

SEPTEMBER 22, 2021
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 1





CONTRACTORS STATE LICENSE BOARD

STATE OF CALIFORNIA

9821 Business Park Drive, Sacramento, California 95827

Mailing Address: P.O. Box 26000, Sacramento, CA 95826

800.321.CSLB (2752) | www.cslb.ca.gov | CheckTheLicenseFirst.com

NOTICE OF PUBLIC BOARD MEETING AND TELECONFERENCE OPTION FOR MEMBERS OF THE PUBLIC

MEETING LOCATION

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

TELECONFERENCE OPTION

To facilitate social distancing requirements, members of the public are encouraged to utilize the Board's teleconference line. By using the teleconference option, members of the public do not need to be physically present and may participate in the board meeting by offering public comments on agenda items using the teleconference information below.

Please note: The teleconference call-in information is different for Day 1 and Day 2 of the Board meeting. Teleconference instructions are at the end of this agenda.

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

Day 1: September 22, 2021, 9:00 a.m. – 5:00 p.m. (or until the conclusion of business)

Teleconference Information to Join Meeting for Members of the Public:

Call-In Number: 415-655-0001 or 844-621-3956

Access code: 255 790 19675

Event Password: 87892283

and

Day 2: September 23, 2021, 9:00 a.m. – 12:00 p.m. (or until the conclusion of business)

Teleconference Information to Join Meeting for Members of the Public:

Call-In Number: 415-655-0001 or 844-621-3956

Access code: 255 231 57121

Event Password: 39548925

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

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and

prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the board chair.

MEETING AGENDA – Day 1
Wednesday, September 22, 2021 – 9:00 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s introduction

- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

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

- D. Legislation
 - 1. Update on 2021 Legislation
 - a. AB 107 (Salas) Licensure: Veterans and Military Spouses
 - b. AB 246 (Quirk) Contractors – Disciplinary Actions
 - c. AB 569 (Grayson) Contractors – Letters of Admonishment
 - d. AB 830 (Flora) License Qualifier Requirements
 - e. SB 607 Fees/Proposed License Bond Increase
 - f. SB 757 (Limon) Solar Energy Systems Improvements Consumer Protection

 - 2. Regulatory Updates / Actions
 - a. Review, Discussion, and Possible Action to Amend or Adopt Title 16, California Code of Regulations Sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor)
 - b. Review, Discussion, and Possible Action to Adopt Title 16, California Code of Regulations Section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement)
 - c. Review, Discussion, and Possible Action to Make to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Sections 858.1 (Blanket Performance and Payment Bond Requirements) and 858.2 (Application for Approval of Blanket Performance and Payment Bond)
 - d. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 872 (Disclosure of General Liability Insurance) and Repeal Section 872.1 (Checklist for Homeowners) and/or Make Non-substantive Rule 100 Changes to Sections 872 (Disclosure of General Liability Insurance) and 872.1
 - e. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 884 (Assessment of Civil Penalties)

E. Licensing

1. Licensing and Testing Program Statistical Update
2. Update and Discussion on CSLB Administered Surveys
 - a. Applicant Satisfaction Survey
 - b. Consumer Satisfaction Survey

F. Enforcement

1. Enforcement Program Statistical Update

G. Executive

1. Review and Possible Approval of the June 3, 2021 Board Meeting Minutes and July 27, 2021 Board Meeting Minutes
2. Registrar's Report
 - a. Tentative Board Meeting Schedule
 - b. Battery Energy Storage System Outreach
 - c. National Association of State Contractors Licensing Agencies Licensing and Enforcement Records Database Concept
3. CSLB Budget Update
4. Administration Update Regarding Personnel and Facilities
5. Information Technology Update
6. Strategic Planning Session – Department of Consumer Affairs, SOLID Planning Solutions
 - a. Overview of the Strategic Planning Process
 - b. Overview of Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis
 - c. Environmental Scan Review
 - d. Review of Possible Update of Mission, Vision, and Value Statements
 - e. Development of Strategic Objectives
 - i. Enforcement
 - ii. Legislation
 - iii. Licensing and Testing
 - iv. Public Affairs
 - v. Executive
 - f. Overview of Process for Finalizing Strategic Plan for Adoption by the Board

CLOSED SESSION

- H. Closed Session: Pursuant to Government Code Section 11126(a)(1) the Board Will Move Into Closed Session to Conduct an Evaluation of the Performance of the Registrar

RETURN TO OPEN SESSION

- I. Recess

MEETING AGENDA DAY 2

Thursday, September 23, 2021, 9:00 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Joint Discussion with Nevada State Contractors Board (NSCB)
 1. Discussion Regarding CSLB and NSCB Operational and Structural Comparison
 - a. Board Member Composition
 - b. Budget
 - c. License Population
 - d. License Fee Schedule
 - i. California 2022 potential fee increases
 - e. Criminal Background Checks
 - f. Insurance Requirements
 - g. Exam Waivers with Other States
 - h. Consumer Restitution Programs
 2. Discussion on Comparison of Nevada and California General Building Contractor Classifications
 3. Solar Industry Discussion
 - a. Residential Solar Enforcement Update
 - b. License Classification Review
 - c. Legislative Changes
 - i. Nevada SB 303 (Brooks & Spearman) Solar Consumer Protections
 - ii. California AB 137 (Committee on Budget) Solar Recovery Fund
 4. Proactive Enforcement: Multi-State NASCLA Stings
 5. COVID 19 Process Improvements
 - a. Internal Improvements
 - b. Industry Improvements
- D. Adjournment

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

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

Instructions for Public Participation in CSLB Teleconference Meeting Option

The instructions below are for members of the public who want to participate in CSLB's September 22-23 meeting using the teleconference option.

Join with Telephone

Call one of the two phone numbers provided on the meeting agenda. Enter the meeting access code when prompted. Please note the codes for Day 1 and Day 2 are different.

To Offer Public Comment During the Meeting

There will be a public comment section during the meeting. The public also will have the opportunity to offer comment during each agenda item.

If you want to offer public comment, press *3 on your phone to raise your hand. You'll hear the prompt, "You have raised your hand to ask a question. Please wait to speak until the meeting host calls on you." If you no longer want to comment, or after the host calls upon you, press *3 again to lower your hand. You will hear a message, "You have lowered your hand."

When the host calls on you to offer your comment, your line will be unmuted, and you will be able comment. At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time to be allotted for each public comment.

Thank you for your interest in participating in a CSLB teleconference meeting.



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RETURN TO OPEN SESSION

- 8. Recess207

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	DIANA LOVE
FRANK ALTAMURA, JR.	MICHAEL MARK
RODNEY COBOS	JAMES RUANE
DAVID DE LA TORRE	JOHNNY SIMPSON
MIGUEL GALARZA	NANCY SPRINGER
DONALD GIARRATANO	MARY TEICHERT
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

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



AGENDA ITEM D

Legislation



AGENDA ITEM D-1

Update on 2021 Legislation

- a. AB 107 (Salas) Licensure: Veterans and Military Spouses
- b. AB 246 (Quirk) Contractors – Disciplinary Actions
- c. AB 569 (Grayson) Contractors – Letters of Admonishment
- d. AB 830 (Flora) License Qualifier Requirements
- e. SB 607 (Min & Roth) Fees/Proposed License Bond Increase
- f. SB 757 (Limon) Solar Energy Systems Improvements Consumer Protection





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: AB 107

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB107

STATUS/LOCATION (as of 8.20.2021): Senate Appropriations Suspense File

SPONSOR: Author

SUBJECT: Licensure: Veterans and military spouses

CODE SECTION: Business and Professions (B&P) Code 115.6 (amend), B&P Code 115.8 (add), B&P Code 115.9 (add)

SUMMARY

Requires all boards and bureaus within the Department of Consumer Affairs (DCA) to issue temporary licenses to military spouses meeting specified criteria.

BACKGROUND / EXISTING LAW

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

- Renew without penalty the license of a member of the military or armed forces that expired during active duty (B&P Code 114)
- Waive renewal fees and other requirements of license maintenance for a licensee called to active duty (B&P Code 114.3)
- Inquire in every application if the applicant is serving or previously served in the military (B&P Code 114.5)
- Expedite and assist the initial licensure process for applicants who served and were honorably discharged (B&P 115.4)
- Expedite the licensure process for applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.5)
- After appropriate investigation, specifically named boards/bureaus (**not including CSLB**) shall issue temporary 12-month licenses to applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.6)

THIS BILL

With respect to B&P 115.6 (above) only, extends the temporary licensure provisions to all boards and bureaus, **including CSLB**, as follows:

- Requires CSLB to issue a temporary license to an applicant married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state
- Allows the board to conduct "appropriate investigation" before issuing the temporary license



- Requires the applicant to:
 - o Prove their relationship to the active-duty member
 - o Hold a current, active, unrestricted license from another state to practice the profession or vocation they seek from CSLB
 - o Sign an affidavit that the applicant meets the temporary license requirements
 - o Show they have not committed an act in, or have been disciplined by, another jurisdiction that would be grounds for license denial
 - o Submit their fingerprints like any other applicant to the Board
 - o Pass CSLB's law and business examination
- Requires the CSLB to:
 - o Issue the temporary license within 30 days of confirming the applicant has met the requirements
 - o Terminate the temporary license upon later finding that requirements were not met
- Provides that the temporary license expires 12 months after issuance, when a standard license is issued to the applicant, or an expedited license is issued under existing law.
- Allows CSLB to draft regulations if needed to implement the section.

COMMENT/ANALYSIS

The Board should consider:

- The purpose of this bill is to remove barriers to licensure for applicants who, by virtue of being in a relationship with an active-duty member, are having to relocate to California and need a license to continue their work.
- The board was alerted to this bill at its March 2021 Board Meeting but did not take a position. The bill has been substantially amended since then.
- At its June 2021 Board Meeting, the Board took a "Support" position on SB 607, which requires boards and bureaus to waive application and license fees for military family members
- Existing law requires CSLB to expedite military spouse applications. Between January 1, 2016, and August 6, 2021, CSLB received 0 (zero) military spouse applicants for CSLB licensure.
- On July 28, 2021, CSLB reported a fiscal impact to DCA, the costs of programming CSLB systems to issue and then expire a 12-month temporary license one-time costs of two Information Technology Specialist IIs (A \$7,700 - \$10,318) at two months of programming (around \$40,000).

STAFF RECOMMENDATION: UPDATE / INFORMATIONAL ONLY

The Board should be aware of this bill because of the fiscal impact. Because there have not been any military spouse applicants since CSLB began tracking in 2016, the major impact of this bill is in the programming needed to rework CSLB systems to issue the temporary license, should applications be received.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: AB 246 (Quirk)

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB246

STATUS/LOCATION (as of 8.18.2021): Approved by Governor July 9, 2021. Filed with Secretary of State July 9, 2021.

SPONSOR: Contractors State License Board

SUBJECT: Contractors: violations: disciplinary actions

CODE SECTION: Amend Business and Professions Code § 7110

SUMMARY

Makes a licensed contractor's unlawful dumping of construction debris a cause of disciplinary action against the contractor.

EXISTING LAW

Provides in Business and Professions Code (BPC) § 7110 that CSLB can discipline a licensed contractor for several violations of California statutes that are not part of Contractors State License Law.

THIS BILL

Adds to BPC § 7110 a requirement that a contractor's violation of local or state dumping laws is a cause of discipline under Contractors State License Law.

COMMENT/ANALYSIS

CSLB's enforcement of this law will require evidence similar to that needed to support an administrative action for a licensed contractor's failure to comply with building code requirements, i.e., evidence that an existing city, county, or state dumping law has been violated.

FISCAL IMPACT: Minor and absorbable.

STAFF RECOMMENDATION: UPDATE ONLY

On February 4, 2021, the CSLB Legislative Committee voted to recommend a position of "support" to the full Board. On February 23, 2021, the Chair of the Legislative Committee, with Board Chair approval, authorized staff to submit a letter of "support" of this measure to the Legislature.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: AB 569 (Grayson)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB569

STATUS/LOCATION (as of 8/18/2021): Approved by Governor July 16, 2021. Filed with Secretary of State July 16, 2021.

SUBJECT: Contractors: civil penalties: letters of admonishment

CODE SECTION: Amend Business and Professions Code §§ 7099.2 and 7099.9.

SUMMARY

Increases to \$8,000 the maximum civil penalty CSLB can assess against a contractor for most violations, and to \$30,000 for the most serious violations. Authorizes CSLB to issue a Letter of Admonishment for more than one violation at a time.

EXISTING LAW

Provides that CSLB shall not issue a civil penalty greater than \$5,000 for most violations, and not greater than \$15,000 for serious violations (aiding and abetting an unlicensed contractor and contracting with an unlicensed contractor).

COMMENT/ANALYSIS

The increases in the civil penalties in this bill are based on increases in the Consumer Price Index in the years since these amounts were last increased (2003 for the \$5,000 violations and 1992 for the \$15,000 violations). These penalties amounts are no longer commensurate with the cost of prosecuting and defending these violations. This bill additionally adds a contractor's filing with the Board a false certificate of insurance or certificate of exemption among the violations that are assessed the higher civil penalty of \$30,000, to reflect the seriousness of this violation.

Finally, the bill also increases the number of violations for which the Board can issue a Letter of Admonishment to a contractor as a non-disciplinary alternative to a citation.

STAFF RECOMMENDATION: UPDATE ONLY

This is a CSLB-sponsored measure.

On February 4, 2021, the CSLB Legislative Committee voted to recommend a position of "support" to the full Board. On February 23, 2021, the Chair of the Legislative Committee, with Board Chair approval, authorized staff to submit a letter of "support" of this measure to the Legislature.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: AB 830 (Flora)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB830

STATUS/LOCATION (as of 8/20/2021): Senate Third Reading File

SPONSOR: Author

CODE SECTION: Amends multiple sections within the Business and Professions Code

SUMMARY

The bill makes changes to the law that do not affect CSLB and are not discussed in this analysis. As it relates to CSLB, the bill clarifies the responsibilities of the various individuals who can qualify a contractor's license on behalf of another (responsible managing employee, general partner, responsible managing officer, responsible managing officer, responsible managing manger, or responsible managing member).

EXISTING LAW

- (1) Provides that a "responsible managing employee" on a contractor's license is a "bona fide employee of the applicant" for the license and is "actively engaged in the classification of work" for the license at issue.
- (2) Defines, in regulation (Title 16, Division 8, Section 823), the terms "bona fide employee" and "actively engaged" as it relates to responsible managing employees.
- (3) Provides that the person qualifying a contractor's license for someone else is responsible for "exercising direct supervision and control" of their employer's construction operations.
- (4) Defines, in regulation (Title 16, Division 8, Section 823), the terms "direct supervision and control" as "any one or any combination" of "supervising construction, managing construction activities by making technical and administrative decisions, checking jobs for proper workmanship, or direct supervision on construction job sites."

THIS BILL

- Regarding (2) above, this bill places into statute the definitions of "bona fide employee" and "actively engaged" that are currently only in regulation.
- Regarding (3) above, this bill removes the word "direct" from the responsibility that the qualifier exercise "direct supervision and control" on a license.
- Regarding (4) above, this bill places into statute a new definition of supervision and control which differs slightly from the one in regulation, as follows:
 - o This bill redefines "supervision and control" to mean "direct supervision or control or monitoring and being available to assist others to whom direct supervision and control has been delegated."
 - o The bill otherwise retains the activities described in regulation in (4) above and places them in statute.
- Finally, this bill authorizes CSLB to require an applicant for a contractor's license to provide the qualifier's current employment duty statement describing their



responsibilities under the license and allows CSLB to take disciplinary action for failing to do so.

COMMENT/ANALYSIS

In sum, the bill codifies existing law that is currently in regulation regarding qualifier responsibilities.

The bill also adds a significant new requirement that is NOT in existing law: This bill allows the qualifier to either directly supervise construction operations or establish a documented management structure so that designated persons directly supervise construction projects and report to the qualifier.

Construction industry groups requested the amendments to the bill that affect CSLB. CSLB provided technical assistance with the language.

STAFF RECOMMENDATION: INFORMATIONAL ONLY

At the June 3, 2021 Board Meeting, staff informed the Board that the bill, which at the time did not involve CSLB, might be amended to involve CSLB. The bill was amended on June 28, 2021, with the provisions described in this document.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: SB 607 (Min and Roth)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB607

STATUS/LOCATION (as of 8.19.21): Placed in Appropriations Suspense File 8/19/21

SPONSOR: Author

SUBJECT: Professions and vocations

CODE SECTION: Amends several sections of the Business and Professions Code. This analysis will review only the changes in the bill that relate to CSLB.

SUMMARY: Makes technical and substantive changes to the operations of various boards and bureaus within the Department of Consumer Affairs (DCA) jurisdiction.

EXISTING LAW

- Provides that a contractor shall maintain a \$15,000 bond as a condition of licensure.
- Provides that CSLB and other boards expedite the licensure process for applicants who are family members of active-duty members of the armed forces who hold a similar license in another state and meet other specified criteria.
- Provides that certain multifamily “exterior elevated elements” meeting certain criteria be inspected by licensed architects, engineers or building contractors and prohibits a licensed contractor who performs the inspection from repairing the exterior elevated element.

THIS BILL

- Increases the \$15,000 contractor license bond to \$25,000, effective January 1, 2023.
- Requires boards and bureaus to waive application and license fees for the military family members described above, effective July 1, 2022.
- Removes the prohibition in existing law that prohibits licensed contractors from repairing exterior elevated elements they have inspected.
- Includes the CSLB fee range increases as recommended by the fee study consultants and approved by the board at the December 2020 board meeting.

COMMENT/ANALYSIS

- Pursuant to Senate Bill 610 (2019), CSLB completed a License Bond study which concluded that a bond increase may be necessary.
- There is minimal fiscal impact to CSLB for the waiver of fees for military family members, as CSLB has received less than 5 such applications in the last six years.
- The change that allows licensed contractors to perform repairs on work they have inspected does not present consumer protection concerns as contractors routinely perform repairs to work they inspect. In addition, existing law permits certain



contractors to perform a home inspection and then repair the associated work. The contractor must still comply with all applicable CSLB laws in performing such repairs.

- If the recommended fee changes in this bill are authorized, the fee study consultant projects it will provide CSLB's flexibility to maintain fund solvency over the next five years. It will also restore the current less-than-one-month reserve in CSLB's imbalanced fund to four- or five-months reserve by Fiscal Year 2025-26.

STAFF RECOMMENDATION: UPDATE ONLY. The Board voted to support this bill at its June 3, 2021, meeting.

Amendments that have occurred since the Board last reviewed this bill:

- Provisions about Bagley-Keene open meeting requirements as it relates to teleconferencing during public meetings were deleted from the bill.
- A delayed implementation of July 2022 was added to the requirement that boards and bureaus waive fees for military spouse applicants.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE BILL ANALYSIS

BILL NUMBER: SB 757 (Limon)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB757

STATUS/LOCATION (as of 8.18.2021): Passed out of Assembly Appropriations on consent 8/19/21.

SPONSOR: Dolores Huerta Foundation

SUBJECT: Solar energy system improvements: Consumer protection

CODE SECTION: Amends various sections of the Contractors State License Law

SUMMARY: Adds additional protections for solar energy system consumers in the Home Improvement Business sections of the Contractors Law.

EXISTING LAW: Defines “home improvement” as the type of construction that occurs in and around a residential home and requires all home improvement work and the sale of home improvement goods and services installed by a contractor to be subject to the home improvement contract requirements, such as the three-day right to cancel, down payment limit, and the prohibition on requesting or receiving progress payments in advance of completed work and materials delivered. Defines home improvement salespersons as persons who sell home improvement goods and services and requires them to be registered by CSLB and employed by an identified licensed contractor.

THIS BILL: This bill clarifies the following existing law as it relates to home improvement contracts:

- A contract for a residential solar energy system is considered “home improvement.”
- Home improvement salespersons must be registered to the contractor they are soliciting, negotiating, or executing contractors for.
- The restriction on contractors accepting payment for work not performed or materials not delivered on a home improvement contract extends to such payments received from lenders or financiers.

COMMENT/ANALYSIS: According to the author, the bill “seeks to address issues around fraud in residential home solar installation.” This bill will ensure that a residential solar energy contract is subject to all home improvement contract consumer protections. It also clarifies a contractor may not request or receive payment from third parties for work not completed or materials not delivered. And by requiring that a salesperson selling a residential solar system be registered to the contractor they are representing, and they identify to the consumer the contractor they are representing. This ensures the consumer can evaluate the contractor before entering the contract and make an informed choice. CSLB staff believe this bill will enhance and clarify existing consumer protection requirements.



STAFF RECOMMENDATION: UPDATE ONLY. The Board voted to support this bill at its June 3, 2021, meeting.

Amendments that have occurred since the Board last reviewed this bill:

- Existing law requires that a licensed home improvement contractor, when making representations about products to be installed, make those representations in writing and requires the materials installed to match those representations. The amendment extends this requirement to solar energy systems.
- Existing law defines “solar energy system” in terms of a device being installed “on a residential building.” The amendment extends this definition to “device to be installed on a residential building *or residential property.*”

AGENDA ITEM D-2

Regulatory Updates / Actions

- a. Review, Discussion, and Possible Action to Amend or Adopt Title 16, California Code of Regulations Sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor)
- b. Review, Discussion, and Possible Action to Adopt Title 16, California Code of Regulations Section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement)
- c. Review, Discussion, and Possible Action to Make to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Sections 858.1 (Blanket Performance and Payment Bond Requirements) and 858.2 (Application for Approval of Blanket Performance and Payment Bond)
- d. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 872 (Disclosure of General Liability Insurance) and Repeal Section 872.1 (Checklist for Homeowners) and/or Make Non-substantive Rule 100 Changes to Sections 872 (Disclosure of General Liability Insurance) and 872.1
- e. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 884 (Assessment of Civil Penalties)





CONTRACTORS STATE LICENSE BOARD

RULEMAKING TO AMEND/ADOPT TITLE 16 CCR §§ 832 & 832.49

Review, Discussion, and Possible Action to Amend or Adopt Title 16, California Code of Regulations Sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor)

BACKGROUND

At its April 2018 meeting, the Board approved a motion to develop a specialty “C” license classification for tree service and/or arborist work.

The proposal with the new regulatory language for a “C-49” Tree and Palm contractor license was developed, and staff presented it to the Board on June 6, 2019. On that date, the Board approved the following motion:

Direct staff to submit the proposed text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review and, if no adverse comments are received, authorize the Registrar to take all steps necessary to initiate the rulemaking process, make any nonsubstantive changes to the package, and set the matter for a hearing.

Staff began the regulatory process as directed by the Board. Between May 2020 and April 2021, the rulemaking package went through the approval process with the Department of Consumer Affairs (DCA), including DCA Budgets and Legal Offices and DCA Director Approval, as well as the Business, Consumer Services, and Housing Agency. On April 9, 2021, the package was submitted to the Office of Administrative Law (OAL) for notice of 45-day public comment. No public comments were received, and the public comment period ended on June 8, 2021.

UPDATE

The Board must now perform a final approval of the regulatory text and authorize the Registrar to adopt the regulatory language in order to complete the rulemaking process. As a result, the following staff recommendation is prepared for the Board’s consideration. Below the staff recommendation is the text of the regulation that the Board approved for initiation of the rulemaking process.

STAFF RECOMMENDATION

Because no adverse comments were received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at Title 16, California Code of Regulations sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor) as filed with the Office of Administrative Law for public notice, take all steps necessary to complete the rulemaking process, and make any nonsubstantive changes to the text and/or rulemaking package as needed throughout the process.



**CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE**

**California Code of Regulations
Title 16, Division 8**

Article 3. Classification

Amend Section 832 as follows:

§832. Specialty Contractors Classified

Specialty contractors shall perform their trade using the art, experience, science and skill necessary to satisfactorily organize, administer, construct and complete projects under their classification, in accordance with the standards of their trade.

They are classified into the following subclassifications:

Asbestos Abatement.....	C-22
Boiler, Hot Water Heating and Steam Fitting.....	C-4
Building Moving/Demolition.....	C-21
Cabinet, Mill Work and Finish Carpentry.....	C-6
Concrete.....	C-8
Construction Zone Traffic Control.....	C-31
Drywall.....	C-9
Earthwork and Paving.....	C-12
Electrical.....	C-10
Elevator.....	C-11
Fencing.....	C-13
Fire Protection.....	C-16
Flooring and Floor Covering.....	C-15
Framing and Rough Carpentry.....	C-5
General Manufactured Housing.....	C-47
Glazing.....	C-17
Insulation and Acoustical.....	C-2
Landscaping.....	C-27
Lathing and Plastering.....	C-35
Limited Specialty.....	C-61
Lock and Security Equipment.....	C-28
Low Voltage Systems.....	C-7
Masonry.....	C-29
Ornamental Metal.....	C-23
Painting and Decorating.....	C-33
Parking and Highway Improvement.....	C-32
Pipeline.....	C-34
Plumbing.....	C-36
Refrigeration.....	C-38



Roofing C-39
 Sanitation System C-42
 Sheet Metal..... C-43
 Sign C-45
 Solar C-46
 Steel, Reinforcing C-50
 Steel, Structural C-51
 Swimming Pool C-53
 Tile (Ceramic and Mosaic) C-54
Tree and Palm C-49
 Warm-Air Heating, Ventilating and Air Conditioning C-20
 Water Conditioning C-55
 Welding..... C-60
 Well Drilling (Water)..... C-57

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code.
 Reference: Sections 7058 and 7059, Business and Professions Code

Add Section 832.49 as follows:

§832.49. Class C-49 – Tree and Palm Contractor

(a) A tree and palm contractor plants, maintains, and removes trees and palms. The duties include pruning, stump grinding, and tree, palm, or limb guying.

(b) Effective [OAL insert date: effective date of the regulation plus eighteen months], this regulation shall become operative and all limited specialty licenses previously issued by the Board under Section 832.61 that permit a contractor to perform the work described in subsection (a) shall be automatically reclassified as C-49 – Tree and Palm Contractor licenses.

(c) This regulation does not apply to, and a license shall not be required for, pruning of trees or guying of planted trees and their limbs by a nurseryperson or pruning of trees by a gardener as described in Section 7026.1 of the Code.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code.
 Reference: Sections 7026.1, 7058, and 7059, Business and Professions Code.



Review, Discussion, and Possible Action to Adopt Title 16, California Code of Regulations Section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement)

BACKGROUND

At its July 2020 meeting, the Board authorized staff to initiate a rulemaking to ensure CSLB licensees comply with U.S. Department of Housing and Urban Development standards for installers of manufactured homes. The rulemaking creates a new CSLB license requirement for C-47 applicants that requires they meet federally approved training requirements.

The Board approved the following motion on July 24, 2020:

Approve the proposed regulatory text that would adopt Section 825.5 to require that all applicants for a C-47 General Manufactured Housing Contractor's License complete initial installer training compliant with the training curriculum contained in Section 3286.308(a) of the Code of Federal Regulations.

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.

Between October 2020 and April 2021, the package prepared by staff went through the approval process with the Department of Consumer Affairs and the Business, Consumer Services and Housing Agency. April 27, 2021, the package was submitted to the Office of Administrative Law (OAL) for notice of 45-day public comment period. No public comments were received, and the public comment period ended on June 22, 2021.

STATUS

The Board must now perform a final approval of the regulatory text and authorize the Registrar to adopt the regulatory language to complete the rulemaking process. As a result, the following staff recommendation is prepared for the Board's consideration. Below the staff recommendation is the text of the regulation that the Board approved for initiation of the rulemaking process.



STAFF RECOMMENDATION

Because no adverse comments were received during the 45-day comment period, authorize the Registrar to adopt the proposed regulation at Title 16, California Code of Regulations section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement) as filed with the Office of Administrative Law for public notice. Take all steps necessary to complete the rulemaking process and make any nonsubstantive changes to the text and/or rulemaking package as needed throughout the process.

**CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE**

**California Code of Regulations
Title 16, Division 8**

Article 2. Application for License

Add Section 825.5 as follows:

§ 825.5. General Manufactured Housing Contractor Initial Installer Training Requirement

(a) Effective July 1, 2021, in addition to the experience requirements in Section 825 and other requirements for licensure in the Business and Professions Code, an applicant for a C-47 – general manufactured housing contractor license shall have completed initial installer training that is compliant with the training curriculum contained in Section 3286.308(a) of the Code of Federal Regulations, Title 24, Subtitle B, Chapter XX, Subpart D.

(b) Such applicants shall submit proof of compliance with the initial installer training requirement contained in subsection (a) to the Board with their application for licensure. Proof of compliance shall take the form of a Certificate of Completion of Training identified in Section 3286.303 of the Code of Federal Regulations, Title 24, Subtitle B, Chapter XX, Subpart D. An application submitted without the certificate prescribed by this subsection shall not be deemed complete within the meaning of Section 7072 of the Business and Professions Code.

(c) The initial installer training shall be obtained through one or more qualified trainers, as confirmed by the United States Department of Housing and Urban Development under Part 3286 of the Code of Federal Regulations, Title 24, Subtitle B, Chapter XX, Subpart D.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7026.11, 7058, 7059, 7065, and 7068, Business and Professions Code; and Part 3286 of the Code of Federal Regulations, Title 24, Subtitle B, Chapter XX, Subpart D.



Rulemaking to Amend Title 16 California Code of Regulations (CCR) Sections 858.1 and 858.2

BACKGROUND

CSLB has been accepting blanket performance and payment bonds pursuant to Business and Professions Code (BPC) section 7159.5(a)(8) for decades. Regulations relating to blanket performance and payment bonds were adopted in 2011 (Register 2011, No. 47).

PROBLEM

Through the passage of Senate Bill (SB) 1479 (Stats 2016, ch 634), the Legislature implemented a statutory minimum period of licensure for applicants for the blanket performance and payment bond in BPC section 7159.5(a)(8). While CSLB originally set the minimum licensure period at five (5) years when it adopted CCR section 858.2 in 2011, the Legislature chose to set the time period at two (2) years in SB 1479, effective January 1, 2017.

In addition, the need for nonsubstantive changes to other portions of the existing regulations has become apparent through the implementation of the blanket performance and payment bond provisions that are currently in regulation. Specifically, the existing blanket bond form does not have a clear location to insert the amount of the bond. The draft language below would address that.

In 2017, the Board approved the following motion to undergo the regular rulemaking process to make the changes proposed in this agenda item or comparable changes.

MOTION

To approve the proposed regulatory text amendments to 16 CCR sections 853, 858.1, 858.2, 869, 869.9, and 872, and

1. Direct staff to submit the text to the director of the Department of Consumer Affairs and the Business and Consumer Services Housing Agency for review; and
2. If no adverse comments are received, authorize the Registrar to take all necessary steps in the rule-making process, make any non-substantive changes to the package, and set the matter for hearing.

Several of the regulations in this motion were considered to be lower priority items when more urgent regulatory matters arose, and they were postponed. Staff and legal counsel have reconsidered the appropriateness of pursuing these regulatory changes through the full regular rulemaking process.



SOLUTION: Amend CCR Sections 858.1 and 858.2

Legal counsel has advised that this rulemaking proposal meets the criteria for changes without regulatory effect pursuant to CCR section 100, which involves an abbreviated rulemaking process that does not include a public comment period or a hearing. The proposed regulatory changes would update the minimum licensure period required for a blanket performance and payment bond from five (5) years to two (2) pursuant to current language in BPC section 7159.5(a)(8). The proposed changes would also make nonsubstantive changes to clean up existing regulatory language, including the content of the bond form.

Following the staff recommendation below is the language for Board consideration.

STAFF RECOMMENDATION

Withdraw the 2017 motion in relation to CCR sections 858.1 and 858.2 and approve a new motion for this rulemaking proposal.

Approve the proposed regulatory text for CCR sections 858.1 and 858.2, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at CCR sections 858.1 and 858.2 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

**CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE**

**California Code of Regulations
Title 16, Division 8**

Article 6. Bonds

Amend Section 858.1 as follows:

§858.1. Blanket Performance and Payment Bond Requirements



(a) A blanket bond that is filed on behalf of a licensee to satisfy the provisions of Section 858 shall be underwritten for a dollar amount that is sufficient to cover one-hundred percent (100%) of the home improvement contracts for which the licensee has an obligation.

(b) Upon written request by a licensee, the Registrar is authorized to approve a blanket bond that is capped according to the schedule listed under subsection (c) provided the following conditions are met:

(1) The licensee, or the parent company of the licensee, is required to submit annual reports (Form 10-K) to the United States Securities and Exchange Commission (U.S. SEC).

(2) Upon the filing of a request that the blanket bond be capped, a copy of the most recently filed Form 10-K shall be submitted to the Registrar. Thereafter, a copy of any Form 10-K report shall be submitted to the Registrar within 10 days of filing with the U.S. SEC.

(3) The net worth of the applicable firm shall, initially and annually thereafter, be not less than 10 times the sum of the blanket bond as determined by the Registrar. Each net worth calculation shall be applicable to the period for which the most recent Form 10-K report was submitted to the U.S. SEC.

(c) The blanket bonds for which a request has been submitted under subsection (b) shall comply with the following schedule:

(1) If a licensee, or the parent company of a licensee, is classified as a “large accelerated filer” by the U.S. SEC, the amount of the blanket bond shall be \$10 million.

(2) If a licensee, or the parent company of a licensee, is classified as an “accelerated filer” by the U.S. SEC, the amount of the blanket bond shall be \$5 million.

(3) If a licensee, or the parent company of a licensee, is classified as a “non-accelerated filer” by the U.S. SEC, the amount of the blanket bond shall be \$1 million.

(d) A licensee who is granted approval of a blanket bond pursuant to subsections (b) and (c) is not subject to the biennial financial reporting requirement specified under Section 858.4(a)(2). However, the qualifier's certification statement must be submitted biennially as specified under that section.

(e) For the purpose of executing the qualifier's certification statement required under Section 858.2(a)(4), the provisions of subsections (a), (b), and (c) of Section 858.1 shall be referenced collectively as “the 100% rule.”

On the date that this section becomes effective, any licensee that has a blanket bond on file with the Board that fails to comply with the 100% rule shall achieve compliance not later than 90 days after the effective date of the section. The Registrar is authorized to



rescind the approval of the blanket bond in accordance with the provisions of Section 858.8 of this Article if the licensee fails to comply with any provision of this section.

(f) The form of the blanket bond specified under this section is subject to the approval of the Registrar and shall conform to the following with regard to content:

This bond shall be filed with the Registrar of Contractors.

State of California
Contractors State License Board

Surety Code: _____
Bond No.: _____
License No.: _____

BLANKET PERFORMANCE AND PAYMENT BOND

~~13B-39 (Rev. 08/11)~~

(Business and Professions Code Section 7159.5)

The term of this bond is _____ to _____,
(Starting Date) (Ending Date)

KNOW ALL BY THESE PRESENTS: That _____
(Business Name as Shown on the License)

whose address for service is

(Street Address) (City) (State) (Zip Code)

as Principal, and _____
(Name of Surety)

a corporation organized under the laws of the State of _____ and authorized to transact a general surety business in the State of California, as Surety, are held and firmly bound unto each owner or tenant of a residence or dwelling unit as the beneficiaries with whom the Principal, as of the date of this bond and thereafter, enters into a home improvement contract as defined in Section 7151.2 of the Business ~~&~~and Professions Code for repairing, remodeling, altering, converting, or modernizing such building or structure; and the aggregate contract price specified in one or more improvement contracts including all labor, services, and materials to be furnished by the Principal as the contractor exceeds _____ Dollars (_____) ~~the dollar amount prescribed in subparagraph (3) of subdivision (b) of Section 7159 of the Business and Professions Code~~ in the just and full sum of the amount of each individual contract for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, successors, and assigns, jointly and severally,



firmly by these presents. This blanket performance and payment bond is issued in the amount of

(\$ _____).

(Bond Dollar Amount)

THE CONDITION OF THE OBLIGATION IS SUCH, That, WHEREAS, Sections 7159 and 7159.5 of the Business & Professions Code provide for bonding requirements for contractors entering into contracts covered by these provisions of law, AND, WHEREAS, the Principal desires to file a blanket guarantee to operate as security in accordance with Section 995.020 of the Code of Civil Procedure, to cover the performance and payment of all obligations resultant from such contracts in order to conduct business under the exemptions specified under paragraph (8) of subdivision (a) of Section 7159.5 of the Business & Professions Code.

NOW THEREFORE, if the Principal shall well and truly perform and fulfill all the understandings, covenants, terms, conditions, and agreements of said contracts, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contracts; and if the Principal shall promptly make payments to all persons, whether or not in direct contractual relationship with Principal, supplying labor or material or both for the prosecution of the work provided in said contracts, then this obligation is to be void; otherwise, it is to remain in full force and effect as though separate bonds in the full amount of the contract price had been written on the individual contracts.

PROVIDED, HOWEVER, this bond is issued subject to the following express conditions:

1. This bond may be cancelled by the surety in accordance with the provisions of Sections 996.310 et seq. of the Code of Civil Procedure.
2. This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and shall continue beyond that period and every succeeding license period or periods for which said Principal may hold this license or until the effective date of rescission of the Registrar's approval of the bond, after which liability hereunder shall cease in accordance with provisions of Section 996.360 of the Code of Civil Procedure.
3. This bond to become effective _____
(Date)
4. Even though this bond may be in effect for more than one year, the surety's aggregate liability for all contracts covered hereunder shall in no event exceed the amount set forth above.
5. The surety signing this bond is jointly and severally liable on the obligations of the bond, the obligations of the statutes providing for this bond, and the applicable provisions of the Code of Civil Procedure regarding bonds.



(Name of Surety)

(Address for Service)

I declare under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of attorney. I further declare that I have relied upon the "Qualifier's Certification Statement" to determine that, as of the date of execution, the penal sum of this bond is a good faith valuation of the funds required to safeguard the financial interests of the beneficiaries relative to the obligations for which this bond is posted.

Executed in _____, _____ on _____, _____
(City and State) (Date)

under the laws of the State of California.

Certificate of Authority # _____

Signature of Attorney-in-Fact _____

Printed or Typed Name of Attorney-in-Fact _____

Address of Attorney-in-Fact _____

Telephone Number of Attorney-in-Fact (_____) _____

Signature of Principal (Qualifier for the License) _____

[13B-39 \(rev. 07/2021\)](#)

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7151.2, 7159, and 7159.5, Business and Professions Code.

Amend Section 858.2 as follows:

§858.2. Application for Approval of Blanket Performance and Payment Bond

(a) A licensee seeking approval of a blanket bond shall meet the applicable conditions specified under this Article and submit to the Board an Application for Approval of Blanket Performance and Payment Bond, form 13B-35 (11/2011), that includes the following information:

(1) The name and address of the licensee as listed on the license record and the license number.

(2) The name of every person listed on the license record of the applicant who, as specified under Section 7068 of the Code, is acting as a qualifier for the license.



(3) The reviewed year-end financial statements and a report prepared by a certified public accountant (CPA) duly licensed by the California Board of Accountancy or licensed by another state board of accountancy. The reviewed financial statements shall include supplemental information related to the liquidity ratios of the licensee’s business and shall particularly include the current ratio and the quick ratio, the calculations for which are specified under subparagraphs (A) and (B) below. The review report, or a separate supplementary report, shall include an explanation that the information has been subject to the review of the CPA. The review report shall cover the two fiscal years immediately preceding application for approval of the blanket bond, and should be prepared in accordance with the current Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accounts.

(A) Current ratio calculation: current assets; divided by current liabilities.

(B) Quick ratio calculation: current assets minus inventory; divided by current liabilities.

(4) A certification statement, signed under penalty of perjury by the qualifier for the license, which shall conform to the following language:

QUALIFIER’S CERTIFICATION STATEMENT

(Unless otherwise noted, all section references are to the California Business ~~&~~and Professions Code.)

The undersigned declares that, in accordance with Sections 7068 and 7068.1 of the Code, he or she is a qualifier for the licensee identified below (hereafter referred to as “licensee”) and is responsible for exercising the direct supervision and control of the licensee’s operations as is necessary to secure full compliance with the laws and regulations that are under the jurisdiction of the Contractors State License Board. As a qualifier of the licensee, the undersigned has reviewed sufficient financial information to execute this certification as it pertains to the licensee’s home improvement sales and services that are subject to the home improvement contract requirements specified under Section 7159 of the Code. As of close of business on _____, the
(Date)

blanket performance and payment bond (bond) number _____ issued by
(Bond Number)

_____ as surety is, according to my comprehension
(Name of Surety Company)

of the data derived from the licensee, in an aggregate amount that is sufficient to comply with the “100% rule” as specified in the provisions of Section 858.1 of Title 16, Division 8 of the California Code of Regulations. The undersigned also certifies that he or she will monitor the relevant business activity of the licensee; exercise due diligence to secure ongoing compliance with the 100% rule; and notify the Registrar within 30 days of the licensee’s refusal, failure, or inability to comply with the 100% rule.



The undersigned also certifies that, upon approval of the blanket bond by the Registrar, the contract forms that will be used by the licensee for all transactions which are subject to Section 7159 of the Code will contain a notice which informs the property owner that a blanket performance and payment bond is on file with the Registrar of Contractors, or in lieu thereof, a notice that clearly identifies the name and address of the surety that has issued the blanket performance and payment bond.

As a qualifying individual for the licensee, I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on _____ at _____, _____.
(Date) (City and State)

(Name of Licensee as it Appears on the License) (License Number)

(Printed Name of Qualifier) (Signature of Qualifier)

(b) A licensee shall be licensed in this state in an active status for not less than ~~five~~two years prior to submitting the application provided for by this section.

(c) Except as otherwise provided under this subsection, an application for approval of a blanket bond shall not be accepted for consideration if any member of the personnel of record of the licensee, or any home improvement salespersons registered to the licensee, was found to have been responsible for, participated in, or otherwise culpable relative to any legal action that is subject to disclosure under Section 7124.6(e)(2) or 7124.6~~(e)~~(3) of the Code, or is named on a license that is suspended pursuant to Section 7071.17 of the Code.

(1) Any person who, after the effective date of the most recent disciplinary order applicable to that individual, is listed on an active license for three consecutive years with no violations resulting in disciplinary action may make application as provided under this Article.

(d) The application shall be signed by the person qualifying on behalf of the licensee who has executed the qualifier's certification statement required under this section. In the case of a responsible managing employee qualifier, the application shall also be signed by the owner, partner, or current corporate officer.

(e) The application shall be accompanied by a blanket bond that complies with the provisions of Section 858.1 of this Article and is underwritten by a surety that has been admitted in the State of California.

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7068, 7068.1, 7071.17, 7124.6, 7159, and 7159.5, Business and Professions Code.



Rulemaking to Amend Title 16 California Code of Regulations (CCR) Section 872 and to Repeal Section 872.1

Background

CCR sections 872 and 872.1 regarding commercial general liability insurance and a homeowner's checklist were promulgated in 2001 (Register 2001, No. 48) based in part on Business and Professions Code (BPC) section 7159.3, which was enacted by Senate Bill (SB) 2029 (Stats. of 2000, ch. 1005).

Problem

BPC section 7159.3 was repealed in 2005 by Assembly Bill (AB) 316 (Stats. of 2005, ch. 385). Therefore, any regulatory provisions that were adopted based on the authority of that statute are no longer valid.

In addition, the need for nonsubstantive changes to other portions of the existing regulations has become apparent through a review of the regulatory language and the current statutory authority.

In 2017, the Board approved the following motion to undergo the regular rulemaking process to make the changes proposed in this agenda item or comparable changes.

MOTION: To approve the proposed regulatory text amendments to 16 CCR sections 853, 858.1, 858.2, 869, 869.9, and 872, and

1. Direct staff to submit the text to the director of the Department of Consumer Affairs and the Business and Consumer Services Housing Agency for review; and
2. If no adverse comments are received, authorize the Registrar to take all necessary steps in the rule-making process, make any non-substantive changes to the package, and set the matter for hearing.

Amending CCR Section 872 and repealing language relating to Business and Professions Code 7159.3 is brought back to the board for approval because more urgent regulatory matters arose in 2017 and regulatory rule making was not pursued at that time.

Furthermore, when staff reviewed the 2017 motion and materials again in 2021, it was discovered that the motion should have included CCR Section 872.1. This is because the repeal of Section 7159.3 affected both CCR section 872 and 872.1.



Solution: Request a new motion that would Amend CCR Section 872 and Repeal Section 872.1

Staff is requesting the Board withdraw the 2017 motion and issue a motion that more correctly addresses the 2005 repeal of Business and Professions Code Section 7159.3

Furthermore, legal counsel has advised that this rulemaking proposal meets the criteria for changes without significant regulatory effect pursuant to CCR section 100, which involves an abbreviated rulemaking process that does not include a public comment period or a hearing. The proposed regulatory changes would repeal all language that relates to repealed BPC section 7159.3. The proposed changes would also make nonsubstantive changes to clean up existing regulatory language, including information and check boxes relating to commercial general liability insurance that is contained in written contracts for the new construction of single-family dwellings pursuant to BPC section 7164.

Following the staff recommendation below is the language for Board consideration.

Staff Recommendation

Withdraw the 2017 motion in relation to CCR section 872 and approve a new motion for this rulemaking proposal.

Approve the proposed regulatory text for CCR sections 872 and 872.1, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at CCR sections 872 and 872.1 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

**CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE**

California Code of Regulations



Title 16, Division 8

Article 7. Special Provisions

Amend Section 872 as follows:

§872. Disclosure of General Liability Insurance.

~~(a) As used in this regulation, “home improvement contract” is defined in Code Section 7151.2. The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. **This is 14-point type. This is 12-point type. This is 11-point type in italics.**~~



~~Pursuant to Bus. & Prof. § 7139.3 (SB 2029), home improvement contractors must provide this notice and disclose whether or not they carry commercial general liability insurance.~~



~~**Information about Commercial General Liability Insurance.**~~

- ~~**Did your contractor tell you whether he or she carries Commercial General Liability Insurance?**~~

~~Home improvement contractors are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the bid, if there is one, and the contract.~~

- ~~**What does this insurance cover?**~~

~~Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.~~

- ~~**Is this insurance required?**~~

~~No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?~~

- ~~**How can you make sure the contractor is insured?**~~

~~If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.~~

- ~~**What about a contractor who is self-insured?**~~

~~A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance?~~

~~For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).~~

~~(b) The following statement must accompany every contract described type, the questions in at least 12-point type, and the comments in italics in Code Section 7164. The heading shall be printed in at least 14-point of at least 11-point type. The text should be bold where indicated.~~



~~This is 14-point type. This is 12-point type. This is 11-point type in italics.~~



~~Pursuant to [Board Resolution 7164 \(SB 2020\)](#), contractors building single-family residences for owners who intend to occupy the home for at least one year must provide this notice and disclose whether or not they carry commercial general liability insurance.~~



~~**Information about Commercial General Liability Insurance**~~

The following heading and statement prepared by the Board regarding commercial general liability insurance must be included in all written contracts for the construction of a single-family dwelling to be retained by the owner for a least one year, pursuant to subparagraph (5) of subdivision (b) of Section 7164 of the Code.

Information about Commercial General Liability Insurance

~~**Did your contractor tell you whether he or she carries Commercial General Liability Insurance?**~~

~~*Contractors building single-family residences for owners who intend to occupy the home for at least a year are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the contract.*~~

~~**What does this insurance cover?**~~

~~Commercial **G**eneral **L**iability **I**nsurance is comprehensive insurance that covers a business for bodily injury, personal injury, and property damage that occur as a result of the contractor's operations. ~~can protect against third-party bodily injury and accidental property damage.~~ It is a valuable tool to protect the contractor and consumer by covering the costs of such problems should they arise. ~~It is not intended to cover the work the contractor performs.~~~~

Commercial general liability insurance is different than workers' compensation insurance and the contractor's bond. Visit www.cslb.ca.gov for information about workers' compensation insurance and the contractor's bond.

~~**Is this insurance required?**~~



~~———— No. But Commercial general liability insurance is required for contractors licensed as limited liability companies (LLCs), but it is not required for other contractors. However, the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?~~

~~——— How can you make sure the contractor is insured?~~

~~———— If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.~~

~~——— What about a contractor who is self-insured?~~

~~———— A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. The Board cautions you to evaluate the risks to your family and property when you are considering hiring a contractor who is not insured. Before contracting with a self-insured an uninsured contractor, ask yourself, "if something went wrong, would this contractor be able to cover losses that should be covered by insurance?"~~

Below is information about whether this contractor carries commercial general liability insurance. If the contractor you are hiring carries commercial general liability insurance, the Board encourages you to check with the insurance company to verify that the contractor's insurance policy is up to date and that the coverage will cover your project.

Contractor: _____
(Contractor's Name)

carries commercial general liability insurance.

The insurance company is _____
(Company Name)



CSLB

RULEMAKING TO AMEND/REPEAL TITLE 16
CCR §§ 872 & 872.1

You may call the insurance company at _____ to verify coverage.

(Telephone Number)

does not carry commercial general liability insurance.

For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).

Note: Authority cited: Sections 7008, ~~7159.3~~ and 7164, Business and Professions Code.
Reference: Section ~~7151.2~~ 7164, Business and Professions Code.



Repeal Section 872.1 as follows:

~~§872.1 Checklist for Homeowners.~~

~~(a) As used in this regulation, home improvement is defined in Code Section 7151.2.~~

~~(b) The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract that does not include a swimming pool. The heading shall be printed in at least 14 point type, the questions in at least 12 point type, and the comments in italics of at least 11 point type. The text should be bold where indicated.~~



~~This is 14-point type. This is 12-point type. This is 11-point type in italics.~~



~~Repealed by DCM 8 Prof. 17160.1, SB 2020. Home improvement contractors must provide this notice.~~



~~**Check Out Your Contractor**~~

- ~~Did you contact the Contractors State License Board (CSLB) to check the status of the contractor's license?
Contact the CSLB at 1-800-321-CSLB (2752) or visit our web site: www.cslb.ca.gov.~~
- ~~Did you get at least 3 local references from the contractors you are considering?
Did you call them?~~
- ~~Building Permits — will the contractor get a permit before the work starts?~~



~~**Check Out the Contract**~~

- ~~Did you read and do you understand your contract?~~
- ~~Does the 3 day right to cancel a contract apply to you?
Contact the CSLB if you don't know.~~
- ~~Does the contract tell you when work will start and end?~~
- ~~Does the contract include a detailed description of the work to be done, the material to be used, and equipment to be installed?
*This description should include brand names, model numbers, quantities and colors.
Specific descriptions now will prevent disputes later.*~~
- ~~Are you required to pay a down payment?
If you are, the down payment should never be more than 10% of the contract price or \$1,000, whichever is less.~~
- ~~Is there a schedule of payments?
If there is a schedule of payments, you should pay only as work is completed and not before. There are some exceptions — contact the CSLB to find out what they are.~~
- ~~Did your contractor give you a "Notice to Owner," a warning notice describing liens and ways to prevent them?
*Even if you pay your contractor, a lien can be placed on your home by unpaid laborers, subcontractors or material suppliers. A lien can result in you paying twice or, in some cases, losing your home in a foreclosure.
Check the "Notice to Owner" for ways to protect yourself.*~~
- ~~Did you know changes or additions to your contract **must** be in writing?
Putting changes in writing reduces the possibility of a later dispute.~~

~~(c) The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract that includes a swimming pool. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated.~~



~~This is 14-point type. This is 12-point type. This is 11-point type in italics.~~

~~Checklist for Homeowners (Swimming Pools)~~



~~Pursuant to Bus. & Prof. §7159.3 (SB2029), home improvement contractors building swimming pools must provide this notice.~~



~~Check Out Your Contractor~~

- ~~Did you contact the Contractors State License Board (CSLB) to check the status of the contractor's license?
Contact the **CSLB** at 1-800-321-CSLB (2752) or visit our web site: www.cslb.ca.gov.~~
- ~~Did you get at least 3 local references from the contractors you are considering?
Did you call them?~~
- ~~Building permits — will the contractor get a permit before the work starts?~~



~~Check Out the Contract~~

- ~~Did you read and do you understand your contract?~~
- ~~Does the 3-day right to cancel a contract apply to you?
Contact the **CSLB** if you don't know.~~
- ~~Does the contract tell you when work will start and end?~~
- ~~Does the contract include a complete description of the work to be done, the material that will be used and equipment to be installed?
This description should include a plan and scale drawing showing the shape, size, dimensions and specifications. It should include brand names, model numbers, quantities and colors. Specific descriptions now will prevent disputes later.~~
- ~~Are you required to pay a down payment?
The down payment for swimming pools should never be more than 2% of the contract price or \$200, whichever is less.~~
- ~~Is there a schedule of payments?
If there is a schedule of payments, you should pay only as work is completed and not before. There are some exceptions—contact the **CSLB** to find out what they are.~~
- ~~Did your contractor give you a "Notice to Owner," a warning notice describing liens and ways to prevent them?
Even if you pay your contractor, a lien can be placed on your home by unpaid laborers, subcontractors, or material suppliers. A lien can result in you paying twice or, in some cases, losing your home in a foreclosure. Check the "Notice to Owner" for ways to protect yourself.~~
- ~~Did you know changes or additions to your contract **must** all be in writing?
Putting changes in writing reduces the possibility of a later dispute.~~

Note: Authority cited: Sections 7008 and 7159.3, Business and Professions Code. Reference: Sections 7151.2 and 7159, Business and Professions Code.



Rulemaking to Amend Title 16 California Code of Regulations (CCR) Section 884

BACKGROUND

CSLB civil penalty amounts were established in regulation under current CCR section 884 in 1981 (Register 1981, No. 15 [formally numbered CCR section 805]) based primarily on Business and Professions Code (BPC) section 7099.2, which sets the current maximum amount for violations of most sections of the Contractors State License Law at \$5,000 and at \$15,000 for violations of BPC sections 7114 and 7118. BPC section 7028.7 sets its maximum at \$15,000 for violations of that section.

PROBLEM

Effective January 1, 2022, AB Assembly Bill (AB) 569 (Stats of 2021, ch. 94) revises BPC section 7099.2 to increase the maximum civil penalty amount for violations of BPC sections 7114 and 7118 from \$15,000 to \$30,000 and to add BPC section 7125.4 to the list of code violations that have a maximum civil penalty amount of \$30,000. AB 569 also increases the maximum civil penalty amount for violations of most other Contractors State License Law sections from \$5,000 to \$8,000. Therefore, on January 1, 2022, CCR section 884 would contain outdated information unless revisions are made to the dollar amounts in the section.

SOLUTION: Amend CCR Section 884

Legal counsel has advised that this rulemaking proposal meets the criteria for changes without regulatory effect pursuant to CCR section 100, which involves an abbreviated rulemaking process that does not include a public comment period or a hearing. The proposed regulatory changes would revise the maximum civil penalties in the table contained in CCR section 884(a) to be consistent with the changes made by AB 569. This change also makes minor nonsubstantive revisions to clean up existing regulatory language.

Following the staff recommendation below is the draft regulation for Board consideration.

STAFF RECOMMENDATION

Approve the proposed regulatory text for CCR section 884, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-



day comment period, authorize the Registrar to adopt the proposed regulations to CCR section 884 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

CONTRACTORS STATE LICENSE BOARD

PROPOSED REGULATION TEXT

**California Code of Regulations (CCR)
Title 16, Division 8**

CCR Title 1, Section 100 Changes

Article 8. Citation

Amend Section 884 as follows:

§ 884. Assessments of Civil Penalties.

(a) Civil penalties against persons who have been cited for violation of the Contractors [State License Law](#) shall be assessed in accordance with the following ranges of penalties.

Section Violated	Minimum Civil Penalty	Maximum Civil Penalty
7027.1	\$ 100	\$ 1,000
7028	200	85 ,000
7028.1	1,000	85 ,000
7028.5	200	85 ,000
7028.7	200	15,000
7029.1	200	2,500
7029.5	100	500
7029.6	100	500
7030	500	1,500
7030.1	1,000	85 ,000
7030.5	100	1,000
7031.5	100	500
7034	100	1,000
7058.7	500	85 ,000



7068.1	100	85 ,000
7068.2	100	1,000
7071.11	100	1,000
7071.13	100	500
7075	100	500
7076	100	1,000
7083	100	1,000
7083.1	100	1,000
7099.10	100	1,500
7099.11	100	1,500
7107	200	85 ,000
7108	200	85 ,000
7108.5	200	2,000
7108.6	200	2,000
7109	200	85 ,000
7109.5	500	85 ,000
7110	200	85 ,000
7110.1	100	1,000
7111	100	1,000
7111.1	100	1,500
7113	200	85 ,000
7114	500	3045 ,000
7114.1	200	2,000
7115	100	85 ,000
7116	100	85 ,000
7117	100	1,000
7117.5	200	85 ,000
7117.6	200	85 ,000
7118	500	3045 ,000
7118.4	3,000	85 ,000
7118.5	1,000	85 ,000
7118.6	1,000	85 ,000
7119	200	2,000
7120	200	2,000
7123	500	85 ,000

7125	100	500
7125.4	200	305 ,000
7154	100	1,000
7157	100	1,000
7158	500	85 ,000
7159	100	1,000
7159.5(a)(1), (a)(3), and (a)(5),	100	85 ,000
7159.5(a)(2), (a)(4), (a)(6), (a)(7), and (a)(8)	100	1,000
7159.10	100	500
7159.14	100	85 ,000
7161	100	85 ,000
7162	100	1,500
7164	100	1,000

(b) When determining the amount of assessed civil penalty, the Registrar shall take into consideration whether one or more of the following or similar circumstances apply:

- (1) the citation includes multiple violations;
- (2) the cited person has a history of violations of the same or similar sections of the [Contractors State License Law](#);
- (3) in the judgment of the Registrar, a person has exhibited bad faith;
- (4) in the judgment of the Registrar, the violation is serious or harmful;
- (5) the citation involves a violation or violations perpetrated against a senior citizen or disabled person; and/or
- (6) the citation involves a violation or violations involving a construction project in connection with repairs for damages caused by a natural disaster as described in Section 7158 of the ~~e~~Code.

(c) Where a citation lists more than one violation and each of the violations relates to the same construction project, the total penalty assessment in each citation shall not exceed \$~~85~~,000, except as provided for violations of Sections 7028.7, [in which case the total penalty assessment in each citation shall not exceed \\$15,000, and for violations of Section 7114, ~~or~~ 7118, or 7125.4, in which case the total penalty assessment in each citation shall not exceed \\$30,000.](#)

(d) Where a citation lists more than one violation, the amount of assessed civil penalty shall be stated separately for each section violated.

Note: Authority cited: Sections 7008, [and](#) 7099.2, ~~and 7115~~, Business and Professions Code.
 Reference: Sections 7099, 7099.1, and 7115, Business and Professions Code.

AGENDA ITEM E

Licensing



AGENDA ITEM E-1

Licensing and Testing Program Statistical Update



Licensing Program Update

APPLICATION PROCESSING STATISTICS

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

Total Number of Applications Received Per Month

	2020					2021						
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Original Exam	764	659	1,236	815	520	736	697	576	1,478	1,316	1,524	1,227
Original Waiver	462	463	598	403	406	363	386	325	737	598	697	555
Add Class	294	311	290	265	255	252	252	264	404	355	307	349
Qualifier Replacer	193	126	188	174	217	145	164	150	275	240	254	234
Home Improvement	1,135	923	962	852	610	739	896	1,411	1,070	928	1,236	1,088
Total Per Month	2,848	2,482	3,274	2,509	2,008	2,235	2,395	2,726	3,964	3,437	4,018	3,453
3 – Month Totals	Aug - Oct: 8,604			Nov - Jan: 6,752			Feb - Apr: 9,085			May - Jul: 10,908		

Total Applications Received – Prior Calendar Years

	CY 2016	CY 2017	CY 2018	CY 2019	CY2020
Original Exam	13,471	13,642	15,500	15,244	13,193
Original Waiver	8,603	8,462	9,327	8,796	7,456
Add Class	4,064	3,974	4,220	4,526	4,231
Qualifier Replacer	2,374	2,488	2,706	2,792	2,620
Home Improvement	10,373	9,522	9,720	11,122	9,694
Total Received	38,885	38,088	41,473	42,480	37,194



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.

	2020 Aug	Sep	Oct	Nov	Dec	2021 Jan	Feb	Mar	Apr	May	Jun	Jul
Original Exam	5.8	7.6	8.7	7.3	7.6	8.8	9.3	7.6	7.7	8.0	8.1	7.9
Original Waiver	4.4	4.7	4.9	5.3	6.8	7.1	7.7	5.8	5.1	4.4	3.7	4.4
Add Class	3.1	3.4	4.1	3.2	2.9	2.1	2.4	2.9	3.9	3.1	4.8	4.8
Qualifier Replacer (Exams & Waiver)	3.3	4.0	4.4	3.3	2.9	2.2	2.5	3.1	3.8	3.3	4.4	5.0
Home Improvement	2.0	3.4	4.4	4.3	3.4	2.5	2.6	3.4	3.9	3.4	4.1	4.2
Renewal	3.1	3.0	2.8	4.1	4.9	2.6	2.5	3.6	3.8	3.4	2.7	2.4
Add New Officer	3.4	2.6	1.4	0.6	1.7	2.7	3.3	4.8	4.8	3.8	4.4	4.0
Address/ Name Change	3.4	2.2	1.3	1.0	1.8	2.5	3.3	4.9	4.4	3.8	4.4	3.8
Bond / Bond Exemption	0.6	0.6	0.6	0.7	1.0	0.9	0.6	0.6	0.5	0.6	0.6	0.6
Workers' Comp / Exempt	2.0	1.8	1.7	2.0	2.0	2.3	3.0	2.5	2.7	3.0	3.2	3.3
Certified License History	5.0	5.0	6.0	6.0	6.0	7.0	7.0	7.0	6.0	7.0	7.0	7.0
Copies of Documents	0.4	0.4	0.0	0.3	0.0	0.4	0.4	0.2	0.0	0.0	0.0	0.0
Criminal Offender Record Information (CORI) Review*	2.5	1.8	2.5	3.0	2.9	3.5	2.2	1.8	2.1	2.1	2.2	2.1

*Outside CSLB Control—DOJ /FBI timeframe



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

Disposition of Applications by Fiscal Year

Fiscal Year	Number of Apps Received	Processed & Issued	Voided	Pending*
2017-2018	39,118	20,132	6,562	12,424
2018-2019	42,344	20,379	6,766	15,199
2019-2020	38,251	16,415	4,161	17,675
2020-2021	41,864	16,176	4,098	21,590

* These are the total number of applications pending at the close of each fiscal year. An application may be classified as pending because:

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



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

	2020					2021						
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Reactivation	112	114	115	83	90	88	102	125	125	79	111	98
Active	8,064	8,817	7,242	5,059	8,677	7,920	5,355	9,355	8,843	8,744	9,744	5,554
Inactive	992	1,130	818	808	1,048	1,059	691	1,158	1,158	1,028	1,178	701
Delinquent Active	1,160	1,327	1,027	843	1,165	1,074	965	1,230	1,080	1,143	1,291	829
Delinquent Inactive	177	232	164	133	197	218	163	180	184	196	197	148
Received Per Month	10,505	11,620	9,366	6,926	11,177	10,359	7,276	12,048	11,265	11,190	12,521	7,330
3 – Month Totals	Aug- Oct: 31,491			Nov - Jan: 28,462			Feb - Apr: 30,589			May - Jul: 31,041		

Total Renewals Received – Prior Calendar Years

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Reactivation	1,846	1,558	1,421	1,358	1,164
Active	103,659	97,884	104,330	98,901	97,037
Inactive	16,064	14,280	13,757	13,007	12,379
Delinquent Active	11,853	11,211	11,091	10,721	12,636
Delinquent Inactive	2,195	1,945	1,892	1,734	2,071
Total Received	135,617	126,878	132,491	125,721	125,287

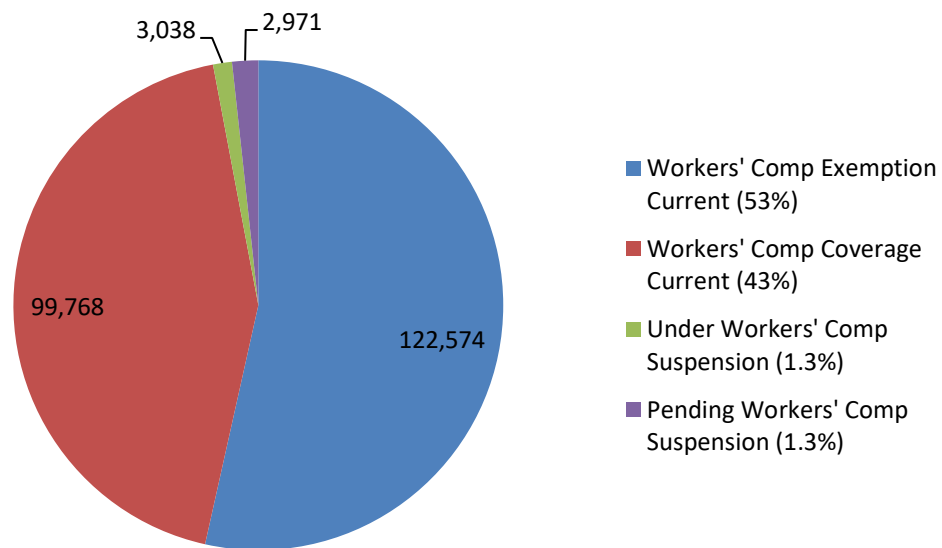


WORKERS' COMPENSATION RECERTIFICATION STATISTICS

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

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

Workers' Comp Coverage for Active Licenses - July 31, 2021



Total Number of Active Licenses: 230,185

The following chart shows the workers' compensation coverage (policies and exemptions) on file as of July 31, 2021, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status: As of July 31, 2021**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,254	9,151	14,405	36%
B General Building	61,035	40,019	101,054	60%
B-2 Residential Remodeling	2	0	2	100%
C-2 Insulation and Acoustical	268	877	1,145	23%
C-4 Boiler Hot Water	186	561	747	25%
C-5 Framing / Rough Carp	483	386	869	56%
C-6 Cabinet-Millwork	2,616	1,959	4,575	57%
C-7 Low Voltage Systems	1,974	2,746	4,720	42%
C-8 Concrete	2,521	3,684	6,205	41%
C-9 Drywall	1,197	1,759	2,956	40%
C10 Electrical	13,781	11,588	25,369	54%
C11 Elevator	44	168	212	21%
C12 Earthwork & Paving	995	1,394	2,389	42%
C13 Fencing	675	929	1,604	42%
C15 Flooring	3,589	3,344	6,933	52%
C16 Fire Protection	744	1,393	2,137	35%
C17 Glazing	1,083	1,827	2,910	37%
C20 HVAC	6,647	5,551	12,198	54%
C21 Building Moving Demo	506	1,192	1,698	30%
C22 Asbestos Abatement	2	291	293	0.7%
C23 Ornamental Metal	418	622	1,040	40%
C27 Landscaping	4,743	6,616	11,359	42%
C28 Lock & Security Equipment	142	233	375	38%
C29 Masonry	991	1,324	2,315	43%
C31 Construction Zone	49	280	329	15%
C32 Parking Highway	166	315	481	35%
C33 Painting	8,527	6,793	15,320	56%
C34 Pipeline	153	350	503	30%
C35 Lath & Plaster	578	1,205	1,783	32%
C36 Plumbing	8,768	6,885	15,653	56%
C38 Refrigeration	893	919	1,812	56%
C39 Roofing	0	4,516	4,516	0%
C42 Sanitation	384	583	967	40%
C43 Sheet Metal	380	1,027	1,407	27%
C45 Signs	357	502	859	42%
C46 Solar	468	777	1,245	38%
C47 Gen Manufactured House	220	215	435	51%
C50 Reinforcing Steel	62	197	259	24%
C51 Structural Steel	394	1,052	1,446	27%
C53 Swimming Pool	1,136	1,432	2,568	44%
C54 Tile	3,585	2,779	6,364	56%
C55 Water Conditioning	126	174	300	42%
C57 Well Drilling	294	483	777	38%
C60 Welding	515	464	979	53%
C61 Limited Specialty	7,735	10,358	18,093	43%
ASB Asbestos Cert	280	665	945	30%
HAZ Hazardous Cert	539	1,307	1,846	29%



FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS

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

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

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

CRIMINAL BACKGROUND UNIT STATISTICS

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	TOTALS
DOJ Records Received	32,470	29,189	34,664	33,553	27,172	157,048
CORI Information Received	6,764	5,900	6,729	6,657	5,375	31,425
Denials	49	63	65	63	16	256
Appeals	26	39	42	31	11	149
Probationary Licenses Issued (conditional license, requires periodic review)	89	83	61	86	101	420



EXPERIENCE VERIFICATION UNIT STATISTICS

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

Since implementation in September 2014, Experience Verification unit staff have been assigned and have reviewed 3,735 applications.

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

	2020					2021						
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Withdrawn	3	0	3	4	0	2	1	0	0	1	1	0
Verified	8	3	5	4	3	4	11	4	5	4	8	11
Denied	1	0	4	0	1	0	2	2	6	0	1	0
Appealed	0	0	0	0	1	0	0	0	0	0	2	1

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

**Experience Verification by Classification
July 1, 2019 – July 31, 2021**

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	2	8	14	5	29
B General Building	1	69	125	35	230
B-2 Residential Remodeling	0	0	0	0	0
C2 Insulation and Acoustical	0	0	0	2	2
C4 Boiler Hot Water	0	0	0	0	0
C5 Framing / Rough Carp	0	1	2	0	3
C6 Cabinet-Millwork	0	0	9	1	10
C7 Low Voltage Systems	0	2	7	1	10
C8 Concrete	0	2	13	3	18
C9 Drywall	0	1	3	0	4
C10 Electrical	1	11	33	3	48
C11 Elevator	0	0	0	0	0
C12 Earthwork & Paving	0	3	2	2	7
C13 Fencing	0	1	2	0	3
C15 Flooring	1	2	11	1	15
C16 Fire Protection	0	0	4	3	7
C17 Glazing	0	4	7	0	11
C20 HVAC	0	3	22	5	30
C21 Building Moving Demo	0	2	1	2	5
C22 Asbestos Abatement	1	1	0	0	2
C23 Ornamental Metal	0	1	0	0	1
C27 Landscaping	0	8	10	0	18
C28 Lock & Security Equipment	0	0	0	0	0
C29 Masonry	0	1	2	0	3
C31 Construction Zone	0	0	1	0	1
C32 Parking Highway	0	0	0	0	0
C33 Painting	0	16	27	3	46
C34 Pipeline	0	0	0	0	0
C35 Lath & Plaster	0	2	2	1	5
C36 Plumbing	1	5	22	3	31
C38 Refrigeration	0	1	1	0	2
C39 Roofing	0	6	9	2	17
C42 Sanitation	0	2	3	0	5
C43 Sheet Metal	0	0	0	0	0
C45 Signs	0	0	2	0	2
C46 Solar	0	0	2	1	3
C47 Gen Manufactured House	0	0	0	0	0
C50 Reinforcing Steel	0	0	0	0	0
C51 Structural Steel	0	0	1	0	1
C53 Swimming Pool	0	2	1	1	4
C54 Tile	0	2	8	2	12
C55 Water Conditioning	0	0	0	0	0
C57 Well Drilling	0	0	1	0	1
C60 Welding	1	0	2	0	3
C61 Limited Specialty	1	10	23	2	37
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
Total	9	166	372	78	626



LICENSING INFORMATION CENTER STATISTICS

Licensing Information Center Support Services

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

Table with 13 columns: Inbound Activity, 2020 (Aug-Dec), 2021 (Jan-Jul). Rows include Calls Received, Calls Answered, Caller Abandoned, Longest Wait Time, Shortest Wait Time, and Avg. Wait Time.

Licensing Information Center Call Data - Prior Calendar Years

Table with 6 columns: Inbound Activity, CY 2016, CY 2017, CY 2018, CY 2019, CY 2020. Rows include Calls Received, Calls Answered, Caller Abandoned, Average Longest Wait Time, Average Shortest Wait Time, and Average Wait Time.

*Abandoned calls were excessive as a result of staff working from home due to the pandemic.



JUDGMENT UNIT STATISTICS

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

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



Judgment Unit

Number of Reimbursements to State Agencies and Public

	2020 Aug	Sep	Oct	Nov	Dec	2021 Jan	Feb	Mar	Apr	May	Jun	Jul
OUTSTANDING LIABILITES (FROM CALIFORNIA STATE AGENCIES)												
Initial	11	15	27	9	30	21	21	25	55	78	64	143
Suspend	6	6	10	13	22	8	22	26	19	19	39	66
Reinstate	8	17	19	8	16	6	14	23	23	37	21	41
Total	25	38	56	30	68	35	57	74	97	134	124	250
FINAL JUDGMENTS (FROM COURT ACTIONS)												
Initial	56	41	70	51	32	51	81	50	55	41	61	59
Suspend	18	23	21	22	15	20	8	13	26	25	15	16
Reinstate	42	48	53	41	36	41	49	50	58	51	39	62
Total	116	112	144	114	83	112	138	113	139	117	115	137
PAYMENT OF CLAIMS (FROM BOND SURETY COMPANIES)												
Initial	134	115	104	67	145	100	98	135	105	80	103	153
Suspend	69	76	68	77	59	42	37	64	39	51	59	58
Reinstate	98	103	122	63	120	86	102	119	95	70	77	93
Total	301	294	294	207	324	228	237	318	239	201	239	304

Reimbursement Amounts to State Agencies and Public Prior Calendar Years

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Outstanding Liabilities	\$21,294,139	\$23,282,397	\$23,899,670	\$26,277,077	\$18,342,630
Final Judgments	\$21,075,805	\$20,175,529	\$12,167,435	\$16,514,073	\$20,586,833
Payment of Claims	\$8,852,480	\$8,850,173	\$9,580,600	\$11,080,053	\$9,921,280
Total Monetary Savings	\$51,222,424	\$52,308,099	\$45,647,705	\$53,871,203	\$48,850,913



State Agency Outstanding Liabilities Collected

	Employment Dev. Department (EDD)	Franchise Tax Board (FTB)	Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE) Division of Occupational Safety & Health (DOSH) Office of the Director – Legal Unit (ODL)	Total Liabilities Collected
August 2020	\$91,008	\$103,108	\$108,023	\$302,139
September	\$128,302	\$257,635	\$143,082	\$529,019
October	\$358,622	\$223,674	\$285,119	\$867,415
November	\$39,764	\$146,183	\$45,505	\$231,452
December	\$442,254	\$1,646,285	\$58,241	\$2,146,780
January 2021	\$103,718	\$61,651	\$8,075	\$173,444
February	\$168,273	\$59,908	\$176,049	\$404,230
March	\$156,981	\$602,909	\$49,038	\$808,928
April	\$215,076	\$381,375	\$110,992	\$707,443
May	\$1,524,620	\$425,677	\$493,572	\$2,443,869
June	\$209,256	\$203,132	\$108,901	\$521,289
July	\$848,824	\$367,692	\$310,054	\$1,526,570
TOTALS	\$4,286,698	\$4,479,229	\$1,896,651	\$10,662,578



CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing Division’s EAU administers CSLB’s 46 examinations at seven computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response messages received by CSLB that are related to testing.

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

EAU currently has five vacancies: Office Technician-Limited Term position in Oxnard, Office Technician-Limited Term position in Fresno, and two Office Technician-Limited Term positions in Headquarters.

Number of Examinations Scheduled Per Month August 2020 – July 2021

Aug 2020	Sept	Oct	Nov	Dec*	Jan 2021	Feb	Mar	Apr	May	Jun	Jul	Total
4,358	3,781	4,088	3,418	699	0	3,211	5,361	5,448	5,034	5,423	5,946	46,767

*Due to the Shelter-in-Place orders during the COVID-19 pandemic, all testing was halted in early December and January. All test centers, except Berkeley, reopened at half capacity on June 15, 2020, but closed again December 7, 2020, through February 1, 2021.

CSLB currently maintains test centers in the following locations:

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

The Berkeley location permanently closed January 31, 2021.

Number of Examinations Scheduled by Test Center August 2020 – July 2021

Test Center	Number of Examinations Scheduled
Fresno	2,789
Norwalk	12,417
Oxnard	4,151
Sacramento	11,603
San Bernardino	7,246
San Diego	4,892
San Jose	3,669
Total	46,767



EXAMINATION DEVELOPMENT UNIT (EDU)

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

Examination Development

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

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

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

EDU currently has two vacancies: Research Data Analyst I/II and Management Services Technician.

The new B-2 Residential Remodeling examination and the C-23 Ornamental Metal examination were released August 4, 2021.



Examination Programs in Progress as of September 1, 2021

Occupational Analysis	Item Bank Development
C-2 Insulation & Acoustical	Law and Business
C-4 Boiler, Hot Water Heating, & Steam-fitting	Asbestos Certification
C-12 Earthwork and Paving	C-6 Cabinet, Millwork & Finish Carpentry
C-46 Solar	C-7 Low Voltage
C-49 Tree and Palm	C-8 Concrete
C-57 Well Drilling	C-9 Drywall
	C-11 Elevator
	C-15 Flooring & Floor Covering
	C-16 Fire Protection
	C-17 Glazing
	C-20 Warm-Air Heating, Ventilating & Air Conditioning
	C-27 Landscaping
	C-28 Lock & Security Equipment
	C-29 Masonry
	C-31 Construction Zone Traffic Control
	C-32 Parking & Highway Improvement
	C-33 Painting & Decorating
	C-39 Roofing
	C-43 Sheet Metal
	C-53 Swimming Pool
	C-54 Ceramic & Mosaic Tile

AGENDA ITEM E-2

Update and Discussion on CSLB Administered Surveys

- a. Applicant Satisfaction Survey
- b. Consumer Satisfaction Survey





Ongoing Consumer Satisfaction and Applicant 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. This survey is mailed to a sample of complainants who provided CSLB with their email address. Respondent comments are provided to the Enforcement Division each month for review.

The Consumer Satisfaction Survey Report for January 1, 2020, through June 30, 2021, shows a 15 percent reduction in consumer satisfaction compared to the report for calendar year 2019 - 2020. There are three main factors that contributed to this decrease.

- 1) From June 2020 through June 2021, 15 CSLB Enforcement Special Investigators were redirected to Covid-19 contact tracing.
- 2) The \$7 million expense reduction plan restricted the filling of vacant Enforcement positions, curtailed use of industry experts to inspect workmanship complaints, and limited the ability to use CSLB-sponsored arbitration to resolve the more contested consumer complaints.
- 3) Covid-19 Stay-at-Home orders precluded field investigations.

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



CONTRACTORS STATE LICENSE BOARD
REPORT ON THE APPLICANT SURVEY
(July 2020 to June 2021)

Report Date: August 2021

Applicant Survey Executive Summary

Since March 2020, Testing Division staff has been circulating a monthly online survey to individuals who had recently received their license with the Contractors State License Board (CSLB). The purpose of the survey is to assess the applicant's satisfaction with the licensure process. The surveys are sent at the beginning of each month and licensees are given about a month to respond.

The online survey is sent through SurveyMonkey and includes eight questions. The first two questions are "Yes" or "No." Respondents are asked to rate the other six questions on a five-point agreement scale that provides two levels of agreement (agree or somewhat agree), two levels of disagreement (disagree or somewhat disagree), and a "neutral" option. At the end of the survey, respondents have the option to write additional comments. The Applicant Survey can be seen in Appendix A.

A total of 8,929 surveys were emailed between July 2020 and June 2021 and 1,394 (16%) responses were received. The number of new licensees dropped for the months of January, February, and March due to COVID-19 shelter-in-place orders, but the response rate remained stable (see Table 1).

Table 1

Response Rate by Month for Jul 2020 - Jun 2021

	Jul 2020	Aug	Sep	Oct	Nov	Dec	Jan 2021	Feb	Mar	Apr	May	Jun	Total
Surveys Emailed	673	728	784	857	764	792	613	434	639	771	804	1,070	8,929
Response Rate	118	106	124	128	107	142	113	68	102	110	122	154	1,394
Response Rate (%)	18%	15%	16%	15%	14%	18%	18%	16%	16%	14%	15%	14%	16%

Results for the first two questions can be seen in Table 2. For both questions respondents overwhelmingly chose "Yes," indicating that the licensure process was easy to understand and that the timeframe was acceptable.

Table 2

Survey Question	Yes	No
1. Was the licensure process easy to understand?	87%	13%
2. Was the licensure process timeframe acceptable?	74%	26%

Results for the six remaining questions can be seen in Table 3. Results for these five-point agreement questions were obtained by cumulating the two agreement (agree or somewhat agree) ratings and dividing by the total number of responses. This procedure provided the percentage of agreement for each question. All questions had relatively high levels of agreement; however, respondents agreed the most with question #5 (I

was treated courteously by CSLB’s representatives), question #7 (I am satisfied with the online Asbestos Open Book Examination process), and question #8 (I am satisfied with the service provided by CSLB). The levels of agreement can also be seen by month in Table 4 and Figure 1.

A total of 432 comments were received and about 43% were positive. Common topics include preferring electronic communication over postal mail, preferring to have the ability to pay online, the timeframe for licensure (both positive and negative), delays related to COVID-19, and positive experiences with CSLB staff.

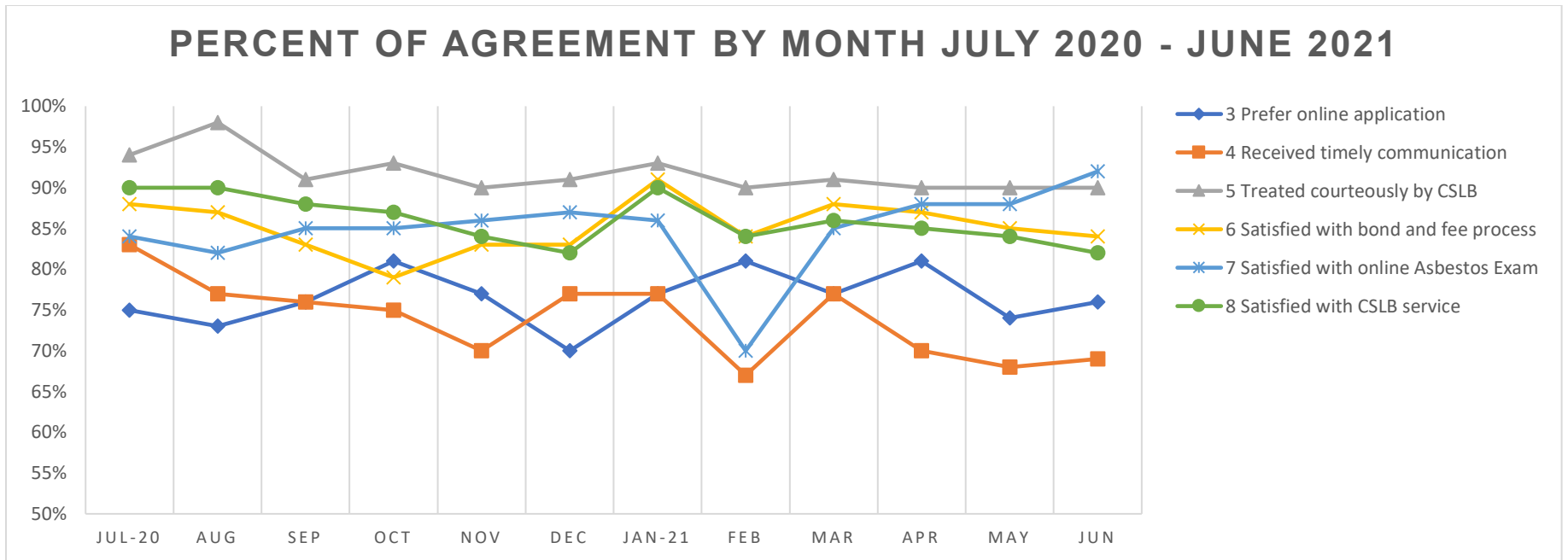
Table 3
Total Percent of Agreement Jul 2020 – Jun 2021

Survey Statement	
3. I would prefer to use an online application process.	76%
4. I received timely communication from CSLB.	74%
5. I was treated courteously by CSLB’s representatives.	92%
6. I am satisfied with the bond and fee process.	85%
7. I am satisfied with the online Asbestos Open Book Examination process.	86%
8. I am satisfied with the service provided by CSLB.	86%

Table 4
Percent of Agreement by Month for Jul 2020 - Jun 2021

Survey Statement	Jul 2020	Aug	Sep	Oct	Nov	Dec	Jan 2021	Feb	Mar	Apr	May	Jun
3.	75%	73%	76%	81%	77%	70%	77%	81%	77%	81%	74%	76%
4.	83%	77%	76%	75%	70%	77%	77%	67%	77%	70%	68%	69%
5.	94%	98%	91%	93%	90%	91%	93%	90%	91%	90%	90%	90%
6.	88%	87%	83%	79%	83%	83%	91%	84%	88%	87%	85%	84%
7.	84%	82%	85%	85%	86%	87%	86%	70%	85%	88%	88%	92%
8.	90%	90%	88%	87%	84%	82%	90%	84%	86%	85%	84%	82%

Figure 1



Appendix A: Applicant Survey



Introduction Section

As part of our ongoing efforts to improve service to applicants, we are conducting a short survey to monitor the quality of service provided to applicants who recently received their license with the Contractors State License Board.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed.

When you are finished, click on the "DONE" button at the bottom of the next page to forward your responses to the Board.

Please respond by Friday, July 30.

Thank you for taking the time to participate in this survey!

Contractors State License Board



Survey Instructions and Questions

The information you provide here is voluntary and confidential. It will be treated as personal information subject to the Information Practices Act (Civil Code, section 1798 et seq.) and will be used only for the purpose of analyzing the ratings from the survey. The information disclosed will remain confidential and will not be disclosed to the public unless required by state law, court order, or subpoena. If you have any questions regarding this form or how CSLB uses this information, please contact CSLB's Testing Division at (916) 255-3221 or at CSLB_Testing_Division@cslb.ca.gov.

We are identifying your response to provide specific information about CSLB operations. YOUR IDENTITY, including your email address WILL BE KEPT CONFIDENTIAL. Please note, your response may be shared with CSLB licensing staff on a need-to-know basis to help improve service to applicants. This process may involve CSLB licensing staff contacting you at your request or may be initiated by staff to follow-up with you regarding your survey comments.

For Questions 1 and 2, please select the response that best represents your experience with the licensure process.

1. Was the licensure process easy to understand?

- Yes
- No

2. Was the licensure process timeframe acceptable?

- Yes
- No

For Questions 3 - 8, please select the response that shows how much you agree with each statement.

	Agree	Somewhat Agree	Neutral	Somewhat Disagree	Disagree
3. I would prefer to use an online application process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. I received timely communication from CSLB.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. I was treated courteously by CSLB's representatives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. I am satisfied with the bond and fee process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. I am satisfied with the online Asbestos Open Book Examination process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. I am satisfied with the service provided by CSLB.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please share any other comments below:



CONTRACTORS STATE LICENSE BOARD
REPORT ON THE CONSUMER SATISFACTION
SURVEY: 2020-21 COMPLAINT CLOSURES
(January 2020 to June 2021)

Report Date: August 2021

Executive Summary

The Consumer Satisfaction Survey Report is based on surveys of individuals who have filed complaints with the Contractors State License Board (CSLB) Enforcement division against licensed or unlicensed contractors. These surveys assess the public's satisfaction with CSLB's handling of their complaints. The original benchmark survey began with complaints that were closed in 1993, and assessment of consumer satisfaction has continued since that time. The present report measures consumer satisfaction for complaints closed in calendar year 2020 and the first half of 2021.

In early 2021, CSLB Management decided that to be consistent with other mandated statistical reports, this annual report will be based on fiscal years rather than calendar years. Therefore, this report encompasses 18 months rather than the usual 12 months. Future reports will cover fiscal years.

Eight of the nine questions on the 2020/21 survey were identical to those used since 1993 (the ninth question regarding the consumer checking the license for their contractor was omitted) and the same seven-point agreement scale was used. From 1993-2009, 4,800 complainants (400 per month) were randomly selected to receive surveys. In 2010, the survey's format and sampling method were changed; CSLB began to email the survey to all consumers with closed complaints who had provided email addresses. In 2020/21, 12,861 complainants provided email addresses, of which 12,634 were deemed valid. Surveys were sent out in individual monthly batches.

In 2020/21, a total of 1,915 complainants (15 percent of those surveyed) responded to the questionnaire, a rate similar to that of previous years.

Major Findings and Comparison with Previous Years

Table 1 summarizes the survey results from consumers with complaints closed in 2020/21. The table also includes the annual ratings for the eight consumer satisfaction questions (service categories) over the previous four years.

In 2020/21, the lowest agreement (47 percent) was for the question, "The action taken in my case was appropriate," whereas the highest agreement (79 percent) was for the question about being treated courteously, which is a consistent pattern for the last 11 years. From 2019 to 2021, all service categories showed large decreases in customer satisfaction, continuing a trend that began in 2019. One service category showed a 10 percent decrease, two service categories showed a nine percent decrease, three service categories showed an eight percent decrease, one service category showed a six percent decrease, and one service category decreased by five percent.

Forty-six percent of survey respondents selected "yes" to Question 9, "Before hiring, I inquired about my contractor's license status with the CSLB," which is very similar to previous years.

TABLE 1: HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2016-2020/21)

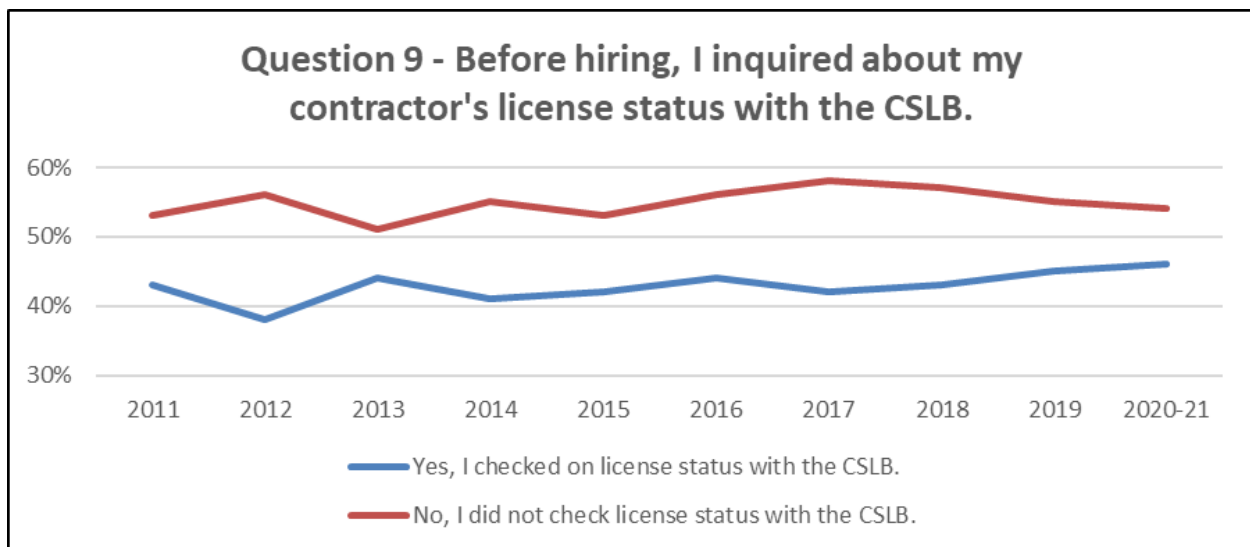
Questionnaire Statements	Percent Agreement by Calendar Year				
	2016	2017	2018	2019	2020/21
1. The CSLB contacted me promptly after I filed my complaint.	77%	78%	80%	77%	68%
2. The procedures for investigating my complaint were clearly explained to me.	76%	75%	76%	72%	66%
3. The CSLB kept me informed of my case's progress during the investigation.	68%	68%	68%	65%	57%
4. I was treated courteously by the CSLB's representative(s).	87%	85%	87%	84%	79%
5. My complaint was processed in a timely manner.	65%	66%	66%	64%	55%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	70%	69%	70%	68%	60%
7. The action taken in my case was appropriate.	58%	57%	55%	55%	47%
8. I am satisfied with the service provided by the CSLB.	62%	64%	61%	61%	51%

History

In 1994, the Contractors State License Board began a program to improve consumer satisfaction with CSLB's enforcement program. A cornerstone of this effort was a survey to solicit feedback from individuals who filed complaints with the Board. The first postcard survey, covering complaint closures from 1993, was designed to serve as a benchmark in an ongoing evaluation program as well as to identify areas in need of improvement. These ongoing surveys have been conducted by CSLB's Testing division. The present report covers 18 months of complaints closed between January 2020 and June 2021 and compares these results with previous years.

The Consumer Satisfaction Survey also provides a convenient method for polling consumers on other issues. Since 2000, the survey has been used to estimate the percentage of complainants who inquired about the contractor's qualifications with CSLB. Agreement with this question has ranged from 29 percent in 2000, to 50 percent in 2008. In 2007, this question was rephrased from "Before hiring, I inquired about my contractor's qualifications with the Contractors State License Board," to "Before hiring, I inquired about my contractor's license status with the CSLB," and the answer choices changed from an agreement scale to a yes/no format. Since 2007, between 38 percent and 50 percent of respondents endorsed this statement (a mean of 43 percent). Results have trended in the desired direction for the past three years. Figure 1 shows these results by year.

Figure 1



In 2007, Question 10, an open-ended follow-up to Question 9, was added to assess the reasons why some consumers did not inquire about their contractor's license status with CSLB. The responses to Question 10 were reviewed and sorted into 12 comment categories. In 2010, CSLB eliminated this question.

Project Design

Questionnaire Description

The nine-item 2020/21 questionnaire was developed in Survey Monkey and included eight questions assessing customer service. Seven of them related to specific aspects of the complaint process, and one was about overall satisfaction. These questions were virtually identical to those used since 1994. Complainants were asked to rate the questions on a seven-point agreement scale that provided three levels of agreement with a question (strongly agree, agree, and mildly agree), and three levels of disagreement (strongly disagree, disagree, and mildly disagree). The rating scale also included a "neutral" point. The ninth question addressed whether consumers inquired with CSLB about their contractor's license status prior to hiring and required a yes/no response. The questionnaire also provided space for written comments. A copy of the questionnaire is attached as Appendix A.

Before receiving the survey, each complainant's email address was linked with his/her case number to allow CSLB to respond to issues identified in survey results, if necessary.

Sampling Procedure

In calendar year 2020, CSLB completed the investigation or mediation process for 18,414 complaints filed by consumers against licensed and unlicensed contractors. This was 2,834 less than in 2019. Complainants who provided CSLB with an email address were selected from all the closed complaint files. Duplicate complainants and clearly incorrect email addresses were removed from the sample before emailing, leaving a total sample of 8,560 (12,861 for the full 18 months). Surveys of consumers whose complaints were closed in each month were emailed throughout 2020 and the first half of 2021. Data for complaint closures for January through June 2021 were unavailable at the time of publication.

Analysis Procedure

Combining the three "Agreement" points and then dividing this number by the total number of respondents determined the level of agreement with each service category question. This procedure provided the proportion of respondents who agreed with the question.

Complainants' Comments

Most comments elaborated on the questionnaire statements and the remaining comments presented additional areas of consumer concern. Some complainants used the comment space to request contact by a CSLB representative to indicate that they were unsure about the outcome of their case, or to provide positive remarks about CSLB representatives who handled their cases. These survey results were forwarded to CSLB Enforcement staff each month.

Results

Response Rate

In 2020/21, 15 percent (1,915) of those selected for the sample responded. The response rate for this survey has ranged from 15-31 percent, which is considered standard for this type of survey.

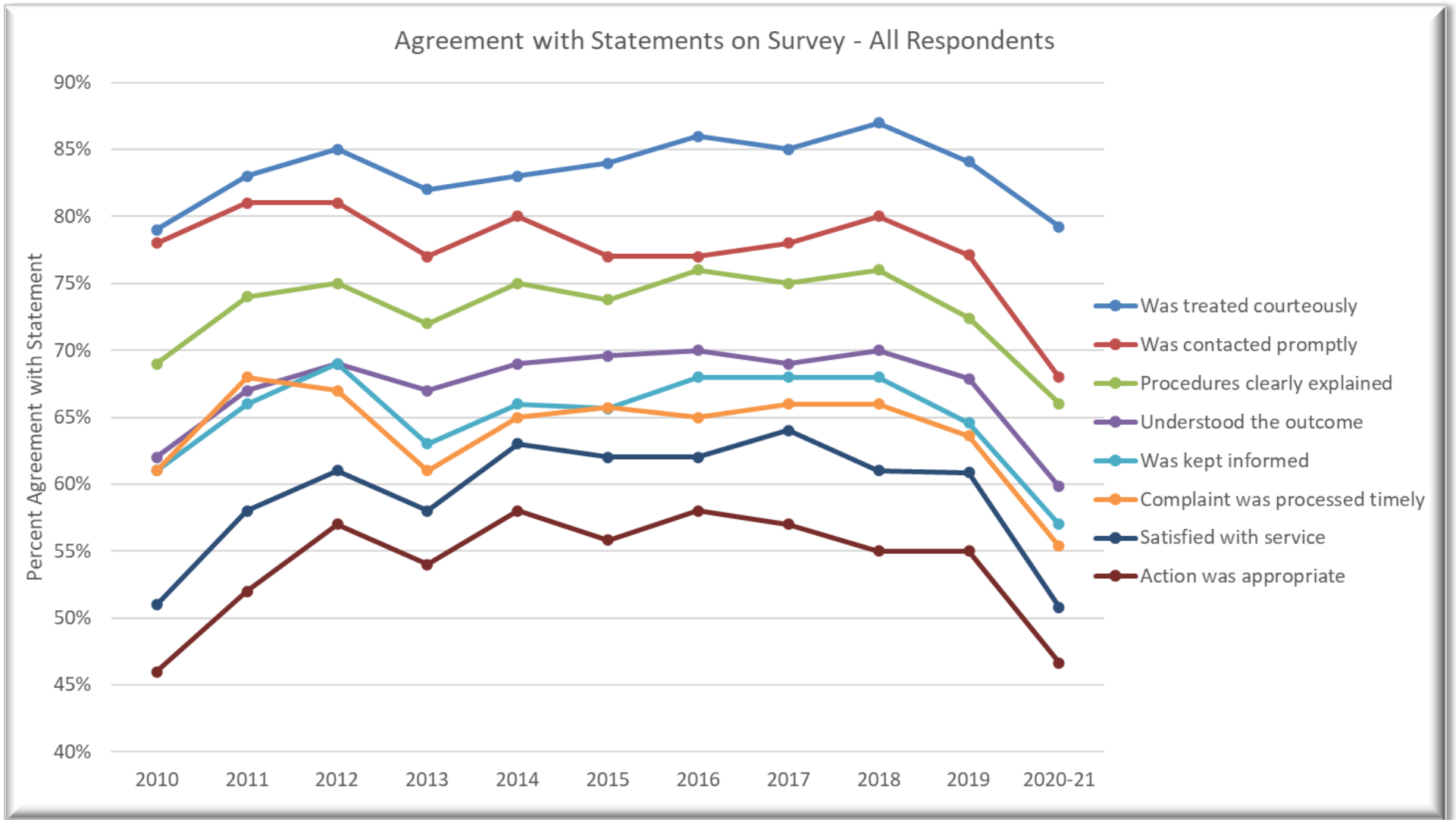
Consumer Agreement with Questionnaire Statements

Appendix B (Table B-1) contains the detailed results for the 2020/21 Consumer Satisfaction Survey, indicating the individual percentages for each “agreement” category. Table 1 of the Executive Summary presents the satisfaction ratings for the 2020/21 survey, along with results from 2016 to 2019. Consumer agreement information is also presented in graph form in Figure 2. Table B-2 was created to examine results in smaller six-month intervals because 18 months is a long timeframe for survey results.

Contractor Qualifications

The question addressing contractor qualifications was included to assess the need for public education in this area. Question 9 asked, “Before hiring, I inquired about my contractor’s qualifications with the Contractors State License Board.” See Figure 1.

FIGURE 2
HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY
(2010 – 2020/21) LINE GRAPH PRESENTATION



Complainants' Comments

Seventy-two percent of the responding complainants chose to include comments with their survey responses, a percentage consistent with past results. As in previous years, the comments ranged from requests for follow up, additional information about the status of complainants' cases, and feedback regarding CSLB representatives. The comments also included suggestions for procedure changes for the CSLB complaint process. All comments were forwarded to CSLB's Enforcement staff for review.

A Historical Look at Sampling Methods

Beginning in 2010, CSLB altered the sampling method from random sampling to convenience sampling. Random sampling is preferred for most surveys to ensure that the sample is representative of the overall population of interest. It assumes that characteristics such as gender, age, socioeconomic status, etc., are equally distributed across the survey population and, therefore, will be equally distributed across a random sample.

Convenience sampling selects participants based on their availability to the researcher. As applied to the CSLB Consumer Satisfaction Survey, using an email survey rather than a paper and pencil survey reduces costs and saves staff time. The most convenient sampling method, therefore, uses those complainants who provided their email addresses. While convenience sampling can induce bias in a survey, depending on the topic, there is no reason to expect that consumers who provided their email addresses to CSLB would have different opinions on the satisfaction measures assessed by the current survey from those who did not provide email addresses.

Sampling validity was also assessed with another method over a nine-year period. In survey research, respondents to a survey may not be representative of the overall group, which can occur when a particular segment of the sample is more motivated to respond to the survey. From 2010 to 2018, the respondent samples were compared to the recipient samples (the groups receiving the survey) to check for response bias based on complaint outcome. The percentage of *recipients* with positive complaint outcomes was very similar to the percentage of *respondents* who had positive outcomes. This large set of data established that this survey does not have a meaningful response bias of this nature. Beginning in 2019, it was determined that this comparison was not necessary as the survey and its administration procedures remain consistent.

TECHNICAL APPENDICES

- Appendix A: Consumer Satisfaction Survey Questionnaire
- Appendix B: Detailed Results of the Consumer Satisfaction Survey

APPENDIX A

Consumer Satisfaction Survey Questionnaire

Introduction Section

Dear Consumer:

As part of our ongoing efforts to improve service to consumers, we are conducting a survey to monitor the quality of service provided to consumers who have filed a complaint with the Contractors State License Board.

Your name was selected from our complaint files that were recently closed.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed. Of course, we would also like to hear how we are serving you well.

When you are done just click on the "DONE" button at the bottom of the last page to forward your responses on to the Board.

Thank you for taking the time to participate in this survey!

Contractors State License Board

Survey instructions and questions

1. Please have the person most familiar with the complaint complete the survey. Select the response that shows how much you agree with each statement on the survey.

We are identifying your response with your complaint number to provide specific information about CSLB operations. Your identity, including your email address and complaint number will be kept confidential. Please note, your response may be shared with CSLB enforcement staff on a need to know basis to help improve our mission of consumer protection. This process may involve CSLB enforcement staff contacting you at your request or may be initiated by staff to follow-up with you regarding your survey comments.

	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE
The CSLB contacted me promptly after I filed my complaint.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The procedures for investigating my complaint were clearly explained to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The CSLB kept me informed of my complaint's progress during the investigation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I was treated courteously by the CSLB's representative(s).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My complaint was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the outcome of the investigation (whether or not I agree with the action taken).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The action taken in my case was appropriate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with the service provided by the CSLB.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Before hiring, I inquired about my contractor's license status with the CSLB.

- YES
- NO

3. Comments (please include any areas that you feel our staff could improve in and/or examples of superior service to you):

APPENDIX B

Detailed Results of the Consumer Satisfaction Survey

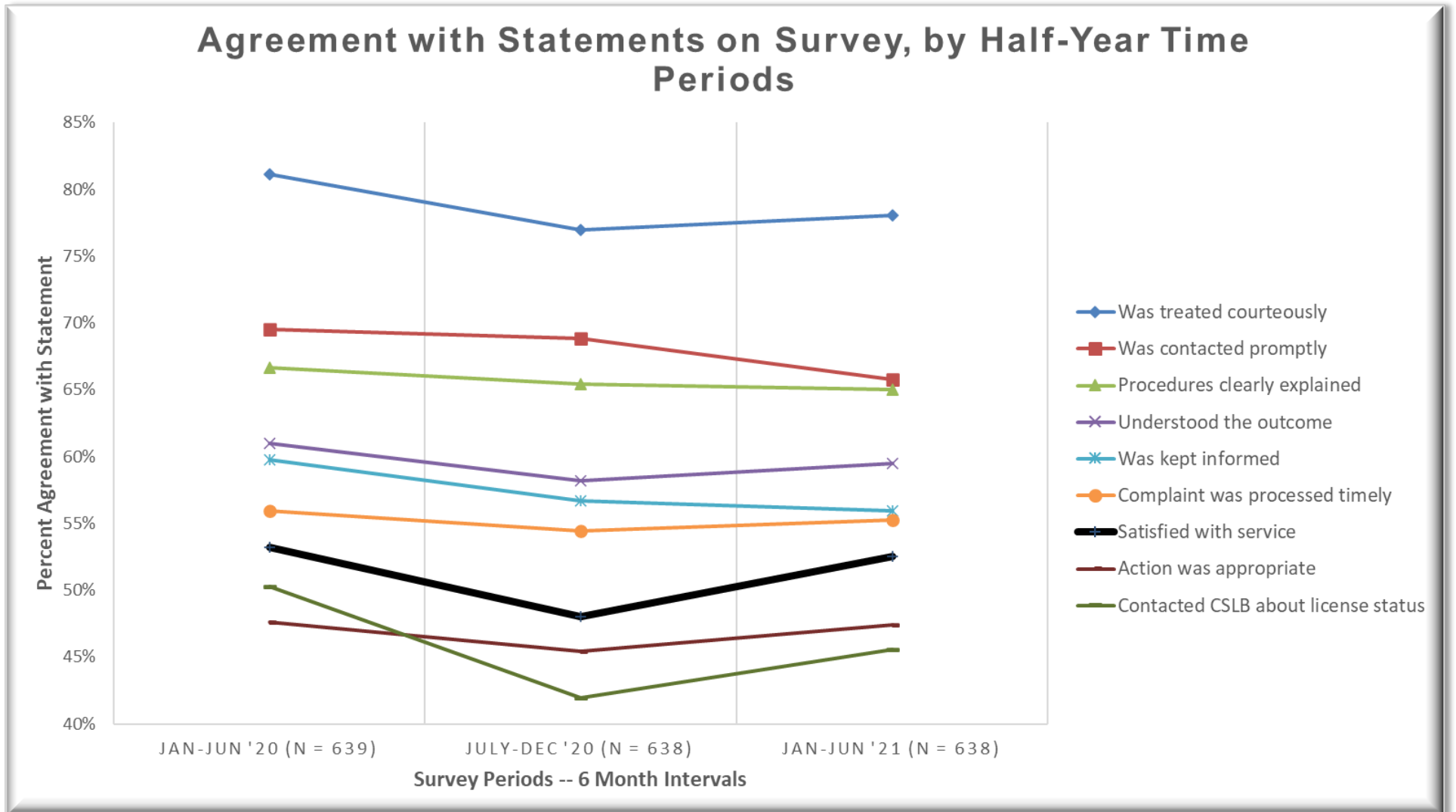
Table B-1 - Overall Results of Consumer Satisfaction Survey; 2020/21 Complaint Closures

QUESTION ASKED	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE	NO RESPONSE
1. Was contacted promptly	558	543	199	131	107	149	224	4
	29%	28%	10%	7%	6%	8%	12%	
2. Procedures clearly explained to me	565	509	180	152	118	153	232	6
	30%	27%	9%	8%	6%	8%	12%	
3. Was kept informed	496	410	188	176	125	205	304	11
	26%	22%	10%	9%	7%	11%	16%	
4. Was treated courteously	982	439	72	181	44	58	121	18
	52%	23%	4%	10%	2%	3%	6%	
5. Complaint was processed timely	493	395	158	181	102	179	387	20
	26%	21%	8%	10%	5%	9%	20%	
6. Understood the outcome	607	435	84	185	63	122	395	24
	32%	23%	4%	10%	3%	6%	21%	
7. Action was appropriate	521	287	75	208	64	170	561	29
	28%	15%	4%	11%	3%	9%	30%	
8. Satisfied with service	596	286	90	161	83	176	504	19
	31%	15%	5%	8%	4%	9%	27%	

Percentages may not add to 100% due to rounding.

QUESTION ASKED	YES	NO	NO RESPONSE
9. Checked contractor's license status with CSLB	852	1003	60
	44%	52%	

Table B-2 - Results of Consumer Satisfaction Survey; Dividing Results into 6-Month Chunks



AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Enforcement Program Statistical Update





STATISTICAL OVERVIEW

Fiscal Year (FY) Complaint Handling Statistics (July 2020 - June 2021)

Investigations Initiated & Complaints Received

- CSLB initiated 16,551 investigations during FY 2020-2021, which was 1,639 fewer than the same timeframe in FY 2019-2020.

Pending Investigations

- With current staffing levels, the optimum maximum Enforcement Division caseload is 3,945 pending complaints. As of July 2021, the pending caseload was 3,932.

Special Investigator Production Goals

- For FY 2020-2021, the weighted monthly Investigative Center closing goal of eight was achieved. Note: On July 1, 2021, the closing goal returned to 10 as the 16 hours of monthly leave ended.

Complaint-Handling Cycle Time

- The board's goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of July 2021, 121 of the 3,932 open complaints (three percent) exceeded 270 days in age.

Restitution to Financially Injured Persons

- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. FY 2020-2021 complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$20 million in restitution to financially injured parties.

Investigative Center Legal Actions

- During FY 2020-2021, the Investigative Centers referred 579 (32 percent) of the 1,777 legal action investigations for criminal prosecution.

Case Management Activities (FY July 2020- July 2021)

- **Arbitration**
 - 568 cases initiated, resulting in over \$3 million in restitution to injured parties.
 - 76 licenses revoked for non-compliance with an arbitration award.



- **Citations**
 - 1,364 citations issued (631 licensee, 733 non-licensed).
 - 565 citations appealed (330 licensee, 235 non-licensed).
 - 1,364 citations complied with (558 licensee, 437 non-licensed).

- **Civil Penalties Collected**
 - Licensee Citation Civil Penalties
 - Informal settlement conferences conducted: 183
 - Civil penalties collected: \$1,197,271
 - Restitution: \$1,524,123

 - Non-Licensee Citation Civil Penalties
 - Informal settlement conferences conducted: 182
 - Civil penalties collected: \$541,093

- **Accusations**
 - Accusations filed: 197
 - License revocations: 286
 - License probations: 130
 - Restitution paid to injured parties: \$627,964
 - Cost recovery collected: \$681,214

AGENDA ITEM G

Executive



AGENDA ITEM G-1

Review and Possible Approval of the June 3, 2021 Board Meeting Minutes and July 27, 2021 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

June 3, 2021 Board Meeting Minutes

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR’S INTRODUCTION AND APPOINTMENT OF NOMINATION COMMITTEE MEMBERS

Board Chair David De La Torre called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Thursday, June 3, 2021, via teleconference.

A quorum was established. Chair De La Torre led the Board in the Pledge of Allegiance.

Board Members Present

David De La Torre, Chair
Kevin Albanese
Frank Altamura, Jr.
Augie Beltran
Rodney Cobos
Miguel Galarza
Don Giarratano

Susan Granzella
Diana Love
Michael Mark
Jim Ruane
Johnny Simpson
Mary Teichert*

*Mary Teichert was not present during the quorum but joined shortly thereafter. Board Member Nancy Springer had an approved absence.

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Michael Jamnetski, Chief of Legislation
Phyliz Jones, Executive Staff
Mike Melliza, Chief of Administration
Justin Paddock, Chief of Licensing
Stacey Paul, Budget Manager
Jason Perez, Chief of Information Technology

Department of Consumer Affairs (DCA) Staff Present

Jason Hurtado, Legal Counsel
Shelly Jones, WebEx Host

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

**Public Comment**

David Rodriguez commented regarding a pending complaint about unlicensed contractors. He stated a government agency is hiring unlicensed contractors and wanted to get the status of his complaint as he has not heard from the Board. Board Chair De Le Torre stated the Board cannot discuss the details of a pending enforcement matter but that he can provide his information to the moderator and CSLB will contact him.

C. PRESENTATION OF CERTIFICATES OF RECOGNITION – MAY INCLUDE ORAL PRESENTATIONS COMMEMORATING BOARD MEMBER ACHIEVEMENTS AND SERVICE OF CSLB STAFF

Chair DeLaTorre presented certificates of recognition to Board members Nancy Springer and Kevin Albanese.

Chair DeLaTorre noted that Nancy was appointed to the Building Official position in 2013. As a CSLB board member she was a conduit between building officials and CSLB staff. Nancy reported on CSLB activities at numerous building officials' meetings and served as a resource to staff on code compliance and permit issues. She advocated and starred in the CSLB developed Building Permit Compliance Course which is used today as an educational tool for contractors.

Chair DeLaTorre noted that Kevin was appointed in 2013 to the position of General Building Contractor. Kevin was a strong resource on the Balcony Bill that resulted from the tragic Berkeley Balcony collapse. Kevin's input ensured that it provided enhanced consumer protection without putting unnecessary burdens on industry. Also, while serving on the worker's compensation advisory committee, Kevin was instrumental in obtaining industry support and finding a balanced approach in crafting a legislative proposal to achieve greater workers compensation compliance. Today, legislation is pending to mandate worker's compensation.

Chair DeLaTorre thanked Kevin for stepping in at the Board's last Sunset Review Hearing and providing key testimony.

Board Member and Staff Comments:

Board Member Augie Beltran thanked both Ms. Springer and Mr. Albanese for their time on the Board and their Service. He stated that their wisdom is valued in every aspect and every decision that was made and they will be missed.

Board Member Mary Teichert echoed Augie's comment on the value of both Board Members. She highlighted what a great representative and liaison Mr. Albanese is to the contracting community during his time on the Board and what a great resource he has been for contractors in the contracting community.



Board Member Susan Granzella thanked both Ms. Springer and Mr. Albanese. She noted what a great resource Ms. Springer was for her when she joined the Board. She also thanked Mr. Albanese for his approach on decision making.

Board Member Miguel Galarza thanked Ms. Springer for all her hard work and Mr. Albanese for making him feel comfortable with his decision to serve on the Board.

CSLB Registrar David Fogt thanked both Ms. Springer and Mr. Albanese. He said Ms. Springer was instrumental in opening the doors and creating a better working relationship with building officials throughout the State. He added she was very valuable to the Board. Registrar Fogt acknowledged Mr. Albanese's support for Board operations providing numerous leads relating to unlicensed practice that helped to protect consumers. He said he was always willing to help with public outreach and made himself available to staff and attended Senior Staff meetings. He noted that he did a lot over the last eight years to help Staff review licensing operations and CSLB is more effective because of this effort.

Board Member Kevin Albanese commented that he wished Ms. Springer was able to be at the meeting as she has been a fantastic addition to the Board and her advocacy for the building officials has been instrumental and shows the importance of having another qualified building official fill her shoes. He thanked previous Board Members Joan Hancock, Bob Lamb, Ed Lang, David Diaz, and Paul Schifino for their mentorship. He recognized staff members Jesse Flores, Missy Vickrey and Becky Lyke for their support on the Enforcement Committee. He recognized Tonya Corcoran for everything she does going above and beyond. He recognized Registrar Fogt for his work and as Chief of Enforcement. He recognized former CSLB investigator Jeff Miller for his proactive enforcement work and for providing a legislative idea to improve workers compensation enforcement. He thanked everyone for their support.

Chair De Le Torre thanked both Ms. Springer and Mr. Albanese for their work and commitment to the Board.

Public Comment:

Richard Markuson echoes the comments from the Board Members and thanked Ms. Springer and Mr. Albanese for their work protecting consumers.

D. EXECUTIVE

1. Review and Possible Approval of the March 25, 2021, Board Meeting Minutes

MOTION: To approve the March 25, 2021, Board Meeting Minutes. Augie Beltran moved; Susan Granzella seconded. The motion carried, 13–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert



ABSENT: Nancy Springer

2. Registrar's Report

b. Update on B-2 Residential Remodeling Classification (taken out of order)

Registrar Fogt began by acknowledging the fine work by CSLB Testing and Examination staff led by manager Carol Gagnon. He provided an update on staff activities to develop a residential remodeling trade exam which included creating the exam item bank by surveying industry, conducting workshops and item writing, all performed in record time.

Registrar Fogt reported that Public Affairs, Licensing, Enforcement, and Information Technology staff are coordinating to publicize this new classification on the CSLB website by issuing industry bulletins, conducting monthly applicant workshops and through proactive enforcement sweeps and stings. The industry bulletin is included in the Board packet on Page 44. In addition, staff are seeking opportunities to work with license schools and industry partners to encourage qualified persons to make application to obtain the new license.

Registrar Fogt reported the licensing division will begin accepting B-2 applications on the June 21, and the trade exam testing will commence in August. He ended his update showing the new B-2 residential remodeling classification video.

a. Tentative Board Meeting Schedule (taken out of order)

Board members were updated regarding the upcoming September meeting. The plan is for a two-day in person meeting in Orange County. The first afternoon will be a joint meeting with the Nevada State License Board. The next day will be primarily on development of the Board's strategic plan.

3. Status Update on Contract with Consultant to Study Which CSLB License Classifications Should Install Battery Energy Storage Systems

Registrar Fogt provided background on the study. Specifically, in December 2020 CSLB entered contract with UC Berkeley to 1) Consider BESS risk, hazard, size, and complexity. Is there an existing or prospective harm to public safety, and if so, what is the likelihood of the existing or prospective harm occurring and/or will that harm be fixed by enacting a regulation? 2) Whether the solar contractor classification should be authorized in regulation to install a BESS and if so to what extent/in what way? 3) Applicability of state and national standards and codes to these inquiries. 4) Economic impact analysis of a restriction on the CSLB Solar Contractor regulation and 5) provide an analysis of applicable knowledge, skills, and training as it relates to the installation of BESS.



The consultant has confirmed that they will complete their study within June 30, 2021, contract parameter. He stated that it will be up the next Chair to determine if the study will be presented at the next scheduled board meeting in September or if a stand-alone meeting to discuss this issue in July is preferable.

4. Strategic Planning Process Overview

Board Chair David De La Torre explained the upcoming plan to develop the Board's 2022 to 2025 strategic plan in which Shelly Jones, moderator for the board meeting, will be the strategic planning facilitator. He noted that Shelly is working closely with Registrar Fogt and Deputy Registrar Tonya Corcoran on the preliminary aspects of gathering information and developing the plan schedule which will include surveying staff, industry members, interested parties, and licensees to identify the strengths, weaknesses, opportunities, and threats. He also noted that Moderator Shelly Jones will conduct one-on-one interviews with Board Members.

At the September 2021 Board Meeting, Board members' and senior staff's primary goal will be to develop strategic objectives. Then at the December 2021 Board Meeting, the strategic plan will be presented for Board review and adoption.

Board Chair De La Torre explained that he has appointed himself and Board Member Miguel Galarza as a two-person advisory committee to review Licensing Reciprocity and will discuss their findings and recommendations as part of CSLB's strategic planning discussion in September.

Moderator Jones provided a roadmap and explained the next steps in the process. She explained that she will be contacting board members by email to schedule a phone interview for some time in June.

Deputy Registrar Corcoran explained that staff will continue to work with Ms. Jones and looked forward to engaging in the strategic planning process with board members in September.

5. Budget Update and Statistical Summary

Budget Manager Stacey Paul provided an update on the Board's budget. She reported for expenditures through March of fiscal year (FY) 2020-21, the Board is continuing to meet its goal of reducing expenses to ensure that the Board has enough cash flow to ensure operations until the fee increase is secured. To date, the Board has spent approximately 69 percent of the budget authority, projecting to spend about the same amount as last year, \$66 million, in Board expenses. Revenue through March is up about 14.8 percent from the prior year; this is largely due to the emergency fee increase on renewals implemented in February 2020; however, there is also a steady increase in licensees paying delinquent fees.



Ms. Paul reported that there is still a decline in license applications and licenses issued, likely due to the pandemic and backlog in examinations from having to close test sites. However, renewals have remained consistent with a four percent increase over two years.

MOTION: To approve the Fiscal year 2021-2022 expenditure reduction plan outlining \$5 million in savings which projects that the fund would be solvent at the end of Fiscal Year 2021-2022, with \$1.2 million in the reserve. Augie Beltran moved; Michael Mark seconded. The motion carried 13-0.

Board Member Comment:

Board Member Kevin Albanese supported the motion and encouraged the board members to continue to look for ways to find review to support positions.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Nancy Springer

6. Administration Update Regarding Personnel and Facilities (Update given after agenda item 8)

7. Information Technology Update

IT Chief Jason Perez highlighted that the Board is processing almost 40 percent of the renewals online. Chief Perez noted that this average will continue to grow as staff continue to make modifications to the online renewal to allow for additional business entities with a single qualifier to renew online. With this modification he anticipates that by this summer 95 percent of the current licensees will have the opportunity to renew online.

Chief Perez reported that there continues to be a monthly increase with Online Citation Payment Application in which he thanked the Enforcement Division for their work and seamless transition of the addition of online transactions into their processes.

Chief Perez noted that the number of visits to CSLB’s website and license check features continues to grow year over year. He predicts that the number of website visits will increase as CSLB IT releases additional online services and as the Public Affairs office continues promotion through social media and outreach.

Chief Perez explained that with more online services, it is crucial for the Division to protect data and make recovery data available when needed. He mentioned that about two years ago, CSLB lost critical web services hosted at the Department of Technology.



This allowed CSLB's infrastructure team to make significant changes and improvements for online reliability and data protection, which they will continue to do.

Chief Perez added CSLB has moved the entire website over to an environment managed by both Department of Consumer Affairs and CSLB, but the website will continue to be hosted at the state data center which allows CSLB to maintain the critical IT infrastructure in a tier three data center. He explained the new design enables CSLB to replicate data virtually in real time to DCA in case of a disaster, while also having the latest backups in their secondary recovery site in Fresno. He added that with the data protected and available in multiple locations, staff is concentrating their efforts to ensure all servers – whether they are hosted at CSLB Headquarters or the state data center – are updated with the latest security patches and are running current application and operating system software.

Chief Perez gave an update on Item 5.13 of the IT Strategic plan and stated that DCA's Office of Information Services has provided CSLB with the requirements for e-signatures, which aligns with Item 5.14 of the IT strategic plan where staff will continue to evaluate online products to assist with authentication, authorization, and licensee user management. Chief Perez added that for Item 5.16, CSLB IT continues its online accessibility and has updated over 5,100 online documents to make them ADA compliant and will continue to make all future documents ADA compliant. For objective Item 5.21, he noted that CSLB developers are enhancing the SCORE application which is the system used by CSLB exam development unit to develop and store test data.

Board Member Comment:

Board Member Susan Granzella mentioned that she and Board member Frank Altamura were part of the IT committee and met with Chief Perez. She thanked Chief Perez and his Staff for the presentation which gave her a better understanding of where information is stored and how that information is managed.

8. Election of 2021-2022 Board Officers

The 2021 Nomination Committee was comprised of Board Members Kevin Albanese and Johnny Simpson. Board Member Kevin Albanese presented the recommendations for the Board Officers:

- Board Chair: Susan Granzella
- Board Vice Chair: Mary Teichert
- Secretary: Diana Love and Michael Mark

MOTION: To approve the Nomination Committee's recommendation to elect Board member Susan Granzella as Board Chair. The motion carried 12-0

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert



ABSTAIN: Susan Granzella

ABSENT: Nancy Springer

MOTION: To approve the Nomination Committee’s recommendation to elect Board member Mary Teichert as Board Vice Chair. The motion carried 12-0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson

ABSTAIN: Mary Teichert

ABSENT: Nancy Springer

MOTION: To approve the Nomination Committee’s recommendation to have both Diana Love and Michael Mark to be considered for Board Secretary. The Board voted to elect Diana Love.

Diana Love: Kevin Albanese, Frank Altamura, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Mary Teichert

Michael Mark: Augie Beltran, Rodney Cobos, David De La Torre, Johnny Simpson

Abstain: Michael Mark

Absent: Nancy Springer

6. Administration Update Regarding Personnel and Facilities (taken out of order)

CSLB Chief of Administration Mike Melliza highlighted that the average number of monthly vacancies are trending down.

He reported that CSLB conducted a Training Interest Survey regarding staff training needs in mid-April 2021. The purpose was to obtain feedback directly from employees on areas they were interested in learning more about and give employees an opportunity to identify other areas of interest that management may not be aware of.

Of CSLB’s 430 employees statewide, 92 completed the survey, a response rate of 21 percent.

The top three employee training requests were for accessing information from CSLB’s internal databases (TEALE), solar code requirements, and how federal OSHA and Cal/OSHA regulations impact California contractors.

He explained the next steps include creating, coordinating, and providing these training classes to CSLB staff that address these training needs. CSLB will provide these



training classes to all staff throughout the state while considering social distancing requirements and protocols, as required, and use tools such as online training when needed. He added the survey and its results assisted CSLB in prioritizing and identifying staffs training needs.

E. PUBLIC AFFAIRS

Public Affairs Committee Chair Diana Love, who also represents a statewide senior citizen organization, announced that Joyia Emard had joined CSLB as the new public affairs manager. Ms. Emard is a former journalist, and marketing and communications professional. She comes to us from the Department of Water Resources where she was a communications manager. Previously, she was an information officer in the Department of Consumer Affairs' Office of Public Affairs and at the Board of Pharmacy.

Chair Love mentioned she met with Ms. Emard and executive leadership and discussed a possible social media campaign on the importance of using licensed contractors featuring seniors sharing personal stories. She added that she discussed conducting a licensee survey and revamping the newsletter.

Chair Love highlighted that Disaster Response is top of mind with CSLB especially after Governor Newsom's recent drought emergency declaration in two counties. She added that CSLB's post-disaster mission is to help ensure that home and business owners are not harmed by unlicensed or unscrupulous contractors who might try to take advantage of them during the rebuilding process. Chair Love reported from July 2020 to March 31, 2021, CSLB staff participated in 23 Local Assistance Centers or Disaster Recovery Centers.

Chair Love added CSLB continues to serve on two Office of Emergency Services multi-agency task forces and in February Public Affairs staff presented information for disaster survivors along with an invitation to partner with CSLB on disaster rebuilding workshops.

Chair Love reported CSLB's social media has played an important role in keeping licensees and consumers up to date on the changing availability of CSLB services during the pandemic and reported that CSLB social media followers have been increasing regularly. Chair Love added that social media has also helped share disaster-related information and the importance of checking a license and reported that during the 2020 wildfires, CSLB's NextDoor posts in declared disaster areas were seen by more than 415,000 people.

Chair Love said that CSLB Staff has presented five virtual Senior Scam Stoppers from January through March with an average attendance of 25-50 people and will continue to present seminars.

Chair Love also highlighted that Public Affairs has released five consumer and licensee videos in the first quarter of 2021 which included a Quick Tips Complaint Form,



Spring Home Project Tips, How to File a Complaint, and a Get Licensed to Build public service announcement video, and the Landscaper vs. Gardner. She mentioned she found these videos are great for sharing important information in an easy-to-understand manner. The Landscaper vs. Gardner video was then shared with staff.

a. Review, Discussion, and Possible Action on the Public Affairs 2019-21 Strategic Plan

Chair Love mentioned Item 4.5 requires researching the feasibility of creating a text alert program to communicate with licensees and consumers. She reported that currently, mobile phone numbers are being voluntarily collected through online renewal and Home Improvement Salesperson registration in which IT is taking the lead on this effort and is researching Identity Management Systems to allow licensees to update their licensing records with the added ability to send licensees notifications and reminders.

Chair Love provided an update for Item 4.6 which is to expand website content to keep industry and licensees up to date on relevant information. She reported that colored banners and a new alert section were added to the CSLB website homepage, and the page layout was updated. In addition, she said a new webpage was created for posting and viewing videos and the Public Affairs Office is currently working with IT to develop a “news” webpage to post articles.

Chair Love said that item 4.8 noted that Public Affairs would develop orientation videos and that a new orientation video for new staff, managers, and Board members has been completed.

Chair Love mentioned item 4.9 which is in partnership with IT to review and update the website to ensure information presented to the public is accurate and accessible. She reported since January 2021, Public Affairs has updated the homepage, clarified information on the Senior Scam Stoppers and consumer complaint webpages, and added a new webpage for licensing refugees.

Lastly, Chair Love said Item 4.10 requires that online courses and content be created in partnership with Enforcement and Licensing. She stated that the Public Affairs team helped develop an online building permit compliance training course for licensees who fail to comply with local building department permit requirements and the training course was posted in May 2020 on CSLB’s YouTube channel and promoted through social media. Chair Love reported that in 2021, six industry bulletins to educate licensees have also been developed.

F. ENFORCEMENT

1. Enforcement Overview Program Update and Statistical Summary

Enforcement Committee Chair Kevin Albanese highlighted the investigation into George Safanov. Mr. Safanov has operated behind the scenes, assisted by multiple licensed contractors. Chair Albanese noted that in February 2020, multiple CSLB investigations



aided in the filing of 22 criminal counts in San Diego County.

The charges included theft by false pretense, diversion of construction funds, identity theft, and elder financial abuse. Chair Albanese reported that on May 17, 2021, Mr. Safanov was arraigned for additional felony charges. The judge presiding over the case ordered that Safanov be incarcerated and set bail at \$175,000. The bail requirement included a stipulation that it not be paid from ill-gotten gains. After approximately one-week, Safanov posted bail; however, as of May 28, 2021, was still being held until his passport is confiscated as he is considered a flight risk. Mr. Safanov's next court date is today, June 3.

Chair Albanese highlighted another investigation where the CSLB Investigation Center was able to settle a complaint that involved a 92-year-old WWII veteran who entered in a contract with a licensed roofing contractor to complete \$1,800 worth of repairs to a failing roof. When the workmanship proved to be below standards, a CSLB Investigator contacted the licensee who provided full restitution to the homeowner.

Chair Albanese reported that CSLB initiated 11,479 investigations during FY July 2020 to March 2021 which is over 2,500 fewer than the same timeframe in FY 2019-2020. He noted that the decrease in incoming complaints has resulted in lower caseloads in the Investigation Centers and will provide an opportunity for investigative center staff to increase pro-active enforcement by educating non-compliant contractors on contract and business requirements.

Chair Albanese noted that SWIFT expects the return of the Special Investigators who had been previously assigned to Contact Tracing by the end of June 2021.

In anticipation of adequate staffing, SWIFT leadership is creating a sting calendar that will allow for the scheduling of one sting each month in the southern, central, and northern areas for the remainder of 2021. He encouraged Board Members to attend.

Chair Albanese highlighted the results of a sting operation that was conducted in Bakersfield, CA on March 16-17, and those of a second sting operation in the city of Clovis (Fresno County) which was conducted on April 27-28.

a. Review, Discussion, and Possible Action on the Enforcement 2019-21 Strategic Plan

Chair Albanese provided an update on strategic plan objective Item 2.7; Provide training opportunities to improve morale and staff knowledge. Chair Albanese was happy to report that CSLB has identified two new dedicated trainers, Joshua Eisenberg, and Christine Lee, CSLB's Attorney General liaisons who designed a training program that has been approved by the Supervising Assistant Attorney General Carl Sonne.



Chair Albanese updated the Board on strategic plan objective Item 2.9; Encourage the recruitment of individuals for available positions at CSLB in addition to providing information on the path to licensure. He mentioned that in recent months, Geraldine Middleton, a Special Investigator based in the Orange County Investigative Center, has conducted outreach to provide information about CSLB, the contracting field, and the licensing process to members of underserved communities in Southern California. Chair Albanese thanked Geraldine for taking the lead and making an impact.

2. Intake Mediation Center Overview and Highlights

Intake and Mediation Manager Cynthia Moore highlighted the hard work of the Intake and Mediation (IMC) staff. Ms. Moore provided an overview on the processes by which complaints are received, reviewed, and investigated in the IMC.

3. Solar Taskforce Update

Chair Albanese highlighted the solar complaint form and the valuable information that can be obtained for both tracking purposes and the handling of the complaints.

Chair Albanese provided an update on the two decisions proposed by the Public Utility Commission (PUC) voted on at the March 2021 meeting of the Board. He noted that the following updates were made to the decisions:

As it relates to the “Recovery Fund” proposal:

- The title of the proposal was changed from “Recovery Fund” to “Assistance Fund.”
- The proposal previously did not consider solar consumers using PACE financing to be eligible for the fund; the updated decision includes PACE users for Assistance Fund payout.

As it relates to the “Enhanced Audits” proposal:

- It directs IOUs to establish a web-based search engine that allows agencies like CSLB to retrieve NEW interconnection application data and documents.
- It requires IOUs to share its semi-annual spot audit of NEM interconnection applications with the solar task force agencies.
- It requires IOUs to maintain a public list of solar providers who have violated CSLB, Public Utility Commission, or Department of Financial Protection and Innovation, as well as establish a procedure for those names to be removed from that list.



- It requires IOUs to collect two additional pieces of information for the interconnection packets: The Home Improvement Salesperson registration number and the name of any entities financing the solar project.

Chair Albanese stated that the Board voted to support these proposals at its March meeting and CSLB staff continues to work with PUC staff to ensure CSLB can assist in the administration of these proposals. CSLB staff would have a meeting with PUC staff the following week to discuss next steps and will be actively engaged in workshops in the coming weeks to establish the procedures and protocols for implementation of these new programs.

Chair Albanese mentioned that the night before, he received news that the legislature will allocate \$5 million to provide restitution to financially injured solar consumers. He stated on May 24, 2021, that proposal included \$4 million for victims and \$1 million for administration. On June 2, 2021, the proposal was passed, and it is likely though not certain that the proposal will be passed in the next fiscal year budget. CSLB will meet with PUC to establish protocols for the implementation.

Board Question:

Susan Granzella asked if the Solar Complaint form is available now and if it is available in other languages.

Chair Albanese stated the form is available.

Registrar David Fogt stated that at this time it is not available in other languages, but it is something CSLB hopes to do in the future.

G. LICENSING AND TESTING

1. Licensing and Testing Program Update and Statistical Summary

Licensing and Testing Committee Board Chair Jim Ruane had Chief of Licensing Justin Paddock provide an overview of the Licensing Division's functions and statistics.

Licensing Committee Chair Jim Ruane gave an update on the testing backlog and stated they are currently operating at 50 percent due to the social distancing requirements. Chair Ruane noted that the goal is to conduct 5,500 exams per month to reduce the now 3,000 exam backlogs by the end of summer and if the social distancing restrictions are loosened, this backlog could be eliminated in a matter of weeks.

a. Review, Discussion, and Possible Action on the Licensing & Testing 2019-21 Strategic Plan



Chief Paddock updated the board on the status of all outstanding strategic plan items and noted he sought no alterations to the plan.

2. Update on Outsourcing Exam Administration

Chair Ruane noted the board voted in December 2019 to outsource its exam administration. In 2020, the Board pursued and received needed legislative approval to outsource exams, and now the exam units are working to transition to an outside vendor. He stated that staff is working with DCA to set up supplies and booklets, developing and refining procedures for PSI exams, and developing a portal for PSI and CSLB's ITS systems to communicate for scheduling, results, and statistical purposes. He noted that staff anticipates Bay Area candidates testing at PSI test centers January 2, 2022, and in spring 2022 and fully transitioning applicants statewide to PSI for examinations.

3. Advisory Committee Update on Women in Construction

Chair Ruane mentioned that in fall of last year the Board president appointed Mary Teichert and himself to oversee staff outreach efforts to promote women's participation in the construction industry. Chair Ruane said CSLB partnered with the California Capital Women's Business Center and the North State Building Industry Association to put on a three-part seminar designed to assist women and minorities in entering the construction industry. That initial effort successfully wrapped up last night. Chair Ruane stated Board member Teichert did a wonderful job moderating all three sessions and they both hope it will lead to many new licensees.

Board Comment:

Board Member Mary Teichert stated that the next step would be to do more research on barriers and obstacles for individuals who want to get licensed. Ms. Teichert thanked Chief of Licensing Justin Paddock for all his work.

H. LEGISLATION

Legislation Committee Chair Augie Beltran explained that he had a conflict on item 4 – D, SB 727 and explained that he would refer discussion of that item to Board Chair De La Torre.

1. Review, Discussion, and Possible Action to Amend Legislative 2019-21 Strategic Plan

Chair Beltran had Chief of Legislation Michael Jamnetski provide an update on the Legislative Division Strategic Plan



Chief Jamnetski explained that the May 2021 meeting described as “tentatively scheduled” in the packet was not ultimately held. Chief Jamnetski explained that there are no new target dates for the strategic plan items, just updates, as follows.

Item 3.1: The Division’s goal to collaborate annually with stakeholders on legislative ideas, the goal has been met in 2019 and 2020 and there is another stakeholder meeting to discuss legislative ideas planned for late summer.

Item 3.5 (home improvement contract requirements) and Item 3.7 (license experience requirements) are appropriate topics for the late summer stakeholder meeting.

Item 3.2 (Mandatory Workers’ Compensation for Additional Classifications): The update on SB 216 will be provided in the next agenda item.

Item 3.3 (Review Hazardous Substances and Disaster Related Consumer Protections): The item is half complete, as disaster protections were included in SB 1189 last year. The review of hazardous substances certification requirements can be a discussion topic at the late summer legislative stakeholder meeting.

Item 3.4 (Multiple Qualifier Responsibilities): The item is half complete, the qualifier bond issue is addressed in a bill that will be discussed in the next agenda item, and the multiple qualifier responsibilities can be a discussion topic at the late summer legislative stakeholder meeting.

Item 3.6 (Updating CSLB Civil Penalties): The item is complete, because of AB 569 which will be discussed in the next agenda item.

Item 3.8 (Exploring Feasibility of Graduated Fee Increase): The item is complete, because of the fee bill which will be discussed next section.

2. Update on CSLB-Sponsored Bills

Chief Jamnetski provided an update on the following CSLB-Sponsored Bills:

- a. AB 246 (Quirk) Contractors: Disciplinary actions.** Update on unlawful dumping of construction debris a cause of disciplinary action against a contractor. The bill is scheduled for hearing in Senate Business and Professions at the time of this update.
- b. AB 569 (Grayson) Contractors: Civil penalties:** Letters of admonishment. Increases to \$8,000 the maximum civil penalty and to \$30,000 for the most serious violations. The bill is scheduled for hearing in Senate Business and Professions at the time of this update. Chief Jamnetski notified the Board that regulations may be required to implement the bill if it is enacted.



- c. **SB 216 (Dodd) Contractors: Workers' compensation insurance:** Mandatory coverage. Exemption from workers' compensation insurance from licensed C-8 Concrete, C-20 HVAC. And D-49 Tree Service Contractors by 2025. Chief Jamnetski informed the Board that the bill did not qualify for the author's list of 12 bills that could be moved to the second house under the Legislature's rules for this year, and the bill is inactive as a result. All indications are the bill will move forward next year.

Board Comment:

Board Member Kevin Albanese hopes the legislature takes the workers' compensation bill up the next year and that the Board continues to support it, as it is very important issue for consumers and for contractors who are trying to comply with the law.

Chair Beltran invited Chief Jamnetski to provide updates on the bills listed in this portion of the agenda. Chief Jamnetski provided the following updates.

3. Update on Previously Considered Pending 2021-2022 Legislation

- a. **AB 484 (Medina) Alarm company operators: Advertisements.** The bill was amended to address CSLB concerns and there is nothing more to report to what is in the Board packet.
- b. **AB 646 (Low) Department of Consumer Affairs: Boards: Expunged convictions.** The Board voted to support the bill to collect a \$50 fee for the cost of removing information about a conviction from its website, but the bill did not move out of appropriations.
- c. **AB 899 (Cunningham) Contractors: Unlicensed work: Inflation adjustment.** CSLB is in opposition to this bill to raise the \$500 exemption, which did not move out of committee and is now a two-year bill.
- d. **AB 1026 (Smith) Business Licenses: Veterans.** The Board does not have a position on this bill which involves reductions of fees for armed forces / veterans, but the bill did not move out of appropriations.
- e. **AB 1124 (Friedman) Solar energy systems.** Nothing to add to what is in the packet. CSLB's concern about the bill was addressed, no further action needed.
- f. **AB 1129 (Frazier) Home Inspectors License Law.** Nothing to add to what is in the packet, it is now a two-year bill.
- g. **AB 1136 (Rivas) Property Assessed Clean Energy Program:** The Board does not have a position on this bill which makes PACE solicitors financially responsible to harmed consumers. The bill was held in appropriations.
- h. **AB 1386 (Cunningham) License fees:** The Board does not have a position; the bill is here for informational purposes for the Board as it relates to fee reductions for armed forces / veterans. The bill did not move out appropriations.



- i. **SB 304 (Archuleta) Contractors:** CSLB is in opposition to this bill to raise the \$500 exemption, which did not move out of committee and is now a two-year bill.
- j. **SB 430 (Borgeas) Small business:** This bill and SB 772 are very similar, relating to removing civil penalty burdens on small business. SB 430 remains in appropriations; SB 772 was held in the initial policy committee.
- k. **SB 772 (Ochoa Bogh) Professions and vocations: Citations: Minor violations.** This bill and SB 430 are very similar, relating to removing civil penalty burdens on small business. SB 430 remains in appropriations and SB 772 was held in the initial policy committee.

4. Review, Discussion, and Possible Action on 2021-2022 Pending Legislation

Chair Beltran invited Chief Jamnetski to provide updates on the bills listed in this portion of the agenda. Chief Jamnetski provided the updates, as follows:

- a. **AB 830 (Flora) Business: Department of Consumer Affairs:** The bill as written does not affect CSLB, it was placed on the agenda as a “placeholder” because information was received that the bill may be amended to clarify the responsibility of license qualifiers on a CSLB license. The bill has not been amended to this effect, but if it does ultimately get amended, then staff will update the Board as appropriate.
- b. **SB 607 (Roth) Professions and vocations.** Chair Beltran updated the Board on this bill and expressed excitement and appreciation to staff that this bill was able to be amended to include CSLB’s necessary statutory fee increase. The bill authorizes CSLB to raise renewal, applicant, license maintenance and transaction fees as necessary to support CSLB’s special fund. It gives CSLB the ability to meet its approved budgetary spending authority and develop a four-month spending reserve over the next four or five years. The bill also includes consumer protections, such as an increase of the contractor license bond from \$15,000 to \$25,000.

Chief Jamnetski publicly expressed appreciation to Senate Business and Professions Committee staff and Senator Roth’s office for helping CSLB locate a vehicle for its fee increase during a difficult year.

Board Question:

Board Member Susan Granzella asked when this Bill may be implemented.

Chief Jamnetski stated that if the Bill is approved by the Governor, then it can be implemented in January 2022.

Board Comment:

Board Member Augie Beltran encouraged letters of support to Business and Professions.



MOTION: To support SB 607 (Roth). Kevin Albanese moved; David De La Torre seconded. The motion carried, 13–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert

ABSENT: Nancy Springer

c. SB 727 (Leyva) Labor-related liabilities: direct contractor

Chair Beltran recused himself from discussion of this bill. Board Chair De La Torre invited Chief Jamnetski to update the Board. Chief Jamnetski explained that the bill relates to the liability of direct contractors in private works construction contracts (as opposed to public works), for payment of wages and other contributions if a subcontractor fails to make those payments. A prior version of the bill included CSLB in the tracking and monitoring of direct contractor liability for these issues. But CSLB was recently amended out of the bill, and as written, CSLB is no longer impacted by the bill. Prior to the amendment, CSLB sent the letter on page 211 of the packet that shares technical information with the author’s office regarding CSLB’s jurisdiction and its ability to enforce the provisions that would have affected CSLB. Chief Jamnetski thanked Chair De La Torre for assistance with the letter.

This matter was an update only.

d. SB 757 (Limon) Solar energy system improvements: consumer protection.

Chair Beltran explained that this bill provides additional protections for consumers who contract for the installation of solar energy systems. It clarifies that solar energy systems are considered “home improvements”, and that home improvement salespersons must identify themselves as registered to the contractor for whom they are making a sale. It also clarifies the restriction on accepting payment in advance of work performed on a home improvement contract extends to such payments from lenders or financiers.

MOTION: To support SB 757 (Limon). David De La Torre moved; Diana Love seconded. The motion carried, 13–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert

ABSENT: Nancy Springer

e. SB 826 (Committee on Business, Professions and Economic Development)



Chief Jamnetski explained the four changes that are described in the packet which reflect CSLB’s requests for “omnibus” (technical/nonsubstantive changes) to the law. One clarifies that CSLB no longer employs enforcement representatives but instead special investigators. Another clarifies that the C-22 Asbestos Abatement Contractor is appropriate to perform asbestos work in California. The third and fourth changes to the law are both technical fixes that correct mistaken references in the law.

MOTION: To support SB 826 (Omnibus Bill). Jim Ruane moved; David De La Torre seconded. The motion carried, 13–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert

ABSENT: Nancy Springer

I. ADJOURNMENT

Board Chair David De La Torre adjourned the meeting at approximately 11:27 a.m.

David De La Torre, Chair

Date

David Fogt, Registrar

Date



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

July 27, 2021, Board Meeting Minutes*

* This Board Meeting was video recorded and live telecasted on the Internet. A copy of the video of the meeting is located on CSLB's website at https://www.cslb.ca.gov/About_Us/Library/Reports.aspx under the hyperlink "July 27, 2021 CSLB Board Meeting", within the "Battery Energy Storage System Classification Studies" section of the webpage link. These minutes refer frequently to the video recording. All references to "video" in these minutes are to the website link above.

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR'S INTRODUCTION AND APPOINTMENT OF NOMINATION COMMITTEE MEMBERS

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Tuesday, July 27, 2021, via teleconference.

A quorum was established. Chair Granzella led the Board in the Pledge of Allegiance.

Board Members Present

Susan Granzella, Chair
Kevin Albanese
Frank Altamura, Jr.
Augie Beltran
Rodney Cobos
Miguel Galarza
Don Giarratano

David De La Torre
Diana Love
Michael Mark
Jim Ruane
Johnny Simpson
Nancy Springer
Mary Teichert*

Board Member Mary Teichert joined the meeting at approximately 9:30a.m.

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Kayla Bosley, Executive Staff
Jessie Flores, Deputy Chief of Enforcement
Michael Jamnetski, Chief of Legislation
Mike Melliza, Chief of Administration
Justin Paddock, Chief of Licensing
Stacey Paul, Budget Manager
Jason Perez, Chief of Information Technology

Department of Consumer Affairs (DCA) Staff Present

Jason Hurtado, Legal Counsel
Shelly Jones, WebEx Host

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

Chair Granzella invited Board Member comment or request for items to be placed on a future agenda. No comments were made. Chair Granzella then invited public comment on this item.

Public Comment

Beginning at 9 minutes 42 seconds into the video recording, multiple public comment requests were made, but all comments were relevant to Agenda Item C. Board Member Beltran, as well as Board Counsel Hurtado and Board Member Granzella all reminded speakers intending to speak on Agenda Item C to reserve their comments to that Agenda item.

C. Presentation from UC Berkeley on Battery Energy Storage Systems Study

At 15 minutes 52 seconds into the video recording, Chair Granzella introduced this agenda item by providing a summary of the Board's actions to date on this topic. Chair Granzella confirmed that in 2018, the Board began looking at the proper classifications to install battery energy storage systems (BESS). Since 2018, several public meetings have been held and the Board directed staff to prepare a report. In March 2019, the Board reviewed the CSLB staff report on energy storage systems and directed staff to begin to develop regulations to present to the Board that would prohibit or restrict certain classifications from performing the installation of BESS. The Board further directed that this matter be assigned to the Legislative Committee.

Chair Granzella continued, stating that on August 6, 2019, the Legislative Committee held a meeting and invited three industry experts to present on the appropriate classifications to install BESS. Several hours of testimony was heard.

Chair Granzella then stated that on November 7, 2019, the Legislative Committee met again and recommended that the Board consider retaining an outside consultant to further study the issue before pursuing regulatory rulemaking. She then stated that at the December 12, 2019 Board Meeting, the Board agreed with the Legislative Committee recommendation to hire an outside consultant. Staff worked with DCA and the Department of General Services to select a qualified consultant to review and make recommendations regarding the appropriate classifications to install BESS.

Chair Granzella concluded the introduction by stating that in December 2020, CSLB entered into contract with the University of California (UC), Berkeley to serve as the consultant. She then invited Board Member Augie Beltran, who was the chair during the 2019 Legislative Committee meetings and continues to chair the Legislative Committee this year, to lead the discussion on this topic.



Board Member Augie Beltran then provided an introduction to the UC Berkeley Study Report Agenda Item. He noted that staff did provide a staff introduction which provides possible options for the Board to consider after the UC Berkeley Presentation.

Board Member Beltran stated that the Board is not bound to select the options provided in the Board Packet by staff and Board members can make any motion they deem appropriate. He stated that as Board Chair Granzella indicated, this issue has been before the Board for more than four years and represents years of hard work by staff and that it is important to note that the Consultant's contract is complete with the presentation of their study today. There are no plans for the study to be modified or for the consultant to perform more research.

Finally, Board Member Beltran noted the study is being presented in response to the Board's December 2019 recommendation that a third-party consultant prepare a research study to assist the Board with deciding about the appropriate classification to install battery energy storage systems. Board Member Beltran then invited Registrar David Fogt to provide the Board background on the selection of the consultant.

Registrar Fogt explained that the Department of Consumer Affairs (DCA) Business Services Office (BSO) has delegated authority from the Department of General Services to enter service contracts on behalf of CSLB.

Registrar Fogt explained that the method chosen to secure this consultant was the Request for Proposal (RFP). Through this method, the contract was awarded to the Bidder with the highest total points, based on the selection criteria, rating scales, and guidelines identified in the Request for Proposal.

Registrar Fogt stated that the steps in the process of selecting the consultant followed requirements set forth by the state contracting rules and were conducted by the DCA BSO, alongside the CSLB evaluation team. He stated that between August and September of 2020, CSLB and DCA BSO engaged in a comprehensive three-phase evaluation process.

Registrar Fogt explained that the first phase of the evaluation process included a committee made up of CSLB selected representatives (Evaluation Committee). The CSLB evaluation committee consisted of Tonya Corcoran, Mike Melliza, and David Fogt. The Evaluation Committee evaluated each written proposal and through consensus, arrived at a single score for each of the evaluation criteria.

Registrar Fogt then stated that the second phase (oral interview) of the evaluation process allowed each bidder to provide an oral presentation via teleconference to the Evaluation Committee. The Evaluation Committee evaluated the oral interviews and through consensus, arrived at a single score for each of the evaluation criteria.

Registrar Fogt explained that proposals receiving an overall score of 35 or more from the first phase evaluation and an overall oral interview score of 30 or more from the



second phase evaluation were granted a cost component score based upon the hourly rate identified in their proposal. The cost component score was determined by the DCA BSO. He stated that the overall technical score of the first phase evaluation, the overall interview score of the second phase evaluation, and the cost component score were added together by the DCA BSO to determine an accumulated score for each bidder.

Registrar Fogt stated that once all three (3) phases were completed, a Notice of Intent to Award the contract to UC Berkeley was publicly posted in and around mid-November 2020 allowing the four unsuccessful bidders to protest the awarding of the contract to UC Berkeley.

Registrar Fogt explained that no protests were received by the Department of General Services from the four unsuccessful bidders. However, he did note that prior to the contract being executed with UC Berkeley, CSLB did receive a written objection directly from the California Solar and Storage Association (CALSSA) on or about December 1, 2020. However, CALSSA was not a bidder and protests to awarded contracts must be filed with DGS.

Registrar Fogt stated that CALSSA's objection in their letter was that UC Berkeley had an alleged bias towards the IBEW and organized labor. Registrar Fogt explained that he and DCA BSO reviewed CALSSA's objection and the determination was that the evidence presented by CALSSA did not support disqualifying UC Berkeley. CALSSA was notified of that determination via a December 14, 2020, letter from Registrar Fogt.

Registrar Fogt then stated that the consulting contract with UC Berkeley was executed by the Department of General Services on December 31, 2020, and he reminded listeners that the performance of UC Berkeley's consulting contract concludes with their presentation to the Board today. Registrar Fogt then returned the discussion to Board Member Beltran.

Board Member Beltran then provided the board information on what to expect after the study authors give their presentation. He stated that he would first ask for board member comments, which would include the opportunity for any board member to make a motion should they wish to do so. This would be followed by any additional board member comment as well as any public comments which will be limited to 3 minutes. Board Member Beltran then stated that after all comments are heard, if a motion has been made, he will call for a vote. He noted that neither the Board nor the consultants will respond to direct questions from members of the public.

Board Member Beltran then invited Dr. Carol Zabin with UC Berkeley, and her team, consisting of Betony Jones, and Donald Holmstrom to present their study to the Board.

At 25 minutes 53 seconds into the video recording, UC Berkeley was introduced, and UC Berkeley began its presentation at 27 minutes 55 seconds into the video recording. The UC Berkeley presentation ended at one hour, 19 minutes and 15 seconds into the video recording.



a) **Review, Discussion, and Possible Action on the Study and Recommendations**

Board Member Beltran thanked UC Berkeley for their presentation and at 1 hour, 19 minutes and 34 seconds into the video recording, Board Member Beltran invited Board Member comments.

Board Member Comments:

Board Member Nancy Springer explained that this is a very important subject with two groups that have really good points on both sides of this issue over the years. She stated that the C-10 Electrical Contractor license came about 74 years ago, and improvements have been made including the certified electrician program about 12 years ago. She stated that the C-46 license in contrast is 40 years old and no improvements in terms of training or [inaudible] have been made to it. She stated that this is significant because with the technological advancements made in areas like photovoltaics and other areas, it is important for the board to consider consumer protection, in making sure installations are properly made and people have the proper training, which involves much more than taking an examination and renewing your license. She identified that the two codes involved with this topic, the Fire Code and Electric Code, have special requirements, which includes the requirement that qualified people provide the installations. The codes' definition of qualified person speaks to one who has skills and knowledge related to that construction or operation of the equipment and installation, and that they have received safety training. She stated that this should be kept in mind during these discussions, that BESS are a different system with their own sections in the codes, that they are not photovoltaic systems, and that in terms of consumer protection, qualified people have to be installing them.

Board Member Johnny Simpson stated that he supports option two in the agenda packet. He said that the current general policy to allow C-46 contractors to install BESS should not have been issued and should be rescinded. He continued by asking, that in light of UC Berkeley's study, and the findings therein included those listed under option two in the agenda packet, whether a motion could be accepted, to which Board Member Beltran explained that a motion is always in order. Board Member Giarratano provided a "second" at that time.

At one hour, 23 minutes and 58 seconds into the video, Board Member Simpson provided the following motion.

MOTION: To rescind all prior staff classification determinations that C-46 contractors may install battery energy storage systems as these determinations may be applied to new projects.

This includes rescinding the May 14, 2019, CSLB letter to the California Storage and Solar Association that set forth a general policy that C-46 contractors can install a BESS as part of a solar PV installation project.



For the purpose of this motion, new projects shall be defined as any project contracted for work after the publication of an industry bulletin announcing this action.

This motion does not affect the authorization of A and B contractors or C-10 contractors to install battery energy storage systems.

Johnny Simpson moved. Don Giarratano seconded.

Board Member Comment

At one hour, 25 minute and 45 second, Board Member Beltran invited additional Board Member comment.

Board Member Frank Altamura asked direct questions to the UC Berkeley team if there is any reason to believe the C-46 population was underrepresented in the two studies that were used (by the UC Berkeley team in preparing their report). Dr. Zabin answered, "No."

Board Member Altamura then asked, if many of the safety concerns around the batteries, such as thermal runaway and the like, would be mitigated by only allowing C-46 contractors to install battery systems that had certain safety features in place that were packaged units and not assembled cells. Dr. Zabin explained that their safety expert Donald Holmstrom, was not present on the call that day but he carefully reviewed all the possibilities and did not speculate about whether future technologies could mitigate safety risks, but that the current profile of what is getting installed and what dominates the market by far shows significant safety risk and his analysis was based on that.

Board Member Kevin Albanese mentioned that he was really concerned that the Board was going down a road of changing guidance based upon who is doing the work. Board Member Albanese confirmed that CSLB is a consumer protection board, but that CSLB regulates contractors, not the workers or the market. He stated that legislature created the certified electrician program and did not include BESS in that legislation. He mentioned that CSLB's C-46 contractor regulation allows the C-46 to install what is necessary as part of the system, and that BESS has been interpreted as part of the system previously and that now we may go back on that based upon who is doing the work and based upon the Berkeley Report. Board Member Albanese stated a concern with doing so is that he has not seen a single issue of injury or harm presented by a licensed C46 contractor or because they were not installing as a certified electrician. He provided an example of the "B" general building contractor as a license classification that authorizes that contractor, within the multiple trade requirement, to build a residential stick-built home as well as 60-story steel-framed office building, and that the Board licensure process is not designed to inquire into the fine lines of the different details between those works. He explained that in the absence of evidence of harm by C-46s in their current work, it is concerning that the Board would go back and change what they [C-46] can do, which may be setting the Board up for potential litigation.



Board Member Mary Teichert expressed support for Board Member Albanese's comment and emphasized the importance of acting in a manner that allows for public comment. She expressed support for the people who have been working on this issue for years and noted that the UC Berkeley study has only been publicly available for a short period of time. Board Member Teichert noted that since very specific expertise is being sought on this topic, she expressed support for more time to consider, review and comment. She emphasized that there is a lot of information in the study which, while competently done, places a lot of reliance on areas where there is no data. She stated that this emphasizes the importance of proceeding deliberately with regard to this study, which raises a number of issues. Board Member Teichert recommended deferring this decision to allow the public additional time to comment and review the study.

Board Member Simpson stated that he takes exception to Board Member Albanese and Board Member Teichert's statements. He stated that both the C-10 and C-46 contractors have had ample opportunity to make their industry complaints and arguments to the relevant parties over the last four years and that, as a result, it is time to conclude the matter and vote today.

Board Member David De La Torre asked for clarity on the motion, particularly that it precludes a C-46 from installing the BESS but inquired whether they would be precluded from doing so if a C46 had an employee who was a certified electrician?

Board Member Simpson stated that if they hold the C-10 and C-46 they can do the installation.

At one hour, 35 seconds into the video, Board Member Beltran invited Registrar Fogt to comment. Registrar Fogt summarized staff's understanding of Board Member Simpson's initial motion, as follows:

- Accept UC Berkeley's recommendation that would preclude C-46 classification from installing Battery Energy Solar Systems.
- Rescind all prior administrative correspondence or opinions that a BESS could be installed at the same time as solar system.
- Proposing a 90-day grace period to implement this change, to provide time to educate the industry with industry bulletins and to help contractors obtain the C-10 classification if necessary.
- This motion would not impact the ability of the A, B or C-10 classifications to install the BESS within their classification.

Board Member Comment

Board Member Beltran inquired of Board Member Simpson whether the summary accurately reflects his motion, and Board Member Simpson confirmed that it does.

Board Member Michael Mark stated that he appreciated the thoroughness of the UC Berkeley Report, and emphasized the significance of the finding that there would not be



a cost to consumers by the report's recommendation. He further emphasized prior board member comments about technological advancements in the industry. He highlighted that C-10 appear to be doing the majority of work, and that many C-46s have a C-10, limiting the impact of this decision. Board Member Mark stated that the report is thorough and that given the number of years the issue has been discussed, he would recommend a vote on the topic today.

Board Member Jim Ruane emphasized the Board's consumer protection purpose. He noted that the report is very thorough and that the data supports concluding that C-46 contractors be excluded from installing BESS. He stated that the technology may evolve in the future but that for now this is a consumer protection issue, and he supports the motion.

Board Legal Counsel Jason Hurtado made a comment on the motion. He stated that if the Board ultimately restricts the C-46 from installing BESS as recommended by the UC Berkeley Report, then the most legally sound option that carries the least risk for the Board would be to clearly change the regulation and go through the APA process. Because the Board has interpreted the C-46 may install BESS when paired with the PV system, to minimize litigation risk consideration should be given to go through the APA process.

Board Member Diana Love supported the motion under option 2. She additionally stated she had concerns about legislation as it relates to this issue, but that counsel just addressed them. She also stated that one death or injury is too many, and an explosion can occur at any time. Technology is evolving and the Board needs to protect consumers. Board Member Love then asked whether the legislation (or rulemaking) should occur before contractors begin to comply with any new requirement made today.

Registrar David Fogt stated the Board must decide whether they wanted to make the decision today or pursue regulatory rulemaking which could take 18 months. He noted that if the Board were to make the decision today that the C-46 could not install the BESS, CSLB staff would wait 90 days before enforcing that change. Thereafter, if a contractor contracted out of classification, or if a C-10 installed a BESS without a certified electrician, CSLB could take an administrative action against that contractor, which could then be appealed, and ultimately wind up in a Superior Court or Appellate Court with judicial opinion that decides this. Registrar Fogt stated that, as such, that there are different tracks to consider. He emphasized that otherwise the Board could pursue regulatory rulemaking. Registrar Fogt noted that according to reports made today, 90 percent of the contractors doing this work are C-10s and that CSLB staff will help contractors who do not hold a C-10 license to add the classification to their license. The question was if the Board wants to restrict the C-46 classification from installing BESS, what avenue do they find appropriate?

Board Member Nancy Springer asked for a friendly amendment to the motion to consider the option two in the executive summary (of the UC Berkeley Report) on page 5 (*which is to permit the C-46 Solar classification to install BESS on specified residential*



units with identified restrictions). She stated that there are indeed some systems that are “plug and play” that are very minor that could fall into the categories described in option two of the UC Berkeley executive summary, and that this could be a reason to support an amendment to the motion.

Board Member Beltran stated that the remainder of the Board Member comments will be taken, after which Board Member Simpson can state whether he would like to amend his motion.

Board Member Rodney Cobos stated that he is in favor of Johnny’s original motion. He stated that a better trained work force equates to better public safety and consumer protection.

Board Member Johnny Simpson stated he will stay with his original motion. On the topic of regulatory rulemaking, Board Member Simpson stated that it is not necessary. He noted that the original determinations about this topic was not made through the regulatory process and as such can be rescinded by the Board as applied to any new projects. Board Member Simpsons stated that if a regulatory change was needed to rescind current policy, then a regulatory change would have been needed to make that policy in the first place. He noted that the Board is not making any change to the C-46 licensee classification definition, which does not include BESS as it is a solar license.

Board Member Beltran then invited public comment on this topic at 1 hour 45 minutes and 30 seconds into the video. Board Member Beltran indicated there were 131 queued public commenters (with moderator Shelly Jones indicating over 60 direct requests for comments). Board Member Beltran noted that all commenters will have three minutes with a one-minute remaining warning before the commenter will be cut off.

Public Comment:

At 1 hour, 48 minutes and 29 seconds into the video, public comment began. The Board heard public comment from over 60 people on the topic of the proper classification to install energy storage systems, until approximately hour 5, 12 minutes and zero seconds into the video.

At that time, Board Member Beltran called for Board Members to indicate their presence on the call. Roll call was taken, and a quorum was confirmed at 5 hours, 14 minutes and 30 seconds into the video.

At 5 hours, 14 minutes and 50 seconds into the video, Board Member Beltran asked for a roll call on the motion.

Motion Vote



YEA: Susan Granzella, Augie Beltran, Rodney Cobos, David De La Torre, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, James Ruane, Johnny Simpson, Nancy Springer

NAY: Kevin Albanese, Frank Altamura, Mary Teichert

D. ADJOURNMENT

Board Chair Susan Granzella adjourned the meeting at approximately 2:15 p.m.

Susan Granzella, Chair

Date

David Fogt, Registrar

Date

Registrar's Report

- a. Tentative Board Meeting Schedule
- b. Battery Energy Storage System Outreach
- c. National Association of State Contractors
Licensing Agencies Licensing and
Enforcement Records Database Concept



August 12, 2021**CSLB #21-14**

CSLB Announces Contractor Classifications Authorized to Install Battery Energy Storage Systems

On July 27, 2021, the Contractors State License Board (CSLB or Board) held a public meeting to review, discuss, and take action on the June 30, 2021 [Battery Energy Storage Systems License Classification Report](#) issued by the University of California (UC) Berkeley. As part of the public meeting and consistent with Open Meeting Act requirements, the Board afforded members of the public an opportunity to comment on UC Berkeley's report prior to taking any action.

In response to the data compiled in the report by UC Berkeley as to the appropriate classification to install Battery Energy Storage Systems (BESS), the Board motioned and voted by majority decision, to take the following actions:

- Accept the UC Berkeley recommendation to preclude the C-46 Solar license classification from installing BESS.
- Rescind all prior staff opinions that BESS can be installed by a C-46 Solar license classification as "incidental and supplemental" work when the BESS is paired with a solar photovoltaic (PV) system. You may find the regulatory definition of incidental and supplemental [here](#).
- Provide a 90-day grace period to educate the industry on the Board's decision to adopt UC Berkeley's recommendation to preclude the C-46 Solar license from BESS installation and assist C-46 Solar contractors in obtaining a C-10 Electrical classification. As highlighted in the report, there are currently 447 dual C-10 and C-46 license holders.
- The Board's July 27, 2021, decision does not impact the "A" General Engineering Contractor, "B" General Building Contractor or C-10 Electrical Contractor to install BESS with their respective classifications.

The July 27, 2021, Board Meeting materials are published [here](#). The webcast of the full July 27, 2021, Board Meeting is viewable [here](#).

Obtaining a C-10 Classification

- Contractors with experience installing electrical devices who believe they may qualify for a C-10 Electrical contractor's license should contact the Classification Deputy at classifications@cslb.ca.gov for assistance with the CSLB application process.
- Board staff will provide an expedited review of any existing C-46 contractor application seeking to add a C-10 classification if the Board receives the application no later than November 1, 2021.
- CSLB will host a workshop for those who are interested in applying for a C-10 Electrical Contractor license.

Department Of Industrial Relations Electrician Certification Requirement

Labor Code Provisions

Labor Code section 108, subdivision (c), statutorily defines “electricians” as:

[A]ll persons who engage in the connection of electrical devices for electrical contractors licensed pursuant to Section 7058 of the Business and Professions Code, specifically, contractors classified as electrical contractors in the Contractors' State License Board Rules and Regulations.

You may find the regulatory definition of an “electrical contractor” here: [16 CCR § 832.10](#).

In addition, Labor Code section [108.2](#) provides in relevant part:

(a) Persons who perform work as electricians shall become certified pursuant to Section 108. Uncertified persons shall not perform electrical work for which certification is required.

(b) (1) Certification is required only for those persons who perform work as electricians for contractors licensed as class C-10 electrical contractors under the Contractors' State License Board Rules and Regulations.

(2) Certification is not required for persons performing work for contractors licensed as class C-7 low voltage systems or class 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, including incidental and supplemental work as defined in Section 7059 of the Business and Professions Code, and regardless of whether the same contractor is also licensed as a class C-10 contractor.

However, under Labor Code section 108.2, subdivision (g), “the qualifying person for a class C-10 electrical contractor license issued by the Contractors State License Board need not also be certified pursuant to Section 108 to perform electrical work for that licensed contractor or to supervise an uncertified person employed by that licensed contractor pursuant to Section 108.4.”

Contractors are encouraged to review Labor Code sections 108 and 108.2 for other enumerated statutory exemptions from the Department of Industrial Relations' (DIR)

electrician certification requirement. Presently, there is no statutory exemption for the C-46 solar license.

Contractors should also be aware that failure to comply with DIR's Labor Code provisions may result in CSLB taking future disciplinary action against the contractor pursuant to Labor Code section 108.2, subdivision (h).

The DIR's Division of Labor Standards and Enforcement maintains minimum standards for the competency and training of certified electricians in California. Additional information for the California's Electrician Certification Program is here: [Division of Labor Standards Enforcement - Electrician certification program](#))

Additional Information

- Specialty contractors, including the C-46 solar license, are subject to the Board's regulatory requirements concerning Classification Policy and Limitation of Classification, that can be found at Title 16 California Code of Regulations sections [830\(b\)](#) and [834\(c\)](#).
- CSLB will not take any retroactive enforcement action against a licensee as a result of the Board's July 27, 2021, decision to rescind all prior staff opinions concerning incidental and supplemental work performed by a C-46 solar license. Any enforcement action will be prospective, effective November 1, 2021. Projects entered into after this date will be subject to the electrician certification requirement unless such work is statutorily exempted under Labor Code sections 108 or 108.2.
- Again, please refer to the following useful information to determine whether certification is required or whether a contractor is exempted from the statutory electrician certification requirements:
 - (1) DLSE's electrician certification website; [Division of Labor Standards Enforcement - Electrician certification program](#)
 - (2) Labor Code sections 108 and 108.2 outlining specified exemptions; and
 - (3) California Code of Regulations, title 16, section 832.10, defining the scope of work for an electrical contractor.

If you have questions on enforcement of electrician certification requirements, please email classifications@cslb.ca.gov and provide a **phone number where you can be reached**. CSLB staff will return calls in the order received.

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September 2, 2021

CSLB #21-15

CSLB Holds Online BESS Workshop and Answers Frequently Asked BESS Questions

ONLINE BESS WORKSHOP

CSLB will hold an online battery energy storage system (BESS) workshop on Friday, September 17, 2021, from 3 to 4 p.m., to address application or scope of work/classification questions.

Please email your questions to classifications@cslb.ca.gov by Friday, September 10, 2021.

Meeting Link:

<https://cslb.webex.com/cslb/j.php?MTID=m0fe62a957e0e941ed0a18f28d5edec53>

Friday, Sep 17, 2021, 3:00 pm | 1 hour | (UTC-07:00) Pacific Time (US & Canada)

Event number: 2556 472 8621

Event password: BPxcxn3Pf77 (27929637 from phones)

Questions & Answers

1. What do C-46 Solar contractors need to do if they want to install battery energy storage systems (BESS) after November 1, 2021?

To place, install, erect, or connect a BESS, the C-46 contractor will need to add the C-10 Electrical contractor classification on their license. To get the C-10 added, go to the CSLB website and complete this [application](#). CSLB will expedite its review of applications received by November 1, 2021.

If you are a solar contractor that has been installing BESS in conjunction with photovoltaic (PV) systems for four or more years, you will meet the requirements to add the C-10 Electrical classification to your license. CSLB also encourages you to start studying early for the trade exam, please refer to CSLB's [study guide](#). Information regarding obtaining a waiver of the exam can be found [here](#).

Without the C-10, B, or A classification on your license, a C-46 Solar contractor **cannot** take a contract on a project that includes BESS installation. Beginning November 1, 2021, this applies to all new contracts on projects entered into on and

after November 1, 2021, and for work occurring on and after November 1, 2021. You may refer to Business and Professions Code section [7059](#).

2. Who needs to have a certified electrician on their team?

A C-10 Electrical contractor needs a certified electrician on staff to engage in the connection of electrical devices greater than 100-volt amperes. CSLB recommends contractors review California Labor Code sections [108-108.5](#) and California Department of Industrial Relations [regulations](#) and its Electrical Certification [FAQ](#).

The only time a contractor needs a certified electrician on staff is when they hold a C-10 classification and are engaging in the [connection of an electrical device](#) pursuant to California Labor Code sections [108-108.5](#). This includes connecting a BESS or PV system to an existing electrical system or to a utility grid. This also includes placing, installing, erecting or connecting an electrical panel.

If you have questions about a specific project, please email CSLB's classification at classifications@cslb.ca.gov.

If you have questions about electrician certification or how to obtain it, please visit the Department of Industrial Relations, Electrician Certification Program [webpage](#).

3. When can a contractor with a C-10 electrical classification use non-certified workers?

A C-10 contractor does not need to use a certified electrician to perform work on a BESS or PV when the work does not involve connecting an electrical device. Examples include installation, repair, or service of:

- Racks on a roof (including associated flashing and sealing roof penetrations from rack attachment).
- Installation of poles and racks for ground mounted solar systems.
- Installation of BESS racks.
- Installation of required BESS or PV signage.
- Seismic Restraints

4. What about General Contractors (“A” General Engineering, “B” General Building) and BESS?

Please see the [August 12, 2021 CSLB Industry Bulletin](#) about this question. A General Building contractor may take a prime contract that involves a PV or BESS installation if the multiple trade requirement of [Business and Professions Code section 7057](#) is met. And a General Engineering contractor may take a prime contract that involves a PV or BESS installation if the project is in connection with fixed works requiring general engineering knowledge or skill, as required by [Business and Professions Code 7056](#).

The Labor Code sections 108 – 108.5 referenced above do not require general contractors who do not have a C-10 Electrical license to employ certified electricians.

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Battery Energy Storage System (BESS) Frequently Asked Questions September 2, 2021

Questions & Answers

1. What do C-46 Solar contractors need to do if they want to install battery energy storage systems (BESS) after November 1, 2021?

To place, install, erect, or connect a BESS, the C-46 contractor will need to add the C-10 Electrical contractor classification on their license. To get the C-10 added, go to the CSLB website and complete this [application](#). CSLB will expedite its review of applications received by November 1, 2021.

If you are a solar contractor that has been installing BESS in conjunction with photovoltaic (PV) systems for four or more years, you will meet the requirements to add the C-10 Electrical classification to your license. CSLB also encourages you to start studying early for the trade exam, please refer to CSLB's [study guide](#). Information regarding obtaining a waiver of the exam can be found [here](#).

Without the C-10, B, or A classification on your license, a C-46 Solar contractor **cannot** take a contract on a project that includes BESS installation. Beginning November 1, 2021, this applies to all new contracts on projects entered into on and after November 1, 2021, and for work occurring on and after November 1, 2021. You may refer to Business and Professions Code section [7059](#).

2. Who needs to have a certified electrician on their team?

A C-10 Electrical contractor needs a certified electrician on staff to engage in the connection of electrical devices greater than 100-volt amperes. CSLB recommends contractors review California Labor Code sections [108-108.5](#) and California Department of Industrial Relations [regulations](#) and its Electrical Certification [FAQ](#).

The only time a contractor needs a certified electrician on staff is when they hold a C-10 classification and are engaging in the connection of an electrical device pursuant to California Labor Code sections [108-108.5](#). This includes connecting a BESS or PV system to an existing electrical system or to a utility grid. This also includes placing, installing, erecting or connecting an electrical panel.

If you have questions about a specific project, please email CSLB's classification at classifications@cslb.ca.gov.

If you have questions about electrician certification or how to obtain it, please visit the Department of Industrial Relations, Electrician Certification Program [webpage](#).

3. When can a contractor with a C-10 electrical classification use non-certified workers?

A C-10 contractor does not need to use a certified electrician to perform work on a BESS or PV when the work does not involve connecting an electrical device. Examples include installation, repair, or service of:

- Racks on a roof (including associated flashing and sealing roof penetrations from rack attachment).
- Installation of poles and racks for ground mounted solar systems.
- Installation of BESS racks.
- Installation of required BESS or PV signage.
- Seismic Restraints

4. What about General Contractors (“A” General Engineering, “B” General Building) and BESS?

Please see the [August 12, 2021 CSLB Industry Bulletin](#) about this question. A General Building contractor may take a prime contract that involves a PV or BESS installation if the multiple trade requirement of [Business and Professions Code section 7057](#) is met. And a General Engineering contractor may take a prime contract that involves a PV or BESS installation if the project is in connection with fixed works requiring general engineering knowledge or skill, as required by [Business and Professions Code 7056](#).

The Labor Code sections 108 – 108.5 referenced above do not require general contractors who do not have a C-10 Electrical license to employ certified electricians.

AGENDA ITEM G-3

CSLB Budget Update





CONTRACTORS STATE LICENSE BOARD

CSLB BUDGET

CSLB Budget Update

Final Fiscal Year (FY) 2020-2021 CSLB Budget, Expenditures, and Revenue

CSLB had an authorized Governor's Budget of \$70 million (plus an additional \$5 million in mandatory external costs = \$75 million).

At year-end, CSLB spent \$65 million in board expenditures, plus the additional \$5 million in mandatory external costs, for a total of \$70 million in total expenditures; final revenue came in at \$73 million.

Expenditures

Through year-end, CSLB spent or encumbered \$64.7 million, roughly 92 percent of its FY 2020-21 budget.

EXPENDITURE DESCRIPTION	FY 2020-21 FINAL BUDGET	FY 2020-21 FINAL EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	26,633,000	23,558,109	3,074,891	11.5%
Board Members	16,000	8,500	7,500	46.9%
Temp Help	800,000	717,133	82,867	10.4%
Exam Proctor	101,000	208,987	-107,987	-106.9%
Overtime	146,000	201,002	-55,002	-37.7%
Staff Benefits	14,371,000	13,067,232	1,303,768	9.1%
TOTALS, PERSONNEL	42,067,000	37,760,963	4,306,037	10.2%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	17,008,000	17,163,909	-155,909	-0.9%
Exams – Subject Matter Experts	436,000	18,975	417,025	95.6%
Enforcement	11,175,000	10,434,619	740,381	6.6%
TOTALS, OE&E	28,619,000	27,617,503	1,001,497	3.5%
TOTALS	70,686,000	65,378,466	5,307,534	7.5%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-115,422	-237,578	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-567,136	567,136	
GRAND TOTALS	70,333,000	64,695,908	5,637,092	8.0%

Revenue

CSLB received the following revenue amounts through year-end.

Revenue Category	Final 2020-21 Revenue	Percentage of Revenue	Change from prior year
Duplicate License/Wall Certificate Fees	\$121,183	0.2%	-1.1%
New License and Application Fees	\$14,431,606	19.7%	7.7%
License and Registration Renewal Fees	\$50,614,745	69.2%	10.9%
Delinquent Renewal Fees	\$6,131,024	8.4%	84.4%
Citation Penalty Assessments	\$1,695,852	2.3%	-1.4%
Misc. Revenue	\$178,805	0.2%	0.0%
Total	\$73,173,215	100.00%	13.4%



Fiscal Year 2021-2022 CSLB Preliminary Budget

The chart below details the preliminary FY 2021-2022 CSLB budget and authorized positions which was included in the 2021 Budget Bill (Assembly Bill 161, Chapter 43, Statutes of 2021).

EXPENDITURE DESCRIPTION	FY 2021-22 Approved Preliminary Budget
POSITIONS	
Authorized Positions	430.0
Temporary Help Positions	2.6
TOTAL POSITIONS	432.6
PERSONNEL SERVICES	
Salary & Wages (Staff)	29,214,000
Board Members	16,000
Temp Help	800,000
Exam Proctor	101,000
Overtime	146,000
Staff Benefits	15,220,000
TOTALS, PERSONNEL	45,497,000
OPERATING EXPENSES AND EQUIPMENT (OE&E)	
Operating Expenses	16,767,000
Exams	436,000
Enforcement	10,912,000
TOTALS, OE&E	28,115,000
TOTAL APPROPRIATION	73,612,000
Scheduled Reimbursements	-353,000
Unscheduled Reimbursements	
TOTAL APPROPRIATION with Reimbursements	73,259,000



CSLB Fund Condition

Below is the fund condition for the Contractors’ License Fund, which shows the projected “final” FY 2020-2021 reserve (\$3.7 million, less than one month reserve), along with the projected reversion amounts for current year (CY) 2021-2022 (includes approved reduction in expenditures) through budget year (BY) 2022-2023:

<i>(Dollars in thousands)</i>	Final FY 2020-21	Projected CY 2021-22	Projected BY 2022-23
Beginning Balance <i>(Fund/Savings Account)</i>	\$627	\$3,734	\$3,235
Revenues and Transfers			
Revenue	\$73,173	\$73,488	\$73,488
Total Resources <i>(Revenue + Fund/Savings Acct.)</i>	\$73,800	\$77,222	\$76,723
Expenditures			
Board Expenditures	\$65,000	\$73,259	\$73,259
External Costs	\$5,066	-\$5,000	\$5,728
			<i>Reduction in Expenditures</i>
Total Expenditures	\$70,066	\$73,987	\$78,987
Ending Balance <i>(Fund/Savings Account)</i>	\$3,734	\$3,235	-\$2,264
Months in Reserve	0.6	0.5	-0.3
Dollars in Reserve	\$3.7 M	\$3.5 M	-\$2.3 M

Notes:

- 1) Board Expenditures include staff pay, benefits, and operating expenses.
- 2) External Costs include statewide pro rata.
- 3) Revenue assumes no growth in new applications or renewals, and only includes increased renewal fees.
- 4) CY 2021-22 expenditures is Governor’s Budget and reflects proposed \$5M in expenditure reductions.



CSLB FY 2020-2021 Expenditure Reduction Plan: Modified

The Board adopted the following modified expenditure reduction plan at its September 2020 Board Meeting for last fiscal year. The chart below outlines the approved \$7.1 million savings plan and the \$10.5 million actual final savings through year-end.

Licensing and Testing

ACTION	ANNUAL SAVINGS PLAN	ACTUAL FINAL SAVINGS
<ul style="list-style-type: none"> Conduct subject matter expert workshops via WebEx or other technology platform to reduce travel costs. 	\$250,000	\$400,000

Executive and Administrative

ACTION		
<ul style="list-style-type: none"> Maintain 20 vacant positions (\$2 million). Savings due to the 9.23 percent reduction in pay to full-time employees (\$2.5 million). 	\$4.5 million	\$7.0 million
<ul style="list-style-type: none"> Delay replacing three vehicles in Enforcement. 	\$100,000	\$100,000

Information Technology

ACTION		
Reduce ADA compliance contract from \$250,000 to \$50,000 and have CSLB staff assume more ADA remediation functions.	\$200,000	\$200,000
<ul style="list-style-type: none"> IT contract and purchases savings. 	\$250,000	\$500,000

Enforcement

ACTION		
<ul style="list-style-type: none"> Hold Attorney General’s Office at \$7 million for the year (roughly \$580,000 monthly). 	\$1.0 million	\$1.6 million
<ul style="list-style-type: none"> Hold the Office of Administrative Hearings at \$1.2 million (roughly \$100,000 monthly). 	\$300,000	\$0
<ul style="list-style-type: none"> Modify processes to reduce arbitration costs by 40% (from \$900,000 to \$550,000). 	\$350,000	\$200,000
<ul style="list-style-type: none"> Modify procedures to reduce expenditures for industry expert consultants by 20% (from \$750,000 to \$600,000). 	\$150,000	\$500,000
TOTAL SAVINGS	\$7.1 million	\$10.5 million



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Statistics Summary

Applications Received

Month	2017-18	2018-19	2019-20	2020-21
July	2,624	3,478	4,511	3,323
August	3,141	3,761	4,733	3,863
September	3,254	3,418	4,366	3,441
October	3,188	4,550	4,166	4,324
November	2,669	3,736	3,854	3,168
December	2,903	3,682	3,320	2,681
January	3,714	4,232	4,132	3,112
February	3,598	4,428	4,068	3,178
March	4,223	5,157	3,649	3,585
April	3,430	4,761	2,284	3,083
May	2,875	4,800	2,512	3,006
June	3,600	4,208	3,177	3,411
Total	39,219	50,211	44,772	40,175
			<i>% Change from Prior FY</i>	<i>-10.3%</i>

Original Applications Received (includes exam and waivers)

Month	2017-18	2018-19	2019-20	2020-21
July	1,197	1,454	1,935	1,311
August	1,141	1,815	1,967	1,226
September	1,624	1,595	1,820	1,122
October	1,429	2,182	1,616	1,834
November	1,306	1,763	1,440	1,218
December	1,522	1,697	1,245	926
January	1,990	1,972	1,829	1,099
February	1,766	2,047	1,697	1,083
March	1,885	2,211	1,594	901
April	1,401	2,217	1,060	535
May	1,190	2,112	1,010	643
June	1,653	1,837	1,368	1,031
Total	18,104	22,902	18,581	12,929
			<i>% Change from Prior FY</i>	<i>-30.4%</i>
			<i>% of Apps Received are Original Apps</i>	<i>32.0%</i>

**Original Licenses Issued**

Month	2017-18	2018-19	2019-20	2020-21
July	1,150	1,394	1,426	1,032
August	1,355	1,616	1,331	1,084
September	1,095	1,377	1,293	1,171
October	986	1,580	1,383	1,257
November	1,334	1,250	1,195	1,119
December	1,170	1,244	1,181	1,115
January	1,170	1,441	1,263	880
February	1,065	1,374	1,118	657
March	1,446	1,342	1,102	918
April	1,438	1,416	940	1,170
May	1,545	1,441	674	1,158
June	1,570	1,343	662	1,523
Total	15,324	16,818	13,568	13,084
			<i>% Change from Prior FY -3.6%</i>	

Licenses Renewed *(Peak renewal years notated in red)*

Month	2017-18	2018-19	2019-20	2020-21
July	8,153	8,307	11,234	12,460
August	9,283	10,544	9,631	10,396
September	9,534	8,173	9,409	11,507
October	8,805	13,154	7,901	9,252
November	5,651	7,563	6,003	6,843
December	9,651	7,362	7,846	11,087
January	7,593	11,000	9,582	10,271
February	11,586	9,698	7,163	7,174
March	9,760	11,700	12,059	11,923
April	9,830	9,011	13,174	11,265
May	13,389	8,976	10,827	11,111
June	14,167	10,871	9,806	12,410
Total	117,402	116,359	114,635	125,699
			<i>% Change from Peak FY 2018-19 8.0%</i>	
			<i>% Change from Prior FY 9.7%</i>	



Original HIS Registrations Issued

Month	2017-18	2018-19	2019-20	2020-21
July	302	476	677	596
August	420	422	526	487
September	405	442	634	570
October	495	549	579	594
November	419	415	594	513
December	385	437	519	444
January	468	570	429	523
February	396	400	457	396
March	433	590	350	554
April	502	656	400	672
May	464	526	360	587
June	513	530	297	609
Total	5,202	6,013	5,822	6,545
			<i>% Change from Prior FY</i>	<i>12.4%</i>

HIS Registrations Renewed

Month	2017-18	2018-19	2019-20	2020-21
July	213	328	408	646
August	402	435	497	714
September	302	354	421	646
October	280	461	387	548
November	203	342	212	385
December	434	302	534	385
January	110	381	319	464
February	424	321	294	477
March	266	432	571	656
April	382	436	408	610
May	478	398	383	573
June	467	493	308	570
Total	3,961	4,683	4,742	6,674
			<i>% Change from Prior FY</i>	<i>40.7%</i>



License Population by Status

Status	Aug. 1, 2018	Aug. 1, 2019	Aug. 1, 2020	Aug. 1, 2021
Active	228,810	231,714	229,099	230,225
Inactive	55,826	54,957	53,349	51,792
Total	284,636	286,671	282,448	282,017

% Change from Prior FY -0.2%

HIS Registration Population by Status

Status	Aug. 1, 2018	Aug. 1, 2019	Aug. 1, 2020	Aug. 1, 2021
Active	17,757	19,588	20,954	22,814

% Change from Prior FY 8.9%

Complaints By Fiscal Year

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

AGENDA ITEM G-4

Administration Update Regarding Personnel and Facilities





ADMINISTRATION UPDATE

PERSONNEL UNIT

TRANSACTIONS

During the fourth quarter of fiscal year 2020-21 (April 1-June 30, 2021), CSLB Personnel staff completed 31 personnel transactions. This included the addition of six new employees from other state agencies and ten employees new to state service. Within CSLB, three employees were promoted and three transferred to different positions. In addition, seven Examination Proctors were hired, and two employees accepted Training and Development assignments.

Total Number of Personnel Transactions Per Quarter – FY 2020-21

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

Total Number of Personnel Transactions Per Quarter – FY 2019-20

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	8	2	5	2
New to State Service	2	7	8	1
Student Assistants	2	0	0	1
Retired Annuitants	0	0	0	0
Promotions	15	31	4	5
Transfers within CSLB	3	5	5	2
Training and Development	1	0	1	0
Examination Proctors	3	0	1	2



Total Per Quarter	34	45	24	13
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VACANCIES

CSLB averaged 45 vacancies during the 4th quarter of fiscal year 2020-21 and averaged 48 vacancies over the entire fiscal year. The Personnel unit continuously works with CSLB hiring managers and Department of Consumer Affairs’ (DCA) Office of Human Resources to identify and minimize any delays in recruitment for key positions.

Average Monthly Vacancies by Fiscal Year

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2020-21	43	50	51	50	47	51	55	50	47	49	45	40
2019-20	21	25	31	35	34	34	23	22	24	22	36	40
2018-19	29	33	30	24	22	21	23	22	24	22	22	19
2017-18	44	41	36	33	39	41	36	29	30	31	29	29

EXAMINATIONS

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

ADMINISTERED BY DCA	STATUS	DATE
Consumer Services Representative	Effective date of last exam:	May 2021
	Tentative effective date of next exam:	November 2021
Office Services Supervisor II	Effective date of last exam:	April 2021
	Tentative effective date of next exam	TBD
Supervising Special Investigator I	Effective date of last exam:	August 2021
	Tentative effective date of next exam	January 2022
Supervising Special Investigator II	Effective date of last exam:	November 2020
	Tentative effective date of next exam	TBD
Staff Service Analyst Transfer Exam	N/A	March/June
		September/December

**BUSINESS SERVICES UNIT****FACILITIES**

- **West Covina:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's West Covina field office. The current lease expires November 30, 2022.
- **Bakersfield:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Bakersfield field office. Site visit was completed on July 20, 2021. DGS is processing the required lease documentation. The current lease expires December 31, 2022.

CONTRACTS AND PROCUREMENTS**Contracts in Process:**

- The California Department of Human Resources (CalHR) contract to conduct psychological screening services for Peace Officer applicants.
- Arbitration contract to support CSLB's arbitration program.
- Postage meter maintenance and rental services for CSLB's Bakersfield, Santa Rosa, and Oxnard field offices.
- Contract for shredding services for Norwalk, Oxnard, San Bernardino, San Diego, and West Covina field offices.

Procurements in Process:

- In consideration of current budget constraints, all purchases continue to be carefully assessed and only mission critical items are processed.

Executed Contracts/Procurement:

- Maintenance contract for CSLB's trifold machine.
- Fire suppression maintenance for CSLB's headquarters.
- The California Highway Patrol contract to provide services to CSLB.
- West Publishing Corporation, dba A Thomson Reuters Business contract for access to electronic database services.
- SurveyMonkey subscription renewed for one year.
- Contract for shredding services in San Francisco and Santa Rosa.
- Contract for shredding services in Bakersfield.
- New copier with five (5) years of maintenance services for Headquarters Enforcement office.
- Contract for twenty-four (24) hour security alarm monitoring for CSLB Oxnard field office.

AGENDA ITEM G-5

Information Technology Update





Information Technology Update

Online Renewal Single Qualifier Program

In April 2020, programming was completed to allow sole owner licenses with a single qualifier to renew their license online. In September 2021, corporations, partnerships, and limited liability companies with a single qualifier may also renew their license online.

The chart below includes sole owner online renewal statistics.

Online Renewal Statistics

Online Renewal Transactions					
	Sole Owner	eKiosk	HIS	Total Renewals	% of Online Transactions
August 2020	2,875	1,252	296	10,505	42.1%
September 2020	2,890	1,214	333	11,620	35.6%
October 2020	2,971	1,071	344	9,366	46.8%
November 2020	2,544	750	271	6,926	51.4%
December 2020	2,891	809	247	11,177	35.3%
January 2021	3,025	1,073	304	10,359	42.5%
February 2021	2,984	1,159	331	7,276	61.5%
March 2021	3,285	1,075	405	12,048	39.6%
April 2021	2,971	1,016	393	11,265	38.9%
May 2021	3,108	963	420	11,190	40.1%
June 2021	3,104	1,039	390	12,521	36.2%
July 2021	3,024	886	461	7,330	59.6%
Totals	35,672	12,307	4,195	121,583	42.9%

Online Citation Payment

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

Citation Payments			
	Online Payments	Total Payments	% Of Online Payments
January 2021	\$19,950	\$140,262	14.2%
February 2021	\$30,140	\$122,713	24.6%
March 2021	\$62,965	\$154,967	40.6%
April 2021	\$65,684	\$179,806	36.7%
May 2021	\$66,905	\$146,807	45.6%



June 2021	\$58,130	\$160,249	36.3%
July 2021	\$35,711	\$122,327	29.2%

AGENDA ITEM G-6

Strategic Planning Session – Department of Consumer Affairs, SOLID Planning Solutions

- a. Overview of the Strategic Planning Process
- b. Overview of Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis
- c. Environmental Scan Review
- d. Review of Possible Update of Mission, Vision, and Value Statements
- e. Development of Strategic Objectives
 - i. Enforcement
 - ii. Legislation
 - iii. Licensing and Testing
 - iv. Public Affairs
 - v. Executive
- f. Overview of Process for Finalizing Strategic Plan for Adoption by the Board



2021



Environmental Scan

SOLID Planning



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Acronyms

ADA	Americans with Disabilities Act
ADUs	Accessory Dwelling Units
ASB	Asbestos Certification
B&PC	Business and Professions Code
BQI	Bond of Qualifying Individual
C License	Specialty Contractor License
CDI	California Department of Insurance
CE	Continuing Education
CSLB	Contractors State License Board
CTE	Career and Technical Education
GC	General Contractor
HARDI	Heating Air-conditioning and Refrigeration Distributors International
HAZ	Hazardous Substance Removal Certification
HIS	Home Improvement Salesperson
HVAC	Heating, Ventilation, Air Conditioning
IHACI	Institute of Heating and Air Conditioning Industries
LLC	Limited Liability Company
NEC	National Electric Code
PQ Committee	Professional Qualifications committee
RME	Responsible Managing Employee
RMG	Responsible Managing Manager
RMM	Responsible Managing Member
RMO	Responsible Managing Officer
SBDC	Small Business Development Center
SWIFT	Statewide Investigative Fraud Team

Introduction

One of the first steps in developing a strategic plan is to conduct a scan and analysis of the environment in which an organization operates. This analysis allows us to look at the factors that can impact the organization's success. This is a summary of the results of the environmental scan recently conducted by SOLID Planning for the Contractors State License Board (Board) in the months of June and July.

The purpose of this environmental scan is to provide a better understanding of stakeholder, board member, and board staff thoughts about the Board's performance within the following goal areas:

- Licensing and Testing
- Enforcement
- Legislation
- Public Affairs
- Executive – Administration and Information Technology

This document outlines areas where stakeholders, board members, board management, and board staff agree and disagree, while providing additional insight to assist the Board in developing goals and objectives for the development of the next strategic plan.

Please review this information carefully in preparation for the upcoming strategic planning session. At this planning session we will discuss and evaluate this information as a group to help identify new strategic objectives the Board will focus on during the upcoming strategic plan period.

If you have any questions about this report, please contact Shelly Jones with SOLID Planning at shelly.jones@dca.ca.gov.

Licensing and Testing

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

Licensing and Testing Effectiveness				
Rating	External Stakeholders (237*)	Board Members (12*)	Board Management (14*)	Board Staff (47*)
Very effective	21%	42%	36%	19%
Effective	61%	58%	57%	70%
Poor	16%	0%	7%	11%
Very poor	2%	0%	0%	0%
Total	100%	100%	100%	100%

*Number of respondents

Summary of Licensing and Testing Strengths

1. External and internal stakeholders praise the Board's examination standards, highlighting testing practices, enforcement of examination policies, and development of examination content that is rigorous and current with professional practices and standards.
2. External and internal stakeholders recognize licensure requirements as a strength in setting standards for professional qualification and ensuring licensees have the appropriate knowledge and skills to meet industry needs and practices.
3. External stakeholders find the Board and its role in licensing and examination effective, noting good procedures and high standards. Internal stakeholders recognize the Board's success in adapting and maintaining its effectiveness through COVID.
4. External and internal stakeholders cite the Board's exam process as a strength. The comments note the continued and expanded availability of testing through COVID, quality testing facilities, and a clear and efficient examination process.
5. External stakeholders appreciate the ease of the licensing process and the steps taken to ensure the public is protected, noting the large volume of applications received. Internal stakeholders note the modernization of the licensing process and the processing of the large volume of transactions.

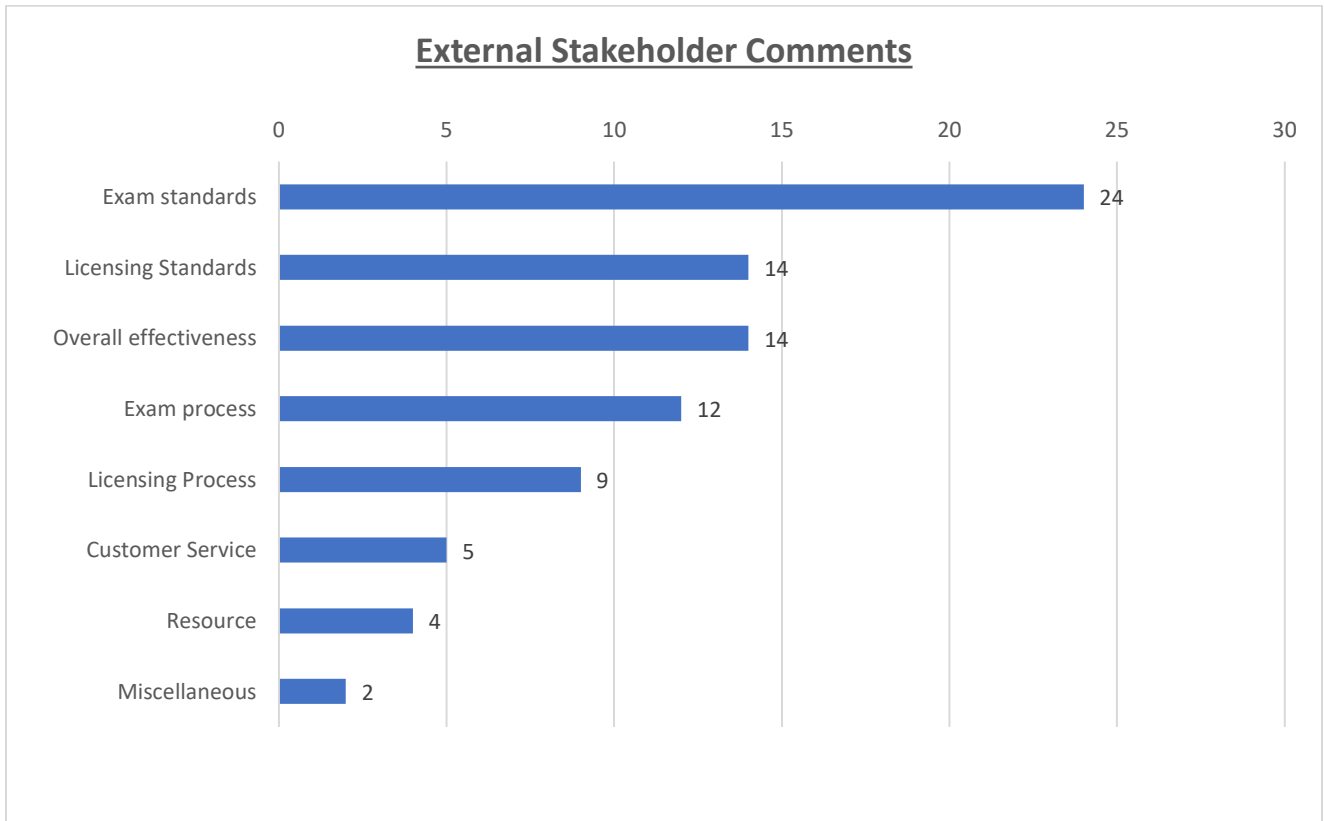
Summary of Licensing and Testing Weaknesses

1. External stakeholders cite the need to update the exams to be more comprehensive, rigorous, and relevant to current processes, technologies, and products used in the industry. Internal stakeholders note a need for improved examination accessibility for bilingual/ESL applicants, online examinations, and more testing dates and locations.
2. External stakeholders would like to see improvements in the review of licensure requirements to ensure licensees have sufficient experience and knowledge, including verification of work experience certifications to identify irregularities or misrepresentations. Internal stakeholders would like to see more applications investigated and more consistent practices.
3. External stakeholders feel the licensing process is too lengthy and opine the renewal process could be expedited through use of an online system.
4. External stakeholders believe the requirements and qualifications to obtain licensure should be strengthened to ensure demonstration of essential skills and knowledge, sufficient work experience, and appropriate oversight. Internal stakeholders believe stricter policies are needed for Responsible Managing Officers.
5. External stakeholders express a need to clarify the scope of practice across the Board's specialty licensing categories and to consider other skill areas that could benefit from licensure.

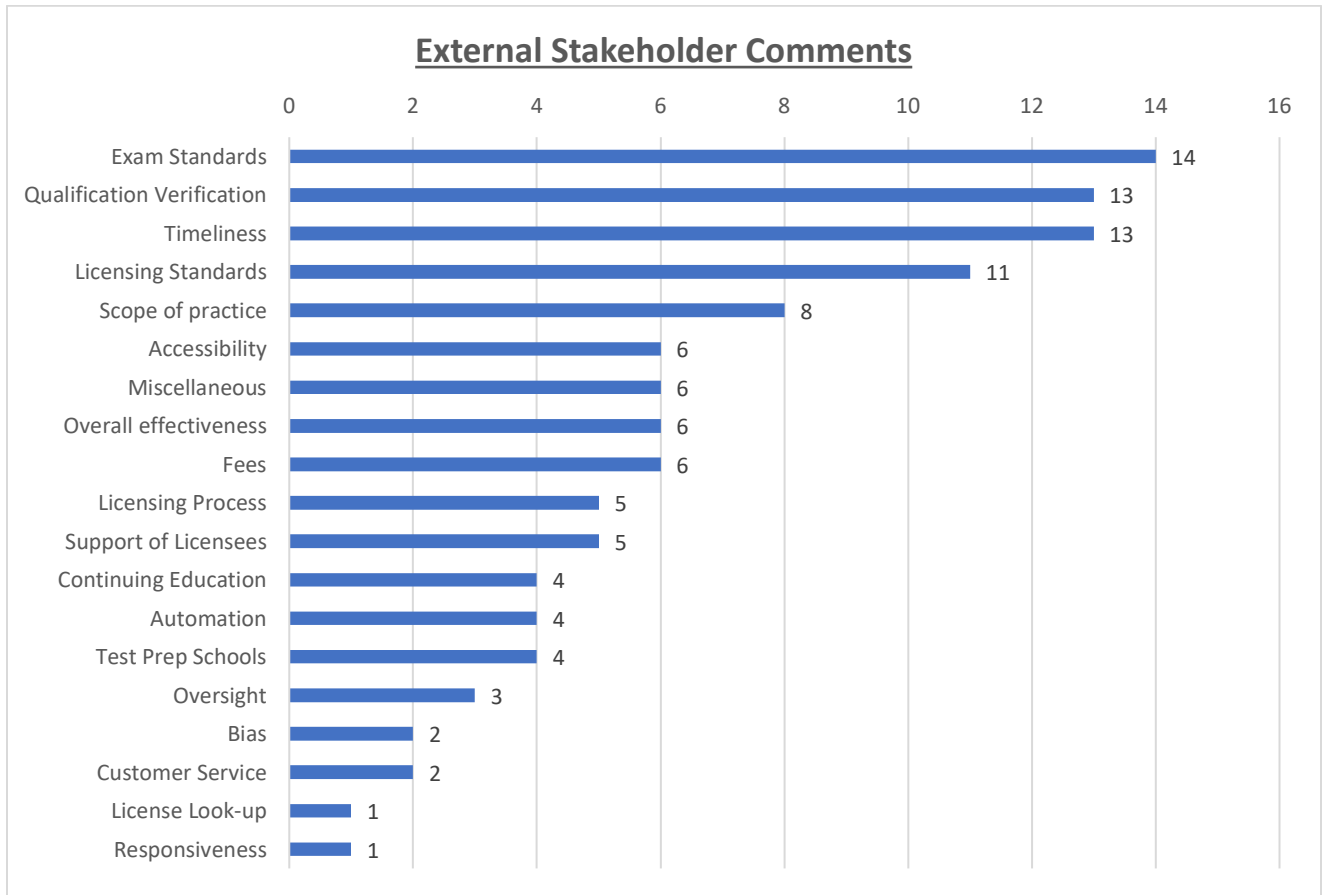
Possible Licensing and Testing Objectives

1. Continue efforts toward automating and streamlining all licensing processes.
2. Partner with other agencies to promote women and minority licensed contractors.
3. Require continuing education to ensure contractors are knowledgeable in current contracting laws, regulations, and ethics.
4. Continue to explore sub-classification licensing and reach a conclusion on the handyman license.
5. Work with community colleges to help those that want to be contractors obtain their educational requirements, as well as substitute work experience for educational background.
6. Enhance exam processes to provide more dates and locations to improve timely access, including remote testing locations.
7. Assess requirements for licensure to ensure qualifications for new and emerging technologies are included.
8. Develop FAQs for licensing processes.
9. Conduct monthly licensing workshops in Spanish.
10. Establish an annual CSLB application and licensing training academy.

Licensing and Testing Strengths – Trends



Licensing and Testing Weaknesses – Trends



CSLB Active License Statistics

To ensure that the Board and its stakeholders can effectively execute the Board’s core mission of consumer protection, the Board has established a transparent set of measurements to track licensing activity. The chart below shows the number and types of licenses issued during current and prior years, and year-over-year change for each category.

Data Definitions

Active Licenses – A license or registration issued by CSLB that was active on July 1 of the identified fiscal year (July 1, 2021, for FY 2020/21 and July 1, 2020, for FY 2019/20).

Renewed Licenses – A license or registration that was renewed at any time during the period July 1 through June 30 of the fiscal year selected (does this include registrations?).

New Licenses – A license or registration issued by CSLB to a new entity at any time during the period July 1 through June 30 of the fiscal year selected.

License Applications– An application for an original license received by CSLB at any time during the period July 1 through June 30 of the fiscal year selected.

Licensing Measures	Difference	FY 2019/2020	FY 2018/2019
Active Licenses	+4,246	253,275	249,029
Licensing Statistics - Renewed Licenses	+12,999	132,344	119,345
Licensing Statistics - New Licenses	+1,166	24,929	23,763
Licensing Statistics - License Applications	+4,277	42,172	37,895

The data contained in this table is compiled from CSLB’s monthly statistical reporting. Years are based on California’s fiscal year, which runs from July 1 through the following June 30.

Enforcement

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

Enforcement Effectiveness				
Rating	External Stakeholders (229*)	Board Members (12*)	Board Management (13*)	Board Staff (46*)
Very effective	11%	25%	38%	7%
Effective	42%	75%	46%	78%
Poor	30%	0%	8%	15%
Very poor	17%	0%	8%	0%
Total	100%	100%	100%	100%

**Number of respondents*

Summary of Enforcement Strengths

1. External and internal stakeholders praise the Board's proactive efforts and sting operations to address unlicensed activity.
2. External and internal stakeholders find the Board and its role in enforcement effective, including diligence in handling complaints and protecting the public, despite limited resources.
3. External stakeholders recognize the Board's outreach efforts, specifically those related to on-site activities in disaster areas and advertising results of sting operations.
4. External stakeholders appreciate the Board's active role in the complaint process and investigations, including dispute resolution and managing caseloads.
5. External and internal stakeholders believe the Board does a good job with proactive enforcement activities in the community to identify those who present a risk to consumers through illegal and substandard work.

Summary of Enforcement Weaknesses

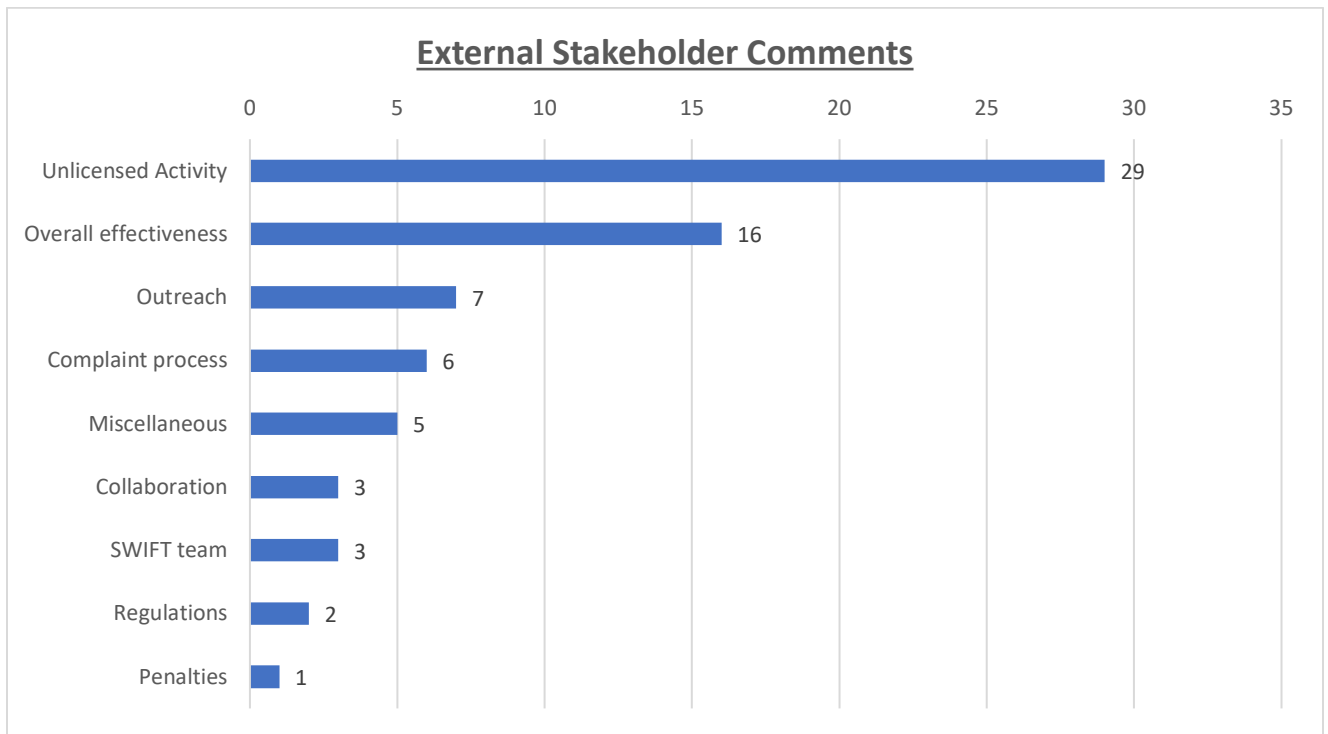
1. External and internal stakeholders cite the need for more pro-active enforcement of unlicensed activities, including in rural areas. The comments note owner builders, sub-contractors, and large corporations as operating without proper licensure.
2. External and internal stakeholders agree the Board does not have sufficient staffing and financial resources to have the robust and effective enforcement program necessary to stop unlicensed and illegal activities.
3. External stakeholders believe the Board is deficient in enforcing adherence to the contractors' state laws and does not utilize enforcement tools effectively.

4. External and internal stakeholders express a need for stricter penalties, coupled with prompt prosecution and punishment.
5. Internal and external stakeholders would like to see more proactive focus on illegal advertising, including websites, business cards, handyman signs, Craigslist, etc.

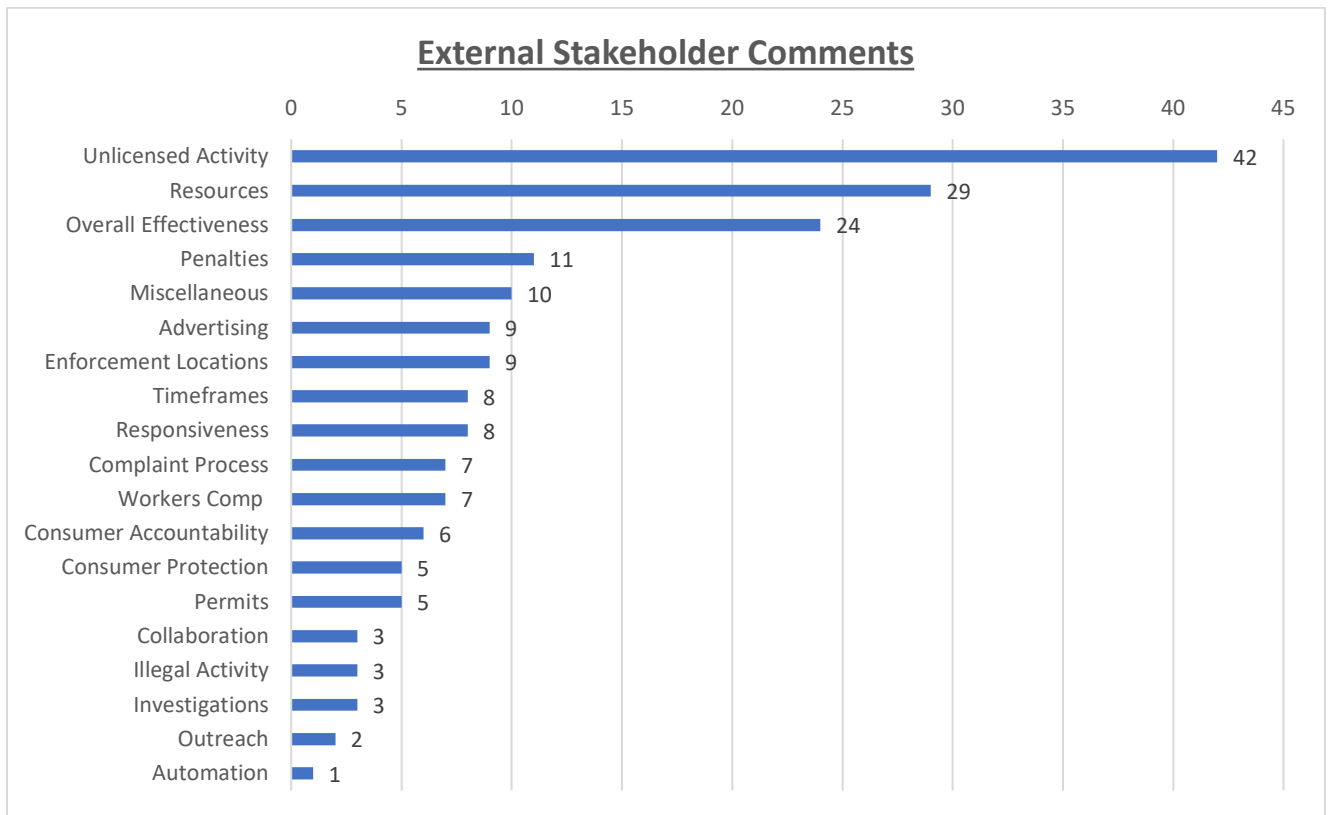
Possible Enforcement Objectives

1. Assess what the Board is doing well and what gaps need to be filled to maximize enforcement efforts and capabilities.
2. Continue efforts to address unlicensed activity as a primary focus.
3. Streamline enforcement processes, including online submission of complaints.
4. Continue advocating for more resources and create an educational track to develop future enforcement officers.
5. Learn how new technologies are going to affect the industry, as well as how and if current laws can be applied to such technologies.
6. Continue to seek workers compensation insurance requirements for all licensees.

Enforcement Strengths – Trends



Enforcement Weaknesses – Trends



DCA Performance Measures Summary

The performance measures demonstrate the DCA is making the most efficient and effective use of resources. Performance measures are linked directly to an agency's mission, vision, strategic objectives, and strategic initiatives. The chart below shows the number of days between the stages of investigating a consumer complaint for the Board. The column labeled “target” is the goal the Board has established for itself. The remaining columns show the actual number of days to move a complaint from one step of the investigation process to the next.

Glossary of Performance Measure Terms

Volume - Number of complaints and convictions received.

Intake - Average cycle time from complaint receipt to the date the complaint was assigned to an investigator.

Intake and Investigation - Average cycle time from complaint receipt to closure of the investigation process. Does not include cases sent to the Attorney General or other forms of formal discipline.

Formal Discipline - Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Board and prosecution by the Attorney General.)

Probation Intake - Average number of days from monitor assignment to the date the monitor makes first contact with the probationer.

Probation Violation Response - Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

Enforcement Performance Measures	Target	Q3 FY 2021	Q3 FY 2020	Q3 FY 2019
Complaint/Conviction/Arrest Volume	N/A	3,822	4,665	5,080
Complaint Intake (days)	10	3	2	1
Investigation (days)	180	101	87	83
Formal Discipline (days)	540	876	752	856

The data contained in this table is compiled from the Open Data Portal which uses monthly statistical reporting from DCA Boards and Bureaus. Years are based on California’s fiscal year, which runs from July 1 through the following June 30.

Legislation

Ensure that statutes, regulations, policies, and procedures strengthen and support CSLB operations.

Legislation Effectiveness				
Rating	External Stakeholders (213*)	Board Members (12*)	Board Management (14*)	Board Staff (40*)
Very effective	17%	33%	43%	20%
Effective	60%	67%	50%	62%
Poor	17%	0%	7%	18%
Very poor	6%	0%	0%	0%
Total	100%	100%	100%	100%

*Number of respondents

Summary of Legislation Strengths

1. External and internal stakeholders find the Board and its role in the legislative process effective, including proactive involvement and assessment of legislation that will affect the industry.
2. External stakeholders appreciate the Board's efforts to ensure laws are protective of consumers and contractors alike, noting efforts for veteran licensing. Internal stakeholders recognize the Board's active listening to industry and consumer groups alike to ensure all parties are considered when enacting legislation.
3. External and internal stakeholders recognize staff's knowledge and understanding of laws impacting the industry, as well as issues and needs of the Board, consumers, and licensees.
4. External stakeholders cite the importance of the Board's strong working relationship and clear line of communication with the legislature.

Summary of Legislation Weaknesses

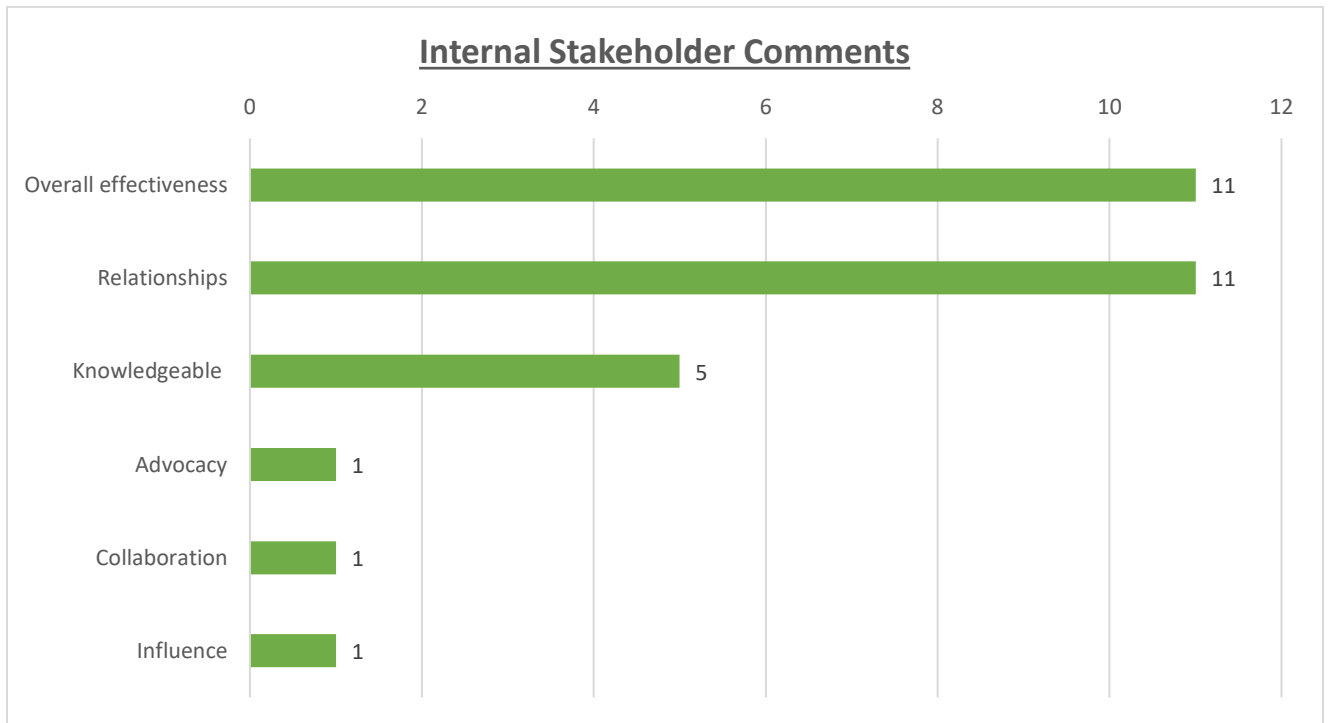
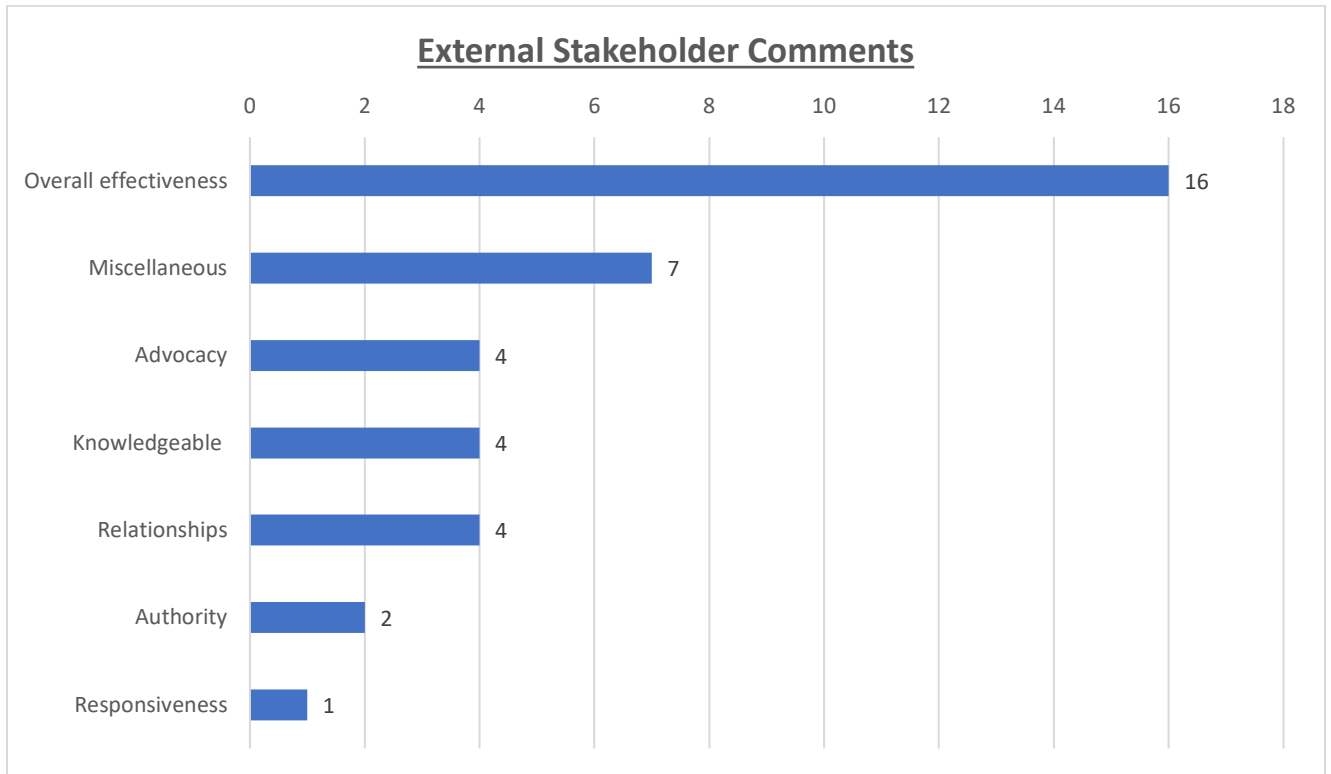
1. External stakeholders feel there needs to be a focus on what and who the Board is advocating for, noting need for legislation that streamlines business and contracting processes, as well as protections for home and property owners. Internal stakeholders noted a need to focus more on how legislation benefits both the consumer and contractors.
2. External and internal stakeholders cite the need for clarity and consistency with statutory language, removing redundancies and conflicts, and ensuring they are enforceable.

3. External stakeholders believe the Board needs to consider how legislation affects other agencies, local jurisdictions, and small/rural contractors, noting a need for efficiency and rules that are not overly burdensome.
4. External stakeholders opine that there are too many rules and regulations, making it difficult to know them all and to carry out day to day business operations.

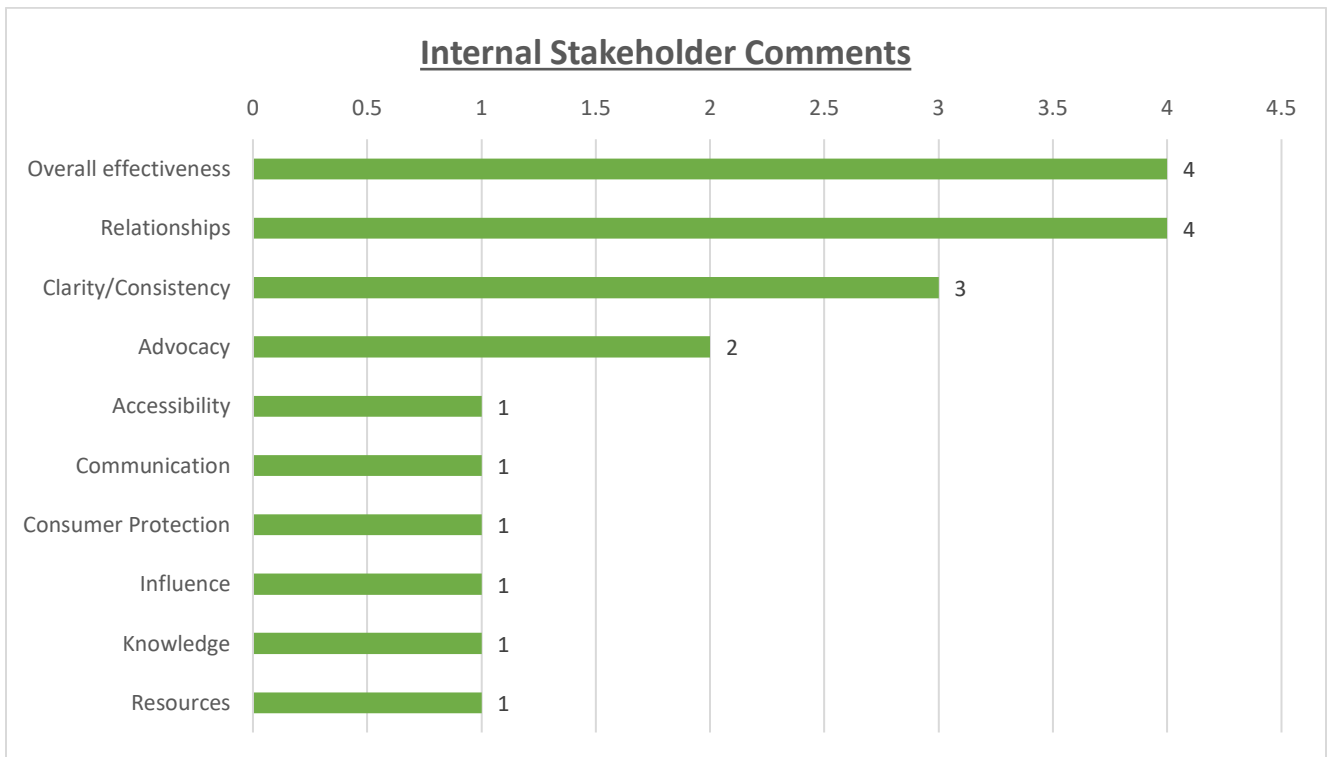
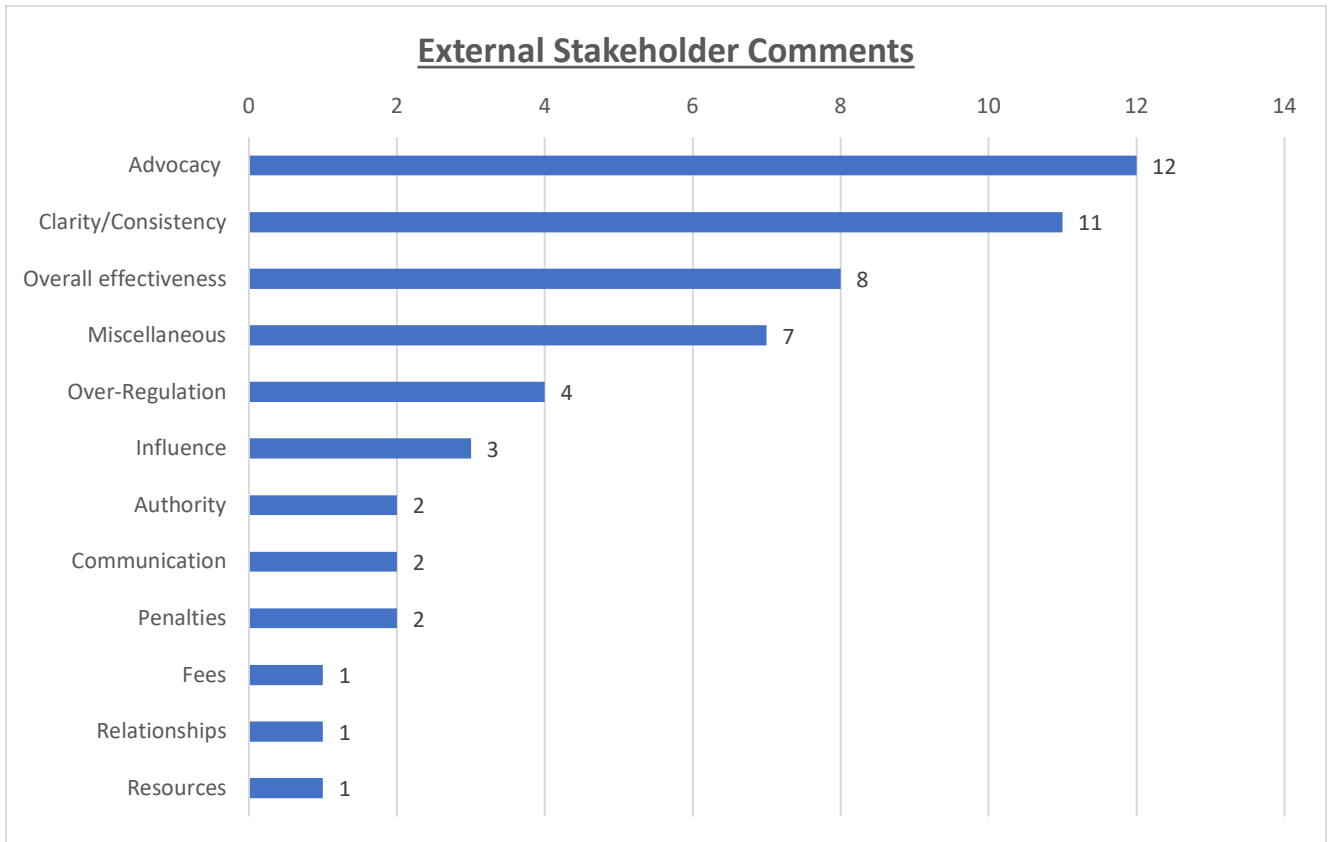
Possible Legislative Objectives

1. Ensure CSLB has the resources necessary to enforce statutes.
2. Conduct a thorough review of the practice act to:
 - a. Ensure clarity and consistency,
 - b. Ensure they truly provide for consumer protection, and
 - c. Ensure they capture the latest technologies in the industry.
3. Review and propose changes:
 - a. To the asbestos certification,
 - b. To the hazardous substance certification,
 - c. For classification consolidation, and
 - d. To California's existing reciprocity requirements.
4. Continue monitoring legislation that effects CSLB.
5. Continue seeking legislation to require workers compensation for all contractors and sub-contractors.
6. Re-evaluate the handyman/minor work license exception to determine if those performing these services can do so in a protected and legal manner.
7. Establish an annual legislation day to provide staff and members an opportunity to get to know legislative staff and legislators.

Legislation Strengths – Trends



Legislation Weaknesses - Trends



Public Affairs

Educate consumers about making informed choices related to construction services and provide information to licensed contractors so they can improve their awareness of contracting law, and technical, management, and service skill.

Public Affairs Effectiveness				
Rating	External Stakeholders (214*)	Board Members (12*)	Board Management (14*)	Board Staff (42*)
Very effective	15%	42%	43%	17%
Effective	55%	50%	50%	67%
Poor	23%	8%	7%	14%
Very poor	7%	0%	0%	2%
Total	100%	100%	100%	100%

*Number of respondents

Summary of Public Affairs Strengths

1. External and internal stakeholders praise the Board's proactive efforts to communicate with and educate consumers, including outreach regarding the importance of hiring licensed contractors.
2. External stakeholders recognize the various resources and educational materials the Board provides to both consumers and industry stakeholders. Internal stakeholders recognize the diversity of outreach platforms used by the Board to get information out to the public.
3. External and internal stakeholders find the Board's website easy to use and valuable in providing information to the public, including complaint and insurance data.
4. External and internal stakeholders appreciate the Board's efforts in providing consistent and timely communications to licensees and the public, keeping them updated on important and relevant issues, and educating consumers.
5. External and internal stakeholders feel the Board's publications, outreach programs, communications, and streaming board meetings have been very effective in getting messages out to the public and licensees.

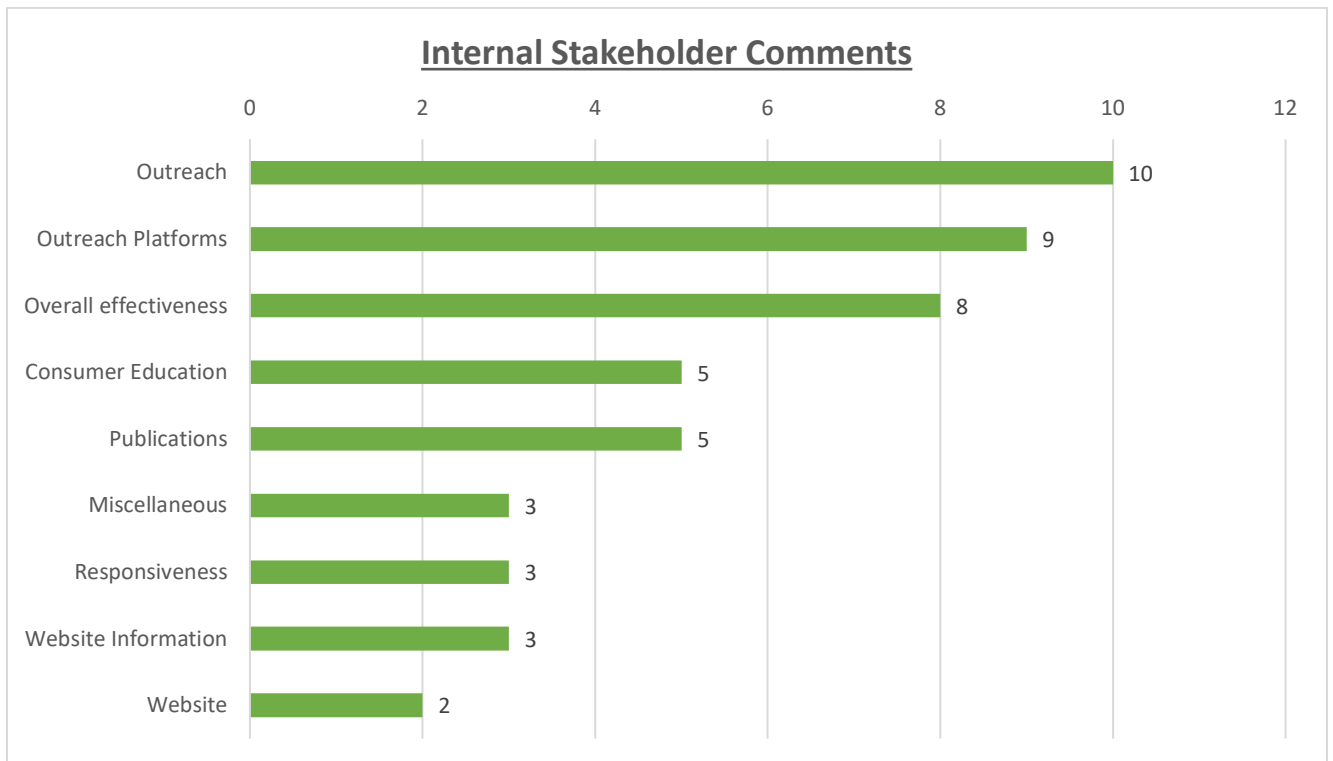
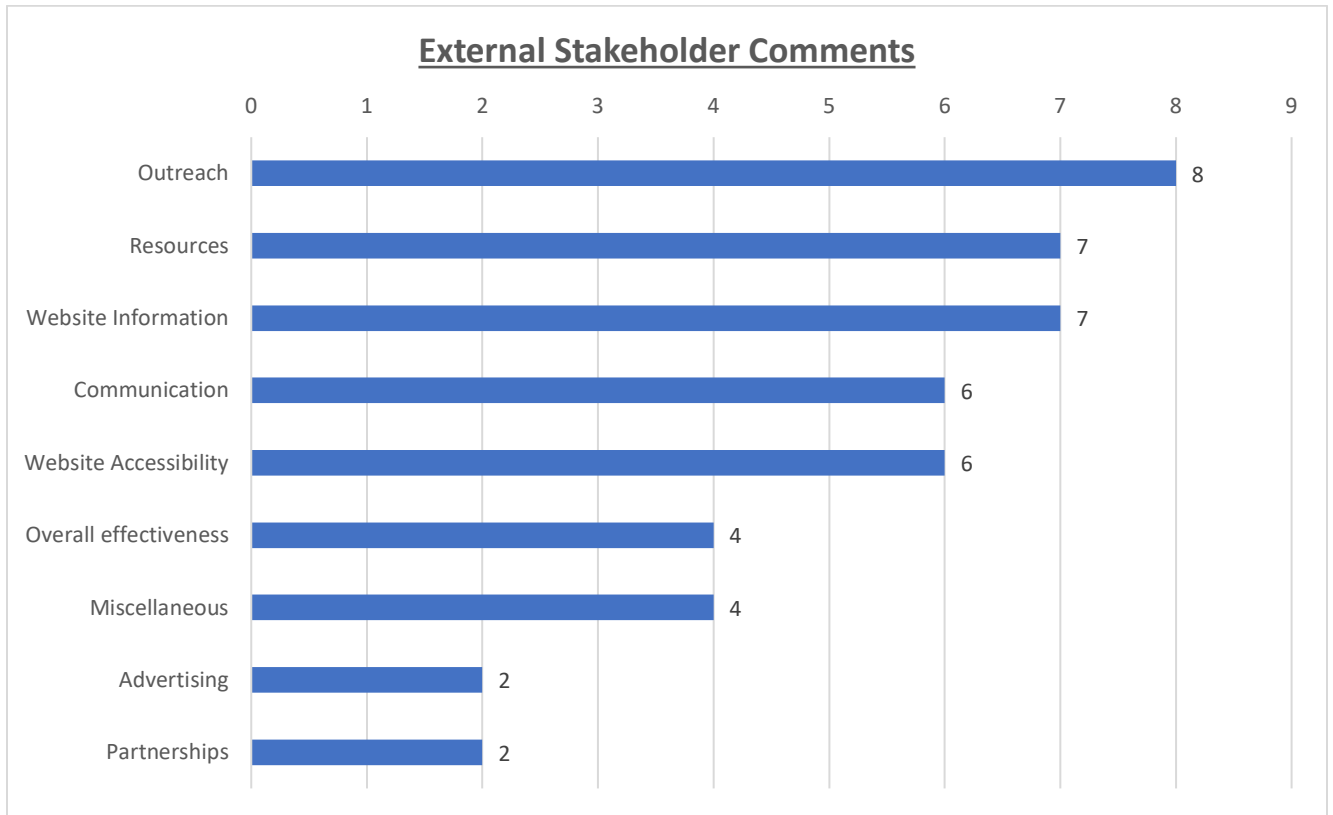
Summary of Public Affairs Weaknesses

1. External and internal stakeholders cite a continued need for consumer education regarding the consequences of using unlicensed contractors, as well as understanding the contracting process and the responsibilities of the consumer as well as the contractors.
2. External and internal stakeholders would like to see more outreach using a variety of platforms, including online, television, radio, and billboard advertisements, to increase communication with the public.
3. External and internal stakeholders believe much of the public is not aware of who the Board is or what it does, noting a need for more information about the Board, the services it provides, and how to access these services.
4. External stakeholders feel the Board could improve its communication to consumers, including the consequences of using unlicensed trades and information about needed industry improvements.
5. External stakeholders express a need for more detailed information regarding complaints and improved access to consumer information concerning what licenses they need for their projects. Internal stakeholders note improvements to the website are needed to improve user access to information.

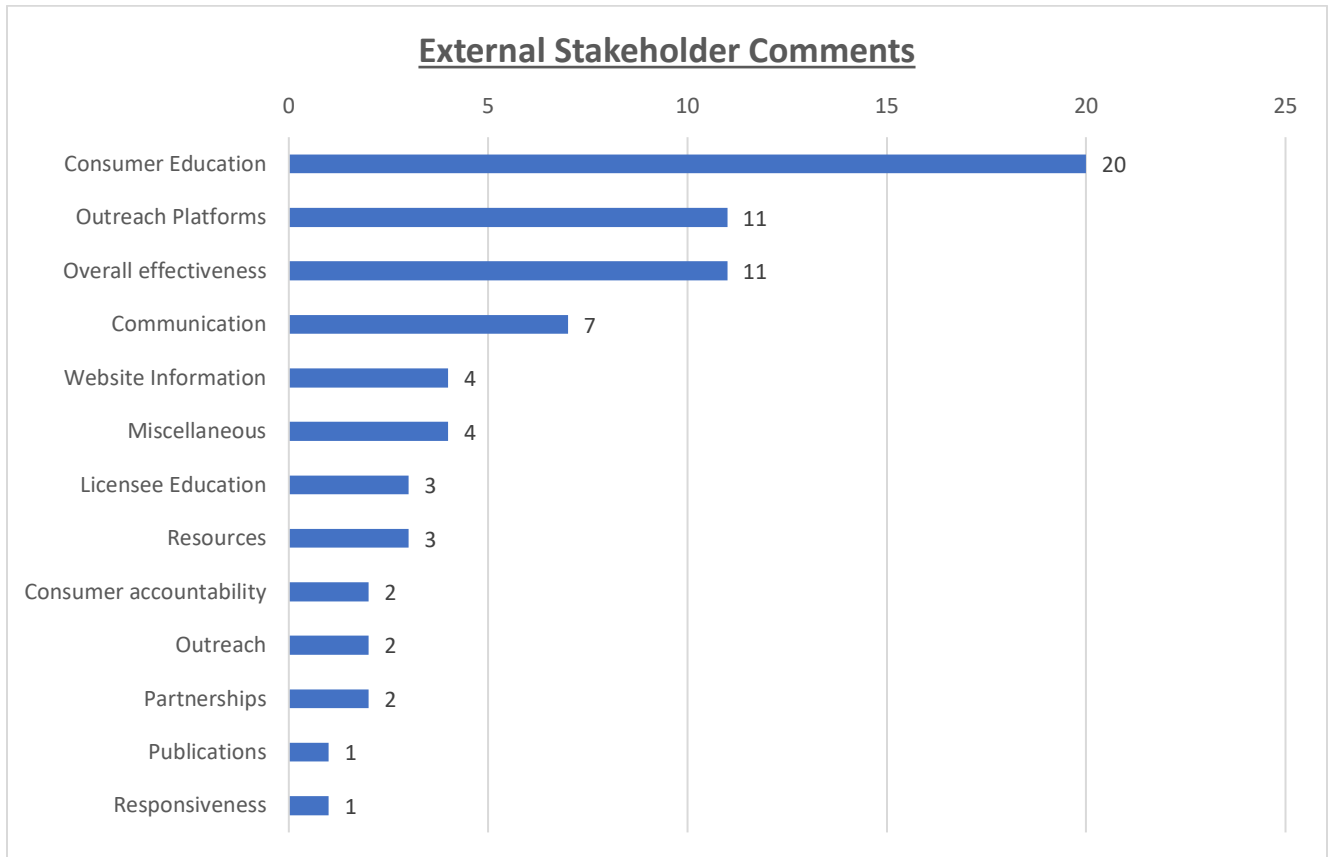
Possible Public Affairs Objectives

1. Increase an online presence on standard platforms while continuing to seek and utilize the emerging technologies to reach and educate consumers.
2. Get back out to the communities to provide information and education directly to consumers, existing contractors, and new contractors.
3. Update the website to make it more concise, improve visibility of and access to features, and improve the user experience.
4. Secure resources and staffing to support the Board's goals and objectives.
5. Identify issues to communicate to the public and develop additional publications and resources for consumers that are easy to follow.
6. Continue identifying tools that can be made available via self-service through the Board's website.

Public Affairs Strengths - Trends



Public Affairs Weaknesses – Trends



Executive: Administration and Information Technology

Enhance organizational effectiveness and improves the quality of service in all program.

Administration and Information Technology Effectiveness				
Rating	External Stakeholders (195*)	Board Members (12*)	Board Management (14*)	Board Staff (45*)
Very effective	9%	42%	14%	11%
Effective	61%	58%	86%	53%
Poor	24%	0%	0%	36%
Very poor	6%	0%	0%	0%
Total	100%	100%	100%	100%

*Number of respondents

Summary of Administration and Information Technology Strengths

1. External stakeholders feel the website is effective, easy to use and navigate, and up to date.
2. External stakeholders believe the Board has a good administrative team that does a good job of providing information and taking the public into consideration. Internal stakeholders recognize the Board’s response to COVID in addressing new challenges and making good utilization of the resources available.
3. External and internal stakeholders acknowledge the increased use of technology and improvement in the use of online tools. External stakeholders find the license look-up feature to be quick to navigate and note that it has improved the ability to verify licenses and locate contractors with a specific license classification in specific cities.
4. Internal stakeholders find both executive and information technology staff to be responsive and helpful.

Summary of Administration and Information Technology Weaknesses

1. External stakeholders believe that, although the Board has services in place, it could be more effective. Internal stakeholders cite a need for consistency in decisions, procedures, and expectations, while empowerment of employees to do their jobs effectively.
2. External and internal stakeholders cite the need for more online services, including acceptance of online payments, an online license renewal process, and use of online services as enforcement tools.
3. Internal stakeholders feel that internal technology solutions need to be updated and improved to streamline and improve work processes.

4. Internal stakeholders cite a need to increase staffing resources, improved onboarding of new staff, mentoring of existing staff, and refresher training for board members on conducting publicly noticed meetings.

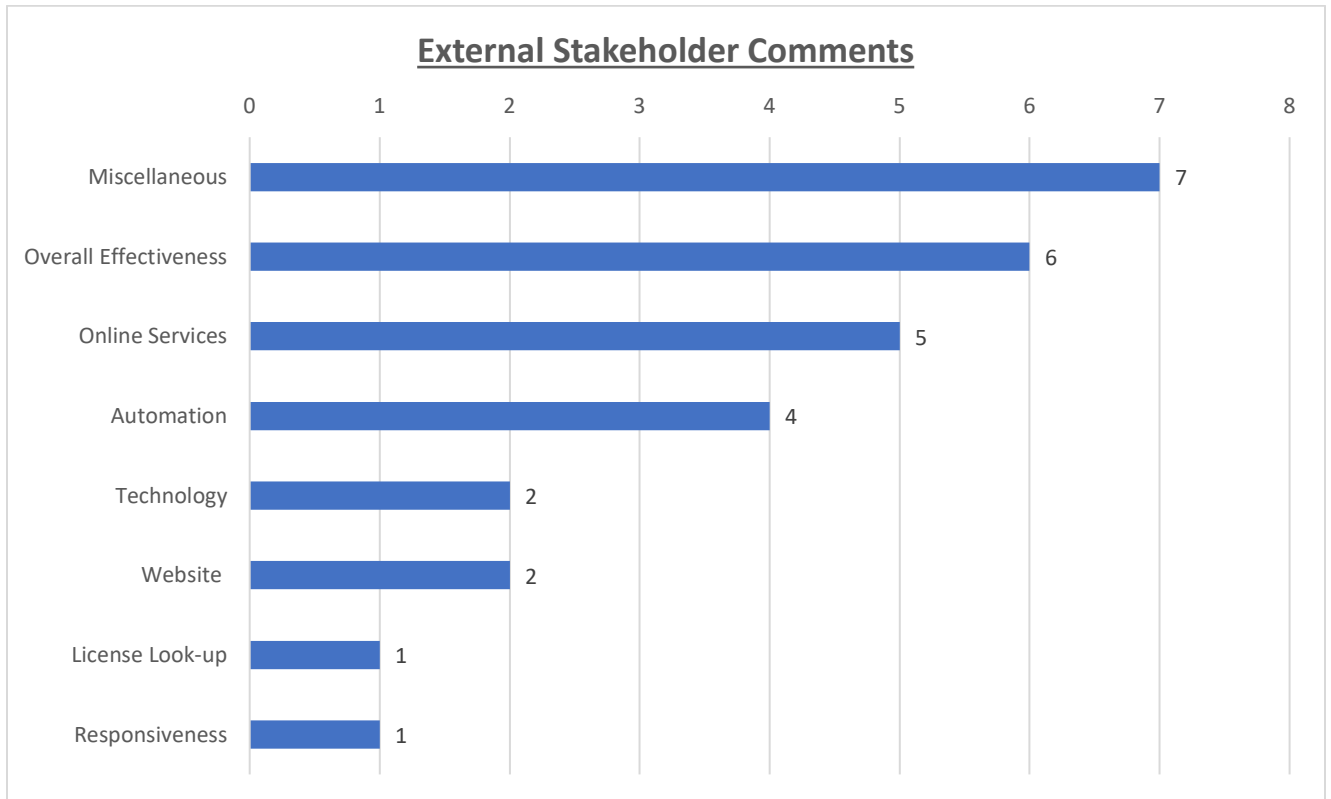
Possible Administration and Information Technology Objectives

1. Continue keeping consumer protection at the forefront.
2. Increase IT visibility through integrated systems with the ability to monitor them in real-time.
3. Ensure IT security to enable innovation and continuous improvement.
4. Continue to look to new tools and automation to streamline workflow and improve customer experience, including ensuring digital services are inclusive.
5. Continue to foster an environment that is professional with camaraderie and teambuilding.
6. Continue seeking needed resources and improving recruitment and onboarding of new employees.

Administration and Information Technology Strengths - Trends



Administration and Information Technology Weaknesses – Trends



Opportunities and Threats

There are many factors that may impact the future direction of contracting professions. These could be opportunities the Board may want to capitalize on or threats they need to mitigate.

Board members, board management, and board staff were asked to list potential opportunities and threats external to the Board that they felt could impact the industry and the Board's regulatory role. The following are commonly made responses and/or responses that the Board might reference when considering its strategic plan.

Summary of Opportunities

- Increase in construction resulting in an increase in licensees and revenue.
- Increased educational opportunities.
- Promote diversity of licensed contractors.
- New construction technologies.
- Building relationships.
- Automation and increased online presence.

Summary of Threats

- Increasing costs of goods and services.
- Unlicensed activity.
- Lack of support for skilled trades.
- Adapting to new construction technologies.
- Funding and staffing resources.
- Aging workforce.
- Increasing technology and strength of IT systems.

Appendix A – Data Collection Method

Information for this survey was gathered by surveying external stakeholders, board members, board management, and board staff to assess the strengths, weaknesses, opportunities, and threats the Board is currently facing or will face in the upcoming years. The following methods were used:

- ◆ Interviews/surveys conducted with twelve members of the Board, as well as the Registrar, and six members of board executive management were completed during the months of June and July 2021.
- ◆ An online survey was sent to the Board’s staff members during the month of June 2021. Fifty-one board staff participated.
- ◆ An online survey was sent to the Board’s managers and supervisors during the month of June 2021. Eight board managers and supervisors participated.
- ◆ An online survey was sent to external board stakeholders in June 2021. Three hundred sixty-three stakeholders completed the survey. The following table shows how stakeholders identified themselves in the online survey.

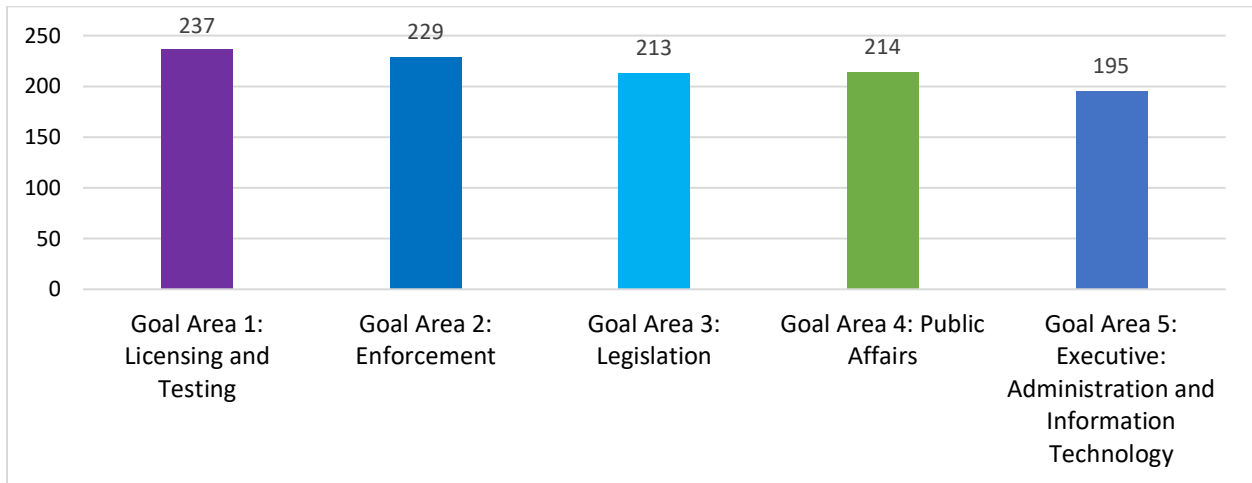
Stakeholders Breakdown	Number	% of Total
Licensee	282	77.9%
Professional Association	27	7.5%
Consumer/Member of the Public	16	4.4%
School/College	5	1.4%
Other	32	8.8%
TOTAL:	362*	100%

**One individual skipped this question.*

Appendix B – Survey Data Reliability

A total of 363 responses were received. Participants can skip questions; thus, each question has its own response rate. Survey data reliability per question is detailed below.

Overall Responses



Goal 1: Licensing and Testing

Based on 237 external stakeholder survey responses regarding Licensing and Testing, we can be 95% confident their opinions represent all California stakeholders plus or minus 4%. For example, 82% of external stakeholders rated the Board’s overall Licensing and Testing effectiveness as Very Effective or Effective. **Based on the response rate, we can be 95% confident between 78% and 86% of external stakeholders would rate the Board’s Licensing and Testing effectiveness the same way.**¹

Goal 2: Enforcement

Based on 229 external stakeholder survey responses regarding Enforcement, we can be 95% confident their opinions represent all California stakeholders plus or minus 4%. For example, 53% of external stakeholders rated the Board’s overall Enforcement effectiveness as Very Effective or Effective. **Based on the response rate, we can be 95% confident between 49% and 57% of external stakeholders would rate the Board’s Enforcement effectiveness the same way.**¹

Goal 3: Legislation

Based on 213 external stakeholder survey responses regarding legislation, we can be 95% confident their opinions represent all California stakeholders plus or minus 4%. For example, 77% of external stakeholders rated the Board’s overall legislative effectiveness as Very Effective

¹ Source: University of Connecticut sample size calculator www.gifted.uconn.edu/siegle/research/samples/samplecalculator.htm

or Effective. **Based on the response rate, we can be 95% confident between 73% and 81% of external stakeholders would rate the Board’s legislative effectiveness the same way.**¹

Goal 4: Public Affairs

Based on 214 external stakeholder survey responses regarding Public Affairs, we can be 95% confident their opinions represent all California stakeholders plus or minus 4%. For example, 70% of external stakeholders rated the Board’s overall Public Affairs effectiveness as Very Effective or Effective. **Based on the response rate, we can be 95% confident between 66% and 74% of external stakeholders would rate the Board’s Public Affairs effectiveness the same way.**¹

Goal 5: Executive: Administration and Information Technology

Based on 195 external stakeholder survey responses regarding Administration and Information Technology, we can be 95% confident their opinions represent all California stakeholders plus or minus 5%. For example, 70% of external stakeholders rated the Board’s overall Administration and Information Technology effectiveness as Very Effective or Effective. **Based on the response rate, we can be 95% confident between 65% and 75% of external stakeholders would rate the Board’s Administration and Information Technology effectiveness the same way.**¹

Data reliability calculator: <https://www.surveysystem.com/sscalc.htm>

To help improve data integrity, the online survey did not provide a neutral option when asking about overall effectiveness. Instead, stakeholders completing the survey chose between a positive choice (Very Effective or Effective) and a negative choice (Very Poor or Poor). This allows the Board to better understand whether stakeholders have a positive or negative view of the Board in various areas.

Appendix C – Stakeholder Comments

This appendix contains the qualitative data relating to the Board’s strengths and weaknesses, as well as trends affecting the Board, collected during the surveys and interviews.

The comments in this appendix are shown as provided by stakeholders. Comments that appear similar or on a specific topic have been organized into categories. Comments that were repeated multiple times are grouped with the amount shown in parentheses. The comments have not been edited for grammar or punctuation to preserve the accuracy, feeling and/or meaning the stakeholder intended when providing the comment. Profane language and confidential information in the comments were redacted.

AGENDA ITEM H

Closed Session

Pursuant to Government Code Section 11126(a)(1) the Board Will Move Into Closed Session to Conduct an Evaluation of the Performance of the Registrar



AGENDA ITEM I

Recess

