmation is given.

20 (2) The oral confirmation required pursuant to paragraph (1)
21 shall include, but is not limited to, all the following information:

22 (A) The property owner on the call has the right to have other
23 persons present for the call, and an inquiry as to whether the
24 property owner would like to exercise the right to include anyone
25 else on the call. This shall occur at the onset of the call, after the
26 determination of the preferred language of communication.

27 (B) The property owner on the call is informed that they should
28 review the assessment contract and financing estimate and
29 disclosure form with all other owners of the property.

30 (C) The efficiency improvement being installed is being financed
31 by a PACE assessment.

32 (D) The total estimated annual costs the property owner will
33 have to pay under the assessment contract, including applicable
34 fees.

35 (E) The total estimated average monthly amount of funds the
36 property owner would have to save in order to pay the annual costs
37 under the PACE assessment, including applicable fees.

38 (F) That the county annual secured property tax bill, which will
39 include the installment of the PACE lien, will be mailed by the
40 county tax collector no later than November 1 each year, and that

1 if the lien is recorded after the fiscal year closes but before the bill
2 is mailed, the first installment may not appear on the county tax
3 bill until the following year.

4 (G) The term of the assessment contract.

5 (H) That payments on the assessment contract will be made
6 through an additional annual assessment on the property and paid
7 either directly to the county tax collector's office as part of the
8 total annual secured property tax bill, or through the property
9 owner's mortgage impound account, and that if the property owner
10 pays taxes through an impound account, the property owner should
11 notify the property owner's mortgage lender to discuss adjusting
12 the monthly mortgage payment by the estimated monthly cost of
13 the PACE assessment.

14 (I) That the property will be subject to a lien during the term of
15 the assessment contract and that the obligations under the
16 assessment contract may be required to be paid in full before the
17 property owner sells or refinances the property.

18 (J) That the property owner has disclosed whether the property
19 has received or is seeking additional PACE assessments and has
20 disclosed all other PACE assessments or special taxes that are or
21 about to be placed on the property, if known to and understood by
22 the property owner.

23 (K) That any potential utility savings are not guaranteed, and
24 will not reduce the assessment payments or total assessment
25 amount.

26 (L) That the program administrator and contractor do not provide
27 tax advice, and that the property owner should seek professional
28 tax advice if the property owner has questions regarding tax credits,
29 tax deductibility, or of other tax impacts on the PACE assessment
30 or assessment contract.

31 (M) That if that property tax payment is delinquent within the
32 fiscal year, the county tax collector will assess a 10-percent penalty
33 and may assess related costs, as required by state law. A delinquent
34 payment also subjects the property to foreclosure. If the delinquent
35 payment continues past June 30 of a given year and defaults, the
36 county tax collector will assess penalties at the rate of 1 ½ percent
37 per month (18 percent per year), and the property will continue to
38 be subject to foreclosure and may become subject to the county
39 tax collector's right to sell the property at auction.

1 (N) That the property owner has a three-business day right to
 2 cancel the assessment contract pursuant to subdivision (b) of
 3 Section 5898.16, and that canceling the assessment contract may
 4 also cancel the home improvement contract under Section 5940.
 5 (O) That it is the responsibility of the property owner to contact
 6 the property owner’s home insurance provider to determine whether
 7 the efficiency improvement to be financed by the PACE assessment
 8 is covered by the property owner’s insurance plan.
 9 (P) That the property owner may repay an amount owed pursuant
 10 to an assessment contract prior to the date that amount is due under
 11 the contract without early repayment penalty.
 12 (b) The program administrator shall comply with the following
 13 when giving the oral confirmation described in subdivision (a):
 14 (1) The program administrator shall record the oral confirmation
 15 in an audio format in accordance with applicable laws.
 16 (2) The program administrator may not comply with the
 17 requirement in subdivision (a) through the use of a prerecorded
 18 message, or other similar device or method.
 19 (3) Recording of an oral confirmation shall be retained by the
 20 program administrator for a period of at least five years from the
 21 time of the recording.
 22 (c) The provisions of this section shall be in addition to the
 23 documents required to be provided to the property owner under
 24 Sections 5898.16 and 5898.17.
 25 (d) At the commencement of the oral confirmation, the program
 26 administrator shall ask if the property owner on the call would
 27 prefer to communicate during the oral confirmation primarily in
 28 a language other than English that is specified in Section 1632 of
 29 the Civil Code. If the preferred language is supported by the
 30 program administrator, the oral confirmation shall be given in that
 31 primary language, except where the property owner on the call
 32 chooses to communicate through the property owner’s own
 33 interpreter. If the preferred language is not supported and an
 34 interpreter is not chosen by the property owner on the call, the
 35 PACE assessment transaction shall not proceed. For purposes of
 36 this subdivision, “the property owner’s own interpreter” means a
 37 person, who is not a minor, is able to speak fluently and read with
 38 full understanding both the English language and any of the
 39 languages specified in Section 1632 of the Civil Code, and who
 40 is not employed by, and whose services are not made available

1 through, the program administrator, the public agency, or the
2 contractor.

3 (e) (1) Beginning on January 1, 2019, if the oral confirmation
4 was conducted primarily in a language other than English that is
5 specified in Section 1632 of the Civil Code, the program
6 administrator shall deliver in writing the disclosures and contract
7 or agreement required by law, including, but not limited to, the
8 following:

9 (A) Assessment contract documents specified in paragraph (2)
10 of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3,
11 or a special tax described in Section 53328.1 of the Government
12 Code.

13 (B) The financing estimate and disclosure form specified in
14 Section 5898.17.

15 (C) The right to cancel form specified in Section 5898.16.

16 (2) Before the execution of any contract or agreement described
17 in paragraph (1), the program administrator shall deliver a
18 translation of the disclosures, contract, or agreement in the
19 language in which the oral confirmation was conducted, that
20 includes a translation of every term and condition in that contract
21 or agreement.

22 (f) This section shall become operative on January 1, 2029.

23 *SEC. 4. Section 5913.1 is added to the Streets and Highways*
24 *Code, to read:*

25 *5913.1. Before a property owner executes an assessment*
26 *contract, the program administrator shall complete and deliver*
27 *to the property owner a printed copy of the disclosure set forth*
28 *below, or a substantially equivalent document that displays the*
29 *same information in a substantially similar format, in no smaller*
30 *than 12-point type. A sample of the disclosure set forth below shall*
31 *be maintained on a public internet website available to property*
32 *owners.*

33
34 *PACE ASSESSMENT – SUMMARY DISCLOSURE OF IMPORTANT TERMS*

35 *This is a short summary of SOME of the important terms of your PACE*
36 *assessment contract. You must still read the full disclosure and contract before*
37 *you agree to a PACE assessment.*

38 *You have a right to request and receive a paper copy of the PACE assessment*
39 *contract BEFORE signing anything.*

40 *Borrower's initials: _____*

1
2 *Your contract for this PACE assessment is NOT with the government. You are*
3 *entering into a contract with a private company.*
4 *Borrower's initials: _____*
5
6 *Should you enter into this assessment contract, a lien in the amount of the total*
7 *amount you are financing will be recorded against your property.*
8 *Borrower's initials: _____*
9
10 *The total amount you are financing is _____.*
11 *The total annual percentage rate on this assessment contract is _____.*
12 *The term length of the financing is _____ years.*
13 *Borrower's initials: _____*
14
15 *If you decide to sell your home, it is likely that the buyer or the buyer's*
16 *mortgage company will require you to pay off the assessment contract in full.*
17 *Borrower's initials: _____*
18
19 *If you decide to refinance your mortgage, your lender will likely require you*
20 *to pay off the assessment contract in full.*
21 *Borrower's initials: _____*
22
23 *Your payments for this PACE assessment will be ADDED to your yearly*
24 *property tax bill. Your yearly property tax bill will increase by an estimated*
25 *ADDITIONAL _____.*
26 *Borrower's initials: _____*
27
28 *If you pay your property taxes through an impound account, your monthly*
29 *payment to your mortgage company will increase by an estimated _____. It*
30 *is your responsibility to contact your mortgage company to inform them of the*
31 *need for an increased payment.*
32 *Borrower's initials: _____*
33
34 *If your property tax bill is late, the entire amount of your increased property*
35 *tax payments (the assessment contract plus your regular property tax bill) will*
36 *be subject to a 10% late fee and a 1.5% per month interest penalty. If payment*
37 *is not made, your home could be FORECLOSED ON.*
38 *Borrower's initials: _____*
39

1 *Should you decide to sign the assessment contract today, you have the right*
 2 *to cancel the contract without any penalty or obligation at any time before*
 3 *midnight on _____ (Date).*

4 *Borrower's initials: _____*

5

6 *Confirmation of Receipt:*

7 *Your signature below serves to show you have received this disclosure. Your*
 8 *signature on this form is not a contract to enter into an assessment.*

9

10

_____		_____	
<i>Property Owner Signature</i>	<i>Date</i>	<i>Property Owner Signature</i>	<i>Date</i>

11

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 255 (Bradford)
Status/Location: Senate Appropriations Committee
Sponsor: Author
Subject: Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community choice aggregators
Code Section: Amend section 8283 of the Public Utilities Code

Summary: This bill requires the Contractors State License Board to assist the Public Utilities Commission in identifying and developing contact information for distributed energy resource contractors.

Existing law provides regulatory authority over public utilities, including electrical, gas, water, and telephone corporations to the Public Utilities Commission (Commission) and authorizes the Commission to establish rules for all public utilities.

Existing law requires electrical, gas, water, telecommunications and telephone service providers with revenues exceeding \$25,000,000 to annually submit a plan for increasing procurement from women, minority, disabled veteran, and LGBT (diverse) businesses in categories that include renewable energy and other utility projects.

Existing law requires the plans to include methods for encouraging prime contractors and grantees to engage diverse businesses in subcontracting opportunities that include renewable energy and other utility projects.

Existing law requires the Commission to establish guidelines for these service providers to implement these requirements and requires the providers to provide an annual report on the progress of their implementation.

Existing law defines a “distributed energy resource” as “an electric generation or storage technology that complies with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation” (Public Utilities Code Section 8370).

This bill extends the requirement of service providers who must submit a plan for increasing procurement from diverse business and who must report on the implementation of these plans to include distributed energy resource contractors, energy storage system companies, wholesale generators, and community choice aggregators. The bill decreases the revenue threshold of these providers from \$25,000,000 to \$1,000,000.

The bill extends the projects subject to the effort to increase procurement from WMDVLGBT businesses to energy storage systems and smart grids (among others). The bill also extends the subcontracting opportunities (into which diverse businesses are to engage) to energy storage systems and smart grid projects (among others).

This bill requires the Contractors State License Board (CSLB) to facilitate these efforts and to assist the Commission in “identifying and developing contact information for distributed energy resource contractors.”

This bill defines a “distributed energy resource contractor” as “a corporation or other business entity that employs anyone licensed by the Contractors’ State License Board to perform installations of distributed energy resources, as defined in [Public Utilities Code] Section 8370.”

Background: This bill amends the “utility supplier diversity law.” According to the author, the program is an engine “of socioeconomic mobility for historically-disadvantaged people in the State.” The author notes that “our electric grid has evolved in the 30 years since this initiative began” and that, as a result, SB 255 “updates the statute by including grid participants that play an increasing role in the electric sector.” The author states that, by adopting the law to include distributed energy resource contractors, energy storage system companies, wholesale generators, energy service providers, and community choice aggregators, SB 255 “updates California’s utility supplier diversity statute to match our twenty-first century electric grid.”

Support: (5/13/19)

California Asian Pacific Islander Chamber of Commerce
California Black Chamber of Commerce
Equality California
Golden Gate Business Association
MCE Clean Energy
Peninsula Clean Energy Authority

Opposition: None on file (5/13/19)

Fiscal Impact for CSLB: Minor/Absorbable

Committee Recommendation and Comments:

WATCH. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.

By amending California’s utility supplier diversity law to include distributed energy resource contractors, this bill places CSLB in the position of identifying the licensed contractors who are authorized to install a “distributed energy resource.”

Date: May 13, 2019

AMENDED IN SENATE APRIL 2, 2019

AMENDED IN SENATE MARCH 20, 2019

SENATE BILL

No. 255

Introduced by Senator Bradford

February 12, 2019

An act to amend Section 8283 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 255, as amended, Bradford. Women, minority, disabled veteran, and LGBT business enterprise procurement: electric service providers: energy storage system companies: community choice aggregators.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, water, and telephone corporations. Existing law authorizes the commission to establish rules for all public utilities, subject to control by the Legislature.

Existing law defines an "electric service provider" as an entity that offers electrical service to customers within the service territory of an electrical corporation, excluding electrical corporations, local publicly owned electric utilities, and certain cogenerators. Existing law requires that electric service providers register with the commission and provides for the authorization of direct transactions between electric service providers and end-use customers.

Existing law authorizes a community choice aggregator to aggregate the electrical load of electricity consumers within its boundaries and provides that the community choice aggregator is solely responsible for all generation procurement activities on behalf of the community choice aggregator's customers, except where other generation

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procurement arrangements are expressly authorized by statute. Existing law requires a community choice aggregator to develop, adopt, and file with the commission an implementation plan detailing the process and consequences of aggregation and containing specified information.

Existing law directs the commission to require every electrical corporation, gas corporation, water corporation, wireless telecommunications service provider, and telephone corporation with annual gross revenues exceeding \$25,000,000, and their regulated subsidiaries and affiliates, to annually submit a detailed and verifiable plan for increasing procurement from women, minority, disabled veteran, and LGBT business enterprises, as defined, in all categories, including a renewable energy project, as defined, and wireless telecommunications, broadband, smart grid, and rail projects. Existing law requires the reporting of certain information about the implementation of the plans.

This bill would change the \$25,000,000 annual gross revenue threshold above which these requirements become applicable to \$1,000,000 in gross annual California revenues, and would extend these requirements to electric service providers, certain wholesale generators selling electricity to retail sellers, distributed energy resource contractors, and energy storage system companies, as specified. The bill would additionally include energy storage system and vegetation management projects within the enumerated projects to which these requirements apply. The bill would require the Contractors' State License Board to assist the commission in identifying and developing contact information for distributed energy resource contractors.

This bill would require each community choice aggregator with gross annual revenues exceeding \$1,000,000 to annually submit a detailed and verifiable plan to the commission for increasing procurement from small, local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system, and smart grid projects. The bill would require each community choice aggregator with gross annual revenues exceeding \$1,000,000 to annually submit a report to the commission regarding its procurement from women, minority, disabled veteran, and LGBT business enterprises in all categories, including, but not limited to, renewable energy, energy storage system, and smart grid projects.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of an order or decision of the commission implementing the bill's expanded requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime. Because the bill would impose reporting requirements upon community choice aggregators, which are entities of local government, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8283 of the Public Utilities Code is
2 amended to read:

3 8283. (a) The commission shall require each electrical
4 corporation, gas corporation, water corporation, wireless
5 telecommunications service provider, electric service provider,
6 exempt wholesale generator contracting to sell electricity to a retail
7 seller, distributed energy resource contractor, energy storage system
8 company, and telephone corporation with gross annual California
9 revenues exceeding one million dollars (\$1,000,000), and their
10 commission-regulated subsidiaries and affiliates, to submit annually
11 a detailed and verifiable plan for increasing procurement from
12 women, minority, disabled veteran, and LGBT business enterprises
13 in all categories, including, but not limited to, renewable energy,
14 energy storage system, wireless telecommunications, broadband,
15 smart grid, vegetation management, and rail projects.

16 (b) These annual plans shall include short- and long-term goals
17 and timetables, but not quotas, and shall include methods for
18 encouraging both prime contractors and grantees to engage women,
19 minority, disabled veteran, and LGBT business enterprises in
20 subcontracts in all categories that provide subcontracting
21 opportunities, including, but not limited to, renewable energy,
22 energy storage system, wireless telecommunications, broadband,
23 smart grid, vegetation management, and rail projects.

1 (c) The commission shall establish guidelines for all electrical
2 corporations, gas corporations, water corporations, wireless
3 telecommunications service providers, electric service providers,
4 exempt wholesale generators contracting to sell electricity to a
5 retail seller, distributed energy resource contractors, energy storage
6 system companies, and telephone corporations with gross annual
7 California revenues exceeding one million dollars (\$1,000,000),
8 and their commission-regulated subsidiaries and affiliates, to be
9 utilized in establishing programs pursuant to this article.

10 (d) Every electrical corporation, gas corporation, water
11 corporation, wireless telecommunications service provider, electric
12 service provider, exempt wholesale generator contracting to sell
13 electricity to a retail seller, distributed energy resource contractor,
14 energy storage system company, and telephone corporation with
15 gross annual California revenues exceeding one million dollars
16 (\$1,000,000) shall furnish an annual report to the commission
17 regarding the implementation of programs established pursuant to
18 this article in a form that the commission shall require, and at the
19 time that the commission shall annually designate.

20 (e) (1) The commission shall require each community choice
21 aggregator with gross annual revenues exceeding one million
22 dollars (\$1,000,000) to annually submit a detailed and verifiable
23 plan to the commission for increasing procurement from small,
24 local, and diverse business enterprises in all categories, including,
25 but not limited to, renewable energy, energy storage system, and
26 smart grid projects.

27 (2) (A) The commission shall require each community choice
28 aggregator with gross annual revenues exceeding one million
29 dollars (\$1,000,000) to annually submit a report to the commission
30 regarding its procurement from women, minority, disabled veteran,
31 and LGBT business enterprises in all categories, including, but
32 not limited to, renewable energy, energy storage system, and smart
33 grid projects.

34 (B) The report shall be in a form that the commission may
35 require and shall be submitted by an annual date that the
36 commission shall designate, consistent with other reports required
37 by this section.

38 (C) The report shall include women, minority, disabled veteran,
39 and LGBT business enterprises with whom a prime contractor or
40 grantee of a community choice aggregator has engaged in contracts

1 or subcontracts for all categories, including, but not limited to,
2 renewable energy, energy storage system, and smart grid projects.

3 (f) (1) The Legislature declares that each electrical corporation,
4 gas corporation, water corporation, mobile telephony service
5 provider, electric service provider, energy storage system company,
6 and telephone corporation that is not required to submit a plan
7 pursuant to subdivision (a) is encouraged to voluntarily adopt a
8 plan for increasing women, minority, disabled veteran, and LGBT
9 business enterprise procurement in all categories.

10 (2) The Legislature declares that each cable television
11 corporation and direct broadcast satellite provider is encouraged
12 to voluntarily adopt a plan for increasing women, minority,
13 disabled veteran, and LGBT business enterprise procurement and
14 to voluntarily report activity in this area to the Legislature on an
15 annual basis.

16 (3) The Legislature declares that each community choice
17 aggregator that is not required to submit a plan pursuant to
18 subdivision (e) is encouraged to voluntarily adopt a plan for
19 increasing procurement from small, local, and diverse business
20 enterprises in all categories.

21 (g) The Contractors' State License Board shall assist the
22 commission in identifying and developing contact information for
23 distributed energy resource contractors.

24 (h) Pursuant to this section, the following terms have the
25 following meanings:

26 (1) "~~Distributed energy resource contractor~~" means any ~~person~~
27 ~~or corporation that installs or operates a distributed energy resource,~~
28 ~~as defined in Section 8370, and that is licensed by the Contractors'~~
29 ~~State License Board.~~ *corporation or other business entity that*
30 *employs anyone licensed by the Contractors' State License Board*
31 *to perform installations of distributed energy resources, as defined*
32 *in Section 8370.*

33 (2) "Energy storage system company" means any person or
34 corporation operating a centralized or distributed energy storage
35 system, as defined in Section 2835, that furnishes electricity to an
36 electrical corporation, local publicly owned electric utility,
37 community choice aggregator, or electric service provider within
38 California, or that supplies electricity to a retail end-use customer
39 of an electrical corporation, local publicly owned electric utility,

1 community choice aggregator, or electric service provider within
2 California.

3 (3) *“Other business entity” has the same meaning as defined*
4 *in Section 174.5 of the Corporations Code.*

5 SEC. 2. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 a local agency or school district has the authority to levy service
8 charges, fees, or assessments sufficient to pay for the program or
9 level of service mandated by this act or because costs that may be
10 incurred by a local agency or school district will be incurred
11 because this act creates a new crime or infraction, eliminates a
12 crime or infraction, or changes the penalty for a crime or infraction,
13 within the meaning of Section 17556 of the Government Code, or
14 changes the definition of a crime within the meaning of Section 6
15 of Article XIII B of the California Constitution.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 556 (Pan)
Status/Location: Senate Appropriations
Sponsor: International Union of Operating Engineers and California & Nevada Civil Engineers and Land Surveyors Association
Subject: Professional Land Surveyors
Code Section: Amends Sections of the Business and Professions Code related to professional land surveyors

Summary: Would update and modernize the Professional Land Surveyors' Act to clarify when a licensed professional land surveyor, rather than a licensed contractor, is required on the pre-construction phase of a project.

Existing law defines the practice or offer to practice "*civil engineering*" in a public or private capacity, to include the locating, relocating, establishing, reestablishing, retracing the alignment or elevation for any of the fixed works embraced within the practice of civil engineering.

Existing law defines the practice of "*land surveying*" as any person employed in a public or private capacity who does or offers to locate, relocate, establish, reestablish, or layout through the use of mathematics or geometric measurements the alignment or elevation of any of the fixed works embraced within the practice of civil engineering, including but not limited to any items designed within the practice of electrical or mechanical engineering.

This bill, with respect to *civil engineering*, includes within the definition in existing law the additional acts of retracing, or laying out through use of mathematics or geometric measurements, the alignment or elevation of buildings (in addition to fixed works).

This bill, with respect to *land surveying*, includes within the definition in existing law the addition of the alignment or elevation of "buildings" (in addition to fixed works) as the subjects for which a land surveyor may offer to locate, relocate, establish, reestablish, retrace, or layout through the use of mathematics or geometric measurements.

This bill provides that the alignment or elevation of "buildings" within the new definitions of *civil engineering* and *land surveying* "means the exterior location of the building or building control lines . . . does not limit building contractors or others from layout of items based on the grid lines or building corners set by a licensed surveyor."

This bill provides that the new definitions of *civil engineering* and *land surveying* do not prohibit a licensed contractor "while engaged in the business of contracting for the installation or layout of electrical or mechanical systems or facilities," from designing those systems or facilities in "accordance with the applicable building codes and standards for work to be performed and supervised by that contractor within the classification for which their license is issued," or "from preparing electrical or

mechanical shop or field drawings for work which the contractor has contracted to perform.”

This bill prohibits all businesses from engaging in the practice of, or offering services for, land surveying, as defined, unless the business obtains a certificate from the Board for Professional Engineers, Land Surveyors and Geologists (BPELSG).

Background: The author states, “SB 556 would clarify and modernize the Professional Land Surveyors’ Act, to protect public health and establish a clear line as to when a licensed professional land surveyor is required on a project.” The author states that “the bill would clarify technical terms, reflect technological advances in the field, and close loopholes in the Act’s decades-old definitions of land surveying work and definitions of who may or may not perform such work.”

The Senate Committee on Business, Professions, and Economic Development notes that, “one of the most common forms of unlicensed activity that is brought to the Board’s [Board for Professional Engineering, Land Surveyors, and Geologists] attention involves licensed contractors who may be unknowingly exceeding their license authority by performing professional engineering, land surveying, geological, and geophysical services on projects, particularly in the use of technologically advanced tools.”

The Committee further notes, “as problems of unlicensed activity and other professionals providing services that may be unknowingly outside of their scope of practice, the aim of this bill is to modernize the land surveyors practice act to ensure that the definitions of current practice and technology match what the work of what land surveying is and more clearly identify when a licensed land surveyor is required.”

Support: (5/13/19)

International Union of Operating Engineers (Co-Sponsor)

California & Nevada Civil Engineers and Land Surveyors Association (Co-Sponsor)

State Building and Construction Trades Council

Opposition: (5/13/19)

None on file

Fiscal Impact for CSLB: None

Committee Recommendation and Comments:

WATCH. The CSLB Legislative Committee passed a motion to “watch” this bill at its May 13, 2019, meeting.

This bill does not directly affect CSLB operations. However, this bill revises the definition of the “land surveying” to include “laying out through the use of mathematics or geometric measurements,” and updates the definition of “geodetic surveying.” As a result of this bill, any licensed contractor who currently performs these pre-construction activities would be required to obtain a certificate from the Board for Professional Engineers, Land Surveyors and Geologists.

Date: May 13, 2019

AMENDED IN SENATE APRIL 29, 2019

AMENDED IN SENATE APRIL 11, 2019

SENATE BILL

No. 556

Introduced by Senator Pan
(Principal coauthor: Assembly Member Salas)

February 22, 2019

An act to amend Sections ~~6731.1, 8726, and 8729~~ *6731.1 and 8726* of, and to add Sections 8728.5, 8790.1, and 8793 to, the Business and Professions Code, relating to ~~professional land surveyors, professions and vocations,~~ and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 556, as amended, Pan. Professional land surveyors and engineers.

(1) The Professional Engineers Act and the Professional Land Surveyors' Act provides for the licensure and regulation of professional engineers and land surveyors by the Board for Professional Engineers, Land Surveyors, and Geologists. ~~Those acts establish criminal penalties for violations of specified portions of the act, including the practice of land surveying without a license and giving false evidence to the board in obtaining a license. A violation of those acts is a misdemeanor.~~

Under those acts, a land surveyor *or civil engineer* includes a person who ~~engages in specified practices, and civil engineering is defined to include a person who~~ locates, relocates, establishes, reestablishes, or retraces the alignment or elevation for any of the fixed works embraced within the practice of civil engineering, ~~as defined,~~ *defined*. *Existing law also includes within the practice of a land surveyor or civil engineer a person who* determines the configuration or contour of the earth's surface, or the position of fixed objects above, on, or below the surface of the earth by applying the principles of mathematics or

photogrammetry, or engages in geodetic or cadastral surveying, as defined.

~~This bill would include within the practices that subject a person to those acts, with regard to the practice of identifying the alignment or elevation of buildings, as defined, or other fixed works, revise the practice of land surveying and civil engineering to, among other things, include the laying out through the use of mathematics or geometric measurements the alignment or elevation for any of the building or other fixed works embraced within the practice of civil engineering, including any and, for land surveying, would specify that these include items designed within the practice of electrical engineering or mechanical engineering. The bill would expand also include within the practice of land surveying and civil engineering to include determining the benthic surface below water bodies and the measuring for volumetric calculations of earthwork. The bill, with respect to the practice of making determinations regarding the position of objects, would expand that practice to include such a determination made by applying the principles of mathematics, photogrammetry, or earthwork and would include the use of remote sensing, as defined. The bill would further revise that practice so that the determination regarding the position of objects is made regarding either manmade or natural objects, instead of fixed objects. defined, for making certain determinations. The bill would modify the definition of geodetic surveying, for purposes of the Professional Land Surveyor Act, to mean performing surveys by using techniques or methods of three-dimensional data acquisitions, and make conforming changes to that effect.~~

~~The bill would impose a state-mandated local program by expanding those By expanding the practices that constitute civil engineering and land surveying, thereby expanding the persons subject to the act, the violation of which is a crime. crime, the bill would impose a state-mandated local program.~~

(2) Existing law requires fees and civil penalties received pursuant to the Professional Land Surveyors' Act to be deposited in the Professional Engineer's, Land Surveyor's, and Geologist's Fund, and continuously appropriates those funds to the board for purposes of the act.

~~This bill, on and after January 1, 2022, would prohibit a business, except for a sole proprietorship or a limited liability company, from engaging in the practice of, or offering services for, land surveying in this state unless that business obtains a certificate from the board. The~~

bill would require the board to develop a process to that effect, including developing an application form that meets certain requirements, including that the applicant pay a fee, as determined by the board, for that certificate and a process to renew and revoke a certificate. This bill would authorize the board to impose a fine, as specified, on a business that performs land surveying without a certificate. By authorizing additional fees and penalties to be deposited into a continuously appropriated fund, this bill would make an appropriation. By expanding the scope of the existing crime with respect to giving false evidence to the board, this bill would impose a state-mandated local program.

~~(3) The Professional Land Surveyors' Act authorizes an individual or business engaged in any line of endeavor other than the practice of civil, electrical, or mechanical engineering from employing or contracting with a licensed civil, electrical, or mechanical engineer to perform the respective engineering services that are incidental to the conduct of business.~~

~~The bill would require an individual or business that does not have a license or a certificate to practice land surveying to employ or contract with an individual that has a license or a business that has a certificate to practice land surveying to perform land surveying services that are incidental to the conduct of their business.~~

~~(4)~~

(3) Existing law requires the board to enforce all of the provisions of the act, and to prosecute all violations of the act that come to its notice.

This bill would require the board to send a copy of each valid complaint, as defined, to all boards that regulate the health and safety of persons working on construction, building, or infrastructure projects, as well as all boards that regulate the wages and other labor requirements related to those persons.

~~(5)~~

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6731.1 of the Business and Professions
2 Code is amended to read:

3 6731.1. Civil engineering also includes the practice or offer to
4 practice, either in a public or private capacity, all of the following:

5 (a) Locates, relocates, establishes, reestablishes, retraces, or
6 lays out through the use of mathematics or geometric measurements
7 the alignment or elevation for any buildings or other ~~the~~ fixed
8 works embraced within the practice of civil engineering, as
9 described in Section 6731.

10 (1) This subdivision shall not prohibit a contractor, licensed
11 under Chapter 9 (commencing with Section 7000) of Division 3,
12 while engaged in the business of contracting for the installation
13 or layout of electrical or mechanical systems or facilities, from
14 designing those systems or facilities in accordance with the
15 applicable building codes and standards for work to be performed
16 and supervised by that contractor within the classification for which
17 their license is issued, or from preparing electrical or mechanical
18 shop or field drawings for work which the contractor has contracted
19 to perform.

20 (2) For purposes of this subdivision, “buildings” means the
21 exterior location of the building or building control lines and does
22 not limit building contractors or others from layout of items based
23 on the grid lines or building corners set by a licensed surveyor.

24 (b) (1) Determines the configuration or contour of the earth’s
25 surface, the benthic surface below water bodies, the measuring for
26 volumetric calculations of earthwork, or the position of manmade
27 or natural fixed objects above, on, or below the surface of earth
28 by applying the principles of mathematics, photogrammetry, or
29 remote sensing.

30 (2) For purposes of this subdivision, “remote sensing” means
31 the detecting, collection, processing, and analysis of physical
32 objects regarding the location or dimensions of a location or object,
33 or otherwise using various acquisition methods intended to or
34 resulting in the determination of the configuration or contour of
35 the earth’s surface, or the position of fixed objects above, on, or
36 below the surface of the earth.

1 (c) Creates, prepares, or modifies electronic or computerized
2 data in the performance of the activities described in subdivisions
3 (a) and (b).

4 (d) Renders a statement regarding the accuracy of maps or
5 measured survey data pursuant to subdivisions (a), (b), and (c).

6 SEC. 2. Section 8726 of the Business and Professions Code is
7 amended to read:

8 8726. A person, including any person employed by the state
9 or by a city, county, or city and county within the state, practices
10 land surveying within the meaning of this chapter who, either in
11 a public or private capacity, does or offers to do any one or more
12 of the following:

13 (a) Locates, relocates, establishes, reestablishes, retraces, or
14 lays out through the use of mathematics or geometric measurements
15 the alignment or elevation for any of the buildings or other fixed
16 works embraced within the practice of civil engineering, as
17 described in Section 6731, including, but not limited to, any items
18 designed within the practice of electrical engineering, as described
19 in Section 6731.5, or mechanical engineering, as described in
20 Section 6731.6

21 (1) This section shall not prohibit a contractor, licensed under
22 Chapter 9 (commencing with Section 7000) of Division 3, while
23 engaged in the business of contracting for the installation or layout
24 of electrical or mechanical systems or facilities, from designing
25 those systems of facilities in accordance with the applicable
26 construction codes and standards for work to be performed and
27 supervised by that contractor within the classification for which
28 their license is issued, or from preparing electrical or mechanical
29 shop or field drawings for work the contractor has contracted to
30 perform.

31 (2) For purposes of this subdivision, “buildings” means the
32 exterior location of the building or building control lines and does
33 not limit building contractors or others from layout of items based
34 on the grid lines or building corners set by a licensed surveyor.

35 (b) (1) Determines the configuration or contour of the earth’s
36 surface, the benthic surface below water bodies, the measuring for
37 volumetric calculations of earthwork, or the position of manmade
38 or natural fixed objects above, on, or below the surface of the earth
39 by applying the principles of mathematics, photogrammetry, or
40 remote sensing.

1 (2) For purposes of this subdivision, “remote sensing” means
2 the detecting, collection, processing, and analysis of physical
3 objects regarding the location or dimensions of a location or object,
4 or otherwise using various acquisition methods intended to or
5 resulting in the determination of the configuration or contour of
6 the earth’s surface, or the position of fixed objects above, on, or
7 below the surface of the earth.

8 (c) Locates, relocates, establishes, reestablishes, or retraces any
9 property line or boundary of any parcel of land, right-of-way,
10 easement, or alignment of those lines or boundaries.

11 (d) Makes any survey for the subdivision or resubdivision of
12 any tract of land. For the purposes of this subdivision, the term
13 “subdivision” or “resubdivision” shall be defined to include, but
14 not be limited to, the definition in the Subdivision Map Act
15 (Division 2 (commencing with Section 66410) of Title 7 of the
16 Government Code) or the Subdivided Lands Law (Chapter 1
17 (commencing with Section 11000) of Part 2 of Division 4 of this
18 code).

19 (e) By the use of the principles of land surveying determines
20 the position for any monument or reference point which marks a
21 property line, boundary, or corner, or sets, resets, or replaces any
22 monument or reference point.

23 (f) Geodetic surveying or cadastral surveying. As used in this
24 chapter, geodetic surveying means performing surveys, by using
25 techniques or methods of three dimensional geospatial data
26 acquisition in which account is taken of the figure and size of the
27 earth to determine or predetermine the horizontal or vertical
28 positions of fixed objects thereon or related thereto, geodetic
29 control points, monuments, or stations for use in the practice of
30 land surveying or for stating the geospatial establishment of three
31 dimensional positions of fixed objects, geodetic control points,
32 monuments, or stations by California Coordinate System
33 coordinates in accordance with Chapter 1 (commencing with
34 Section 8801) of Division 8 of the Public Resources Code.

35 (g) Determines the information shown or to be shown on any
36 map or document prepared or furnished in connection with any
37 one or more of the functions described in subdivisions (a), (b), (c),
38 (d), (e), and (f).

39 (h) Indicates, in any capacity or in any manner, by the use of
40 the title “land surveyor” or by any other title or by any other

1 representation that the person practices or offers to practice land
2 surveying in any of its branches.

3 (i) Procures or offers to procure land surveying work for
4 themselves or others.

5 (j) Manages, or conducts as manager, proprietor, or agent, any
6 place of business from which land surveying work is solicited,
7 performed, or practiced.

8 (k) Coordinates the work of professional, technical, or special
9 consultants in connection with the activities authorized by this
10 chapter.

11 (l) Determines the information shown or to be shown within
12 the description of any deed, trust deed, or other title document
13 prepared for the purpose of describing the limit of real property
14 in connection with any one or more of the functions described in
15 subdivisions (a) to (f), inclusive.

16 (m) Creates, prepares, or modifies electronic or computerized
17 data in the performance of the activities described in subdivisions
18 (a), (b), (c), (d), (e), (f), (k), and (l).

19 (n) Renders a statement regarding the accuracy of maps or
20 measured survey data.

21 Any department or agency of the state or any city, county, or
22 city and county that has an unregistered person in responsible
23 charge of land surveying work on January 1, 1986, shall be exempt
24 from the requirement that the person be licensed as a land surveyor
25 until the person currently in responsible charge is replaced.

26 The review, approval, or examination by a governmental entity
27 of documents prepared or performed pursuant to this section shall
28 be done by, or under the direct supervision of, a person authorized
29 to practice land surveying.

30 (o) Nothing in this section shall require the use of a licensed
31 land surveyor for underground utility locating and subsurface
32 imaging that is not required under this chapter as it read on January
33 1, 2018.

34 SEC. 3. Section 8728.5 is added to the Business and Professions
35 Code, to read:

36 8728.5. (a) For purposes of this section, “business” means a
37 partnership, general partnership, limited liability partnership, or
38 corporation. However, “business” does not include a sole
39 proprietorship or a limited liability company. Nothing in this
40 section requires a certificate for any form of corporation or

1 partnership otherwise prohibited in this chapter from offering or
2 providing land surveying services.

3 (b) A business shall not engage in the practice of, or offer
4 services for, land surveying, as defined in Section 8726, in the
5 state, unless that business obtains a certificate from the board
6 pursuant to the requirements of this section.

7 (c) The board shall create a process to certify a business
8 practicing land surveying. As a part of that process, the board shall
9 establish an application form for a business to apply for
10 certification, that shall contain all of the information required by
11 subdivision (d), as well as any other information the board
12 determines is necessary or convenient to administer this section.

13 (d) A business shall apply for a certificate to practice land
14 surveying by submitting an application form to the board. The
15 board may develop rules and regulations governing the conditions
16 under which a certificate shall be granted, including, but not limited
17 to, taking into consideration whether the business has submitted
18 the following requirements to the board:

19 (1) A completed application form that includes all of the
20 following:

21 (A) The name and address of the business applying for the
22 certification.

23 (B) The name and current state license number of the
24 professional land surveyor or civil engineer who will be the
25 responsible charge of work of the business.

26 (C) The name of the partners in a partnership, general
27 partnership, or limited liability partnership, or the names of the
28 majority stockholders of a corporation.

29 (D) The signature and title of an agent authorized by the
30 partnership, general partnership, limited liability partnership, or
31 corporation to submit the application.

32 (2) (A) The board shall charge an application fee as determined
33 pursuant to Section 8805.

34 (B) The board may develop rules and regulations governing
35 both of the following:

36 (i) The circumstances when the board may require a business
37 to seek a renewal of an existing certificate, including, but not
38 limited to, consideration of a business's change of ownership.

39 (ii) The circumstances when the board may revoke an existing
40 certificate.

1 (3) A copy of a resolution by the partners of a partnership, the
 2 general partners of a general partnership or a limited liability
 3 partnership, or the board of directors of a corporation that
 4 designates an individual in the business with a current license
 5 issued by this state for the practice of land surveying or civil
 6 engineering who is authorized to practice surveying that is the
 7 responsible charge for work and that has the authority to make all
 8 final decisions in the practice of land surveying on behalf of the
 9 business.

10 (4) A copy of the partnership agreement of a partnership, general
 11 partnership, or limited liability partnership, the articles of
 12 incorporation or the bylaws of a corporation.

13 ~~(5) A statement of land surveying experience of the business~~
 14 ~~during the five years preceding the date of the application.~~

15 (e) A business that is organized or incorporated in a state or
 16 territory outside of California shall not offer land surveying
 17 services in California unless that business obtains a certificate
 18 under this section and complies with all other requirements of this
 19 chapter.

20 (f) *This section shall become operative on January 1, 2022.*

21 ~~SEC. 4. Section 8729 of the Business and Professions Code,~~
 22 ~~as amended by Section 3 of Chapter 150 of the Statutes of 2018,~~
 23 ~~is amended to read:~~

24 ~~8729. (a) This chapter does not prohibit one or more licensed~~
 25 ~~land surveyors or civil engineers licensed in this state prior to 1982~~
 26 ~~(hereinafter called civil engineers) from practicing or offering to~~
 27 ~~practice, within the scope of their licensure, land surveying as a~~
 28 ~~sole proprietorship, partnership, limited liability partnership, firm,~~
 29 ~~or corporation (hereinafter called business), if the following~~
 30 ~~conditions are satisfied:~~

31 ~~(1) A land surveyor or civil engineer currently licensed in the~~
 32 ~~state is an owner, partner, or officer in charge of the land surveying~~
 33 ~~practice of the business.~~

34 ~~(2) All land surveying services are performed by or under the~~
 35 ~~responsible charge of a land surveyor or civil engineer.~~

36 ~~(3) If the business name of a California land surveying business~~
 37 ~~contains the name of a person, then that person shall be licensed~~
 38 ~~by the board as a land surveyor or licensed by the board in any~~
 39 ~~year as a civil engineer. Any offer, promotion, or advertisement~~
 40 ~~by the business that contains the name of any individual in the~~

1 business, other than by use of the name of the individual in the
2 business name, shall clearly and specifically designate the license
3 discipline of each individual named.

4 (b) ~~An out-of-state business with a branch office in this state
5 shall meet the requirements of subdivision (a) and shall have an
6 owner, partner, or officer who is in charge of the land surveying
7 work in this state, who is licensed in this state, and who is
8 physically present at the branch office in this state on a regular
9 basis. However, the name of the business may contain the name
10 of a person not licensed in this state, if that person is appropriately
11 licensed or registered in another state. Any offer, promotion, or
12 advertisement that contains the name of any individual in the
13 business, other than by use of the name of the individual in the
14 business name, shall clearly and specifically designate the license
15 or registration discipline of each individual named.~~

16 (c) ~~The business name of a California land surveying business
17 may be a fictitious name. However, if the fictitious name includes
18 the names of any person, the requirements of paragraph (3) of
19 subdivision (a) shall be met.~~

20 (d) ~~A person not licensed under this chapter or licensed as a
21 civil engineer in this state prior to 1982 may also be a partner or
22 an officer of a land surveying business if the conditions of
23 subdivision (a) are satisfied. Nothing in this section shall be
24 construed to permit a person who is not licensed under this chapter
25 or licensed as a civil engineer in this state prior to 1982 to be the
26 sole owner or office of a land surveying business, unless otherwise
27 exempt under this chapter.~~

28 (e) ~~If a business that does not have a license or a certificate to
29 practice land surveying under this chapter needs land surveying
30 services performed that are incidental to the conduct of their
31 business, the business shall employ, pursuant to paragraph (1) of
32 subdivision (a), or contract with an individual or business that has
33 a license or a business that has a certificate to practice land
34 surveying.~~

35 (f) ~~This section shall not prevent the use of the name of any
36 business engaged in rendering land surveying services, including
37 the use by any lawful successor or survivor, that lawfully was in
38 existence on June 1, 1941. However, the business is subject to the
39 provisions of paragraphs (1) and (2) of subdivision (a).~~

1 ~~(g) A business engaged in rendering land surveying services~~
2 ~~may use in its name the name of a deceased or retired person if~~
3 ~~the following conditions are satisfied:~~

4 ~~(1) The person's name had been used in the name of the~~
5 ~~business, or a predecessor in interest of the business, prior to the~~
6 ~~death or retirement of the person.~~

7 ~~(2) The person shall have been an owner, partner, or officer of~~
8 ~~the business, or an owner, partner, or officer of the predecessor in~~
9 ~~interest of the business.~~

10 ~~(3) The person shall have been licensed as a land surveyor or a~~
11 ~~civil engineer by the board, if operating a place of business or~~
12 ~~practice in this state, or by an applicable state board in the event~~
13 ~~no place of business existed in this state.~~

14 ~~(4) The person, if retired, has consented to the use of the name~~
15 ~~and does not permit the use of the name in the title of another land~~
16 ~~surveying business in this state during the period of that consent,~~
17 ~~except that a retired person may use their name as the name of a~~
18 ~~new or purchased business, if that business is not identical in every~~
19 ~~respect to that person's name as used in the former business.~~

20 ~~(5) The business shall be subject to paragraphs (1) and (2) of~~
21 ~~subdivision (a).~~

22 ~~(h) This section does not affect Sections 6731.2 and 8726.1.~~

23 ~~(i) A current organization record form shall be filed with the~~
24 ~~board for all businesses engaged in rendering professional land~~
25 ~~surveying services.~~

26 ~~(j) This section shall remain in effect only until January 1, 2026,~~
27 ~~and as of that date is repealed.~~

28 ~~SEC. 5. Section 8729 of the Business and Professions Code,~~
29 ~~as amended by Section 4 of Chapter 150 of the Statutes of 2018,~~
30 ~~is amended to read:~~

31 ~~8729. (a) This chapter does not prohibit one or more licensed~~
32 ~~land surveyors or civil engineers licensed in this state prior to 1982~~
33 ~~(hereinafter called civil engineers) from practicing or offering to~~
34 ~~practice within the scope of their licensure, land surveying as a~~
35 ~~sole proprietorship, partnership, firm, or corporation (hereinafter~~
36 ~~called business), if the following conditions are satisfied:~~

37 ~~(1) A land surveyor or civil engineer currently licensed in the~~
38 ~~state is an owner, partner, or officer in charge of the land surveying~~
39 ~~practice of the business.~~

1 ~~(2) All land surveying services are performed by or under the~~
2 ~~responsible charge of a land surveyor or civil engineer.~~

3 ~~(3) If the business name of a California land surveying business~~
4 ~~contains the name of a person, then that person shall be licensed~~
5 ~~by the board as a land surveyor or licensed by the board in any~~
6 ~~year as a civil engineer. Any offer, promotion, or advertisement~~
7 ~~by the business that contains the name of any individual in the~~
8 ~~business, other than by use of the name of the individual in the~~
9 ~~business name, shall clearly and specifically designate the license~~
10 ~~discipline of each individual named.~~

11 ~~(b) An out-of-state business with a branch office in this state~~
12 ~~shall meet the requirements of subdivision (a) and shall have an~~
13 ~~owner, partner, or officer who is in charge of the land surveying~~
14 ~~work in this state, who is licensed in this state, and who is~~
15 ~~physically present at the branch office in this state on a regular~~
16 ~~basis. However, the name of the business may contain the name~~
17 ~~of a person not licensed in this state, if that person is appropriately~~
18 ~~licensed or registered in another state. Any offer, promotion, or~~
19 ~~advertisement that contains the name of any individual in the~~
20 ~~business, other than by use of the name of the individual in the~~
21 ~~business name, shall clearly and specifically designate the license~~
22 ~~or registration discipline of each individual named.~~

23 ~~(c) The business name of a California land surveying business~~
24 ~~may be a fictitious name. However, if the fictitious name includes~~
25 ~~the names of any person, the requirements of paragraph (3) of~~
26 ~~subdivision (a) shall be met.~~

27 ~~(d) A person not licensed under this chapter or licensed as a~~
28 ~~civil engineer in this state prior to 1982 may also be a partner or~~
29 ~~an officer of a land surveying business if the conditions of~~
30 ~~subdivision (a) are satisfied. Nothing in this section shall be~~
31 ~~construed to permit a person who is not licensed under this chapter~~
32 ~~or licensed as a civil engineer in this state prior to 1982 to be the~~
33 ~~sole owner or officer of a land surveying business, unless otherwise~~
34 ~~exempt under this chapter.~~

35 ~~(e) If an individual or a business that does not have a license or~~
36 ~~a certificate to practice land surveying under this chapter needs~~
37 ~~land surveying services performed that are incidental to the conduct~~
38 ~~of their business, the business shall employ, pursuant to paragraph~~
39 ~~(1) of subdivision (a), or contract with an individual that has a~~

1 ~~license or a business that has a certificate to practice land~~
2 ~~surveying.~~

3 ~~(f) This section shall not prevent the use of the name of any~~
4 ~~business engaged in rendering land surveying services, including~~
5 ~~the use by any lawful successor or survivor, that lawfully was in~~
6 ~~existence on June 1, 1941. However, the business is subject to the~~
7 ~~provisions of paragraphs (1) and (2) of subdivision (a).~~

8 ~~(g) A business engaged in rendering land surveying services~~
9 ~~may use in its name the name of a deceased or retired person if~~
10 ~~the following conditions are satisfied:~~

11 ~~(1) The person's name had been used in the name of the~~
12 ~~business, or a predecessor in interest of the business, prior to the~~
13 ~~death or retirement of the person.~~

14 ~~(2) The person shall have been an owner, partner, or officer of~~
15 ~~the business, or an owner, partner, or officer of the predecessor in~~
16 ~~interest of the business.~~

17 ~~(3) The person shall have been licensed as a land surveyor or a~~
18 ~~civil engineer by the board, if operating a place of business or~~
19 ~~practice in this state, or by an applicable state board in the event~~
20 ~~no place of business existed in this state.~~

21 ~~(4) The person, if retired, has consented to the use of the name~~
22 ~~and does not permit the use of the name in the title of another land~~
23 ~~surveying business in this state during the period of that consent,~~
24 ~~except that a retired person may use their name as the name of a~~
25 ~~new or purchased business, if that business is not identical in every~~
26 ~~respect to that person's name as used in the former business.~~

27 ~~(5) The business shall be subject to paragraphs (1) and (2) of~~
28 ~~subdivision (a).~~

29 ~~(h) This section does not affect Sections 6731.2 and 8726.1.~~

30 ~~(i) A current organization record form shall be filed with the~~
31 ~~board for all businesses engaged in rendering professional land~~
32 ~~surveying services.~~

33 ~~(j) This section shall become operative on January 1, 2026.~~

34 ~~SEC. 6.~~

35 *SEC. 4.* Section 8790.1 is added to the Business and Professions
36 Code, to read:

37 8790.1. (a) Upon receipt of a valid complaint, the board shall
38 send a copy of the complaint to the following state boards:

39 (1) Boards that regulate the health and safety of persons working
40 on construction, building, or infrastructure projects.

1 (2) Boards that regulate the wages and other labor requirements
2 related to persons working on construction, building, or
3 infrastructure projects.

4 (b) For the purposes of this section, “valid complaint” means
5 one for which the board determines that a violation of this chapter
6 may have or is likely to have occurred.

7 (c) It is the intent of the Legislature in enacting this section to
8 ensure these state boards are made aware of the possible need to
9 further investigate and regulate the cited business, as defined by
10 subdivision (a) of Section 8728.5.

11 ~~SEC. 7.~~

12 *SEC. 5.* Section 8793 is added to the Business and Professions
13 Code, to read:

14 8793. Any business, as defined in subdivision (a) of Section
15 8728.5, that performs land surveying without a certificate obtained
16 under Section 8728.5 shall be subject to the board’s citation
17 authority pursuant to Section 148. For purposes of this section,
18 and notwithstanding Section 125.9, the board may impose fines
19 on a business described in this section, in an amount that is higher
20 than the maximum authorized in Section 125.9, if the board
21 concludes it is necessary to deter violations of this chapter.

22 ~~SEC. 8.~~

23 *SEC. 6.* No reimbursement is required by this act pursuant to
24 Section 6 of Article XIII B of the California Constitution because
25 the only costs that may be incurred by a local agency or school
26 district will be incurred because this act creates a new crime or
27 infraction, eliminates a crime or infraction, or changes the penalty
28 for a crime or infraction, within the meaning of Section 17556 of
29 the Government Code, or changes the definition of a crime within
30 the meaning of Section 6 of Article XIII B of the California
31 Constitution.

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 544 (Brough)
Status/Location: Assembly Appropriations
Sponsor: Author
Subject: Professions and Vocations: Inactive License Fees
Code Section: Amend Business and Professions Code section 7076.5

Summary: This bill would reduce the fee to reactivate an inactive license by 50 percent.

Existing law requires that, in order to reactivate an inactive license, a contractor must pay the full fee charged to renew an active license. The current CSLB fee to renew an active license is \$400.

This bill would amend BPC section 7076.5 to require a licensee to pay “a fee no more than 50 percent of the renewal fee for an active license” to reactivate an inactive license. If this bill becomes law, CSLB would need to charge \$200, instead of \$400, for all requests to renew inactive licenses.

Background: According to the author, “AB 544 removes the barriers to reenter a licensed job by simply helping individuals who have an inactive or expired license afford to reactive their license and get back to work.” The bill fact sheet mentions the October 2016 Little Hoover Commission report that found that one in five Californians must receive permission from the state to work and pay an average of \$300 in licensing fees.

Support: None on file (5/13/19)

Opposition: (5/13/19)

Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board

Fiscal Impact for CSLB: CSLB receives approximately 1,500 requests to reactivate a license each year, which amounts to \$600,000 in fees. If this bill becomes law, CSLB would need to charge \$200, instead of \$400, per request, leading to an estimated annual revenue loss of \$300,000.

Additionally, while the bill clearly reduces CSLB’s reactivation fees by 50 percent, there are differing interpretations of ambiguous language in the bill related to “delinquency fees.” While not explicitly doing so, the bill can be read as prohibiting CSLB from collecting delinquency fees. CSLB currently collects \$2,800,000 annually in delinquency fees.

Under this alternative reading of the bill, the total fiscal impact to CSLB is an annual revenue loss of \$3.1 million (\$2,800,000 plus \$300,000).

Committee Recommendation and Comments:

OPPOSE. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.

While the policy of reducing barriers to licensure is laudable, this bill would result in a significant annual revenue loss to CSLB. CSLB relies heavily on the licensing fees it collects each year to fund its public affairs, licensing, and enforcement programs. An annual loss of approximately \$3.1 million would substantially compromise CSLB's consumer protection mandate and its efforts to combat the underground economy.

Date: May 13, 2019

AMENDED IN ASSEMBLY MARCH 21, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 544

Introduced by Assembly Member Brough

February 13, 2019

~~An act to amend Section 4073 of the Business and Professions Code, relating to healing arts.~~ *An act to amend Sections 121.5, 462, 703, 1006.5, 1718, 1718.3, 1936, 2427, 2456.3, 2535.2, 2538.54, 2646, 2734, 2892.1, 2984, 3147, 3147.7, 3524, 3774, 3775.5, 4545, 4843.5, 4901, 4966, 4989.36, 4999.104, 5070.6, 5600.2, 5680.1, 6796, 6980.28, 7076.5, 7417, 7672.8, 7725.2, 7729.1, 7881, 7883, 8024.7, 8802, 9832, 9832.5, 9884.5, 19170.5, and 19290 of the Business and Professions Code, relating to professions and vocations.*

LEGISLATIVE COUNSEL'S DIGEST

AB 544, as amended, Brough. ~~Prescriptions.~~ *Professions and vocations: inactive license fees and accrued and unpaid renewal fees.*

Existing law provides for the licensure and regulation of professions and vocations by various boards within the Department of Consumer Affairs. Existing law provides for the payment of a fee for the renewal of certain licenses, certificates, or permits in an inactive status, and, for certain licenses, certificates, and permits that have expired, requires the payment of all accrued fees as a condition of reinstatement of the license, certificate, or permit.

This bill would limit the maximum fee for the renewal of a license in an inactive status to no more than 50% of the renewal fee for an active license. The bill would also prohibit a board from requiring payment of accrued and unpaid renewal fees as a condition of reinstating an expired license or registration.

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~~The Pharmacy Law provides for the licensure and regulation of pharmacists and pharmacies by the California State Board of Pharmacy, which is within the Department of Consumer Affairs, and authorizes a pharmacist filling a prescription order for a drug product prescribed by its brand or trade name to select another drug product with the same active chemical ingredients of the same strength, quantity, and dosage form, and of the same generic drug name of those drug products having the same active chemical ingredients, as specified.~~

~~This bill would make a nonsubstantive change to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 121.5 of the Business and Professions*
2 *Code is amended to read:*

3 121.5. (a) Except as otherwise provided in this code, the
4 application of delinquency fees ~~or accrued and unpaid renewal~~
5 fees for the renewal of expired licenses or registrations shall not
6 apply to licenses or registrations that have lawfully been designated
7 as inactive or retired.

8 (b) *Notwithstanding any other law, a board shall not require a*
9 *person to pay accrued and unpaid renewal fees as a condition of*
10 *reinstating an expired license or registration.*

11 *SEC. 2. Section 462 of the Business and Professions Code is*
12 *amended to read:*

13 462. (a) Any of the boards, bureaus, commissions, or programs
14 within the department may establish, by regulation, a system for
15 an inactive category of licensure for persons who are not actively
16 engaged in the practice of their profession or vocation.

17 (b) The regulation shall contain the following provisions:

18 (1) The holder of an inactive license issued pursuant to this
19 section shall not engage in any activity for which a license is
20 required.

21 (2) An inactive license issued pursuant to this section shall be
22 renewed during the same time period in which an active license
23 is renewed. The holder of an inactive license need not comply with
24 any continuing education requirement for renewal of an active
25 license.

1 (3) The renewal fee for a license in ~~an active status shall apply~~
2 ~~also for a renewal of a license in an inactive status, unless a lesser~~
3 ~~renewal fee is specified by the board.~~ *status shall be no more than*
4 *50 percent of the renewal fee for a license in an active status.*

5 (4) In order for the holder of an inactive license issued pursuant
6 to this section to restore ~~his or her~~ *the* license to an active status,
7 the holder of an inactive license shall comply with all the
8 following:

9 (A) Pay the renewal fee.

10 (B) If the board requires completion of continuing education
11 for renewal of an active license, complete continuing education
12 equivalent to that required for renewal of an active license, unless
13 a different requirement is specified by the board.

14 (c) This section shall not apply to any healing arts board as
15 specified in Section 701.

16 *SEC. 3. Section 703 of the Business and Professions Code is*
17 *amended to read:*

18 703. (a) An inactive healing arts license or certificate issued
19 pursuant to this article shall be renewed during the same time
20 period at which an active license or certificate is renewed. In order
21 to renew a license or certificate issued pursuant to this article, the
22 holder thereof need not comply with any continuing education
23 requirement for renewal of an active license or certificate.

24 (b) ~~The~~ *Notwithstanding any other law, the* renewal fee for a
25 license or certificate in an ~~active~~ *inactive* status shall ~~apply also~~
26 ~~for renewal of a license or certificate in an inactive status, unless~~
27 ~~a lower fee has been established by the issuing board.~~ *be no more*
28 *than 50 percent of the renewal fee for a license in an active status.*

29 *SEC. 4. Section 1006.5 of the Business and Professions Code*
30 *is amended to read:*

31 1006.5. Notwithstanding any other law, the amount of
32 regulatory fees necessary to carry out the responsibilities required
33 by the Chiropractic Initiative Act and this chapter are fixed in the
34 following schedule:

35 (a) Fee to apply for a license to practice chiropractic: three
36 hundred seventy-one dollars (\$371).

37 (b) Fee for initial license to practice chiropractic: one hundred
38 eighty-six dollars (\$186).

39 (c) Fee to renew an ~~active or inactive~~ license to practice
40 chiropractic: three hundred thirteen dollars (\$313).

- 1 (d) Fee to renew an inactive license to practice chiropractic:
- 2 no more than 50 percent of the renewal fee for an active license.
- 3 ~~(d)~~
- 4 (e) Fee to apply for approval as a continuing education provider:
- 5 eighty-four dollars (\$84).
- 6 ~~(e)~~
- 7 (f) Biennial continuing education provider renewal fee: fifty-six
- 8 dollars (\$56).
- 9 ~~(f)~~
- 10 (g) Fee to apply for approval of a continuing education course:
- 11 fifty-six dollars (\$56) per course.
- 12 ~~(g)~~
- 13 (h) Fee to apply for a satellite office certificate: sixty-two dollars
- 14 (\$62).
- 15 ~~(h)~~
- 16 (i) Fee to renew a satellite office certificate: thirty-one dollars
- 17 (\$31).
- 18 ~~(i)~~
- 19 (j) Fee to apply for a license to practice chiropractic pursuant
- 20 to Section 9 of the Chiropractic Initiative Act: three hundred
- 21 seventy-one dollars (\$371).
- 22 ~~(j)~~
- 23 (k) Fee to apply for a certificate of registration of a chiropractic
- 24 corporation: one hundred eighty-six dollars (\$186).
- 25 ~~(k)~~
- 26 (l) Fee to renew a certificate of registration of a chiropractic
- 27 corporation: thirty-one dollars (\$31).
- 28 ~~(l)~~
- 29 (m) Fee to file a chiropractic corporation special report:
- 30 thirty-one dollars (\$31).
- 31 ~~(m)~~
- 32 (n) Fee to apply for approval as a referral service: five hundred
- 33 fifty-seven dollars (\$557).
- 34 ~~(n)~~
- 35 (o) Fee for an endorsed verification of licensure: one hundred
- 36 twenty-four dollars (\$124).
- 37 ~~(o)~~
- 38 (p) Fee for replacement of a lost or destroyed license: fifty
- 39 dollars (\$50).
- 40 ~~(p)~~

1 (q) Fee for replacement of a satellite office certificate: fifty
2 dollars (\$50).

3 ~~(q)~~

4 (r) Fee for replacement of a certificate of registration of a
5 chiropractic corporation: fifty dollars (\$50).

6 ~~(r)~~

7 (s) Fee to restore a forfeited or canceled license to practice
8 chiropractic: double the annual renewal fee specified in subdivision
9 (c).

10 ~~(s)~~

11 (t) Fee to apply for approval to serve as a preceptor: thirty-one
12 dollars (\$31).

13 ~~(t)~~

14 (u) Fee to petition for reinstatement of a revoked license: three
15 hundred seventy-one dollars (\$371).

16 ~~(u)~~

17 (v) Fee to petition for early termination of probation: three
18 hundred seventy-one dollars (\$371).

19 ~~(v)~~

20 (w) Fee to petition for reduction of penalty: three hundred
21 seventy-one dollars (\$371).

22 *SEC. 5. Section 1718 of the Business and Professions Code is*
23 *amended to read:*

24 1718. Except as otherwise provided in this chapter, an expired
25 license may be renewed at any time within five years after its
26 expiration on filing of application for renewal on a form prescribed
27 by the board, and payment of ~~all accrued~~ *the* renewal and
28 delinquency fees. If the license is renewed more than 30 days after
29 its expiration, the licensee, as a condition precedent to renewal,
30 shall also pay the delinquency fee prescribed by this chapter.
31 Renewal under this section shall be effective on the date on which
32 the application is filed, on the date on which the renewal fee is
33 paid, or on the date on which the delinquency fee, if any, is paid,
34 whichever last occurs. If so renewed, the license shall continue in
35 effect through the expiration date provided in Section 1715 which
36 next occurs after the effective date of the renewal, when it shall
37 expire if it is not again renewed.

38 *SEC. 6. Section 1718.3 of the Business and Professions Code*
39 *is amended to read:*

1 1718.3. (a) A license which is not renewed within five years
 2 after its expiration may not be renewed, restored, reinstated, or
 3 reissued thereafter, but the holder of the license may apply for and
 4 obtain a new license if the following requirements are satisfied:

5 (1) No fact, circumstance, or condition exists which would
 6 justify denial of licensure under Section 480.

7 (2) ~~He or she~~ *The person* pays all of the fees which would be
 8 required of him or her if he or she if *the person* were then applying
 9 for the license for the first time and ~~all the~~ renewal and delinquency
 10 fees which have accrued since the date on which he or she last
 11 renewed his or her license. *fees.*

12 (3) ~~He or she~~ *The person* takes and passes the examination, if
 13 any, which would be required of him or her if he or she if *the*
 14 *person* were then applying for the license for the first time, or
 15 otherwise establishes to the satisfaction of the board that with due
 16 regard for the public interest, ~~he or she~~ *the person* is qualified to
 17 practice the profession or activity in which ~~he or she~~ *again the*
 18 *person* seeks to be licensed.

19 (b) The board may impose conditions on any license issued
 20 pursuant to this section, as it deems necessary.

21 (c) The board may by regulation provide for the waiver or refund
 22 of all or any part of the examination fee in those cases in which a
 23 license is issued without an examination under this section.

24 *SEC. 7. Section 1936 of the Business and Professions Code is*
 25 *amended to read:*

26 1936. Except as otherwise provided in this article, an expired
 27 license may be renewed at any time within five years after its
 28 expiration by filing an application for renewal on a form prescribed
 29 by the hygiene board and payment of ~~all accrued~~ *the* renewal and
 30 delinquency fees. If the license is renewed after its expiration, the
 31 licensee, as a condition precedent of renewal, shall also pay the
 32 delinquency fee prescribed by this article. Renewal under this
 33 section shall be effective on the date on which the application is
 34 filed, on the date on which the renewal fee is paid, or on the date
 35 on which the delinquency fee, if any, is paid, whichever last occurs.
 36 If so renewed, the license shall continue in effect until the
 37 expiration date provided in Section 1935 that next occurs after the
 38 effective date of the renewal.

39 *SEC. 8. Section 2427 of the Business and Professions Code is*
 40 *amended to read:*

1 2427. (a) Except as provided in Section 2429, a license which
2 has expired may be renewed at any time within five years after its
3 expiration on filing an application for renewal on a form prescribed
4 by the licensing authority and payment of ~~all accrued~~ *the* renewal
5 ~~fees~~ *fee* and any other fees required by Section 2424. If the license
6 is not renewed within 30 days after its expiration, the licensee, as
7 a condition precedent to renewal, shall also pay the prescribed
8 delinquency fee, if any. Except as provided in Section 2424,
9 renewal under this section shall be effective on the date on which
10 the renewal application is filed, on the date on which the renewal
11 ~~fee or accrued renewal fees are~~ *is* paid, or on the date on which
12 the delinquency fee or the delinquency fee and penalty fee, if any,
13 are paid, whichever last occurs. If so renewed, the license shall
14 continue in effect through the expiration date set forth in Section
15 2422 or 2423 which next occurs after the effective date of the
16 renewal, when it shall expire and become invalid if it is not again
17 renewed.

18 (b) Notwithstanding subdivision (a), the license of a doctor of
19 podiatric medicine which has expired may be renewed at any time
20 within three years after its expiration on filing an application for
21 renewal on a form prescribed by the licensing authority and
22 payment of ~~all accrued~~ *the* renewal ~~fees~~ *fee* and any other fees
23 required by Section 2424. If the license is not renewed within 30
24 days after its expiration, the licensee, as a condition precedent to
25 renewal, shall also pay the prescribed delinquency fee, if any.
26 Except as provided in Section 2424, renewal under this section
27 shall be effective on the date on which the renewal application is
28 filed, on the date on which the renewal ~~fee or accrued renewal fees~~
29 ~~are~~ *is* paid, or on the date on which the delinquency fee or the
30 delinquency fee and penalty fee, if any, are paid, whichever last
31 occurs. If so renewed, the license shall continue in effect through
32 the expiration date set forth in Section 2422 or 2423 which next
33 occurs after the effective date of the renewal, when it shall expire
34 and become invalid if it is not again renewed.

35 *SEC. 9. Section 2456.3 of the Business and Professions Code*
36 *is amended to read:*

37 2456.3. Except as provided in Section 2429, a license which
38 has expired may be renewed at any time within five years after its
39 expiration by filing an application for renewal on a form prescribed
40 by the board and payment of ~~all accrued~~ *the* renewal ~~fees~~ *fee* and

1 any other fees required by Section 2455. Except as provided in
 2 Section 2456.2, renewal under this section shall be effective on
 3 the date on which the renewal application is filed, on the date on
 4 which the renewal fee ~~or accrued renewal fees are~~ is paid, or on
 5 the date on which the delinquency fee or the delinquency fee and
 6 penalty fee, if any, are paid, whichever last occurs. If so renewed,
 7 the license shall continue in effect through the expiration date set
 8 forth in Section 2456.1 which next occurs after the effective date
 9 of the renewal.

10 *SEC. 10. Section 2535.2 of the Business and Professions Code*
 11 *is amended to read:*

12 2535.2. Except as provided in Section 2535.3, a license that
 13 has expired may be renewed at any time within five years after its
 14 expiration upon filing of an application for renewal on a form
 15 prescribed by the board and payment of ~~all accrued and unpaid~~
 16 ~~renewal fees.~~ *the renewal fee.* If the license is not renewed on or
 17 before its expiration, the licensee, as a condition precedent to
 18 renewal, shall also pay the prescribed delinquency fee. Renewal
 19 under this section shall be effective on the date on which the
 20 application is filed, on the date on which ~~all the renewal fees are~~
 21 *fee* is paid, or on the date on which the delinquency fee is paid,
 22 whichever last occurs. If so renewed, the license shall continue in
 23 effect through the expiration date provided in Section 2535, after
 24 the effective date of the renewal, when it shall expire and become
 25 invalid if it is not again renewed.

26 *SEC. 11. Section 2538.54 of the Business and Professions Code*
 27 *is amended to read:*

28 2538.54. Except as otherwise provided in this article, an expired
 29 license may be renewed at any time within three years after its
 30 expiration on filing of an application for renewal on a form
 31 prescribed by the board, and payment of ~~all accrued and unpaid~~
 32 ~~renewal fees.~~ *the renewal fee.* If the license is renewed after its
 33 expiration the licensee, as a condition precedent to renewal, shall
 34 also pay the delinquency fee prescribed by this article. Renewal
 35 under this section shall be effective on the date on which the
 36 application is filed, on the date on which the renewal fee is paid,
 37 or on the date on which the delinquency fee, if any, is paid,
 38 whichever last occurs. If so renewed, the license shall continue in
 39 effect through the date provided in Section 2538.53 which next

1 occurs after the effective date of the renewal, when it shall expire
2 if it is not again renewed.

3 *SEC. 12. Section 2646 of the Business and Professions Code*
4 *is amended to read:*

5 2646. A license that has expired may be renewed at any time
6 within five years after its expiration by applying for renewal as
7 set forth in Section 2644. Renewal under this section shall be
8 effective on the date on which the renewal application is filed, on
9 the date on which the renewal fee ~~or accrued renewal fees are~~ *is*
10 paid, or on the date on which the delinquency fee and penalty fee,
11 if any, are paid, whichever last occurs. A renewed license shall
12 continue in effect through the expiration date set forth in Section
13 2644 that next occurs after the effective date of the renewal, at
14 which time it shall expire and become invalid if it is not so
15 renewed.

16 *SEC. 13. Section 2734 of the Business and Professions Code*
17 *is amended to read:*

18 2734. Upon application in writing to the board and payment
19 of ~~the a fee not to exceed 50 percent of the~~ biennial renewal fee,
20 a licensee may have ~~his~~ *their* license placed in an inactive status
21 for an indefinite period of time. A licensee whose license is in an
22 inactive status may not practice nursing. However, such a licensee
23 does not have to comply with the continuing education standards
24 of Section 2811.5.

25 *SEC. 14. Section 2892.1 of the Business and Professions Code*
26 *is amended to read:*

27 2892.1. Except as provided in Sections 2892.3 and 2892.5, an
28 expired license may be renewed at any time within four years after
29 its expiration upon filing of an application for renewal on a form
30 prescribed by the board, payment of ~~all accrued and unpaid renewal~~
31 ~~fees,~~ *the renewal fee,* and payment of any fees due pursuant to
32 Section 2895.1.

33 If the license is renewed more than 30 days after its expiration,
34 the licensee, as a condition precedent to renewal, shall also pay
35 the delinquency fee prescribed by this chapter. Renewal under this
36 section shall be effective on the date on which the application is
37 filed, on the date on which ~~all the renewal fees are~~ *fee is* paid, or
38 on the date on which the delinquency fee is paid, whichever last
39 occurs. If so renewed, the license shall continue in effect through
40 the date provided in Section 2892 which next occurs after the

1 effective date of the renewal, when it shall expire if it is not again
2 renewed.

3 *SEC. 15. Section 2984 of the Business and Professions Code*
4 *is amended to read:*

5 2984. Except as provided in Section 2985, a license that has
6 expired may be renewed at any time within three years after its
7 expiration on filing of an application for renewal on a form
8 prescribed by the board and payment of ~~all accrued and unpaid~~
9 ~~the renewal fees.~~ *fee*. If the license is renewed after its expiration,
10 the licensee, as a condition precedent to renewal, shall also pay
11 the prescribed delinquency fee, if any. Renewal under this section
12 shall be effective on the date on which the application is filed, on
13 the date on which ~~all the renewal fees are~~ *fee is* paid, or on the date
14 on which the delinquency fee, if any, is paid, whichever last occurs.
15 If so renewed, the license shall continue in effect through the
16 expiration date provided in Section 2982 which next occurs after
17 the effective date of the renewal, when it shall expire and become
18 invalid if it is not again renewed.

19 *SEC. 16. Section 3147 of the Business and Professions Code*
20 *is amended to read:*

21 3147. (a) Except as otherwise provided by Section 114, an
22 expired optometrist license may be renewed at any time within
23 three years after its expiration, and a retired license issued for less
24 than three years may be reactivated to active status, by filing an
25 application for renewal or reactivation on a form prescribed by the
26 board, paying ~~all accrued and unpaid the renewal fees~~ *fee* or
27 ~~reactivation fees~~ *fee* determined by the board, paying any
28 delinquency fees prescribed by the board, and submitting proof of
29 completion of the required number of hours of continuing education
30 for the last two years, as prescribed by the board pursuant to
31 Section 3059. Renewal or reactivation to active status under this
32 section shall be effective on the date on which all of those
33 requirements are satisfied. If so renewed or reactivated to active
34 status, the license shall continue as provided in Sections 3146 and
35 3147.5.

36 (b) Expired statements of licensure, branch office licenses, and
37 fictitious name permits issued pursuant to Sections 3070, 3077,
38 and 3078, respectively, may be renewed at any time by filing an
39 application for renewal, paying ~~all accrued and unpaid renewal~~

1 ~~fees, the renewal fee~~, and paying any delinquency fees prescribed
2 by the board.

3 *SEC. 17. Section 3147.7 of the Business and Professions Code*
4 *is amended to read:*

5 3147.7. The provisions of Section 3147.6 shall not apply to a
6 person holding a license that has not been renewed within three
7 years of expiration, if the person provides satisfactory proof that
8 ~~he or she~~ *the person* holds an active license from another state and
9 meets all of the following conditions:

10 (a) Is not subject to denial of a license under Section 480.

11 (b) Applies in writing for restoration of the license on a form
12 prescribed by the board.

13 (c) Pays ~~all accrued and unpaid~~ *the renewal fees fee* and any
14 delinquency fees prescribed by the board.

15 (d) Submits proof of completion of the required number of hours
16 of continuing education for the last two years.

17 (e) Takes and satisfactorily passes the board's jurisprudence
18 examination.

19 *SEC. 18. Section 3524 of the Business and Professions Code*
20 *is amended to read:*

21 3524. A license or approval that has expired may be renewed
22 at any time within five years after its expiration by filing an
23 application for renewal on a form prescribed by the board or
24 Medical Board of California, as the case may be, and payment of
25 ~~all accrued and unpaid renewal fees.~~ *the renewal fee*. If the license
26 or approval is not renewed within 30 days after its expiration, the
27 licensed physician assistant and approved supervising physician,
28 as a condition precedent to renewal, shall also pay the prescribed
29 delinquency fee, if any. Renewal under this section shall be
30 effective on the date on which the application is filed, on the date
31 on which ~~all the renewal fees are~~ *fee is* paid, or on the date on
32 which the delinquency fee, if any, is paid, whichever occurs last.
33 If so renewed, the license shall continue in effect through the
34 expiration date provided in Section 3522 or 3523 which next occurs
35 after the effective date of the renewal, when it shall expire, if it is
36 not again renewed.

37 *SEC. 19. Section 3774 of the Business and Professions Code*
38 *is amended to read:*

39 3774. On or before the birthday of a licensed practitioner in
40 every other year, following the initial licensure, the board shall

1 mail to each practitioner licensed under this chapter, at the latest
 2 address furnished by the licensed practitioner to the executive
 3 officer of the board, a notice stating the amount of the renewal fee
 4 and the date on which it is due. The notice shall state that failure
 5 to pay the renewal fee on or before the due date and submit
 6 evidence of compliance with Sections 3719 and 3773 shall result
 7 in expiration of the license.

8 Each license not renewed in accordance with this section shall
 9 expire but may within a period of three years thereafter be
 10 reinstated upon payment of ~~all accrued and unpaid~~ *the* renewal
 11 fees and penalty fees required by this chapter. The board may also
 12 require submission of proof of the applicant’s qualifications, except
 13 that during the three-year period no examination shall be required
 14 as a condition for the reinstatement of any expired license that has
 15 lapsed solely by reason of nonpayment of the renewal fee.

16 *SEC. 20. Section 3775.5 of the Business and Professions Code*
 17 *is amended to read:*

18 3775.5. The fee for an inactive license shall be ~~the same as~~ *no*
 19 *more than 50 percent of the renewal fee for an active license* for
 20 the practice of respiratory care as specified in Section 3775.

21 *SEC. 21. Section 4545 of the Business and Professions Code*
 22 *is amended to read:*

23 4545. Except as provided in Section 4545.2, a license that has
 24 expired may be renewed at any time within four years after its
 25 expiration on filing an application for renewal on a form prescribed
 26 by the board, payment of ~~all accrued and unpaid renewal fees,~~ *the*
 27 *renewal fee,* and payment of all fees required by this chapter. If
 28 the license is renewed more than 30 days after its expiration, the
 29 holder, as a condition precedent to renewal, shall also pay the
 30 delinquency fee prescribed by this chapter. Renewal under this
 31 section shall be effective on the date on which the application is
 32 filed, on the date on which the renewal fee is paid, or on the date
 33 on which the delinquency fee, if any, is paid, whichever last occurs.
 34 If so renewed, the license shall continue in effect through the date
 35 provided in Section 4544 which next occurs after the effective date
 36 of the renewal, when it shall expire if it is not again renewed.

37 A certificate which was forfeited for failure to renew under the
 38 law in effect before October 1, 1961, shall, for the purposes of this
 39 article, be considered to have expired on the date that it became
 40 forfeited.

1 *SEC. 22. Section 4843.5 of the Business and Professions Code*
2 *is amended to read:*

3 4843.5. Except as otherwise provided in this article, an expired
4 certificate of registration may be renewed at any time within five
5 years after its expiration on filing of an application for renewal on
6 a form prescribed by the board, and payment of ~~all accrued and~~
7 ~~unpaid renewal fees.~~ *the renewal fee.* If the certificate of
8 registration is renewed more than 30 days after its expiration, the
9 registrant, as a condition precedent to renewal, shall also pay the
10 delinquency fee prescribed by this article. Renewal under this
11 section shall be effective on the date on which the application is
12 filed, on the date ~~all the renewal fees are~~ *fee is* paid, or on the date
13 on which the delinquency fee, if any, is paid, whichever occurs
14 last.

15 *SEC. 23. Section 4901 of the Business and Professions Code*
16 *is amended to read:*

17 4901. Except as otherwise provided in this chapter, an expired
18 license or registration may be renewed at any time within five
19 years after its expiration on filing of an application for renewal on
20 a form prescribed by the board, and payment of ~~all accrued and~~
21 ~~unpaid renewal fees.~~ *the renewal fee.* If the license or registration
22 is renewed more than 30 days after its expiration, the licensee or
23 registrant, as a condition precedent to renewal, shall also pay the
24 delinquency fee prescribed by this chapter. Renewal under this
25 section shall be effective on the date on which the application is
26 filed, on the date on which ~~all renewal fees are~~ *the renewal fee is*
27 paid, or on the date on which the delinquency fee, if any, is paid,
28 whichever last occurs. If so renewed, the license or registration
29 shall continue in effect through the expiration date provided in
30 Section 4900 that next occurs after the effective date of the renewal,
31 when it shall expire if it is not again renewed.

32 *SEC. 24. Section 4966 of the Business and Professions Code*
33 *is amended to read:*

34 4966. Except as provided in Section 4969, a license that has
35 expired may be renewed at any time within three years after its
36 expiration by filing of an application for renewal on a form
37 provided by the board, paying ~~all accrued and unpaid renewal fees,~~
38 *the renewal fee,* and providing proof of completing continuing
39 education requirements. If the license is not renewed prior to its
40 expiration, the acupuncturist, as a condition precedent to renewal,

1 shall also pay the prescribed delinquency fee. Renewal under this
2 section shall be effective on the date on which the application is
3 filed, on the date on which the renewal fee is paid, or on the date
4 the delinquency fee is paid, whichever occurs last. If so renewed,
5 the license shall continue in effect through the expiration date
6 provided in Section 4965, after the effective date of the renewal,
7 when it shall expire and become invalid if it is not again renewed.

8 *SEC. 25. Section 4989.36 of the Business and Professions Code*
9 *is amended to read:*

10 4989.36. A licensee may renew a license that has expired at
11 any time within three years after its expiration date by taking all
12 of the actions described in Section 4989.32 and by paying ~~all~~
13 ~~unpaid prior renewal fees and delinquency fees.~~ *the delinquency*
14 *fee.*

15 *SEC. 26. Section 4999.104 of the Business and Professions*
16 *Code is amended to read:*

17 4999.104. Licenses issued under this chapter that have expired
18 may be renewed at any time within three years of expiration. To
19 renew an expired license described in this section, the licensee
20 shall do all of the following:

21 (a) File an application for renewal on a form prescribed by the
22 board.

23 ~~(b) Pay all fees that would have been paid if the license had not~~
24 ~~become delinquent.~~

25 ~~(c)~~

26 ~~(b) Pay all the delinquency fees.~~ *fee.*

27 ~~(d)~~

28 (c) Certify compliance with the continuing education
29 requirements set forth in Section 4999.76.

30 ~~(e)~~

31 (d) Notify the board whether ~~he or she~~ *the licensee* has been
32 convicted, as defined in Section 490, of a misdemeanor or felony,
33 or whether any disciplinary action has been taken by any regulatory
34 or licensing board in this or any other state, subsequent to the
35 licensee’s last renewal.

36 *SEC. 27. Section 5070.6 of the Business and Professions Code*
37 *is amended to read:*

38 5070.6. Except as otherwise provided in this chapter, an expired
39 permit may be renewed at any time within five years after its
40 expiration upon the filing of an application for renewal on a form

1 prescribed by the board, payment of ~~all accrued and unpaid renewal~~
2 ~~fees~~ *the renewal fee*, and providing evidence satisfactory to the
3 board of compliance as required by Section 5070.5. If the permit
4 is renewed after its expiration, its holder, as a condition precedent
5 to renewal, shall also pay the delinquency fee prescribed by this
6 chapter. Renewal under this section shall be effective on the date
7 on which the application is filed, on the date on which the ~~accrued~~
8 ~~renewal fees~~ *are fee is paid*, or on the date on which the
9 delinquency fee, if any, is paid, whichever last occurs. If so
10 renewed, the permit shall continue in effect through the date
11 provided in Section 5070.5 that next occurs after the effective date
12 of the renewal, when it shall expire if it is not again renewed.

13 *SEC. 28. Section 5600.2 of the Business and Professions Code*
14 *is amended to read:*

15 5600.2. Except as otherwise provided in this chapter, a license
16 which has expired may be renewed at any time within five years
17 after its expiration on filing of application for renewal on a form
18 prescribed by the board, and payment of ~~all accrued and unpaid~~
19 ~~renewal fees~~ *the renewal fee*. If a license is renewed more than
20 30 days after its expiration, the licenseholder, as a condition
21 precedent to renewal, shall also pay the delinquency fee prescribed
22 by this chapter. Renewal under this section shall be effective on
23 the date on which the application is filed, on the date on which the
24 renewal fee is paid, or on the date on which the delinquency fee,
25 if any, is paid, whichever last occurs. If so renewed, the license
26 shall continue in effect through the expiration date provided in this
27 chapter which next occurs after the effective date of the renewal,
28 when it shall expire if it is not again renewed.

29 *SEC. 29. Section 5680.1 of the Business and Professions Code*
30 *is amended to read:*

31 5680.1. Except as otherwise provided in this chapter, a license
32 that has expired may be renewed at any time within five years after
33 its expiration on filing of an application for renewal on a form
34 prescribed by the board, and payment of ~~all accrued and unpaid~~
35 ~~renewal fees~~ *the renewal fee*. If the license is renewed more than
36 30 days after its expiration, the licenseholder, as a condition
37 precedent to renewal, shall also pay the delinquency fee prescribed
38 by this chapter. Renewal under this section shall be effective on
39 the date on which the application is filed, on the date on which ~~all~~
40 ~~the renewal fees~~ *are fee is paid*, or on the date on which the

1 delinquency fee, if any, is paid, whichever last occurs. If so
 2 renewed, the license shall continue in effect through the date
 3 provided in Section 5680 that next occurs after the effective date
 4 of the renewal, when it shall expire if it is not again renewed.

5 *SEC. 30. Section 6796 of the Business and Professions Code*
 6 *is amended to read:*

7 6796. Except as otherwise provided in this article, certificates
 8 of registration as a professional engineer and certificates of
 9 authority may be renewed at any time within five years after
 10 expiration on filing of application for renewal on a form prescribed
 11 by the board and payment of ~~all accrued and unpaid renewal fees.~~
 12 *the renewal fee.* If the certificate is renewed more than 60 days
 13 after its expiration, the certificate holder, as a condition precedent
 14 to renewal, shall also pay the delinquency fee prescribed by this
 15 chapter. Renewal under this section shall be effective on the date
 16 on which the application is filed, on the date on which the renewal
 17 fee is paid, or on the date on which the delinquency fee, if any, is
 18 paid, whichever last occurs.

19 The expiration date of a certificate renewed pursuant to this
 20 section shall be determined pursuant to Section 6795.

21 *SEC. 31. Section 6980.28 of the Business and Professions Code*
 22 *is amended to read:*

23 6980.28. A locksmith license not renewed within three years
 24 following its expiration may not be renewed thereafter. Renewal
 25 of the license within three years, or issuance of an original license
 26 thereafter, shall be subject to payment of any ~~and all fines~~ *fine*
 27 assessed by the chief or the director ~~which are~~ *that is* not pending
 28 appeal and all other applicable fees.

29 *SEC. 32. Section 7076.5 of the Business and Professions Code*
 30 *is amended to read:*

31 7076.5. (a) A contractor may inactivate ~~his or her~~ *their* license
 32 by submitting a form prescribed by the registrar accompanied by
 33 the current active license certificate. When the current license
 34 certificate has been lost, the licensee shall pay the fee prescribed
 35 by law to replace the license certificate. Upon receipt of an
 36 acceptable application to inactivate, the registrar shall issue an
 37 inactive license certificate to the contractor. The holder of an
 38 inactive license shall not be entitled to practice as a contractor until
 39 ~~his or her~~ *their* license is reactivated.

1 (b) Any licensed contractor who is not engaged in work or
2 activities which require a contractor's license may apply for an
3 inactive license.

4 (c) Inactive licenses shall be valid for a period of four years
5 from their due date.

6 (d) During the period that an existing license is inactive, no
7 bonding requirement pursuant to Section 7071.6, 7071.8 or 7071.9
8 or qualifier requirement pursuant to Section 7068 shall apply. An
9 applicant for license having met the qualifications for issuance
10 may request that the license be issued inactive unless the applicant
11 is subject to the provisions of Section 7071.8.

12 (e) The board shall not refund any of the renewal fee which a
13 licensee may have paid prior to the inactivation of ~~his or her~~ *the*
14 license.

15 (f) An inactive license shall be renewed on each established
16 renewal date by submitting the renewal application and paying the
17 inactive renewal fee.

18 (g) An inactive license may be reactivated by submitting an
19 application acceptable to the registrar, by paying ~~the full~~ *a fee no*
20 *more than 50 percent of the* renewal fee for an active ~~license~~
21 *license*, and by fulfilling all other requirements of this chapter. No
22 examination shall be required to reactivate an inactive license.

23 (h) The inactive status of a license shall not bar any disciplinary
24 action by the board against a licensee for any of the causes stated
25 in this chapter.

26 *SEC. 33. Section 7417 of the Business and Professions Code*
27 *is amended to read:*

28 7417. Except as otherwise provided in this article, a license
29 that has expired for failure of the licensee to renew within the time
30 fixed by this article may be renewed at any time within five years
31 following its expiration upon application and payment of ~~all~~
32 ~~accrued and unpaid~~ *the* renewal ~~fees~~ and delinquency fees. If the
33 license is renewed after its expiration, the licensee, as a condition
34 precedent to renewal, shall also pay the delinquency fee and meet
35 current continuing education requirements, if applicable, prescribed
36 by this chapter. Renewal under this section shall be effective on
37 the date on which the application is filed, or on the date on which
38 ~~the accrued renewal fees are~~ *fee is* paid, or on the date on which
39 the delinquency fee, if any, is paid, whichever occurs last. If so
40 renewed, the license shall continue in effect through the expiration

1 date provided in this article which next occurs following the
2 effective date of the renewal, when it shall expire if it is not again
3 renewed.

4 *SEC. 34. Section 7672.8 of the Business and Professions Code*
5 *is amended to read:*

6 7672.8. All cremated remains disposer registrations shall expire
7 at midnight on September 30 of each year. A person desiring to
8 renew ~~his or her~~ *their* registration shall file an application for
9 renewal on a form prescribed by the bureau accompanied by the
10 required fee. A registration that has expired may be renewed within
11 five years of its expiration upon payment of ~~all accrued and unpaid~~
12 ~~renewal fees.~~ *the renewal fee.* The bureau shall not renew the
13 registration of any person who has not filed the required annual
14 report until ~~he or she~~ *the person* has filed a complete annual report
15 with the department.

16 *SEC. 35. Section 7725.2 of the Business and Professions Code*
17 *is amended to read:*

18 7725.2. Except as otherwise provided in this chapter, a license
19 that has expired may be renewed at any time within five years after
20 its expiration on filing of an application for renewal on a form
21 prescribed by the bureau and payment of ~~all accrued and unpaid~~
22 ~~renewal fees.~~ *the renewal fee.* If the license is not renewed within
23 30 days after its expiration the licensee, as a condition precedent
24 to renewal, shall also pay the delinquency fee prescribed by this
25 chapter. Renewal under this section shall be effective on the date
26 on which the application is filed, on the date on which ~~all the~~
27 ~~renewal fees are~~ *fee is* paid, or on the date on which the
28 delinquency fee, if any, is paid, whichever last occurs. If so
29 renewed, the license shall continue in effect through the date
30 provided in Section 7725 that next occurs after the effective date
31 of the renewal, when it shall expire if it is not again renewed.

32 If a license is not renewed within one year following its
33 expiration, the bureau may require as a condition of renewal that
34 the holder of the license pass an examination on the appropriate
35 subjects provided by this chapter.

36 *SEC. 36. Section 7729.1 of the Business and Professions Code*
37 *is amended to read:*

38 7729.1. The amount of fees prescribed for a license or
39 certificate of authority under this act is that fixed by the following
40 provisions of this article. Any license or certificate of authority

1 provided under this act that has expired may be renewed within
2 five years of its expiration upon payment of ~~all accrued and unpaid~~
3 ~~renewal and regulatory fees.~~ *the renewal fee.*

4 *SEC. 37. Section 7881 of the Business and Professions Code*
5 *is amended to read:*

6 7881. Except as otherwise provided in this article, certificates
7 of registration as a geologist or as a geophysicist, or certified
8 specialty certificates, may be renewed at any time within five years
9 after expiration on filing an application for renewal on a form
10 prescribed by the board and payment of ~~all accrued and unpaid~~
11 ~~renewal fees.~~ *the renewal fee.* If the certificate is renewed more
12 than 30 days after its expiration, the certificate holder, as a
13 condition precedent to renewal, shall also pay the delinquency fee
14 prescribed by this chapter. Renewal under this section shall be
15 effective on the date on which the application is filed, on the date
16 on which ~~all the renewal fees are~~ *fee is* paid, or on the date on
17 which the delinquency fee, if any, is paid, whichever last occurs.
18 If so renewed, the certificate shall continue in effect through the
19 date provided in Section 7880 that next occurs after the effective
20 date of the renewal, when it shall expire if it is not again renewed.

21 *SEC. 38. Section 7883 of the Business and Professions Code*
22 *is amended to read:*

23 7883. A revoked certificate is subject to expiration as provided
24 in this article, but it may not be renewed. If it is reinstated after its
25 expiration, the holder of the certificate, as a condition precedent
26 to its reinstatement, shall pay a reinstatement fee in an amount
27 equal to the renewal fee in effect on the last regular date before
28 the date on which it is ~~reinstated, plus all accrued and unpaid~~
29 ~~renewal fees~~ *reinstated* and the delinquency fee, if any, accrued
30 at the time of its revocation.

31 *SEC. 39. Section 8024.7 of the Business and Professions Code*
32 *is amended to read:*

33 8024.7. The board shall establish an inactive category of
34 licensure for persons who are not actively engaged in the practice
35 of shorthand reporting.

36 (a) The holder of an inactive license issued pursuant to this
37 section shall not engage in any activity for which a license is
38 required.

39 (b) An inactive license issued pursuant to this section shall be
40 renewed during the same time period in which an active license

1 is renewed. The holder of an inactive license is exempt from any
 2 continuing education requirement for renewal of an active license.

3 (c) The renewal fee for a license in an active status shall ~~apply~~
 4 ~~also for a renewal of a license in an inactive status, unless a lesser~~
 5 ~~renewal fee is specified by the board.~~ *be no more than 50 percent*
 6 *of the renewal fee for a license in an active status.*

7 (d) In order for the holder of an inactive license issued pursuant
 8 to this section to restore ~~his or her~~ *their* license to an active status,
 9 the holder of an inactive license shall comply with both of the
 10 following:

- 11 (1) Pay the renewal fee.
- 12 (2) If the board requires completion of continuing education for
 13 renewal of an active license, complete continuing education
 14 equivalent to that required for renewal of an active license, unless
 15 a different requirement is specified by the board.

16 *SEC. 40. Section 8802 of the Business and Professions Code*
 17 *is amended to read:*

18 8802. Except as otherwise provided in this article, licenses
 19 issued under this chapter may be renewed at any time within five
 20 years after expiration on filing of application for renewal on a form
 21 prescribed by the board and payment of ~~all accrued and unpaid~~
 22 ~~renewal fees.~~ *the renewal fee.* If the license is renewed more than
 23 30 days after its expiration, the licensee, as a condition precedent
 24 to renewal, shall also pay the delinquency fee prescribed by this
 25 chapter. Renewal under this section shall be effective on the date
 26 on which the application is filed, on the date on which the renewal
 27 fee is paid, or on the date on which the delinquency fee, if any, is
 28 paid, whichever last occurs. If so renewed, the license shall
 29 continue in effect through the date provided in Section 8801 which
 30 next occurs after the effective date of the renewal, when it shall
 31 expire if it is not again renewed.

32 *SEC. 41. Section 9832 of the Business and Professions Code*
 33 *is amended to read:*

34 9832. (a) Registrations issued under this chapter shall expire
 35 no more than 12 months after the issue date. The expiration date
 36 of registrations shall be set by the director in a manner to best
 37 distribute renewal procedures throughout the year.

38 (b) To renew an unexpired registration, the service dealer shall,
 39 on or before the expiration date of the registration, apply for

1 renewal on a form prescribed by the director, and pay the renewal
2 fee prescribed by this chapter.

3 (c) To renew an expired registration, the service dealer shall
4 apply for renewal on a form prescribed by the director, pay the
5 renewal fee in effect on the last regular renewal date, and pay ~~all~~
6 ~~accrued and unpaid~~ the delinquency ~~and renewal fees.~~ *fee.*

7 (d) Renewal is effective on the date that the application is ~~filed,~~
8 ~~filed and~~ the renewal fee is paid, and ~~all~~ delinquency fees are paid.

9 (e) For purposes of implementing the distribution of the renewal
10 of registrations throughout the year, the director may extend by
11 not more than six months, the date fixed by law for renewal of a
12 registration, except that in that event any renewal fee that may be
13 involved shall be prorated in a manner that no person shall be
14 required to pay a greater or lesser fee than would have been
15 required had the change in renewal dates not occurred.

16 *SEC. 42. Section 9832.5 of the Business and Professions Code*
17 *is amended to read:*

18 9832.5. (a) Registrations issued under this chapter shall expire
19 no more than 12 months after the issue date. The expiration date
20 of registrations shall be set by the director in a manner to best
21 distribute renewal procedures throughout the year.

22 (b) To renew an unexpired registration, the service contractor
23 shall, on or before the expiration date of the registration, apply for
24 renewal on a form prescribed by the director, and pay the renewal
25 fee prescribed by this chapter.

26 (c) To renew an expired registration, the service contractor shall
27 apply for renewal on a form prescribed by the director, pay the
28 renewal fee in effect on the last regular renewal date, and pay ~~all~~
29 ~~accrued and unpaid~~ the delinquency and renewal fees.

30 (d) Renewal is effective on the date that the application is ~~filed,~~
31 ~~filed and~~ the renewal fee is paid, and ~~all~~ delinquency fees are paid.

32 (e) For purposes of implementing the distribution of the renewal
33 of registrations throughout the year, the director may extend, by
34 not more than six months, the date fixed by law for renewal of a
35 registration, except that, in that event, any renewal fee that may
36 be involved shall be prorated in such a manner that no person shall
37 be required to pay a greater or lesser fee than would have been
38 required had the change in renewal dates not occurred.

39 (f) This section shall remain in effect only until January 1, 2023,
40 and as of that date is repealed.

1 *SEC. 43. Section 9884.5 of the Business and Professions Code*
 2 *is amended to read:*

3 9884.5. A registration that is not renewed within three years
 4 following its expiration shall not be renewed, restored, or reinstated
 5 thereafter, and the delinquent registration shall be canceled
 6 immediately upon expiration of the three-year period.

7 An automotive repair dealer whose registration has been canceled
 8 by operation of this section shall obtain a new registration only if
 9 ~~he or she~~ *the automotive repair dealer* again meets the requirements
 10 set forth in this chapter relating to registration, is not subject to
 11 denial under Section 480, and pays the applicable fees.

12 An expired registration may be renewed at any time within three
 13 years after its expiration upon the filing of an application for
 14 renewal on a form prescribed by the bureau and the payment of
 15 ~~all accrued~~ *the* renewal and delinquency fees. Renewal under this
 16 section shall be effective on the date on which the application is
 17 filed and ~~all~~ *the* renewal and delinquency fees are paid. If so
 18 renewed, the registration shall continue in effect through the
 19 expiration date of the current registration year as provided in
 20 Section 9884.3, at which time the registration shall be subject to
 21 renewal.

22 *SEC. 44. Section 19170.5 of the Business and Professions Code*
 23 *is amended to read:*

24 19170.5. (a) Except as provided in Section 19170.3, licenses
 25 issued under this chapter expire two years from the date of
 26 issuance. To renew ~~his or her~~ *a* license, a licensee shall, on or
 27 before the date on which it would otherwise expire, apply for
 28 renewal on a form prescribed by the chief, and pay the fees
 29 prescribed by Sections 19170 and 19213.1. If a licensee fails to
 30 renew ~~his or her~~ *their* license before its expiration, a delinquency
 31 fee of 20 percent, but not more than one hundred dollars (\$100),
 32 notwithstanding the provisions of Section 163.5, shall be added
 33 to the renewal fee. If the renewal fee and delinquency fee are not
 34 paid within 90 days after expiration of a license, the licensee shall
 35 be assessed an additional penalty fee of 30 percent of the renewal
 36 fee.

37 (b) Except as otherwise provided in this chapter, a licensee may
 38 renew an expired license within six years after expiration of the
 39 license by filing an application for renewal on a form prescribed

1 by the bureau, and paying ~~all accrued renewal, delinquent, the~~
2 ~~renewal, delinquency,~~ and penalty fees.

3 (c) A license that is not renewed within six years of its expiration
4 shall not be renewed, restored, reinstated, or reissued, but the holder
5 of the license may apply for and obtain a new license if both of
6 the following requirements are satisfied:

7 (1) No fact, circumstance, or condition exists which would
8 justify denial of licensure under Section 480.

9 (2) The licensee pays ~~all the~~ renewal, delinquency, and penalty
10 fees ~~that have accrued since the date on which the license was last~~
11 ~~renewed.~~ fees.

12 (d) The bureau may impose conditions on any license issued
13 pursuant to subdivision (c).

14 *SEC. 45. Section 19290 of the Business and Professions Code*
15 *is amended to read:*

16 19290. (a) Permits issued under this chapter expire two years
17 from the date of issuance. To renew a permit, a permittee shall,
18 on or before the date on which it would otherwise expire, apply
19 for renewal on a form prescribed by the chief, and continue to pay
20 the fees prescribed in Sections 19288 and 19288.1. Notwithstanding
21 Section 163.5, if a permittee fails to renew the permit before its
22 expiration, a delinquency fee of 20 percent of the most recent fee
23 paid to the bureau pursuant to Sections 19288 and 19288.1 shall
24 be added to the amount due to the bureau at the next fee interval.
25 If the renewal fee and delinquency fee are not paid within 90 days
26 after expiration of a permit, the permittee shall be assessed an
27 additional fee of 30 percent of the most recent fee paid to the
28 bureau pursuant to Sections 19288 and 19288.1.

29 (b) Except as otherwise provided in this chapter, a permittee
30 may renew an expired permit within two years after expiration of
31 the permit by filing an application for renewal on a form prescribed
32 by the bureau, and paying all ~~accrued~~ fees.

33 (c) A permit that is not renewed within two years of its
34 expiration shall not be renewed, restored, reinstated, or reissued,
35 but the holder of the expired permit may apply for and obtain a
36 new permit as provided in this chapter, upon payment of all fees
37 that accrued since the date the permit was last renewed.

38 (d) The bureau may impose conditions on any permit issued
39 pursuant to subdivision (c).

1 SECTION 1. ~~Section 4073 of the Business and Professions~~
2 ~~Code is amended to read:~~

3 4073. (a) ~~A pharmacist filling a prescription order for a drug~~
4 ~~product prescribed by its trade or brand name may select another~~
5 ~~drug product with the same active chemical ingredients of the same~~
6 ~~strength, quantity, and dosage form, and of the same generic drug~~
7 ~~name as determined by the United States Adopted Names (USAN)~~
8 ~~and accepted by the federal Food and Drug Administration (FDA),~~
9 ~~of those drug products having the same active chemical ingredients.~~

10 (b) ~~In no case shall a selection be made pursuant to this section~~
11 ~~if the prescriber personally indicates, either orally or in the~~
12 ~~prescriber's own handwriting, "Do not substitute," or words of~~
13 ~~similar meaning. Nothing in this subdivision shall prohibit a~~
14 ~~prescriber from checking a box on a prescription marked "Do not~~
15 ~~substitute"; provided that the prescriber personally initials the box~~
16 ~~or checkmark. To indicate that a selection shall not be made~~
17 ~~pursuant to this section for an electronic data transmission~~
18 ~~prescription as defined in subdivision (c) of Section 4040, a~~
19 ~~prescriber may indicate "Do not substitute," or words of similar~~
20 ~~meaning, in the prescription as transmitted by electronic data, or~~
21 ~~may check a box marked on the prescription "Do not substitute."~~
22 ~~In either instance, it shall not be required that the prohibition on~~
23 ~~substitution be manually initialed by the prescriber.~~

24 (c) ~~Selection pursuant to this section is within the discretion of~~
25 ~~the pharmacist, except as provided in subdivision (b). The person~~
26 ~~who selects the drug product to be dispensed pursuant to this~~
27 ~~section shall assume the same responsibility for selecting the~~
28 ~~dispensed drug product as would be incurred in filling a~~
29 ~~prescription for a drug product prescribed by generic name. There~~
30 ~~shall be no liability on the prescriber for an act or omission by a~~
31 ~~pharmacist in selecting, preparing, or dispensing a drug product~~
32 ~~pursuant to this section. In no case shall the pharmacist select a~~
33 ~~drug product pursuant to this section unless the drug product~~
34 ~~selected costs the patient less than the prescribed drug product.~~
35 ~~Cost, as used in this subdivision, is defined to include any~~
36 ~~professional fee that may be charged by the pharmacist.~~

37 (d) ~~This section shall apply to all prescriptions, including those~~
38 ~~presented by or on behalf of persons receiving assistance from the~~
39 ~~federal government or pursuant to the California Medical~~
40 ~~Assistance Program set forth in Chapter 7 (commencing with~~

1 ~~Section 14000) of Part 3 of Division 9 of the Welfare and~~
2 ~~Institutions Code.~~

3 ~~(e) When a substitution is made pursuant to this section, the use~~
4 ~~of the cost-saving drug product dispensed shall be communicated~~
5 ~~to the patient and the name of the dispensed drug product shall be~~
6 ~~indicated on the prescription label, except where the prescriber~~
7 ~~orders otherwise.~~

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1076 (Ting)
Status/Location: Assembly Appropriations
Sponsor: California for Safety and Justice
Subject: Criminal Records: Automatic Relief
Code Section: Add Sections 851.93 and 1203.425 to the Penal Code

Summary: Current law allows a petitioner to request that certain criminal offender record information be sealed. This bill would require the Department of Justice to automatically seal eligible arrest and conviction records without requiring any action from a petitioner. This bill is relevant to CSLB because it affects information reported to CSLB about licensed contractors and applicants for contractor licenses.

Existing law provides, regarding persons who are *arrested*, and subject to other specified circumstances, that a person who has successfully completed a pretrial diversion program in lieu of entering a plea, or whose arrest did not result in a conviction, may petition the court to have these records sealed.

Existing law, regarding persons who are *convicted*, and subject to other specified circumstances, a person who fulfills conditions of an entire probation, or is discharged prior to the end of probation, or in cases in which the court determines relief should be granted, to petition to withdraw a guilty plea and have the charges dismissed and be released from all penalties resulting from the offense and conviction.

Existing law requires the California Department of Justice (DOJ) to maintain state summary criminal history information and specifies procedures and prohibitions on the disclosure and use of that information. Existing law defines “criminal offender record information” (CORI) as records and data compiled by agencies to identify offenders and a summary of arrests, pretrial proceedings, the nature and disposition of criminal charges, sentencing, incarceration, rehabilitation, and release.

This bill requires the DOJ to review its databases weekly and to identify persons who meet specified conditions and are therefore eligible for automatic arrest record relief.

This bill provides that conviction or arrest relief automatically occurs, without requiring a motion or petition for relief, and that the arrest or conviction and its consequences are deemed not to have occurred, with a note in the record stating “relief granted.” The bill provides that the person may answer any question related to the offense accordingly.

This bill specifies that DOJ shall not disclose an arrest or conviction granted relief to any Department of Consumer affairs board or bureau.

This bill also provides that a person is eligible for automatic *arrest record* relief, subject to specified conditions:

- For misdemeanor charges that were dismissed, or if a year has passed without a conviction, or if the arrestee was acquitted
- For felony offenses punishable by jail for up to three years and if at least three years have passed since without a conviction or if the arrestee was acquitted
- If the person completes specified diversion or deferred judgment programs

This bill provides that a person is eligible for automatic *criminal conviction* record relief, subject to specified conditions:

- If the person is not required to register for a sexual offense or is not under active local, state, or federal supervision, or is not serving a sentence or under charge
- For cases in which probation is completed without revocation, or if the conviction is for an infraction or misdemeanor that was not granted probation and if the sentence was completed with a year passing since the judgment
- For cases of a felony conviction resulting in jail and part of the sentence was suspended with a year passing since completing the sentence, or if the sentence was not suspended but two years have passed since the sentence
- For cases in which the sentencing occurred prior to the 2011 Realignment Legislation in specified circumstances

Background: According to the Assembly Business and Professions Committee, this bill “would be a comprehensive change in how record relief for most arrests and conviction records is granted” in California. The Committee expressed concerns that DOJ frequently does not have sufficient information in its existing records to make many of the determinations required by the bill, and that this bill effectively has two branches of government making decisions traditionally reserved for the judicial branch.

According to the Committee, around 70 million Americans, including eight million Californians, have “some sort of criminal record, amounting to almost one-in-three working-age Americans.

According to the author, “76% of individuals with a criminal conviction report instability in finding a job or housing, obtaining a license, paying for fines or fees, and having health issues, and that having a criminal record reduces the chance of getting a job offer or callback by 50%.” The author states that “lack of access to employment and housing are primary factors driving recidivism,” and that the U.S. loses “roughly \$65 billion per year in gross domestic product due to employment losses” because of criminal records. The author states that the current process for clearing arrests and convictions “imposes a burden on affected individuals to be made aware of their eligibility and retain an attorney to proactively file the necessary petition,” a petition process that costs the system \$3,757 per record, whereas an automated system costs four cents (\$.04) per record.

By not requiring any action from a petitioner, the author states that the bill reduces significant barriers to employment and housing opportunities for millions of Californians.

Support: (As of 5/13/19)

California for Safety and Justice (Sponsor)
American Civil Liberties Union of California
California Public Defenders Association
Community Works
Feminists in Action
Indivisible Sausalito
Indivisible Stanislaus
Indivisible San Diego Central
Initiate Justice
National Association of Social Workers, California Chapter
Showing Up for Racial Justice, Marin
Sister Warrior Freedom Coalition
Southern California Coalition
We The People - San Diego

Opposition: (As of 5/13/19)

California Law Enforcement Association of Records Supervisors

Fiscal Impact for CSLB: Unknown

Committee Recommendation and Comments:

OPPOSE. The CSLB Legislative Committee passed a motion to “oppose” his bill at its May 13, 2019, meeting.

Committee members expressed concern that this bill would result in automatically removing nearly all misdemeanors from criminal records after one year, and removing a number of felonies after more than one year under specified circumstances. Consequently, CSLB Enforcement and Licensing divisions would not be made aware of some applicant’s and licensee’s prior convictions or restitution owed for criminal acts, which is concerning, particularly in the case of serial offenders.

The underlying policy of removing barriers to licensure is a 2019-21 board-approved strategic plan objective (Licensing and Testing Division Strategic Plan item 1.4). However, CSLB should be cautious about the elimination of certain criminal history that staff consider when evaluating an applicant’s qualifications for licensure.

Date: May 13, 2019

AMENDED IN ASSEMBLY MARCH 27, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1076

Introduced by Assembly Member Ting

February 21, 2019

An act to add Sections 851.93 and 1203.425 to the Penal Code, relating to criminal records.

LEGISLATIVE COUNSEL'S DIGEST

AB 1076, as amended, Ting. Criminal records: automatic relief.

Existing law authorizes a person who was arrested and has successfully completed a prefiling diversion program, a person who has successfully completed a specified drug diversion program, a person who has successfully completed a specified deferred entry of judgment program, and a person who has suffered an arrest that did not result in a conviction, under certain conditions, to petition the court to seal the person's arrest record. Under existing law, if a defendant successfully completes certain diversion programs, the arrest for the crime for which the defendant was diverted is deemed to have never occurred.

Existing law authorizes a defendant to petition to withdraw the defendant's plea of guilty or nolo contendere and enter a plea of not guilty, if the defendant has fulfilled the conditions of probation, or if other specified circumstances are met, and the defendant is not then serving a sentence for any offense, on probation for any offense, or charged with the commission of any offense. If relief is granted, existing law requires the court to dismiss the accusation or information against the defendant and release the defendant from all penalties and disabilities resulting from the offense, with exceptions. Existing law also authorizes a defendant to file a similar petition if the defendant was convicted of

a misdemeanor and not granted probation, was convicted of an infraction, or completed a sentence for certain felonies, and the defendant met specified conditions.

This bill would, commencing January 1, 2021, require the Department of Justice, on a weekly basis, to review the records in the ~~state summary criminal history information database~~ *statewide criminal justice databases* and to identify persons who are eligible for relief by having their arrest records, or their criminal conviction records, withheld from disclosure. The bill would require the department to grant relief to an eligible person, without requiring a petition or motion. The bill would not limit petitions, motions, or orders for relief, as required or authorized by any other law.

The bill would require an update to the state summary criminal history information to document the relief granted. The bill would require the department, on a weekly basis, to *electronically* submit a notice to the superior court having jurisdiction over the criminal case, informing the court of all cases for which relief was granted. The bill would prohibit the court from disclosing information concerning an arrest or conviction granted relief, with exceptions.

The bill would authorize the prosecuting attorney to file a motion to prohibit the department from granting automatic relief for criminal conviction records as described above. If the court grants that motion, the bill would prohibit the department from granting relief, but the person would continue to be eligible for relief through other existing procedures, including petitions to the court.

The bill would require the Department of Justice to annually publish statistics regarding relief granted pursuant to the provisions of this bill, as specified.

The bill would require a court, at the time of sentencing, to advise each defendant of their right to conviction relief pursuant to the provisions of this bill, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 851.93 is added to the Penal Code, to
2 read:
3 851.93. (a) (1) On a weekly basis, the Department of Justice
4 shall review the records in the ~~state summary criminal history~~

1 ~~information database and shall identify persons who are eligible~~
2 ~~for relief in their arrest records pursuant to Section 851.87, 851.90,~~
3 ~~851.91, 1000.4, or 1001.9, and whose arrests meet the conditions~~
4 ~~described in paragraph (2): statewide criminal justice databases,~~
5 ~~and based on information in the Automated Criminal History~~
6 ~~System, shall identify persons with records of arrest that meet the~~
7 ~~criteria set forth in paragraph (2) and are eligible for arrest record~~
8 ~~relief.~~

9 (2) A person is eligible for relief pursuant to this section, if the
10 ~~underlying arrest shall meet all~~ *meets* any of the following
11 conditions:

12 ~~(A) Either of the following criteria is met:~~

13 (A) *The arrest was for a misdemeanor offense and the charge*
14 *was dismissed.*

15 (i)

16 (B) ~~The arrest is~~ *was for a misdemeanor offense, and at least*
17 *one calendar year has elapsed since the date of the* ~~arrest.~~ *arrest,*
18 *and no conviction occurred, or the arrestee was acquitted of any*
19 *charges that arose, from that arrest.*

20 (ii)

21 (C) ~~The arrest is~~ *was for a felony offense an offense that is*
22 *punishable by imprisonment pursuant to paragraph (1) or (2) of*
23 *subdivision (h) of Section 1170, and at least three calendar years*
24 *have elapsed since the date of the* ~~arrest.~~ *arrest, and no conviction*
25 *occurred, or the arrestee was acquitted of any charges arising*
26 *from, that arrest.*

27 ~~(B) A criminal conviction did not result based on the arrest.~~

28 (C) ~~Nothing in the arrest record indicates that proceedings~~
29 ~~seeking conviction remain pending.~~

30 (D) *The person successfully completed any of the following,*
31 *relating to that arrest:*

32 (i) *A prefiling diversion program, as defined in Section 851.87,*
33 *administered by a prosecuting attorney in lieu of filing an*
34 *accusatory pleading.*

35 (ii) *A drug diversion program administered by a superior court*
36 *pursuant to Section 1000.5, or a deferred entry of judgment*
37 *program pursuant to Section 1000 or 1000.8.*

38 (iii) *A pretrial diversion program, pursuant to Section 1000.4.*

39 (iv) *A diversion program, pursuant to Section 1001.9.*

1 (v) Any diversion program described in Chapters 2.8
 2 (commencing with Section 1001.20), 2.8A (commencing with
 3 Section 1001.35), 2.9 (commencing with Section 1001.50), 2.9A
 4 (commencing with Section 1001.60), 2.9B (commencing with
 5 Section 1001.70), 2.9C (commencing with Section 1001.80), or
 6 2.9D (commencing with Section 1001.81), of Title 6.

7 (b) (1) The department shall grant relief to a person identified
 8 pursuant to subdivision (a), without requiring a petition or motion
 9 by a party for that relief.

10 ~~(2) Section 851.92 does not apply to relief granted pursuant to~~
 11 ~~this section.~~

12 ~~(3)~~

13 (2) The state summary criminal history information shall
 14 include, directly next to or below the entry or entries regarding the
 15 person’s arrest record, a note stating “arrest relief granted,” listing
 16 the date that the department granted relief, ~~and this section, and~~
 17 ~~the section pursuant to which the relief was granted.~~ *section.* This
 18 note shall be included in all statewide criminal databases with a
 19 record of the arrest.

20 (3) *Except as otherwise provided in subdivision (d), an arrest*
 21 *for which arrest relief has been granted is deemed not to have*
 22 *occurred, and a person who has been granted arrest relief is*
 23 *released from any penalties and disabilities resulting from the*
 24 *arrest, and may answer any question relating to that arrest*
 25 *accordingly.*

26 (c) (1) On a weekly basis, the department shall *electronically*
 27 submit a notice to the superior court having jurisdiction over the
 28 criminal case, informing the court of all cases for which relief was
 29 granted pursuant to this section. The court shall not disclose
 30 information concerning an arrest that is granted relief pursuant to
 31 this section to any person or entity, except to the person whose
 32 arrest was granted relief or a criminal justice agency, as defined
 33 in Section 851.92.

34 (2) The department shall not disclose information concerning
 35 an arrest that is granted relief pursuant to this section to a board,
 36 as defined in Section 22 of the Business and Professions Code.

37 (d) ~~(1) Relief granted pursuant to this section is subject to the~~
 38 ~~following conditions: does~~

39 (1) *Arrest relief does not relieve a person of the obligation to*
 40 *disclose an arrest in response to a direct question contained in a*

1 questionnaire or application for employment as a peace officer, as
2 defined in Section 830.

3 (2) Relief granted pursuant to this section has no effect on the
4 ability of a criminal justice agency, as defined in Section 851.92,
5 to access and use records that are granted relief. *relief to the same*
6 *extent that would have been permitted for a criminal justice agency*
7 *had relief not been granted.*

8 (3) Relief granted pursuant to this section does not affect a
9 person's authorization to own, possess, or have in the person's
10 custody or control any firearm, or the person's susceptibility to
11 conviction under Chapter 2 (commencing with Section 29800) of
12 Division 9 of Title 4 of Part 6, if the arrest would otherwise affect
13 this authorization or susceptibility.

14 (4) Relief granted pursuant to this section does not affect any
15 prohibition from holding public office that would otherwise apply
16 under law as a result of the arrest.

17 (5) *Relief granted pursuant to this section is subject to the*
18 *provisions of Section 11105.*

19 (e) This section shall not limit petitions, motions, or orders for
20 arrest record relief, as required or authorized by any other law,
21 including, but not limited to, Sections 851.87, 851.90, 851.91,
22 1000.4, and 1001.9.

23 (f) *The department shall annually publish statistics regarding*
24 *the total number of arrests granted relief pursuant to this section,*
25 *by county, on the OpenJustice Web portal, as defined in Section*
26 *13010.*

27 (f)

28 (g) This section shall be operative commencing January 1, 2021.

29 SEC. 2. Section 1203.425 is added to the Penal Code,
30 immediately following Section 1203.42, to read:

31 1203.425. (a) (1) On a weekly basis, the Department of Justice
32 shall review the records in ~~the state summary criminal history~~
33 ~~information database and shall identify persons who are eligible~~
34 ~~for relief in their criminal conviction records pursuant to Section~~
35 ~~1203.4, 1203.4a, 1203.41, or 1203.42. the statewide criminal justice~~
36 ~~databases, and based on information in the Automated Criminal~~
37 ~~History System and the Supervised Release File, shall identify~~
38 ~~persons with convictions that meet the criteria set forth in~~
39 ~~paragraph (2) and are eligible for automatic conviction record~~
40 ~~relief.~~

1 (2) A person is eligible for automatic conviction relief pursuant
2 to this section if they meet all of the following conditions:

3 (A) The person is not required to register pursuant to Section
4 290.

5 (B) The person is not under active local, state, or federal
6 supervision, according to the Supervised Release File.

7 (C) The person is not currently serving a sentence for any
8 offense and does not have any pending criminal charges.

9 (D) The conviction meets one of the following criteria:

10 (i) The defendant was sentenced to probation and has completed
11 their term of probation without revocation.

12 (ii) The defendant was convicted of an infraction or
13 misdemeanor and was not granted probation, has completed their
14 sentence or paid their fine, and at least one calendar year has
15 elapsed since the date of judgment.

16 (iii) The defendant was sentenced pursuant to subparagraph
17 (B) of paragraph (5) of subdivision (h) of Section 1170, and one
18 year has elapsed following the completion of sentence, or, the
19 defendant was sentenced pursuant to subparagraph (A) of
20 paragraph (5) of subdivision (h) of Section 1170, and two years
21 has elapsed following the completion of sentence.

22 (iv) The defendant was sentenced before January 1, 2012 for a
23 crime which, on or after January 1, 2012, would have been eligible
24 for sentencing pursuant to subdivision (h) of Section 1170, and
25 two years have elapsed following the defendant's completion of
26 the sentence.

27 (b) (1) Except as specified in subdivision (g), the department
28 shall grant relief, including dismissal of a conviction, to a person
29 identified pursuant to subdivision (a), without requiring a petition
30 or motion by a party for that relief.

31 (2) The state summary criminal history information shall
32 include, directly next to or below the entry or entries regarding the
33 person's criminal record, a note stating "relief granted," listing the
34 date that the department granted relief, relief and this section, and
35 the section pursuant to which the relief was granted. section. This
36 note shall be included in all statewide criminal databases with a
37 record of the conviction.

38 (3) Except as otherwise provided in subdivision (d) and in
39 Section 13555 of the Vehicle Code, a person granted conviction
40 relief pursuant to this section shall be released from all penalties

1 *and disabilities resulting from the offense of which he or she has*
2 *been convicted.*

3 (c) (1) On a weekly basis, the department shall *electronically*
4 submit a notice to the superior court having jurisdiction over the
5 criminal case, informing the court of all cases for which relief was
6 granted pursuant to this section. The court shall not disclose
7 information concerning a conviction granted relief pursuant to this
8 section to any person or entity, except to the person whose
9 conviction was granted relief or a criminal justice agency, as
10 defined in Section 851.92.

11 (2) The department shall not disclose information concerning
12 a criminal conviction record that is granted relief pursuant to this
13 section to a board, as defined in Section 22 of the Business and
14 Professions Code.

15 (d) ~~(4)~~ Relief granted pursuant to this section *is subject to the*
16 *following conditions: does*

17 (1) *Relief granted pursuant to this section does not relieve a*
18 *person of the obligation to disclose a criminal conviction in*
19 *response to a direct question contained in a questionnaire or*
20 *application for employment as a peace officer, as defined in Section*
21 *830.*

22 (2) *Relief granted pursuant to this section does not relieve a*
23 *person of the obligation to disclose the conviction in response to*
24 *any direct question contained in any questionnaire or application*
25 *for public office, for licensure by any state or local agency, or for*
26 *contracting with the California State Lottery Commission.*

27 ~~(2)~~

28 (3) Relief granted pursuant to this section has no effect on the
29 ability of a criminal justice agency, as defined in Section 851.92,
30 to access and use records that are granted ~~relief.~~ *relief to the same*
31 *extent that would have been permitted for a criminal justice agency*
32 *had relief not been granted.*

33 ~~(3)~~

34 (4) Relief granted pursuant to this section does not affect a
35 person’s authorization to own, possess, or have in the person’s
36 custody or control any firearm, or the person’s susceptibility to
37 conviction under Chapter 2 (commencing with Section 29800) of
38 Division 9 of Title 4 of Part 6, if the criminal conviction would
39 otherwise affect this authorization or susceptibility.

40 ~~(4)~~

1 (5) Relief granted pursuant to this section does not affect any
2 prohibition from holding public office that would otherwise apply
3 under law as a result of the criminal conviction.

4 (6) *In any subsequent prosecution of the defendant for any other*
5 *offense, the prior conviction may be pleaded and proved and shall*
6 *have the same effect as if the relief had not been granted.*

7 (e) This section shall not limit petitions, motions, or orders for
8 relief in a criminal case, as required or authorized by any other
9 law, including, but not limited to, Sections 1203.4, 1203.4a,
10 1203.41, and 1203.42.

11 (f) *The department shall annually publish statistics regarding*
12 *the total number of convictions granted relief pursuant to this*
13 *section, and the total number of convictions prohibited from*
14 *automatic relief pursuant to subdivision (h), by county, on the*
15 *OpenJustice Web portal, as defined in Section 13010.*

16 ~~(f)~~

17 (g) Subdivisions (a) to ~~(e)~~, (g) inclusive, shall be operative
18 commencing January 1, 2021.

19 ~~(g)~~

20 (h) No later than 90 calendar days before the date of a person’s
21 eligibility for relief pursuant to ~~Section 1203.4, 1203.4a, 1203.41,~~
22 ~~or 1203.42, this section~~, the prosecuting attorney or probation
23 department may file a motion to prohibit the department from
24 granting automatic relief pursuant to this section. If the court grants
25 that motion, the department shall not grant relief pursuant to this
26 section, but the person may continue to be eligible for relief
27 pursuant to Section 1203.4, 1203.4a, 1203.41, or 1203.42.

28 (i) *At the time of sentencing, the court shall advise a defendant,*
29 *either orally or in writing, of the provisions of this section and of*
30 *the defendant’s right, if any, to petition for a certificate of*
31 *rehabilitation and pardon.*

O

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1545 (Obernolte)
Status/Location: Assembly Appropriations
Sponsor: Author
Subject: Civil Penalty Reduction Policy
Code Section: Add Chapter 3.7 to the Government Code

Summary: This bill would require an agency that “significantly regulates small business” to: 1) assist small businesses with complying with the agency’s laws; 2) assist small businesses with an enforcement action taken by the agency; and 3) establish a policy to reduce civil penalties for a small business’s violation of the agency’s requirements.

Existing law establishes the Office of Small Business Advocate within the Governor’s Office of Business and Economic Development that represents the views and interests of small business before other agencies. Existing law requires a state agency that “significantly regulates small business” to designate a “small business liaison” to respond to complaints from small business and assist small business in complying with the agency’s laws. The Department of Consumer Affairs (DCA) has a small business liaison program (<https://www.dca.ca.gov/publications/sb-liaison.shtml>); CSLB does not.

This bill defines a “state agency” to include a “state agency, department, board, or commission that has significant rulemaking authority over small businesses.” This bill defines “small business” as one that is independently owned and operated, not dominant in its field of operations, has fewer than 100 employees, and has average annual gross receipts of \$15,000,000 or less over the previous three years.

This bill requires that a state agency assist a small business in complying with the agency’s statutes and regulations, which an agency may do through its “small business liaison” program. It requires a state agency to assist a small business during an enforcement action by the agency and requires the agency to establish a policy to provide for the reduction of civil penalties for violations on the part of small business that meet certain criteria.

Under this bill, a small business would be eligible for penalty reduction if their conduct was not willful, criminal, or an imminent health, safety, or environmental threat, and reflected a “low degree of culpability” in consideration of the business’s “size, length of operation, and sophistication of its owners or managers.” In reducing civil penalties, the bill requires the agency to consider the small business’s history of violations, its cooperation with the investigation, and its corrective efforts, as well as whether or not the penalty would “impede the small business from continuing to conduct business.”

This bill would allow the state agency to update the civil penalty reduction policy as needed and would require the agency to post a current copy of the policy, as well as specified information and statistics about the program, on its website. This bill requires the state agency to notify the Office of Small Business Advocate of the occurrence of certain events affecting the civil penalty reduction program.

Background: According to the bill analysis by the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE), small business plays a significant role in the state's \$2.7 trillion economy. JEDE states that businesses with fewer than 20 employees comprise over 88.3 percent of all business and employ approximately 18.2 percent of all workers, and that businesses with fewer than 100 employees represent 97.3 percent of all businesses and employ 35.8 percent of the workforce.

According to the JEDE, the public rulemaking process does not allow state agencies to effectively "assess the cost and complexity" of the rules it imposes on small businesses that are often those with the least ability to participate in the process. According to the JEDE, "these challenges can result in small businesses inadvertently breaking laws and being fined, sometimes significant amounts of money" and that "while ignorance of the law is no excuse, the state bears some level of responsibility for assisting the state's smallest businesses."

According to the JEDE, this bill is modeled after the federal Small Business Regulatory Enforcement Fairness Act. The federal program imposes a process for resolving agency fines and penalties assessed to small businesses that have engaged in corrective action for acts that are not criminal, or a health and safety or environmental threat.

Support: (5/13/19)

California Chamber of Commerce
California Construction and Industrial Materials Association
California Manufacturers & Technology Association
Greater Irvine Chamber of Commerce
North Orange County Chamber of Commerce
Rancho Cordova Chamber of Commerce
San Gabriel Valley Economic Partnership
Torrance Area Chamber of Commerce

Opposition: (5/13/19)

California Employment Lawyers Association
California Labor Federation, AFL-CIO
California Nurses Association
California State Council of Service Employees
Consumer Attorneys of California
Sierra Club

Fiscal Impact for CSLB:

One-time absorbable costs:

\$38,000 for licensing staff
\$22,000 for IT programming
\$45,000 for executive staff
\$105,000 total

Initial and ongoing revenue loss:

Based on 2018 statistical data the average citation fine after appeals and modifications is \$1,625. CSLB collected \$2,067,658 in fines in FY 2017-18. Assuming a further reduction in civil penalties of 25 percent, this would equate to a revenue loss of \$500,000 annually.

Committee Recommendation and Comments:

OPPOSE. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.

The goal of aiding small businesses in their efforts to comply with state law is laudable. However, the annual revenue loss of \$500,000 would substantially compromise CSLB’s consumer protection mandate and efforts to combat the underground economy.

CSLB is already limited by statute and regulation to a cap of \$5,000 on most citations. Based on 2018 statistical data, the average citation fine after appeals and modifications is \$1,625, which is substantially less than the actual cost to CSLB of \$5,000 for an appealed citation, and \$9,800 for a citation appealed through the administrative hearing process.

Furthermore, CSLB has successfully worked with the Legislature to obtain authority to issue Letters of Admonishment (that do not include a civil penalty) in lieu of a citation, as well as authority to reduce civil penalties through settlement conferences (SB 1042, Monning, 2018; AB 486, Monning, 2017, respectively).

Date: May 13, 2019

AMENDED IN ASSEMBLY APRIL 8, 2019
AMENDED IN ASSEMBLY MARCH 26, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1545

Introduced by Assembly Member Obernolte

February 22, 2019

An act to add Chapter 3.7 (commencing with Section 11367) to Part 1 of Division 3 of Title 2 of the Government Code, relating to small business.

LEGISLATIVE COUNSEL'S DIGEST

AB 1545, as amended, Obernolte. Civil penalty reduction policy.

Existing law, the Administrative Procedure Act, governs the procedures for the adoption, amendment, or repeal of regulations by state agencies and requires, among other things, that a state agency make available to the public facts, evidence, documents, testimony, or other evidence on which the state agency relies to support the agency's determination that the proposed action will not have a significant adverse economic impact on business.

Existing law establishes the Office of Small Business Advocate, within the Governor's Office of Business and Economic Development, and establishes the duties and functions of the Director of the Office of Small Business Advocate including, among other duties, representing the views and interests of small businesses before other state agencies whose policies and activities may affect small businesses. Existing law requires each state agency that significantly regulates small business or that significantly impacts small business to designate at least one person who is required to serve as a small business liaison.

This bill would, with certain exceptions, require a state agency to assist a small business, as defined, in complying with all statutes and regulations administered by the state agency and in any enforcement action by the state agency. The bill would require a state agency to establish a policy, by December 31, 2020, that provides for the reduction of civil penalties for violations of regulatory or statutory requirements by a small business under appropriate circumstances. The bill would authorize the state agency to update the policy to reflect current issues and conditions affecting small businesses and the state agency.

This bill would require the state agency to post a current copy of the policy on the state agency’s internet website and, until June 30, 2024, to annually post specified information about enforcement actions and penalty reductions (annual report). The bill would require a state agency to notify the Office of Small Business Advocate of certain events relating to its policy and annual report.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known, and may be cited, as the
2 California Small Business Regulatory Fairness Act.

3 SEC. 2. Chapter 3.7 (commencing with Section 11367) is added
4 to Part 1 of Division 3 of Title 2 of the Government Code, to read:

5
6 CHAPTER 3.7. CALIFORNIA SMALL BUSINESS REGULATORY
7 FAIRNESS ACT
8

9 11367. The following terms shall have the following meanings
10 for purposes of this chapter:

11 (a) “Small business” means a business that is all of the
12 following:

- 13 (1) Independently owned and operated.
- 14 (2) Not dominant in its field of operation.
- 15 (3) Has fewer than 100 employees.
- 16 (4) Has average annual gross receipts of ~~ten~~ *fifteen* million
17 dollars (~~\$10,000,000~~) (*\$15,000,000*) or less over the previous three
18 years.

19 (b) “State agency” means any state agency, department, board,
20 or commission that has significant rulemaking authority over small

1 businesses, except the Franchise Tax Board, the California
2 Department of Tax and Fee Administration, or the State Board of
3 Equalization.

4 11367.1. (a) A state agency shall do all of the following:

5 (1) Assist a small business in achieving compliance with statutes
6 and regulations administered by the state agency. This requirement
7 may be met through the implementation of the requirements in
8 Section 11148.5.

9 (2) Assist a small business during an enforcement action by the
10 state agency.

11 (3) (A) By December 31, 2020, establish a policy to provide
12 for the reduction of civil penalties for violations of regulatory or
13 statutory requirements by a small business under appropriate
14 circumstances.

15 (B) The policy shall exclusively be applied to small businesses
16 that meet all of the following criteria:

17 (i) The violation by the small business did not involve willful
18 or criminal conduct.

19 (ii) The violation by the small business did not pose an imminent
20 health, safety, or environmental threat.

21 (iii) The small business has a low degree of culpability when
22 its conduct is judged in light of its size, length of operation, and
23 the sophistication of its owners or managers.

24 (C) The policy shall include the factors that shall be considered
25 when the agency determines if, and to what extent, the fine shall
26 be reduced. The policy shall be designed to result in a range of
27 reductions, based upon the following factors, which include, but
28 are not limited to:

29 (i) The degree to which the small business cooperated during
30 any investigation by the state agency.

31 (ii) The degree to which the small business engaged in
32 subsequent action to correct the violation, as appropriate.

33 (iii) The prior history of the small business in meeting regulatory
34 requirements of the agency.

35 (iv) The degree to which the level of the penalty would impede
36 the small business from continuing to conduct business.

37 (b) The state agency may update the policy from time to time
38 to reflect current issues and conditions affecting small businesses
39 and the state agency.

1 (c) (1) The state agency shall post a current copy of the policy
2 on the state agency’s internet website within 30 days of adoption
3 or amendment of the policy.

4 (2) The state agency shall annually post information on the state
5 agency’s internet website as to the aggregate number and category
6 of enforcement actions that were reviewed pursuant to this section,
7 the total number of small businesses and actions that qualified for
8 civil penalty reductions in the report period, and the total dollar
9 amount of reductions issued. The requirement for annual reporting
10 imposed by this paragraph shall become inoperative on June 30,
11 2024.

12 (d) The notice shall include a link to where the policy and annual
13 utilization report pursuant to paragraph (2) of subdivision (c) is
14 posted on the state agency’s internet website. The state agency
15 shall notify the Office of Small Business Advocate within 15
16 working days of the following situations occurring:

- 17 (1) The policy is adopted or amended.
- 18 (2) The annual utilization report is posted.
- 19 (3) The policy or the annual utilization report is relocated from
20 the state agency’s internet website. The notice shall include a link
21 to the new internet website location.
- 22 (4) The policy or the annual utilization report is removed from
23 the state agency’s internet website. The notice shall include an
24 explanation as to why the information was removed.

O

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 53 (Wilk) (Coauthors: Bates, Portantino, Jones, Patterson, Gallagher, Lackey, Mathis, Glazer, Choi)
Status/Location: Assembly Committee on Governmental Organization
Sponsor: Author
Subject: Open Meetings
Code Section: Amend Government Code section 11121

Summary: This bill would subject two-person advisory committees of a state board to the Bagley-Keene Open Meeting Act.

Existing Law: The Bagley-Keene Open Meeting Act (Act) declares that public agencies “exist to aid in the conduct of the people’s business” and provides that “proceedings of public agencies be conducted openly so that the public may remain informed.” As such, existing law requires all meetings of a “state body” to be open and public, with all persons permitted to attend any meeting, subject to specified circumstances.

Existing law, for purposes of the Act, defines a “state body” to include any state board created by statute or required by law to conduct official meetings, as well as any board that exercises any authority of a state body. Existing law also defines “state body” to include any “advisory” board or committee – if it is created by a state body or one of its representatives – and it consists of *three or more persons*.

Existing law also defines a “state body” to include any multimember body, board, commission, or committee, whether public or private, that itself includes a member of state body, as long as that member is acting in an official capacity, and the body on which the member serves is supported by funds provided by the state body.

This bill expands the definition of “state body” under the Act to include an advisory board or committee that has *fewer than three persons*, if it includes a member of a state body acting in their official capacity and which the state body funds. Consequently, a two-person advisory committee would be subject to the open meeting provisions of the Act.

Background: According to the author, it is a legal “loophole” that state bodies are not subject to the same requirements as local government entities or the Legislature, which are required to hold meetings open to the public, even when taking no action. The author states that many state agencies “have used this misinterpretation to mean that standing committees can hold closed-door meetings as long as they contain two rather than three members and do not vote to take action on items” in order to avoid the open meeting requirements. According to the author, this is contrary to the legislative intent that “government at all levels must conduct its business in a visible and transparent manner.”

The bill has been identified as an “urgency measure” by the author, who posits that the constitutional right to access public meetings is currently compromised. It is, consequently, subject to a 2/3rd vote by both legislative houses and, if approved by the Governor, would take effect immediately.

Prior Related Legislation:

AB 2058 (Wilk, 2014): Would have clarified that standing committees composed of less than three members that meet certain criteria are subject to the Bagley-Keene Open Meeting Act. The legislature passed this bill unanimously, but Governor Brown vetoed the legislation. The veto message stated, in part, “Any meeting involving formal action by a state body should be open to the public. An advisory committee, however, does not have authority to act on its own and must present any findings and recommendations to a larger body in a public setting for formal action. That should be sufficient.”

AB 85 (Wilk, 2015): Would have made the same change to the Government Code as proposed by SB 53 (2019). The legislature passed this bill unanimously, but Governor Brown vetoed the legislation. The veto message stated, in part, “My thinking on this matter has not changed . . . I believe strongly in transparency and openness, but the more informal deliberation of advisory bodies is best left to current law.”

Support: (5/13/19)

CalAware
California Association of Licensed Investigators
League of Women Voters of California
California News Publishers Association (CNPA)

In support, CNPA writes:

[O]ne of the purposes of the Bagley-Keene Act is to ensure that deliberations of state agencies be conducted openly. See Government Code § 11120. Unfortunately, ambiguity in the law is allowing state agencies to deliberate behind closed doors by limiting standing committees to fewer than three members. What this means is that decisions about policy development are being made without the public having a seat at the table. When two-member advisory committees . . . meet outside of public view, the public only gets the benefit of an abbreviated version of the deliberations that underlie actions taken by the state body.

Opposition: (5/13/19)

California Board of Accountancy (CBA)

In opposition, CBA writes:

[T]his bill would prevent the CBA, and its committees, from asking two members to review a document, draft a letter, provide expert analysis, or advise CBA staff on other matters without giving public notice. SB 53 may prevent the CBA from conducting certain outreach and communications activities that include more

than one member present, as that may constitute a meeting . . . subject to the Open Meeting Act.”

Fiscal Impact for CSLB: Pending

Committee Recommendation and Comments:

OPPOSE. The CSLB Legislative Committee passed a motion to “oppose” this bill at its May 13, 2019, meeting.

CSLB has not traditionally used advisory committees to set or develop policy, only to facilitate board member collaboration with staff on important topics, such as workers’ compensation, building permits, sunset review, and preparation of the slate for the election of board officers (which the board does not have to approve). Advisory committees make recommendations at public meetings that require board approval to be acted upon.

Governor’s Brown’s 2014 veto message is well taken – an advisory committee does not have the authority to act on its own; a public meeting is required to take any formal action. Government transparency is a laudable goal, but perhaps not at the expense of routine operations that do not require board action. Staff agree with Governor Brown’s assessment that the “more informal deliberation of advisory bodies is best left to current law.”

Date: May 13, 2019

AMENDED IN SENATE MARCH 5, 2019

SENATE BILL

No. 53

Introduced by Senator Wilk

~~(Coauthor: Assembly Member Lackey)~~

(Coauthors: Senators Bates, Glazer, Jones, and Portantino)

(Coauthors: Assembly Members Choi, Gallagher, Lackey, Mathis, and Patterson)

December 10, 2018

An act to amend Section 11121 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 53, as amended, Wilk. Open meetings.

The Bagley-Keene Open Meeting Act requires that all meetings of a state body, as defined, be open and public and that all persons be permitted to attend and participate in a meeting of a state body, subject to certain conditions and exceptions.

This bill would specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in ~~his or her~~ *their* official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11121 of the Government Code is
2 amended to read:

3 11121. As used in this article, “state body” means each of the
4 following:

5 (a) Every state board, or commission, or similar multimember
6 body of the state that is created by statute or required by law to
7 conduct official meetings and every commission created by
8 executive order.

9 (b) A board, commission, committee, or similar multimember
10 body that exercises any authority of a state body delegated to it by
11 that state body.

12 (c) An advisory board, advisory commission, advisory
13 committee, advisory subcommittee, or similar multimember
14 advisory body of a state body, if created by formal action of the
15 state body or of any member of the state body, and if the advisory
16 body so created consists of three or more persons, except as
17 provided in subdivision (d).

18 (d) A board, commission, committee, or similar multimember
19 body on which a member of a body that is a state body pursuant
20 to this section serves in ~~his or her~~ *their* official capacity as a
21 representative of that state body and that is supported, in whole or
22 in part, by funds provided by the state body, whether the
23 multimember body is organized and operated by the state body or
24 by a private corporation.

25 (e) Notwithstanding subdivision (a) of Section 11121.1, the
26 State Bar of California, as described in Section 6001 of the
27 Business and Professions Code. This subdivision shall become
28 operative on April 1, 2016.

29 SEC. 2. This act is an urgency statute necessary for the
30 immediate preservation of the public peace, health, or safety within
31 the meaning of Article IV of the California Constitution and shall
32 go into immediate effect. The facts constituting the necessity are:

1 In order to avoid unnecessary litigation and ensure the people's
2 right to access the meetings of public bodies pursuant to Section
3 3 of Article 1 of the California Constitution, it is necessary that
4 this act take effect immediately.

O

AGENDA ITEM G-3

Review, Discussion, and Possible Action on Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account





CONTRACTORS STATE LICENSE BOARD

POTENTIAL 2019 LEGISLATIVE PROPOSAL

SUBJECT: To submit a legislative proposal that will allow the board to grant all but \$50,000 in the Construction Management Education Account (CMEA) to schools each year without seeking annual budget authority from the Legislature.

RELEVANT PROVISION: Business & Professions Code (BPC) section 7139.2

BACKGROUND: The Construction Management Education Sponsorship Act of 1991 enables the board to issue grants to post-secondary institutions that offer certain construction management education programs. CMEA funds can only be used to issue grants and CSLB applicants and licensees may donate funds to the CMEA when applying for a license or applying for a license renewal.

In 2009, the board sought and received legislative authority to disperse \$150,000 in construction management education grants each year without the need for annual authorization in the state budget (i.e., a “continuous appropriation”). In fiscal year 2014-15, however, the balance in the CMEA fell below \$150,000 and, due to budgeting rules, the board’s authorization to spend CMEA funds was reduced to \$100,000 annually.

IDENTIFICATION OF PROBLEM: In the last few years, the low level of the CMEA balance precluded staff from dispensing funds. In 2018, however, the balance increased to \$363,000, and acting on the board’s preference, staff initiated the grant application process, with plans to disperse \$150,000 in 2019. In February 2019, as the disbursements were being finalized, staff became aware of the \$50,000 annual reduction in spending authority. As a result, staff was forced to reduce the grant awards and did so based on the number of graduates in each program, as follows:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
Cal Poly – SLO	124	\$549.45 \$366.30	\$68,131.80 \$45,421.20
CSU Chico	115	\$549.45 \$366.30	\$63,186.75 \$42,124.50
CSU Sacramento	34	\$549.45 \$366.30	\$18,681.30 \$12,454.20
Total	273	\$549.45 \$366.30	\$149,999.85 \$99,999.90

PROPOSED CHANGE: To afford the board more discretion in the distribution of CMEA funds, staff proposes an amendment to BPC section 7139.2 to allow for a new annual “continuous appropriation” of any amount from the CMEA, so long as the board maintains a \$50,000 reserve in the account.



PROPOSED LANGUAGE: Section 7139.2 of the Business and Professions Code is amended to read:

(a) There is hereby created the Construction Management Education Account (CMEA) as a separate account in the Contractors' License Fund for the purposes of construction management education. Funds in the account shall be available for the purposes of this article ~~upon appropriation by the Legislature.~~

1) Funds in the Construction Management Education Account are continuously appropriated to the Contractors State License Board each fiscal year.

2) The board shall maintain a fifty thousand dollar (\$50,000) reserve in the Construction Management Education Account.

(b) The Contractors' State License Board shall allow a contractor to make a contribution to the Construction Management Education Account at the time of the contractor license fee payment. The license fee form shall clearly display this alternative on its face and shall clearly inform the licensee that this provision is a contribution to the Construction Management Education Account and is in addition to the fees.

(c) The board may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this article. Grant moneys shall be deposited into the Construction Management Education Account.

PRIOR RELATED LEGISLATION: AB 456, Cook (2007): Would have continuously appropriated funds in the CMEA; bill died in committee.

IMPACT ON CSLB DIVISIONS: Minor and absorbable

FISCAL IMPACT: Minor and absorbable

LEGISLATIVE COMMITTEE RECOMMENDATION: That the board direct staff to seek continuous appropriation from the Legislature for the Construction Management Education Account that will allow CSLB to spend all but \$50,000 of the CMEA annually.

AGENDA ITEM G-4

Review, Discussion, and Possible Action to Initiate Rulemaking to Add Title 16, California Code of Regulations (16 CCR) Section 832.49 and Amend 16 CCR Section 832 to Create a New License Classification (C-49) for Tree and Palm Contractors





CONTRACTORS STATE LICENSE BOARD

DEVELOPMENT OF C-LICENSE FOR TREE AND PALM CONTRACTORS

Background

At its April 2018 meeting, the board adopted a motion to develop a specialty “C” license classification for tree service and/or arborist work.

Currently, the following license classifications can perform tree service work:

- C-27: “A landscape contractor constructs, maintains, repairs, installs, or subcontracts the development of landscape systems and facilities for public and private gardens and other areas which are designed to aesthetically, architecturally, horticulturally, or functionally improve the grounds within or surrounding a structure or a tract or plot of land. In connection therewith, a landscape contractor prepares and grades plots and areas of land for the installation of any architectural, horticultural and decorative treatment or arrangement.”
- C-61/D-49: “A tree service contractor prunes trees, removes trees, limbs or stumps (including grinding) and engages in tree or limb guying.”

At the September 2018 board meeting, Licensing Committee Chair Frank Schetter reported that staff would hold stakeholder meetings in January 2019, to develop regulatory text.

Stakeholder Consensus

In January 2019, CSLB hosted a well-attended stakeholder meeting on the development of a specialty license classification for tree and palm contractors, with representation from nearly a dozen groups and organizations. At the conclusion of the meeting participants reached consensus on the following:

- There is a need for a specialty license classification for tree and palm contractors to ensure that licensees are tested on and aware of health and safety protocols to reduce injuries and damages
- The scope of the tree and palm contractor classification should encompass the scope in the existing C-61/D-49 classification and allow this new classification to “install” trees
- The existing C-27 license classification needs no alteration
- Existing C-61/D-49 licensees should be “grandfathered in” to the new license classification, which is consistent with how the board has historically addressed changes in classification

Prior to the stakeholder meeting, staff had prepared a preliminary occupational analysis on tree and palm contractor work that was consistent with the meeting consensus.



May 2019 Legislative Committee Meeting

At the May 13, 2019 Legislative Committee meeting, members approved the proposed regulation to create a new C-49 tree and palm contractor license, so long as staff:

- Ensured that the regulation address only work on trees and palms 15 feet or higher in height because Business and Professions Code section 7026.1 exempts from licensure a person performing routine and incidental pruning of trees measuring less than 15 feet in height after planting
- Confirmed with interested stakeholders that this change would not alter their support of the regulation

After the committee meeting, staff began updating the proposal and legal counsel raised two concerns explained in more detail below: a) the changes expand the exemption beyond what is permitted in Section 7026.1 and, consequently, may result in the regulation being rejected; and b) the proposal may exempt work the committee did not intend to exempt resulting in a limitation on the board's ability to take action against a C-49 licensee.

- a. The committee's proposal (Option 1 of the draft regulatory language) exempts any work on trees less than 15 feet. However, Business and Professions Code section 7026.1, is intended to apply that exemption only to nurserypersons and gardeners who in the normal course of routine work perform incidental pruning of trees, or guying of planted trees and their limbs. Legal counsel has raised concerns that the proposal approved by the Legislative Committee may be too broad and may exempt work that is not authorized by Section 7026.1. For reference, Business and Professions Code section 7026.1 (a)(4) states that a contractor includes the following:

Any person not otherwise exempt by this chapter, **who performs tree removal, tree pruning, stump removal, or engages in tree or limb cabling or guying.** The term contractor does not include a person performing the activities of a **nurseryperson** who in the normal course of routine work performs incidental pruning of trees, or guying of planted trees and their limbs. The term contractor does not include a **gardener** who in the normal course of routine work performs incidental pruning of trees measuring less than 15 feet in height after planting. (Emphasis added.)

- b. Further, the committee's proposal may prohibit the board from taking action against a tree and palm contractor for violation of state contractors' license law who performs substandard work for a consumer under their license when the contracted work is for pruning trees or palms less than 15 feet in height after planting.



For these reasons, legal counsel and staff recommend that the board consider alternative language (Option 2 of the draft regulatory language) to address the issues raised by the Legislative Committee.

Draft Regulatory Language

CONTRACTORS STATE LICENSE BOARD

ORIGINALLY PROPOSED LANGUAGE

Title 16, Division 8

Article 3. Classification

Amend Section 832 as follows:

832. Specialty Contractors Classified

Specialty contractors shall perform their trade using the art, experience, science and skill necessary to satisfactorily organize, administer, construct and complete projects under their classification, in accordance with the standards of their trade. They are classified into the following subclassifications:

Asbestos Abatement	C-22
Boiler, Hot Water Heating and Steam Fitting.....	C-4
Building Moving/Demolition	C-21
Cabinet, Mill Work and Finish Carpentry	C-6
Concrete.....	C-8
Construction Zone Traffic Control	C-31
Drywall	C-9
Earthwork and Paving	C-12
Electrical.....	C-10
Elevator	C-11
Fencing	C-13
Fire Protection.....	C-16
Flooring and Floor Covering.....	C-15



Framing and Rough Carpentry C-5

General Manufactured Housing C-47

Glazing C-17

Insulation and Acoustical..... C-2

Landscaping C-27

Lathing and Plastering..... C-35

Limited Specialty C-61

Lock and Security Equipment..... C-28

Low Voltage Systems..... C-7

Masonry C-29

Ornamental Metal..... C-23

Painting and Decorating C-33

Parking and Highway Improvement C-32

Pipeline C-34

Plumbing C-36

Refrigeration..... C-38

Roofing..... C-39

Sanitation System C-42

Sheet Metal C-43

Sign C-45

Solar C-46

Steel, Reinforcing..... C-50

Steel, Structural..... C-51

Swimming Pool C-53

Tile (Ceramic and Mosaic) C-54

Tree and Palm..... C-49

Warm-Air Heating, Ventilating and Air Conditioning..... C-20



Water Conditioning..... C-55

Welding C-60

Well Drilling (Water) C-57

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

Option 1 (Legislative Committee motion):

Add Section 832.49 as follows:

832.49. Class C-49 – Tree and Palm Contractor

(a) A tree and palm contractor plants, maintains, and removes trees and palms, including trees and palms that are fifteen (15) feet or higher. The duties include pruning, stump grinding, and tree, palm, or limb guying.

(b) Effective [OAL insert date: effective date of the regulation plus eighteen months], this regulation shall become operative and all limited specialty licenses previously issued by the Board under Section 832.61 that permitted a contractor to perform the work described in subsection (a) shall be automatically reclassified as a C-49 – Tree and Palm Contractor license.

(c) This regulation does not apply to, and a license shall not be required for, pruning of trees or palms measuring less than fifteen (15) feet in height after planting.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7026.1, 7058 and 7059, Business and Professions Code.

Option 2 (clarifies only nurserypersons and gardeners are exempt):

(a) A tree and palm contractor plants, maintains, and removes trees and palms. The duties include pruning, stump grinding, and tree, palm, or limb guying.

(b) Effective [OAL insert date: effective date of the regulation plus eighteen months], this regulation shall become operative and all limited specialty licenses previously issued by the Board under Section 832.61 that permitted a contractor to perform the work described in subsection (a) shall be automatically reclassified as a C-49 – Tree and Palm Contractor license.

(c) This regulation does not apply to, and a license shall not be required for, pruning of trees or guying of planted trees and their limbs by a nurseryperson or pruning of trees by a gardener as described in Section 7026.1 of the Code.



Note: Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7026.1, 7058 and 7059, Business and Professions Code.

Legislative Committee Recommendation:

That the board consider approval of the draft regulatory text for Sections 832 and 832.49 using Option 1.

Counsel and Staff Recommendation:

- That the board reject the Legislative Committee motion and make a new motion approving the draft regulatory text for Sections 832 and 832.49 using Option 2.
- Direct staff to submit the proposed text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review and, if no adverse comments are received, authorize the Registrar to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package, and set the matter for a hearing.

AGENDA ITEM G-5

Update and Discussion of Legislative 2019-21 Strategic Plan Objectives





Legislative Objectives

ITEM	TARGET	UPDATE
3.1 Collaborate annually with industry and consumer leaders to share new legislative ideas.	January 2019 – November 2019 (annually thereafter)	Three meetings held in April and May 2019 with industry on legislation or regulation dealt with: energy storage systems; workers' compensation for specified license classifications; and home improvement contract requirements
3.2 Seek legislation to mandate workers' compensation insurance for specified license classifications to protect workers and consumers. (Statutory)	February 2019 January 2020	First of multiple stakeholder meetings held; proposed classifications revised; staff will gather additional information and statistics
3.3 Review disaster related consumer protection laws, including the hazardous substances certification requirements. (Statutory)	July 2019 July 2020	Not yet begun.
3.4 In conjunction with the Licensing division, review multiple qualifier responsibilities and bonding requirements to determine if regulatory or legislative changes will improve consumer protection. <i>(See Licensing objective 1.5)</i>	August 2019 <i>Pending sunset bill amendments</i>	Work is ongoing; new mandate from Senate Business and Professions Committee to study if current bond amount is sufficient, which will include an analysis of the bond of qualifying individual and multiple license qualifier issue
3.5 Clarify home improvement contract requirements to improve licensee understanding and compliance. (Statutory)	July 2020	First of multiple stakeholder meetings held in April 2019; workgroups will continue to convene; and draft language will be proposed by summer 2020
3.6 Review laws and update penalties as necessary to ensure they are adequate for the violations in order to encourage compliance and protect consumers. (Regulatory)	March 2021	Not yet begun



3.7	Clarify in regulation (CCR section 825) the definition of foreman, supervising employee, and contractor, to provide applicants greater clarity about the experience needed to obtain a license. (Regulatory)	June 2021	Not yet begun
3.8	Research the feasibility of a graduated fee increase for larger licensed contractors to increase enforcement resources and public outreach. (Regulatory)	September 2021	Not yet begun

AGENDA ITEM H

Executive



AGENDA ITEM H-1

Review and Possible Approval of March 21, 2019 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM AND CHAIR'S INTRODUCTION

Board Chair Marlo Richardson called the meeting of the Contractors State License Board (CSLB) to order at 8:34 a.m., Thursday, March 21, 2019, Hyatt Regency Mission Bay Spa and Marina, 1441 Quivira Road, San Diego, CA 92109.

Board Member Johnny Simpson led the board in the Pledge of Allegiance. A quorum was established.

Board Members Present

Marlo Richardson, Chair
Johnny Simpson, Vice Chair
Kevin Albanese
Frank Altamura, Jr.
Augie Beltran
Linda Clifford
David De La Torre

David Dias
Susan Granzella
Joan Hancock
Michael Layton
Frank Schetter
Nancy Springer

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Michael Jamnetski, Chief of Legislation
Phyliz Jones, Executive Staff

Rick Lopes, Chief of Public Affairs
Justin Paddock, Chief of Licensing
Missy Vickrey, Chief of Enforcement
Natalie Watmore, Public Affairs Staff

DCA Staff Present

Dean Grafilo, DCA Director
Kristy Schieldge, Legal Counsel

Public Visitors

Laurence Abcede, SDG&E
Jesus Alcala, Petersen Dean
Drew Allanbeak, Hot Purple Energy
Justin Allan, Solar Symphony
Kevin Alvin, IBEW
Jason Andrade, West Cost Sustainable
Francisco Arago, IBEW 11
Jon Askins, International line Builders
Tim Aucman, IBEW
Christine Austria-Lozoya, IBEW 11
Lake Ballew, IBEW 477
Mario Barragan, IBEW 11
Eddie Bernacchi, NECA

Erik Krivokopich, M Bar Construction
Alex Lantsberg, SF Electric Construction
Industry
Selene Lawrence, Sullivan Solar Power
Martin Learn, HES Solar
Jaime Levine, Elder Law & Advocacy
Doug Mangione
Taylor Markwith, Sullivan Solar Power
Brandon Martinez, Ammex Power
Oscar Martinez, IBEW 11
Jay Miller, Baker Electric Home Energy
Richard Miller, Sierra Club
Danny Montello, IBEW
Chris Mueller, Morrow Meadows



John Berdner, Enphase Energy
Gal Bigaleizn, RMO Agency
Richard Birt, Solar and Fire Education
Jason Bodruk, Solar Edge
Kyle Brandon, public member
Steve Campbell, Grid Alternatives
Barry Cinnamon, Cinnamon Energy
Dan Cohee, PDE Total Energy Solutions
Jody Costello, Contractors from Hell

Jeanine Cotter, Luminalt

Bryan Crew, Southern California Edison
George Cruz, IBEW
Paul Dailey, Outback Power
Thom Davies, Sunspot Solar
Jaime Dean
Bernadette Del Chiaro, CALSSA
Joshua Desoto, NECA San Diego
Justin Dillman, IBEW
Elmer Diaz, IBEW
Michael Emrich, Solarponics, Inc
Aaron Erikson, Solar Symphony
Nicole Ebert, Tesla Energy
Anna Louise Eunrid, Solarponics
Jason Eshelman, IBEW

Tommy Faavae, IBEW 11

Todd Farhat, Lennar Communities

Alberto Fedeneo Solar Symphony

Tyler Field, BVI Solar
Jeremy W. Floth, Joint Apprenticeship
Training Center
Alex Garcia, IBEW
Michael Garcia, Petersen Dean
Noemi Gallardo, Sunrun
Gary Gerber, Sun Light and Power
Warren Gerstner, Sunrun
Bryan Glenn, Southern California Edison
Mona Gocan, 77 Electrical Services
Bethany Gophart, Solar Symphony
Guy Gutierrez, IBEW
Anthony Halkyer, Quick Mount PV
C. J. Hamilton, 5 CJ's LLC
Tara Hammond, Sullivan Solar Power

Ed Murray, Aztec Solar
Eric Murphy, Let's Get Solar
Gretchen Newsom, CSAEW
Matt Van Note, Baker Electric
John R. O'Neill, City of Garden Grove
Natasha Patel, Promise Energy
Karin Poelsha, Clean Tech
Keith Poelsha, Clean Tech
Mark Pradels, CSI Electrical Contractors
Karen Prescott, National Electrical
Contractors association
Natylin Pulido, CPIL of USD Law
Tim Ramage, Petersen Dean
Keith Randhaha, Baker Electric
Earl Restine Jr., Fuller Electric
Octario Revuelta, Solar Symphony
Bert Richardson, public member
Juan Rico, Solar Symphony
Rob Robinson, Outback Power
Mark Rodriguez, Sunrun
Halston Rowe, Rosendin Electric
Jonathan Rowe, IBEW 11
Harold Ryden, CSI Electric
Dan Sauer, Simpliphi Power
David Shankle, South Sierra Chapter
NECA
Donald Simon, Wendel Rosen Block &
Dean
Christopher Smith, Statewide LMCC
Alysson Snow, Legal Aid Society of San
Diego, Inc.
Antonio Sanchez, IBEW 11
David Savala, IBEW
Neil Schimmenti, Solar Edge
Jeff Spies, Planet Plan Sets
Shaun Springs, Solar Symphony
Svet Stefanon, Effect Energy
Matt Stoutenburg, Peak Power Solutions
Daniel Sullivan, Sullivan Solar Power
Jeremy Sullivan, Sunrun
Sean L. Swoboda, public member
Juan F. Tapia, Morrow-Medows Corp
Ashton Thurneyssen, Tesla
Seth Tilley, San Diego County Solar
Linh Tran, LG Chem



Jon Heisler, Sellen

Samantha Herron, Petersen Dean

Don Hughes, public member

Jim Hoobler, Rifler

Bob Irwin, Solar Unlimited

Billie Johnson, IBEW

Kevin Johnson, Electrical Training Institute

Sara Keane, Elder Law & Advocacy

Bernie Kotlier, LMCC

Mike Kozlowski, UMA Solar

Rick Umoff, Solar Energy Industries Association

Matthew Vailakis, Climate Action Campaign

Eric Velasquez, IBEW

Ray Verpreed, Eco Power LLC

Scott Wetch, Coalition of California Utility Employers

Chris Water, IBEW 477

Ben Weber, Petersen Dean

Scott Williams, Baker Electric Inc.

Jim Willson, LA NECA

Board Chair Marlo Richardson thanked the California Building Officials (CALBO) for hosting the meeting location.

Chair Richardson welcomed Frank Altamura Jr., to the board as a new public member. Mr. Altamura has a background in mechanical engineering and software design. Ms. Richardson also reported that she and Board Member Kevin Albanese participated in CSLB's Sunset Hearing before the California State Legislature on February 26, 2019.

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

There was no public comment.

C. REVIEW AND DISCUSSION OF PARTNERSHIP WITH CALIFORNIA BUILDING OFFICIALS TO DEVELOP STRATEGIES TO ADDRESS UNDERGROUND ECONOMY IN CONSTRUCTION

Chief of Enforcement Missy Vickrey reported that CSLB and CALBO work collaboratively to address unlicensed activity by reducing barriers to licensure and combating the underground economy. Board Member Nancy Springer, Registrar David Fogt, and Ms. Vickrey attended CALBO's annual business meeting and participated in two workshops to initiate a collaboration between six building departments for a pilot program to address building permit violations and the underground economy in construction.

Board Member Nancy Springer mentioned that the CALBO workshop gave building officials an opportunity to discuss issues they encounter related to the construction industry with CSLB staff and to get CSLB staff contact information. She noted that



CALBO looks forward to future collaborations with CSLB and is excited about the pilot program.

Staff Comment:

Registrar David Fogt reported that during the workshops, statistics were discussed that reveal opportunities to increase the number of CSLB and local business licenses and workers' compensation compliance, and to reduce owner-builder permits. The baseline statistics will be used to measure the success of the 12-month pilot program in providing consumer protection and achieving contractor compliance in the participating jurisdictions.

Board Member Comment:

Board Member David Dias mentioned that the program should look beyond the underground economy and ensure compliance with safety requirements and other key components of installation.

Board Member Nancy Springer added that the participating building departments were asked to provide a list of the permits being pulled, as well as to review Craigslist for advertisements. Ms. Vickrey mentioned that the success of the pilot will show in the tracked data, such as an increase in permits in a participating jurisdiction versus a non-participating jurisdiction.

Board Member David Dias asked if online permits will be available. Ms. Vickrey responded that that issue was not discussed at the workshops but is an idea to consider.

Public Comment:

Alex Lantsberg, San Francisco Electrical Industry, commended the board for its effort to combat the underground economy and mentioned that regulatory decisions effect the underground economy.

D. PRESENTATION OF CERTIFICATES OF APPRECIATION

Board Chair Marlo Richardson presented a certificate of appreciation to Joe Cuffe, Chief Building Official for Rancho Cordova, for his ongoing collaboration with CSLB, including addressing the underground economy and assistance with creating the permit violation training course.

Board Chair Marlo Richardson presented a certificate of appreciation to San Diego Deputy District Attorney Scott Pirrello. Mr. Pirrello was thanked for his commitment to prosecuting those who commit construction fraud and elder abuse.

Public Comment:

Scott Pirrello thanked the board for its work and the efforts of its investigators.



E. UPDATE FROM THE DEPARTMENT OF CONSUMER AFFAIRS, WHICH MAY INCLUDE UPDATES ON THE DEPARTMENT'S ADMINISTRATIVE SERVICES, HUMAN RESOURCES, ENFORCEMENT, INFORMATION TECHNOLOGY, COMMUNICATIONS AND OUTREACH, AS WELL AS LEGISLATIVE, REGULATORY, AND POLICY MATTERS

Department of Consumer Affairs (DCA) Director Dean Grafilo highlighted the department's activities during 2018, which included nine enforcement and licensing workshops; three substance abuse committee meetings; four director's quarterly meetings; pro rata workshop meetings; and two director, board member, and advisory committee leadership teleconferences. Director Grafilo mentioned that DCA's 2018 annual report is available on the DCA website.

Mr. Grafilo also reported that DCA is working with Governor Gavin Newsom and his team to fill appointment vacancies and address pending reappointments. Director Grafilo mentioned that the Governor's budget will make significant investments in housing, childcare, healthcare, prescription drugs, preschool, and higher education. Fiscal operations will hold individual budget meetings for greater detail on budgets. He also provided an update on the director's first 2019 quarterly meeting held in January. The department is taking steps for the July 2020 implementation of AB 2138; action by all programs is due May 2019 and regulatory packages will be collected and submitted by DCA to the legislature as one report. He also noted that 2019 is a mandatory training year for Sexual Harassment Prevention Training, which all DCA employees and board members must complete. Mr. Grafilo thanked the board for a successful sunset hearing.

Board Chair Marlo Richardson mentioned that Dean Grafilo will be leaving his position as DCA Director effective April 19, 2019. She thanked Director Grafilo for his service to the department and support for the board.

F. EXECUTIVE

1. Registrar's Report

a. Review and Possible Approval of Board Responses to Questions from the Background Paper and February 26, 2019 Legislative Hearing Related to CSLB's 2018 Sunset Review Report Before the California State Legislature

Registrar David Fogt reported on the sunset review responses, which centered on staffing, board member vacancies, recent legislation, fund condition, pro rata, examination passage rates, licensing and certification, proactive enforcement, workforce development and disaster response, workers' compensation insurance, tree worker safety, technology issues, limited liability insurance policies, unsatisfied



judgments, electrician certification, and the continuation of the board. At the sunset hearing three additional issues arose: license reciprocity with other states, effectiveness in disaster areas, and the efficacy of the \$15,000 contractor bond.

Board Member Comment:

Board Member Susan Granzella requested an explanation of the sunset review process. Mr. Fogt responded that the process involves a comprehensive review of the board’s operations, which occurs every four years and during which the legislature considers whether or not to continue the board. The review is also an opportunity for the board to request resources and seek legislative changes.

Board member Joan Hancock requested an amendment to the response for issue #2, noting that filling the vacant senior citizen member position on the board is critical, especially for representation of the elderly community. She also added that because the terms of many contractor members of the board end in 2019, filling those positions is important for parity.

Board Member Kevin Albanese mentioned that increasing the current \$15,000 bond could create a barrier to licensure. He also thanked Tonya Corcoran and staff for their efforts in the preparatory work for the sunset hearing.

Board Member Linda Clifford mentioned that she and David Fogt had spoken with bond company representatives who agree that raising the \$15,000 bond amount will create issues with underwriting requirements.

MOTION: To approve the board responses to questions related to CSLB’s 2018 sunset review report before the California State Legislature and authorize the board chair to appoint a member or staff as the final arbiter. Linda Clifford moved; Nancy Springer seconded. The motion carried unanimously, 13–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Frank Altamura Jr.	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				



b. Review and Consideration of CSLB Energy Storage System Report and Options to Address Possible Concerns About the Appropriate License Classification(s) to Install Energy Storage Systems

Because this item involved issues directly related to C-10 electrical contractors, Board Member Frank Schetter voluntarily recused himself.

Board Member Comment:

Board Member David Dias thanked staff for their work compiling the energy storage system report and emphasized the importance of the board's decision on this matter. Mr. Dias then made the following motion, which the board voted on following public comment and further discussion:

To direct staff to: consider battery energy storage system size, complexity voltage and potential risk; draft a proposed regulatory package for board consideration that would prohibit or restrict certain contractor classifications from performing the installation of battery energy storage systems; assign this to the appropriate board committee or committees; and provide updates at each board meeting.

Staff Comment:

Registrar David Fogt reviewed the staff report on energy storage systems (ESS). He noted that it included a previous regulation, initiated on December 30, 2009, which states that "a solar contractor installs, modifies, maintains, and repairs active 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 (PV) solar energy system."

Mr. Fogt explained that staff developed the report under the direction of the board to determine if the "A"—General Engineering, "B"—General Building, C-4 (Boiler, Hot-Water, Heating and Stem Fitting), C-10 (Electrical), C-20 (Warm-Air Heating, Ventilating and Air Conditioning), C-36 (Plumbing), C-46 (Solar), and C-53 (Swimming Pool) license classifications should be precluded from installing an energy storage system in a standalone contract or when included in the installation of a solar system.

Mr. Fogt mentioned that public hearings were held where 74 people offered testimony, some in support of C-10 contractors being allowed to install energy storage systems and others in support of C-46 contractors performing the work in conjunction with a solar contract. Staff also met with leading representatives from the solar and electrical industries. Mr. Fogt reported that electricians maintain that evolving and increasingly complex technology means that certified electricians have the appropriate training to install the systems. Representatives from the solar industry maintain that most systems are designed as "plug and play" with



preinstalled safety mechanisms and do not pose a safety concern; additionally, they maintain, solar contractors, though not mandated, do have the necessary training to safely perform the installation.

Registrar David Fogt noted that the report, which includes data from the Division of Occupational Safety and Health (DOSH) and building departments, does not present any significant examples of incidents resulting in harm to person or property, though there is a potential for incidents to occur.

In addition to attendance at the public hearings, CSLB received 269 letters, evenly divided in support of both the electrical and solar contractor's positions. A letter was also received, signed by 28 state legislators, in support of the C-10 position.

Registrar Fogt confirmed that under existing law, the only classification required to use certified electricians to perform electrical work is the C-10 Electrical classification.

Registrar Fogt mentioned that the report includes three options for the board's consideration.

Option 1 is "take no action." If the board does not think there is a problem or a potential future problem, no action is needed.

Option 2 is to work with industry to pursue legislation to amend the Labor Code regarding who is required to be a certified electrician. This would provide an opportunity to require electrician certification for classifications other than the C-10.

Option 3 is to utilize the regulatory rule making process to draft proposed language to prohibit or restrict certain classifications from performing the installation of ESS.

Registrar Fogt mentioned that the third option will require additional meetings with industry representatives to try and reach a collaborative agreement among the C-10, C-46, and "B" contractors and noted that the regulatory process can be lengthy.

Legal Counsel Comment:

Kristy Schieldge noted that changes to regulation require collecting substantial evidence in the record to prove a change is necessary, in addition to performing an industry fiscal and economic impact assessment. She mentioned General "A" and "B" classifications are in statute and a global change across all classifications would require a statutory amendment. Ms. Schieldge also asked for clarification if the committees making the decisions will be standing or advisory, as standing committees would require public meetings.

**Staff Comment:**

Registrar David Fogt asked if the board would like to see the C-10 and C-46 industry videos (also available on CSLB's website) regarding ESS and noted that they had been provided to board members in advance of the meeting. The board did not express interest in seeing the videos and they were not shown.

Board Member Comment:

Board Member Joan Hancock asked how the videos would be included during regulatory hearings. Ms. Schiedge replied that at each hearing there will be opportunity for public comment, but depending on the number of public attending the time allotted for public comments could be limited and there may not always be time to present the videos.

Senator Comment:

Kevin De Leon, former president pro tempore of the California State Senate, commented that California is the largest economy devoted to having 100 percent clean and renewable energy (Senate Bill 100) by the year 2045. California has significantly decreased its greenhouse emissions through its clean energy policies. He noted that the future of clean energy will rely on energy storage systems to improve the efficacy of the mandated renewable energy technologies. It is important that Californians are comfortable with who is installing these energy storage systems. The goal of the policies is to reduce greenhouse emissions, reduce utility rates, clean-up air quality, and provide jobs with good wages. California is committed to a 100 percent renewable portfolio standard and is encouraging other states to commit to clean energy.

De Leon commented that his amendments to Senate Bill 350 were to ensure that those working in clean energy are highly trained. Because of the intense political interest, any safety issues can lead to attempts to rollback clean energy policies. He also mentioned that the California Energy Commission is looking to CSLB for direction on this issue before moving forward with their own regulation regarding their contractor policy. He emphasized that the board is responsible for ensuring that only the most qualified and highly trained individuals install battery energy storage systems. He hopes that the board moves forward with the staff recommendation option three.

Public Comment:

Scott Wetch, Coalition of California Utility Employers, mentioned that the privately-owned utility companies Edison, PG&E, and Sempra all submitted letters in support of allowing only C-10 contractors to install ESS. These companies are concerned with the safety risks of improperly installed storage systems. He explained that, according to the State Fire Marshall, the Tubbs fire was caused by an improperly installed electrical system on private property, and while this system did not have an energy storage system, the same issue is involved – non-trained, unqualified persons engaged in electrical work. He added that an improperly installed storage system can cause an entire distribution center to fail. He mentioned that the utilities



do not have a stake in either classification because they are not contractors; they are concerned with safety. He encouraged the board to approve David Dias' motion.

Donald Simon, law partner of Wendel Rosen Block & Dean representing CALSSA, emphasized that he has never received a call reporting any incidents with energy storage systems, and that there is no evidence of any incidents. He claims this is another attempt by electricians to take over solar work and added that they are trying to convince the board to adopt a regulation that has no foundation. Precluding C-46 contractors from performing this type of work will put the classification out of business. The ESS report reported no accidents and no complaints regarding solar storage. He claimed that C-46 contractors are subject to fewer code violations than C-10 contractors. He noted that C-46 contractors have installed 80 percent of the solar storage systems in California.

Don Hughes, retired electrician, stated that there is no mandated training for C-10 or certified electricians related to energy storage. Training on energy storage was included in the 2017 National Electrical Code, which has not yet been adopted. There is no correlation between being a C-10/certified electrician and being more qualified.

Richard Birt, Las Vegas firefighter captain, has taught firefighters how to handle fires involving batteries and solar systems across the country. He mentioned that the information in the video submitted by electricians is false and will result in the death of a firefighter. The video claims that solar systems and battery storage are separate units, when it is actually one integrated unit. In communications with OSHA there have been no reported injuries with C-46 installations. For safety he wants the C-10 video pulled from the website.

Jim Willson, NECA Los Angeles County, claimed that electricians are trained in energy storage systems across the country. Although the option is not ideal, his organization supports option 3. He noted no experts were interviewed in the C-46 video and that the C-46 industry is using fear tactics and blaming the conflict on the IBEW.

Barry Cinnamon, Cinnamon Energy, commented that in his training as both a C-10 and C-46 contractor battery storage was always discussed in his C-46 courses and exams, but virtually no questions about battery storage came up when training and testing for the C-10. All batteries installed in the United States must be tested against UL 1973 or UL 9540 and are extremely safe.

Alex Lantsberg, San Francisco Electric Construction Industry, reported that the San Francisco Board of Supervisors urged CSLB to limit the work to C-10s. He mentioned the diverse workforce between the electrical and solar industries, but that C-10 contractors have the necessary training and room for career development. C-10 contractors outnumber solar contractors 20 to 1; yet solar contractors have a higher rate of injury.



C. J. Hamilton trains firefighters, police officers, and paramedics on electrical and solar safety and stated that PV and energy storage are two completely different systems with different hazards. The danger of arc flash and arc blasts leads him to believe that only C-10 contractors are qualified to properly install energy storage. He supports the staff recommendation to hold regulatory hearings. It is the board's responsibility to ensure that firefighters are not injured or killed.

Gary Gerber, Sun Light and Power, found numerous false and misrepresentative statements in the C-10 video. Allowing C-10s to install all the energy storage systems will disenfranchise C-46 contractors because current solar system customers without storage will have their warranties voided if a C-10 contractor installs the ESS in the system.

Michael Emrich, Solarponics, Inc, has installed on- and off-grid solar systems, but recently learned that one of their jurisdictions was told that a C-46 contractor could not install energy storage on a solar system they had installed.

John Berdner, Enphase Energy, commented that the C-10 video is full of false and misleading statements. Systems that are UL 9540 listed will not cause the flame spread as described in the C-10 video. Additionally, the system used to exemplify the arc flash was an AC power system, which is unrelated to energy storage; AC fault currents are controlled by the system inverter.

Jeff Spies, Planet Plan Sets, stated that batteries have been paired with solar systems since they debuted, and have been a core component since the 1980s. CALSSA has numerous subject matter experts who assist in writing the codes, developing safety standards, and training installers and firefighters, and that C-46 contractors are qualified to install energy storage systems. He emphasized that the C-10 video misrepresents the risk of the system by not showing arc flashes on battery system equipment. Battery systems are becoming less complicated and a recent California requirement that all residential systems be UL 9540 listed means there is extensive testing on batteries.

Todd Farhat, Sun Street Lennar, stated that the proposal will negatively impact or kill the storage business for solar. Installing only solar systems will impact the profit of the installers and financially hurt the customers. There has been no significant compromise to safety or quality in storage installation. The proposal will impact new home construction by limiting available qualified installers and increasing costs.

The Board recessed at 10:35 a.m.

The Board reconvened at 10:45 a.m.



Public Comment Continued:

Eric Murphy, Let's Get Solar, stated that limiting battery storage to C-10s will eliminate competition and increase cost, which will impact low-income customers.

Jason Bodruk, Solar Edge, mentioned that batteries used for energy storage are more like appliances – they are fully packaged and enclosed, have thermal protection systems to prevent thermal runaway, have overcurrent protection systems to prevent arc flash, and have sophisticated monitoring systems.

Daniel Sullivan, Sullivan Solar Power, said that he is a C-10 contractor and a member of CALSSA but does not support the C-46 position. From his experience as an electrician and hiring solar contractors he does not feel that solar contractors are qualified to install battery storage systems. His company was a leading supporter of AB 1070.

Matt Stoutenburg, Peak Power Solutions, emphasized that solar jobs are not being threatened, as battery storage is a separate scope of work. He further stated that C-46 contractors are not entitled to do all electrical work. Currently, C-46 contractors do not have to hire certified electricians to do battery storage work.

Martin Learn, HES Solar, stated that the loss of jobs for solar will hinder processes, as less contractors will be available to train on solar installations.

Ed Murray, Aztec Solar, mentioned that a couple years ago the California Solar Energy Industries Association changed its name to California Solar and Storage Association (CALSSA) because of the increase in demand for storage. He stated that the IBEW has tried to stop solar through legislation and regulation. If solar contractors cannot install batteries, when customers ask for PV and storage the C-46 contractor will lose both jobs if they cannot install the storage and the PV system. There is enough business for both classes to perform this type of work.

Linh Tran, LG Chem, mentioned that LG residential lithium batteries are designed, intended, marketed and sold for use in a domestic PV system as a compact energy storage system. LG defines qualified installers as “a skilled worker, a trained and qualified electrician or installer that have all the following skills and experience: 1) knowledge of functional principles of operations of on-grid and off-grid backup systems, 2) knowledge of the danger associated with installing and using electrical devices; and 3) acceptable mitigation methods.” For LG, installers must have product specific certification before purchasing the product. From a manufacturer perspective, safety isn't based on certification but on how it is manufactured, moved, and transported.

Rick Umoff, Solar Energy Industries Association, stated that requiring a C-10 license for solar storage installation will threaten solar companies.



Board Member Comment:

Board Chair Marlo Richardson asked if the motion could be restated for clarification. Kristy Schieldge clarified that the motion states the board will further deliberate on the possibility of a regulatory change on the issue through various committees as assigned by the chair. There will be no change to any classification occurring today. The board will further discuss proposals that will all be subject to public comment. Changes to regulation are a slow process, taking up to two years on non-controversial topics.

Public Comment:

Steve Campbell, Grid Alternatives, mentioned that the California Climate Change assessment will impact low-income and vulnerable communities. Additional licensing requirements will raise costs and increase construction time.

Board Member Comment:

Board member Kevin Albanese asked if the speakers can be asked to address their public comments to the Board's motion and their stance. Kristy Schieldge replied that the public can discuss anything within the scope of the agenda item or even for items not on the agenda.

Public Comment:

Scott Williams, Baker Electric Inc., mentioned that their company has installed commercial and industrial storage systems and they are far more complex than "plug and play." In their experience, general contractors will only hire C-10, certified electricians for this type of work. He reviewed the video example of an industrial installation by the C-46 and explained the electrical safety issues presented in the video and said the installation was improperly performed. His company believes only C-10 contractors are qualified and trained to install energy storage systems and supports option 3.

Dan Cohee, PDE Total Energy Solutions, stated that battery storage systems are standalone systems. The work that their company performs requires constant scrutiny for safety because of the complexity and scale of the work. He believes a battery is far more than just an appliance.

Jason Eshelman, IBEW, emphasized that electricians must have 8,000 hours of on-the-job training and 2,000 hours of class training, which includes 30 hours of OSHA safety training.

Antonio Sanchez, IBEW 11, briefly read a letter by elected California officials noting safety concerns with allowing C-46 contractors to install energy storage systems. He is in support of option 3.



Tommy Faavae, IBEW 11, continued reading the list of elected California officials who signed the letter noting safety concerns with allowing C-46 contractors to install energy storage systems. He is in support of option 3.

Dan Sauer, Simpliphi Power, stated that as a manufacturer his company works with both C-10 and C-46 contractors, and both classes have reliably and safely installed their batteries and maintained compliance with codes and standards. A change in policy can destroy jobs and impact the economy. He mentioned that storage devices are fully integrated into PV modules and should be viewed as one system. Limiting the C-46 class will not increase safety. He also noted that the chemistry of the batteries should be monitored.

Tara Hammond, Sullivan Solar Power, stated that although they are a member of CALSSA, her company only uses certified electricians to install energy storage and solar. She is concerned that an underqualified C-46 installer will have an accident installing one of these systems that could lead to a tragedy. The utility companies have made it so that solar customers receive the most credit in the evening, thus making storage financially beneficial. An accident could make customers fearful of installing solar. She supports option 3.

Selene Lawrence, Sullivan Solar Power, mentioned that in the company's experience residential installations of energy storage systems are far more complex than installing solar. Home energy storage is not "plug and play." Only certified electricians are used to install energy storage systems due to the complexity of the electrical assessment required to install and adapt the system to the home's electrical system. Requiring a C-10 license for all ESS and PV installations will protect the public's safety. Her company is in support of option 3.

Taylor Markwith, Sullivan Solar Power, emphasized that solar and storage are separate systems, in that solar produces flow of electricity while energy storage holds a reservoir of power that can cause harm through arc flash and electrocution. She claimed it is common for C-46 contractors to hire low or unskilled workers. She supports option 3.

Bryan Glenn, Southern California Edison, agreed that C-10 contractors are trained and qualified to install energy storage systems.

Laurence Abcede, SDG&E, mentioned that his organization believes energy storage should be considered a standalone system that requires specific training and specialization due to the diverse technology available today.

Christopher Smith, Statewide LMCC, mentioned that one third of the C-46 contractors also have a C-10 license and that requiring a C-10 license to install energy storage will only temporarily hinder the remaining C-46 contractors, as they can obtain a C-10 license. He also believes that energy storage and solar should be considered separate systems.



Ashton Thurneyssen, Tesla, mentioned that his company has an application to become a certified installer while also performing direct installs and provides training. Tesla also conducts quality audits after an installation is complete. He added that when permits are pulled plans include PV system and storage, not as a standalone. The company does not want to limit the workforce to perform this work.

Mark Rodriguez, Sunrun, stated that he is opposed to option 3. He mentioned that the majority of residential installs are “plug and play”; if an installer does not install the system correctly it does not cause a safety risk, it merely would not work. An improperly installed system will have to be reinstalled to work. The system also requires two inspections and quality audit before being powered on.

Gretchen Newsom, California State Association of Electrical Workers (CSAEW), stated that CSAEW supports option 3 and requests that the board only allow C-10 licensees to install energy storage. Ambiguity in regulation allowing C-46 contractors to install batteries with PV is dangerous because they do not have the electrical training or expertise. The main difference in the classifications is that C-10 contractors have state-mandated training and certification.

Matthew Vailakis, Climate Action Campaign, supports allowing only C-10 contractors to install energy storage systems. The organization supports option 3.

Richard Miller, Sierra Club, mentioned that his organization strongly supported SB 100, and believes all energy storage systems should be installed by C-10 contractors and certified electricians. They support option 3.

Jeremy Sullivan, Sunrun, stated that the training for C-46s is extensive and safety based. He is opposed to option 3 and believes that status quo should remain in place. Sunrun will comply with whichever option is approved.

Rob Robinson, Outback Power, stated that C-46 contractors built the solar industry and have been highly successful in California in the adoption of the technology. He favors option 2.

Jeremy W. Floth, Joint Apprenticeship Training Center, mentioned that it does not matter which electrical worker performs the job and that training and safety are most important. UL listed products can fail, but proper training and equipment will protect the employees. Product safety is rated based on the potential of what could happen and not everyone can afford the top-of-the-line products.

Paul Dailey, Outback Power, mentioned that manufacturers are designing battery products as all-in-one systems that should be installed with PV. Limiting the C-46 will disenfranchise the businesses. As a manufacturer they do not see the need to have a C-10 install the batteries because training is available that is more specific to each product.



Mike Kozlowski, UMA Solar, stated that he is opposed to changing the current status. He believes that energy storage is part of a whole system and not standalone. Restricting installations to C-10s will limit the availability of installers.

The Board recessed at 11:58 a.m.

The Board reconvened at 1:01 p.m.

Public Comment:

An unnamed member of the public questioned why C-46 contractors must defend themselves in regard to safety. He stated that the equipment that started the Camp Fire was installed by a C-10 contractor, which resulted in an unfortunate accident. He believes the issue is that C-10s and C-46s have different business models – solar is comprised of small companies while electrical is comprised of well-established large industries. He opposes option 3 and prefers for the status quo to remain.

Tim Ramage, Petersen Dean, mentioned that Title 24 will no longer give value to solar panels due to the mandate, but that energy storage will have value. Additionally, with the number of homes being built in the coming years and where there is already a struggle to find labor, placing limitations on the classifications that can install energy storage systems will have a significant effect on companies.

Bob Irwin, Solar Unlimited, stated that solar contractors do hire unskilled labor, but they put their workers through numerous intensive training courses. Regardless of the classification, specific training is needed to perform the work. C-10 contractors in the same line of business as C-46 contractors make significantly more money. However, C-46 contractors provide quality work at a reasonable price. If solar and energy storage is too expensive no one will want to get solar.

David Shankle, Southern Sierra Chapter of NECA, refuted the C-46 video and noted its lack of industry experts. He said that it does not matter if equipment is UL listed; if improperly installed it poses an electrical hazard. His organization believes that only C-10 contractors with certified electricians should do this type of work. They support of option 3.

Mona Gocan, 77 Electrical Services, expressed her support for option 3 To insure the safety of the installers and occupants she feels that only C-10 contractors should install energy storage.

Doug Mangione mentioned that nothing prevents a C-46 contractor from obtaining a C-10 license and employing certified electricians to perform the work. He supports



option 3 and wants the board to ensure that business is not driven by cheap labor but by the most qualified labor.

John R. O'Neill, City of Garden Grove councilmember, expressed his support for option 3 and emphasized that battery storage and PV are separate systems. He urged C-46 contractors to obtain a C-10 license to continue working in energy storage.

Eddie Bernacchi, NECA, thanked the board for its effort in compiling the report. He reviewed parts of the report where it states that C-46 contractors cannot install standalone energy storage and that it is beneficial to have certified electricians perform the work. He also echoed that building officials support C-10 as the appropriate installers of energy storage. He emphasized that California is the only state that allows solar contractors to install energy storage systems.

Kevin Alvin, IBEW, mentioned that C-10 contractors are trained and ready to perform all the work for PV and energy storage; C-46 contractors only want to do a certain scope of work. Separating parts of the work will cause a ripple effect that will affect affordability, housing issues etc.

Jason Andrade, West Cost Sustainable, stated in his experience there has been an increase in manufacture safety measures for batteries over the past few years. Certification does not guarantee that the quality will be greater than having a C-46 contractor perform the work. He supports option 1.

Mario Barragan, IBEW 11, emphasized the importance of training and education and does not believe that C-46 contractors take the training of their workers seriously enough. He supports option 3.

Unnamed member of the public mentioned that electricians are not attacking solar; C-46 contractors can still do solar jobs, but anything beyond the disconnect should be performed by an electrician. He supports option 3.

Bernie Kotlier, Labor Management Cooperation Committee (LMCC), mentioned that limiting installations to C-10 contractors will not put solar contractors out of business, because a third of C-46 contractors also have a C-10 license and can perform energy storage work. He supports option 3.

Francisco Arago, IBEW 11, believes that because of safety concerns when working with electricity that only skilled contractors should install energy storage. He supports option 3.

Jeanine Cotter, Luminalt, stated that batteries have been installed since the beginning of PV systems and that the battery installation has always been a component of the C-46 classification. C-46 contractors have installed 86 percent of the PV and storage systems in California over the last 12 months. She mentioned



that CSLB resources should be focused on more problematic issues, such as false workers' compensation exemptions; a large portion of both C-10 and C-46 contractors claim to not have employees when they contract for work that cannot be done without employees.

Noemi Gallardo, Sunrun, mentioned that SB 350 is focused on energy efficiency and the need for highly trained and skilled workers, which includes the C-46. She opposes option 3 and supports option 1.

Bernadette Del Chiaro, CALSSA, emphasized the importance of facts in decision-making and questioned the existence of any facts or evidence to suggest that the work of C-46 contractors should be restricted. C-46 contractors have installed thousands of storage and solar paired grid tied systems without incident or issue. Solar contractors also install off-grid systems with storage and have done so without incident. No factual evidence was provided to show that energy storage with solar will become more dangerous or that C-46 contractors are incapable of installing them safely.

Sean L. Swoboda, a member of the public, expressed his support for option 3. He noted that not everything is "plug and play" and gave an example of a dry area battery being improperly installed on a hospital roof to emphasize the danger of merely following instructions.

Bert Richardson, a member of the public, mentioned that electrician certification has become more rigorous since the adoption of certification. Allowing C-46 contractors to install energy storage without certification refutes the legislature's mandate. He supports option 3.

Board Member Comment:

Board Member Augie Beltran asked for clarification if the board approved the motion on the table today that nothing will change in the industry; hearings and studies must occur first. Legal Counsel Kristy Schieldge answered that nothing will change unless the board adopts changes to the regulation and those changes are required to be approved by the Department of Consumer Affairs, Business Consumer Services and Housing Agency, the Department of Finance, and the Office of Administrative Law prior to being adopted by the board.

MOTION: To approve staff's recommendation and direct staff to: consider battery energy storage system size, complexity voltage and potential risk; draft a proposed regulatory package for board consideration that would prohibit or restrict certain contractor classifications from performing the installation of battery energy storage systems; assign this to the appropriate board committee or committees; and provide updates at each board meeting. David Dias moved; Joan Hancock seconded. The motion carried, 12-0-1.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
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Marlo Richardson	✓				
Kevin J. Albanese	✓				
Frank Altamura Jr.	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter					✓
Johnny Simpson	✓				
Nancy Springer	✓				

2. Review and Possible Approval of December 13, 2018, Board Meeting Minutes

MOTION: To approve the December 13, 2018, board meeting minutes and the January 8, 2019, teleconference board meeting minutes. Augie Beltran moved; Kevin Albanese seconded. The motion carried unanimously, 11–0-2.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Frank Altamura Jr.			✓		
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton			✓		
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

3. Review and Possible Approval of January 8, 2019, Teleconference Board Meeting Minutes



Reviewed and approved earlier in the meeting.

4. Update, Discussion, and Possible Action on Amendments to CSLB’s 2019-21 Strategic Plan Objectives

Board Chair Marlo Richardson reported that staff recommends moving the Enforcement March 2019 target date for objective 2.1 (develop formalized disaster respond plan) to correspond with the Public Affairs objective 4.2 so the dates align.

MOTION: To change the 2019-21 Strategic Plan target date for Enforcement objective 2.1 to March 2019. Linda Clifford moved; Augie Beltran seconded. The motion carried unanimously, 13–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Frank Altamura Jr.	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

G. Proposed Regulations

- 1. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations (16 CCR) Sections 868, 869, and 869.9 (Criteria to Aid in Determining if Crimes or Acts Are Substantially Related to Contracting Business, Criteria for Rehabilitation, and Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure), to Adopt New Section 868.1 (Criteria to Aid in Determining if Financial Crimes Are Directly and Adversely Related to Fiduciary Qualifications, Functions, or Duties of a Licensee or Registrant for the Purpose of Considering Denials of Applications) and to Repeal Section 869.5 (Inquiry into Criminal Convictions)**



Legislative Committee Chair Linda Clifford reported on the amendments to CSLB regulations required to implement Assembly Bill 2138. AB 2138 limits a board's discretion to deny a license to an applicant with a criminal history. The board must adopt regulatory language and submit the regulation package to DCA for review before April 30, 2019, to meet the July 1, 2020 implementation deadline.

Legal Counsel Comment:

Legal Counsel Kristy Schieldge provided an overview of the five regulatory amendments proposed to amend current regulation and create new regulations.

Legal Counsel Kristy Schieldge began with a review of Section 868. She explained that under existing law, boards may deny or discipline a license based on a substantially related crime or dishonest act, or discipline imposed by another state, an agency of the federal government, or another country for any act that is substantially related to the licensed profession. As a result, the board has adopted these criteria at Section 868 of its regulations to define what the board considers a substantially related crime or act, which could be grounds for denial or discipline of a license.

Ms. Schieldge further explained that AB 2138 amended Business and Professions Code section 480 and will authorize the board to deny a license if the applicant was subject to formal discipline by a licensing board located in or outside California for substantially related professional misconduct under specified conditions. AB 2138 requires the board to revise its existing criteria to include the following new criteria: the nature and gravity of the offense, the number of years elapsed since the date of the offense, and the nature and duties of the profession. Those criteria have been added to the proposal at Section 868 as subdivision (b).

Ms. Schieldge continued to cover subdivision (c)(1) of Section 868 of the proposed text, which adds new criteria to assist in determining whether violations of other state laws or federal law governing contractors or home improvement salespersons will be considered substantially related and grounds for discipline or denial of a license. This addition recognizes that violations of laws in other states or federal law are indicative of potential issues with competence, personal or professional judgement, and the inability to practice safely.

Ms. Schieldge explained that when AB 2138 becomes effective, for most convictions relating to applicants, CSLB loses jurisdiction once seven years have passed from the date of conviction. An exception in the law will be financial crimes currently classified as felonies that this board determines are directly and adversely related to fiduciary qualifications, functions or duties of the profession. In developing the method for selecting a list of crimes, licensing staff compiled a list of all financial crimes for which CSLB had denied licensure over the previous five-year period—a spreadsheet showing the list of crimes was provided as a handout. The regulatory text was then developed using the elements of the crimes listed on the spreadsheet.

**Board Member Comment:**

Board Member Linda Clifford asked if this discretion applies only to financial crimes, or if other types of crimes will still be considered, such as physical violence. Ms. Schieldge replied AB 2138 sets a seven year limit to use a crime as a basis for denial, with the exception of felony financial crimes that are directly and adversely related to the contractor or Home Improvement Salesperson professions. After seven years, misdemeanors cannot be used as a basis for denial. The board cannot change limitations the bill places on jurisdiction but can use the regulation to clarify its authority to deny a license based on felony financial crimes.

Legal Counsel Comment:

Ms. Schieldge explained that, beginning July 1, 2020, AB 2138 at Business and Professions Code section 482, will require the board to consider whether an applicant or licensee has made a “showing of rehabilitation” if the applicant/licensee has completed a criminal sentence at issue without a violation of parole or probation, or, a board applying its criteria finds that the applicant is rehabilitated.

Ms. Schieldge continued to explain the proposed rehabilitation criteria, providing the board two options for consideration.

Option 1 would provide the board continued discretion in evaluating an applicant’s/licensee’s rehabilitation efforts using specified criteria, derived from criminal cases evaluating the constitutionality and validity of criminal parole or probation terms. It would require more staff work and investigation of rehabilitation prior to considering whether to deny or discipline a license.

Option 2 would provide a more bright-line standard and presumption of a showing of rehabilitation if the applicant/licensee completed parole or probation without a violation. It would be less time consuming but would remove the board’s discretion to evaluate an applicant’s or licensee’s parole or probation to determine if it was sufficient to remediate the conduct so that the board was comfortable that the misconduct would not recur.

Board Member Comment:

Board member Linda Clifford mentioned that option 1 sounded more subjective whereas option 2 sounded more objective. A more objective approach may be a better choice since it is based on the completion of parole or probation. Ms. Schieldge clarified that under option 2 an applicant would get an unrestricted license if they completed parole or probation; under option 1, staff would have five criteria to determine rehabilitation on a case-by-case basis.

Board Member Comment:

Board Member Susan Granzella asked if, under the subjective option, staff would need to devote more time to evaluating an applicant for licensure.



Staff Comment:

Registrar David Fogt reiterated the importance of granting staff the ability to consider rehabilitation/mitigation for financial crimes prior to issuing a license.

Board Member Comment:

Board Member Linda Clifford asked if option 1 was closer to the current work of staff. Ms. Schieldge replied that it would be similar, but the work would be more extensive. Mr. Fogt said he believes staff cannot determine the nature or extent of rehabilitation based only on the successful completion of probation or parole and that further evaluation is necessary.


Ms. Schieldge added that AB 2138, with few exceptions, limits the board’s ability to deny applications based on criminal conviction once seven years have passed for nearly all criminal convictions. As a result, it is proposed to amend the regulations in Section 869 to separate out applicant criminal conviction standards from licenses standards. The proposal is to have a benchmark that five years have passed from the time of the applicant’s release from incarceration or completion of probation, without any additional criminal activity or other acts that would be cause for denial. For applicants with serious felonies, financial crimes directly and adversely related to the functions or duties of a licensee or registrant, the benchmark for considering a denial is proposed to be seven years from the time of the applicant’s release from incarceration or completion of probation. In summary, the substantive changes to the benchmarks or standards would affect convictions for applicants mainly, while leaving the current standards in place for licensee’s subject to discipline.

Public Comment:

Jody Costello, Contractors from Hell, said that she founded the Contractors from Hell website after a home remodel nightmare and that she advocates for other consumers to avoid hiring an unscrupulous contractor. She reminded the board to consider its mission statement and that the decisions made today should be in-line with that statement and the protection of the consumer.

MOTION: To approve the proposed regulatory text and changes for Section 869 that allow CSLB staff to engage in a case-by-case determination about the rehabilitation of each applicant or licensee (Option 1); approve the proposed regulatory text and changes to Sections 868, 868.1, 869.5, and 869.9; and to direct staff to submit all approved text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review. If no adverse comments are received, authorize the Registrar to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package, and set the matter for hearing. Kevin Albanese moved; Joan Hancock seconded. The motion carried, 12–0–1.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				

	CSLB	BOARD MEETING MINUTES			
Frank Altamura Jr.	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre			✓		
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

CLOSED SESSION:

Board Chair Marlo Richardson noted the board’s authority to move into closed session to receive advice from legal counsel in the following matters:

- H. Pursuant to Section 11126(e) of the Government Code, the Board will move into closed session to receive advice from legal counsel in the following matter: *Santosha Padfield v. Department of Consumer Affairs, Contractors State License Board, et al., U.S. District Court, Central District of California, Case No. 2:18-CV-8358CJC***
- I. Closed Session: Pursuant to Section 11126(e) of the Government Code, the Board will move into closed session to receive advice from legal counsel in the following matter: *URS Corporation v. Registrar of Contractors of the California Contractors State License Board, et al., Orange Co. Sup. Ct., Case No. 30-2019-01053135-CU-WM-CJC***

The Board moved in to closed session at 2:25 p.m.

The Board returned to open session at 3:23 p.m.

J. ADMINISTRATION PROGRAM UPDATES

The Administrative program updates are available in the meeting packet but were not discussed at the meeting.

Public Comment:

Board Member Linda Clifford read a letter on behalf of Sara Keane, a legal volunteer who represents Elder Law and Advocacy. The Elder Law and Advocacy



organization provides seniors in San Diego and Imperial counties with free legal advice and Medicare counseling. Ms. Keane thanked the board for its efforts in resolving complaints regarding the contractors selling Property Assessed Clean Energy (PACE) products to senior homeowner in the area. The organization looks forward to their collaborative work with the board in protecting victims of PACE financing.

K. LICENSING

1. Licensing Program Update

Licensing Committee Chair Frank Schetter reported that the Licensing program updates are available in the meeting packet. He noted a 22 percent increase in original applications and that all application processing times are at two to three weeks.

2. Testing Program Update

The Testing program updates are available in the meeting packet; they were not discussed at the meeting. Licensing Committee Chair Frank Schetter reported that the Licensing Committee will meet May 2, 2019 in Sacramento.

L. ENFORCEMENT

1. Enforcement Program Update

Enforcement Committee Chair Kevin Albanese noted that Enforcement program updates are available in the meeting packet; they were not discussed at the meeting.

M. PUBLIC AFFAIRS

1. Public Affairs Program Update

Public Affairs Committee Chair Joan Hancock noted that Public Affairs program updates are available in the meeting packet; they were not discussed at the meeting.

Board Member Comment:

Board Member Nancy Springer mentioned that she has received positive feedback about the Find my Licensed Contractor website feature, but that it could use a few adjustments.



Board Member Joan Hancock thanked staff for the effort made in completing the Sunset Review Report and with keeping the board updated.

N. ADJOURNMENT

MOTION: To adjourn the March 21, 2019 board meeting. Linda Clifford moved; Nancy Springer seconded. The motion carried unanimously, 10–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
Frank Altamura Jr.	✓				
Augie Beltran				✓	
Linda Clifford	✓				
David De La Torre				✓	
David Dias				✓	
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton	✓				
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

Board Chair Marlo Richardson adjourned the meeting at approximately 3:30 p.m.

Marlo Richardson, Chair

Date

David Fogt, Registrar

Date

AGENDA ITEM H-2

Review and Possible Approval of May 13, 2019 Public Affairs, Licensing, Enforcement, and Legislative Committee Meetings Summary Reports





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS COMMITTEE SUMMARY REPORT

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

Joan Hancock, Committee Chair, called the Contractors State License Board (CSLB) Public Affairs Committee meeting to order at 9:02 a.m. on Monday, May 13, 2019, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA, 95827. A quorum was established.

Committee Members Present

Joan Hancock, Chair
David De La Torre
Michael Layton
Frank Schetter
Nancy Springer

Committee Members Excused

Frank Altamura, Jr.

CSLB Staff Present

Dave Fogt, Registrar	Phyliz Jones, Executive Staff
Tonya Corcoran, Chief Deputy Registrar	Kayla Bosley, Executive Staff
Michael Jamnetski, Chief of Legislation	Debbie Stefan, Executive Staff
Rick Lopes, Chief of Public Affairs	Kristy Schieldge, DCA Legal A
Missy Vickrey, Chief of Enforcement	Claire Goldstene, Public Affairs Staff
Amber Foreman, Public Affairs Staff	Justin Paddock, Chief of Licensing
Jane Kreidler, Public Affairs Staff	Stacey Paul, Budget Analyst
Natalie Watmore, Public Affairs Staff	Christina Delp, Enforcement Staff
Kevin Durawa, Public Affairs Staff	Raju Sah, Information Technology Staff
John Cleveland, Chief of Information Technology	

Visitors Present

Richard Edwards, Work Preservation Fund
Martin Herzfeld, Contractor
Richard Markuson, Pacific Advocacy Group
Debbie Maus, Plumbing, Heating, Cooling Contractors
Karen Nelson, Dept. of Consumer Affairs
Phil Vermeulen, Contractors Licensing Center

After welcoming the audience, Committee Chair Joan Hancock announced that Mr. Frank Altamura, Jr. was CSLB's newest board and committee member. She also recognized Committee Member Frank Schetter, who is leaving the board after eight years of service. Mr. Schetter served as one of the two specialty contractor members. Committee Chair Hancock mentioned that she has had the pleasure of



serving on the board since 2007, and is also leaving the board. She served four years on the Executive Committee and chaired the Public Affairs Committee.

B. Public Comment

There was no public comment.

C. Review and Discussion of CSLB's Draft Disaster Response Plan and Presentation of Video on CSLB Disaster Response

Public Affairs Chief Rick Lopes updated the committee on the board-approved 2019-21 strategic plan objective related to CSLB's disaster response. The board's post-disaster plan has been in place for more than 30 years and over time has evolved and expanded. He noted that post-disaster response involves all divisions within CSLB to staff Local Assistance Centers (LAC) and that the Enforcement division's disaster coordinator ensures LACs are staffed and relays information to PAO from the disaster areas. Mr. Lopes reported that the Public Affairs Office (PAO) and Enforcement division currently are finalizing an updated plan. He also said that cross-training staff is important to help address the staffing challenges of redirecting employees to disaster centers. Mr. Lopes reported that the draft plan is scheduled for completion in June 2019.

Committee Member Comment:

Committee Chair Hancock asked about CSLB's partnerships. Chief Lopes mentioned that CSLB has a close partnership with the California Department of Insurance (CDI), which has peace officers who help CSLB gain access to disaster areas. He also noted that the two agencies combine resources on outreach and conduct joint press conferences along with local law enforcement and district attorneys. Additionally, CSLB Enforcement staff train local law enforcement agencies on unlicensed activity to assist them in identifying illegal work in the disaster zones.

Staff Comment:

Chief Lopes also reported that CSLB is conducting rebuilding workshops for survivors and contractors in disaster areas. The contractor workshops focus on licensees who may want to add employees or classifications and cover issues that commonly lead to consumer complaints.

Committee Member Comment:

Committee Chair Hancock inquired about feedback. Chief Lopes responded that CSLB has received positive feedback from those attending. He also noted that while difficult to measure the success of the workshops, staff believes that educating survivors and contractors prevents future problems.



Committee Member Nancy Springer mentioned that when she served as Butte County Building Official the workshops held there were very helpful, especially for contractors. She also said that fire survivors saw CSLB warning signs in the areas, so were aware of CSLB's presence.

Finally, a video was shown that highlighted CSLB's disaster response, after which Committee Chair Hancock reflected on the importance of the oath board members took upon their appointment to protect and educate consumers, and that she feels the state gets the biggest bang for its buck from the work done by PAO.

D. Review and Discussion of Media Efforts to Publicize Enforcement Activities and Relaunch Most Wanted List on CSLB's Website

Chief Lopes reported that one of PAO's commitments is to publicize enforcement activities, which is why press releases are issued after every sting, and that staff looks for other opportunities to publicize the work of the Enforcement division.

He outlined criteria for suspects to be added to CSLB's Most Wanted list, the most notable being an active arrest warrant. In its first six years of existence, 15 most wanted suspects were arrested but, since 2015, fewer suspects who met the criteria came to light. Since Public Affairs and Enforcement staff met to coordinate a relaunch of this website feature, one new suspect has been added to the list. This fall, PAO hopes to expand that number and conduct media outreach to officially relaunch the site.

E. Review and Discussion of Outreach Efforts to Industry and Licensees

Chief Lopes noted that CSLB publishes the *California Contractors License Law & Reference Book* annually, and it can be viewed for free on CSLB's website and has produced the *California Licensed Contractor* newsletter since 1937, which transitioned to online only distribution in 2015, to reduce production and mailing costs.

He reported that PAO is currently developing a separate website for licensees that will have new and regularly updated content. The site may have subpages for specific classifications, and video and audio podcasts. PAO is in the process of hiring a Television Specialist who will produce videos and audio podcasts for the site. The site will also host live and recorded webcasts.

Committee Member Comment:

Committee Chair Hancock asked about including highlights from board and committee meetings on the website. Chief Lopes responded that, because the meetings are already webcast, that would only involve repackaging existing material.



Committee member Nancy Springer noted the popularity of audio podcasting and thanked Chief Lopes for his hard work. Committee Member Frank Schetter echoed the sentiment.

F. Adjournment

MOTION: To adjourn the May 13, 2019, Public Affairs Committee meeting. David De La Torre moved; Mike Layton seconded. The motion carried unanimously, 5–0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Frank Altamura Jr.				✓	
David De La Torre	✓				
Joan Hancock	✓				
Mike Layton	✓				
Frank Schetter	✓				
Nancy Springer	✓				

Committee Chair Joan Hancock adjourned the Public Affairs Committee meeting at approximately 9:40 a.m.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

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

Frank Schetter, Licensing Committee Chair, called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order at 9:50 a.m. on Monday, May 13, 2019, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California 95827. A quorum was established.

Committee Members Present

Frank Schetter, Chair
David De La Torre
Joan Hancock
Mike Layton
Nancy Springer

Committee Members Excused

Frank Altamura, Jr.

Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Justin Paddock, Chief of Licensing
Michael Jamnetski, Chief of Legislation
Missy Vickrey, Chief of Enforcement
Rick Lopes, Chief of Public Affairs
Kristy Schieldge, DCA Legal Counsel
Phyliz Jones, Executive Staff
Elizabeth Robinson, Licensing Staff
Kevin Durawa, Public Affairs Staff

Claire Goldstene, Public Affairs Staff
Raju Sah, IT Staff
Charlotte Allison, Licensing Staff
Christina Delp, Enforcement Staff
Rebecca Lyke, Enforcement Staff
Debbie Stefan, Executive Staff
Stacy Paul, Executive Staff
Amber Foreman, Public Affairs Staff
Natalie Watmore, Public Affairs Staff

Public Visitors

Karen Nelson, Department of Consumer Affairs
Phil Vermulen, Contractors Licensing Center
Richard Markuson, Pacific Advocacy Group
Richard Edwards, Work Preservation Fund
Martin Herzfeld, Contractor

B. Public Comment Session for Items not on the Agenda and Future Agenda Item Request

There was no public comment.



C. Review and Discussion on Possible Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account

Committee Chair Frank Schetter introduced this item to seek approval for a legislative proposal that will allow the board to grant all but \$50,000 in the Construction Management Education Account (CMEA) to schools each year without seeking annual budget authority from the Legislature.

Chief of Licensing, Justin Paddock, commented that in the last few years, the low level of the CMEA balance precluded staff from dispensing funds. In 2018, however, the balance increased, and at the board’s direction, staff initiated the grant application process, with plans to dispense \$150,000 in 2019. In February 2019, as the disbursements were being finalized, staff became aware of the \$50,000 annual reduction in spending authority. As a result, staff was forced to reduce the grant awards to just under \$100,000.

Committee Member Comment:

Committee Member Joan Hancock asked how the amount had been reduced and the origin of the money. Mr. Paddock responded that it was unclear who reduced the spending authority, but possibly it occurred as the budget bill moved through one of the Legislative committees. He also stated that the money comes from charitable contributions that contractors make either when applying for or renewing a license.

Legal Counsel Kristy Schieldge noted that it can sometimes be challenging to enact legislation when adding continuous appropriation language.

Mr. Schetter asked how much money was in the CMEA account, and Mr. Paddock reported a current balance of \$363,000.

MOTION: That the Licensing Committee approve seeking a continuous appropriation from the Legislature for CSLB to distribute CMEA grants annually while maintaining a \$50,000 reserve, and requests that the Legislative Committee consider this proposal for possible approval by the full board. Joan Hancock moved; David De LaTorre seconded. The motion carried unanimously, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Frank Schetter	✓				
Frank Altamura				✓	
David De La Torre	✓				
Joan Hancock	✓				
Mike Layton	✓				
Nancy Springer	✓				



D. Review, Discussion, and Possible Action on Whether to Enter into a Reciprocity Agreement with North Carolina and Oregon for the “B” General Contractor License and Legislative Options for Trade Exam Waivers

Mr. Schetter explained that in April 2018, the board had directed staff to pursue reciprocity agreements with other states for the “B” General Contractor license, including with North Carolina and Oregon.

Mr. Paddock reported that during the last six-to-seven months staff has been in discussions with the North Carolina Licensing Board for General Contractors (NCLB). In the course of these conversations, they found that NCLB allows applicants to take either the NASCLA Exam or a North Carolina specific trade exam developed and administered by private exam developer PSI. NCLB will not enter into a reciprocity agreement with CSLB unless CSLB waives the “B” General Building trade exam requirement for an applicant that has passed the NCLB trade exam.

Mr. Paddock also stated that the Oregon Construction Contractors Board only requires a “law and business” exam and that a trade exam, such as the NASCLA Commercial Builders Exam, is not required for licensure. Pursuant to CSLB’s reciprocity statute, Oregon licensees do not qualify for a reciprocity exam waiver because Oregon does not require a trade exam (i.e., the qualifications for licensure are not the same or greater than California requirements).

Committee Member Comment:

Ms. Hancock asked how comparable the NASCLA exam is to the CSLB exam. Mr. Paddock responded that the NASCLA exam is fairly similar to California’s exam and that in April 2018, Testing staff and the Office of Professional Examination Services (OPES) had briefed the board. Based on that presentation, the board directed staff to pursue reciprocity agreements with states that only use the NASCLA. Mr. Paddock stated that the current concern is that North Carolina currently uses two exams and that OPES has not evaluated the North Carolina trade exam.

Ms. Schiedge added that because North Carolina offers two exams staff cannot validate if the requirements of North Carolina’s state trade exam are comparable to or greater than California’s trade exam, which is a legal requirement in order to pursue reciprocity.

Registrar David Fogt commented that staff is recommending not pursuing reciprocity with North Carolina at this time and for the board to consider directing staff to research the feasibility of accepting the NASCLA Exam from all states where it is administered for discussion at a future board meeting.

Committee Member Nancy Springer requested clarification about CSLB reciprocity with Louisiana and Oregon. Mr. Paddock responded that the board currently has a



reciprocity agreement with Louisiana and that applicants must have been licensed for five years in good standing and that Louisiana only offers the NASCLA exam. Mr. Paddock stated that because Oregon does not have a trade exam, it is not possible for CSLB to enter into a reciprocity agreement under existing statute.

MOTION: Recommend that the full board direct staff not to enter into a reciprocity agreement with North Carolina or Oregon at this time, but explore the feasibility of a legislative proposal to make eligible for a CSLB “B” General Building trade exam waiver any individual in the United States who has passed the NASCLA Exam and has five years of good standing as a licensed general contractor in another state. Staff would report its findings to the Licensing Committee. Nancy Springer moved; Michael Layton seconded. The motion carried unanimously 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Frank Schetter	✓				
Frank Altamura				✓	
David De La Torre	✓				
Joan Hancock	✓				
Mike Layton	✓				
Nancy Springer	✓				

E. Update and Discussion About Development of a Possible Remodeling and Home Improvement License Classification

Committee Chair Frank Schetter introduced this item and noted that since December 2018, staff has conducted research on the feasibility of a new remodeling licensing classification. He noted that they have held a stakeholder meeting and met with representatives from several constituencies.

Mr. Paddock stated that one stakeholder meeting has been held and that staff are currently gathering internal data for those applicants who are currently going through the licensure process and have been denied based on experience.

Mr. Paddock added that staff held several productive meetings with various constituencies in Southern California and will conduct an anonymous survey among workers to help determine what kinds of trades these individuals regularly perform. In addition, staff will meet with representatives from remodeling businesses and conduct the same survey. Staff will need to determine if the work being performed involves only specialized trades or includes structural framing. He also said that staff hope to present this information to the board in the fall or winter.



Committee Member Comment:

Ms. Hancock asked how the survey is being administered. Mr. Paddock responded that it will go to workers attending licensing workshops along with other businesses that are interested. The survey will be one page long and have language that is easily translatable so that it can be completed in fewer than five minutes.

Mr. Schetter asked Mr. Paddock to explain which businesses he was referring to. Mr. Paddock explained that he was referring to large companies that focus on remodeling.

Registrar David Fogt added that the board is also looking at Craigslist and other media sources that the public use to find contractors for small jobs that may involve multiple trades. Mr. Fogt reiterated that this information would help the board determine if there is a need for a multi-trade license classification.

Ms. Springer asked to set a date so that the board can review the survey information. Mr. Paddock responded that he would be happy to present this data by Fall 2019, although his only concern was the survey response rate.

Committee Member David De La Torre asked about the dollar amount threshold for this potential new classification. Mr. Paddock responded that this would be part of the survey.

F. Adjournment

MOTION: To adjourn the May 13, 2019, CSLB Licensing Committee meeting. David De La Torre moved; Nancy Springer seconded. The motion carried unanimously, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Frank Schetter	✓				
Frank Altamura				✓	
David De La Torre	✓				
Joan Hancock	✓				
Mike Layton	✓				
Nancy Springer	✓				

Licensing Committee Chair Frank Schetter adjourned the CSLB Licensing Committee meeting at approximately 10:20 a.m.



CONTRACTORS STATE LICENSE BOARD

Enforcement Committee Meeting Summary Report

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

Enforcement Committee Chair Kevin Albanese called the meeting of the Contractors State License Board (CSLB) Enforcement Committee to order on May 13, 2019, at 10:25 a.m. in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California. A quorum was established.

Committee Members Present

Kevin Albanese, Chair
Augie Beltran
Linda Clifford
David Dias
Susan Granzella
Johnny Simpson

Board Members Present

Marlo Richardson, Board Chair

CSLB Staff Present

David Fogt, Registrar	Rebecca Lyke, Enforcement Analyst
Tonya Corcoran, Chief Deputy Registrar	Raju Sah, IT Manager
Missy Vickrey, Chief of Enforcement	
Justin Paddock, Chief of Licensing	
Michael Jamnetski, Chief of Legislation	
Rick Lopes, Chief of Public Affairs	
Kristy Schieldge, DCA Legal Counsel	
Phyliz Jones, Executive Staff	
Christina Delp, Enforcement Program Manager	

Members of the Public Present

Richard Markuson, Pacific Advocacy Group
Karen Nelson, Department of Consumer Affairs
Phil Vermeulen, CLC
Deborah Maus, PHCC of California
Martin Herzfeld – CSLB Licensee
Richard Edwards – Work Preservation Fund

Board Member Recognition

Board Chair Marlo Richardson recognized Board Member Linda Clifford's outstanding service to CSLB, the people of California, and the construction industry. Ms. Clifford served on the board from 2013 to 2019, as the "A" General Licensed Contractor.



Board Members Joan Hancock and Susan Granzella also recognized Ms. Clifford, acknowledging her contributions to women in the construction industry and the effect she had as a strong and intelligent leader with the ability to mediate with parties on both sides of the aisle. Registrar David Fogt commended Linda Clifford for her dedication to the board, her effective communication skills, and her desire to help the CSLB do a better job.

B. Public Comment

There was no public comment.

C. Review, Discussion, and Possible Action on Guidelines for Allocation and Prioritization of CSLB Enforcement Staff Resources

Committee Chair Kevin Albanese provided the committee with background about the re-examination of CSLB's published complaint prioritization guidelines that was prompted by questions posed by the Legislature during the sunset review process.

Chief of Enforcement Missy Vickrey explained to the committee the advantages of the proposed complaint prioritization guidelines as compared to the current guidelines, including, how it better reflects current board priorities, removes the complaint source, and is more user-friendly.

Chief Vickrey also proposed that the phrase "Significant Public Interest" replace the phrase "Media/Politically Sensitive Cases" on the proposed guidelines.

Committee Member Comment:

Committee Member Susan Granzella inquired if any future edits or additions to the chart would need to be presented to the Enforcement Committee and the full board for approval. Chief Vickrey confirmed that that would be the case.

Committee Member David Dias asked, given that this is an internal document, if Enforcement staff would be knowledgeable about the nature of "Predatory Criminal Acts." Chief Vickrey confirmed that staff would know how to accurately prioritize that type of complaint.

MOTION: To recommend to the full board adoption of the proposed Complaint Prioritization Guidelines chart with the following amendment: replace the phrase "Media/Politically Sensitive Cases" with Significant Public Interest." Augie Beltran moved; seconded by Susan Granzella. The motion carried, 6-0.



NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

D. Update and Discussion on Enforcement Activities

Committee Chair Albanese provided the Committee with background about CSLB’s role in the Joint Enforcement Strike Force (JESF) and highlighted SWIFT’s achievements as a JESF partner.

Enforcement Chief Vickrey highlighted for the committee support from JESF member agencies for CSLB’s proposal to mandate workers’ compensation for additional specified classifications. Chief Vickrey also informed the committee that the memorandum of understanding between CSLB and the Employment Development Department had been renewed and explained the benefits of the agreement in relation to increased enforcement.

E. Adjournment

MOTION: To adjourn the May 13, 2019, Enforcement Committee meeting. Augie Beltran moved; seconded by Linda Clifford. The motion carried, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

The Enforcement Committee adjourned at approximately 10:45 a.m.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE SUMMARY REPORT

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF A QUORUM AND CHAIR’S INTRODUCTION

Committee Chair Linda Clifford called the May 13, 2019 meeting of the Contractors State License Board (CSLB) Legislative Committee to order at approximately 10:50 a.m. in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

Committee Members Present

Linda Clifford, Chair
Kevin Albanese
Agustin “Augie” Beltran

David Dias
Susan Granzella
Johnny Simpson

CSLB Staff Present

David Fogt, Registrar

Tonya Corcoran, Chief Deputy Registrar
Michael Jamnetski, Chief of Legislation
Justin Paddock, Chief of Licensing
Rick Lopes, Chief of Public Affairs
Missy Vickrey, Chief of Enforcement

Kristy Schieldge, Department of Consumer Affairs Legal Counsel
Betsy Figueira, Legislative Division Manager
Phyliz Jones, Executive Staff
Stacey Paul, Budget Manager
Kevin Durawa, Public Affairs Staff
Natalie Watmore, Public Affairs Staff

Public Visitors

Karen Nelson, DCA
Debbie Maus, PHCC
Richard Edwards, Work Preservation Fund

Martin Herzfeld, Licensed Contractor
Richard Markuson, Western Electrical
Phil Vermeulen, CLC

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

There were no comments from the public.

C. REVIEW, DISCUSSION, AND POSSIBLE ACTION ON 2019-20 PENDING LEGISLATION

Committee Chair Clifford proposed, because there were 12 bills for discussion and to avoid taking 12 separate votes, grouping the motions for all bills based on the committee recommendation (support, watch, oppose).

Kevin Albanese moved that the Legislative Committee recommend that the full board “support” AB 193 (Patterson); AB 613 (Low); AB 1551 (Daly); SB 601 (Morrell); and SB 610 (Glazer); Augie Beltran seconded. This motion was withdrawn after further discussion.



Committee Member / Staff Comments:

Legal Counsel Kristy Schiedge asked to discuss AB 193. Ms. Schiedge explained that the bill requires the Department of Consumer Affairs (DCA) to determine which of the board's licensing requirements are unnecessary and asked if staff had any concerns about what the bill requires CSLB to report. Chief of Legislation Michael Jamnetski replied that AB 193 is now a two-year bill and explained the bill's requirements with respect to facilitating "licensure portability" for active duty service members, and others.

Committee Chair Clifford agreed that it may not be best for DCA to determine what is necessary and unnecessary.

Mr. Beltran asked the Committee to consider changing its position on AB 193 to "watch" from "support." Committee Chair Clifford agreed and asked for a change to the motion.

Ms. Schiedge also asked to discuss AB 613. She explained that the "notwithstanding any other law" language limits the board to increasing fees by an amount not to exceed the increase in the California Consumer Price Index (CPI) only once per four years. She suggested that a board could encounter a need to raise fees above the CPI and/or more often than every four years.

Mr. Albanese asked if a statutory change would be needed to increase the fees regardless of the bill. Ms. Schiedge said that only regulatory changes would be needed, but that the bill does not address that issue.

Mr. Beltran asked about the status of the bill. Mr. Jamnetski responded that the bill is already in the second house, with the Senate Business and Professions Committee.

Mr. Beltran recommended changing the Legislative Committee recommendation from "support" to "oppose unless amended." Ms. Schiedge suggested taking a position of "support unless amended," and noted that it would not be difficult to amend the law. Mr. Jamnetski added that the Assembly Business and Professions Committee asked the board for its support and said that other boards have had questions about the bill and that the author may be open to discussion. Mr. Beltran said that, given that, he is fine with the softer option.

Mr. Jamnetski noted that AB 1551 had also become a two-year bill. Mr. Beltran said that the committee should not take a "support" position on a two-year bill, only a "watch" position since the bill could change.

Mr. Beltran recommended withdrawing the previous motion and addressing each bill individually. Mr. Albanese and Mr. Beltran withdrew their motion.



Susan Granzella requested a handout the day of a committee or board meeting with the current status of each bill under consideration, which Mr. Jamnetski agreed to provide.

Committee Chair Clifford agreed that a “watch” position would be best for two-year bills.

MOTION: That the Legislative Committee recommend that the full board take a position of “watch” on AB 193.

Augie Beltran moved; Kevin Albanese seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

MOTION: That the Legislative Committee recommend that the full board take a position of “support if amended” on AB 613.

Augie Beltran moved; David Dias seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

MOTION: That the Legislative Committee recommend that the full board take a position of “watch” on AB 1551.

Augie Beltran moved; David Dias seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				



Linda Clifford	✓
David Dias	✓
Susan Granzella	✓
Johnny Simpson	✓

MOTION: That the Legislative Committee recommend that the full Board take a position of “support” on SB 601.

Augie Beltran moved; David Dias seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

MOTION: That the Legislative Committee recommend that the full Board take a position of “support” on SB 610.

Augie Beltran moved; Kevin Albanese seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

Committee Chair Clifford listed the bills for which staff recommend a “watch” position: AB 1076 (Ting); SB 255 (Bradford); and SB 556 (Pan)

Committee Member / Staff Comments

Mr. Jamnetski said that all three bills are set to be heard on Thursday, May 16, and at this point there are no major change to their status.

Ms. Schieldge noted that AB 1076 would erase certain convictions from rap sheets, preventing CSLB from learning of certain convictions or arrests. In removing certain arrests, she explained, the bill does not consider those persons fleeing the state,



skipping bail, or for whom warrants are issued. She explained that an arrest is automatically removed if a conviction does not occur in one year and that certain felonies resulting in jail time could be erased. As a result, though the bill would not directly affect CSLB’s license law, it would affect Licensing, Enforcement, and Public Affairs programs.

Mr. Beltran asked if staff had approached the author’s office. Mr. Jamnetski replied not yet, but that the bill could potentially have a large fiscal impact on the Department of Justice (DOJ) and that DOJ may not have the resources to perform the duties required in the bill. Mr. Beltran asked about DOJ’s position on the bill. Mr. Jamnetski said that they had not taken a public position. He also said that it is not clear if any language could fix the bill to CSLB’s satisfaction. Ms. Schieldge agreed and said the bill removes the board’s existing ability to determine if a person has been rehabilitated.

Mr. Beltran suggested opposition to the bill. Committee Chair Clifford agreed and referenced the work CSLB has already done in response to last year’s AB 2138 in reviewing regulations about rehabilitation and that this bill would drop those timelines down to a one year. She said that some people wait in jail longer than a year before being prosecuted.

MOTION: That the Legislative Committee recommend that the full board take a position of “oppose” on AB 1076.

Public Comments

Phil Vermeulen said that he and his clients are not a fan of live scans. He said the FBI processing of live scans can take weeks and it is frustrating for contractors. He also said that the fact that there are technically no expungements in California creates confusion and delays on contractor license applications and they still appear as convictions and that failing to disclose a conviction a contractor thought was expunged can result in a void application. Mr. Vermeulen said that he agrees the board should oppose the bill because it will just cause more confusion.

Augie Beltran moved; Kevin Albanese seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				



MOTION: That the Legislative Committee recommend that the full board take a position of “watch” on SB 255 and SB 556.

Kevin Albanese moved; Augie Beltran seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

Committee Chair Clifford described the bills for which staff recommend an “oppose” position: AB 544 (Brough); AB 1024 (Frazier); AB 1545 (Oberholte); and SB 53 (Wilk)

Committee Member / Staff Comments

Mr. Beltran suggested moving AB 1024 to a “watch” position since it is a two-year bill.

Ms. Schieldge asked that staff provide an explanation for the staff recommendations of “oppose” on each bill for the record. Mr. Jamnetski explained that AB 544 would cost CSLB \$300,000 per year; that AB 1024’s home inspection licensing requirement is a fundamentally different activity than construction contracting; that AB 1545 civil penalty reduction requirements confounds the efforts of CSLB’s citation program, which already benefits small business and is designed to level the playing field; and that SB 53, by requiring formal notice whenever two members of the board assist with fact finding and report back to the full board on issues, would greatly hamper CSLB’s routine operations.

MOTION: That the Legislative Committee recommend that the full board take a position of “oppose” on AB 544, AB 1545, and SB 53.

Kevin Albanese moved; Augie Beltran seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				



MOTION: That the Legislative Committee recommend that the full board take a position of “watch” on AB 1024.

Augie Beltran moved; David Dias seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

D. REVIEW, DISCUSSION, AND POSSIBLE ACTION ON LEGISLATIVE PROPOSAL TO SEEK CONTINUOUS APPROPRIATION FOR CONSTRUCTION MANAGEMENT EDUCATION ACCOUNT

Committee Chair Clifford indicated that this issue was also discussed at the Licensing Committee meeting earlier in the day. Mr. Jamnetski summarized the Licensing Committee action in which they approved a motion requesting that this committee propose to the full board a proposal that would seek a continuous appropriation for the Construction Management Education Account and maintain the \$50,000 reserve.

MOTION: That the Legislative Committee recommend to the full board to seek continuous appropriation from the Legislature for the Construction Management Education Account that will allow CSLB to spend all but \$50,000 of the CMEA annually.

Augie Beltran moved; David Dias seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

E. REVIEW, DISCUSSION, AND POSSIBLE ACTION TO RECOMMEND TO THE BOARD INITIATION OF A RULEMAKING TO CREATE A NEW LICENSE CLASSIFICATION (C-49) FOR TREE AND PALM CONTRACTORS

Committee Chair Clifford introduced this item and noted that in April 2018, the board directed staff to develop a specialty “C” license for tree service and/or arborist work. Currently C-27 Landscaping and C-61/D-49 Tree Service contractors can perform such work. Committee Chair Clifford continued that at the September 2018 board meeting,



Licensing Committee Chair Frank Schetter indicated that staff would hold stakeholder meetings.

Mr. Albanese asked if this new classification would only apply to trees and palms taller 15-feet and if this should be clarified in the regulatory language. Chief of Licensing Justin Paddock said that it is currently in the law, but could be clarified in the proposed language as well. Committee Chair Clifford agreed with adding such a clarification. Mr. Albanese said a clarification would be helpful for contractors to avoid any potential issues with Business and Professions Code section 7031.

Ms. Schiedge suggested that the 15 feet provision may not apply to palms. Mr. Paddock noted that palms are technically not trees, but that the 15-foot revision could include palms. He said such a change would require further staff research, but that the committee could recommend adding the clarifying language as the research deems appropriate. Mr. Albanese said that he would like it to apply to both trees and palms. Ms. Clifford agreed.

Ms. Schiedge said that the board has authority for trees 15 feet or higher and palms of any height, based on the language in Section 7026.1. She said that the committee could recommend applying the "15 feet or higher" provision to palms as well, but cautioned against revising the language in a way that would suggest that C-49 contractors could not work on anything shorter than 15 feet.

Board Member Johnny Simpson recommended asking staff to prepare a draft of revised language to include new language about the height of trees and palms for the board to take action at the June meeting. Mr. Paddock responded that he will double check with stakeholders on this matter and report to the board, along with presenting draft language at the next board meeting.

MOTION: To recommend that the full board consider approval of the draft regulatory text for the creation of a C-49 tree and palm contractor classification with clarification that this only applies to trees or palms 15 feet or higher in height; also, to direct staff to submit the proposed text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review and, if no adverse comments are received, authorize the registrar to take all steps necessary to initiate the rulemaking process, make any nonsubstantive changes to the package, and set the matter for a hearing.

Kevin Albanese moved; Augie Beltran seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				



David Dias	✓
Susan Granzella	✓
Johnny Simpson	✓

F. STATUS UPDATE ON STEPS TAKEN TO DEVELOP PROPOSED TEXT ON THE APPROPRIATE LICENSE CLASSIFICATION(S) TO INSTALL ENERGY STORAGE SYSTEMS

Committee Chair Clifford noted that this was a status update only. Mr. Jamnetski reviewed the board’s March 2019 motion on this issue and reported that staff met with industry leaders to clarify the regulatory process and to review staff’s intent to meet with a number of different agencies on this issue.

Mr. Jamnetski reported that stakeholders asked staff to extend an invitation to the California Energy Commission, the State Fire Marshal, and possibly the Office of Planning and Research and the Building Standards Commission.

Registrar Fogt explained that the purpose of reaching out to these entities is to make them aware of the study that staff completed and that he anticipates that the interactions would be somewhat informal. Staff would report back on the meetings to the Legislative Committee. He also said that the recent meeting last week failed to reach a middle ground on the issue. Registrar David Fogt added that he anticipates scheduling another Legislative Committee meeting to present the proposed text.

Mr. Beltran asked if any board members are attending the stakeholder meetings and that it may be worthwhile for the electrician on the board to attend. Mr. Simpson, as the electrician on the board, said he would attend. Mr. Albanese recommended that board members not attend to avoid any conflicts of interest on this sensitive issue.

Committee Chair Clifford expressed agreement about the importance of board members keeping some distance from any future stakeholder meetings since the board will ultimately vote on the issue.

Public Comments

Mr. Markuson complimented board staff and the registrar on their handling of this sensitive issue and said they are doing an excellent job representing the board in determining the best regulatory process going forward.

Martin Herzfeld said that he has been a contractor since 2004, and there are continually new changes to the codes and that the safety standards are catching-up and that appliances and technology are getting simpler and safer.

G. ADJOURNMENT

MOTION: To adjourn the May 13, 2019 Legislative Committee meeting.



Augie Beltran moved; David Dias seconded. The motion carried unanimously, 6-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David Dias	✓				
Susan Granzella	✓				
Johnny Simpson	✓				

Committee Chair Linda Clifford adjourned the meeting at approximately 11:40 a.m.

Registrar's Report

- a. Update on CSLB Research Related to Mandating Workers' Compensation for Additional License Classifications
- b. Tentative Board Meeting Schedule



AGENDA ITEM H-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2018-19 CSLB Budget and Expenditures

Through March 31, 2019, CSLB spent or encumbered \$46.3 million, roughly 69 percent of its FY 2018-19 budget. This chart details CSLB's FY 2018-19 budget, including expenditures through March 2019:

EXPENDITURE DESCRIPTION	FY 2018-19 REVISED BUDGET	MARCH 2019 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	25,999,000	18,293,843	7,705,157	29.6%
Board Members	16,000	6,500	9,500	59.4%
Temp Help	860,000	405,794	454,206	52.8%
Exam Proctor	41,000	111,065	-70,065	-170.9%
Overtime	146,000	260,543	-114,543	-78.5%
Staff Benefits	13,399,000	9,951,556	3,447,444	25.7%
TOTALS, PERSONNEL	40,461,000	29,029,301	11,431,699	28.3%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	17,898,000	12,584,458	5,313,542	29.7%
Exams – Subject Matter Experts	436,000	251,288	184,712	42.4%
Enforcement	9,088,000	4,959,422	4,128,578	45.4%
TOTALS, OE&E	27,422,000	17,795,168	9,626,832	35.1%
TOTALS	67,883,000	46,824,469	21,058,531	31.0%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-134,096	-218,904	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-395,549	395,549	
TOTALS, NET REIMBURSEMENTS	67,530,000	46,294,824	21,235,176	31.4%

❖ Revenue

CSLB received the following revenue amounts through April 30, 2019:

Revenue Category	Through 04/30/2019	Percentage of Revenue	Change from prior year (04/30/2018)*
Duplicate License/Wall Certificate Fees	\$110,865	0.2%	4.6%
New License and Application Fees	\$12,795,683	22.6%	11.8%
License and Registration Renewal Fees	\$39,602,871	69.8%	4.6%
Delinquent Renewal Fees	\$2,213,108	3.9%	1.9%
Interest	\$87,593	0.1%	0.0%
Penalty Assessments	\$1,806,261	3.2%	10.1%
Misc. Revenue	\$104,660	0.2%	2.3%
Total	\$56,721,041	100.00%	6.2%

* License & Registrations Renewals Fees are based on 2-year cycle (comparative data is from FY 2016-17, a peak renewal year).



❖ **CSLB Fund Condition**

Below is the fund condition for the Contractors’ License Fund, which shows the projected “final” FY 2017-18 reserve (\$13.9 million – approximately 2.5 months’ reserve), along with the projected reversion amounts for current year (CY) 2018-19 through budget year (BY) 2020-21:

<i>(Dollars in thousands)</i>	Projected Final FY 2017-18	Projected CY 2018-19	Projected BY 2019-20	Projected BY+1 2020-21
Beginning Balance	\$16,182	\$13,873	\$14,116	\$12,555
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$16,182	\$13,873	\$14,116	\$12,555
Revenues and Transfers				
Revenue	\$65,627	\$70,038	\$69,035	\$71,076
Totals, Resources	\$81,809	\$83,911	\$83,151	\$83,631
Governor’s Budget	\$66,363	\$67,530	\$67,655	
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$63,976	\$65,030	\$65,155	\$65,494
Statewide Pro Rata (State Operations)	\$3,879	\$4,060	\$3,966	\$3,966
Supplemental Pension Payments		\$698	\$1,494	\$698
Financial Info System Charges (Fi\$Cal)	\$81	\$7	-\$19	-\$19
Total Expenditures	\$67,936	\$69,795	\$70,596	\$70,139
Fund Balance				
Reserve for economic uncertainties	\$13,873	\$14,116	\$12,555	\$13,492
Months in Reserve	2.4	2.4	2.2	2.3

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1.5% renewal license fee growth, based on prior 2-year cycle.
- 3) Expenditures based on Governor’s Budget minus the typical \$2.5 million reversion in FY 18-19 & ongoing.
- 4) Assumes workload and revenue projections are realized for FY 2018-19 and FY 2019-20.



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

Below is the CMEA fund condition, which shows the projected “final” FY 2017-18 reserve (\$363,000 – approximately 40 months’ reserve), along with the projected reversion amounts for current year (CY) 2018-19 through budget year (BY) 2020-21:

<i>(Dollars in thousands)</i>	Projected Final FY 2017-18	Projected CY 2018-19	Projected BY 2019-20	Projected BY+1 2020-21
Beginning Balance	\$ 249	\$ 363	\$ 373	\$ 373
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 249	\$ 363	\$ 373	\$ 373
Revenues and Transfers				
Revenue	\$114	\$120	\$110	\$110
Totals, Resources	\$ 363	\$ 483	\$ 483	\$ 483
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$0	\$10	\$10	\$10
Local Assistance Grant Disbursements	\$0	\$100	\$100	\$100
Total Expenditures	\$ 0	\$ 110	\$ 110	\$ 110
Fund Balance				
Reserve for economic uncertainties	\$ 363	\$ 373	\$ 373	\$ 373
Months in Reserve	39.6	40.7	40.7	40.7

Notes:

1) All dollars in thousands.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2015-16	2016-17	2017-18	2018-19
July	3,398	3,513	2,624	3,478
August	3,419	3,749	3,141	3,761
September	2,955	3,668	3,254	3,418
October	3,484	3,844	3,188	4,550
November	3,143	3,080	2,669	3,736
December	3,058	3,260	2,903	3,682
January	2,862	3,282	3,714	4,232
February	4,027	3,087	3,598	4,428
March	3,952	4,059	4,223	5,157
April	4,045	4,081	3,430	4,761
Total	34,343	35,623	32,744	41,203
			<i>% Change from Prior FY</i>	25.8%

Original Applications Received

	2015-16	2016-17	2017-18	2018-19
July	1,593	1,618	1,197	1,454
August	1,631	1,811	1,141	1,815
September	1,351	1,692	1,624	1,595
October	1,596	1,842	1,429	2,182
November	1,490	1,374	1,306	1,763
December	1,400	1,453	1,522	1,697
January	1,297	1,584	1,990	1,972
February	2,035	1,090	1,766	2,047
March	2,041	1,938	1,885	2,211
April	1,941	1,969	1,401	2,217
Total	16,375	16,371	15,261	18,953
			<i>% Change from Prior FY</i>	24.2%
			<i>% of Apps Rcvd are Original Apps</i>	46.0%

Original Licenses Issued

	2015-16	2016-17	2017-18	2018-19
July	1,155	1,245	1,150	1,394
August	1,098	1,334	1,355	1,616
September	1,030	1,329	1,095	1,377
October	954	1,403	986	1,580
November	866	1,407	1,334	1,250
December	965	1,036	1,170	1,244
January	904	1,241	1,170	1,441
February	888	1,072	1,065	1,374
March	1,185	1,423	1,446	1,342
April	1,386	1,111	1,438	1,416
Total	10,431	12,601	12,209	14,034
			<i>% Change from Prior FY</i>	14.9%
			<i>% Licenses Issued of Original Apps Rcvd</i>	74.0%



Licenses Renewed	PEAK		PEAK	
	2015-16	2016-17	2017-18	2018-19
July	11,584	10,394	8,153	8,307
August	8,611	11,069	9,283	10,544
September	10,292	9,215	9,534	8,173
October	8,501	9,842	8,805	13,154
November	6,881	7,618	5,651	7,563
December	11,885	9,147	9,651	7,362
January	7,206	8,958	7,593	11,000
February	11,381	8,800	11,586	9,698
March	11,911	12,317	9,760	11,700
April	10,029	11,853	9,830	9,011
Total	98,281	99,213	89,846	96,512
		% Change from Peak FY 2016-17		-2.7%

Original HIS Registrations Issued				
	2015-16	2016-17	2017-18	2018-19
July	894	350	302	476
August	658	581	420	422
September	624	391	405	442
October	533	552	495	549
November	580	428	419	415
December	596	359	385	437
January	499	377	468	570
February	614	382	396	400
March	587	448	433	590
April	733	499	502	656
Total	6,318	4,367	4,225	4,957
		% Change from Prior FY		17.3%

HIS Registrations Renewed				
	2015-16	2016-17	2017-18	2018-19
July	167	188	213	328
August	140	271	402	435
September	133	252	302	354
October	152	257	280	461
November	111	168	203	342
December	175	285	434	302
January	89	235	110	381
February	200	196	424	321
March	159	561	266	432
April	292	354	382	436
Total	1,618	2,767	3,016	3,792
		% Change from Prior FY		25.7%



License Population by Status

	April 2017	April 2018	April 2019
Active	225,344	226,151	230,401
Inactive	58,007	55,866	55,012
Subtotal	283,351	282,017	285,413
Other*	503,219	517,004	527,798
Expired	428,416	439,377	447,277
Expired % of Other	85.1%	85.0%	84.7%
Grand Total	786,570	799,021	813,211

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

HIS Registration Population by Status

	April 2017	April 2018	April 2019
Active	17,062	17,308	18,930
Other*	72,229	76,936	80,965
Total	89,291	94,244	99,895

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

Complaints By Fiscal Year

	2014-15	2015-16	2016-17	2017-18
Received	19,722	18,690	18,875	20,674
Reopened	820	819	971	969
Closed	20,016	19,745	19,390	21,584
Pending (As of June 30)	4,458	4,252	4,734	4,796

AGENDA ITEM H-5

Administration Update Regarding Personnel and Facilities

- a. Update and Discussion of Administration
2019-21 Strategic Plan Objectives





PERSONNEL UPDATE

During the third quarter of fiscal year 2018-19, CSLB Personnel staff completed 24 personnel transactions. This included the addition of five new employees from other state agencies and eight employees new to state service. Within CSLB, four employees were promoted and five transferred to different units. Additionally, one examination proctor was hired and one employee accepted a Training and Development assignment.

Total Number of Recruitments per Quarter – FY 2018-19

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
From other State Agencies	9	10	5	
New to State Service	7	7	8	
Student Assistants	3	0	0	
Retired Annuitants	0	0	0	
Promotions	11	9	4	
Transfers within CSLB	8	2	5	
Training and Development	1	0	1	
Examination Proctors	2	0	1	
Total Per Quarter	41	28	24	

Total Number of Recruitments per Quarter – FY 2017-18

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
From other State Agencies	13	9	14	16
New to State Service	3	7	6	3
Student Assistants	1	2	0	0
Retired Annuitants	0	0	0	0
Promotions	4	14	12	6
Transfers within CSLB	3	14	2	12
Training and Development	0	0	1	0
Examination Proctors	1	0	13	1
Total Per Quarter	25	46	48	38



The number of vacant positions remains low, averaging 25 over the first ten months of fiscal year 2018-19. The Personnel unit works closely with CSLB hiring managers and DCA’s Office of Human Resources to identify and minimize any delays in the recruitment process, which helps to reduce the number of CSLB’s overall job vacancies.

Average Monthly Vacancies by Fiscal Year

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2018-19	29	33	30	24	22	21	23	22	24	22	---	---
FY 2017-18	44	41	36	33	39	41	36	29	30	31	29	29
FY 2016-17	44	45	42	45	44	43	47	42	37	38	38	40
FY 2015-16	34	35	35	35	37	36	37	36	37	39	37	41

In February and March 2019, Personnel staff worked with program managers to ensure compliance with employee annual policy requirements. The unit is also responsible for ensuring that staff have received their annual statement of leave (ASL) notices, as well as the DCA leave management policy. The ASL provides employees an opportunity to review leave balances and request any needed corrections. Under the DCA leave management policy, employees with vacation or leave balances above the established cap must develop plans to reduce those balances.

In March 2019, Personnel staff met a DCA request and worked with managers to compile a complete list of “working titles” for each job classification to aid the recruitment process by broadening the search criteria applicants can use to find openings in their occupational field of interest.

In April 2019, the Personnel unit invited all CSLB employees to participate in a Career Consulting class. The course was developed by personnel staff and covers how to apply for jobs on the CalHR jobs website, complete an application package, and prepare for an interview, as well as how to maximize one’s potential in state service. The next session will be scheduled for the summer of 2019.

In fiscal year 2011-12, CSLB was required to eliminate 21.5 positions, pursuant to Budget Letter 12-03. However, the Department of Consumer Affairs authorized CSLB to re-establish these positions in the temporary help fund. In April 2019, the Personnel unit initiated the process with DCA to transition these positions in the temporary help fund into authorized permanent (PY) positions. These approvals should be effective July 1, 2019, and will increase the number of CSLB’s authorized positions from 407 to 426.



EXAMINATIONS

The Consumer Services Representative (CSR) exam is currently being redeveloped and changed from a written exam to a training and experience exam, which is tentatively scheduled for release in October 2019. In addition, DCA and CalHR offer several other examinations throughout the year, as shown below:

ENFORCEMENT		
Consumer Services Representative	Last exam date:	December 2018
	Tentative exam date:	October 2019
Enforcement Representative I	Last exam date:	December 2018
	Tentative exam date:	June 2019
Enforcement Representative II	Last exam date:	April 2019
	Tentative exam date:	October 2019
Enforcement Supervisor I/II	Last exam date:	May 2019
	Tentative exam date:	November 2019
INFORMATION TECHNOLOGY		
Information Technology Series		Continuous
LICENSING AND EXAMINATIONS		
Personnel Selection Consultant I	Last exam date:	October 2018
	Tentative exam date:	September 2019
Personnel Selection Consultant II	Last exam administered in:	May 2019
	Tentative exam date:	TBD
OTHER DIVISIONS		
Information Officer I, <i>Specialist</i> (CalHR)		Continuous
Management Services Technician (CalHR)		Continuous
Office Services Supervisor II (CalHR)		TBD
Office Technician (CalHR)		Continuous
Office Assistant (CalHR)		Continuous
Program Technician (CalHR)	Last exam administered in:	November 2018
	Tentative exam date:	TBD
Program Technician II (CalHR)	Last exam administered in:	April 2019
	Tentative exam date:	June 2019
Program Technician III (CalHR)	Last exam administered in:	March 2019
	Tentative exam date:	TBD
Supervising Program Technician III (CalHR)		Continuous
Associate Governmental Program Analyst/ Staff Services Analyst (CalHR)		Continuous
Staff Services Analyst Transfer Exam	Tentative exam dates:	March/June Sept./December
Staff Services Manager I/II/III (CalHR)		Continuous



BUSINESS SERVICES UPDATE

Facilities

Norwalk – CSLB submitted a proposal to build-out four cubicles to house the Special Investigations unit. CSLB is waiting for delivery of the modular furniture.

Projected Completion Date: **TBD**

Oxnard – CSLB is waiting for cost estimates and a proposed schedule of work for the requested tenant improvements.

Upon execution of a new lease, tenant improvements will include:

- Installation of new carpet; and
- New interior paint.

Projected Completion Date: **TBD**

Sacramento Headquarters – Tenant improvements began November 26, 2018.

Completed improvements include:

- New interior paint
- Installation of new carpet
- Installation of new security kiosk
- Installation of the new uninterruptible power system
- Installation of additional power distribution units in the computer server room
- Electrical upgrades to obtain Leadership in Energy and Environmental Design (LEED) certification

Remaining tenant improvements include:

- Reconfiguring the hearing room to include a media room
- Shower reconfiguration to ensure ADA compliance
- Upgraded door badge readers

Projected Completion Date: **July 2019**

San Francisco – A request for the installation of an electronic vehicle charging station was submitted to the lessor to determine the cost. CSLB is also requesting security cameras to monitor public access to the suite.

Projected Completion Date: **TBD**



Valencia –Lease renewal is still under negotiations with the lessor and the Department of General Services.

Projected Completion Date: **TBD**

Contracts and Procurement

Contracts in Process:

- The California Highway Patrol (CHP) fiscal year 2019-20 annual contract for security services for various meeting and testing offices is pending DCA approval
- Interagency contract with Employment Development Department (EDD) to facilitate sharing of records and database information maintained by EDD, which will increase the efficiency of CSLB enforcement efforts in locating fraudulent employers and encouraging compliance with state laws and regulations
- The Cision US, Inc. contract for Public Affairs to distribute news releases and other items to the media is pending DCA approval
- The confidential shredding contract for CSLB field offices is pending bidders' responses

Procurements in Process:

- Purchase of ergonomic equipment for CSLB Headquarters, such as sit/stand stations, document holders, back supports, keyboards, and footrests

Executed Contracts/Procurement:

- CPS HR consulting contract amended to extend contract service date



CONTRACTORS STATE LICENSE BOARD

2019-21 STRATEGIC PLAN – ADMINISTRATION UPDATE

Administration Objectives

	ITEM	TARGET	UPDATE
5.1	Evaluate the use of in-house legal counsel to supplement current Board counsel.	January 2019	Completed In June 2018, DCA assigned a second part-time legal counsel to assist CSLB with PRA's and subpoena workload
5.2	Execute a Memorandum of Understanding (MOU) with the Workers' Compensation Insurance Rating Bureau to provide a program to the Contractors State License Board to track workers' compensation policies.	March 2019	Staff met with WCIRB in April and May 2019; process has been developed to share public workers' compensation information regarding C-39 roofing contractors that can be expanded to other classifications, as necessary; a formal MOU is not necessary at this time
5.3	Provide training on progressive discipline process to assist managers and supervisors in addressing performance issues.	May 2019	CSLB managers and supervisors will attend a two-day performance management training provided by DCA in October 2019
5.4	Provide team building and leadership training for managers and supervisors to make the management team more effective.	September 2019	Completed On January 23-24, 2019 CSLB managers and supervisors participated in a two-day leadership training class
5.5	Research a special investigator series.	December 2019	Consultant is currently gathering information from Enforcement staff via questionnaires; one-on-one interviews scheduled for May 20-23, 2019



5.6	Pursue salary differentials in regions with higher living costs.	December 2019	Consultant currently gathering information from Enforcement staff via questionnaires; one-on-one interviews scheduled for May 20-23, 2019
5.7	Standardize human resource processes to increase efficiency in regard to personnel matters.	January 2020	Staff documenting current process
5.8	Enhance onboarding and orientation program for new staff, managers and Board members. <i>(See Public Affairs objective 4.8)</i>	January 2020	Staff developing orientation content
5.9	Develop benchmarks for the hiring process in order to extend job offers and onboard new employees more quickly to avoid losing qualified candidates.	March 2020	Staff documenting current process to identify baseline
5.10	Review the budget quarterly to guide the Board on resource allocation.	Ongoing	

AGENDA ITEM H-6

Information Technology Update

- a. Presentation of New CSLB Website Feature for Providing Access to Public Records
- b. Update and Discussion of Information Technology 2019-21 Strategic Plan Objectives





CSLB IT System “High-Level” Overview

To provide the board a better understanding of CSLB’s network architecture, data classification, recoverability, and information security efforts a network topology diagram appears on the last page of this update.

The CSLB system of record and primary application is called Teale, a mainframe-based system that contains both confidential and public data. The confidential data consists of personally identifiable information, as defined in California Civil Code section 1798.29, and test data related to classification exam results. This data is safeguarded by the California Department of Technology (CDT) in accordance with a contractual agreement.

The Department of Technology maintains a disaster recovery site approximately 50 miles from its main data center. CSLB uses this site for mainframe system and data recovery, and periodically tests this functionality in conjunction with CDT, most recently in early November 2018. Disaster recovery for non-mainframe systems and data is handled through a combination of server virtualization and backup technology in CSLB’s Sacramento and Fresno hub sites.

The State Data Center also hosts multiple databases that are mini-replicas of CSLB’s production system that contain non-sensitive, or public data that feed look-up services on CSLB’s public website, such as the license look-up and “Find My Licensed Contractor” features. These data replicas are currently being expanded to create a new “public data portal” to allow members of the public to register, query, and download data straight from this service without the need for a Public Records Act request or other manual request.

CSLB Public Data Portal Project

CSLB is in the process of launching a new public data portal on its website, a no-cost publicly accessible feature to search and download custom and statewide license information.

Currently, CSLB receives public sales requests from businesses, law firms, insurance companies, and occasionally a city or entity, such as PG&E. In 2018, CSLB processed 170 custom public sales orders and 149 statewide full license master file orders.

There will be two options to access and download information:

1. Complete list of contractors filtered by license classifications (up to ten) in up to ten different counties
2. Full license list of all contractors statewide:
 - a. Master License List – Provides complete public information for all licensees



- b. Workers' Compensation List – Provides public information on all licensees that carry workers' compensation insurance policies
- c. Personnel List – Provides public information on all personnel directly associated with a license

Tentative schedule:

- Soft Launch: June 15, 2019
- News Bulletin Release: July 1, 2019
- Go-Live Date: July 1, 2019

American Disabilities Act (ADA) Web Accessibility Compliance Project

Assembly Bill 434 (Baker, 2017) requires that before July 1, 2019, and biannually thereafter, each state agency post on their website a signed certification that the site complies with specified accessibility standards. To achieve compliance, CSLB is undertaking the following actions:

- CSLB will send CSLB staff that produce Internet accessible documents to training on how to create ADA compliant documents. Staff are also in the process of identifying which archived documents must remain on the website so that they can be made ADA compliant.
- Staff are also upgrading CSLB's website using more modern and updated ADA compliant technologies. This upgrade will be completed in phases.
- Partnering with other state entities, such as the Office of the Attorney General, to receive either ADA compliant documents or original documents that can be made ADA compliant. The Attorney General's office has committed to providing documents (accusations, stipulated settlements with original signatures) in a non-ADA compliant format with signature and an ADA compliant format without signature. CSLB will post both versions with clear instructions about which documents are compliant and which are non-compliant.

Department of Consumer Affairs Business Modernization Project

The Department of Consumer Affairs (DCA) business modernization project defines the framework that all boards and bureaus must follow to ensure that their information technology system requirements are consistent with the state's project approval lifecycle (PAL).

CSLB is unique among DCA boards, in that it develops and maintains its own licensing, enforcement, and examination systems. Most business needs are currently met by existing systems. However, needed areas of improvement include, better online services for licensees and consumers, better access to public data for consumers, and enhanced data analytics. To implement these and other enhancements, CSLB will



follow the state’s PAL process, the first step of which is to document various parameters, such as project stakeholders, business alignment, criticality, project management strategy, and funding. This stage has begun for all improvements. Once approved by the state, the second stage will involve evaluation of the solutions for the project. CSLB IT staff will report to the board quarterly on the status of each stage of the PAL process.

Information Security and Risk Update

California Government Code section 11549.3 was modified in 2015, to require that the State Office of Information Security (OIS) conduct a minimum of 35 independent security assessments of state entities annually. As a part of the state’s rotation, CSLB’s security assessment took place in February 2019.

On May 15, 2019, CSLB IT staff were debriefed on the results of the military information security audit findings. Based on the confidential results, CSLB IT staff are developing mitigation measures.

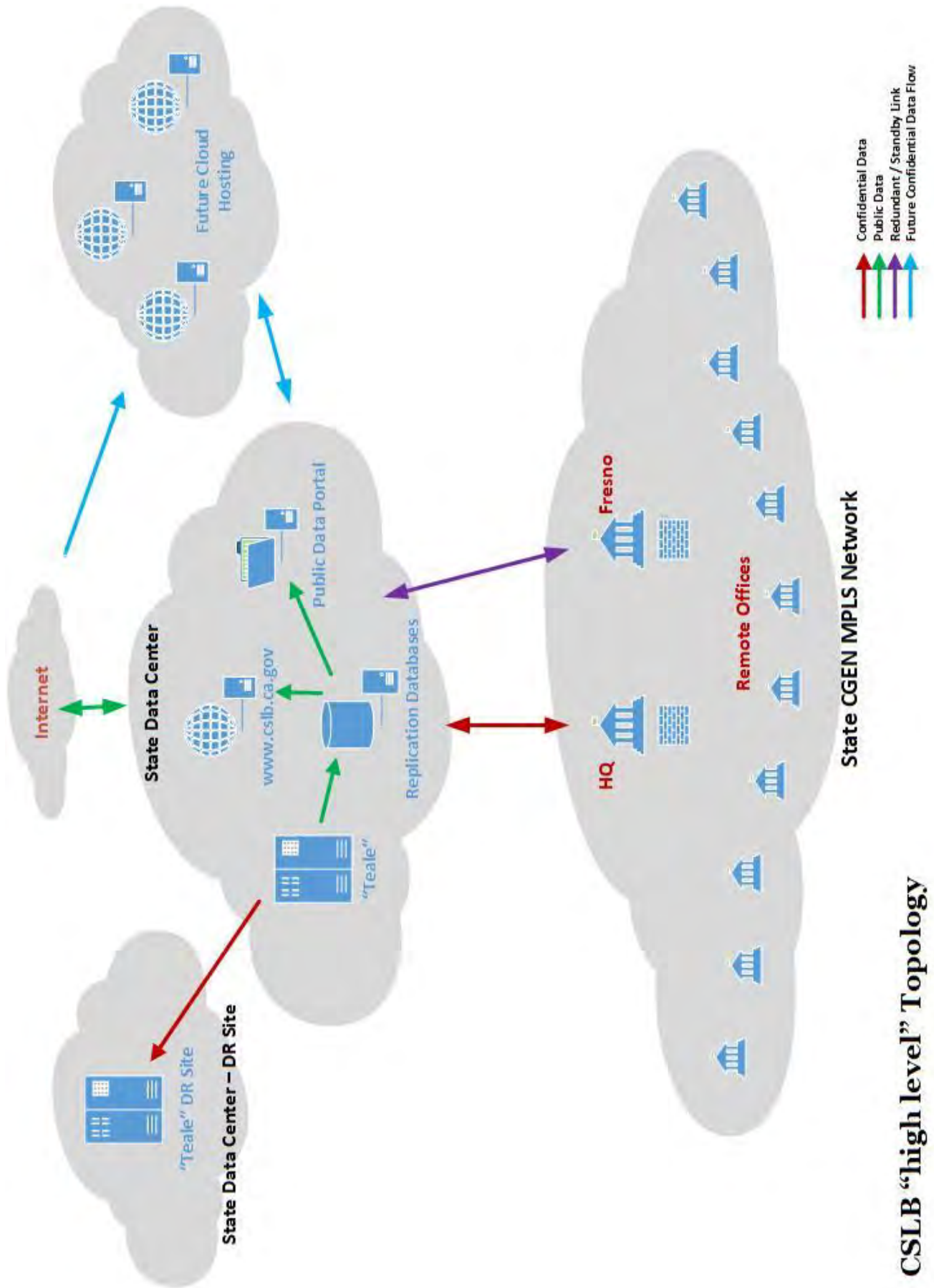
IT System Enhancements

The following table highlights some of the IT system enhancements that have been accomplished so far this year (bolded items are new).

IT System Enhancements		
Enhancement	Description	Implemented
General Liability Online	Created online real-time submission for General Liability policies	January 2019
Permit Complaint form	Created a fill and submit form (automated through internal email) for complaints with regard to construction jobs where a permit has not been acquired.	January 2019
Complaint Violation	Programming adding a Letter of Admonishment field to the Teale Violation Screen	January 2019
Complaint Disclosure	Adding Letter of Admonishment violations to the Complaint Disclosure Screen	January 2019
Complaint Closure Letters	Update Complaint closure letter with revised language	January 2019
Updated e-Process Forms	Inhouse automated forms requiring updates to content: HIS RFC EVU RFC Sole Owner App RFC Personnel Name RFC Issuance RFC Manual Bond & Fee RFC Renewal Reactivation RFC	January 2019
Created New action Codes	Added new action codes to Action Code Table for more granular tracking and reporting: 2	January 2019
Request Report or Updates to Report Data	Updated reports to add new fields or create new reports	January 2019



Updated Governor Name	Updated Governor name on all forms and letters; manual and automated. Programming (Teale), Internet (web), Intranet site; and SCORE (testing)	January 2019
Updated "Alternatives In Lieu of Bond" document	New law changed the "alternatives In Lieu of Bond" requirements to no longer allow cash. Document was changed as well as Internet pages	January 2019
Vulnerability Remediation	Remediated 4 vulnerabilities found on the CSLB website	January 2019
Created / Updated As-Is Business Processes	Created As-Is business process map, overview and Use Case (step process) for Experience Verification Unit, Judgements, and Outstanding Liability; and modified process for Contractors Bond to reflect changes.	February 2019
Completed State Security Assessment	Successfully completed the State's information security assessment conducted by the Dept. of the Military	February 2019
Implemented internal security control	Implemented a privileged account management tool that controls and records the use of computer administrator-level accounts to prevent unauthorized use of elevated privileges throughout the CSLB network.	March 2019
Updated e-Process Forms	Inhouse automated forms requiring updates to content: change of personnel; new limited partner; change of title; HIS PDF; and issuance RFC	March, April & May 2019
Created / Updated As-Is Business Processes	Created as-Is business process map, overview and use case (step process) for judgment-family support; judgment-inquiry process; judgment-payment of claim; cashiering-dishonored check; Cashiering-RPN; and add class Update as-is business process: contractor bonds; application expedite; reactivation; and renewal	March, April & May 2019
UPS Replacement	Replaced aging Liebert UPS in CSLB data center	April 2019
Created "How to" documentation	Created a "how to" document for posting Enforcement classification determinations to the Intranet; and cashiering statistics	March & May 2019
Solar Disclosure	Working with PAO, added a solar disclosure information page to the CSLB website	May 2019
Updated IWAS User Guide	The IWAS user guide has been updated to meet current user needs	May 2019
Network Core Switch Infrastructure Replacement	Replaced old network core wwitch with latest model for higher efficiency and network security	May 2019
Upgraded Anti-malware tool	Replaced on-premise anti-malware with on-premise solution	May 2019
Implemented secondary Anti-malware tool	Implemented secondary anti-malware tool for extra level of security protection against virus/malware	May 2019



CSLB "high level" Topology



Information Technology Objectives

ITEM	TARGET	UPDATE	
5.11	Establish online process to automate public sales requests in order to reduce costs.	December 2019	Completed Soft launch date: 6/15/2019 News Bulletin Release: 7/1/2019 Go-Live Date: 7/1/2019
5.12	Update the website to offer e-payments (e.g. citations, renewals, and other fees) to improve convenience and reduce staff paperwork.	December 2019	In contract negotiations
5.13	Create an on-line e-signature DocuSign feature to improve convenience.	December 2019	Formed a workgroup with IT, Licensing, and PAO staff
5.14	Create an online account option for licensees to update their own license records and offer online payment options to improve licensee service and reduce processing time.	December 2019	Not yet started
5.15	In partnership with the Licensing division and Public Affairs office develop online original contractor applications to reduce application return rates. <i>(See Licensing objective 1.7 and Public Affairs objective 4.7)</i>	December 2019	Formed a workgroup with IT, Licensing, and PAO staff to map business processes
5.16	In partnership with Public Affairs, review and update web content to ensure information presented to the public is accurate and accessible. <i>(See Public Affairs objective 4.9)</i>	March 2020	PAO reviewing web content for accuracy and IT reviewing for ADA compliance
5.17	Identify mobile technology to enhance efficiencies for field staff.	June 2020	Not yet started



5.18	Create a mobile app of available services, including more efficient means to report unlicensed activity.	June 2020	Not yet started
5.19	Expand public records and licensing information on the website to increase transparency. <i>(See Licensing objective 1.10)</i>	Ongoing	Workgroup formed with IT, Licensing, and PAO
5.20	Conduct needs assessment to determine requirements for new licensing/enforcement computer system.	Ongoing	Business processes being mapped: 48 completed; 46 in process; and 44 not yet started
5.21	Implement SCORE 2.0 programming.	Ongoing	Not yet started

AGENDA ITEM H-7

Election of 2019-20 Board Officers



AGENDA ITEM I

Adjournment



JUNE 6-7, 2019
SOUTH LAKE TAHOE, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD
Quarterly Board Meeting
DAY 2



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

KEVIN J. ALBANESE	JOAN HANCOCK
FRANK ALTAMURA, JR.	MIKE LAYTON
AGUSTIN BELTRAN	MARLO RICHARDSON
DAVID DE LA TORRE	FRANK SCHETTER
DAVID DIAS	JOHNNY SIMPSON
SUSAN GRANZELLA	NANCY SPRINGER



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.



AGENDA ITEM C

Joint Discussion with Nevada State Contractors Board (NSCB)



AGENDA ITEM C-1

Discussion Regarding CSLB and NSCB Operational and Structural Comparison

- a. Board Member Composition
- b. Budget
- c. License Population
- d. License Fee Schedule
- e. Criminal Background Checks
- f. Insurance Requirements
- g. Exam Waivers and Reciprocity with
Other States
- h. Consumer Restitution Programs



Comparison of CSLB and NSCB Regulations / Operations

	California	Nevada																								
Year Started	1929	1941																								
# of Board Members	15	7																								
Board Member Makeup	Ten Public Members One Labor Representative One Building Official One Senior Citizen Organization Five Contractor Members <ul style="list-style-type: none"> • One "A" Engineering Contractor • Two "B" General Contractors • Two "C" Specialty Contractors 	One Public Member Six Contractor Members																								
Board Member Appointing Authority	Governor: 11 Members Senate Pro Tempore: 2 Public Members Assembly Speaker: 2 Public Members <i>All members serve four-year terms</i>	Governor: All 7 members <i>All members serve three-year terms</i>																								
Budget (fiscal year 2018-19)	\$67,530,000	\$7,440,900																								
Staff Size	407	61																								
# of Licensees	<table> <tr> <td></td> <td>As of 5/1/2019</td> <td>Change from 5/1/2018</td> </tr> <tr> <td>Active:</td> <td>230,401</td> <td>Up 4,250</td> </tr> <tr> <td>Inactive:</td> <td>55,012</td> <td>Down 854</td> </tr> <tr> <td>Total:</td> <td>285,413</td> <td>Up 3,396</td> </tr> </table>		As of 5/1/2019	Change from 5/1/2018	Active:	230,401	Up 4,250	Inactive:	55,012	Down 854	Total:	285,413	Up 3,396	<table> <tr> <td></td> <td>As of 5/1/2019</td> <td>Change from 5/1/2018</td> </tr> <tr> <td>Active:</td> <td>15,889</td> <td>Up 569</td> </tr> <tr> <td>Inactive:</td> <td>655</td> <td>Up 57</td> </tr> <tr> <td>Total:</td> <td>16,544</td> <td>Up 626</td> </tr> </table>		As of 5/1/2019	Change from 5/1/2018	Active:	15,889	Up 569	Inactive:	655	Up 57	Total:	16,544	Up 626
	As of 5/1/2019	Change from 5/1/2018																								
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	As of 5/1/2019	Change from 5/1/2018																								
Active:	15,889	Up 569																								
Inactive:	655	Up 57																								
Total:	16,544	Up 626																								
# of New Applications (fiscal year 2017-18)	22,857	1,798																								
Develop Exams / Administer Exams	Yes 8 CSLB-run Test Centers in California	Yes 3 PSI Exams-run Test Centers in Nevada 30 PSI Exams-run Test Centers Nationwide																								
# of Renewal Applicants (fiscal year 2017-18)	117,377	7,014																								
Cost of Original Application / Exam / Initial License	Application: \$330 Initial License: \$200	Application: \$300 Initial License: \$600																								
Criminal Background Checks	Yes	Yes																								
Time Until License is Renewed	Two Years	Two Years																								
Cost of Renewal	\$400	\$600																								
Surety Bond	Yes	Yes																								
Workers' Compensation Insurance	Yes	Yes																								
General Liability Insurance	No	No																								
Handyman Exemption	Yes Less Than \$500	Yes Less Than \$1,000																								
Exam Waivers Availabilities "Reciprocity"	Yes – 4 States Arizona, Louisiana, Nevada, Utah	Yes – 13 States Alabama, Arizona, California, Connecticut, Florida, Hawaii, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, Utah, West Virginia																								
# of Complaints (fiscal year 2017-18)	Licensed: 14,809 Unlicensed: 4,979	Licensed: 1,592 Unlicensed: 1,315																								
Recovery Fund	No	Yes Residential																								
Amount of Restitution Recovery / Recovery Funds Awarded (fiscal year 2017-18)	\$42,567,453	\$403,942																								
# of Licenses Revoked (fiscal year 2017-18)	305	40																								

AGENDA ITEM C-2

Discussion Regarding Enacted or Proposed Legislation in California and Nevada Related to Barriers to Licensure and Efforts to Reduce Barriers to Licensure

- a. Little Hoover Commission *Report on Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*
- b. Applicant and Licensee Criminal Convictions
- c. Licensing Fees
- d. License Requirements
- e. Licensure by Endorsement Program (NSCB)





Little Hoover Commission Report to Ease Occupational License Barriers

In October 2016, the Little Hoover Commission on California State Government Organization and Economy, an independent state oversight agency, released *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*. The report found that occupational licensing requirements designed to prove proficiency often “serve as a gate, keeping people out of occupations,” and that some groups are more vulnerable to licensing regulations. The report states that California needs a holistic well-reasoned strategy for regulating occupations that starts with state policymakers.

Chaptered or Pending Legislation

AB 2138 (Chiu, 2018) (Chaptered) Reduces barriers to licensure for individuals with prior criminal convictions by prohibiting an applicant from being denied a license solely because he or she has been convicted of specified crimes. Limits a board to a period within seven years from the date of release from incarceration or conviction in which a license may be denied for a conviction. Prohibits license denial if the applicant was pardoned, shows rehabilitation, or if the conviction was dismissed, and prohibits denial based on an arrest that resulted in anything other than a conviction.

SB 601 (Morrell, 2019) (Pending) Would authorize any state agency that issues a business or occupational license to reduce or waive various licensing fees for those displaced by a state or federally declared emergency within one year of the incident to decrease barriers to reentry for those affected by a disaster.

AB 193 (Patterson, 2019) (Pending) Would require the Department of Consumer Affairs to review the license requirements of every board and bureau, including CSLB, under its jurisdiction and identify unnecessary requirements.

AB 544 (Brough, 2019) (Pending) To remove barriers to re-entering a licensed profession, this bill would limit the maximum fee for renewal of a license in inactive status to no more than 50% of the renewal fee for an active license. It would further preclude a board from requiring payment of accrued and unpaid renewal fees.

AB 1076 (Ting, 2019) (Pending) Current law allows a petitioner to request that certain criminal offender record information be sealed. To increase access to employment and professional licensure, this bill would require the Department of Justice to automatically seal eligible arrest and conviction records without requiring any action from a petitioner.



NEVADA STATE CONTRACTORS BOARD

Efforts to Reduce Barriers to Licensure & Improve Portability

Licensure by Endorsement Program

The State of Nevada passed legislation in 2017 requiring professional and occupational licensing boards to implement programs of licensure by endorsement. Following enactment of this law, the NSCB promulgated regulations that permit endorsement of a trade examination or experience qualifications based on licensure in another state. These regulations permit the board to waive the standard experience certification requirement or trade examination requirement if an applicant has been actively licensed for the past 4 years in a state which has been identified by Nevada as having substantially similar requirements.

Through this program, Nevada added an additional 10 states to its endorsement program which now includes 13 states.

Exam Administration Program

Nevada contractor licensure examinations are developed and administered by PSI Services (PSI). In partnership with PSI, NSCB was able to provide opportunities for applicants to take a Nevada specific trade or business and law examination at various PSI test delivery sites throughout the United States. This program provided an additional 186 test sites within 37 different states.

This program has provided significant savings in both time and travel costs for many applicants.

Form Modification

NSCB continues to look for ways to improve its application forms and instructional material in an effort to simplify the application process. Following are some of the changes recently implemented:

- **Application forms:** Removed or paired down unnecessary informational text and focused instructions on the key requirements of the application process.
- **Reference certifications:** Modified form in an effort to focus responses on actual construction related experience qualifications and specific

trade areas.

- **Background disclosure statement:** Consolidated questions in an effort to eliminate confusion and issues related to misrepresentation.

Small Business Assistance and Veterans Assistance Programs

Nevada understands that the task of starting a new business and applying for licensure can be complex and intimidating. NSCB's assistance programs are designed to help applicants navigate these requirements and successfully complete the licensure process. Small business assistance seminars are given twice a month with the goal of providing helpful resources and ensuring that potential applicants understand the requirement for obtaining a contractor's license and how to properly complete the application forms and supplemental documentation.

Online License Renewal Process

NSCB implemented changes that simplified the online renewal process by tailoring forms based on the specific renewal requirements of the licensee and answers provided. New informational and instructional materials were published and provided with each renewal notice. These materials provided direct contact information for a designated staff member trained to assist licensees with creating online accounts and completing the online renewal process.

Experience Qualifications

NSCB recently promulgated regulations that expand the types of supporting documentation that applicants can use to prove experience qualifications. In addition to the certification of work experience forms, applicants can provide a current masters certification in a discipline that is substantially similar to the requested classification, or proof of transferable military experience and training.



NEVADA STATE CONTRACTORS BOARD

Licensure by Endorsement Program

OVERVIEW

In 2017 Nevada passed legislation that required all professional and occupational boards to implement programs of licensure by endorsement. In developing its program, the NSCB compared Nevada's licensure requirements, permitted scopes of work, and licensure exam requirements with those of other states to identify areas of substantial similarity. Based on that evaluation, the current endorsement program addresses two of the requirements for licensure; experience qualifications, and successful completion of a trade examination.

In order for an applicant to be considered for endorsement of either their experience qualifications or a trade examination from an endorsing state, the applicant must:

- Be actively licensed in the endorsing state for at least the past four years in an equivalent area of practice.
- Not have had any disciplinary actions, suspensions or other sanctions imposed against the license.
- Passed an equivalent trade examination.
- Provide a verification of licensure and completion of examination requirement from the endorsing state.

STATE EQUIVALENCY CHART

As part of its efforts to comply with license by endorsement requirements, the NSCB conducted research into each state's experience and exam requirements in an effort to identify areas of similarity with Nevada's licensing requirements.

The information gathered led to the development of a *State Equivalency Chart*, which is published to the NSCB website, and identifies license classifications in other states that meet Nevada criteria for experience and trade exams. Applicants who have been actively licensed in one of the identified states and within one of the identified classifications within the past four years, would be eligible to submit an endorsement request related to experience or exam requirements when applying for a Nevada contractor's license.

There are currently 13 states with similar requirements to Nevada in one or more practice areas, including

Alabama, Arizona, California, Connecticut, Florida, Hawaii, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, Utah, and West Virginia.

ENABLING LAWS & REGULATIONS

Nevada Revised Statutes Chapter 622.530

- Requires a regulatory body to adopt regulations providing for the issuance of a license by endorsement to engage in an occupation or profession in Nevada to anyone who meets identified criteria as set forth in this statute.
- Allows a regulatory body to adopt regulations that require an applicant for licensure by endorsement to provide proof of certification or passing of exams; completed related vocational, academic, or professional programs of study; demonstrated experience in the field for which the applicant is seeking licensure by endorsement for a period determined by the regulatory body preceding the date of the application; and possesses a certain degree of competency in the occupation.
- Requires the regulatory body to provide, within 21 days, the applicant written notice regarding any additional information that may be required, or approve the license by endorsement unless denial is recommended for good cause.
- Provides guidance to the regulatory body on the issuance of a license by endorsement.

Nevada Administrative Code Section 624.615

- Requires the NSCB to determine where the requirements for licensing contractors in other states or territories of the United States or District of Columbia are substantially similar to the requirements of Nevada for licensing contractors.
- Requires the NSCB to maintain a list of all states that meet Nevada requirements and publish the list on the NSCB's website.
- Authorizes the Board to approve licensure by endorsement if the applicant for licensure demonstrates the necessary experience requirements or demonstrates passage of required examinations that meet Nevada criteria.

AGENDA ITEM C-3

Discussion Regarding Proposed Improvements to CSLB and NSCB Original License Application



AGENDA ITEM C-4

Discussion of CSLB and NSCB Enforcement Operations

- a. Multi-State Sting Operations
- b. Plans to Address Transient Criminal Activities



AGENDA ITEM C-5

Discussion Regarding Recently Enacted California and Nevada Legislation and Enforcement Strategies Related to Solar Industry and Financing





Residential Home Building Solar Requirement

On May 9, 2018, the California Energy Commission adopted building standards that require solar photovoltaic systems on all new homes starting in 2020. The changes are to the California “Title 24” building efficiency standards. The intent is to cut energy use in new homes by more than 50 percent and reduce greenhouse gas emissions.

Furthermore, the Governor has allotted \$1.75 billion in California’s budget to build 3.5 million housing units over the next seven years. As a result, over the next several years, California may be striving to build more than 400,000 residential units per year, all equipped with solar.

AB 1070 (Gonzalez-Fletcher, 2017) Solar Disclosure Document: Requires that CSLB, in collaboration with the California Public Utilities Commission, develop and make available a “solar energy system disclosure document” for solar energy customers, document consumer complaints against contractors, and develop standardized inputs and assumptions to use calculating utility bill savings.

AB 1284 (Dababneh, 2017) License Requirement for PACE Program Administrators: Requires that Property Assessed Clean Energy (PACE) administrators be licensed under the California Financing Law, and that program administrators meet certain requirements before PACE assessment contracts can be funded and recorded by a public agency. Among other things, this includes requiring that the program administrator make a “reasonable good faith determination” that the property owner has a “reasonable ability” to pay the annual payment obligations for the PACE assessment, and prohibits the equity of the property from being considered in evaluating income, assets, and current debt obligations.

SB 242 (Skinner, 2017) Restrictions on PACE Solicitations: Requires PACE program administrators to orally provide specified information before executing a contract, such as the key terms of the contract, providing the homeowner opportunities to communicate in other languages and have representatives on the call, and to record the oral confirmation. Limits contractors and program administrators from advertising PACE assessment contracts unless maintaining good status with CSLB and agreeing in writing to comply with applicable advertising laws and regulations.

SB 1087 (Roth, 2018) Home Improvement Contract Restrictions on PACE Financing: Makes it unlawful to begin work under a home improvement contract, and makes a home improvement contract unenforceable, if the property owner enters into a home improvement contract based “on the reasonable belief that the work will be covered by the PACE program” and the property owner applies for but is not approved for PACE financing in the amount requested.

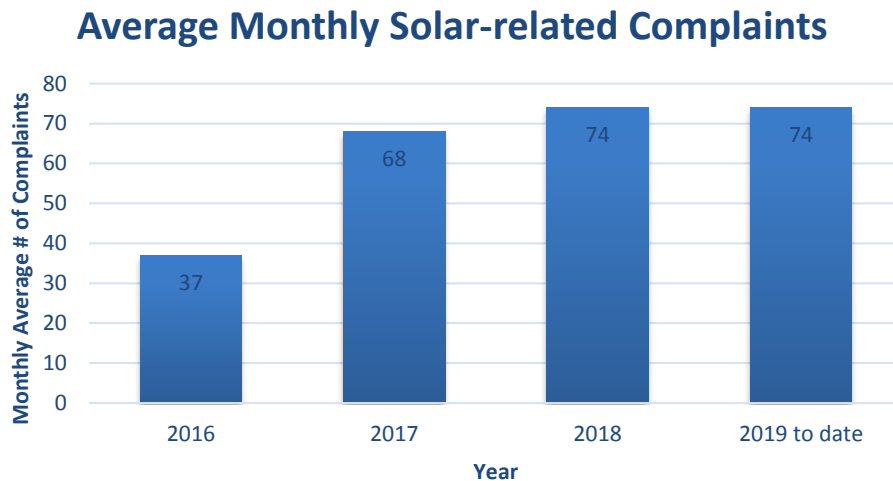


SOLAR COMPLAINT BACKGROUND

The CSLB Solar Task Force was created in 2015. Due to the increased consumer filed complaints, the Task Force is now comprised of eleven CSLB staff throughout California.

In 2018, 943 solar investigations led to 168 legal actions (administrative or criminal) – a 49 percent increase from 2017 – including 38 cases referred for criminal prosecution. CSLB staff in both the Intake and Mediation and Investigative Centers have also been successful in settling complaints when there is no evidence of serious violations, which resulted in restitution of \$2 million to injured parties in 2018.

CSLB continues to receive a high volume of solar-related complaints, averaging 74 per month in 2019, to date. The chart below demonstrates the increase in the monthly average of consumer-filed solar complaints year-over-year since January 1, 2016, and shows that the rate at which CSLB is receiving solar-related complaints may be normalizing versus years past.



Many investigations demonstrate that the steady influx of solar complaints can largely be attributed to the initial misrepresentation of contract terms and the predatory practices of some home improvement salespeople. In addition, approximately one-third of the complaints received involve Property Assessed Clean Energy (PACE) funding. As noted in the September 2018 board meeting material, examples of such predatory behavior, primarily involving misrepresentation of PACE funding, have occurred at a higher than average rate in the disadvantaged communities of Parlier and Huron, California.



STATE AGENCY PARTNERSHIPS

In November 2018, CSLB and the California Public Utilities Commission (CPUC) co-hosted a joint agency solar consumer protection strategy meeting aimed at addressing the predatory sales tactics seen in varying disadvantaged communities across California. It was agreed that CSLB, CPUC, and the Department of Business Oversight (DBO) would establish a Joint Agency Solar Consumer Protection Task Force (Task Force). Below are highlights of the Task Force's accomplishments.

Memorandum of Understanding

A memorandum of understanding (MOU) was initiated that allows CSLB, CPUC, and DBO to leverage their collective resources to provide preventative outreach and assistance to consumers victimized by predatory sales tactics. The MOU allows for the following framework to ensure consumers know their rights and remedies, and that complaints can be documented, tracked, and addressed across agencies:

- Establish official public-facing points of contacts at each agency, and update websites and other outreach materials for easier access by consumers who have installed solar energy systems, or who are interested in installing solar energy systems;
- Develop systems to document consumer complaints related to solar contractors for inclusion in CSLB's 2019 annual report on solar complaints;
- Train agency staff to coordinate with community-based organizations on tracking complaints; and
- Participate in inter-agency working groups and other regulatory processes to enhance solar consumer protections.

On May 1, 2019, following implementation of the MOU, the second meeting of the Task Force was held at CSLB headquarters. The following three working groups, which will consist of representatives from each agency and public members, when needed, were established.

- Preventative Outreach and Education
- Coordinated Enforcement Opportunities
- Complaint Tracking and Reporting

The Task Force plans to meet quarterly and next meet in August 2019.



CPUC Solar Information Packet Public Workshop

CSLB participated in a public workshop led by the Energy Division of the CPUC on February 27, 2019, to obtain feedback about the CPUC solar information packet that is set to be released in mid-2019. Consumers must sign this information packet, along with CSLB’s solar disclosure documents, and the solar provider must upload them to the utility interconnection portals before the consumer can be connected to the power grid. This only applies to residential rooftop solar installations; new construction is exempt. This packet is intended to enable consumers to make an informed decision about installing solar on their single-family homes.

Contractor Disclosure Development

Assembly Bill 1070 (2017), requires that CSLB, in collaboration with the CPUC develop and make available a solar energy system disclosure document. On July 1, 2018, CSLB released a one-page solar energy disclosure document that, beginning January 1, 2019, must be provided to consumers prior to the completion of a sale, financing, or leasing of a system.

Enforcement staff have been directed to review all solar-related complaint files with contracts dated after December 31, 2018, to ensure that the homeowner was provided the required disclosure document.

Additionally, following an August 2018 stakeholders’ meeting regarding the second portion of the solar disclosure documents required by AB 1070, drafts of four documents have been developed about the various financing options (power purchase agreement, lease, PACE and purchase). CSLB’s Legislative division is working with CPUC staff to make revisions to the documents, which will be presented at a future public meeting for board member review. Following approval of the documents,

SOLAR ENERGY SYSTEM DISCLOSURE DOCUMENT

This disclosure shall be printed on the front page or cover page of every solar energy contract for the installation of a solar energy system on a residential building.

The TOTAL COST for the solar energy system (including financing and energy / power cost if applicable) is: \$_____.

To make a complaint against a contractor who installs this system and/or the home improvement salesperson who sold this system, contact the Contractors State License Board (CSLB) through their website at www.cslb.ca.gov (search: “complaint form”), by telephone at 800-321-CSLB (2752), or by writing to P.O. Box 26000, Sacramento, CA 95826.

If the attached contract was not negotiated at the contractor's place of business, you have a Three-Day Right to Cancel the contract, pursuant to Business and Professions Code (BPC) section 7159, as noted below. For further details on canceling the contract, see the Notice of Cancellation, which must be included in your contract.

Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

This document was developed through coordination of the California Contractors State License Board and the California Public Utilities Commission pursuant to Business and Professions Code section 7169.



the next step is to commence the regulatory process to codify the documents into CSLB regulations so they may be enforced.

SUCCESS THROUGH COLLABORATION - HIGHLIGHTS

Relief for Victims of Predatory Sales Tactics

The Joint Agency Task Force conducted monthly teleconferences between December 2018 and March 2019, to discuss an offer by a PACE administrators to assist nine financially harmed consumers in the Parlier/Huron region. The PACE administrator worked with the Task Force to assist in reconciling the property assessments and any structural damage done to consumer's residences. As of March 2019, all of the PACE loans on the nine homes had been forgiven and the assessments removed from the titles of the properties, relieving the homeowners of the concern that their homes would be foreclosed. The homeowners' April 2019 tax bills should be clear of the PACE assessments.

CSLB Partners with City Attorney to Stop Fraudulent Solar Contractor

With the assistance of investigative work by CSLB staff, Los Angeles City Attorney, Mike Feuer, announced on April 4, 2019, that his office had filed a civil complaint and obtained an asset freeze against Nelson Solis, the owner of Eco Solar Home Improvement, along with several affiliated entities and associates. The complaint alleges that Solis defrauded Los Angeles homeowners of more than \$1.4 million, in cash or through PACE financing, in exchange for little or no work.

The filing further alleges that the defendants:

- Targeted Spanish-speaking homeowners with high-pressure sales tactics and false promises;
- Took out substantial PACE loans on behalf of the homeowners, sometimes without their consent;
- Concealed the terms and true costs of the loans; and
- Abandoning the contracted project after receiving the proceeds of the PACE loans or upfront cash payments.

AGENDA ITEM C-6

Discussion Regarding CSLB and NSCB Disaster Response

- a. Presentation of Video on CSLB Disaster Response



AGENDA ITEM C-7

Discussion on CSLB and NSCB Workforce Development Programs





**California Wildfire Recovery
Construction Workforce Development Working Group**

**Construction Training Resources Guide
For the North Bay Area**

Updated June 7, 2018

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PURPOSE

In October 2017, wildfires in Northern California impacted the counties of: Napa, Sonoma, Yuba, Butte, Lake, Mendocino, Nevada, prompting mass evacuations. Thousands of acres burned and threatened infrastructure as strong winds fueled the fast-moving fires. In total, the October wildfires burned more than 245,000 acres and destroyed 8,900 structures.

The short and intermediate term needs of the communities for housing were met by Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES), attention turned to the long term task of permanent rebuilding.

The intent of this guide is to provide information on the available resources for rebuilding communities with a skilled construction workforce.

The Governor's Office of Business and Economic Development (GO-Biz) convened a working group to identify the availability of a skilled construction workforce, including federal and state government partners, as well as industry leaders representing home builders and organized labor. The first task of this working group was to develop a resource guide that identifies existing training programs available for individuals interested in entering the construction industry. The intent was for this guide to be a resource targeting the following groups:

- **Local Governments** – City and county staff and elected officials work with developers and homeowners on local permitting and may hear first-hand about labor shortages.
- **Workforce Developers** – Many professionals are already engaged in workforce development. As they plan to expand existing programs or develop new ones, it may be useful to understand what others are offering in related fields. There may also be opportunities for collaboration.
- **Building Contractors** – Most building contractors have existing relationships with subcontractors and know where to find skilled workers through conventional methods. However, given the potential shortage, it may be helpful for contractors to expand their reach to some lesser known sources of skilled labor.
- **Job Seekers** – Those looking to enter the construction trades may find training opportunities.

The resources included in this guide vary from formal apprenticeship and pre-apprenticeship programs to training programs targeted to veterans, conservation corps of young adults (18-25), and the rehabilitated formerly incarcerated.

This guide is organized into four sections: Industry Resources, Academic Resources, Nonprofit Resources, and Government Resources.

INDUSTRY RESOURCES

This section includes resources administered by the building industry and construction trades. How this section is relevant to this guide's key users:

- **Local Governments** – Staff and elected officials may connect their building applicants to these resources to find workers.
- **Workforce Developers** – Workforce developers may find skilled trainers.
- **Building Contractors** – Contractors may find new sources of skilled labor.
- **Job Seekers** – Those looking to enter the construction trades may find training opportunities.

North Bay Labor Council, AFL-CIO

The North Bay Labor Council is one of nearly 500 state and local labor councils of the AFL-CIO, based in Santa Rosa. Members include a variety of building trades with State Certified Joint Labor-Management Apprenticeship programs.

Contact:

Jack Buckhorn, Executive Director
North Bay Labor Council, AFL-CIO
2525 Cleveland Ave., Suite A
Santa Rosa, CA 95403

The following Joint Labor-Management Apprenticeship Programs are training over 95 percent of the registered apprentices in Lake, Mendocino, Napa, Solano and Sonoma Counties (2,187 out of 2,307):

Air Conditioning & Refrigeration/Plumber

2660 Newhall Street
San Francisco, CA 94124
(415) 562-3838
www.ualocal38.org

Bricklayer

25347 S Schulte Road
Tracy, CA 95377
(209) 830-7200
www.bac3train.com

Carpenter

800 Chadbourne Road
Fairfield, CA 94534
(707) 399-2880
www.ctcnc.org

Cement Masons

2350 Santa Rita Road
Pleasanton, CA 94566
(925) 484-2271
www.norcalcementmasonsapprenticeship.org

Electrician

1726 Corby Ave
Santa Rosa, CA 95407
(707) 523-3837
www.rejatc.org/index.cfm

Floor Coverer/Glazier/Painter/Taper

2020 Williams Street, Suite A
San Leandro, CA 94577
(510) 785-8467
www.dc16apprentice.org

Hardwood Floor Layer

485 Woodview Drive
Morgan Hill, CA 95037
(408) 778-1552
www.ctcnc.org

Heat & Frost Insulator

3801 Park Road
Benicia, CA 94510
(707) 748-0160
www.insulators.org

Continued – North Bay Labor Council, AFL-CIO

Ironworkers

3150 Bayshore Road
Benicia, CA 94510
(707) 746-7666
www.ironworkers377.com

Operating Engineer

14738 Cantova Way
Sloughhouse, CA 95683
(916) 354-2029
www.oe3.org

Sheet Metal

4350 Central Place, Suite A
Fairfield, CA 94534
(707) 863-0416
www.smw104training.org

Surveyors

1620 South Loop Road
Alameda, CA 94502
(510) 748-7413
www.teapprenticeship.org/surveyor

Laborer

1001 Westside Drive
San Ramon, CA 94583
(925) 556-0858
www.norcalaborers.org

Roofer & Waterproofers

420 Leisure Street
Livermore, CA 94551
(510) 628-3650
www.rwprogram.com

Sprinkler Fitter

2531 Barrington Court
Hayward, CA 94545
(510) 782-9483
www.sprinklerfitters483.org

Tile Finishers

15091 Wicks Blvd
San Leandro, CA 94577
(510) 632-8453
www.nctijatc.org

- **Pipeline of Workers:** North Bay Labor Council apprentices in North Bay Area by county:
 - Lake – 41 union apprentices
 - Mendocino – 37 union apprentices
 - Napa – 84 union apprentices
 - Solano – 1,345 union apprentices
 - Sonoma – 680 union apprentices

ABC NorCal Apprenticeship Programs

ABC NorCal's Apprenticeship Programs were developed to increase the number of highly skilled craftspeople in the construction industry. Accredited by the State of California's Division of Apprenticeship Standards (DAS) and the U.S. Department of Labor, Office of Apprenticeship (DOL OA), ABC NorCal's apprenticeship programs adhere to all industry standards and regulations. The ABC NorCal program is recognized for turning out safe and highly skilled graduates in the following areas:

Carpentry – 4 years and no less than 4,800 hours of on-the-job training

Construction Craft Laborer – 2 years and no less than 3,000 hours of on-the-job training

Electrical – 5 years and no less than 8,000 hours of on-the-job training

Painting – 4 years and no less than 4,800 hours of on-the-job training

Plumbing – 4 years and no less than 7,200 hours of on-the-job training

Continued – ABC NorCal Apprenticeship Programs

- **Target Worker:** ABC NorCal works with high-schools and veterans' organizations, as well as many one-stop and EDD locations. Some of the organizations are:
 - Alhambra High School
 - Asian Neighborhood Design
 - Back 2 Work
 - Deer Valley High School House 3
 - Del Valle High School
 - Eden Area ROP
 - Livermore Unified School District
 - Local Veteran Employment Representative Northern Division, #175
 - Mountain House High School, Lammersville Unified School District
 - Pleasanton Adult and Career Education
 - Sacramento Job Corps Center
 - Solano County Probation Department
 - Swords to Plowshares
 - Work for Warriors
- **Outcome for Participants:** ABC NorCal apprentices graduate with a Certificate of Completion with the State of California and the Department of Labor Office of Apprenticeship. They are considered journey-workers at that point.
- **Pipeline of Workers:** ABC NorCal apprentices in North Bay Area by county:
 - Lake – None
 - Mendocino – None
 - Napa – None
 - Solano – 16 apprentices (1 Carpentry, 14 Electrical, 1 Laborer)
 - Sonoma – 1 apprentice (Plumbing)
- **School Credit:** Students do not get school credit, but they get National Center for Construction Education & Research (NCCER) credit
- **Contact:** apprenticeship@abcnorcal.org or (925) 960-8511
- **Links:**
 - ABC NorCal: <https://www.abcnorcal.org/en-us/educationtraining/apprenticeship/applicants.aspx>
 - Slideshow with an overview of ABC NorCal's program and FAQs: <http://www.abcnorcal.org/LinkClick.aspx?link=http%3a%2f%2fwww.slideshare.net%2fABCNorthernCalifornia%2fapprenticeship-program-faq&tabid=649&portalid=2&mid=1723&language=en-USLength>

ACADEMIC RESOURCES

This section includes resources administered by the community colleges, as well as programs that target high school students. How this section is relevant to this guide's key users:

- **Local Governments** – Staff and elected officials may connect their building applicants to these resources to find workers.
- **Workforce Developers** – Workforce developers can see the range of programs already offered by others. This may inspire the replication of successful programs, creation of complementary programs, and opportunities for collaboration.
- **Building Contractors** – Contractors may find new sources of skilled labor.
- **Job Seekers** – Those looking to enter the construction trades may find training opportunities.

California Community Colleges

Program offerings at California Community Colleges vary by campus. Below are the community colleges with engineering and industrial technologies programs in the North Bay Area.

Mendocino College

1000 Hensley Creek Road

Ukiah, CA 95482

(707) 468-3000

<http://www.mendocino.edu>

- Automotive Technology (A.S. Degree or Certificate)
- Automotive Chassis Specialist (Certificate)
- Automotive Tune-Up and Electronics Specialist (Certificate)

Napa Valley College

2277 Napa Vallejo Highway

Napa, CA 94558

(707) 253-3000

<http://www.napavalley.edu>

- Digital Design Drafting Technology (A.S. Degree or Certificate)
- Machine Tool Technology (A.S. Degree or Certificate)
- Welding Technology (A.S. Degree or Certificate)

Santa Rosa Junior College

1501 Mendocino Avenue

Santa Rosa, CA 95401

(707) 527-4011

<http://www.santarosa.edu>

- Architecture & Construction Technology: Construction Management (A.S. Degree or Certificate)
- Apprenticeship: Carpentry (Certificate)
- Apprenticeship: Electrical (Certificate)
- Apprenticeship: Plumbing & Pipe Fitting (Certificate)

Continued – California Community Colleges

- Apprenticeship: Painting & Decorating (Certificate)
- Apprenticeship: Roofing (Certificate)
- Automotive Technology (A.A. Degree or Certificate)
- Civil & Surveying Technology: Civil Engineering (A.S. Degree or Certificate)
- Civil & Surveying Technology: Land Surveying (A.S. Degree or Certificate)
- Diesel Equipment Technology (A.S. Degree or Certificate)
- Electronics and Electric Technology (A.S. Degree or Certificate)
- Engineering (A.S. Degree)
- Machine Tool Technology (A.S. Degree or Certificate)
- Water Utility Operations (Certificate)
- Welding Technology (Certificate)

Solano Community College

4000 Suisun Valley Road

Fairfield, CA 94534

(707) 864-7000

<http://www.solano.edu>

- Aeronautics Airframe & Powerplant Maintenance Technician (A.S. Degree or Certificate)
- Aeronautics Airframe Maintenance Technician (A.S. Degree or Certificate)
- Aeronautics Powerplant Maintenance Technician (A.S. Degree or Certificate)
- Automotive Body & Repair (A.S. Degree or Certificate)
- Automotive Technician (A.S. Degree or Certificate)
- Avionics Technician (A.S. Degree or Certificate)
- Drafting Technician (A.S. Degree or Certificate)
- Electronics Technology (A.S. Degree or Certificate)
- Industrial Management Safety (A.S. Degree or Certificate)
- Maintenance Technician (A.S. Degree or Certificate)
- Mechatronics (A.S. Degree or Certificate)
- Survey Technician / Civil Drafting Technician (A.S. Degree or Certificate)
- Water & Wastewater Technology (A.S. Degree or Certificate)
- Welding Technician (A.S. Degree or Certificate)
- Welding, Industrial Technician (A.S. Degree or Certificate)

North Bay Construction Corps

The North Bay Construction Corps is a pre-apprenticeship program for high school seniors in their last semester of school. There are also Adult Education courses delivered through the Sonoma County Adult Education Consortium. The Corps provides essential safety training and industry desired certifications along with basic construction skills so that students are ready to hire and train.

Continued – North Bay Construction Corps

- Length of Program: Meets one night a week for four months, one Saturday per month and ends with a two-week intensive boot camp (M-F, 7-3:30) where the team works on a real construction project. There are two ways to do this: 3-week intensive, four days a week, 12-5 pm. 2-month “Construction Corps” model meeting two nights a week and every other Saturday.
- Target Worker: High school seniors; 18 and over adult students
- Outcome: Ready to hire and train, all programs.
- Pipeline of Workers: Approximately 50 adults this Spring. Approximately 40 seniors in high school will be ready in June.
- School Credit: High school seniors earn 1.5 credits at Santa Rosa Junior College.
- Contact: Robin Bartholow of the North Coast Builders Exchange (NCBE), (707) 542-9502
- Links:
 - Adult Education: <https://socoadulted.org/our-programs/>
 - High School: <http://ctesonomacounty.org/construction-corps>

Building Industry Technology Academy (BITA)

BITA is a four-year high school construction trades training program promoted by the California Homebuilding Foundation and currently active in 23 high schools throughout California. The curriculum is aimed at producing skilled professionals who will be qualified and confident to enter the workforce.

- Length of Program: 2-4 Years
- Target Worker: High school students
- Outcome for Participants: Ready for entry-level hire. If preferred, applicants can be equipped with their OSHA 10 certification.
- Pipeline of Workers: Students will be ready for full-time employment after graduation (May/June). Depending on the location, there could be 30-50 potential candidates.
- School Credit: BITA is an approved program by the University of California with courses 1 & 2 accredited under the "g" subject requirement fulfill graduation requirements. Depending on location, students are able to achieve college credit with their local community college.
- Contact: Jill Herman, (916) 340-3309
- Links:
 - <http://www.myCHF.org/bita.html> - program info
 - <http://www.myCHF.org/bita-in-california.html> - link to school site map that includes 23 high schools throughout California

NONPROFIT RESOURCES

This section includes resources generally available to homeowners with the greatest unmet need. How this section is relevant to this guide's key users:

- **Local Governments** – Staff and elected officials may connect their most vulnerable homeowners with these organizations.
- **Workforce Developers** – Not applicable.
- **Building Contractors** – Not applicable.
- **Job Seekers** – Not applicable.

Habitat for Humanity of Sonoma County

After the historic wildfire event of October 2017, Habitat for Humanity of Sonoma County (HFHSC) has explored ways to expand its programs across the board as part of the community rebuilding efforts.

- **Short Term: ReStore Gift Cards** – Every Sunday in November following the fires, HFHSC ReStore was opened exclusively to those who lost their home or place of work to the wildfires. Any individual impacted by the wildfires with loss of home or place of work was eligible for non-expiring store credit to be used for the large inventory of household goods, furniture, and materials. This initiative was sponsored by corporate partners. Other in-kind donations of new household goods were given away at no cost to eligible individuals. Over \$400,000 of home goods and services were distributed to fire survivors as a part of this program, and gift cards for those affected by the wildfires are still available.
- **Mid Term: Sonoma Cottages** – Modeled on the Habitat affiliates who responded to Hurricane Katrina, Habitat for Humanity of Sonoma County is exploring 400-750 ft² temporary to permanent units. These units will fill the urgent temporary housing need and would last beyond the post-disaster period as homes for Habitat Families.
- **Long Term: Rebuild** – Habitat for Humanity of Sonoma County has committed to the rebuilding effort. With its traditional program markers of volunteer labor and in-kind and monetary donations, as well as increased flexibility with sweat equity and income range requirements, Habitat will serve families and individuals who want to rebuild but who, without our specialized assistance, would be unable to and would likely have to leave the community. Habitat is considering partnerships with pre-fabricated home builders to further relieve rebuilding costs and to create an efficient building process that complements the use of volunteer labor.
- **Contact:** (707) 578-7707 or info@habitatsoco.org
- **Link:** Wildfire Rebuild Programs: <https://www.habitatsoco.org/what-we-do/developments/>

Mennonite Disaster Service

Mennonite Disaster Service (MDS) volunteers repair and rebuild homes after a disaster for homeowners who: were the homeowners before the disaster; made the house their primary residence (not second or vacation homes); are uninsured or underinsured; lack other resources to pay for labor.

- **Contact:** Roger Sharp, MDS Region 4 Board Chair – (909) 260-6321 or region4@mcs.mennonite.net
- **Link:** <http://www.mds.mennonite.net>

La Cooperativa Campesina de California

La Cooperativa is a nonprofit organization that serves as a statewide association of agencies implementing and administering farm worker service programs. La Cooperativa's member agencies operate a range of one-stop centers, mobile service units, and other service access sites throughout California, primarily in agricultural counties. In times of crisis, La Cooperativa has secured funding and coordinated efforts to provide services and replacement income to disaster-affected workers and communities.

- Contact: Marco Cesar Lizarraga, Executive Director, (916) 388-2347 | mlizarraga@lacooperativa.org
- Link: <http://www.lacooperativa.org>

Visit California

Visit California is a nonprofit organization with a mission to develop and maintain marketing programs – in partnership with the state's travel industry – that keep California top-of-mind as a premier travel destination. According to Visit California, spending by travelers totaled \$126.3 billion in 2016 in California, generating 1.1 million jobs in the state and \$10.3 billion in state and local tax revenues.

- Contact: Caroline Beteta (916) 319-5420
- Link: <http://www.visitcalifornia.com>

GOVERNMENT RESOURCES

This section includes resources administered by federal and state governments. How this section is relevant to this guide's key users:

- **Local Governments** – Staff and elected officials may connect their building applicants to these resources to find workers.
- **Workforce Developers** – Workforce developers may find funding sources.
- **Building Contractors** – Contractors may find new sources of skilled labor.
- **Job Seekers** – Those looking to enter the construction trades may find training opportunities. Depending on the background of the job seeker, there may be particular programs tailored to meet their needs. For example, veterans can access benefits earned through their service.

FEDERAL RESOURCES

U.S. Department of Labor Veterans' Employment and Training Service (VETS) Program

VETS serve America's veterans and separating service members by preparing them for meaningful careers, providing employment resources and expertise, and protecting their employment rights. This is completed through the following programs:

- **Department of Labor Employment Workshop (DOLEW)**
DOLEW is a 3-day Transition Assistance Program curriculum based on current employment trends, development of skills and abilities outside of the military, and introductions on how to interview and prepare for civilian employment.
- **Employment Services**
Veterans receive priority of service when using America's Job Centers after service has been completed. This includes hands-on services in resume development and job-finding resources.
- **Homeless Veteran Reintegration Program**
The purpose of the Homeless Veterans' Reintegration Program (HVRP) is to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force and to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans.
- **Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)**
VETS provides assistance to persons experiencing service connected problems with their civilian employment and provides information about USERRA to employers. VETS also assists veterans who have questions regarding Veterans' Preference.
- **Point of Contact:** Jason R. Keller, keller.jason.r@dol.gov
- **Links:** www.dol.gov/vets | www.veterans.gov | www.servicelocator.org

U.S. Job Corps

Job Corps is a no-cost education and career technical training program administered by the U.S. Department of Labor that helps young people ages 16 to 24 improve the quality of their lives through career technical and academic training. Among other areas of study, Job Corps offers work-based learning in the following construction trades:

Continued – U.S. Job Corps

- **Carpentry** – 8-12 months of training
- **Cement Masonry** – 8-12 months of training
- **Heating, Venting, and Air Conditioning (HVAC)** – 8-12 months of training
- **Plastering** – 8-12 months of training
- **Point of Contact:** Brian Daher, daher.brian@dol.gov
- **Links:** <https://www.jobcorps.gov>

U.S. Economic Development Administration

The U.S. Department of Commerce’s Economic Development Administration (EDA) is the only federal government agency focused exclusively on economic development. EDA has a long history of successfully supporting disaster recovery and resiliency efforts. EDA's role in disaster recovery is to facilitate the timely and effective delivery of Federal economic development assistance to support long-term community economic recovery planning and project implementation, redevelopment and resiliency.

EDA is awarding \$587 million in grants to eligible entities to address economic challenges in disaster-impacted areas. These grants will support disaster recovery activities in areas receiving a major disaster designation. EDA disaster grants will be made by regional offices under the Economic Adjustment Assistance (EAA) program, which can support a wide range of construction and non-construction activities. Through this program, EDA can support disaster recovery planning strategies as well as the implementation of disaster recovery projects. Projects, among other things, must have a nexus to applicable disaster recovery and resilience efforts and be consistent with at least one of the DOC Disaster Recovery Investment Priorities. Eligible applicants include state and local government, non-profits, and institutions of higher education. EDA plans to accept proposals on a rolling basis until all funds are obligated.

- **Point of Contact:** Malinda Matson, MMatson@eda.gov
- **Links:** <https://www.eda.gov/programs/disaster-recovery/2018-supplemental>

STATE RESOURCES

California Conservation Corps (CCC)

The California Conservation Corps (CCC) is a department under CA Natural Resources Agency. Its mission is to provide work experience and service opportunities for young men and women, ages 18-25, as they, in turn, provide environmental and community services to the State of California. Founded in 1976 by Governor Jerry Brown, the CCC has trained and worked with more than 120,000 young adults and each year provides valuable service projects that include but are not limited to the construction of hundreds of miles of hiking trails, planting thousands of trees, restoring hundreds of acres on natural habit and performs over 20,000 hours energy efficiency surveys and retrofits to school districts and public buildings throughout the state. In 2017, CCC members performed over 500,000 emergency response hours at the Northern and Southern California fires. There are 25 CCC Centers, of which 8 are residential centers, from San Diego to the Oregon border.

- **Point of Contact:** Bruce Saito, Bruce.Saito@ccc.ca.gov
- **Link:** <https://ccc.ca.gov>

California Prison Industry Authority (CalPIA) Career Technical Education (CTE) Programs

CalPIA CTE Programs train offenders at institutions statewide in the following areas:

- **AutoDesk Computer Aided Design (CAD)** – The AutoCAD program is a 6-12 month training program under the supervision of CALPIA professional instructors working with AutoDesk an accredited source of material that will provide training in diverse curriculum including basic computer skills (mouse and keyboard), blueprint reading, basic math computation, measurement & scale, CAD Drafting work such as drawing revisions from markups, detailed drawings of assemblies, sub-assemblies and component parts consisting of sheet metal and wood products using CAD programs such as AutoCAD, Inventor 3D drawing, Revit and interview skills. AutoCAD accredited certifications will be given to all individuals that complete the assigned set curriculum that will be recognized by private employers. CALPIA will also make any of their current accredited certifications that are job related available for individual participation in this program.
- **Carpentry Program** – The Carpentry program is a 6 month pre-apprentice training program under the supervision of journeyman professionals working with the Northern and Southern California Carpenters Union. The union instructors provide training in diverse skills including blueprint reading, hand tools, pneumatic & power tools, compressors, drywall, taping and texturing, framing, finished carpentry, tape measurements, general carpentry math, concrete framing, painting, roofing, general health & safety and job interview skills. After completion of training, paroling offenders are eligible for placement in a full-scale apprenticeship programs. Carpentry certification is accredited certifications earned by graduates that meet the standards required by the union's training center certified source. CALPIA pays the initial union dues and provides a full complement of tools to individuals who complete the program.
- **Computer Coding** – Computer Coding is a 6-12 month training program under the supervision of a combination of CALPIA instructors and contracted professional working with a recognized accredited source of material which will provide training in diverse curriculum including the basic computer skills (mouse and keyboard), JavaScript, HTML, CSS Python and its associated web frameworks, pair programming, Git and source control Message queues, batch processing, distributed processing and interview skills. Computer Coding accredited certifications will be given to all individuals that complete the assigned set curriculum that will be recognized by private employers. CALPIA will also make any of their current accredited certifications that are job related available for offender participation in this program. The class offers (3) levels of coding certifications to ensure the individuals progress and improvement in their coding ability. Upon completion of all certifications each individual has the necessary skills to gain employment for entry level coding.
- **Construction Laborer Program** – The Construction Labor program is a 6 month pre-apprentice training program under the supervision of journeyman professionals working with the Northern and Southern California Construction and General Laborers Union. The union instructors provide training in diverse skills including hand tools, pneumatic & power tools, compressors, tape measurement, concrete forms and pouring, signage and traffic control, demolition, forklift certification, general health & safety, general construction related math and job interview skills. Construction Labor certification is accredited certifications earned by graduates that meet the standards required by the union's training center certified source. After completion of training, paroling offenders are eligible for placement in a full-scale apprenticeship programs. CALPIA pays the initial union dues and provides a full complement of tools to individuals who complete the program.

Continued – California Prison Industry Authority (CalPIA) Career Technical Education Programs

- **Iron Worker** – The Iron Worker program is a 6 month apprentice training program under the supervision of journeyman professionals working with the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local Union #118. The union instructors provide training in diverse curriculum including welding, metal work, hand tools, pneumatic and power tools, tape measurement, ladders, general iron worker math, drawing, compressors, compressed gases, blueprint reading, “green” construction and job interview skills. Iron Workers certification is accredited certifications earned by graduates that meet the standards required by the union’s training center certified source. After completion of training, paroling offenders are eligible for placement and continuing their full-scale apprenticeship programs until completion. CALPIA pays the initial union dues and provides a full complement of tools to individuals who complete the program.
- **Facilities Maintenance** – The Facilities Maintenance is a 3-6 month training program under the supervision of CALPIA instructors working with a recognized accredited source of material. Participants can receive (5) certifications in diverse curriculum including, hand tool identification and use, minor building maintenance, light janitorial services, sanitation equipment, Material Safety Data Sheets, health and safety practices, ladder safety and use, tape measurement, chemical handling and use, use of small power tools, maintain reports & documentation and practice interview skills. Facilities Maintenance accredited certifications will be given to all individuals that complete the assigned set curriculum that will be recognized by private employers. CALPIA will also make any of their current accredited certifications that are job related available for individual participation in this program. This specific training will enable participants to qualify to take state employment exams and obtain employment such as a Custodian/Maintenance Technician with Department of General Services (DGS) upon parole.
- **Marine Technology Training Center (MTTC)** – The Marine Technology Training Center (MTTC) is an 11-18 month training program under the supervision of Journeyman Commercial Diver Instructors and U.S. Navy Reserve members that provides training in diverse skills including diving physics, physiology, dive medicine, proper tool handling, blueprint reading navigation, report writing, air systems, welding and cutting, compressors, seamanship, blueprint reading, diesel engines, power plants, pump houses, pneumatic tools, rigging and marine construction. MTTC certifications are accredited certifications and possible Milestone certificates earned by MTTC graduates that meet the standards required by U.S. Coast Guard, Department of Labor (OSHA), and the Association of Diving Contractors International. Job placement is available upon release.
- **Roofing** – The Roofing program is a 6 month pre-apprentice training program under the supervision of journeyman professionals working with the Northern California Roofing & Water proofers Union. The union instructors provide training in diverse skills including roofing construction, materials, waterproofing, Maintenance & Repair, Health & Safety and job interview skills. After completion of training, paroling offenders are eligible for placement in a full-scale apprenticeship programs. Roofing certification is an accredited certification that meets the standards required by the union’s training center. CALPIA pays the initial union dues and provides a full complement of tools to individuals who complete the program.

Continued – California Prison Industry Authority (CalPIA) Career Technical Education Programs

- **Contact:** Kevin Cole, Career Technical Education Manager, 916-358-2735
- **Link:** <https://www.calpia.ca.gov/offender-development/career-technical-education-cte/>

Contractors State License Board

CSLB licenses all contractors in the state of California. Any job that costs more than \$500 for labor and materials must be performed by a licensed contractor. Licensees are required to have four years of experience, within the last ten, as a journeyman, foreman, supervising employee or contractor in the classification in which he or she is applying for licensure. CSLB does not have an education requirement but does grant experience credit for education, up to three years depending on the type and length of the program. All applicants are required to undergo a criminal background check.

- **Pipeline of Workers:** Approx. 280,000 licensees (active and inactive).
- **Point of Contact:** Laura Zuniga, Chief, Licensing and Examination (916) 255-3939 or Laura.Zuniga@cslb.ca.gov
- **Link:** www.cslb.ca.gov

Division of Apprenticeship Standards (DAS)

DAS, a division under the CA Department of Industrial Relations (DIR), works with employers to develop new state-certified apprenticeship programs. DAS also approves and enforces apprenticeship standards regarding wages, hours, working conditions, and the specific skills required for state certification as a journeyman in an occupation that is appropriate for apprenticeship. The DAS website features an online database with information on state-certified apprenticeship opportunities, organized by county and by occupation.

- **Length of Program:** Varies by occupation
- **Outcome:** Apprentices are employed and learn on the job.
- **Point of Contact:** Eric Rood, Acting Director, erood@dir.ca.gov
- **Links:**
 - Main page on DIR website: <https://www.dir.ca.gov/das>
 - The California Apprenticeship Coordinators Association has a website with detailed information about DAS-approved apprenticeship programs: <http://calapprenticeship.org>

Workforce Development Boards / America’s Job Centers of California (AJCCs)

The statewide workforce development system is comprised of 45 Local Workforce Development Areas (Local Areas), each with its own business-led Local Workforce Development Board (Local Board). These Local Boards work with their local Chief Elected Official to oversee the delivery of workforce services relevant to local residents and businesses.

Each Local Board has its own charter, organization, and unique local context. They provide community leadership on workforce matters, serving as conveners and brokers, bringing together business, labor, education and economic development to focus on community workforce issues and solve shared problems. They track and disseminate current labor market information. They advocate locally on workforce policy matters and seek to build capacity in their region to meet the workforce needs of the area’s employers.

Continued: Workforce Development Boards / America's Job Centers of California (AJCCs)

A full listing of all the Local Boards by county can be found here:

http://www.edd.ca.gov/jobs_and_training/local_area_listing_by_county.htm.

All cities and unincorporated areas within Sonoma County are served by:

Sonoma County Workforce Development Board

Katie Greaves, Director

Sonoma County Workforce Development Board

2227 Capricorn Way, Suite 100

Santa Rosa, CA 95407

Phone: 707-565-8500

FAX: 707-565-8502

www.sonomawib.org

All cities within the boundaries of Lake, Mendocino, and Napa Counties are served by:

Workforce Alliance of the North Bay

Bruce Wilson, Executive Director

Workforce Alliance of the North Bay

PO Box 156

Napa, CA 94559

Phone: 707-253-4843

www.workforcealliancencorthbay.org

All cities and unincorporated areas within Solano County are served by:

Workforce Development Board of Solano County

Heather Henry, President/Executive Director

Workforce Development Board of Solano County

320 Campus Lane

Fairfield, CA 94534

Phone: 707-864-3370

FAX: 707-864-3386

www.solanowib.org

A central responsibility of each Local Area is its oversight of the local **America's Job Centers of California (AJCCs)**, one stop centers which are the hub for the provision of workforce, education, and business services. Workforce funds allocated to Local Boards support the job training, placement, and business services delivered through the AJCCs. Through partnerships with other local, state and federal agencies, education and economic development organizations, AJCCs provide access to job, skill development and business services to job seekers and local employers. There are nearly 200 AJCCs throughout California. Locations can be found using this search engine:

<https://www.careeronestop.org/site/american-job-center.aspx>.

Employment Training Panel (ETP)

ETP is an incumbent worker training program for employers seeking to upgrade the skills of their employees. It also funds some new hire training. Construction apprenticeships are among its funded activities. Note: The ETP does not fund individuals seeking training, and construction focus has been through joint apprenticeship training councils/programs.

- Contact: Stewart Knox, Executive Director, stewart.knox@etp.ca.gov
- Link: www.etp.ca.gov

Governor's Office of Business and Economic Development (GO-Biz)

The Governor's Office of Business and Economic Development (GO-Biz) was created by Governor Edmund G. Brown Jr. to serve as California's single point of contact for economic development and job creation efforts. GO-Biz offers a range of services to business owners including: attraction, retention and expansion services, site selection, permit assistance, regulatory guidance, small business assistance, international trade development, assistance with state government, and much more.

- Contact: (916) 322-0694 or support@go-biz.desk-mail.com
- Links:
 - GO-Biz Main Website: <http://business.ca.gov>
 - CA Business Portal: <http://businessportal.ca.gov>
 - CalGOLD online permit assistance: <http://www.calgold.ca.gov>

California Infrastructure and Economic Development Bank (IBank)

The California Infrastructure and Economic Development Bank (IBank) was created to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. IBank's current programs include the Infrastructure State Revolving Fund (ISRF) Loan Program, California Lending for Energy and Environmental Needs (CLEEN) Center, Small Business Finance Center and the Bond Financing Program.

- Contact: (916) 341-6600 or ibank@ibank.ca.gov
- Link: <http://www.ibank.ca.gov/>

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AGENDA ITEM D

Adjournment

