

MARCH 21, 2019
SAN DIEGO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





NOTICE OF PUBLIC BOARD MEETING

Thursday, March 21, 2019, 8:30 a.m. – 1:30 p.m. (or upon adjournment)

Hyatt Regency Mission Bay Spa and Marina

1441 Quivira Road

San Diego, California 92109

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.

The board intends to provide a live webcast of the meeting on its website, 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 at the physical location. For verification of the meeting, call (916) 255-4000 or visit www.cslb.ca.gov.

MEETING AGENDA

OPEN SESSION

- 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. Review and Discussion of Partnership with California Building Officials to Develop Strategies to Address Underground Economy in Construction
- D. Presentation of Certificates of Appreciation – May Include Oral Presentations Commemorating Achievements and Service of CSLB Staff, County Building Officials, and San Diego Deputy District Attorneys
- 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
- 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

- 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
 - i. Public/Industry/Government Concerns
 - ii. Contractor License Classifications
 - iii. Electrical and Solar Contractor Representatives' Videos
 - iv. Electrician Certification Requirements
 - v. CSLB Enforcement of Existing Requirements
 - vi. Possible Options and/or Staff Recommendations
 - c. Tentative 2019 Board and Committee Meeting Schedule
2. Review and Possible Approval of December 13, 2018, Board Meeting Minutes
 3. Review and Possible Approval of January 8, 2019, Teleconference Board Meeting Minutes
 4. Update, Discussion, and Possible Action on Amendments to CSLB's 2019-21 Strategic Plan Objectives

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)

CLOSED SESSION

- H. 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: *Santosh 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

RETURN TO OPEN SESSION

- J. Administration Program Updates
 1. Personnel and Facilities Update
 2. Information Technology Update
 3. Budget Update

K. Licensing

1. 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
- h. Development of a Possible New Remodeling and Home Improvement License Classification
- i. Development of a C-License Classification for Tree Service Contractors
- j. License Reciprocity with Other States
- k. Process Improvements Related to CSLB Correspondence with Applicants and Licensees

2. Testing Program Update

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

L. Enforcement

1. Enforcement Program Update

- a. Staff Vacancy Update
- b. Consumer Investigation Highlights
- c. General Complaint-Handling Statistics
- d. Solar Task Force Objectives and Activities

M. Public Affairs

1. Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Media Relations Highlights
- d. Industry and Licensee Highlights
- e. Publication/Graphic Design Highlights
- f. Community Outreach Highlights
- g. Employee Relations, Development and Intranet (CSLBin)

N. Adjournment

The mission of the California Contractors State License Board is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.

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



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AGENDA ITEM A

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

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

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

Board Member Roster

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



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Review and Discussion of Partnership with California Building Officials to Develop Strategies to Address Underground Economy in Construction





Background

In the March 2015 report, “Level the Playing Field,” California’s Little Hoover Commission wrote that, “The underground economy robs California of an estimated \$8.5 billion to \$10 billion in overdue infrastructure investments or reduced taxes for the majority of Californians who play by the rules.” Earlier, a 2014 report by the Economic Roundtable, a public benefit research organization, found that 143,900 construction workers in California fell into the underground economy in 2011. This included 104,100 construction workers who were not reported by their employers and 39,000 who were misclassified as independent contractors. The Economic Roundtable estimated that California lost \$473 million in construction revenue, including \$264 million for workers’ compensation insurance, \$146 million for state disability, and \$63 million for state unemployment insurance.

The collaboration between the CSLB and California Building Officials aims to reduce unlicensed practice by reducing barriers to licensure and combatting the underground economy.

CALBO Annual Business Meeting 2019

On March 19, 2019, Board Member Nancy Springer, Registrar David Fogt, and Chief of Enforcement Missy Vickrey will lead a 90-minute workshop at the 57th annual CALBO business meeting. The workshop will include a proposal for CSLB to collaborate with nine building departments (three each in southern, central, and northern California) to perform a pilot program that will:

1. Identify the scope of unlicensed practice and estimate lost tax revenue.
2. Perform consumer and industry outreach to caution against the dangers of hiring an unlicensed practitioner or acting in the capacity of a contractor without a license.
3. Conduct license applicant workshops in each partnering jurisdiction. Building department and CSLB personnel will assist in promoting the workshops.
4. Track statistics related to applicants that become licensed.
5. Conduct sting operations with collaborating building departments, targeting unlicensed practitioners, identified by building officials, who fail to comply with license and permit requirements.



CSLB

PARTNERING WITH CALIFORNIA BUILDING OFFICIALS

Data to be measured and tracked in the nine pilot jurisdictions will include:

- Building permit compliance;
- Business license compliance;
- New CSLB licenses issued; and
- Employee Development Department (EDD) registrants (construction employers registered with EDD for tax reporting purposes).

AGENDA ITEM D

Presentation of Certificates of Appreciation
– May Include Oral Presentations
Commemorating Achievements and Service
of CSLB Staff, County Building Officials,
and San Diego Deputy District Attorneys



AGENDA ITEM 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



AGENDA ITEM F

Executive



AGENDA ITEM F-1

Registrar's Report

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CONTRACTORS STATE LICENSE BOARD

Sunset Review Responses

Following are draft answers from CSLB in response to the background paper prepared by legislative committee staff as part of the board's sunset review process for review, discussion, possible changes, and approval.

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. CSLB last underwent a sunset review in 2014-15.

In December 2018, CSLB submitted its Sunset Review Report to the state Legislature. As part of the review process, on February 26, 2019, the Legislature held its joint oversight hearing on CSLB. Board Chair Marlo Richardson, Past Board Chair Kevin Albanese, Registrar Dave Fogt, and Chief Deputy Registrar Tonya Corcoran represented CSLB.

Draft Responses

Committee staff prepare a background paper for legislative committee members, which includes identified issues, background, and recommendations. The board must submit written responses to the Legislature within 30 days of the hearing addressing the issues noted in the report and any additional issues that were raised during the hearing.

The material that follows includes portions of the legislative committee staff report – identification of issues, background, and committee staff recommendation – followed by the board's draft responses. The two-member advisory committee on the sunset review process, comprised of Marlo Richardson and Kevin Albanese, have reviewed the enclosed responses.

Staff Recommendation

That the Board review, make suggestions for changes, and approve the draft sunset review responses, with authorization for staff to incorporate board member recommendations and make final edits.

CSLB RESPONSES TO SUNSET REVIEW ISSUES 2018-19

The following are unresolved issues pertaining to the CSLB, new issues not previously addressed by the Committees, new issues raised by the CSLB, and other areas of interest for the Committees to consider. Committee staff have made recommendations regarding various issues or problem areas which may need further action.

ADMINISTRATIVE ISSUES

ISSUE #1: (STAFFING) What are the operational impacts of the CSLB's reported staffing challenges?
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Background: During the CSLB's prior sunset review, the CSLB identified staffing levels as an issue of concern. At that time, the CSLB reported 354 authorized positions with a vacancy rate around 40 positions, and the CSLB was concerned that the workflow would increase as the economy rebounded and more contractors were licensed, increasing both application processing needs and enforcement related issues. Ultimately, the CSLB was concerned that it would not have sufficient staff to meet potentially growing needs. Since 2015, the CSLB has seen its authorized position count grow (currently authorized for 407 positions) and has reduced vacancy rates.

Again, the CSLB has identified staffing as an issue in two specific areas: workload for complaints and the CSLB's role in disaster situations, such as the recent fires.

Complaint Workload

According to the CSLB, over the last year, the CSLB saw significant growth in the number of consumer-filed complaints. According to the CSLB, for fiscal year 2017-2018, CSLB enforcement division staff operated at higher-than-optimum workloads. The target maximum number of complaints per enforcement representative is 35, but as of July 2018, staff averaged 39 cases per representative.

An analysis of consumer complaints received during the last four fiscal years shows an increase of 1,872 complaints in fiscal year 2017-2018, as compared to fiscal year 2016-2017. This equates to approximately 150 more complaints per month, or a 10 percent increase.

Disaster Response

According to the CSLB, in 2017, CSLB personnel worked at approximately two dozen local assistance centers (established by the Governor's Office of Emergency Services) and federal disaster relief centers (established by FEMA) in 20 different counties. Although staffing for these events requires contributions from many units within CSLB, the majority of staff assigned to these centers came from the enforcement division. In 2017, 52 CSLB employees worked a total of almost 3,600 hours at the relief centers—the equivalent of 90 work weeks. The CSLB further reports, "This total does not include the extensive post-disaster enforcement efforts conducted by CSLB during community rebuilding. With thousands of staff hours redirected to the disaster areas, the

impact on the Enforcement Division has been substantial, and has led to a decrease in the timely handling of complaints. Unfortunately, all indications are that 2017 was not an anomaly. It appears that the frequency and severity of wildfires in California will continue to outpace historical averages and continue to adversely affect CSLB's routine operations."

The CSLB reports that it has submitted five budget change proposals over the four FYs, and has received six permanent and two limited staff positions to address staffing needs based on recently enacted legislation. For FY 2019-2020, the CSLB is requesting a staffing augmentation of 2.0 permanent positions (1.0 Enforcement Representative II (ER II) and 1.0 Office Technician Typing (OT)) and \$217,000 in 2019-20 and \$201,000 in 2020-21 and ongoing to address the additional workload and implement the mandates associated with SB 1465 (Hill, Chapter 514, Statutes of 2018). The current BCP is under consideration through the annual budget process.

Committee Staff Recommendation: The CSLB should advise the Committees on its current staffing issues and future concerns. The CSLB should advise the Committees on processes for cross-training staff and managing workloads based on departmental needs and changes.

CSLB RESPONSE TO ISSUE #1:

CSLB has 407 authorized positions and over the past year staff has made significant progress in reducing the vacancy rate, which is now consistently around 20 positions, or less than 5 percent of the board's workforce. This success is attributable, in large part, to our in-house personnel unit and the strong relationship we have with DCA's human resources team.

The board's staff is also adaptable. In the past two years CSLB's disaster response, the number of incoming complaints, and, more recently, the receipt of applications have all increased markedly. Cross-training staff, so they can be quickly redirected for unexpected events, like disaster response, has so far minimized the effect on workloads in both licensing and enforcement. CSLB has also continued to implement new licensing efficiencies, such as providing online fillable forms, to help keep processing times low.

However, should the board continue to see increases in workload, leading to unacceptable processing times and delays in responding to consumer complaints, we may seek additional staff through the budget change proposal process.

<p>ISSUE #2: (BOARD MEMBER VACANCIES) Do vacancies affect the CSLB's ability to meet and undertake its important work?</p>

Background: The CSLB's 15-member board is statutorily constructed and has a vital role in the overall operation of the CSLB. Board members are responsible for appointing the Registrar, and setting the administrative and legislative policy for overall operations.

As required in BPC § 7002, board members are comprised of 7 industry members including five contractor members, one labor representative and one local building official. The remaining eight public members include one representative of a statewide senior citizen organization. As of January 1, 2018, the CSLB had three vacancies on its board. On January 4, 2019, former Governor Brown appointed a public member to fill one of the three vacancies. There are currently two vacancies both are Governor appointees, a "C" contractor member; and a public member from a statewide senior citizen organization. CSLB does not note any issues with achieving a quorum because of the vacancies. Although there was one recent appointment, the positions had been vacant since mid-2018. In the CSLB's 2015 sunset review, it was reported that the CSLB had two vacancies then as well.

Committee Staff Recommendation: The Board should advise the Committees about any issues with the current board member vacancies. Does the CSLB anticipate any quorum issues at future meetings? How is the CSLB working with the Governor's office to encourage the appointments of the two remaining vacancies?

CSLB RESPONSE TO ISSUE #2:

The board does not have any concerns about the two current member vacancies, either in regard to ensuring a quorum for future meetings or in fulfilling its responsibility in directing administration and legislative policy. It is not unusual for board vacancies to remain open for 6-to-12 months, and the board has not had any problems over the past four years establishing a quorum for meetings. The two current vacancies are governor appointees, and while the new gubernatorial administration navigates a considerable number of statewide appointments CSLB continues to work closely with DCA's office of Board and Bureau Relations on board member appointments.

<p>ISSUE #3: (IMPLEMENTATION OF RECENT LEGISLATION) Numerous measures have been enacted since the prior review affecting the Board's operations and licensees. How does CSLB effectively implement so many changes?</p>
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Background: Since 2015, there have been 28 measures chaptered into law, which effect a multitude of operations at the CSLB including its regulatory authority, licensees, applicants and the industry of which it regulates. Much of the chaptered legislation requires the CSLB to change or alter existing practices, provide reports, convene stakeholder groups, update examinations, and change application or licensure requirements, along with altering enforcement capabilities. Roughly, 35% of the recent legislation was sponsored by the CSLB; however, industry-related organizations or members of the Legislature sponsored the remaining 65%.

Statutory changes have serious impacts on the regulatory population of the CSLB. While many licensees and members of the public follow legislative activities affecting the CSLB, many do not and rely solely on the CSLB to provide updates on issues. As noted above, the CSLB does maintain a useful website, but there may be other mechanisms the CSLB could utilize to inform licensees, consumers, industry

representatives, local building officials and others about changes to the contractors' license law.

Committee Staff Recommendation: The CSLB should advise the Committees on how it adapts to numerous legislative changes and requirements. Further, the CSLB should advise the Committees on any budget, operations, or staff-related issues resulting from the recent changes to the contractors' license law.

CSLB RESPONSE TO ISSUE #3:

All legislation related to CSLB licensees, applicants, consumers, and internal operations are analyzed to determine their effect. CSLB adapts to new legislation in different ways, depending on the legislative requirements and, when necessary, will request additional resources to ensure that the board meets statutory mandates.

For example, SB 561 (Monning, Chapter 281, 2015) required CSLB to alter forms and change processes for registering home improvement salespersons, but also created new efficiencies by allowing registrants to work for multiple licensees. To assist disaster survivors, CSLB met the mandates of AB 2486 (Baker, Chapter 270, 2016) to provide a website search function for licensed contractors by geographic area one year early. And, to implement AB 2138 (Chiu and Low, Chapter 995, 2018), CSLB is amending regulations, updating its licensing system to track new statistics, and establishing new protocols to obtain court records to meet the mandates of this new legislation.

CSLB utilizes several mechanisms, in addition to its website, to publicize relevant information for its stakeholders. These include: posts to various social media channels; regular issuance of a newsletter; an email alert system for more than 174,000 subscribers; annual publication and distribution of the *California Contractors License Law and Reference Book*; hosting numerous outreach events for seniors, potential applicants, and consumers; participation at various home and industry shows; and production of live and archived webcasts of board and committee meetings.

BUDGET ISSUES

<p>ISSUE #4: (FUND CONDITION). Boards under the DCA are typically expected to maintain a fund reserve of 6 months. CSLB's expenditures are increasing and reserve funds are decreasing. What accounts for this trend and is CSLB concerned?</p>
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Background: According to the CSLB's 2018 Sunset Review Report, the CSLB's projected months in reserve is 1.9 months down from 4.7 months (a 58% drop) since FY 2014-2015. The Expenditures have remained relatively consistent since FY 2014-2015; annual expenditure totals have remained between \$60,773 in FY 2014-15 and \$62,200 in FY 2017-18 (2.3% annual increase).

Committee Staff Recommendation: The CSLB should advise the Committees on its current fiscal situation, and the current trend of declining reserves, including what steps CSLB is taking to ensure a healthy fund.

CSLB RESPONSE TO ISSUE #4:

Over the past four years, a series of expenditures increased CSLB's spending by roughly \$3 million per year, which led to a slow decline in reserves. This resulted from increases in operational costs, most significantly in personnel, statewide pro rata, disaster response, and one-time expenditures for facility improvements. Despite this, CSLB went six years before implementing a fee increase in 2017.

The 2017 fee increase was projected to produce an additional \$5 million in revenue annually to ensure that CSLB's budget remains balanced. For the current fiscal year, CSLB is on pace to exceed revenue projections for the year and projects to maintain a steady reserve.

The board continues to be fiscally prudent with its resources and regularly seeks ways to reduce expenditures without compromising consumer protection, such as the recently approved informal citation conferences (SB 1042, Monning, Statutes of 2018), which will reduce CSLB legal fees. Staff also provide budgetary updates at each board meeting. Finally, although there is no current plan to raise fees, CSLB can address any unforeseen increases in expenses by raising fees via regulation.

<p>ISSUE #5: (PRO RATA). CSLB is prohibited from paying over 10 percent of its total income to DCA pro rata. Is CSLB and DCA in compliance with this statutory limit?</p>
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Background: Like many other DCA entities, the CSLB is required to pay a share of its revenue to the DCA for services provided. DCA is 99% funded by a portion of the licensing fees paid by California's state-regulated professionals in the form of "pro rata." Pro rata funds DCA's two divisions, the Consumer and Client Services Division (CCSD) and the Department of Investigations (DOI). Service areas under the CCSD include the Administrative and Information Services Division which includes the Executive Office, Legislation, Budgets, Human Resources, Business Services Office, Fiscal Operations, Office of Information Services, Equal Employment Office, Legal, Internal Audits, and SOLID training services), the Communications Division (Public Affairs, Publications Design and Editing, and Digital Print Services), and the Division of Program and Policy Review (Policy Review Committee, Office of Professional Examination Services, and Consumer Information Center. Pro rata is primarily apportioned based on the number of authorized staff at each board, regardless of how much of DCA's services the boards say they use. DCA also charges boards based on actual use for some services, such as the Office of Information Services, the Consumer Information Center, the Office of Professional Examination Services, and DOI. Based on DCA's own figures, actual pro rata, costs for every board have increased since FY 2012-2013.

BPC § 7136 prohibits the DCA from taking more than 10% of the CSLB's total income for the CSLB's share of the cost of administration. According to the CSLB, the percentage paid in DCA pro rata during the last four FYs is as follows: FYs 2014-2015 10.8%; FY 2015-16 11.55%; FY 2016-2017 11.5%; and, FY 2017-2018 10%. The CSLB projects spending 10% for pro rata in FY 2018-2019 as well. Although the CSLB's pro rata is fairly close to the statutory allotment, in three of the last four FYs years, the CSLB has provided more than the statutory authority.

Committee Staff Recommendation: The CSLB should explain to the Committees if the current statutory cap has any impact on the CSLB's ability to perform its oversight functions. What steps does the CSLB take to ensure that only the maximum authorized in statute is provided for administrative purposes?

CSLB RESPONSE TO ISSUE #5:

In fiscal year 2017-18, CSLB notified DCA that it had paid more than 10 percent in pro rata for the prior fiscal year. DCA quickly rectified the oversight once it was brought to their attention. In fiscal year 2017-18, CSLB operated with a pro rata rate of 9.8 percent of the board's appropriations. DCA will continue to provide pro rata calculations annually, which CSLB staff will review for accuracy.

Though CSLB maintains its own information technology unit, testing and examination unit, call center, and public affairs office, DCA does provide administrative and other services to CSLB and deals directly with all control agencies (Department of Finance, Department of General Services, State Controller's Office, and California Department of Human Resources).

The board believes that the current 10 percent cap on CSLB's pro rata contribution to DCA is fair, based on the services utilized, and is an amount that does not negatively affect CSLB's ability to appropriately regulate the construction industry and protect consumers.

LICENSING ISSUES

ISSUE #6: (EXAMINATION PASSAGE RATES) Why are some examination passage rates so low?

Background: In order to obtain any contractor's license, an applicant must take and pass both a trade examination and a California Law and Business examination unless they have qualified for a waiver of the examination. In Table 8, on page 59, in the CSLB's 2018 sunset review report, there is a list of each examination administered by the CSLB, the passage rate of each examination for both first-time and repeat test-takers (those who failed passage the first time), and the combined total of both during the last four FYs. Across all 46 classifications, the CSLB reports a passage rate of 69% for all of its examinations, down 5% from FY 2014-2015 when 74% of first-time test

takers passed the examinations (the total number of test takers has significantly increased from FY 2014-2015 to 2017- 2018 by roughly 35%). Although 69% is the average passage rate for all examinations in FY 2017-2018 for first-time test takers, there are some notable lower passage rates for a number of the contractor classifications: “General B”, 60%; C-2 37%; C-6 57%; C-9 48%; C-13 51%; C-28 39%; C-35 54%; C-42 44%; and, 48% for asbestos certification, to name a few. The CSLB develops its licensing examinations with the aid of industry experts, and each examination goes through an occupational analysis approximately every five to seven years.

Committee Staff Recommendation: The CSLB should advise the Committees on efforts to improve examination passage rates. The CSLB should advise the Committees on why some examinations have lower passage rates than others.

CSLB RESPONSE TO ISSUE #6:

CSLB’s examinations are designed to test for minimum competency to ensure that all candidates who pass are ready to practice their trade in a safe and competent manner. The examination development process, which occurs every five-to-seven years, which includes an occupational analysis, determines the passing standard that candidates must meet. CSLB’s development of this standard for each of its exams follows industry accepted standards. In addition, CSLB’s examination development model was used to develop the National Commercial General Building Contractor exam, which has a comparable passage rate to CSLB’s overall passage rate.

Each trade varies in regard to training and experience, which can lead to different passage rates. Specifically, the lower passage rates for the C-2 (Insulation and Acoustical) examination and the C-28 (Lock and Security Equipment) exam are likely the result of many C-2 candidates specializing in one aspect of the trade but not both, and many C-28 candidates coming to the examination with four years of journey-level experience performing simpler locksmith work but not adequately preparing for an exam that covers the breadth of this complex electronics-based trade.

To assist candidates who may not have experience in the full breadth of their trade, CSLB offers free examination study guides. These documents tell candidates what to expect on the day of the exam, including what content they will be tested on. The guide also provides sample questions and study resources to help them prepare for the examination.

<p>ISSUE #7: (LICENSING AND CERTIFICATIONS) Are there any certification and licensing requirements that CSLB needs to update?</p>
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Background: The CSLB licenses and regulates approximately 285,000 licensees in 44 licensing classifications and 2 certifications and registers approximately 18,000 Home Improvement Salespersons. Each licensing classification specifies the type of contracting work permitted in that classification. To obtain licensure in each

classification, applicants are required to take and pass both a trade examination and a Law and Business examination. If an individual seeks licensure in two separate classifications (e.g., C-10 Electrical and C-39 Roofing), the individual must take and pass both trade examinations. Licensees may not perform work outside of a classification without having the appropriate license to do so, unless they are a “B” general contractor who is able to take a prime contract or subcontract for projects involving other trades as long as framing and carpentry (i.e., the C-5 trade) is not counted among those other trades.

Although the examination, experience, workers’ compensation, and bonding requirements are consistent amongst the different classifications, there are instances where certain contracting classifications are required to have additional certifications or meet other requirements based on the work performed within that classification.

For example, LC § 108.2(a) requires persons who perform work as electricians to become certified and prohibits uncertified persons from performing electrical work for which certification is required and specifies that certification is only required for persons who perform work as electricians for contractors licensed as class C-10 electrical contractors. Specifically, each person who performs work as an electrician must obtain the certification. C-10 license holders are not required to obtain the separate certification; however, the employees that work under the C-10 contractor’s license are required to obtain certification.

Additionally, a general building contractor may not contract for any project that includes the “C-16” Fire Protection classification as provided for in BPC § 7026.12 or the “C-57” Well Drilling classification as provided for in Section 13750.5 of the Water Code, unless the general building contractor holds the appropriate license classification, or subcontracts with the appropriately licensed contractor. (BPC §7057).

It is unclear how often, or if at all, the CSLB reviews its licensing classifications to determine if additional certifications or other requirements should be included for its licensing population.

Committee Staff Recommendation: The CSLB should explain to the Committees its processes for reviewing and revising new work or certification requirements for its various licensing classifications. Are there any updates needed?

CSLB RESPONSE TO ISSUE #7:

A few of CSLB’s license classification also require additional certifications issued by other California state agencies. These certifications are outside of CSLB’s jurisdiction. For example, while CSLB licenses electricians, asbestos removers, and fire suppression system contractors, it does not certify them. They are certified, respectively, by the Department of Industrial Relations’ Division of Labor Standards Enforcement, the Department of Industrial Relations’ Division of Safety and Health, and CalFire. Because CSLB does not issue or administer supplemental certifications, the

board does not have a process to review or revise them for these or other classifications. However, CSLB does have a memorandum of understanding with DLSE, DOSH, and the Division of Apprenticeship Standards to discuss enforcement of certification requirements.

ENFORCEMENT ISSUES

ISSUE #8: (ENFORCEMENT PRIORITIES) Do CSLB's enforcement priorities continue to prioritize consumer safety and public protection?
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Background: The CSLB's mission "is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction." Two of the ways in which CSLB accomplishes its missions is by enforcing the laws, regulations, and standards governing construction in a fair and uniform manner and providing resolution for disputes that arise from construction activities. CSLB's enforcement staff have authorization under the contractors' license law to investigate complaints against licensees, non-licensees acting as contractors, and unregistered home improvement salespeople. In addition, the CSLB may refer cases involving criminal activity to district attorneys who may prosecute cases under the BPC and other applicable codes.

As noted in issue number 1) above, the CSLB identified enforcement staffing as an issue for enforcement operations. According to the CSLB, complaints have increased and enforcement division staff are "operating at higher-than-optimum caseloads." The CSLB reports that enforcement management is working with the CSLB, and the DCA human resources department to fill job vacancies as quickly as possible.

As part of its enforcement unit, the CSLB also takes actions against unlicensed individuals who may be providing services for which a license is required. The CSLB notes that unlicensed activity and the underground economy continues to be a problem for the CSLB. Unlicensed contractors avoid the legal requirements to comply with the law, which may include avoiding the workers compensation requirement law or obtaining the appropriate construction-related permits.

As part of its efforts to address the underground economy, the CSLB established the Statewide Investigative Fraud Team, which is a statewide program that focuses on underground economy and unlicensed operators. When participating in the activities of the Joint Enforcement Strike Force on the Underground Economy pursuant to Section 329 of the Unemployment Insurance Code, the enforcement division has the authority to visit any construction site with labor present ask contractors to produce proof of licensure in good standing, citing those who are not properly licensed.

The CSLB reports that it is mostly meeting its internal and statutory timeframes for enforcement workload, however, it was noted in its 2018 Sunset Review Report that enforcement cases exceeding 270 days has increased since FY 2014-2015. In FY

2017-2018, the CSLB reported that 119 cases exceed the Board's goal of completing investigations within 270 days of receipt. The CSLB attributes aging cases to the redirection of enforcement staff to disaster response, an increase in complaints received, an increase in accusations filed, and an increase in the number of citations issued. Increased workload amount can affect the functions of the CSLB's enforcement operations.

CSLB's enforcement program extends beyond complaint investigations and those involving the underground economy. The CSLB's enforcement extends to various compliance issues including, workers compensation requirements, the electrical certification requirements, advertising requirements, and newly enacted mandatory settlement reporting requirements, among others. As part of its application review process, the CSLB reviews all applications for previous disciplinary actions and criminal history. As part of that review, the licensing unit and enforcement unit are coordinated in efforts to ensure that applicants for licensure are accurately reflecting any past disciplinary outcomes as well as criminal convictions.

How the CSLB determines its enforcement priorities has been an issue identified during prior sunset reviews of the CSLB. The CSLB notes in its responses to issues identified during the last sunset review that enforcement staff across the state typically focus on consumer filed complaints, the majority of which are against licensed contractors. Issues identified from previous reports, were critical of the CSLB' attention to unlicensed contractors rather than focused enforcement of current licensees. Given that the CSLB reports that most of its enforcement efforts now address current licensees, it would be helpful to understand how the CSLB addresses enforcement needs and determines enforcement priorities.

Committee Staff Recommendation: The CSLB should advise the Committees on its enforcement priorities. How does the CSLB determine the focus of enforcement pertaining to licensed and unlicensed populations? Is the CSLB aware of any consequences when the focus shifts too far in one direction?

CSLB RESPONSE TO ISSUE #8

Allocating CSLB's enforcement resources to investigate licensed versus unlicensed contractors is an ongoing balancing act. Activities include "reactive" efforts, which include responding to and investigating incoming complaints, and "proactive" efforts, involve sweeps of active construction sites and undercover stings to ensure compliance with laws and regulations.

To maximize consumer protection, the majority of CSLB's Enforcement division staff are dedicated to reactive enforcement activities: handling, mediating, and investigating consumer construction complaints. In 2018, CSLB completed more than 20,000 investigations. Approximately 15,000 of these resulted from consumer filed complaints, with about 70 percent filed against licensees, and 30 percent against unlicensed contractors.

The board feels its current determination of enforcement priorities is appropriate and annually reviews an enforcement priority matrix that was established in 2013. The matrix prioritizes complaints that involve an immediate threat to public safety, criminal activity, or widespread victimization of vulnerable populations. Consumer complaints are handled promptly and effectively, while CSLB's proactive enforcement efforts remain both aggressive and widespread. The board receives regular updates about current operations and workload and provides management with enough operational flexibility to allow the temporary redirection of personnel when necessary, such as enhanced enforcement in disaster areas.

ISSUE #9: (WORKFORCE DEVELOPMENT AND DISASTER RESPONSE)

California has faced a series of devastating natural disasters, the recovery from which typically includes a role for contractors. What steps has CSLB taken to coordinate with various agencies to ensure consumers in these situations are provided quality services and fraud is prevented?

Background: The CSLB partners with other state and federal agencies in response to natural disasters to help those whose homes, businesses, and/or property were damaged or destroyed. According to the CSLB, they provided staff for more than two dozen local assistance centers established by the Governor's Office of Emergency Services and disaster relief centers established by FEMA. The centers, which were open from one day to one month, provided a single location for disaster survivors to receive services and information. The CSLB notes that its response to the disasters placed a significant workload strain on CSLB. From fall 2017 through June 2018, CSLB employees, mostly from its enforcement division, worked almost 3,600 hours at the relief centers—the equivalent of 90 work weeks (not including enforcement sweeps and sting operations in the various fire zones, or the time involved in investigating leads provided by survivors, industry groups, local building departments, and others). CSLB reports that the increased workload has led to a decrease in the number of closed complaints.

Committee Staff Recommendation: The CSLB should advise the Committees on its disaster response systems. What processes does the CSLB have in place to quickly transition staff to assist in disaster response situations when needed? The CSLB should update the Committees on how it helps to ensure a licensed workforce is available to meet the needs for rebuilding and other clean-up efforts. Does the CSLB forecast any workforce shortages or concerns?

CSLB RESPONSE TO ISSUE #9

Over the past four years, CSLB has aggressively expanded its disaster response program, and has committed to cross-training staff to ensure that the board can quickly redirect resources when needed. This effort has focused particularly on helping to educate survivors who need to hire someone to repair or rebuild their homes. CSLB has posted hundreds of warning signs in disaster zones throughout the state noting that it is

a felony to work as an unlicensed contractor in a declared disaster area, including in Butte, Lake, Los Angeles, Mendocino, Napa, Orange, San Diego, Santa Barbara, Shasta, Sonoma, and Ventura counties; coordinated numerous rebuilding workshops for survivors and contractors looking to work in these areas; and distributed educational material at assistance centers and in other locations.

While CSLB does not specifically create jobs in construction or train workers, to help ensure a licensed workforce is available to meet the needs in disaster zones, CSLB expedites applications for those seeking to work in these areas and also prioritizes applications from those already licensed in states with which the board has a reciprocity agreement. Additionally, as noted in response to Chairman Low's question about this issue at the February 26, 2019 oversight hearing, CSLB has asked the National Association of State Contractors Licensing Agencies (NASCLA) to share information about work requirements in California with its other member states.

Also, beginning in November 2017 in northern California, and in February 2018 in southern California, CSLB has held monthly licensing workshops in English and Spanish to assist individuals seeking licensure. In the past we have also partnered with several day laborer centers and the Mexican Consulate to present this same information to potential applicants. CSLB is currently developing plans to expand these workshops, as well as to continue partnering with local agencies to hold workshops in disaster areas for those who want to work on the rebuild.

Additionally, in the months following the October 2017 northern California wildfires, CSLB served on a joint Wildfire Recovery Long-Term Housing Task Force working group established to help identify the availability of a skilled construction workforce. CSLB reached out to a number of stakeholders to secure their involvement with the project. The group developed a resource guide for licensed contractors, job seekers, local governments, and workforce developers that identifies existing training programs for individuals interested in entering the construction industry in the North Bay Area.

Lastly, for almost 30 years, CSLB has served as the conduit for the industry to help fund the education of the next generation of construction leaders. CSLB oversees the "Construction Management Education Sponsorship Act," which funds grants to university Construction Management Departments. Generous donations from licensees and applicants have allowed CSLB, since 2002, to disburse more than \$1.3 million in grants to seven different universities.

<p>ISSUE #10: (WORKERS' COMPENSATION) Should the CSLB be authorized to mandate that additional license classifications have workers' compensation insurance?</p>

Background: Licensees are required to obtain workers' compensation insurance or have a workers' compensation exemption on file with the CSLB if they qualify. Those licensees with employees must file with the CSLB either a Certificate of Workers' Compensation Insurance or a Certificate of Self- Insurance (issued by the Department

of Industrial Relations). Licensees without employees are required to file a workers' compensation exemption with the CSLB (BPC § 7125). Licensees with a workers' compensation exemption are required to recertify on their renewal application that they do not have employees each time they renew a license. According to the CSLB, 55% of its licensing population maintains an exemption from workers' compensation, meaning that licensees report having no employees. If a contractor files a false workers' compensation exemption, they may be subject to disciplinary action, including the suspension of a license.

Concerned about the potential of fraudulent workers' compensation exemptions, the CSLB conducted a pilot project in Sacramento County during the first quarter of 2017. Through that program, the CSLB contacted a sample of contractors in four targeted classifications that perform outdoor construction (likely to require multiple employees): C-8 (Concrete), C-12 (Earthwork/Paving), C-27 (Landscaping), and D-49 (Tree Trimming). According to the CSLB, the results of the survey found that a minimum of 59% of the contractors investigated had filed false workers' compensation exemptions with the CSLB.

In 2018, the CSLB discussed a statutory change to mandate workers' compensation insurance for specific license classifications likely to employ workers (as required for C-39 roofing), and preclude licensees from filing a new workers' compensation exemption with CSLB for one year if they are found to have employed workers without a workers' compensation policy.

The legislative proposal to consider mandating workers' compensation insurance for specified license classifications received full support from CSLB board members at its September 2018 meeting, and subsequently adopted as a 2019-21 strategic plan objective. The additional licensing classifications that would be required to have workers' compensation insurance, regardless of employee status is as follows: C-8 (Concrete) D-49 (Tree Service) and C-16 (Fire Protection).

Committee Staff Recommendation: The CSLB should inform the Committees of any other options to ensure compliance with workers' compensation requirements. Does the CSLB inspect or attempt to verify if a workers' compensation exemption form is valid? Can the CSLB explain how it identified the specialty licenses, which would be subject to this requirement?

CSLB RESPONSE TO ISSUE #10

To help ensure compliance with workers' compensation requirements, all applicants for licensure must either provide proof of workers' compensation insurance or certify that they do not have employees and are, therefore, exempt from the requirement before CSLB will issue an initial license. Subsequently, licensees with a policy must provide CSLB proof of renewal when the policy expires or recertify their exemption from the requirement when renewing their contractor license with CSLB.

CSLB regularly reminds licensees about the importance of complying with this requirement in communications to the industry through newsletters, industry bulletins, and social media, and also encourages consumers to ask about coverage. In 2017, CSLB created a process for electronic submission of workers' compensation paperwork to ease compliance for licensees.

CSLB engages in regular enforcement actions around workers' compensation insurance compliance, including responding to leads, conducting undercover stings, engaging in sweeps of active job sites and issuing stop orders if a workers' compensation violation is found, and partnering with other state agencies, including the Joint Enforcement Strike Force.

CSLB can also cancel a false workers' compensation exemption and suspend the license. However, this is not always effective since a contractor can immediately file a new exemption to avoid license suspension. Since 2015, in response to consumer complaints, on average, 49 percent of those referred for license suspension filed new workers' compensation exemptions, 39 percent acquired policies, and less than 12 percent resulted in license suspension. The board has previously discussed a possible legislative proposal to preclude licensees from filing a workers' compensation exemption with CSLB for one year if they are found to have filed a false exemption.

The specialty license classifications identified as potentially subject to a mandatory workers' compensation requirement were selected because the nature of the work involved most likely involves employee labor, such as concrete, because there are particular safety concerns, as with tree service workers, and because, in the case of fire protection, the classification is required to have certified employees, which would require the licensee to carry workers' compensation insurance.

CSLB plans to hold stakeholder meetings with both insurance and industry representatives to discuss the possibility of proposing legislation that would mandate workers' compensation coverage in these classifications and to develop strategies for appropriate auditing so that such a change would not lead to higher premiums. Representatives from these three industries have expressed support for this requirement.

ISSUE #11: (TREE WORKER SAFETY) Should the CSLB have expanded enforcement authority for contractors who perform tree work?

Background: According to information provided by the CSLB, since August 2017, CSLB staff has met several times with members of the tree care industry regarding the proper CSLB license classifications to perform tree care. Members of the industry expressed concern about accidents, injuries, and fatalities among workers in this occupation. Two CSLB license classifications may perform stand-alone tree work: C-27 (Landscaping) and C-61/D-49 (Tree Service). Additional license classifications may perform tree work as part of a larger contract in specified circumstances.

At the CSLB's April 2018, meeting, the board directed staff to meet with representatives from the Department of Industrial Relations' Division of Occupational Safety and Health (DOSH) and hold informational meetings with various stakeholders to identify possible solutions to the concerns raised regarding safety. In these meetings, DOSH confirmed that existing safety regulations require specific training and equipment for tree workers and that it may issue a citation to employers for failing to meet these requirements. However, BPC §7109.5 requires that, before CSLB can discipline a license, a contractor's violation of a safety provision must result in the death of or serious injury to an employee. The CSLB would like to see increased oversight beyond death or serious injury.

At its September 20, 2018 meeting, board members directed staff to prepare a legislative proposal for consideration by the Legislative Committee and, ultimately, the full Board. The proposal would expand BPC §7109.5 to provide CSLB authority to initiate disciplinary action against a licensee upon receipt of a DOSH finding that a licensee violated tree worker safety requirements and require that DOSH forward findings of such violations to CSLB.

Committee Staff Recommendation: The CSLB should advise the Committees on the number of additional enforcement actions that would have resulted from this change. The CSLB should advise the Committees on what its anticipated enforcement penalties for a violation would be.

CSLB RESPONSE TO ISSUE #11:

According to the Department of Industrial Relations, in 2018, DOSH issued 45 violations to California employers related to its tree worker safety regulations. If DOSH was mandated to report this information to CSLB, that would have likely resulted in 45 enforcement actions by CSLB against these contractors for violation of safety regulations that do not involve serious death or injury.

The anticipated penalties for a violation would closely mirror those in BPC section 7110, which ranges from \$200 to \$5,000.

TECHNOLOGY ISSUES

<p>ISSUE #12: (BreEZe) What is the status of the CSLB's technology system upgrade? Does the CSLB need a new IT system?</p>

Background: DCA has been working since 2009 to replace multiple antiquated standalone IT systems with one fully integrated system used consistently across all regulatory entities. That project, commonly referred to as BreEZe, was planned to be implemented in three releases, or phases. The CSLB was slated to be a part of the third release. Unfortunately, due to numerous cost overruns, technical delays, and product inefficiencies, in 2015 the DCA-led technology upgrade was stopped, effectively canceling the BreEZe system for those entities in the third release. Special Project

Report 3.1 outlined the changing scope and cost of the BreEZe project and removed all Release 3 entities from the project entirely.

As a result, numerous regulatory entities, including the CSLB, did not transition to the new IT system. Payment for the entire technology upgrade was the responsibility of the boards, bureaus and commissions under the DCA umbrella. Presumably, the decision to include all entities regardless of need was to spread the costs of the system across the entire regulatory landscape. However, the remaining boards and bureaus that never transitioned to the BreEZe system were still required to pay the costs associated with the project. As of FY 2017-2018, the CSLB's contributions to the BreEZe project has been \$4,255,555, a hefty figure for an IT project it will not, and has not received any benefit. The CSLB reports that beginning in FY 2018-2019, it will no longer contribute to the BreEZe system. Any costs already contributed to the system will not be paid back to the CSLB, even as the CSLB is facing a depleted reserve level of 1.9 months for FY 2019-2020.

Prior to 2009, when the BreEZe project began, the CSLB had and continues to utilize, its own Information Technology (IT) system and department. The CSLB's IT division supports all of its licensing and enforcement programs along with its website, public outreach and all other routine functions of the CSLB. CSLB's IT division has approximately 25 personnel. The CSLB notes that its IT system is effective and efficient; however, the CSLB notes that it continues to seek upgrades to its own system including an upgrade to application processing to help reduce the number of deficient applications it receives. According to CSLB, in FY 2018-2019, it spent approximately \$2.9 million on its IT division staff and operations.

In the CSLB's sunset report, it notes that release 3 boards and bureaus, which include the CSLB, are individually, and in collaboration with DCA, assessing their specific business needs to determine the best course of action for a replacement for the BreEZe project. DCA currently has no formal plan to expand BreEZe to the 19 boards originally included in Release 3. Instead, DCA first intends to conduct a cost-benefit analysis for Release 3 boards and then make a decision about whether programs previously slated for Release 3 of the project will come onto BreEZe and, if so, how it will be implemented. It is not clear whether the system has been evaluated to determine if it will meet the needs of Release 3 entities like the CSLB or whether or not a transition to the new upgraded system is valuable or even necessary, especially for the CSLB which currently has its own unique IT infrastructure.

AB 97 (Ting, Chapter 14, Statutes of 2017) and SB 547 (Hill, Chapter 428, Statutes of 2017) required the DCA to provide specified reports to the Legislature on the status of the DCA's technology projects. Both bills required the director of the DCA to report progress on Release 3 entities' transition to a new licensing technology platform to the Legislature by December 31 of each year. Information included in the progress report is to include updated plans and timelines for completing: business process documentation; cost-benefit analyses of IT options; IT system development and implementation; and,

any other relevant steps needed to meet the IT needs of release 3 entities along with any other information requested by the Legislature.

Because the CSLB is included in the release 3 entities, it is required to be a part of the director's annual report. The director's report noted the following with respect to the CSLB in DCA's report to the Legislature on the status of its technology projects:

Summary of Business Activities

Level of Effort:

During the 2018 reporting period, the board and OCM staff held 10 exclusively for business activities, which includes process documentation, review, approval, discussions, business use case and functional requirements gathering. The team is in the midst of the process and continues to work towards completion.

Deliverables during Business Activities

Process Workflow Documentation Listing:

Business activities for the Contractor State Licensing Board are underway. To date, the board and OCM have completed the workflow documentation for the following processes.

The information provided in the director's report regarding the CSLB's technology modernization does not fully explain the CSLB's current technology system and its need or desires to move to new IT system.

Committee Staff Recommendation: The CSLB should update the Committees about its current information technology system and how a new DCA-wide platform would be beneficial or any concerns moving to a new system.

CSLB RESPONSE TO ISSUE #12

CSLB's in-house Information Technology unit maintains three specific computer systems for exams, licensing and enforcement, and imaging/workflow. CSLB is working closely with DCA to modernize these current systems. Priorities include the capacity to accept online payments and electronic signatures, both of which can be incorporated into the board's existing systems.

In 2018, the board established a two-member information technology advisory committee to provide oversight on IT project and priorities.

Although, as a release 3 board, CSLB is no longer part of the BreEZe project and no longer contributes financially to its costs, the board's earlier involvement provided a valuable opportunity to document existing and future business processes and needs

that will help in the effort to modernize the board's existing systems. However, because CSLB has its own information technology systems and staff to implement incremental changes and does not rely on DCA to do so, the board does not believe CSLB needs to be included in DCA's annual reporting to the legislature on the status of the BreEZe system.

OTHER ISSUES

ISSUE #13: (TECHNICAL CHANGES MAY IMPROVE EFFECTIVENESS OF THE LAW ADMINISTERED BY CSLB.) There are amendments to the various practice acts that are technical in nature but may improve CSLB operations and the enforcement of those laws.

Background: There may be a number of non-substantive and technical changes to the contractors' license law, which may improve efficiencies. Since the CSLB's last sunset review in 2015, the CSLB has sponsored or been impacted by more than 20 pieces of legislation which address all or parts of the CSLB's duties, oversight authority, licensing requirements and examination standards, among others. As a result, there may be a number of non-substantive and technical changes to the contractors' law, which should be made to correct deficiencies or other inconsistencies in the law.

Because of numerous statutory changes and implementation delays, code sections can become confusing, contain provisions that are no longer applicable, make references to outdated report requirements, and cross-reference code sections that are no longer relevant. The CSLB's sunset review is an appropriate time to review, recommend and make necessary statutory changes. For example, AB 1070 (Gonzalez-Fletcher, Chapter, Statutes of 2017) amended BPC § 7169 by requiring the CSLB to develop a "solar energy disclosure document". In BPC § 7169 (c), there is an incorrect reference to the "disclosure document" as a "disclose document". A technical correction is recommended. Any changes to the CSLB during the sunset review and subsequent legislation would be an appropriate place to update any technical deficiencies similar to the above noted.

Committee Staff Recommendation: The CSLB should recommend any technical and non-substantive clean-up amendments for BPC § 7000 et seq. to the Committees.

CSLB RESPONSE TO ISSUE #13

CSLB has identified no additional technical changes to contractors' state license law beyond the one identified in the background information presented above and has no requests at this time.

ISSUE #14: (LLCs). Do timeframes outlined for compliance with LLC filing requirements need to be updated to better reflect how long the process can take?

LLC Liability Policy: BPC § 7071.19 requires a license holder as a limited liability company (LLC) to maintain a general liability insurance policy at all times as a condition of licensure. The number of persons on the personnel of record will determine the amount of insurance the LLC must maintain. BPC § 7071.19(f) requires the applicant or license holder renewing an application to provide the required insurance information to the CSLB. Additionally, insurer companies are required to report to the registrar including the name, license number, policy number, dates that coverage is scheduled to commence and lapse, date and amount of any payment of claims, and cancellation date if applicable. The CSLB raised an issue that it is having difficulty securing the required information from the insurance companies in a timely manner. If the CSLB does not have the information on record, it will suspend the license. The CSLB reports that insurance providers are not always timely in submitting the required information to the CSLB. In some cases, the licensee may have submitted the required insurance documents, but the insurance provider has not. If the CSLB does not have both records of insurance on file, the CSLB reports that the license must be suspended.

In its Sunset Review Report 2018, the CSLB proposed a statutory modification regarding BPC §7071.19 to allow the insurance provider and applicants 45 days to provide the required insurance documents. The CSLB notes that a licensee would still be required to submit the certificate of insurance compliance without a break in general liability insurance coverage or the suspension would still apply. Under current law, the CSLB reports that if the CSLB gets a report that a workers' compensation policy has lapsed, the licensee has 45 days to take corrective actions.

Secretary of State Filing of Information: In addition to a liability insurance policy, license holders who are LLCs or corporations are required to register with, and be in good standing with, the Secretary of State. Any failure to register or be in good standing as identified by the Secretary of State can result in the automatic suspension of a license 30 days from the date of the Secretary of State's notice of noncompliance. The CSLB contends that it can take more than 30 days for a licensee to reconcile with the Secretary of State when filing its "statement of information" and would instead request that the license suspension be effective 60-days from the date of notice from the Secretary of State. The CSLB reports that it can take longer than 30 days to resolve registration issues with the Secretary of State. It is not clear why processing these registrations is delayed at the Secretary of State's office nor is it clear how the Secretary of State notifies the CSLB if an individual is not in compliance with filing the required statement of information.

Committee Staff Recommendation: The CSLB should advise the Committees on outreach efforts to licensees to encourage the timely filing of required documentation for licensure and renewal. Additionally, the CSLB should advise the Committees on its communications with outside entities to encourage the timely distribution of required information for CSLB licensees and applicants. How will the additional time ensure compliance?

CSLB RESPONSE TO ISSUE #14

CSLB has not conducted specific outreach with licensees on ensuring compliance with limited liability company and Secretary of State requirements. In January 2019, CSLB launched an online submission process for general liability insurance to ease compliance with this requirement and plans to develop industry bulletins to educate licensees, insurance carriers, and interested stakeholders about complying with license renewal and other license maintenance requirements.

CSLB requests extending the grace period to 45 days before license suspension occurs for limited liability companies to comply with commercial general liability insurance requirements, as is already the case for maintenance of a workers' compensation policy or workers' compensation exemption. The licensee would still be required to timely submit the certificate without a break in general liability insurance coverage. CSLB also requests extending to 60 days the grace period before license suspension occurs if a licensee is not registered and in good standing with the Secretary of State's office.

These two proposals, which would allow licensees additional time to submit insurance documents to CSLB and to reconcile records with the Secretary of State, are intended to reduce barriers to maintaining valid licensure.

ISSUE #15: (UNSATISFIED JUDGMENTS) What steps can the CSLB take to ensure that licensees facing construction related judgements are prevented from continuing to operate until the judgement is satisfied?

Background: CSLB has authority to suspend a license if it learns of an unsatisfied construction-related judgment imposed on the licensee, as specified in BPC § 7071.17. When the CSLB suspends a license for failure to pay an outstanding judgement, any qualifying individual or personnel on the license record is automatically prohibited from serving in those capacities on another license until the judgment is satisfied. This prohibition also causes suspension of the license of any other license entity with any of these same personnel as the license subject to the judgment (until those members disassociate from the license or the judgment is satisfied). Therefore, when a judgment is imposed on a license, the suspension extends to individuals associated with the judgment debtor license and other licenses.

However, the reverse is not true: If a judgment is entered against an individual without naming the licensed entity, the statutory language does not authorize CSLB to suspend the license on which the individual appears. As a result, an individual named on a construction-related judgment can remain on a license. The proposed clarifying change to BPC section 7071.17 would preclude license applicants, if they were subject to an unsatisfied final judgment, from becoming licensed until that judgment is satisfied. Additionally, it would preclude an individual named in an unsatisfied judgment from appearing on an active license until the judgment is satisfied.

Committee Staff Recommendation: The CSLB should advise the Committees on the extent of this issue and explain how changing current law would enhance consumer protection.

CSLB RESPONSE TO ISSUE #15:

Contractors' state license law allows CSLB to suspend a contractor license and associate licenses for those who have a construction-related unsatisfied civil judgment. However, many consumers are unfamiliar with the civil court process and name only the individual they have dealt with and not the licensed entity. Currently, CSLB cannot help them enforce the judgment if the licensed entity is not named. CSLB does not currently track reject judgments; however, this proposed minor change to hold named individuals accountable for unsatisfied judgments that arise from their contracting activities would benefit consumers.

ISSUE #16: (C-10 LICENSE CATEGORY FEE COLLECTION) The CSLB is authorized to collect fees from certain licensure categories, but does not require these fees to be assessed. Should the CSLB be required to collect fees to verify certification?

Background: BPC § 7137 authorizes the CSLB to charge a fee, not to exceed \$20, for C-10 (Electrician) and C-7 (Low Voltage Systems) licensees for enforcement of the electrician certification requirement as specified in Labor Code (LC) §108.2. LC § 108.2(a) requires persons who perform work as electricians to become certified and prohibits uncertified persons from performing electrical work for which certification is required and specifies that certification is only required for persons who perform work as electricians for contractors licensed as class C-10 electrical contractors.

Specifically, each person who performs work as an electrician must obtain the certification. C-10 license holders are not required to obtain the separate certification; however, the employees that work under the C-10 contractor's license are required to obtain certification. In addition, if a licensed C-10 contractor is working under another C-10 license holder as an employee, then he or she is subject to the certification law and must be certified. If a C-10 contractor is in violation of the certification law, he or she is subject to discipline by the CSLB.

The certification is not required for persons performing work for contractors licensed as C-7 low voltage systems or C-45 electric sign contractors as long as the work performed is within the scope of the class C-7 or class C-45 license. The CSLB is responsible for ensuring that the C-10 employees meet the certification requirements. According to the CSLB, there are approximately 30,500 active C-10 contractors and if they use employees as prescribed in LC § 108.2, the CSLB must ensure that those employees are certified. The CSLB reports that it does not have sufficient staff resources allotted to ensure compliance with the LC requirement. As a result, the CSLB acknowledges that it does not effectively enforce this requirement. The CSLB has the statutory authority to

charge the fee, but would need regulations to implement its authority; however, the regulatory process is currently under review, as it may take multiple years for the appropriate issuance of new regulations. The CSLB would like to request a statutory change to require the CSLB collect the \$20 payment to increase enforcement efforts of the electrician certification.

Under current law, the Labor Commissioner is required to have a memorandum of understanding with the Registrar and maintain a process for referring cases to the CSLB when it determines that a violation has likely occurred. Upon receipt of a complaint from the Labor Commissioner alleging that a violation has occurred, the CSLB is required to open an investigation, and any disciplinary action against the licensee must be initiated within 60 days of receipt of the referral. Additionally, the Registrar may initiate disciplinary action against any licensee upon his or her own investigation, the filing of any complaint, or any finding that results from a referral from the Labor Commissioner alleging a violation.

CSLB's proposal would change the permissive language to a requirement that the CSLB collect the \$20 fee and would additionally would strike the reference to C-7 (Low Voltage Systems) contractors as they are currently exempt under LC § 108.2 electrician certification requirements.

Committee Staff Recommendation: The CSLB should explain how the additional revenue would increase compliance given the CSLB's concerns with sufficient staffing.

CSLB RESPONSE TO ISSUE #16:

CSLB requests statutory authority to assess an additional \$20 fee on C-10 (Electrician) license renewals to fund additional staff to focus on ensuring compliance with the electrician certification requirement, as well as related disciplinary legal action costs. As the funding for this additional staff would come from a new revenue source, it would not affect staffing in other areas of the board. CSLB would seek this additional staffing through the budget change proposal process.

CONTINUED REGULATION OF CONTRACTORS BY THE CURRENT BOARD

ISSUE #17: (SHOULD THE CSLB BE CONTINUED?) Should the licensing and regulation of contractors be continued and be regulated by the CSLB?

Background: The safety and welfare of consumers persists under the presence of a strong licensing and regulatory structure to oversee the contractor profession. The CSLB's focus is consumer protection, to that end, has demonstrated its commitment to ensuring a robust contractor market place. Although, there are places where the CSLB can improve, including fiscal prudence, strengthening its licensing and enforcement objectives and those respective programmatic units, and identifying legislative priorities sooner, the CSLB should continue with a four-year extension so that the Legislature

may once again review whether the issues and recommendations in this Background Paper have been addressed.

Committee Staff Recommendation: Recommend that the licensing and regulation of contractors and home improvement salespersons continue under the CSLB's regulatory authority in order to protect the interests and safety of the public. The CSLB should continue to improve upon its administrative processes to ensure the regulatory functions of the CSLB meet its consumer protection mandate. The CSLB should continue to develop staff management policies to ensure it has well-trained and cross-trained staff to alleviate pressures when disaster response is necessary. Further, the recommendation is for the CSLB to be reviewed by the appropriate policy committees of the Legislature once again in four years.

CSLB RESPONSE TO ISSUE #17

As noted in the board's December 2018 Sunset Report, a well-regulated construction industry protects the health, safety, and welfare of consumers.

NEW QUESTIONS FROM FEBRUARY 26, 2019, OVERSIGHT HEARING

1. Reciprocity applications from those who want to work in disaster areas?

Response folded into issue #9 (workforce and disasters)

2. What enforcement actions are taken in disaster areas and how do you measure their effectiveness?

In addition to the thorough outreach and educational components of its disaster response efforts, CSLB also engages in extensive enforcement activities in these areas. This includes working with industry partners and local law enforcement to identify unlicensed contractors, posting signs in both English and Spanish that inform consumers and warn contractors that working without a license in a declared disaster zone may be charged as felony, conducting regular compliance sweeps, and conducting undercover stings in disaster areas. CSLB's presence in the disaster zones at outreach events, in local assistance centers, through the media, via sign posting, and through enforcement actions is essential to reducing unlicensed practice in these areas.

Much of CSLB's disaster response is preventative in nature. The effectiveness of these efforts is seen in a comparatively lower number of complaints than in the aftermath of past disasters.

3. Is the \$15,000 contractor bond amount too low?

As this issue was raised for the first time at the February 26, 2019, oversight hearing, the board and staff have not had time to perform the necessary research to determine if consumers making a claim against a bond are unable to collect because the bond amount is too low. Staff will conduct the necessary research

and also meet with surety companies to discuss premium costs related to a potential increase in the bond amount. Once this information is collected and an analysis completed, CSLB will report back to the legislature in six months.

Current statute allows a consumer to make a claim against the full \$15,000 bond amount, and limits others (i.e., material suppliers, another licensee) to \$7,500 (BPC section 7071.6). In addition, BPC section 7159(c)(6) requires that contractors include in home improvement contracts a notice to consumers that they have the right to require the contractor to have a performance and payment bond.

DRAFT

AGENDA ITEM F-2

Review and Possible Approval of December 13, 2018, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM AND CHAIR'S INTRODUCTION

Board Vice Chair Johnny Simpson called the meeting of the Contractors State License Board (CSLB) to order at 1:00 p.m., Thursday, December 13, 2018, at Embassy Suites San Francisco Airport, 250 Gateway Blvd., South San Francisco, CA 94080.

Board member David Dias led the Pledge of Allegiance, and a quorum was established.

Board Members Present

Johnny Simpson, Board Vice Chair	Susan Granzella
Kevin Albanese, Enforcement Chair	Joan Hancock, Public Affairs Chair
Augie Beltran	Frank Schetter, Licensing Chair
Linda Clifford, Secretary, Legislative Chair	Nancy Springer
David Dias	

CSLB Staff Present

David Fogt, Registrar	Rick Lopes, Chief of Public Affairs
John Cleveland, Chief of Information Technology	Justin Paddock, Chief of Licensing
Tonya Corcoran, Chief Deputy Registrar	Missy Vickrey, Chief of Enforcement
Michael Jamnetski, Chief of Legislation	Natalie Watmore, Public Affairs Staff
Phyliz Jones, Executive Staff	

DCA Staff Present

Kristy Schieldge, Legal Counsel

Board Member Excused

Marlo Richardson, Chair
David De La Torre
Michael Layton

Public Visitors

G.V Ayers, Gentle Rivers Consulting	Richard Markuson, Plumbing, Heating and Cooling Contractors
Lila Barrera, Department of Industrial Relations	
Jeanine Cotter, Luminalt	Justin Mendoza, ABC 7 News
Mike Geremia, California Pool and Spa Association	Jason Pinegar, West Coast Arborist
Cora Gherga, Department of Industrial Relations	Jerry Wallace, California Pool and Spa Association



Sean Lopez, Center for Contract Compliance

John Norwood, California Pool and Spa Association
Randall Yip, ABC 7 News

Ernesto Macia, West Coast Arborist

Vice Chair Johnny Simpson thanked Board member Nancy Springer for her assistance with the Butte County wildfire disaster relief. He also thanked Board member Joan Hancock for her participation in the joint agency, solar industry and Property Assessed Clean Energy (PACE) financing meeting, and Board member Linda Clifford for her service as Program Chair for Sacramento Valley Chapter of the National Association of Woman in Construction and for working with staff in industry meetings to discuss licensing and enforcement needs regard disasters.

B. PRESENTATION OF CERTIFICATES OF APPRECIATION

Vice Chair Simpson presented a certificate of appreciation to Insurance Commissioner Dave Jones. Mr. Jones served as Commissioner for eight years and supported advancement in the partnership between CSLB and the Department of Insurance (CDI). This partnership developed the CDI's Workers' Compensation Insurance Fraud Investigation Program which provides grants that fund local district attorney prosecutors around state. CSLB and CDI partnership through the Joint Enforcement Strike Force conducts the annual Operation Underground enforcement sweep to target the underground economy. Additionally, the enforcement teams from both agencies work together on disaster response to conduct sweeps and educational outreach in disaster areas. Mr. Simpson noted that, Commissioner Jones would often go to the disaster areas to warn the public of the importance of hiring a licensed contractor. CSLB thanked Commissioner Jones for his dedication to the partnership and to consumer protection. Commissioner Jones thanked the Board for their partnership and expressed belief that he expected the relationship to continue under the new commissioner.

Vice Chair Simpson next presented a certificate of appreciation to KGO-TV's "7 On Your Side" team for their ongoing dedication to consumer protection. The station's "7 On Your Side" consumer unit was established in 1991. CSLB staff has worked with Anchor/Reporter Michael Finney and his team to report stories on unlicensed contractors, unscrupulous contractors and to assist in educating the public on natural disasters. Senior Producer Randall Yip thanked the Board and noted how the recognition demonstrated that the media and the government can find ways to work together for the betterment of consumers.

Staff Comment:

Registrar Fogt shared his appreciation for Mr. Finney and his team from his experience in working with "7 On Your Side".



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

There was no public comment.

D. EXECUTIVE

1. Review and Possible Approval of September 20, 2018, Board Meeting Minutes

MOTION: To approve September 20, 2018, Board Meeting minutes.

Augie Beltran moved; David Dias seconded. The motion carried unanimously, 9–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson				✓	
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre				✓	
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton				✓	
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

2. Registrar’s Report

Registrar Fogt provided an update on the 2018 Sunset Review Report, including an overview of a meeting with committee consultants on December 10, 2018, and a meeting with the Business Consumer Services and Housing Agency earlier that day. Registrar noted that the Sunset Report was well received at both meetings. He added that the Board’s Sunset Review hearing was expected to occur late February or early March 2019.

Board Member Comment:



Board member Hancock asked if there were any issues included from the previous Sunset Review in the current report that have not been addressed or are outstanding. Registrar Fogt noted there are not.

Board member Clifford noted that Business and Professions Code section 7031 was mentioned in the previous Sunset review, but not as an issue to act. Registrar Fogt reported that CSLB working with industry members to address their concerns regarding this code section.

Legal Counsel Comment:

Kristy Schieldge stated if the Board does have to perform retroactive fingerprinting to request additional staffing and funding because other Boards undergoing this process experienced significant workload impact.

Board member Hancock next asked for the status of issues regarding retroactive fingerprinting of licensees and Immigration and Customs Enforcement (ICE). Registrar Fogt reported that CSLB has not retroactively fingerprinted licensees, and that being required to do so would be a resource issue, due to the large volume of licenses with multiple personnel members. He added that CSLB staff does not believe there is a need to do so since fingerprinting occurs when licensees make a change to a license. Board member Clifford suggested if CSLB were to retroactively fingerprint to allow the Board 4 years to do so.

Regarding ICE, Registrar Fogt reiterated for Board members that CSLB has not worked with ICE since 2013.

Registrar Fogt updated Board members on draft of an Energy Storage System (ESS) study. The study will address questions about which licensing classification(s) is/are most appropriate for installation of ESS systems. Registrar Fogt reported that the report is expected to be ready for review at the March Board meeting.

Registrar Fogt next reported that staff is beginning work on the objectives of the Strategic Plan, which goes in effect January 2019. Staff will report on the objectives at the March meeting.

Registrar Fogt next updated the Board on disaster response. He noted that CSLB has spent close to a million dollars on disaster response the last two years.

Chief of Public Affairs Rick Lopes noted that over the previous 14 months, 27 counties had declared states of emergency. The debris removal program for the Camp fire will go in effect after January. Chief Lopes then presented a video highlighting the impact of the Camp Fire in Butte County.



Chief of Enforcement Missy Vickrey reported CSLB staffing of five assistance centers for survivors of the Camp and Woosley (Los Angeles, Ventura Counties) Fire, as well as the placement of more than 450 warning signs in the disaster areas. She also reported that Enforcement division staff continue to work with partner agencies and the Shasta County District Attorney's Office to conduct sweeps in the fire areas.

Mr. Lopes next noted CSLB's continued commitment to perform outreach in the disaster areas such as workshops. The Butte County debris removal alone is expected to last 1-2 years. He reported that there are currently 860 "B" contractors with an active license in Butte County.

Board Member Comment:

Board member Springer commended staff for their support and effort in the disaster response. She mentioned that some of the homes destroyed in the Camp Fire were previously destroyed in a 2008 wildfire, thus some of the survivors lost their home again shortly after rebuilding.

She added that it could take from nine months to nine years for homeowners to rebuild, and the importance that CSLB maintain a high-profile presence in the fire areas. Mr. Lopes mentioned the Santa Rosa area expects to have 400 homes built by the end of the year after a fire destroyed 6,000 homes 14 months ago.

Registrar Fogt reviewed the tentative 2019 Board meeting schedule:

- March 22, 2019 – San Diego
- June 5-6, 2019 – South Lake Tahoe

Vice Chair Johnny Simpson welcomed the new Licensing Chief, Justin Paddock, to the Board.

3. Administration Update Regarding Personnel and Facilities

Chief Deputy Registrar Tonya Corcoran reported CSLB has had 41 recruitments in the first quarter of the new fiscal year, and in October 2018 had a record low number of vacancies (19.5). Ms. Corcoran reported on facilities projects, noting the Sacramento headquarters is undergoing significant renovations. Also, she noted that CSLB is not requesting new vehicles this fiscal year; and there are 48 vehicles in the fleet, and CSLB is waiting for the delivery of three vehicles.

4. Budget Update

Chief Deputy Registrar Corcoran reported that CSLB spent about 24% of the budget the first quarter of the fiscal year. Revenue has increased 12.6% from



the last fiscal year, due to the increase in licensing fees and an increase in the number of applications received. She noted that the Board’s fiscal year 208-19 budget is about \$65.5, and the Board ended the preceding fiscal year with \$15.4 million in reserves. Chief Deputy Registrar Corcoran also noted that CSLB in the process of distributing grants to the three universities that applied through the Board’s Construction Management Education fund.

5. Information Technology Update

Board member Granzella presented the progress made by herself and Board Chair Marlo Richardson in the Information Technology (IT) Advisory Sub Committee. The Committee discussed how CSLB stores and secures its data information and how it complies with state and federal laws

Next, IT Chief John Cleveland gave an overview of CSLB’s technology system. He reported that staff applies several federal standards in assessing risk and implementing security controls. Security controls are implemented based on the risk level of the data. The Military Department must conduct at least 35 security assessments for state agencies each year, CSLB’s assessment is scheduled for February 2019. IT staff is preparing for the assessment and will report back to the Board.

Board Member Comment:

Board member Joan Hancock asked about the entities in the TEALE Data Center. Mr. Cleveland clarified the entities consist of all the CSLB records, such as licensee and personnel records.

E. LEGISLATION

1. Review, Discussion, and Consideration of Requirements for CSLB Implementation of AB 2138 (Chapter 995, Statutes of 2018, Chiu; Denial of Applications Based Upon Criminal Convictions)

Legislative Committee Chair Linda Clifford reported that AB 2138, which was signed by Governor Brown on September 30, 2018, limits the Board’s ability to deny licensure for an applicant with a criminal history. The draft regulations for the bill will have to be reviewed by the full Board.

Legal Counsel Comment:

Kristy Schieldge mentioned that implementation of AB 2138 will require extensive regulatory changes, particularly in defining the meaning of “what directly and adversely relates” when evaluating criminal convictions and determining when crimes require further scrutiny. Since the bill goes in effect July 2020, DCA needs the regulation package submitted by April 2019.



Ms. Schiedge added that the bill also requires submission of statistics for who is being denied licensure, which requires collecting the race and gender of denied applicants, performing this task in an appropriate and sensitive way will be a challenge; she suggested not including this in the licensing process. Legislative Chair Clifford noted that DCA confirmed that 18 months is as fast as the regulatory packages can be processed.

Board Member Comment:

Board member Schetter asked what would happen to ongoing work being conducted by a licensee if they were convicted of a crime that may result in loss of their license. Registrar Fogt responded that the contractor would have to hire a properly licensed contractor to complete the work.

Legislative Chair Clifford suggested that more clarification is needed to address when a crime results in loss of a company's license, if the company be given time to replace the qualifier.

Public Comment:

Richard Markuson pointed out the discrepancy of the legislation requesting that the Board collect information through fingerprinting that cannot be used when evaluating a license.

2. Review and Discussion of a Legislative Proposal by the California Pool & Spa Association to Establish a Voluntary Certification Program for Swimming Pool (C-53) Contractors

Board Member Comment:

Board member Albanese noted his belief that it should be determined if there is a problem with this classification before going into deep discussion on this topic. He mentioned the Board requires minimum qualifications, and this issue has previous been addressed.

Committee Chair Clifford presented a 2012 staff memo that addresses the Board's position on continuing education, noting that CSLB is not responsible for establishing continuing education/certification programs.

Public Comment:

John Norwood, California Pool and Spa Association (CPSA), explained that a certification program benefit consumer by letting them know that some C-53 contractors have gone beyond the basic licensing requirements to increase their education, and will also encourage other contractors to further their education.

Mike Geremia, Geremia Pools, expressed that his company has always used education to try to raise the bar for the industry. He believes the certification program will help to combat complaints and increase quality of work. C-53 being



a specialty license means the contractors need knowledge of up to 12 different trades; a certification program will provide continuing knowledge and training on these trades.

G.V Ayers, Gentle Rivers Consulting, claims that among pool and spa contractors there is a 18.2% complaint rate overall, but with CSLB there is a 4.6% complaint rate. He mentioned this is not a continuing education proposal as described in the 2012 CSLB staff memo, since the program would be voluntary.

Committee Chair Clifford reported the staff recommendation is the Board continue to support the September 11, 2002 position opposing mandatory continuing education requirements for CSLB license classifications and requests the Board authorize staff to work with industry to enforce Business and Professions Code (BPC) 7161 to address when a contractor falsely advertises certifications. She mentioned that the CSPA or pool and spa industry can provide its own voluntary certification programs.

Board Member Comment:

Board member Albanese noted his feeling that the issue should have gone to the Legislative Committee before going to the full Board. The Board supports voluntary continuing education and certification, and already has adopted a position on this issue.

Public Comment:

Mr. Norwood expressed appreciation for the opportunity to address the issue before the Board.

Legal Counsel Comment:

Kristy Schieldge expressed concerned with the ability of a contractor to say they are certified when the scope of the license is the same as someone who is not certified. Since this would be a voluntary certification program, this creates first amendment issues because those who do not go through the certification program can develop skills on their own and be considered experts. Ms. Schieldge suggested to not use labels if certification is not mandatory for everyone who does that type of work.

Public Comment:

Richard Markuson, Plumbing, Heating and Cooling Contractors (PHCC), mentioned that the PHCC industry has also considered a certification program, but the program being voluntary eliminates some of the concerns of mandatory continuing education requirements, and also removes the Board's role in the program. He believes the proposal has some merit to be considered.



Board Member Comment:

Committee Chair Clifford asked if a motion was required to settle this issue. Ms. Schieldge replied that because the proposal dealt with more than just continuing education there could be a motion, but an action is not required.

No motion was made by the Board.

3. Review, Discussion, and Possible Action on Potential 2019 Legislative Proposals

Committee Chair Clifford began discussion of the first legislative proposal, which was regarding contractor compliance with tree-worker safety regulations.

Department of Industrial Relations' Division of Safety and Health (DOSH) Assistant Chief Cora Gherga discussed tree-worker safety regulations. Ms. Gherga reported the number of very serious or fatal injuries from tree work are increasing. She noted that DOSH continues to conduct inspections and issue citations, but these measures are not impacting this trend, which is being repeated across the country.

She added that the General Industry Safety Orders has a set of regulations for tree work maintenance and removal, which applies to the operations and equipment used in tree work. The regulations also address working with aerial operations, electrical hazards, and heat hazards.

DOSH has an existing Memorandum of Understanding (MOU) with CSLB to refer certain violations if an employee of a licensed contractor is seriously injured. This authorizes CSLB to take administrative action. The number of referrals and actions is reported to the Legislature annually.

Public Comment:

Ernesto Macia, West Coast Arborist, encourages the Board to approve this proposal.

Sean Lopez, Center for Contract Compliance, supports the proposal to allow CSLB to discipline a license regardless of the violation severity.

Legal Counsel Comment:

Kristy Schieldge suggested a language change from "within 18 months from the date of the registrar's receipt of the violation" to "within 18 months from the date of the registrar's notice of the violation".

MOTION: To authorize the Registrar to seek authorship of a legislative bill that authorizes the registrar to discipline a contractor for violating tree-care



safety orders upon receipt of a final disciplinary order from DOSH and to delegate to the registrar the authority to make technical and minor, non-substantive changes to the proposed language as may be necessary. In addition to amending BPC 7110.5 from “within 18 months from the date of the registrar’s receipt of the violation” to “within 18 months from the date of the registrar’s notice of the violation.”

Kevin Albanese moved; David Dias seconded. The motion carried unanimously, 9–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson				✓	
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre				✓	
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton				✓	
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

4. Discussion and Consideration of Approval of Staff Recommendations for Legislative Proposals to Make Minor, Technical, or Non-Substantive Changes to the Contractors State License Law (Omnibus, Clean-Up Bill Request)

Committee Chair Clifford presented a request from the Senate Committee on Business, Professions and Economic Development for proposals to be included in an omnibus bill that would clarify or make technical, non-substantive, non-controversial changes to the Business and Professions Code.

MOTION: To approve the Staff Recommendation that the Board approve the concepts for non-technical, non-controversial, non-substantive clarifying changes to the law to be submitted to the Senate Committee on Business, Professions & Economic Development in time to be included in the appropriate omnibus bill.

David Dias moved; Nancy Springer seconded. The motion carried unanimously, 9–0.



NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson				✓	
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre				✓	
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton				✓	
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

The Board recessed at 3:15 p.m.

The Board reconvened at 3:31 p.m.

F. LICENSING

Licensing Committee Chair Frank Schetter briefly introduced new Licensing Chief Justin Paddock. Mr. Paddock previously served in the Department of Consumer Affairs (DCA) as Chief of the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation, after serving as the Assistant Deputy for legislation and regulations. He is also a licensed attorney and has worked at the California Attorney General’s Office and in the federal courts. He also noted that Mr. Paddocks’ father served as general building contractor and a member of the Carpenters Union Local 713, making him familiar with the construction industry.

1. Licensing Program Update

Committee Chair Schetter highlighted licensing statistics, noting that all application processing units processing times are between two and three weeks.

Licensing Chief Paddock credited managers Charlotte Allison and Marilyn Norman for their efforts in improving the statistics. He noted that 500 more original exam applications were received in October 2018 than normal, causing processing times to slow to three weeks. Overall, processing time is currently at 2.3 weeks. The Call Center averages call wait time is under six minutes; this month wait times have been under four minutes.



Chief Paddock next updated the Board on possible creation of a new remodeling and home improvement specialty license classification. Chief Paddock reported that testing staff currently is completing a preliminary occupational analysis. He also noted that a stakeholder meeting is tentatively scheduled for January 22, 2019.

Board Member Comment:

Board member Springer asked what stakeholders are being invited and how stakeholders being contacted. Chief Paddock noted this is the first announcement of the meeting, he is compiling a list of stakeholders and is open to suggestions. Registrar Fogt added the meeting will focus on whether there is a need for an additional classification, and what is the need.

Board member Schetter asked if the stakeholder meeting will be limited on how many Board members can attend. Registrar Fogt replied that this would be a public meeting and limited to two Board members.

Public Comment:

Richard Markuson thanked the Board for hiring Chief Paddock and noted his appreciation for his quick response to the contractor issues he has raised to date.

2. Testing Program Update

Licensing Chief Paddock noted the new exam for the C-21, Building Demolition is in effect. Four trades exams are undergoing occupational analysis and nine exams are in development.

3. Update on Development of a C-License Classification for Tree Service Contractors

Committee Chair Schetter reported that staff is finalizing a preliminary occupational analysis and a stakeholders meeting is scheduled for January 16, 2019. Licensing Chief Paddock highlighted that workshops were held with C-27 and D-49 subject matters experts. He thanked DOSH for providing statistics to identify trends with the license types.

Board Member Comment:

Board member Granzella requested highlighting impactful information for issues that should be acknowledged or addressed.

Board member Albanese hopes that the new trade exam will increase the safety training to the employee in the field.



Public Comment:

Ernesto Macia thanked the Board for progressing with the new classification and looks forward to participating in stakeholder meetings.

Sean Lopez thanked the Board for its assistance in making the tree work industry safer.

Chief Paddock took a moment to recognize a staff member Tim Hafer and the phenomenal job he's done in customer service.

G. ENFORCEMENT

1. Enforcement Program Update

Enforcement Committee Chair Kevin Albanese reported that of the 14 enforcement vacancies at the time the packet was printed seven of those positions have been filled.

In addition, Committee Chair Albanese highlighted a few Statewide Investigative Fraud Team (SWIFT) investigations, one of which occurred in the Shasta County disaster area resulting in nine felony arrests.

He briefly highlighted statistics of the general complaint handling by the intake and mediation centers, investigation centers, SWIFT, and case management.

Finally, Committee Chair Albanese thanked Retired Annuitant Doug Galbraith and Deputy Attorney General Mike Franklin for conducting the latest staff enforcement academy.

2. Update on Solar Task Force Objectives and Activities

Chief of Enforcement Missy Vickrey reported an average of 78 extra solar complaints are received monthly. The Solar Task Force has successfully obtained 2.8 million in restitution for injured parties.

Chief Vickrey added that CSLB is working with the California Public Utilities Commission (CPUC) and the Department of Business Oversight (DBO) to develop an operational agreement to improve and enforce consumer protection measures for residential solar consumers. Strategic meetings were held between the agencies, with additional participation from representatives and district attorneys from Fresno and Marin County.

A joint solar task force between CSLB, CPUC and DBO was formed and will meet monthly, and will conduct quarterly stakeholder meetings. Community



outreach will be one aspect of the task force and will begin with Fresno Country.

Chief Vickrey noted that suggestions from the meetings indicated potential need for legislation to increase the cooling off period for solar contracts to seven days.

Board Member Comment:

Board member Hancock, who attended the solar meetings, noted that they had great attendance, and that represented various groups will add perspective to the issues faced by the victims. As follow up, she asked to receive copies of the solar contracts for Board review and to develop outreach that involves local organizations as well as wanting to know what solar companies were doing to develop preventative measures.

Board member Schetter gave an example of the kilowatt rates he has seen advertised by solar companies and he wants to ensure that consumers are receiving accurate representative of what is being offered by these companies. Legislative Chief Mike Jamnetski added that he will contact CPUC regarding the performance calculator that will be included in the solar disclosure document.

3. Review and Discussion of Partnership with California Building Officials to Develop Strategies to Address Underground Economy in Construction

Chief Vickrey reported that CSLB and the California Building Officials (CALBO) will launch a pilot program to reduce activity in the underground economy. The program will start in in nine counties. Chief Vickrey said the program will focus on identifying the unlicensed practices and the impact on lost tax revenue, outreach on the dangers of acting as or hiring unlicensed contractors, holding license application workshops and conducting undercover stings. The pilot program will also track new licensees building permit compliance.

Board Member Comment:

Board member Springer noted mentioned that CSLB will meet with CALBO during that group's annual business meeting in March to present the permit training course. The goal of the training is to get information to the contractors and the building departments issuing the permits. She also thanked SWIFT supervisor Rick Villucci and investigator Greg Hampton for visiting with staff at the Sacramento County Building Department, where she is the Chief Building Official. The two answered questions on permit avoidance and compliance.

Board member Dias asked if CPUC had been contacted because they hold similar training workshops for HVAC permits. He also suggested reviewing the issue of contractors not having workers compensation or underreporting for better rates.



4. Review and Discussion Regarding CSLB Implementation of SB 1465 (Hill, Chapter 514, Statutes of 2018) Settlement Reporting Requirements

Chief Vickrey updated the Board on the settlement reporting requirements of SB 1465. She stated that staff is prepared to implement the requirements and handle the complaint load. Information will be available on the website in January, a form will be developed specifically for these complaints, and an industry bulletin will be distributed regarding the new reporting requirements.

H. PUBLIC AFFAIRS

Public Affairs Committee Chair Joan Hancock thanked Claire Goldstene and Amber Foreman for their work preparing and editing the Sunset Review Report.

1. Public Affairs Program Update

Public Affairs Chief Rick Lopes reported that interviews were conducted for an open Information Officer I position and a hire should take place within the next few weeks. He also highlighted statistics from the CSLB website and page views, and noted that Facebook Live has been used to stream some disaster response events.

Chief Lopes Public Affairs also noted that the 2019 Law book is being finalized, with delivery expected in January. Staff has also started work on the annual Activities and Accomplishment Report and added that fewer Senior Scam Stoppers are held in December due to the holidays but will increase in January.

Board Member Comment:

Board member Hancock thanked Chief Lopes and his staff for their efforts with the disaster response.

I. CLOSED SESSION

Vice Chair Johnny Simpson noted the authority to move into closed session specifically that 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: *Atkinson Contractors LP, et al. v. Registrar of Contractors of the California Contractors State License Board, et al.*, San Francisco Co. Sup. Ct, Case No. CPF-18-516374.

The Board moved in to closed session at 4:13 p.m.



J. ADJOURNMENT

The Board returned to open session.

MOTION: To adjourn the December 13, 2018 Board meeting.

Kevin Albanese moved; Augie Beltran seconded. The motion carried unanimously, 9–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson				✓	
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre				✓	
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Michael Layton				✓	
Frank Schetter	✓				
Johnny Simpson	✓				
Nancy Springer	✓				

Board Vice Chair Johnny Simpson adjourned the meeting at approximately 5:25 p.m.

Marlo Richardson, Chair

Date

David Fogt, Registrar

Date

AGENDA ITEM F-3

Review and Possible Approval of January 8, 2019, Teleconference Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

TELECONFERENCE BOARD MEETING MINUTES

A. CALL TO ORDER/ROLL CALL AND ESTABLISHMENT OF A QUORUM

Board Chair Marlo Richardson called the meeting of the Contractors State License Board (CSLB) to order at 9:02 a.m. Tuesday, January 8, 2019. She noted three teleconference locations: 1) Contractors State License Board, 9821 Business Park Drive, John C. Hall Hearing Room, Sacramento, CA, 95827; 2) Joseph J. Albanese Inc., 851 Martin Avenue, Santa Clara, CA, 95050; 3) Sheet Metal Workers, Local 104, 2610 Crow Canyon Rd, Suite 300 San Ramon, CA 94583.

Board member Linda Clifford led the Pledge of Allegiance, and a quorum was established.

Board Members Present at CSLB Headquarters

Marlo Richardson, Chair	Joan Hancock
Augie Beltran	Frank Schetter
Linda Clifford, Secretary	Nancy Springer
Susan Granzella	

Board Members Present at Joseph J. Albanese Inc.

Kevin Albanese

Board Members Present at Sheet Metal Workers, Local 104

David Dias

Board Members Excused

David De La Torre
Michael Layton
Johnny Simpson, Vice Chair

CSLB Staff Present

David Fogt, Registrar	Phyliz Jones, Executive Staff
Tonya Corcoran, Chief Deputy Registrar	Rick Lopes, Chief of Public Affairs

DCA Staff Present

Sabina Knight, Legal Counsel
Kristy Schieldge, Legal Counsel

Public Visitors

None

Board Chair Marlo Richardson congratulated Board member Frank Schetter on his appointment by Governor Edmund Brown to the California Apprenticeship Council.



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

There was no public comment. Board members did not note any future agenda items.

C. CLOSED SESSION

Board Chair Marlo Richardson noted the authority to move into closed session specifically that 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: *Santasha 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.

The Board moved in to closed session at 9:10 a.m.

D. ADJOURNMENT

The Board returned to open session.

MOTION: To adjourn the January 8, 2019 board meeting.

Kevin Albanese moved; Augie Beltran seconded. The motion carried unanimously, 9–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Marlo Richardson	✓				
Kevin J. Albanese	✓				
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 10:24 a.m.



Marlo Richardson, Chair

Date

David Fogt, Registrar

Date

AGENDA ITEM F-4

Update, Discussion, and Possible Action on Amendments to CSLB's 2019-21 Strategic Plan Objectives





CONTRACTORS STATE LICENSE BOARD

2019-21 Strategic Plan

Background

In 2018, staff from the Department of Consumer Affairs' SOLID Training Solutions led the development of the board's 2019-21 Strategic Plan. Meetings were conducted with board members and senior staff, and strategic objectives were developed in the areas of: Licensing & Testing, Enforcement, Legislation, Public Affairs, and Executive. CSLB's vision, mission, values, and goals were reviewed and unchanged.

At the August 3, 2018 Executive, Enforcement, Legislative, Licensing, and Public Affairs Committee meetings, each committee reviewed its relevant strategic plan objectives and determined priorities. At the September 20, 2018 board meeting, board members reviewed and approved the updated 2019-21 strategic plan. The complete strategic plan is available on the CSLB website (www.cslb.ca.gov).

After publishing, it was discovered that Enforcement objective 2.1, formalizing a disaster response program, and the Public Affairs corresponding objective 4.2 had differing target dates.

Staff Recommendation

Change the target date of Enforcement objective 2.1 to June 2019, to correspond with the target date of Public Affairs objective 4.2.



LICENSING & TESTING

Ensures that all applicants and licensees meet minimum qualifications to provide construction services

Licensing & Testing Objectives	Target Date
1.1 Create an interactive online asbestos training to replace the open book asbestos exam.	January 2019
1.2 Review the licensing classification determinations for consistency and develop classification industry bulletins.	January 2019 and ongoing
1.3 Meet with stakeholders and develop a proposal for a new remodeling/home improvement license classification.	March 2019 (to meet with stakeholders)
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)
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. <i>(See Legislation objective 3.4)</i>	August 2019
1.6 Research the feasibility of outsourcing test administration to reduce costs, reallocate resources, and expand testing options for licensees.	September 2019

Licensing & Testing Objectives	Target Date
<p>1.7 In partnership with Public Affairs and Information Technology, develop online original contractor license applications to reduce application return rates.</p> <p><i>(See Public Affairs objective 4.7 and Information Technology objective 5.15)</i></p>	<p>December 2019</p>
<p>1.8 Review feasibility of continuing education or online testing for license renewal to keep licensees informed of changes to laws and codes</p>	<p>July 2020 (to complete research only)</p>
<p>1.9 In partnership with the Public Affairs Office and Enforcement division, create online courses and content to educate licensees.</p> <p><i>(See Public Affairs objective 4.10 and Enforcement objective 2.6)</i></p>	<p>December 2021</p>
<p>1.10 Expand public records and licensing information on the website to increase transparency.</p> <p><i>(See Information Technology objective 5.19)</i></p>	<p>Ongoing</p>
<p>1.10 Evaluate call center processes and procedures for consistency in communication with licensees, consumers, and other stakeholders to improve customer service</p>	<p>Ongoing</p>
<p>1.11 Review the subject matter expert pool to insure representation from a cross-section of industry to enhance test development.</p>	<p>Ongoing</p>



ENFORCEMENT

Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare

Enforcement Objectives	Target Date
2.1 Formalize a disaster response program for greater efficiencies and to improve response time. <i>(See Public Affairs objective 4.2)</i>	March 2019 June 2019
2.2 Educate the public about the complaint and investigative processes, as well as available resources for financial redress.	June 2019
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>	Develop: June 2019 Implement: January 2020
2.4 Leverage social media to identify potential workers' compensation violations and unlicensed contracting.	January 2020
2.5 Develop a program to improve complaint response by setting priorities and recognizing staff achievements.	January 2020
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>	December 2021

Enforcement Objectives	Target Date
2.7 Provide training opportunities to improve morale and staff knowledge.	Ongoing
2.8 Prioritize proactive investigation of license requirements to protect the public and licensed contractors by removing unlicensed contractors from the marketplace.	Ongoing
2.9 Attend job fairs to promote employment opportunities at CSLB.	Ongoing



LEGISLATION

Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations

Legislation Objectives	Target Date
3.1 Collaborate annually with industry and consumer leaders to share new legislative ideas.	January 2019 – November 2019 (annually thereafter)
3.2 Seek legislation to mandate workers' compensation insurance for specified license classifications to protect workers and consumers. (Statutory)	February 2019
3.3 Review disaster related consumer protection laws, including the hazardous substances certification requirements. (Statutory)	July 2019
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
3.5 Clarify home improvement contract requirements to improve licensee understanding and compliance. (Statutory)	July 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

Legislation Objectives	Target Date
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
3.8 Research the feasibility of a graduated fee increase for larger licensed contractors to increase enforcement resources and public outreach. (Regulatory)	September 2021



PUBLIC AFFAIRS

Educates consumers about making informed choices related to construction services, and provides information to licensed contractors so they can improve their awareness of contracting laws and technical, management, and service skills

Public Affairs Objectives	Target Date
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
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
4.3 Conduct a workload analysis to determine if additional staffing resources are needed.	June 2019
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
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
4.6 Expand website content to keep industry and licensees up-to-date on relevant information.	September 2019 and ongoing

Public Affairs Objectives	Target Date
<p>4.7 In partnership with the Licensing division and Information Technology unit develop online original contractor applications to reduce application return rates.</p> <p><i>(See Licensing objective 1.7 and Information Technology objective 5.15)</i></p>	December 2019
<p>4.8 Develop orientation videos for new staff, managers and Board members.</p> <p><i>(See Administrative objective 5.8)</i></p>	January 2020
<p>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.</p> <p><i>(See Information Technology objective 5.16)</i></p>	March 2020
<p>4.10 In partnership with the Enforcement and Licensing divisions, create online courses and content to educate licensees.</p> <p><i>(See Enforcement objective 2.6 and dLicensing objective 1.9)</i></p>	December 2021



EXECUTIVE

Enhances organizational effectiveness and improves the quality of service in all programs

ADMINISTRATION

Administration Objectives	Target Date
5.1 Evaluate the use of in-house legal counsel to supplement current Board counsel.	January 2019
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
5.3 Provide training on progressive discipline process to assist managers and supervisors in addressing performance issues.	May 2019
5.4 Provide team building and leadership training for managers and supervisors to make the management team more effective.	September 2019
5.5 Research a special investigator series.	December 2019
5.6 Pursue salary differentials in regions with higher living costs.	December 2019
5.7 Standardize human resource processes to increase efficiency in regard to personnel matters.	January 2020
5.8 Enhance onboarding and orientation program for new staff, managers and Board members. <i>(See Public Affairs objective 4.8)</i>	January 2020

Administration Objectives	Target Date
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
5.10 Review the budget quarterly to guide the Board on resource allocation.	Ongoing



INFORMATION TECHNOLOGY

Information Technology Objectives	Target Date
5.11 Establish online process to automate public sales requests in order to reduce costs.	December 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
5.13 Create an on-line e-signature DocuSign feature to improve convenience.	December 2019
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
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
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
5.17 Identify mobile technology to enhance efficiencies for field staff.	June 2020

Information Technology Objectives	Target Date
5.18 Create a mobile app of available services, including more efficient means to report unlicensed activity.	June 2020
5.19 Expand public records and licensing information on the website to increase transparency. <i>(See Licensing objective 1.10)</i>	Ongoing
5.20 Conduct needs assessment to determine requirements for new licensing/enforcement computer system.	Ongoing
5.21 Implement SCORE 2.0 programming.	Ongoing

AGENDA ITEM G

Proposed Regulations



AGENDA ITEM G-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)





Background

Assembly Bill (AB) 2138 (Chapter 995, Statutes of 2018) was signed by Governor Edmund G. Brown on September 30, 2018, and will become operative on July 1, 2020. The bill amends the provisions of the Business and Professions Code (BPC) that relate to a board's ability to deny a license or registration or to take disciplinary action based on a criminal conviction.

The bill requires that CSLB revise its regulations in this area (Title 16, California Code of Regulations (16 CCR) Sections 868-869.9). CSLB staff worked with counsel from the Department of Consumer Affairs (DCA) to develop proposed regulatory text to implement AB 2138. The final draft of this text will be distributed at or before the March 21, 2019 board meeting.

Summary of Changes

What follows is a summary of regulatory amendments and additions to CSLB regulations as a result of AB 2138.

Amendments to Section 868 (Substantial Relationship Criteria) Currently, CSLB cannot take disciplinary action or deny an application unless it can demonstrate that the crime or act is "substantially related" to the qualifications, functions or duties of the license or registration. AB 2138 requires that CSLB revise the "substantially related" criteria to include 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." AB 2138 also permits CSLB to deny an applicant if he or she was professionally disciplined in California or elsewhere. The amendments to Section 868 include these changes.

Addition of Section 868.1 (Felony Financial Crimes Directly and Adversely Related) AB 2138 permits boards to deny a license if the crime was a financial one currently classified as a felony that is "directly and adversely related to the fiduciary qualifications, functions, or duties" of a contractor. This is essential to CSLB's consumer protection mandate since many construction-related crimes include consumer financial harm, e.g. diversion of construction funds, grand theft. Because this is a new and separate standard from the "substantially related" criteria discussed above, it requires that CSLB draft a new regulation that includes this language, as well as identified financial felonies that would receive consideration under the law. The criteria used by the new regulation are based on crimes that have been grounds for denial of licenses or registrations by the board in the last five years.

Repeal of Section 869.5 (Inquiry into Criminal Convictions) The provisions in this section will no longer apply, effective July 1, 2020.

Amendments to Section 869.9 (Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure) This section is being revised to mirror



changes to the board's rehabilitation regulation as required by Business and Professions Code section 7073.

Amendments to Section 869 (Criteria for Rehabilitation) AB 2138 requires the board to include new criteria to evaluate if a person is rehabilitated for the purposes of denying, suspending, or revoking a license or registration on the basis of a criminal history. According to DCA counsel, DCA boards are considering two options when drafting their regulations for criteria for rehabilitation. The key differences between them are contained in subsection (a) of each option in the draft text for Section 869.

Option 1

Requires CSLB staff to engage in a case-by-case determination about the rehabilitation of each applicant or licensee.

Option 2

Provides that the applicant or licensee would be considered rehabilitated upon completion of his or her criminal sentence at issue without violation of parole or probation.

Option 1, unlike option 2, allows staff to continue to examine the details of an applicant's, licensee's, or registrant's parole or probation to gain an understanding of the terms and conditions with which the individual was expected to comply during his or her period of parole or probation, e.g. has restitution been paid to financially injured persons.

Implementation

To have regulations in place by July 1, 2020, when AB 2138 becomes effective, the board needs to adopt regulatory language and submit its package for review by DCA prior to April 30, 2019, to meet the expedited regulations review process proposed by DCA.

Staff Recommendation

Approve the proposed regulatory text and changes for Section 869 that allows CSLB staff engage in a case-by-case determination about the rehabilitation of each applicant or licensee.

Approve the proposed regulatory text and changes to Sections 868, 868.1, 869.5, and 869.9.

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.

AGENDA ITEM H

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: *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



AGENDA ITEM 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



AGENDA ITEM J

Administration Program Updates

1. Personnel and Facilities Update
2. Information Technology Update
3. Budget Update





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATION UPDATE

PERSONNEL UPDATE

During the second quarter of Fiscal Year (FY) 2018-19, CSLB Personnel staff completed twenty-eight recruitments. This included the addition of ten new employees from other state agencies and seven employees new to state service. Within CSLB, nine employees were promoted and two transferred to different units.

Total Number of Recruitments per Quarter – FY 2018-19

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
From other State Agencies	9	10		
New to State Service	7	7		
Student Assistants	3	0		
Retired Annuitants	0	0		
Promotions	11	9		
Transfers within CSLB	8	2		
Training and Development	1	0		
Examination Proctors	2	0		
Total Per Quarter	41	28		

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 continues to remain low with an average of twenty-six over the first seven months of fiscal year 2018-19. The Personnel unit continues to work closely with CSLB hiring managers and DCA’s Office of Human Resources to identify and minimize delays in the recruitment process. These efforts have improved the recruitment process and helped 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	---	---	---	---
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

Between December 2018 and February 2019, the Personnel unit coordinated one ergonomic training for staff in the Sacramento office, and two ergonomic evaluations for staff in the San Diego office. The ergonomics program is designed to identify, prevent and/or correct injuries caused by repetitive job, process, or operation of identical work activity.



Examinations

DCA and CalHR offer several examinations throughout the year, as shown below:

ENFORCEMENT		
Consumer Services Representative	Last exam date:	December 2018
	Tentative exam date:	April 2019
Enforcement Representative I	Last exam date:	December 2018
	Tentative exam date:	June 2019
Enforcement Representative II	Last exam date:	November 2018
	Tentative exam date:	April 2019
Enforcement Supervisor I/II	Last exam date:	December 2018
	Tentative exam date:	May 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:	October 2018
	Tentative exam date:	May 2019
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:	November 2018
	Tentative exam date:	March 2019
Program Technician III (CalHR)	Last exam administered in:	November 2018
	Tentative exam date:	March 2019
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

Fresno –Tenant improvements have been completed. Tenant improvements included:

- Touch-up paint throughout the office;
- Installation of lower plates on all doors;
- Installation of corner guards throughout the office; and
- Installation of an exhaust fan in the breakroom

Norwalk – CSLB submitted a proposal to build-out four (4) cubicles to house the Special Investigations Unit. CSLB is waiting on the Department of General Services (DGS) approval to proceed with the reconfiguration.

Projected Completion Date: **TBD**

Oxnard – The new lease was submitted to the lessor on January 12, 2019 and is waiting for their signature. Tenant improvement work will commence upon execution of the new lease. Improvements include:

- Installation of new carpet and paint in the Enforcement and Testing Suites

Projected Completion Date: **TBD**

Sacramento Headquarters – Tenant improvements began November 26, 2018.

Completed tenant improvements include:

- New interior paint;
- Installation of new carpet; and
- Installation of new security kiosk

Remaining tenant improvements include:

- Electrical upgrades;
- Reconfiguring the hearing room to include a media room;
- Installation of additional outlet in computer server room; and
- Installation of the new uninterruptable power system (UPS) ;and
- upgraded security badge readers

Projected Completion Date: **May 2019**



San Diego – Tenant improvements for the Enforcement and Testing suites were completed in November. Tenant improvements included:

- New interior paint; and
- Installation of new carpet

San Francisco – A request for the installation of electric vehicle charging stations was submitted to the lessor. Additionally, CSLB is requesting security cameras to monitor public access into the secure suite.

Projected Completion Date: **TBD**

Valencia – CSLB offices will be moved to a building adjacent to their current location. Final blue prints have been submitted to DCA/DGS for review and approval. CSLB is waiting on a project schedule from DCA/DGS once plans have been approved.

Projected Completion Date: **TBD**

Contracts and Procurement

Contracts in Process:

- The California Highway Patrol (CHP) annual contract was amended to capture new CHP hourly rates for security services for various meetings and testing offices.
- 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.

Procurements in Process:

- Purchase of six (6) copiers in Sacramento, one (1) copier in West Covina and one (1) copier in Berkeley.
- Purchase of ergonomic equipment for CSLB Headquarters, such as sit/stand stations, document holders, back supports, keyboards, and footrests.

Executed Contracts/Procurement:

- The California Department of Human Resources (Cal HR) contract to conduct psychological screening services for Peace Officer applicants.
- CPS HR Consulting Contract amended to extend contract service date.
- Lexis Nexis Matthew Bender contract for the “2019 CSLB Law Books”.
- Survey Monkey contract amended to include additional users.



Fleet

DGS approved CSLB's fleet acquisition plan requesting replacement of CSLB vehicles that meet DGS requirements. The five (5) vehicles on the 2017/2018 Fleet Acquisition Plan have been approved by DGS and delivered.

Five (5) vehicles have been delivered:

- One (1) Kia Optima was delivered to CSLB San Bernardino Investigations.
- One (1) Honda Clarity was delivered to CSLB Sacramento Investigation South.
- One (1) Toyota Mirai was delivered to Norwalk Investigations.
- One (1) Chevrolet Silverado was delivered to Norwalk SWIFT.
- One (1) Chevrolet Silverado was delivered to Fresno SWIFT.



Department of Consumer Affairs Business Modernization Project

The Department of Consumer Affairs (DCA) Business Modernization Project defines the framework that boards and bureaus must follow to ensure 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 our licensees and consumers, better access to public data for consumers, and enhanced data analytics reporting. To implement these and other enhancements, CSLB will be following 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 will report to the board quarterly on the status of each stage of the PAL process.

Information Security and Risk

The independent security assessment (ISA), sometimes referred to as an AB 670 assessment, is required by California government code section 11549.3 as amended October 5, 2015. It requires the State Office of Information Security to conduct a minimum of 35 independent security assessments of state entities annually.

As part of the state's assessment schedule, an ISA was conducted at CSLB on February 11-15, 2019. The Cyber Network Defense (CND) Team from the California Military Department assessed CSLB's network and selected web applications to identify security vulnerabilities.

CND's employees were divided into a "red team" and a "blue team." The red team focused on emulating the behaviors and techniques of likely attackers, such as running tests to find ways to penetrate the network, attempting to compromise passwords and network accounts, and making attempts to exploit CSLB's internal network weaknesses. The blue team focused on internal network scanning to discover potential vulnerabilities in the network infrastructure, such as firewalls, switches, computers and servers.

Although details of their findings cannot be released publicly, the security controls that CSLB has in place were successful in detecting and blocking most of the red team's attempts. However, there were some recommendations for enhancements that were helpful for IT staff.

The California Military Department's full report is expected to be delivered to DCA and CSLB by the end of April 2019. All findings from the ISA will be recorded in a report known as a plan of action and milestones (POAM), submitted to the California



Department of Technology, and the issue identified in the report will be remediated over the upcoming several months.

IT System Enhancements

The following table highlights some of the IT system enhancements that have been accomplished so far this year.

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 regarding 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 request for change (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 two new action codes for licensing (EVU/CBU) and enforcement to action code table for more granular tracking and reporting	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 four vulnerabilities found on CSLB's 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 CA Department of Military	February 2019
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CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2018-19 CSLB Budget and Expenditures

Through January 31, 2019, CSLB spent or encumbered \$36.2 million, roughly 54 percent of its FY 2018-19 budget. This chart details CSLB's FY 2018-19 budget, including expenditures through January 2019:

EXPENDITURE DESCRIPTION	FY 2018-19 REVISED BUDGET	JANUARY 2019 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	25,999,000	14,201,025	11,797,975	45.4%
Board Members	16,000	5,500	10,500	65.6%
Temp Help	860,000	347,988	512,012	59.5%
Exam Proctor	41,000	57,891	-16,891	-41.2%
Overtime	146,000	229,804	-83,804	-57.4%
Staff Benefits	13,399,000	7,663,855	5,735,145	42.8%
TOTALS, PERSONNEL	40,461,000	22,506,063	17,954,937	44.4%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	17,898,000	10,471,350	7,426,650	41.5%
Exams – Subject Matter Experts	436,000	209,829	226,171	51.9%
Enforcement	9,088,000	3,478,510	5,609,490	61.7%
TOTALS, OE&E	27,422,000	14,159,689	13,262,311	48.4%
TOTALS	67,883,000	36,665,752	31,217,248	46.0%
Scheduled Reimbursements	-353,000	-99,226	-253,774	
Unscheduled Reimbursements		-320,544	320,544	
TOTALS, NET REIMBURSEMENTS	67,530,000	36,245,982	31,284,018	46.3%

❖ Revenue

CSLB received the following revenue amounts through February 28, 2019:

Revenue Category	Through 02/28/2019	Percentage of Revenue	Change from prior year (02/28/2018)*
Duplicate License/Wall Certificate Fees	\$84,509	0.2%	8.8%
New License and Application Fees	\$9,947,371	22.3%	14.8%
License and Registration Renewal Fees	\$31,352,938	70.4%	1.7%
Delinquent Renewal Fees	\$1,768,678	4.0%	5.9%
Interest	\$0	0.0%	0.0%
Penalty Assessments	\$1,343,069	3.0%	8.2%
Misc. Revenue	\$58,732	0.1%	-28.7%
Total	\$44,555,297	100.00%	4.6%

* License & Registrations Renewals Fees are based on 2-year cycle (comparative data is from FY 2016-17, a peak renewal year).



❖ **CSLB FY 2019-20 Proposed Budget Change Proposal (BCP)**

CSLB submitted a budget change proposal (BCP) for the Enforcement division to fulfill the mandates of Senate Bill 1465 (Hill, Chapter 514, Statutes of 2018). The BCP requests a staff augmentation of 2.0 positions and \$217,000 in funding beginning in FY 2019-20 and ongoing. The Department of Finance approved the proposal and it is currently going through the Legislative budget hearings for consideration as part of the FY 2019-20 Budget Act.

❖ **Fiscal Year (FY) 2018-19 CSLB Final Budget and Adjustments**

- CSLB’s FY 2018-19 budget increased by \$1.8 million, from \$65.7 to \$67.5 million based on one-time adjustments and reductions: reconciling of salaries and wages with the projected operating expenditures, adjustments to employee retirement contribution rates, and adjustments to employee compensation and health rates.
- The following chart shows the approved original FY 2018-19 budget (2018 Budget Bill) and the overall budgetary impact of the reductions and adjustments to CSLB’s final FY 2018-19 budget:

EXPENDITURE DESCRIPTION	FY 2018-19 BUDGET ACT	7A ADJ & BUDGET POS ADJ	RETIREMENT ADJ	EMPLOYEE COMP & HLTH ADJ	FY 2018-19 FINAL BUDGET
PERSONNEL SERVICES					
Salary & Wages (Staff)	25,223,000			776,000	25,999,000
Board Members	16,000				16,000
Temp Help	860,000				860,000
Exam Proctor	41,000				41,000
Overtime	146,000				146,000
Staff Benefits	12,546,000		237,000	616,000	13,399,000
TOTALS, PERSONNEL	38,832,000	0	237,000	1,392,000	40,461,000
OPERATING EXPENSES & EQUIPMENT					
Operating Expenses	17,662,000	-88,000	44,000	280,000	17,898,000
Exams	436,000				436,000
Enforcement	9,088,000				9,088,000
TOTALS, OE&E	27,186,000	-88,000	44,000	280,000	27,422,000
TOTALS	66,018,000	-88,000	281,000	1,672,000	67,883,000
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
TOTALS, NET REIMBURSEMENTS	65,665,000	-88,000	281,000	1,672,000	67,530,000



❖ **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 2.4 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	\$13,510	\$11,949
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$16,182	\$13,873	\$13,510	\$11,949
Revenues and Transfers				
Revenue	\$65,627	\$69,432	\$69,035	\$71,076
Totals, Resources	\$81,809	\$83,305	\$82,545	\$83,025
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	\$13,510	\$11,949	\$12,886
Months in Reserve	2.4	2.3	2.0	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	\$ 363	\$ 363
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 249	\$ 363	\$ 363	\$ 363
Revenues and Transfers				
Revenue	\$114	\$110	\$110	\$110
Totals, Resources	\$ 363	\$ 473	\$ 473	\$ 473
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	\$ 363	\$ 363	\$ 363
Months in Reserve	39.6	39.6	39.6	39.6

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
Total	22,319	24,396	21,493	26,857
			<i>% Change from Prior FY</i>	25.0%

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
Total	10,358	11,374	10,209	12,478
			<i>% Change from Prior FY</i>	22.2%
			<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
Total	6,972	8,995	8,260	9,902
			<i>% Change from Prior FY</i>	19.9%
			<i>% Licenses Issued of Original Apps Rcvd</i>	79.0%



Licenses Renewed	<i>PEAK</i>		<i>PEAK</i>	
	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
Total	64,960	66,243	58,670	66,103
		<i>% Change from Peak FY 2016-17</i>		<i>-0.2%</i>

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
Total	4,384	3,038	2,894	3,311
		<i>% Change from Prior FY</i>		<i>14.4%</i>

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
Total	967	1,656	1,944	2,603
		<i>% Change from Prior FY</i>		<i>33.9%</i>



License Population by Status

	January 2017	January 2018	January 2019
Active	223,799	225,143	229,938
Inactive	58,318	56,280	55,310
Subtotal	282,117	281,423	285,248
Other*	501,447	514,306	524,595
Expired	427,371	437,443	444,891
Expired % of Other	85.2%	85.1%	84.8%
Grand Total	783,564	795,729	809,843

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

HIS Registration Population by Status

	January 2017	January 2018	January 2019
Active	16,608	17,443	18,446
Other*	71,438	75,547	79,872
Total	88,046	92,990	98,318

* 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 K

Licensing



AGENDA ITEM K-1

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
- h. Development of a Possible New Remodeling and Home Improvement License Classification
- i. Development of a C-License Classification for Tree Service Contractors
- j. License Reciprocity with Other States
- k. Process Improvements Related to CSLB Correspondence with Applicants and Licensees





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
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Original Exam	1,063	1,166	954	800	1,035	899	1,138	955	1,394	1,117	1,098	1,185
Original Waiver	703	719	447	390	618	555	688	640	788	646	599	787
Add Class	285	374	260	259	308	260	263	308	353	345	385	403
Qualifier Replacer	177	249	198	177	210	206	235	208	241	215	195	225
Home Improvement	725	954	878	853	761	778	937	717	832	773	745	859
Total Per Month	2,953	3,462	2,737	2,479	2,932	2,698	3,261	2,828	3,608	3,096	3,022	3,459
3 – Month Totals	Feb – Apr: 9,152			May – Jul: 8,109			Aug – Oct: 9,697			Nov – Jan: 9,577		

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
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Original Exam	2,920	2,519	2,382	2,447	2,392	2,355	2,292	1,916	2,463	1,944	1,855	2,298
Original Waiver	933	1,353	1,245	1,403	1,267	1,305	1,454	1,413	1,317	999	1,133	1,421
Add Class	418	615	596	614	559	432	533	425	530	450	475	634
Qualifier Replacer	223	285	345	362	298	281	344	261	316	264	306	271
Home Improvement	723	980	887	828	923	705	935	882	872	857	810	768
Total Per Month	5,217	5,752	5,445	5,654	5,439	5,078	5,558	4,897	5,498	4,514	4,579	5,392

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

*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
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
ORIGINAL EXAM	Received Date to First Returned for Correction	5.0	6.0	6.0	5.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
	Received Date to First Exam	15.0	14.0	14.0	14.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
	Last Exam to Issuance	7.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
	Received Date to Issuance	30.0	25.0	26.0	24.0	24.0	24.0	24.0	25.0	27.0	26.0	26.0	27.0
QUALIFIER REPLACER EXAM	Received Date to First Returned for Correction	2.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Received Date to First Exam	9.0	9.0	11.0	8.0	11.0	8.0	8.0	7.0	9.0	9.0	8.0	9.0
	Last Exam to Issuance	3.0	3.0	3.0	2.0	3.0	2.0	2.0	2.0	2.0	3.0	2.0	4.0
	Received Date to Issuance	14.0	14.0	16.0	12.0	17.0	13.0	12.0	11.0	14.0	14.0	16.0	14.0
ORIGINAL WAIVER	Received Date to First Returned for Correction	2.0	2.0	2.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
	Received Date to Issuance	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0	12.0	11.0
QUALIFIER REPLACER WAIVER	Received Date to First Returned for Correction	1.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Received Date to Issuance	5.0	5.0	5.0	5.0	4.0	5.0	3.0	5.0	5.0	4.0	4.0	6.0
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	1.0	1.0	1.0
	Received Date to Issuance	7.0	7.0	5.0	7.0	6.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0

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 replacer, 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

*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
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Reactivation	129	106	128	140	107	113	130	116	149	108	76	105
Active	6,985	7,708	9,708	11,400	8,158	9,036	10,022	8,377	9,090	7,055	7,549	8,379
Inactive	862	1,243	1,257	1,496	1,079	1,199	1,284	1,121	1,228	909	978	1,088
Delinquent Active	679	953	958	1,119	926	907	937	938	1,081	870	782	955
Delinquent Inactive	144	183	156	207	138	150	130	150	188	133	160	160
Received Per Month	8,799	10,193	12,207	14,362	10,408	11,405	12,503	10,702	11,736	9,075	9,545	10,687
3 – Month Totals	Feb – Apr: 31,199			May – Jul: 36,175			Aug – Oct: 34,941			Nov – Jan: 29,307		

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

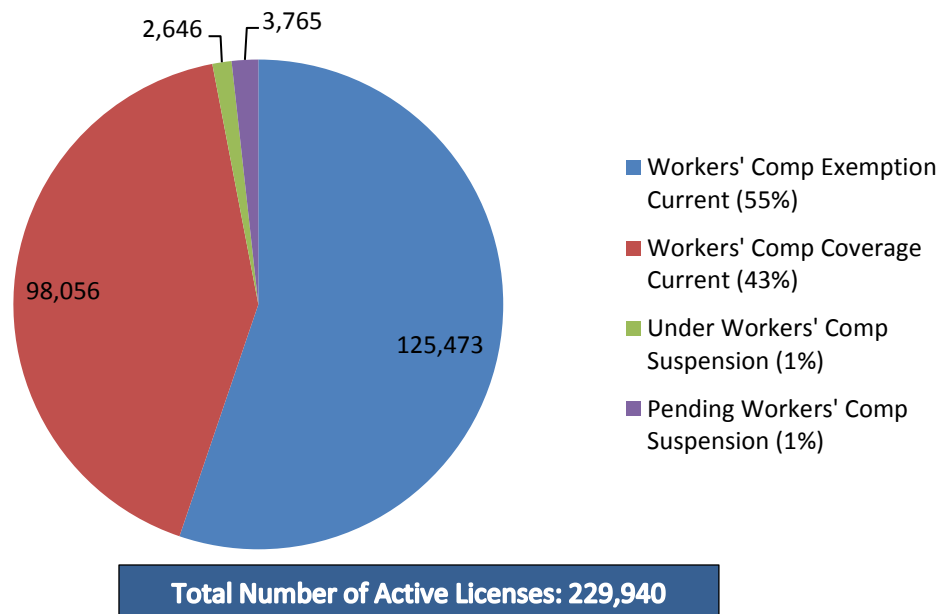


WORKERS' COMPENSATION RECERTIFICATION STATISTICS

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 - January 31, 2019



The chart on the following page shows the workers' compensation coverage (policies and exemptions) on file as of January 31, 2019, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status – As of January 31, 2019**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,472	9,088	14,560	38%
B General Building	63,027	39,318	102,345	62%
C-2 Insulation and Acoustical	287	876	1,163	25%
C-4 Boiler Hot Water	212	583	795	27%
C-5 Framing / Rough Carp	484	358	842	57%
C-6 Cabinet-Millwork	2,753	1,889	4,642	59%
C-7 Low Voltage Systems	2,062	2,764	4,826	43%
C-8 Concrete	2,541	3,528	6,069	42%
C-9 Drywall	1,192	1,744	2,936	41%
C10 Electrical	13,960	11,211	25,171	55%
C11 Elevator	35	168	203	17%
C12 Earthwork & Paving	1,009	1,374	2,383	42%
C13 Fencing	690	853	1,543	45%
C15 Flooring	3,691	3,442	7,133	52%
C16 Fire Protection	753	1,385	2,138	35%
C17 Glazing	1,092	1,757	2,849	38%
C20 HVAC	6,482	5,359	11,841	55%
C21 Building Moving Demo	515	1,120	1,635	31%
C22 Asbestos Abatement	7	274	281	2%
C23 Ornamental Metal	445	607	1,052	42%
C27 Landscaping	4,802	6,503	11,305	42%
C28 Lock & Security Equipment	161	220	381	42%
C29 Masonry	1,082	1,330	2,412	45%
C31 Construction Zone	45	231	276	16%
C32 Parking Highway	190	309	499	38%
C33 Painting	8,739	6,793	15,532	56%
C34 Pipeline	168	337	505	33%
C35 Lath & Plaster	641	1,157	1,798	36%
C36 Plumbing	8,833	6,651	15,484	57%
C38 Refrigeration	937	970	1,907	49%
C39 Roofing	0	4,301	4,301	0%
C42 Sanitation	378	578	956	40%
C43 Sheet Metal	417	1,054	1,471	28%
C45 Signs	389	487	876	44%
C46 Solar	483	720	1,201	40%
C47 Gen Manufactured House	230	201	431	53%
C50 Reinforcing Steel	62	182	244	25%
C51 Structural Steel	428	1,014	1,442	30%
C53 Swimming Pool	1,143	1,331	2,474	46%
C54 Tile	3,621	2,750	6,371	57%
C55 Water Conditioning	129	172	301	43%
C57 Well Drilling	328	511	839	39%
C60 Welding	541	449	990	55%
C61 Limited Specialty	7,650	9,849	17,499	44%
ASB Asbestos Cert	290	702	992	29%
HAZ Hazardous Cert	536	1,323	1,859	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.

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 2,906 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
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Withdrawn	18	19	13	14	20	8	12	9	11	15	10	10
Verified	31	29	30	37	27	16	13	24	19	13	31	26
Denied	14	7	19	16	19	11	13	14	25	8	8	11
Appealed	2	2	2	1	6	0	0	0	1	1	0	0
Pending	104	91	109	102	99	124	100	83	123	135	132	110

The chart on the next page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification as of January 31, 2019.

**Experience Verification by Classification – As of January 31, 2019**

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	16	42	56	36	150
B General Building	88	320	515	419	1,342
C2 Insulation and Acoustical	0	1	6	0	7
C4 Boiler Hot Water	0	0	4	0	4
C5 Framing / Rough Carp	0	1	8	4	13
C6 Cabinet-Millwork	0	6	17	6	29
C7 Low Voltage Systems	0	4	28	3	35
C8 Concrete	0	12	32	16	60
C9 Drywall	2	1	7	9	19
C10 Electrical	6	31	133	50	220
C11 Elevator	0	0	2	0	2
C12 Earthwork & Paving	0	3	11	9	23
C13 Fencing	0	1	6	7	14
C15 Flooring	2	9	30	17	58
C16 Fire Protection	1	3	6	4	14
C17 Glazing	0	6	16	5	27
C20 HVAC	7	16	78	29	130
C21 Building Moving Demo	0	11	6	9	26
C22 Asbestos Abatement	0	3	4	1	8
C23 Ornamental Metal	0	2	4	0	6
C27 Landscaping	4	13	50	28	95
C28 Lock & Security Equipment	0	1	6	0	7
C29 Masonry	0	2	6	7	15
C31 Construction Zone	0	1	0	1	2
C32 Parking Highway	0	2	2	0	4
C33 Painting	3	22	76	32	133
C34 Pipeline	1	0	1	0	2
C35 Lath & Plaster	1	1	7	8	17
C36 Plumbing	8	18	90	30	146
C38 Refrigeration	0	1	3	1	5
C39 Roofing	3	10	18	20	51
C42 Sanitation	0	5	3	3	11
C43 Sheet Metal	0	1	1	0	2
C45 Signs	0	2	6	1	9
C46 Solar	2	4	10	8	24
C47 Gen Manufactured House	0	0	1	1	2
C50 Reinforcing Steel	0	0	1	0	1
C51 Structural Steel	1	1	4	1	7
C53 Swimming Pool	2	8	6	8	24
C54 Tile	0	15	26	12	53
C55 Water Conditioning	0	0	0	0	0
C57 Well Drilling	0	2	6	5	13
C60 Welding	0	3	17	1	21
C61 Limited Specialty	3	21	72	19	115
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
Total	150	605	1,381	810	2,946

Note: The total amount of 2,946 in this chart differs from the number of applications (2,906) the Experience Verification Unit has been assigned and reviewed because some individuals have multiple-class applications.



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 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019 Jan
Calls Received	12,628	15,010	14,037	14,032	12,508	11,981	13,293	11,218	12,997	10,874	9,555	13,260
Calls Answered	12,194	14,054	12,621	12,731	10,017	10,090	11,375	9,748	11,873	9,955	8,913	12,247
Caller Abandoned	294	626	954	851	1,444	1,139	1,013	826	687	573	414	666
Longest Wait Time	04:33	0:6:13	11:06	11:49	16:52	15:56	14:18	11:26	08:43	11:35	11:27	09:22
Shortest Wait Time	00:39	00:45	0:1:08	00:36	01:41	01:41	01:48	01:22	00:57	00:53	00:31	00:52
Avg. Wait Time	01:58	02:58	04:44	04:19	07:45	6:23	05:31	05:18	03:42	03:40	02:33	03:28

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 Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	2019 Jan
OUTSTANDING LIABILITIES - (FROM CALIFORNIA STATE AGENCIES)												
Initial	69	69	77	138	114	72	73	91	96	84	76	68
Suspend	48	50	60	51	56	116	95	56	66	74	79	63
Reinstate	45	58	49	42	69	66	97	56	60	53	45	65
Total	162	177	186	231	239	254	265	203	222	211	200	196
FINAL JUDGMENTS - (FROM COURT ACTIONS)												
Initial	75	74	64	57	42	35	69	41	42	43	39	36
Suspend	25	22	11	30	27	15	18	19	17	26	13	17
Reinstate	60	66	57	70	52	53	64	33	55	40	41	55
Total	160	162	132	157	121	103	151	93	114	109	93	108
PAYMENT OF CLAIMS - (FROM BOND SURETY COMPANIES)												
Initial	142	136	151	166	163	152	168	143	157	190	159	186
Suspend	57	56	81	80	72	84	79	95	69	99	89	105
Reinstate	113	121	111	133	97	112	128	119	117	98	144	139
Total	312	313	343	379	332	348	375	357	343	387	392	430

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
February 2018	\$902,712	\$490,002	\$446,973	\$7,525	\$1,847,212
March	\$988,422	\$586,983	\$58,036	-	\$1,633,441
April	\$1,624,994	\$681,477	\$72,927	-	\$2,379,398
May	\$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
TOTALS	\$12,610,212	\$7,588,463	\$3,590,216	\$11,826	\$23,800,717

AGENDA ITEM K-2

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.

Number of Examinations Scheduled Per Month February 2018 - January 2019

Feb 2018	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2019	Total
3,534	4,913	4,153	4,838	4,914	4,944	4,779	4,194	4,594	4,010	3,560	4,103	52,536

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 February 2018 – January 2019

Test Center	Number of Examinations Scheduled
Berkeley	6,327
Fresno	2,816
Norwalk	13,459
Oxnard	6,222
Sacramento	6,595
San Bernardino	7,949
San Diego	4,637
San Jose	4,531
Total	52,536

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.

Occupational Analysis and Item Bank Development Workload

Licensure examinations are required by law to be updated at least every five-to-seven years. All of CSLB’s examination programs meet this standard. The revision



process takes approximately one year and is conducted in two phases: occupational analysis and 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 January 2019: C-34 Pipeline and C-45 Sign and two new examinations in February 2019: C-13 Fencing and C-50 Reinforcing Steel.

Examination Programs in Progress as of March 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
	C-55 Water Conditioning
	C-60 Welding

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.

An annual Consumer Satisfaction Survey Report is produced each spring.

AGENDA ITEM L

Enforcement



AGENDA ITEM L-1

Enforcement Program Update

- a. Staff Vacancy Update
- b. Consumer Investigation Highlights
- c. General Complaint-Handling Statistics
- d. Solar Task Force Objectives and Activities





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

STAFF VACANCY UPDATE

CSLB Enforcement division currently has 16 staff vacancies, down from a peak of 31 in July 2017. Of these 16 vacancies, eight candidates have been selected and are pending final approval by the Department of Consumer Affairs. The Enforcement division is actively trying to fill the remaining vacancies. The chart below shows the status of the vacant positions.

Position Class	Location	Status
Enforcement Supv II	Case Management Unit	Position posted
Enforcement Rep I	SWIFT Central	Candidate selected; pending approval
Enforcement Rep II	SWIFT Central	Position posted
Enforcement Rep I	West Covina IC	Candidate selected; pending approval
Enforcement Rep I	West Covina IC	Position posted
Enforcement Rep I	Valencia IC	Candidate selected; pending approval
Enforcement Rep I	Valencia IC	Position posted
Enforcement Rep I/II	Fresno IC	Position posted
Enforcement Rep II	Norwalk IC	Candidate selected; pending approval
Enforcement Rep I	Orange County IC	Candidate selected; pending approval
Enforcement Rep I	Orange County IC	Position posted
Enforcement Rep I	Sacramento South IC	Candidate selected; pending approval
Consumer Svcs Rep	IMC Sacramento	Candidate selected; pending approval
Consumer Svcs Rep	IMC Norwalk	Position posted
Consumer Svcs Rep	IMC Norwalk	Position posted
Office Technician	Enforcement Services	Candidate selected; pending approval

INVESTIGATION HIGHLIGHTS

The 214 employees of CSLB's Enforcement division process, settle, and investigate all construction-related consumer 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.

Update: Arizona Sends Serial Offender to California for Justice

On August 9, 2018, revoked licensee Constance Gabriel and her husband were arrested at their Arizona home by the Pinal County Sheriff’s Office for contracting crimes in California. Warrants for their arrests had been issued in Santa Clara County based on a complex CSLB investigation. CSLB found that the Gabriels – operating as Sunrooms America, Inc. and other names – stole more than \$855,000 from 37 victims in a scheme to fraudulently contract for the construction of sunrooms. In most cases, the two collected illegally-large down payments, then did little or no work before abandoning the jobs. CSLB revoked Gabriel’s license in May 2018, but the couple left the state. The Gabriels were located in Arizona, arrested, and returned to California. They were charged with 79 criminal counts, including multiple charges of felony grand theft and elder abuse. On January 11, 2019, the Gabriels pled guilty to dozens of felonies and on February 22, 2019, they were sentenced. Constance Gabriel faces one year in the Santa Clara county jail and her husband was sentenced to three years in state prison. Restitution was also ordered to victims in amounts yet to be determined.



Constance Ruth Gabriel

William Ernest Gabriel

Jury Convicts Plumber of Five Felonies

On December 6, 2018, revoked licensee William Edward Hail was convicted on five felony counts by a Sonoma County jury for committing theft from two elderly victims. The charges included one count of theft of more than \$100,000 from an elder, two counts of diversion of construction funds, and one count of perjury. CSLB and the Petaluma Police Department started their investigation in 2016, when family members reported possible fraud by Hail against elderly relatives. The investigation revealed that Hail had contracted with an 82-year-old Petaluma man for energy upgrades, and contracted for similar work with the victim’s 83-year-old acquaintance. Hail entered into several additional contracts with each victim, eventually collecting over \$325,000 from each. The victims paid the full contract price before any work was completed. According to CSLB’s Industry Expert, the value of the work completed was only \$41,000 at one residence and \$88,000 at the other. An analysis of Hail’s bank accounts revealed he was depositing the money into personal accounts and spending it on vacations, classic automobiles, entertainment, and other luxury expenses. As a result of the investigation, CSLB revoked Hail’s license in April 2017. He is scheduled to be sentenced for the criminal convictions in early 2019, and faces a maximum sentence of seven years in prison.





Arrest for Grand Theft

A Fontana homeowner hired Gabriel Rodriguez, Sr. to remodel his bathroom for \$12,423. Rodriguez demanded and received an up-front deposit of \$9,523 to order materials, including a walk-in tub. Rodriguez, a revoked licensee and with a criminal history, then received an additional \$900 before beginning any work. During the following months, Rodriguez completed no work and repeatedly told the homeowner that he was waiting for delivery of the walk-in tub. After four months of no activity, the homeowner terminated the contract and demanded his money back. Rodriguez did not reimburse the homeowner. The homeowner then contacted CSLB, and investigators verified the facts of the case and referred it for criminal prosecution. The San Bernardino County District Attorney's office filed charges of felony grand theft, and in late November 2018, Rodriguez was arrested at his home by law enforcement officers. He was released on \$150,000 bail, and is next scheduled to appear in court on March 6, 2019.

Sting Targets Tree Service Contractors

On December 11-12, 2018, investigators from the Statewide Investigative Fraud Team partnered with the California Department of Insurance (CDI) to conduct an enforcement sting targeting tree service licensees in Orinda (Contra Costa County). The sting focused on tree service contractors with exemptions from workers' compensation insurance on file with CSLB. Eight licensees came to the sting location. Six of the licensees provided tree-trimming bids of up to \$23,000, and later returned with employees ready to begin work. Investigators referred all six licensees for criminal prosecution, and issued five Stop Orders. CDI will further investigate one of the licensees for apparent premium fraud.



GENERAL COMPLAINT-HANDLING STATISTICS

(January 2018 to January 2019)



Pending Investigations

At present staffing levels, the Enforcement division can effectively handle a caseload of 3,805 pending complaints (see chart below). As of January 2019, the pending case load was 3,906, with an average of 38 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	59	10	4	35	2,065
CSRs	29	20	2	60	1,740
TOTAL					3,805

Restitution to Financially-Injured Persons

CSLB continues to assist consumers and licensees to resolve non-egregious consumer complaints. From January 2018 to January 2019, complaint-negotiation efforts by Enforcement division staff resulted in more than \$26 million in restitution to financially-injured parties.

Financial Settlement Amount January 2018 - January 2019	
Intake and Mediation Center	\$20,346,106.00
Investigative Centers	\$5,678,440.08
TOTAL RESTITUTION	\$26,024,546.08

Enforcement Representative Production Goals

From January 2018 to January 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 (Jan 2018- Jan 2019)

CSLB OFFICE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Ave
Fresno	6	4	8	8	6	6	9	8	11	10	5	6	11	8
San Fran	10	9	10	13	12	14	11	12	9	9	8	5	8	10
Sac (North)	10	9	11	8	10	10	12	12	11	10	8	7	6	10
Sac (South)	14	11	11	10	12	9	10	11	11	11	11	9	9	11
Valencia	9	11	9	10	13	9	8	8	11	11	11	9	9	10
Norwalk	10	10	11	9	8	13	12	10	11	11	10	10	5	10
West Covina	14	9	8	8	9	11	11	11	10	9	8	9	10	10
San Bern	10	9	9	10	9	9	10	10	10	10	10	9	8	9
San Diego	10	11	17	18	11	13	15	9	11	11	10	11	8	12
SIU	10	10	8	8	9	8	7	5	9	9	4	7	7	8

Complaint-Handling Cycle Time

The board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of January 2019, 120 of the 3,906 open complaints – or 3 percent – exceeded 270 days in age. The following chart tracks the number of aged cases from January 2018 to January 2019.

Investigation Exceeding 270 Days in Age (Jan 2018- Jan 2019)

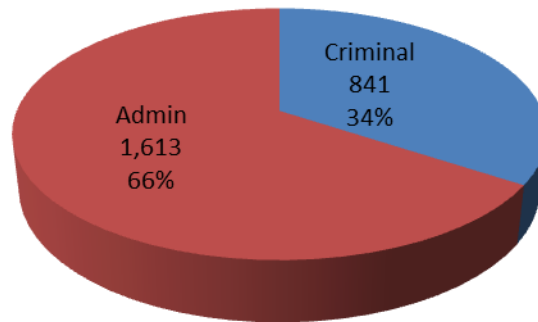
CSLB OFFICE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Fresno	5	6	6	5	12	11	11	7	7	11	13	17	21
San Fran	8	13	16	17	16	24	6	7	9	9	5	12	18
Sac (North)	0	1	7	7	6	1	9	8	11	6	3	2	4
Sac (South)	8	4	7	11	0	7	2	4	6	3	5	11	14
Valencia	17	17	17	10	19	20	15	14	12	8	8	9	11
Norwalk	2	40	23	16	30	24	15	21	26	18	20	18	4
West Covina	17	22	17	11	10	3	14	20	14	15	13	17	11
San Bern	0	9	11	12	14	12	16	13	12	8	5	6	0
San Diego	4	17	18	9	5	4	7	7	5	3	2	4	1
SIU	17	22	23	31	25	18	19	14	17	19	18	29	36
Totals	78	151	145	129	137	124	114	115	119	100	92	125	120

Investigative Center Legal Actions

From January 2018 to January 2019, the Investigative Centers (ICs) referred 34 percent, or 841 of the 2,454 legal action investigations for criminal prosecution.



IC Legal Totals Jan 2018- Jan 2019



STATEWIDE INVESTIGATIVE FRAUD TEAM

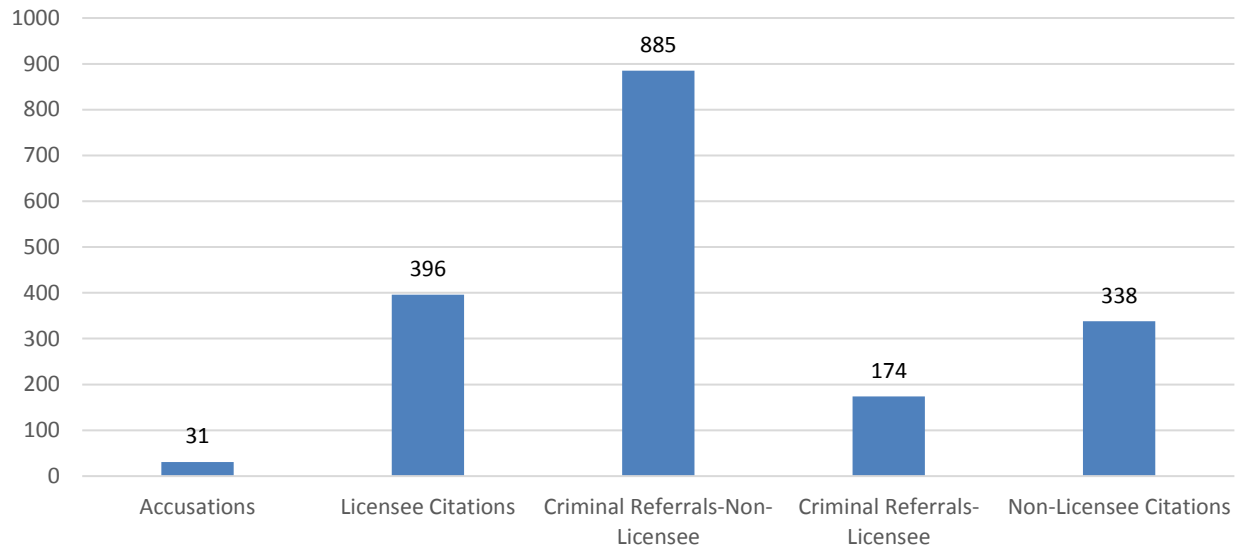
CSLB’s Statewide Investigative Fraud Team (SWIFT) is comprised of Enforcement Representatives (ERs) who enforce license and workers’ compensation insurance requirements at active jobsites, respond to leads, and conduct enforcement sweeps and undercover sting operations targeting unlicensed persons. From January 1, 2018 to January 31, 2019, SWIFT conducted 83 sting operations in partnership with other state agencies, law enforcement departments, and district attorneys. Working with other state and local agencies, SWIFT also conducted 406 days of enforcement sweeps throughout the state.

Legal Action Closures

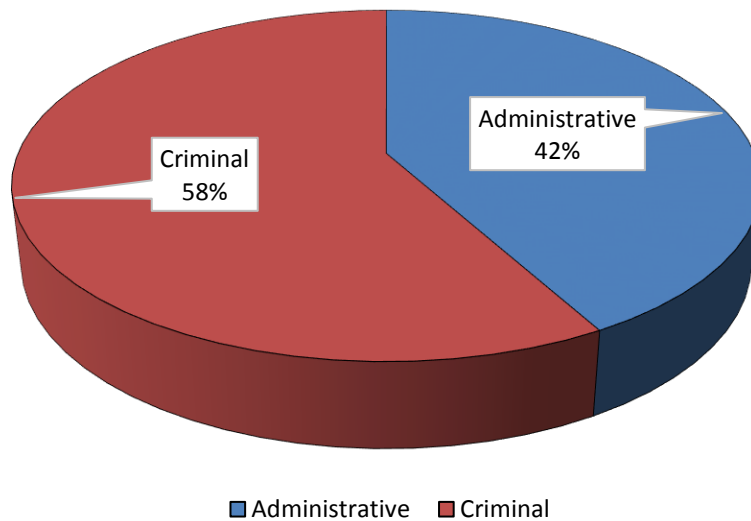
From January 1, 2018 to January 31, 2019, SWIFT completed 4,402 investigations as a result of stings, sweeps, and leads. Of these cases, 1,824 resulted in an administrative or criminal legal action, as shown below. Investigators also issued 1,030 Advisory Notices for minor violations.



January 1, 2018 – January 31, 2019 Legal Action Closures



January 1, 2018 – January 31, 2019 Legal Actions





District Attorney Referrals

When SWIFT investigators substantiate a criminal violation for failure to have a contractor license or workers' compensation insurance for employees, the case will normally be referred to the local district attorney (DA) for prosecution. Criminal referrals occur as a result of stings, where a Notice to Appear was issued, or as a result of a lead or sweep operation. From January 1, 2018 to January 31, 2019, SWIFT referred 1,059 cases to local DAs for criminal prosecution.

January 1, 2018 – January 31, 2019 Criminal Referrals	
Licensee Criminal Referrals	174
Non-Licensee Criminal Referrals	885
Total	1,059

Citations

From January 1, 2018 to January 31, 2019, SWIFT issued 734 licensee and non-licensee citations and assessed \$838,450 in non-licensee citation civil penalties.

Citation Amounts Assessed

January 1, 2018 - January 31, 2019 Non- Licensee Citations				
	Northern SWIFT	Central SWIFT	Southern SWIFT	Totals
January 2018	\$25,500	\$0	\$82,000	\$107,500
February 2018	\$750	\$25,750	\$34,750	\$61,250
March 2018	\$4,850	\$4,000	\$60,250	\$69,100
April 2018	\$8,150	\$32,250	\$75,250	\$115,650
May 2018	\$6,500	\$5,750	\$38,450	\$50,700
June 2018	\$6,400	\$6,000	\$85,250	\$97,650
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
Totals	\$115,250	\$99,500	\$623,700	\$838,450



Stop Orders

A Stop Order is a legal demand to cease all employee labor at any jobsite due to workers’ compensation insurance violations until an appropriate policy is obtained. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to \$10,000. From January 1, 2018 to January 31, 2019, SWIFT issued 711 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers’ compensation policy.

Labor Enforcement Strike 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, DIR Division of Occupational Health and Safety, and the Employment Development Department. LETF combats the underground economy in California 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 January 1, 2018 to January 31, 2019:

CATEGORY	RESULT
Number of Contractors Inspected*	311
Number of Contractors Out of Compliance	272
Percentage of Contractors Out of Compliance	87%
Total Initial Assessments**	\$1,952,659

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

*** The total amount of penalties assessed by Cal/OSHA and DLSE at the time of the initial inspection. These amounts are subject to change.*



Case Management January 2018 to January 2019

ARBITRATION		
Arbitration Cases Initiated		1,018
Arbitration Decisions Received		765
Licenses Revoked for Non-Compliance		87
Arbitration Restitution		\$4,046,609
CITATIONS ISSUED		
Citation Status	Licensee	Non-Licensee
Issued	1,384	971
Appealed	594	365
Compliance	1,025	493
ACCUSATIONS/STATEMENTS OF ISSUES		
Revocations by Accusation		410
Accusation Restitution Paid to Injured Persons		\$663,214
Statement of Issues (Applicants Denied)		29
Cost Recovery Received		\$548,507
Number of Cases Opened		425
Number of Accusations/Statement of Issues Filed		372
Number of Proposed Decisions Received		85
Number of Stipulations Received		109
Number of Defaults Received		165
Number of Decisions Mailed		389



SOLAR TASK FORCE UPDATE

Consumer Protection Outreach and Achievements

As reported at the December 2018 board meeting, on November 27, 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 a CSLB, CPUC, the Department of Business Oversight (DBO) would establish a Joint Agency Solar Consumer Protection Task Force (Task Force). The Task Force has accomplished the following since the meeting.

Consumer Assistance

The Task Force conducted teleconferences on December 17, 2018, January 29, 2019 and February 12, 2019, to discuss the offer by one of the PACE administrators to assist financially-harmed consumers in the Parlier/Huron region. The PACE administrator is working with the Task Force to collect necessary information from consumers to assist in reconciling the property assessments and structural damage done to their residences. Many PACE loans have already been forgiven and the assessments are being removed from the title of the property.

Memorandum of Understanding

A memorandum of understanding (MOU) was initiated that will allow the member agencies (CSLB, CPUC, and DBO) to leverage their collective resources to provide preventative outreach and necessary assistance to those consumers who have been 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;
- Participate in inter-agency working groups and other regulatory processes to enhance solar consumer protections.

**CPUC Solar Disclosure Document Public Workshop**

CSLB Solar Task Force leader Cynthia Moore participated in a public workshop led by the Energy Division of the CPUC on February 27, 2019, to obtain feedback about its 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. CSLB was asked for input to develop ideas to refine the packet structure, as well as its overall length.

Another workshop may be required to complete the review of the entire document and obtain final suggestions for the layout.

Contractor Disclosure Development

As a result of an August 2018 stakeholders' meeting regarding the second portion of the required AB 1070 (Gonzalez Fletcher, Chapter 662, Statutes of 2017) solar disclosure documents, drafts of three documents have been developed about the various financing options (Power Purchase Agreement, lease, and purchase). The CSLB Legislative division is working with CPUC staff to make final revisions to the documents, which will be presented at the next legislative committee meeting for board member review. Following approval of the documents, the next step is to commence the regulatory process to codify the documents into CSLB regulations so they may be enforced.

AGENDA ITEM M

Public Affairs



AGENDA ITEM M-1

Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Media Relations Highlights
- d. Industry and Licensee Highlights
- e. Publication/Graphic Design Highlights
- f. Community Outreach Highlights
- g. Employee Relations, Development and Intranet (CSLBin)





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, an Information Officer I position was filled and one Student Assistant became vacant.

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
Natalie Watmore	Information Officer I

Staff Name	Position
Kevin Durawa	Information Officer I
Vacant (New Position)	Television Specialist
Vacant	Student Assistant
Vacant	Student Assistant

ONLINE HIGHLIGHTS

CSLB Website Statistics

Website usage has remained steady over the past quarter, and over the past year. The majority of website usage takes place from Monday through Thursday, with a slight drop on Friday, and a dramatic drop on weekends. Between November 2018 and February 2019, the number of users each day (Monday through Thursday) is between 25,000 and 28,000. On Friday, user numbers drop to between 16,000 and 23,000, and between 6,200 and 8,100 on weekends.

For the past year (March 1, 2018 – February 28, 2019), almost 3.1 million users viewed just over 60 million pages on the CSLB website, an average just over five million pageviews per month by 256,757 different users.

As demonstrated by a new table on the next page, most visitors to the CSLB website over the past year came to the site between one and five times (52.10%). Nearly one-third of those visitors came to the site one time.

At the other end of the spectrum, almost 11 percent of visitors to the CSLB website over the past year conducted more than 200 sessions. That statistic, along with the increased visitation to the website on Monday-Thursday, reaffirms the belief that most



visitors to CSLB website are insurance companies, bond companies, and other businesses that perform license look-ups. That certainty is further reinforced by the table below showing that more than two-thirds of visitors to CSLB website do so via desktop computer.

# of Sessions	1	2-5	6-8	9-14	15-25	26-50	51-100	101-200	201+
Total Sessions	2,883,739	1,938,049	502,748	575,196	575,327	653,720	598,009	520,604	1,006,604
% of Total	31.16%	20.94%	5.43%	6.22%	6.22%	7.06%	6.46%	5.63%	10.88%
Combined	52.10%		11.65%		13.28%		12.09%		10.88%
Combined	52.10%		37.02%						10.88%

Month	Sessions	Users	New Users	Page Views	Desktop	Mobile	Tablet
March	824,851	360,495	257,396	5,320,460	66.85%	28.25%	4.90%
April	797,044	356,524	249,624	5,098,797	66.88%	28.33%	4.80%
May	822,706	360,228	254,434	5,278,340	66.22%	28.90%	4.88%
June	778,102	352,442	245,780	4,913,395	66.82%	28.33%	4.86%
July	764,954	347,583	241,347	4,978,289	65.59%	29.42%	4.00%
August	830,976	366,584	257,790	5,428,619	65.85%	29.31%	4.84%
September	714,245	322,784	221,856	4,582,594	64.78%	30.33%	4.90%
October	808,118	350,238	243,790	5,340,976	65.69%	29.62%	4.69%
November	685,808	312,223	210,599	4,495,199	65.27%	30.15%	4.58%
December	623,885	282,216	193,356	3,973,003	63.52%	31.79%	4.69%
January 2019	841,213	374,090	266,131	5,536,041	64.31%	31.14%	4.55%
February	762,094	345,162	239,363	5,073,663	64.02%	31.22%	4.76%
Monthly Avg.	701,988	344,214	240,122	5,001,615	60.01%	29.73%	4.70%
Totals	8,423,851	4,130,569	2,881,466	60,019,376	N/A	N/A	N/A



Between March 1, 2018 – February 28, 2019 the most popular browsers used to access the website were:

- | | |
|----------------------|-------|
| 1. Chrome | 43.5% |
| 2. Safari | 30.2% |
| 3. Internet Explorer | 12.6% |

Between March 1, 2018 – February 28, 2019 the most popular mobile operating systems to access the website were:

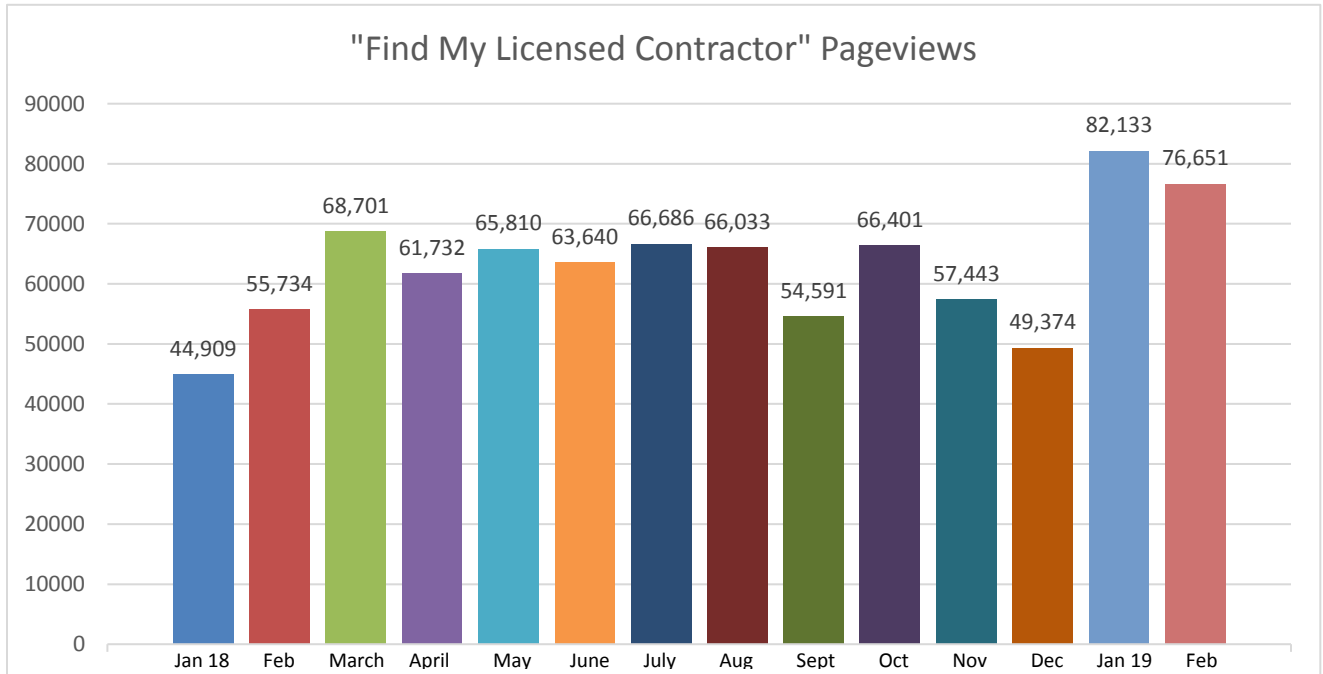
- | | |
|------------|-------|
| 1. IOS | 67.5% |
| 2. Android | 30.1% |
| 3. Windows | 2.3% |

“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.

Consumers can use this feature to start their search for a licensed contractor, contractors can identify potential sub-contractors, and awarding agencies can identify potential bidders for contracts.

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:



VIDEO/DIGITAL SERVICES

Public Meetings

- *Board Meetings – Teleconference/Live Webcasts*
 - December 13, 2018: Quarterly Board meeting in South San Francisco



The following is a list of live meeting webcasts PAO produced over the last year, along with the number of live viewers for each:

Date	Meeting	Live Viewers
February 23, 2018	Enforcement and Licensing Committee Meetings	132
March 2, 2018	Legislative and Public Affairs Committee Meetings	65
April 13, 2018	Quarterly Board Meeting – Day 2	119



June 7, 2018	Quarterly Board Meeting – Day 1	266
June 8, 2018	Quarterly Board Meeting – Day 2	128
August 3, 2018	Executive, Enforcement, Legislative, Licensing, and Public Affairs Committee Meetings	215
September 20, 2018	Quarterly Board Meeting	64
December 13, 2018	Quarterly Board Meeting	46

Board Member Outreach Opportunities

On March 1, 2019, PAO began distributing to Board members an updated calendar of key meetings, events and activities, per Strategic Plan Item 4.1. The calendar will be distributed on a monthly basis to increase Board members’ participation and ability to advocate on the Board’s behalf.



Social Media Highlights

Followers on CSLB’s Social Media Channels

Date	Facebook	Twitter	YouTube	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	14	-	-
November 2016	2,909	2,123	600	59	12	7
November 2017	3,312	2,405	702	105	99	10
November 2018	3,586	2,433	782	144	185	12
November 2018	3,680	2,471	832	153	210	12
February 2019	3,807	2,503	891	177	257	12

CSLB continues to use a variety of posts that include infographics to enhance engagement with audiences via a variety of social media channels.



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 March 2019, 56,835 people joined CSLB's reachable Nextdoor Network, bring the total number of verified residents in CSLB's network to 756,048.

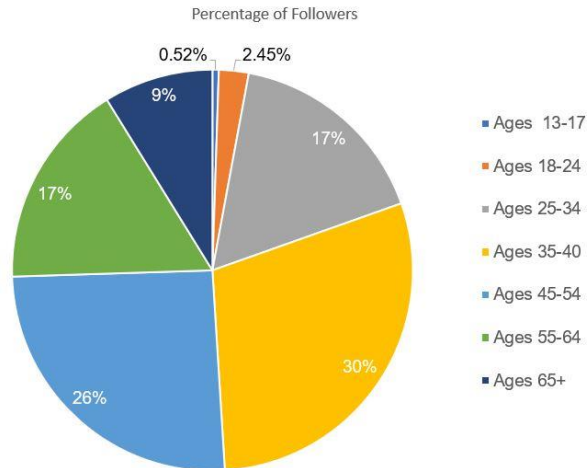
Facebook Growth

CSLB currently has 3,811 followers, an increase of 117 since the last board meeting. Of those who choose to disclose their gender, 67 percent of those are male; 32 percent female.

There has been a shift in our age brackets since last year. In the past, our Facebook page would interact with the ages 35-54 which made-up 57 percent of our audience, that percentage has been consistent over the past year, until recently.

PAO has speculated that using compelling graphics, images, hashtags, and engaging in conversations with followers has driven our Facebook age ranges to expand. Now that there is more fluctuation in the numbers, PAO will begin to track them closer.

The pie chart below shows demographics by age groups as they currently stand. Facebook does disclaim that these numbers are not 100 percent accurate.



CSLB followers can like, comment on, or share our Facebook posts. Here are the top posts from January and February 2019:

- The post on CSLB’s Law Book was posted in January. This post reached 2,158 people. “Crack open your copy of the 2019 law book, now available online! Whether you need to brush up on some rules, or study for your exam, or just need a reference guide for CA contractor law, #CSLB has you covered! Purchase a hard copy or download the online PDF <http://ow.ly/PYzx30nxbzy>





- The post on illegal advertising was posted in February. This post reached 4,251 people. “Did you know? Unlicensed operators are required to include in their advertisements that they “are not licensed” and can only perform work valued at less than \$500 for labor and materials combined. #CheckALicense here: <http://ow.ly/PiSk50IVSRn>”



Since the December Board Meeting, CSLB produced one Facebook Live video. The video streamed a live feed of CSLB’s Public Affairs Chief Rick Lopes discussing tips for consumers when looking to hire a licensed contractor to rebuild with hosts of the “Ask the Contractors” segment on Talk 650 KSTE. The live video was shot at the station’s studios in Sacramento.

<https://www.facebook.com/CSLB.CA/videos/336466100318631/>



The chart below shows the net growth per day from January 1, 2019 through February 28, 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

As of March 1, 2019, CSLB has 2,503 twitter followers.

- Of those who choose to disclose their gender, 54 percent of CSLB’s Twitter followers are female; 46 percent are male.

PAO has seen a change in demographics on twitter. In the past, CSLB’s Twitter profile was primarily male oriented and that has now changed. PAO has speculated that with the use of compelling graphics, images, hashtags, and engaging in conversations with followers has driven our Twitter demographics to change. Now that there is more fluctuation in the numbers, PAO will begin to track them closer.

- Top tweets:
 - Camp Fire Three Month Recap – 5,453 impressions



- Sting houses wanted – 1,683 impressions



YouTube Growth

CSLB’s YouTube Channel received 4,825 views between January 1, 2019 and February 28, 2019, an average of 83 viewers per day. Viewers watched a combined total of 20,951 minutes of video, that’s 6,576 more than the December Board Meeting.

CSLB gained 87 followers on YouTube since the December 2018 Board Meeting, growing from 806 to 893.

- CSLB has a total of 460,619 views (1,497,146 minutes watched) since the page was created in 2009.



Instagram Growth

CSLB uses Instagram as a visual tool to connect with followers. As the significance of using images on social media grows in conjunction with the use of smartphones, CSLB will continue to adapt and communicate in as many ways as possible.

- As of March 1, 2019, CSLB has 259 followers and has made 181 posts to date.
- PAO is using new ways to engage with followers build a stronger network. New ways include using additional hashtags and creating compelling infographics and photos.

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 March 1, 2018, CSLB had 334 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.

Email Alert Feature

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 29,362 contacts, which includes 1,412 new accounts since December 2018.

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 175,550 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
Feb. 28, 2019	7,843	4,753	8,174	6,925	961	614

MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between November 21, 2018 and February 28, 2019, PAO staff responded to 28 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 November 25, 2018 and February 28, 2019, PAO distributed eight news releases.

Release Date	Release Name
December 4, 2018	More than a Dozen Caught in CSLB Riverside County Sting Proves Need to "Check the License First"
December 7, 2018	CSLB Catches Contractor with Expired Licenses in Santa Cruz County
December 7, 2018	CSLB Sacramento County Undercover Sting Exposes Fraudulent Use of Contractor Licenses
December 19, 2018	CSLB Alerts Coachella Valley Residents that State License Required for Tile Sealing and Many Tile Cleaning Projects
January 22, 2019	Sonoma County Unlicensed Contractor Pleads Guilty to Eleven Counts of Illegal Contracting
January 24, 2019	CSLB Cites Sixteen Workers for Illegal Contracting in Los Angeles County
January 31, 2019	CSLB Receives \$179K Bid from Unlicensed Contractors in Alameda County



February 20, 2019

CSLB Cites Two Dozen for Illegal Contracting in Lafayette

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 should be distributed to over 154,000 email addresses by the end of March, 2019.

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 7,705 people and interested parties. Distribution includes those who signed-up to receive the bulletins through CSLB's Email Alert System. Between November 25, 2018 and February 28, 2019, PAO distributed three industry bulletins.

Release Date	Industry Bulletin Title
December 28, 2018	New Contracting Laws Kick into Gear on January 1, 2019
January 2, 2019	CSLB Outlines New 2019 Requirements for Lawsuit and Arbitration Reporting
January 31, 2019	2019 Edition of California Contractors License Law and Reference Book now Available

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 December 2018 through March 2019:

Date	Location	Legislative/Community Partner(s)
January 31, 2019	Pomona	Asm. Freddie Rodriguez
February 13, 2019	North Hollywood	Asm. Adrin Nazarian
February 15, 2019	Palos Verdes Peninsula	Asm. Al Muratsuchi
February 20, 2019	Menifee	Menifee Senior Advisory Committee
March 13, 2019	Claremont	Asm. Chris Holden
March 14, 2019	Glendale	Asm. Laura Friedman
March 15, 2019	Clovis	Asm. Jim Patterson
March 22, 2019	OC – TBA	Sen. Ling Ling Chang

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
January 9, 2019	Norwalk	CSLB Licensing Workshop
January 15, 2019	San Diego	Associated Plastering & Lathing Contractors Assn.
January 15, 2019	San Dimas	Consumer Scam Stopper – San Dimas Sr. Ctr.
January 23, 2019	Chico	Valley Contractors Exchange/Disaster Debris Removal Meeting
January 29, 2019	Sacramento	PHCC Legislative Day
February 7, 2019	Diamond Bar	National Insurance Crime Bureau
February 7, 2019	Sacramento	California Safety Center
February 7, 2019	Pacifica	Pacifica Senior Center
February 13, 2019	Norwalk	CSLB Licensing Workshop
February 13, 2019	Sacramento	Mexican Consulate/Labor Rights Advocate Roundtable
February 27, 2019	Sacramento	California Dept. of Veterans Affairs
March 1-3, 2019	Fresno	Fresno Home and Garden Show
March 1, 2019	Mission Viejo	Charles Abbott Associates
March 4, 2019	Redding	Shasta County DA Roundtable
March 5, 2019	Redding	Shasta County DA Fraud Fair
March 5, 2019	Corona	California Municipal Revenue & Tax. Assn.
March 5, 2019	Los Angeles	Supv. Mark Ridley-Thomas PACE meeting
March 7, 2019	Los Angeles	LA County Dept. of Consumer & Business Affairs Consumer Protection Week event



March 7, 2019	Redding	Rebuild Workshop for Contractors Shasta County
March 12, 2019	Ukiah	Mendocino College
March 13, 2019	Norwalk	CSLB Licensing Workshop
March 20, 2019	Sacramento	CSLB Licensing Workshop
March 23, 2019	Pomona	PHCC Flow Expo
March 30, 2019	Malibu	Rebuild Workshop for Contractors and Consumers— partnering with Asm. Richard Bloom

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 achievements/celebrations, leadership training, and information regarding the Sacramento headquarters remodel.

AGENDA ITEM N

Adjournment

