

JUNE 22, 2023
LAS VEGAS, NEVADA

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 1





CONTRACTORS STATE LICENSE BOARD

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

STATE OF CALIFORNIA

Governor Gavin Newsom

NOTICE OF PUBLIC BOARD MEETING

Day 1: June 22, 2023, 1:00 p.m. – 4:30 p.m. (or until the conclusion of business)

Teleconference Information to Register/Join Meeting for Members of the Public via
WebEx:

WebEx Link:

<https://cslb.webex.com/cslb/j.php?MTID=m7b6bbbdacfd69118db1a1fc0b84c5e04>

Event password: Vw2ki5Bfmm3 (89254523 from phones)

Join by phone

(844) 621-3956 United States Toll Free

(415) 655-0001 US Toll

Access code: 255 792 33344#

MEETING LOCATION

Carpenters International Training Center

B216 - B217 Ballrooms

212 Carpenters Union Way

Las Vegas, Nevada 89119

Day 2: June 23, 2023, 8:30 a.m. – 11:30 a.m. (or until the conclusion of business)

Teleconference Information to Register/Join Meeting for Members of the Public via
WebEx:

WebEx Link:

<https://cslb.webex.com/cslb/j.php?MTID=m6996e74f971c1003d9a3656c50ad2aa1>

Event password: EHeb9Fv3t52 (34329383 from phones)

Join by phone

(844) 621-3956 United States Toll Free

(415) 655-0001 US Toll

Access code: 255 518 24004#

MEETING LOCATION

Carpenters International Training Center

B216 - B217 Ballrooms

212 Carpenters Union Way

Las Vegas, Nevada 89119

Meetings are open to the public except when specifically noticed otherwise in accordance with the Bagley-Keene 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.

Members of the public may, but are not obligated to, provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will need to provide a unique identifier such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address like in the following sample format: XXXXX@mailinator.com.

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

MEETING AGENDA – Day 1

Thursday, June 22, 2023 – 1:00 p.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Presentation of Certificates of Recognition – May Include Oral Presentations
Commemorating Board Member
- D. Executive
 - 1. Review and Possible Approval of the March 21, 2023, Board Meeting Minutes
 - 2. Review, Discussion, and Action on Nominations Committee Recommendations for Election of 2023-24 Board Officers
 - 3. 2023 Sunset Subcommittee Appointments
 - 4. Registrar’s Report

- a. Review, Discussion and Possible Action on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study
5. CSLB Budget Update
6. Review, Discussion, and Possible Action on 2022-24 Administrative and Information Technology Strategic Plan Objectives
7. Administration Update Regarding Personnel and Facilities
8. Information Technology Update
9. Review, Discussion and Possible Action on 2022 Board Member Administrative Procedure Manual, Chapter 6, Legislation (Board Policy), Changes

E. Legislation

1. Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives
2. Review, Discussion and Possible Action on 2023 Pending Legislation
 - a. AB 336 (Cervantes, 2023) – Contractors: workers' compensation insurance (classification codes on CSLB renewal)
 - b. AB 968 (Grayson, 2023) – Single-family residential property: disclosures (work done on house prior to selling)
 - c. AB 1204 (Holden, 2023) – Contractors: contracts: restrictions (on subcontracting to other subcontractors in same license class)
 - d. AB 1383 (Ortega, 2023) – Contractors: discipline: noncompliance with child support obligations
 - e. SB 544 (Laird, 2023) – Bagley-Keene Open Meeting Act: teleconferencing
 - f. SB 601 (McGuire, 2023) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions
 - g. SB 630 (Dodd, 2023) – Contractors State License Board: regulation of contractors (probationary authority and collection of licensee emails)
3. Review, Discussion and Possible Action on Amendments to Business and Professions Code Section 7071.4 to Address Board Exposure to Risk of Liability for Attorney Fees in Litigation Involving a Deposit in Lieu of Bond (Karton v. Ari Design & Construction (61 Cal.App.5th 734 (2021)))
4. Regulations
 - a. Review, Discussion and Possible Action on Sprinkler Fitters Association of California Petition (Pursuant to Government Code Sections 11340.6 and 11340.7) to Amend Section 832.16 of Title 16, Division 8, Article 3 of

- the California Code of Regulations (C-16 Fire Protection Contractor Classification) to Include “Fire Fighter Air Replenishing Systems”
- b. Review, Discussion and Possible Action on Section 100 Rulemaking Proposal to Raise Fine Maximums to Conform to Business and Professions Code Section 7099.2

F. Enforcement

1. Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives
2. Enforcement Program Update
3. Update on the Solar Energy System Restitution Program

G. Licensing

1. Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Strategic Plan Objectives
2. Licensing and Testing Program Statistical Update

H. Public Affairs

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

I. Adjournment

MEETING AGENDA DAY 2

Friday, June 23, 2023 - 8:30 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Joint Discussion with Nevada State Contractors Board (NSCB)
 1. Presentation by CSLB Chair Mary Teichert Regarding Women in Construction and Discussion Concerning Opportunities to Recruit Women in Leadership Roles
 2. Discussion Regarding NSCB and CSLB Laws and Processes Related to Applicant Background Checks and Requirements for Licensure

3. Discussion and Comparison of NSCB and CSLB Requirements Concerning Workers' Compensation Insurance
4. Presentation Related to the Brightline West Rail Project and Discussion Concerning Nevada/California Partnerships Regarding Cross Border Projects
5. Discussion Concerning the Public Benefit of Licensure and Efforts to Promote Consumer Awareness Regarding the Importance of Hiring Licensed Contractors
6. Discussion Concerning NSCB and CSLB Partnering Opportunities

D. Adjournment

Note: The Board intends to provide a live webcast of the meeting. Please be aware there will be an approximate thirty (30) second delay in the webcast. The webcast can be found at www.cslb.ca.gov 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 canceled if webcast is not available. Meeting adjournment may not be webcast if adjournment is the only item that occurs after a closed session.

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

Instructions for Public Participation in CSLB Teleconference Meeting

The instructions below are for members of the public who want to participate in CSLB's upcoming teleconference meeting, being held via Cisco WebEx. The registration link is on the meeting agenda. There are two ways for you to participate:

1. With Computer, Tablet, or Smart Phone with WebEx
2. With Telephone, not over WebEx

Instructions for each are outlined below.

Please note: In order to participate with a computer, tablet, or smart phone you may need to install a software program. If registering before the meeting, please load this on your computer, tablet, or smart phone at that time. If not, please join at least 15-30 minutes before the meeting starts to give you time to do this.

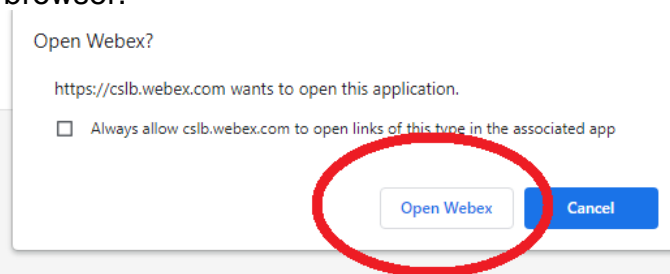
You also will find specifics on how to offer public comment below.

To Watch Meeting & Participate with Computer, Tablet, or Smart Phone with WebEx

This option will provide you live “real time” audio and video of the meeting.

You can join within 30 minutes of the meeting’s start time or while the meeting is in progress:

1. Click on the link provided on the meeting agenda. You will be prompted to either use the WebEx application, or you can choose to join the meeting in your web browser.



Click **Open Webex** on the prompt.

If the prompt doesn't appear, click **Launch Webinar** instead.

Launch Webinar

Don't have Webex? [Download it now.](#)

Having trouble with the app? [Join from your browser.](#)

2. Once you’ve made your selection, enter a name and email address in the appropriate fields.

Please note that the name and email address **do not** have to be your real identity. But, the meeting host will use the name you enter to let you know

when it is your turn to speak during the meeting. So, if you use a different name to identify yourself, be sure to remember that name when you are called upon to speak.

3. When joining the meeting, you will choose how you want to get audio. Your choices are: Through your computer; have WebEx call your phone; or you call WebEx. The phone numbers and meeting access code are provided on the meeting agenda.

To Join with Telephone (Not over WebEx)

Call one of the two phone numbers provided on the meeting agenda. Enter the meeting access code when prompted.

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.

For those listening to phone and not on WebEx

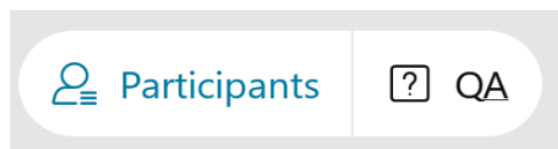
If you want to offer public comment, press *3 on your phone to raise your hand. You'll hear the prompt, "You have raised your hand to ask a question. Please wait to speak until the meeting host calls on you." If you no longer want to comment, or after the host calls upon you, press *3 again to lower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

For those on WebEx with Computer, Tablet, or Smart Phone

Throughout the meeting, any members of the public may indicate they would like to offer comment on a specific agenda item.

Be sure to activate your Q&A feature at the bottom right of your screen.



If you would like to offer public comment on a specific agenda item, send the host a message at any time during that item stating:

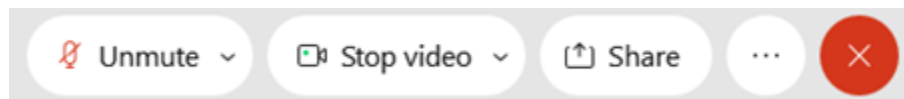
“I would like to make a comment on this item.”

The host will call on the public in the order requests are received. When it is your turn, the host will announce your name, or the name you indicated when you registered, and will unmute your line, allowing you to make your public 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 allotted for each public comment. The host will note this in the chat as well.

Leaving the Meeting

At either the conclusion of the meeting, or anytime you wish to leave, you can do so by clicking on the red circle with X in it at the bottom of your screen. After confirming, you will be disconnected from the meeting.



For those calling in on telephone without WebEx, simply hang up.

ADDITIONAL ASSISTANCE

- **WebEx Troubleshooting Info**
<https://help.webex.com/en-us/WBX9000018881/Troubleshooting-Meetings>
- **WebEx Guide for Setting Up Your Audio**
<https://help.webex.com/en-us/nt2ig0y/Choose-Your-Audio-and-Video-Settings-Before-You-Join-a-Webex-Meeting-or-Event-Slow-Channel>

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



CONTRACTORS STATE LICENSE BOARD

TABLE OF CONTENTS

Contractors State License Board Meeting Thursday, June 22, 2023

A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction	1
B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests	3
C. Presentation of Certificates of Recognition – May Include Oral Presentations Commemorating Board Member	5
D. Executive.....	7
1. Review and Possible Approval of the March 21, 2023, Board Meeting Minutes.....	9
2. Review, Discussion, and Action on Nominations Committee Recommendations for Election of 2023-24 Board Officers	33
3. 2023 Sunset Subcommittee Appointments.....	35
4. Registrar’s Report	37
a. Review, Discussion and Possible Action on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study	
5. CSLB Budget Update.....	39
6. Review, Discussion, and Possible Action on 2022-24 Administrative and Information Technology Strategic Plan Objectives	49
7. Administration Update Regarding Personnel and Facilities	53
8. Information Technology Update	59
9. Review, Discussion and Possible Action on 2022 Board Member Administrative Procedure Manual, Chapter 6, Legislation (Board Policy), Changes	63



CONTRACTORS STATE LICENSE BOARD

TABLE OF CONTENTS

E. Legislation	67
1. Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives	69
2. Review, Discussion and Possible Action on 2023 Pending Legislation	73
a. AB 336 (Cervantes, 2023) – Contractors: workers’ compensation insurance (classification codes on CSLB renewal)	
b. AB 968 (Grayson, 2023) – Single-family residential property: disclosures (work done on house prior to selling)	
c. AB 1204 (Holden, 2023) – Contractors: contracts: restrictions (on subcontracting to other subcontractors in same license class)	
d. AB 1383 (Ortega, 2023) – Contractors: discipline: noncompliance with child support obligations	
e. SB 544 (Laird, 2023) – Bagley-Keene Open Meeting Act: teleconferencing	
f. SB 601 (McGuire, 2023) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions	
g. SB 630 (Dodd, 2023) – Contractors State License Board: regulation of contractors (probationary authority and collection of licensee emails)	
3. Review, Discussion and Possible Action on Amendments to Business and Professions Code Section 7071.4 to Address Board Liability for Attorney Fees as a Result of <i>Karton v. Ari Design & Construction</i> (61 Cal.App. 5th 734 (2021)).....	91
4. Regulations.....	97
a. Review, Discussion and Possible Action on Sprinkler Fitters Association of California Petition (Pursuant to Government Code Sections 11340.6 and 11340.7) to Amend Section 832.16 of Title 16, Division 8 of the California Code of Regulations (C-16 Fire Protection Contractor Classification) to Include “Fire Fighter Air Replenishing Systems”	
b. Review, Discussion and Possible Action on Section 100 Rulemaking Proposal to Raise Fine Maximums to Conform to Business and Professions Code Section 7099.2	



CONTRACTORS STATE LICENSE BOARD

TABLE OF CONTENTS

F. Enforcement	111
1. Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives	113
2. Enforcement Program Update.....	117
3. Update on the Solar Energy System Restitution Program	127
G. Licensing.....	131
1. Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Strategic Plan Objectives.....	133
2. Licensing and Testing Program Statistical Update	137
H. Public Affairs	155
1. Update, Review, Discussion and Possible Action on 2022-24 Public Affairs Strategic Plan Objectives	157
2. Public Affairs Update	159
I. Adjournment.....	177

AGENDA ITEM A

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

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

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

Board Member Roster

RODNEY M. COBOS

DAVID DE LA TORRE

MIGUEL GALARZA

AMANDA GALLO

SUSAN GRANZELLA

ALAN GUY

JACOB LOPEZ

DIANA LOVE

MICHAEL MARK

STEVEN PANELLI

JAMES RUANE

JOHNNY SIMPSON

MARY TEICHERT



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Presentation of Certificates of
Recognition – May Include Oral
Presentations Commemorating
Board Member



AGENDA ITEM D

Executive



AGENDA ITEM D-1

Review and Possible Approval of the March 21, 2023, Board Meeting Minutes





Board Meeting Minutes

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

Board Chair Mary Teichert called the meeting of the Contractors State License Board (CSLB) to order on March 21, 2023, at 8:03 a.m. via WebEx teleconference.

Board Members Present

Mary Teichert, Chair
Rodney Cobos
David De La Torre
Miguel Galarza
Susan Granzella
Alan Guy
Diana Love
Michael Mark
James Ruane
Johnny Simpson

Jacob Lopez and Steven Panelli have approved absences.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Yeaphana La Marr, Chief of Legislation
Jason Perez, Chief of Information Technology
Mike Melliza, Chief of Administration
Steve Grove, Chief of Enforcement
Foad Gharahgozlou, Chief of Licensing
Katherine White, Chief of Public Affairs
Americo Garcia, Public Affairs Manager
Stacey Paul, Budgets Manager
Mariah Rovera, Executive Analyst

DCA Staff Present

Kristy Schieldge, DCA Legal
John Kinn, DCA Legal

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

Chair Teichert announced that Board members David De La Torre and Susan Granzella have been appointed to the Board officer nomination committee. Chair Teichert stated



De Le Torre and Granzella will recommend a slate of officers for Board member consideration and the Board will elect new officers at the June Board meeting.

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

Tabitha Davies expressed their concerns with the results of their CSLB consumer complaint.

Chair Teichert explained that the Board could not discuss the details of Tabitha Davies' complaint and requested Davies leave their contact information for a CSLB representative to contact them after the meeting.

Jerry Munoz requested a future agenda item to consider whether the handyman \$500 fee should be increased.

Registrar David Fogt stated he and Yeaphana La Marr, Chief of Legislation, would follow up with Jerry Munoz.

C. Recognition

Chair Teichert recognized the passing of Anthony “Tony” Forchette, the founder and president of Cal-State Contractors License Services. Chair Teichert offered CSLB’s condolences to the Forchette family and requested a moment of silence.

Chair Teichert recognized the 54 CSLB staff that had staffed 21 disaster recovery centers and local assistance centers at state and federal declared disaster zones throughout California since the end of last year.

Board Member Comment

Vice Chair Diana Love thanked staff for assisting in California’s disaster areas.

Registrar Fogt thanked staff for going the extra mile to assist at the remote disaster recovery centers’ locations and appreciated their commitment to consumer protection.

Public Comment

Chuck Messig thanked staff who helped in disaster areas and the Board for protecting consumers.

D. Executive

1. Review and Possible Approval of the December 8, 2022, Board Meeting Minutes

Chair Teichert asked for Board member edits to the December 8, 2022, Board Meeting Minutes. No edits were suggested by the Board.

Motion: To approve the December 8, 2022, Board Meeting Minutes. Moved by James Ruane; David De La Torre seconded. Motion carried, 10-0.



YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Jacob Lopez, Steven Panelli

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

2. Review and Possible Approval of the February 16, 2023, Licensing and Legislative Committee Meeting Summary Reports

Agenda item D2 was heard out of order.

Chair Teichert asked for Board member edits to the February 16, 2023, Licensing and Legislative Committee Meeting summary reports. No edits were suggested by the Board.

Motion: To approve the February 16, 2023, Licensing and Legislative Committee Meeting summary reports. Moved by Diana Love; James Ruane seconded. Motion carried, 10-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Jacob Lopez, Steven Panelli

3. Registrar’s Report

a. Tentative Board Meeting Schedule

Registrar Fogt stated the next scheduled Board meeting is June 22 and 23 in Las Vegas, Nevada. The Registrar added that Executive Analyst Mariah Rovera will survey Board members regarding availability for an August or September quarterly meeting in Sacramento.

b. 2022 Activities and Accomplishments Report

Registrar Fogt explained the Activities and Accomplishments was distributed to all Board members and is available to the public on the homepage of CSLB’s website under “What’s New.”

c. Disaster Response



Registrar Fogt provided a summary of the recent CSLB disaster response efforts. Registrar Fogt explained that CSLB had responded to 22 local assistance centers (LACs) and disaster recovery centers (DRCs) from January to March and expected three more centers to open in San Bernardino County.

d. Update on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study

Registrar Fogt referenced the December 8, 2023, Board meeting’s approval to hire consultants to research the underground economy. The Registrar stated hiring a state university would be a preferred method and anticipated having a university selected by the June 2023 Board meeting. Registrar Fogt added the Board’s approval of \$50,000 to \$100,000 to perform a workload case study focused on enforcement complaint process and workload expectations. Registrar Fogt indicated CPS, who also performed the fee increase, has expressed interest in performing the enforcement study.

Board Member Comment

Chair Teichert thanked Registrar Fogt for their work and research.

Public Comment

There was no public comment.

4. CSLB Budget Update

Budget Manager Stacey Paul detailed the final authorized budget of \$80 million, year-end projections of \$91.5 million which include \$78 million of Board expenditures, \$6.3 million in mandatory external costs, and reserves of \$16 million. Budget Manager Paul stated CSLB is spending below the 52% budget authority, while exceeding prior revenue by 27% and attributes that figure to new fees implemented in January 2022 equating to \$10 million in additional revenue. Budget Manager Paul discussed a \$2.9 million fiscal year budget increase from \$77 million to \$80 million due to approved bargaining agreements related to staff salary increases, retirement, and benefits to cover health rate increases. Budget Manager Paul shared budget year 2023-24 projections, stating the current balance of \$9.1 million is projected to be \$16.2 million by fiscal year end with a gradual increase to \$19.4 million by the next fiscal year. Budget Manager Paul explained the Construction Management Education Account (CMEA) fund appropriation has reached \$175,000 and continues to receive donations. Budget Manager Paul explained staff will continue to work with the administration to increase CSLB authority with the disbursement of additional grants to qualified institutions. Budget Manager Paul concluded their update stating increases in new and HIS applications, renewals, and license population have remained steady over the last year.

Board Member Comment

Member Michael Mark thanked Budget Manager Paul for their hard work, citing the importance of reserves and acknowledged staff effort.



Member Susan Granzella thanked Budget Manager Paul and staff for their hard work and addressing reserves with priority.

Public Comment

There was no public comment.

5. Administrative Update Regarding Personnel and Facilities

Chief of Administration Mike Melliza introduced the administrative update on page 52 of the Board packet. Chief Melliza explained CSLB's Administration Division completed 58 transactions for fiscal year 2022-23. Chief Melliza detailed CSLB vacancies stating fiscal year 2022-23 held an average of 46 vacancies out of 425 authorized positions and emphasized efforts with CSLB hiring managers and Department of Consumer Affairs Human Resources to sustain and improve recruitment with outreach activities like job fairs statewide. Chief Melliza also referenced the joint efforts of CSLB's Public Affairs and Personnel offices to increase public visibility on social media platforms by deploying surveys on job opportunity advertisements with the expectation of gathering feedback to determine which method has the most effective reach. Chief Melliza explained page 55 of the Board packet referenced contracts, procurement, and facilities activities, citing the closure of testing centers in Norwalk, San Jose, San Bernardino, and San Diego as part of a transition to testing contractor PSI.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

6. Information Technology Update (Special Presentation on Program Automation)

Chief of Information Technology Jason Perez directed the Board to page 58 for the Information Technology update and introduced guest speaker, Tuhin Verma, Leader of Product and Development at inLumon. Chief Perez recognized and detailed Verma's professional experience and expertise as it related to the demonstration of the licensing software presentation in connection with the Sole Owner licensing application process.

Verma thanked Chief Perez for the introduction and the Board for the opportunity to provide a demonstration of the program they are developing for CSLB. The program would allow license applicants to file a Sole Owner application online.

Chief Perez concluded the Information Technology update by thanking Verma for his presentation and stated the presentation was a model and not the final version for CSLB.

Board Member Comment

Member Granzella asked when the estimated date the software would be available to CSLB.



Chief Perez stated they are anticipating availability by July 2023.

Member Granzella asked what the Q&A process and structure would be for the launch of the software.

Chief Perez responded, stating the information will be available prior to the June Board meeting.

Vice Chair Love asked if there would be a “save” feature that permits an applicant to stop and resume later during the application process.

Verma confirmed there will be a start and resume feature.

Vice Chair Love asked will there be an “in process” option on the application for applicants who have not yet completed their program.

Verma responded, confirming the incorporation of responses to questions requiring more than just a “yes” or “no” response.

Member De La Torre asked if the software will be in multiple languages.

Verma confirmed there is a translation option built into the webpage.

Public Comment

There was no public comment.

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

Chief Perez explained the Information Technology Division was requesting an extension of the target date for Strategic Plan Objective 5.3. Chief Perez detailed partnering with DCA to meet this objective. Chief Perez stated the DCA Office of Information Services deployed a cloud-based solution to replace the current IVR technology and stated CSLB intends to adopt this cloud-based technology and suggested extending the Strategic Plan Objective 5.3 target date to September 2023.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Motion: Amend the 2022-24 Administration and Information Technology Strategic Plan Objective 5.3 target date to September 2023. Moved by Rodney Cobos; David De La Torre seconded. Motion carried, 10-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson



NAY: None

ABSENT: Jacob Lopez, Steven Panelli

E. Licensing

1. Activities and Accomplishments Report

Licensing Committee Chair James Ruane highlighted CSLB hosting monthly virtual “Get Licensed to Build” workshops. Chair Ruane cited an average attendance of 72 people per workshop and reported the first Spanish-language workshop began in 2021 reoccurring monthly into 2022. Chair Ruane detailed the content of the workshops including licensing requirements, review of the benefits of licensure and steps involved in obtaining licensure.

Chair Ruane discussed the Licensing Division’s transition of the home improvement salesperson association and cessation process online. Chair Ruane stated that these documents accounted for 60-80% of the License Modifications Unit’s workload and noted that the transition provides licensees a way to submit notifications timely while simultaneously reducing errors and License Modification Unit backlog. Chair Ruane stated the home improvement salesperson applications were redirected from the Supplemental/Issuance Application to the License Modification Unit with the intention of reducing backlog and overtime.

Chair Ruane announced CSLB’s outstanding liability suspension program was successful in assisting other state agencies and members of the public in recovering \$50 million in outstanding financial liability in 2022. Chair Ruane also announced CSLB offers a Veterans Application Assistance Program for veterans transitioning from military service to civilian employment. Chair Ruane explained the program offers priority services to applicants by evaluating transferable experience, training, and education obtained during service to meet the minimum requirements for a state license. Chair Ruane cited 530 licenses were expedited through this program in 2022.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

2. Licensing and Testing Program Statistical Update

Chair Ruane informed the Board that licensing applications had increased in 2022. Chair Ruane indicated processing times for exam and waiver applications are six weeks and five weeks respectively. Chair Ruane explained licensing application units are working to recruit vacancies left by retirements and nine open positions. Chair Ruane supported overtime for reducing to below three weeks and to erase the backlog by May 2023. Chair Ruane referenced that home improvement salesperson registrations take two weeks to process. Chair Ruane highlighted that since January 2022, processing



license renewals has gone down from three weeks to one week and reminded the Board that with one qualifier on their license can renew online. Chair Ruane emphasized that licensees who choose this option will have their process completed and updated within 24 hours.

Chair Ruane indicated the number of pending applications is currently sitting at 19,758 and is on pace for the anticipated reduction target number of 17,000 with the transition to PSI testing services. Chair Ruane pointed out that staff are working to deploy a survey during the renewal application process to better understand why the renewal applications received in 2022 have declined by 6%. Chair Ruane referenced Senate Bill 216 requiring the C-8, C-20, C-22, and D-49 classifications to obtain workers compensation insurance and reported an observable increase in classification removal requests for these specific classifications, correlating the implementation of Senate Bill 216 to the reduction in application renewals. Chair Ruane updated the Board regarding CSLB's experience verification program and stated the Licensing Division has referred those experience verifications to the Enforcement Division, which has averaged 34 completed application investigations per month.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Chair Ruane updated the Board on the transition of exam administration to PSI in August 2022. Chair Ruane explained PSI offers more testing site locations and after-hours test dates and times, including weekends. Chair Ruane stated 29,000 exams had been administered through PSI and reported most applicants are pleased with the availability of after-hours and weekend testing schedules. Chair Ruane stated staff were investigating some complaints relating to PSI testing monitors. Chair Ruane concluded the testing update confirming the Exam Development Unit has held numerous workshops virtually and in-person with the intention of continued occupational analysis to maintain current examination updates. Chair Ruane directed the Board to pages 80-83 of the Board packet for additional information related to administered exams and exam development.

Board Member Comment

There was no comment.

Public Comment

There was no comment.



3. Business and Professions Code Section 7068.1 Overview – Criteria for Qualifying Additional Licenses

Chair Ruane directed the Board to page 86 of the Board packet and stated the Licensing and Legislative committees met on February 16, 2023, to consider two proposed amendments to Business and Professions Code (BPC) Section 7068.1 regarding criteria for qualifying additional licenses. Chair Ruane introduced Chief of Licensing Foad Gharahgozlou to provide a summary.

Chief Gharahgozlou recited BPC section 7068.1, stating on February 16, 2023, the Licensing and Legislative committees considered two proposed amendments. Chief Gharahgozlou cited the first amendment recommended by CSLB staff as it relates to removing a requirement that qualifying applicants provide the Board with their current employment duty statement. Chief Gharahgozlou confirmed the Legislative Committee voted to recommend to the full Board that the staff pursue a legislative proposal to remove the duty statement requirements from section 7068.1. Chief Gharahgozlou stated one of the ways an applicant qualifies an additional entity is to show that they have 20% ownership in the new entity or new entities subsidiary or that most of the personnel are the same between the current entity and the new one. Chief Gharahgozlou explained this proposal would remove the ownership and subsidiary provisions and replace them with the \$25,000 qualifier license bond. Chief Gharahgozlou stated the staff believed additional research is needed to determine the full impact of the proposal.

Phil Vermeulen from Contractors Licensing Center introduced themselves and cited their 42 years of experience. Vermeulen stated CSLB staff has no way to verify the 20 percent requirement for the additional licenses. Vermeulen stated this is a good consumer protection proposal that they recommend. Vermeulen stated they support the proposed amendment that will reduce staff time researching the requirement and eliminate barriers for small businesses. Barriers include SBA not allowing 20% ownership as part of a loan and obstacles qualifying for insurance.

Registrar Fogt suggested the Board consider a motion to return the proposal to staff until the June 2023 Board meeting, for additional research citing the concerns with how many licensees will be impacted and to determine bonds that have been paid out in the last two years.

Motion: To have staff perform additional research to determine the consumer protection value of a qualifier bond. Moved by Johnny Simpson; Mary Teichert seconded. Motion carried, 10-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Jacob Lopez, Steven Panelli

**F. Enforcement****1. 2022 Activities and Accomplishments Report**

Enforcement Committee Chair Michael Mark highlighted the Enforcement Division's 2022 accomplishments. Chair Mark stated Enforcement completed 20,563 complaint investigations, recovered \$29.4 million in restitution, a 32% increase in legal actions against violators, and 891 egregious misconduct cases were referred to local prosecutors. Chair Mark emphasized the Enforcement Division continues to prioritize action against predatory contractors.

Chair Mark recognized the efforts of CSLB's Special Investigations Unit and detailed two specific criminal cases that yielded successful prosecution of repeat offenders who caused significant property and financial harm within the state of California and are now serving significant sentences for their offenses.

2. Enforcement Program Statistical Update

Chief of Enforcement Steve Grove updated the Board on the results of an investigation and prosecution of Eco Solar. Chief Grove detailed Eco Solar's crimes causing tremendous financial and property damage to consumers. The conviction resulted in 100 consumers being awarded a \$2.2 million restitution payout, and the case was submitted to Los Angeles DA's Office for prosecution. Chief Grove highlighted the arrest and conviction of Adan Rivas, a member of CSLB's most wanted list for multiple felony offenses related to unlicensed contracting. Contreras was sentenced to seven years in prison on March 10.

Chief Grove provided a statistical analysis update and stated as of January 2023, the pending case load was 5,570 consumer-filed complaints, 1,360 more than the optimal case load of 4,210. Chief Grove attributed the excessive number of complaints to the dramatic increase in solar complaints, more than 200 solar complaints per month. Chief Grove stated investigators are committed to working on their cases and added investigators were closing nine cases a month, just below the closure goal of 10.

Chief Grove stated a Board goal was to disposition all but 100 complaints within 270 days of receipt. As of March 2023, aged complaints that exceed 270 days are down from 283 to 243. Chief Grove proposed an Enforcement Committee meeting in April 2023 to discuss possible enforcement process changes to enable staff to focus on more egregious consumer complaints.

Chief Grove highlighted the Enforcement Division's accomplishments, stating that Intake and Mediation Centers recovered \$9.1 million in restitution, \$1.1 million from CSLB-sponsored arbitration, referred 21% of investigations for prosecution, issued more than 500 licensed and non-licensed administrative citations, and revoked 70 licenses.

Chief Grove concluded the Enforcement update stating from October 2022 to January 2023, CSLB's Statewide Investigative Fraud Team (SWIFT) conducted six undercover stings across the state of California. 1,100 investigations resulted in 330 of those cases



leading to administrative or legal action and over 400 advisory notices being issued for minor violations.

Chief Mark noted Enforcement staff's work at the disaster recovery centers and how Enforcement is still doing everything they can to address complaints and bring numbers down.

3. Update on the Solar Energy Restitution Program

Chief Grove updated the Board on CSLB's Solar Energy System Restitution Program (SESRP). Chief Grove cited the introduction of the program in 2021 by Assembly Bill 137 including a \$5 million appropriation to CSLB from the state's General Fund. Of that, \$4 million for restitution and, if needed, up to \$1 million to pay for CSLB administrative costs. Chief Grove stated the program was designed to provide financial restitution to consumers who were financially harmed by a solar contractor because of fraud, misrepresentation, and other unlawful acts, including poor workmanship, abandonment, and who were unable to seek restitution from other sources.

Chief Grove stated that as of March 20, 2023, the Solar Energy System Restitution Program (SESRP) had received a total of 594 claims, with \$2.9 million approved for payment.

Board Member Comment

Member Granzella asked what the next steps were for the Solar Energy System Restitution Program.

Registrar Fogt informed Member Granzella more details about a related PACE Recovery Fund will be provided at the meeting. Other possibilities to continue the fund are being explored and considered.

Chair Mark attributed the increase in enforcement complaints to the high volume of incoming solar complaints related to a few specific contractors being multiple offenders.

Public Comment

Lisa Batista, an attorney, stated their advocacy of the continuance of the SESRP and explained having clients who are seeking to recover lost funds illegally obtained through misrepresentation and incomplete work from solar contractors.

Alan stated their home project had been abandoned by contractors, leaving them exposed to the weather conditions and having to use a tarp to prevent rain from leaking into the home. Alan stated that Echo Solar filed bankruptcy and left unfinished work and asked CSLB for help.

Dani Kando-Kaiser stated they are a policy advocate for the California Low-income Consumer Coalition and National Consumer Law Center. Kando-Kaiser expressed gratitude for CSLB and expressed interest in the continuance of the SESRP.

Josh Buswell-Charkow identified themselves as the Deputy Director at the California Solar and Storage Association (CALSSA). Buswell-Charkow offered a CALSSA



consumer protection hotline to help consumers or consumer aids resolve disputes with contractors.

G. Public Affairs

1. 2022 Activities and Accomplishments Report

Public Affairs Committee Chair Alan Guy addressed the Board and highlighted the Public Affairs 2022 Accomplishments and Activities report. Chair Guy stated the Public Affairs Office increased public presence with in-person and virtual workshops, disaster outreach and contractor education. Chair Guy stated staff distributed industry bulletins, news releases, fielded media inquiries, and broadcasted over 30 livestreams. Chair Guy emphasized the use of social media as the reliable source for community engagement citing increases in following and views.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

2. Public Affairs Update

Chair Guy provided updates on the Public Affairs Office disaster outreach efforts, digital services, social media, stakeholder communications, and Senior Scam Stoppers. Chair Guy highlighted the disaster response for the Humboldt earthquake and local winter storms, also mentioning the expanded reach targeting areas affected by disasters and offering rebuilding workshops. Chair Guy mentioned the digital services offered by the Public Affairs Office including Spanish-language videos and publications, and informative consumer and contractor videos to reduce disaster related scams.

Chair Guy presented “Women in Construction” and “What Seniors Should Know” videos followed by highlighting publications projects created for social media, stakeholder communications, media relations and community outreach using periodic intranet information updates.

Chair Guy stated the Licensing Information Center transitioned to the Public Information Center under the Public Affairs Office as of October 2022.

Board Member Comment

There was no comment.

Public Comment

There was no comment.



3. Update, Review, Discussion and Possible Action on 2022-24 Public Affairs strategic Plan Objectives

Chief of Public Affairs Katherine White requested Strategic Plan Objective 4.2, which establishes a new CSLB Board member orientation, be extended until June 2023, citing staffing shortages and expects filling these positions will assist in the completion of Strategic Plan Objective 4.2.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Motion: Amend the Public Affairs 2022-24 Strategic Plan Objective 4.2 target date to June 2023. Moved by Mary Teichert; seconded by James Ruane. Motion carried, 10-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Jacob Lopez, Steven Panelli

H. Legislation

1. 2022 Activities and Accomplishments Report

Legislative Chair Miguel Galarza directed the Board to page 39 of the Board packet and highlighted Senator Dodd’s passage of Board-sponsored Senate Bill (SB) 216. Chair Galarza explained SB 216 requires proof of workers compensation coverage and went into effect for specific classifications as of January 2023; it will be expanded to all classifications by 2026. Chair Galarza thanked Board members, industry leaders and CSLB Chief Deputy Registrar Michael Jamnetski for their work on SB 216.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

2. Review, Discussion, and Possible Action on Legislative Proposal to Remove the Duty Statement Requirement from Business and Professions Code Section 7068.1

Chair Galarza introduced CSLB Chief of Legislation Yeaphana La Marr to provide a description of the proposal. Chief La Marr explained Assembly Bill (AB) 830 that



requires employees to submit a duty statement is redundant and has created unintended consequences for applicants. Chief La Marr proposed removing language provided by AB 830 to restore Business and Professions Code (BPC) section 7068.1 back to its original form. Chief La Marr cited doing so would not reduce CSLB’s authority for vetting qualifier duties and would not create a fiscal impact. Chief La Marr asked for the Board’s approval to pursue legislation to amend BPC Section 7068.1.

Chair Galarza explained the proposal was reviewed by the Legislative Committee at the February 16, 2023, committee meeting. Chair Galarza added that the motion comes to the Board as a fully formed motion and did not require a first and second prior to a full Board vote.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Motion: To pursue legislation to remove the duty statement requirement from Business and Professions Code section 7068.1. Motion carried, 10-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Jacob Lopez, Steven Panelli

3. Review, Discussion, and Possible Action on Legislative Proposal to Require Performance and Payment Bonds to Perform Residential Construction Following a Declared State of Emergency

Chair Galarza discussed the proposal to require contractors to secure separate performance bonds for each residential project performed in areas declared in a state of emergency. Chair Galarza explained the proposal is intended to protect consumers who are victims of a natural disaster from predatory contractors.

Chief La Marr cited a 650% increase in disaster-related claims and a 50% increase in disaster-related costs and time-consuming processes related to complaints and investigations as causes to implement the proposal. Chief La Marr added the proposal enhances and expedites current CSLB methods of consumer protection and provides consumers an avenue for financial redress. Chief La Marr requested the Board’s approval to share this language with the office of Senator McGuire.

Board Member Comment

Member Guy asked how common bonding is and suggested adding language restricting the contractor from marking it up, reducing any contractor profiting.



Registrar Fogt replied stating that contractor performance bonds are rare in residential construction.

Member Ruane asked if the bond is 50% of the contract.

Chair Galarza confirmed the bond would be for 50% on the contract price.

Registrar Fogt added 3% bond of a \$500,000 contract would be \$15,000.

Member Mark asked if CSLB was seeking a motion to move forward and act in between meetings.

Registrar Fogt clarified CSLB is requesting permission to work with the office of Senator McGuire to present legislation for a contractor performance bond in designated disaster areas.

Member Galarza mentioned surety bonds premiums are affected by contractor performance and contract amount impacts the percent of the bond premium.

Registrar Fogt stated the proposal is being presented as a fully formed motion.

Member Cobos asked if the bill had been assigned a number.

Member Galarza explained it is not yet a formally introduced bill.

Public Comment

There was no comment.

Motion: Board approve sharing this proposal to require a prime contractor to obtain performance and payment bonds to conduct residential reconstruction, restoration, or rebuilding after a natural disaster with the office of the Honorable Senator McGuire. Motion carried, 10-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Jacob Lopez, Steven Panelli

5. Review, Discussion, and Possible Action on Legislative Proposal to Establish a PACE Restitution Fund

Agenda Item H5 heard out of order.

Chair Galarza described the Property Assessed Clean Energy (PACE) Restitution Fund proposal and introduced Stacey Tutt of the National Housing Law Project.

Tutt explained the initial intent of the PACE program and stated recently that intent had deteriorated due to fraud and misinformation causing financial harm to consumers. Tutt referenced the Solar Energy System Restitution Program's (SESRP) recent success as the cause to adopt the proposed PACE Restitution Program Fund. Tutt suggested a



one-time \$32 million budget appropriation to rectify the financial harm caused to consumers based on research confirming two PACE administrators who have settled in litigation represent 72% of the outstanding claims from financially injured PACE creditors.

Board Member Comment

Member Guy asked how the PACE fund would be funded.

Registrar Fogt confirmed funding through the state general fund.

Public Comment

Juan Martinez, director of Pace Nations, stated they are not prepared to support the proposal and cited the need for further analysis due to lack of information provided and asked for the Board to seek more expert opinion. Martinez added the difference in financing options creates inequities to consumers who are not financed through PACE loans specifically and suggested the proposal language consider consumers with other financing sources that may have caused financial harm.

Stephanie Carroll, director of the Consumer Rights and Economic Justice Team at the Public Council, endorsed the plan for PACE restitution and cited that PACE fund administrators rely on predatory door-to-door sales and therefore should suffer the consequences of such business practices.

Gabe Holbert, of Home Run Financing, opposed the proposal citing the proposal unfairly punishes the PACE industry and suggested additional research be conducted.

Allison Snow, director of the University of San Diego Housing Rights Clinic, stated their support. Snow added without the available funds there is no relief.

Attorney Natasha Blazer, of Housing and Economic Rights Advocates, stated their support for the proposal and stated a caseload of consumers suffering financial harm related to PACE programs.

Daniel Alper, an attorney for Housing and Economic Rights Advocates, endorsed support for the proposal and cited misrepresentation and fraud with many of their clients' cases as cause for support.

Joe Jaramillo, an attorney for Housing and Economic Rights Advocates, urged the Board to endorse the proposal and highlighted foreclosure risk due to PACE program misrepresentation and fraud as reason to support the proposal.

Carlton Overstreet, the heir to Carlton Overstreet Sr., testified that the PACE programs created financial harm and forced them to relocate. Overstreet cited predatory advertisements and practices by PACE administrators that harmed their family financially and supported the PACE program proposal.

Board Member Comment

Member De La Torre thanked the speakers and stated hearing from homeowners would have been appreciated and more impactful.



Member Mark stated the proposed language was not before the committee and asked if statute of limitations would affect claims in the new PACE proposal.

Registrar Fogt stated contracts after January 1, 2016, would be considered eligible for consideration in the proposal.

Member Mark asked if the goal is to get the language inserted into the budget and the program created as a state program.

Registrar Fogt responded the Board is being asked to support the creation of a PACE Recovery Fund and emphasized the Board is not sponsoring the legislation. Registrar Fogt stated the language would be introduced into legislation by Stacey Tutt and others and then be reviewed by the Board. Registrar Fogt reiterated that the language is a work in progress.

Motion: Board approve supporting in concept the creation or proposal to create a PACE Restitution Fund for consumers harmed by PACE loans. Motion carried, 9-0.

YEA: Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Mary Teichert, Jacob Lopez, Steven Panelli

6. Review, Discussion, and Possible Action on Legislative Proposal to Apply a Three-Year Statute of Limitations to Violations for Allowing Fraudulent Use of a Contractor License

Chief La Marr explained the purpose of the proposal is to extend the one-year misdemeanor statute of limitations to three years. Chief La Marr cited the positive impact on consumer protection by addressing criminal misuse of a license. Chief La Marr stated that the 1-year statute, in comparison to the time CSLB typically receives consumer complaints, needs to be extended to provide for increased investigation time, thereby resulting in more successful prosecutions.

Board Member Comment

There was no comment.

Public Comment

Motion: Board approve sharing the proposal to increase the statute of limitations for misdemeanor violations of unlawful use of a license with the office of Senator McGuire. Motion carried, 9-0.

YEA: Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None



ABSENT: Mary Teichert, Jacob Lopez, Steven Panelli

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

Chief La Marr requested to extend the Strategic Plan Objective 3.2 due date to December 2023 to review policies, procedures, and current practices for compliance with the Administrative Procedure Act to ensure appropriate decision-making.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Motion: The Board approve to extend Strategic Plan Objective 3.2 due date to December 2023. Moved by Johnny Simpson; seconded by Michael Mark. Motion carried, 9-0.

YEA: Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Mary Teichert, Jacob Lopez, Steven Panelli

7. Review, Discussion, and Possible Action on 2023 Pending Legislation

a. AB 336 (Cervantes) – Contractors: workers’ compensation insurance

Chief La Marr introduced AB 336 and stated its purpose is to prevent workers’ compensation insurance fraud by ensuring contractors appropriately classify employees according to workers’ compensation insurance records by reporting the top three classifications on the license. Chief La Marr requested the Board watch this bill which allows time for staff to collaborate with sponsors to reduce the fiscal impact and clarify CSLB’s role.

Board Member Comment

Member Mark confirmed the recommendation is to look at the bill and reconsider it at the June Board meeting.

Chief La Marr responded verifying the cooperation of sponsors and requesting time to negotiate the responsibility of CSLB and eliminate the possibility of fiscal impact.

Kristy Schieldge of DCA Legal expressed concern for classifications not represented by the Board or staff and suggested staff explore discussion to determine whether the workers’ compensation requirement is appropriate for specific classifications.



Chair Galarza expressed concern for coding the appropriate three codes if a contractor holds more than three classifications. Chair Galarza questioned how this bill further protects the public.

Chief La Marr explained that by having to list the top three requested classifications, the bill will assist in identifying contractors that may or may not be appropriately paying their workers or pay appropriate workers' compensation premiums.

Member Mark stated they supported continuing to watch this bill.

Member Cobos expressed favor in gathering more information.

Public Comment

There was no comment.

Motion: To direct staff to work with the author's office to address the concerns raised at this meeting, and to work with the Legislative Chair and keep them apprised of the issues and their progression. If the issues are addressed, then authorize the Legislative Chair to take a support if amended position. Moved by Michael Mark; seconded by Rodney Cobos Motion carried, 9-0.

Motion carried, 9-0.

YEA: Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Mary Teichert, Jacob Lopez, Steven Panelli

b. AB 1204 (Holden) – Contractors: contracts: restrictions.

Chief La Marr explained the purpose of AB 1383 is intended to prevent contractors from subcontracting with multiple contractors rather than hiring employees to avoid complying with workers' compensation and tax requirements. Chief La Marr stated this bill would impact small business and home improvement projects. Chief La Marr suggested a watch or an oppose, citing the timing of legislation and the impact on businesses and construction projects.

Board Member Comment

Chair Galarza stated that AB 1204 would affect contractors' ability to contract with smaller specialty contractors and suggested considering researching the impact on contractors.

Member Mark asked if AB 1204 was to address 1099 issues.

Chief La Marr confirmed that AB 1204 was to address 1099 issues by contractors avoiding workers' compensation by misclassifying workers as subcontractors.



Registrar Fogt explained AB 1204 was to reduce contractors circumventing workers' compensation laws. Registrar Fogt added concern that the bill may restrict general B contractors from hiring subcontractors on home rebuild contracts.

Member Mark asked if a subcontractor's work is over \$500, must they have a valid license.

Registrar Fogt confirmed contractors contracting over \$500 need to be an employee or be licensed.

Chair Galarza added that contractors are hiring subcontractors of the same classification to avoid workers' compensation laws.

Member Guy stated that the 2026 implementation of the workers' compensation bill may eliminate the need for AB 1204.

Public Comment

There was no comment.

c. AB 1383 (Ortega) – Contractors: discipline: noncompliance with child support obligations.

Chief La Marr explained AB 1383 replaces an existing process that's more cost-effective and less work intensive. Chief La Marr explained that by adopting AB 1383, CSLB would assume responsibility for investigating and adjudicating child support disputes. CSLB may incur a fiscal impact of \$2.5 million over the first two years of implementation. Chief La Marr suggested a watch, citing the author has amendments to introduce.

Board Member Comment

Kristy Schieldge from DCA Legal asked if there was an option to take a position to delegate the Legislative Chair the authority to change the position if the issues are addressed.

Chief La Marr confirmed yes.

Member Mark expressed concern for the potential financial harm caused to contractors who fall behind on child support payments for events they cannot control.

Registrar Fogt commented that a concern for CSLB would be using limited resources to create an appeals process for child support matters.

Member De La Torre suggested a watch.

Chief La Marr explained the decisions of Child Support Services would be the enforcing authority over Family Law.

Member Cobos expressed consideration for the indirect consequences of a non-compliant qualifier affecting the business of subcontractors whom they've employed.



Member Granzella stated the complexity and challenges of this matter can be very expensive and suggested passing a motion would be very difficult. Member Granzella suggested further review of the fiscal impact.

Member Ruane recommended a watch.

Member Guy suggested a watch.

DCA Legal Kristy Schieldge clarified the current policy of a 150-day notice prior to suspension to resolve issues and avoid an improper suspension. Schieldge also added administrative processes could slow down recovery of funds owed.

Chief La Marr verified amendments are being introduced after meeting with the authors, various agencies, and sponsors to make the process automatic.

Public Comment

There was no comment.

d. SB 630 (Dodd) – Contractors State License Board: regulation of contractors.

Chief La Marr stated SB 630 has no fiscal impact and would enhance CSLB’s ability to communicate with licensees and standardize conditions of discipline processes. Chief La Marr requested staff support for SB 630.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Motion: To SUPPORT SB 630. Moved by David De la Torre; seconded by Michael Mark Motion carried, 9-0.

Motion carried, 9-0.

YEA: Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Mary Teichert, Jacob Lopez, Steven Panelli

Board Member

There was no comment.



Public Comment

James Alvarez expressed the workers' compensation and surety bond laws are restrictive and harmful to entry-level contractors and suggested the Board conduct research that allows equitable and fair competition for contractors.

I. Adjournment

Vice Chair Love adjourned the Board meeting at approximately 12:52 p.m.

AGENDA ITEM D-2

Review, Discussion, and Action on Nominations Committee Recommendations for Election of 2023-24 Board Officers



AGENDA ITEM D-3

2023 Sunset Subcommittee Appointments



AGENDA ITEM D-4

Registrar's Report

- a. Review, Discussion and Possible Action on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study



AGENDA ITEM D-5

CSLB Budget Update





CONTRACTORS STATE LICENSE BOARD

CSLB BUDGET UPDATE

CSLB Budget Update

Fiscal Year (FY) 2022-23 CSLB Summary

CSLB has an authorized final Governor’s Budget of \$80 million.

CSLB projects the final year-end revenue at \$92.5 million and board expenditures at \$78 million. In addition to its board expenditures, the board projects \$6.3 million in external mandatory costs.

As a result of these figures and projections, CSLB assumes the fund reserve would increase to \$17.2 million (approximately 2.4 months’ reserve) at current fiscal year-end.

This information is summarized in the chart below:

FY 2022-23 BUDGET SUMMARY

Description	Amount
Beginning Reserve Balance	\$9,053,000
<i>Projected Final Year-End Totals:</i>	
Revenue	\$92,500,000
Board Expenditures	\$78,000,000
External Costs	\$6,335,000
Total Expenditures	\$84,335,000
Ending Reserve Balance (Projected)	\$17,218,000
Months in Reserve	2.4

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

- Expenditures
- Revenue
- CSLB fund condition
- Construction Management Education Account fund condition



Expenditures

Through April 30, 2023, CSLB spent or encumbered \$62.8 million, roughly 80 percent of its FY 2022-23 budget:

EXPENDITURE DESCRIPTION	FY 2022-23 BUDGET ACT	APRIL 2023 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	\$31,369,000	\$23,084,838	\$8,284,162	26.4%
Board Members	16,000	4,500	11,500	71.9%
Temp Help	860,000	536,811	323,189	37.6%
Exam Proctor	41,000	11,151	29,849	72.8%
Overtime	146,000	188,430	-42,430	-29.1%
Staff Benefits	17,151,000	12,724,070	4,426,930	25.8%
TOTALS, PERSONNEL	\$49,583,000	\$36,549,800	\$13,033,200	26.3%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	\$19,362,000	\$17,956,251	\$1,405,749	7.3%
Exams – Subject Matter Experts	436,000	103,607	332,393	76.2%
Enforcement	10,869,000	8,862,117	2,006,883	18.5%
TOTALS, OE&E	\$30,667,000	\$26,921,975	\$3,745,025	12.2%
TOTALS	\$80,250,000	\$63,471,775	\$16,778,225	20.9%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-104,856	-248,144	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-570,336	570,336	
GRAND TOTALS	\$79,897,000	\$62,796,583	\$17,100,417	21.4%

Revenue

CSLB received the following revenue amounts through April 30, 2023:

Revenue Category	Through 04/30/2023	Percentage of Revenue	Change from prior year (04/30/2022)
Duplicate License/Wall Certificate Fees	\$384,021	0.5%	90.8%
New License and Application Fees	\$19,379,943	23.4%	28.6%
License and Registration Renewal Fees	\$52,244,267	63.2%	13.7%
Delinquent Renewal Fees	\$8,253,305	10.0%	29.0%
Citation Penalty Assessments	\$1,956,946	2.4%	33.1%
Misc. Revenue	\$482,518	0.5%	98.0%
Total	\$82,701,000	100.00%	19.5%



CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund, which shows the final fiscal year (FY) 2021-22 reserve with adjustments (\$9.1 million, approximately 1.3-month reserve), along with the projected reversion amounts for current year (CY) 2022-23 through budget year (BY) 2023-24:

<i>(Dollars in thousands)</i>	Final FY 2021-22	Projected CY 2022-23	Projected BY 2023-24
Beginning Balance <i>(Fund/Savings Account)</i>	\$1,865	\$9,053	\$17,218
Prior Year Adjustment	\$1,537	\$0	\$0
Adjusted Beginning Balance	\$3,402	\$9,053	\$17,218
Revenues and Transfers			
Revenue	\$82,474	\$92,500	\$88,000
Total Resources <i>(Revenue + Fund/Savings Acct.)</i>	\$85,876	\$101,553	\$105,218
Expenditures			
Board Expenditures	\$68,473	\$78,000	\$78,520
External Costs	\$5,728	\$6,335	\$6,335
State Retirement (CalPERS) General Fund Payback	\$2,622	\$0	\$0
Total Expenditures	\$76,823	\$84,335	\$84,855
Ending Balance <i>(Fund/Savings Account)</i>	\$9,053	\$17,218	\$20,363
Months in Reserve	1.3	2.4	2.8
Dollars in Reserve	\$9.1 M	\$17.2 M	\$20.4 M

Notes:

- 1) Board expenditures include staff pay, benefits, and operating expenses.
- 2) External costs include statewide pro rata.
- 3) CY 2022-23 & BY 2023-24 assumes workload and revenue projections.
- 4) CY 2022-23 assumes board expenditures is Governor's Budget with typical \$2 million in savings and BY 2023-24 assumes proposed Governor's budget with no savings.



Construction Management Education Account (CMEA) Fund Condition

Below is the CMEA fund condition, which shows the final fiscal year (FY) 2021-22 reserve of \$501,000, along with the projected reversion amounts for current year (CY) 2022-23 through budget year (BY) 2023-24:

<i>(Dollars in thousands)</i>	Final FY 2021-22	Projected CY 2022-23	Projected BY 2023-24
Beginning Balance	\$ 492	\$ 501	\$ 511
Prior Year Adjustment	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 492	\$ 501	\$ 511
Revenues and Transfers			
Revenue	\$189	\$195	\$189
Totals, Resources	\$ 681	\$ 696	\$ 700
Expenditures			
Disbursements:			
Program Expenditures (State Operations)	\$5	\$10	\$10
Local Assistance Grant Disbursements	\$175	\$175	\$175
Total Expenditures	\$ 180	\$ 185	\$ 185
Fund Balance			
Reserve for economic uncertainties	\$ 501	\$ 511	\$ 515

Notes:

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



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Statistics Summary

All Applications Received

Month	2019-20	2020-21	2021-22	2022-23
July	4,511	3,323	4,479	3,749
August	4,733	3,863	3,527	5,926
September	4,366	3,441	3,398	5,094
October	4,166	4,324	3,909	4,640
November	3,854	3,168	2,958	3,683
December	3,320	2,681	4,687	3,523
January	4,132	3,112	4,634	4,116
February	4,068	3,178	3,881	4,177
March	3,649	3,585	4,967	4,488
April	2,284	3,083	4,969	4,562
Total	39,083	33,758	41,409	43,958

% Change from Prior FY 6.2%

Original Applications Received (includes exam and waivers)

Month	2019-20	2020-21	2021-22	2022-23
July	1,935	1,311	1,782	1,779
August	1,967	1,226	1,138	2,235
September	1,820	1,122	1,153	1,767
October	1,616	1,834	1,311	2,126
November	1,440	1,218	1,020	1,517
December	1,245	926	2,544	1,601
January	1,829	1,099	1,965	1,959
February	1,697	1,083	1,642	2,122
March	1,594	901	2,161	2,294
April	1,060	535	2,087	2,229
Total	16,203	11,255	16,803	19,629

% Change from Prior FY 16.8%
% of Apps Rcvd are Original Apps 45.0%



Original Licenses Issued

Month	2019-20	2020-21	2021-22	2022-23
July	1,426	1,032	1,650	1,571
August	1,331	1,084	1,760	1,408
September	1,293	1,171	1,516	1,375
October	1,383	1,257	1,438	1,278
November	1,195	1,119	1,339	1,050
December	1,181	1,115	1,418	1,128
January	1,263	880	1,413	1,035
February	1,118	657	1,230	1,138
March	1,102	98	1,698	1,380
April	940	1,170	1,809	1,101
Total	12,232	9,583	15,271	12,464

% Change from Prior FY -18.4%

Licenses Renewed

Month	2019-20	2020-21	2021-22	2022-23
July	11,234	12,460	7,232	10,339
August	9,631	10,396	11,805	10,445
September	9,409	11,507	10,443	9,784
October	7,901	9,252	8,112	9,029
November	6,003	6,843	8,737	8,680
December	7,846	11,087	10,694	8,335
January	9,582	10,271	7,979	9,984
February	7,163	7,174	8,797	8,924
March	12,059	11,923	12,762	10,591
April	13,174	11,265	10,235	9,032
Total	94,002	102,178	96,796	95,143

% Change from Peak FY 2020-21 -6.9%
% Change from Non-Peak FY 2021-22 -1.7%

Original HIS Registrations Issued

Month	2019-20	2020-21	2021-22	2022-23
July	677	596	533	693
August	526	487	742	830
September	634	570	677	821
October	579	594	722	779
November	594	513	513	754
December	519	444	519	567
January	429	523	467	864
February	457	396	452	852
March	350	554	824	729
April	400	672	484	850
Total	5,165	5,349	5,933	7,739

% Change from Prior FY 30.4%



HIS Registrations Renewed

Month	2019-20	2020-21	2021-22	2022-23
July	408	646	541	551
August	497	714	588	596
September	421	646	566	602
October	387	548	571	576
November	212	385	538	529
December	534	385	571	483
January	319	464	440	591
February	294	477	441	549
March	571	656	561	712
April	408	610	498	602
Total	4,051	5,531	5,315	5,791

% Change from Prior FY 9.0%

License Population by Status

Status	Jun. 1, 2020	Jun. 1, 2021	Jun. 1, 2022	Jun. 1, 2023
Active	229,529	229,414	236,024	236,111
Inactive	53,674	51,902	50,509	48,436
Total	283,203	281,316	286,533	284,547

% Change from Prior FY -0.7%

HIS Registration Population by Status

Status	Jun. 1, 2020	Jun. 1, 2021	Jun. 1, 2022	Jun. 1, 2023
Active	20,816	22,610	25,011	28,581

% Change from Prior FY 14.3%

Complaints By Fiscal Year

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

AGENDA ITEM D-6

Review, Discussion, and Possible Action on 2022-24 Administrative and Information Technology Strategic Plan Objectives





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

Strategic Plan Item 5.1: Regularly report to the Board on IT security to protect and secure CSLB sensitive data.

Ongoing. CSLB security policy and enhancement updates have been reported to the Board at regularly scheduled quarterly meetings since August 2022. There has been discussion to explore with the Executive Division and Board Chair adding a second member to the IT Advisory Committee.

Strategic Plan Item 5.2: Research and develop tools in addition to existing annual surveys that will provide the Board and staff with feedback on the public's perception of staff performance and customer service.

Ongoing. CSLB's Business Services Office plans to add a "How is CSLB doing?" comment and suggestion box to each of CSLB's public counters to track and receive feedback on how CSLB is assisting consumers and licensees. CSLB IT is working on the development of a survey for the online renewal processes.

Strategic Plan Item 5.3: Replace the automated phone system to ensure callers can speak to a representative in a timely fashion.

Ongoing. An Amazon Connect demo was held in early April to show how the cloud-based platform would work and eventually replace the current automated phone system. The transition into that system is ongoing, including performing a fiscal analysis to compare costs with the current system.

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

Ongoing. The Administration Division is working with the Public Affairs Office on a recruitment campaign on social media. This includes paid and unpaid posts in LinkedIn and unpaid posts on Facebook, Instagram, and Twitter. The campaign is underway with more results available later this year. Also, online resources are continuously added to CSLB's intranet for supervisors/managers that provide tools for hiring and onboarding new staff. An onboarding video for new CSLB employees was created by the Public Affairs Office and is now available to newly hired staff. In addition, CSLB is bringing back the in-person "Welcome to CSLB" orientation class scheduled for the summer of 2023. This is an immersive week-long course for new and existing employees to learn how CSLB works from beginning to end in each division. Lastly, CSLB is seeking to



reclassify existing Consumer Services Representative (CSR) positions in the Enforcement Division to the more broadly used Staff Services Analyst (SSA) classification, which will enhance staff recruitment by increasing the candidate pool to fill vacancies. CSLB is working with DCA's Office of Human Resources and California's Office of Human Resources (CalHR) to move forward with this reclassification effort.

Strategic Plan Item 5.5: Evaluate applicant and licensee online logins or profiles to help tailor the content to the user, track submissions/interactions, etc.

December 2024: Implementation. This item will receive a verbal update at the meeting.

AGENDA ITEM D-7

Administration Update Regarding Personnel and Facilities





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATION UPDATE

Administration Update Regarding Personnel and Facilities

Personnel Unit

Transactions

During the third quarter of Fiscal Year 2022-23 (January 1-March 31, 2023), CSLB Personnel staff completed 26 personnel transactions. This included the addition of eight employees from other state agencies and nine employees new to state service. Within CSLB, there were six promotions and two transfer appointments. In addition, one employee accepted a Training and Development assignment.

Total Number of Personnel Transactions Per Quarter – FY 2022-23

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	7	11	8	---
New to State Service	3	10	9	---
Student Assistants	0	1	0	---
Retired Annuitants	3	1	0	---
Promotions	9	7	6	---
Transfers within CSLB	10	26	2	---
Training and Development	1	2	1	---
Total Per Quarter	33	58	26	

Total Number of Personnel Transactions Per Quarter – FY 2021-2022

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



Vacancies

CSLB averaged 45 vacancies out of 425 authorized positions in the third quarter of Fiscal Year 2022-23. In May 2023, the vacancy rate was below the goal of less than 10%. The Personnel Unit continuously works with CSLB hiring managers and the 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
2022-23	52	51	54	48	46	44	46	45	45	43	41	---
2021-22	43	45	49	52	51	45	47	50	47	44	46	42
2020-21	43	50	51	50	47	51	55	50	47	49	45	40
2019-20	21	25	31	35	34	34	23	22	24	22	36	40

Employee Recruitment

CSLB continues to work with DCA, the California Department of Human Resources (CalHR) and other organizations on opportunities to partner and participate in career fairs and recruitment/outreach events. The Personnel Unit is also working closely with the Public Affairs Office in tracking the results of recruitment campaigns.

Examinations

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

ADMINISTERED BY DCA	STATUS	DATE
Consumer Services Representative	Effective date of last exam:	May 2023
	Next effective date of exam:	November 2023
Office Services Supervisor II	Effective date of last exam:	November 2022
	Tentative effective date of next exam	TBD
Supervising Special Investigator, I	Effective date of last exam:	January 2023
	Tentative effective date of next exam	August 2023
Supervising Special Investigator II	Effective date of last exam:	December 2022
	Next effective date of exam:	June 2023



Administration Update Regarding Facilities, Contracts, and Training

Facilities

- **Sacramento:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Sacramento Headquarters office. The tenant improvement list was submitted to the Department of Consumer Affairs (DCA) and the Department of General Services (DGS) for approval. The current lease expires October 31, 2026.
- **West Covina:** The lease was extended due to delays in completing the tenant improvements. The lease extension term dates are as follows, January 1, 2023 through December 31, 2023.
- **Norwalk Enforcement:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Norwalk Enforcement field office. The tenant improvement list was submitted to the Department of Consumer Affairs (DCA) and the Department of General Services (DGS) for approval. The current lease expires October 31, 2023.
- **San Jose Testing:** The suite is vacated; however, due to this being a state-owned building, CSLB is responsible for rent until the building is sold, or until space is leased to another state entity. Staff are waiting for notification from DGS that the building has been sold.
- **San Diego Testing:** The lease was terminated effective March 1, 2023.

Contracts

Contracts in process:

- The CPS HR Consulting contract for Enforcement process improvement and production study goals is in process.
- The DCA, Division of Investigation contract for Peace Officer background investigations is in process.
- The Foothill Transcription Company, Inc. contract for transcription services is in process. The current contract expires June 30, 2023.
- The Neopost USA Inc. contract for postage meter maintenance and rental services is in process. The current contract expires June 30, 2023.
- The California Highway Patrol interagency agreement for protective service duties is in process. The current contract expires June 30, 2023.



- The Department of Human Resources interagency agreement to conduct psychological screening services for Peace Officer applicants is in process. The current contract expires June 30, 2023.
- The Employment Development Department (EDD) contract for data sharing between EDD and CSLB is in process. The current contract expires September 10, 2023.

Executed contracts:

- The American Express Travel Related Services Company, Inc. contract for online credit, debit, and charge card acceptance services is in process. The new term dates of the contract are as follows July 1, 2023, through June 30, 2028.
- The West Publishing Corporation dba West, A Thomson Reuters Business contract for access to an electronic library database is in process. The new term dates of the contract are as follows July 1, 2023, through June 30, 2024.
- The debt collection services contract was executed. Verliance was the winning vendor for this contract. The new term dates of the contract are as follows May 1, 2023, through April 30, 2026.

Training

- Staff are monitoring the completion of three (3) mandatory training courses for 2023. These trainings include:
 - *“Sexual Harassment Prevention Training,”* which is required biannually for all employees. All staff completed this training.
 - *“Information Security Awareness Fundamentals,”* which is required annually for all employees.
 - *“Continual Leadership Training and Development”* includes 20 hours of ongoing leadership training and is required every two (2) years for Supervisory, Managerial and Career Executive Assignment employees.

AGENDA ITEM D-8

Information Technology Update





Information Technology Update

Business Modernization

CSLB's IT Division recognizes the importance of business modernization and digital transformation in today's fast-paced technological landscape. CSLB has made significant investments in modernizing its technology infrastructure and leveraging new technologies to improve its operations and services.

One key aspect of CSLB's modernization efforts has been the adoption of cloud services. By leveraging cloud services, CSLB has been able to reduce the costs of maintaining and upgrading IT infrastructure, while also improving its operations and services.

The IT Division is in the initial phase of the business modernization effort. IT has conducted a thorough assessment of CSLB's existing Licensing system, processes, and workflows. This involved engaging with key stakeholders to understand their pain points, requirements, and future goals. The insights gathered during this phase were instrumental in developing a comprehensive modernization plan.

One of the primary goals is to digitize and automate manual processes to improve efficiency and user experience. Staff has identified the sole owner original application as a key service that can be automated, and work has begun on this digital transformation to simplify and expedite service delivery.

Information Technology Security Updates

CSLB's IT Division is focused on improving its IT security posture to ensure that the organization's data and operations remain secure. CSLB IT recently completed the State of California's Military Department cybersecurity assessment on CSLB's infrastructure. This weeklong assessment included analysis of host vulnerability and hardening, network penetration testing and analysis. In preparation, the IT Division implemented new security technologies and tools to improve its ability to detect and respond to security incidents.

CSLB has made significant improvements to its incident responses. In partnership with DCA, CSLB will transition to a new Information Technology Service Management tool. This new tool will include procedures for notifying stakeholders, staff, and the public, if necessary, of their service request status to the IT Division.

CSLB recognizes that human error is often a significant factor in security breaches. To address this, staff has prioritized security awareness training for all CSLB employees. These training programs provide education on best practices for data protection, phishing awareness, password security, and social engineering prevention. By fostering a culture of security awareness, CSLB empowers our employees to be the first line of defense against cyber threats.



Communication Infrastructure

As part of CSLB's ongoing efforts to modernize systems and improve collaboration across the organization, staff has started the transition from the current physical phone VOIP system to Microsoft Teams Calling.

Microsoft Teams Calling is a comprehensive cloud-based communication platform that offers a wide range of features, including voice calling, video conferencing, instant messaging, and collaboration tools. This transition will not only streamline our communication processes but also enhance productivity and enable seamless collaboration among teams.

This simplified communication tool will provide a unified platform for all communication needs, eliminating the need for separate phone systems and conferencing solutions. With Teams Calling, staff can make and receive calls directly from their computers, laptops, or mobile devices, allowing for flexible and convenient communication.

IT anticipates the transition to Microsoft Teams Calling will be complete within the next few months. During this time, CSLB's IT team will closely monitor the process, address any issues that arise and provide ongoing support to all users.

AGENDA ITEM D-9

Review, Discussion and Possible Action on 2022 Board Member Administrative Procedure Manual, Chapter 6, Legislation (Board Policy), Changes





Review, Discussion and Possible Action on 2022 Board Member Administrative Procedure Manual Updates

Business and Professions Code (BPC) section 7006 requires the board to meet on a quarterly basis. Additionally, BPC 7010 vests the board with all functions and duties relating to administration of the Contractors State License Law. Among those administrative functions are considering legislative proposals for approval and sponsorship and taking positions on proposed legislation of interest (bills) to the board.

The Legislative calendar is set every year by the Legislature. This calendar provides various deadlines the Legislature must meet for proposed legislation (bills) to continue moving through the process to approval and ultimately, presentation to the Governor for enactment or veto. The calendar is typically 8 to 9 months, during which time, bills can be amended several times.

When the board takes a position on a bill, the position is only valid on the version of the bill effective on the date of the board vote. When a bill is amended, the position may no longer stand. In addition, legislative proposals may need amendments to secure an author or support after introduction.

Proposed Changes to Board Member Manual

Staff request flexibility to conduct legislative work between board meetings to effectively communicate the board's positions and carry out legislative proposals. Staff recommend the following changes to page 16 of the board member manual:

Legislation

(Board Policy)

In the event that time constraints preclude board action, the Board delegates to the chair of the legislative committee the authority to take action on legislation that would change Contractors State License Law that impacts a previously established board policy or affects the public's health, safety, or welfare. Prior to taking a position on legislation, the registrar or legislative division chief, after consultation with the registrar, shall consult with the ~~board chair and the~~ chair of the legislative committee. The Board shall be notified of such action as soon as possible.

All staff proposals for legislation shall include a statement of the policy or purpose the legislative proposal is intended to achieve. If the Board approves a proposal for staff to seek authorship of a legislative bill, the board's approval shall extend authorization for staff to:

- Locate and secure a legislative author for the bill;
- Communicate in public hearings and in written letters the Board's support for any bill introduced based on that proposal as a "board sponsored" bill;
- Negotiate amendments, both technical and substantive, as long as the amendments are in furtherance the policy or purpose identified in the proposal on which the board previously took a position.

AGENDA ITEM E

Legislation



AGENDA ITEM E-1

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





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

Strategic Plan Item 3.1: Host an annual legislative day to build proactive relationships with lawmakers and to enhance effectiveness.

April 2023 and annually thereafter. The Legislative Division was not able to schedule a 2023 legislative day due to scheduling conflicts; however, staff are coordinating with board members to participate in Senior Scam Stopper events when they are held in nearby locations. These events provide an opportunity to meet with legislators and/or staff to increase CSLB's visibility at the Legislature. On June 9, 2023, Board member and Legislative Committee Chair, Miguel Galarza, participated in a Senior Scam Stopper event in Milpitas, California, which was hosted by Assemblymember Alex Lee.

Strategic Plan Item 3.2: Review policies, procedures, and current practices for compliance with the Administrative Procedure Act to ensure appropriate decision making.

Ongoing. This review is currently underway as part of the sunset report writing process.

Strategic Plan Item 3.3: Use plain language in all CSLB legislative proposals and bill analyses for better consumer and contractor understanding.

Immediate and ongoing. Analyses are currently written with readability in mind.

Strategic Plan Item 3.4: Pursue legislation requiring workers' compensation insurance for all contractors to protect consumers and workers.

September 2022. This objective was achieved with enactment of SB 216 (Dodd, Chapter 978, Statutes of 2022).

Strategic Plan Item 3.5: Identify and include fiscal impacts for the Board's consideration in all legislative proposals and bill analyses.

Immediate and ongoing. Fiscal impacts are included in all bill analyses and proposals.

Strategic Plan Item 3.6: Review and collaborate with local and state government to determine if CSLB's hazardous and asbestos certification remain viable and are effective in protecting consumers in declared disaster areas.

July 2023. Staff plans to begin stakeholder consultations in early July 2023.

AGENDA ITEM E-2

Review, Discussion and Possible Action on 2023 Pending Legislation

- a. AB 336 (Cervantes, 2023) – Contractors: workers’ compensation insurance (classification codes on CSLB renewal)
- b. AB 968 (Grayson, 2023) – Single-family residential property: disclosures (work done on house prior to selling)
- c. AB 1204 (Holden, 2023) – Contractors: contracts: restrictions (on subcontracting to other subcontractors in same license class)
- d. AB 1383 (Ortega, 2023) – Contractors: discipline: noncompliance with child support obligations
- e. SB 544 (Laird, 2023) – Bagley-Keene Open Meeting Act: teleconferencing
- f. SB 601 (McGuire, 2023) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions
- g. SB 630 (Dodd, 2023) – Contractors State License Board: regulation of contractors (probationary authority and collection of licensee emails)





Review, Discussion, and Possible Action on 2023 Pending Legislation: Summary of Bills

The Board acted on or reviewed the bills listed below. The following statuses are current as of June 12, 2023. Updates will be provided at the board meeting on June 22, 2023. Full bill analyses follow these summary pages.

- a. **AB 336 (Cervantes, 2023) – Contractors: workers' compensation insurance:** Requires licensees to certify the top three workers' compensation classification codes endorsed on the licensee's workers' compensation policy at renewal.

Link:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB336

Board Position: None (March 2023)

Status: Passed by Senate Committee on Business, Professions and Economic Development (BPED). Will be referred to Senate Committee on Appropriations.

- b. **AB 1204 (Holden, 2023) – Contractors: contracts: restrictions:** Prohibits specialty contractors from subcontracting with more than one subcontractor in the same specialty classification on the same jobsite unless specific conditions exist.

Link:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1204

Board Position: None (March 2023)

Status: Scheduled to be heard by Senate BPED on June 19, 2023.

- c. **AB 1383 (Ortega, 2023) – Contractors: discipline: noncompliance with child support obligations:** Would have required CSLB to withhold license issuance or renewal if a qualifier was not in compliance with a child support order or judgement. This bill would have required licensees to notify the Registrar in writing if they were subject to a child support order; failure to do so would have been cause for license suspension. This bill also would have required disciplinary action upon notification by any party having knowledge of the child support order and unpaid arrearages.

Link:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1383

Board Position: None (March 2023)

Status: 2-year bill – held in the Assembly Committee on Business and Professions.



- d. **SB 630 (Dodd, 2023) – Contractors State License Board: regulation of contractors:** Requires applicants and licensees of CSLB to provide an email address, if available, at the time of initial licensure and renewal and specifies that licensee email addresses are not subject to disclosure under the California Public Records Act. Additionally, this bill would authorize the Registrar to revoke a license when probationary conditions placed upon that license are not met.

Link:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB630

Board Position: Support (March 2023) (Board sponsored)

Status: Scheduled to be heard by Assembly B&P on June 20, 2023.



Review, Discussion, and Possible Action on 2023-24 Pending Legislation

a. Assembly Bill (AB) 336 (Cervantes) – Contractors: workers’ compensation insurance.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB336

STATUS/LOCATION (as of June 12, 2023): Passed by the Senate Committee on Business and Professions on June 12, 2023; to be heard by the Senate Committee on Appropriations.

SPONSOR: District Council of Iron Workers of California

SUBJECT: Contractors: workers’ compensation insurance

CODE SECTION: Adds § 7125.6 to the Business and Professions Code (BPC).

SUMMARY: This bill would require licensees who are not exempt from workers’ compensation requirements to certify on the CSLB license renewal form the top three (by payroll) workers’ compensation classification codes (WCC) endorsed on the licensee’s workers’ compensation policy. This bill would prohibit renewal without that certification but provides for retroactive renewal if the licensee complies within 30 days after notification by CSLB that the renewal was rejected.

This bill would also specify that CSLB is not responsible for verifying or investigating the accuracy of the classification codes provided by licensees.

EXISTING LAW: The Contractors State License Law requires, as a condition of initial licensure, reinstatement, reactivation, renewal or continued maintenance of a C-8, C-20, C-22, C-39 or D-49 license, a current and valid certificate of workers’ compensation insurance or certification of self-insurance (BPC [§ 7125](#)).

Effective January 1, 2026, all license classifications will be required to have a valid certificate of workers’ compensation insurance, regardless of whether they have employees, as a condition of licensure (BPC [§ 7125](#), operative January 1, 2026).

There is currently no requirement that a licensee report workers’ compensation classification codes for their employees.

COMMENT/ANALYSIS: AB 336 is a reintroduction of AB 2894 (Cooper, 2022), which was pulled from consideration before a vote by the Senate Committee on Appropriations. The Board briefly discussed, but did not take a position on, AB 2894.

This bill is intended to address a concern raised by industry about some contractor licensees who have workers’ compensation insurance but do not accurately report to



their insurance provider the work performed by their workers. The WCC is a code used by workers' compensation insurers when contractors obtain workers' compensation insurance coverage. A WCC is assigned based on the type of work performed by the employees and workers' compensation premiums are based on these codes. According to the author's fact sheet, since rates for workers' compensation insurance vary based on the WCC code(s) used, some contractors may intentionally misclassify their employees to pay lower rates (e.g., classifying a roofing employee as an office worker or a painting employee).

CSLB does not determine the coverage amount that is required for an entity to obtain workers' compensation insurance. During the initial licensure and renewal processes, CSLB verifies the applicant or licensee has workers' compensation insurance or an exemption on file in accordance with the Contractors State License Law; however, CSLB does not verify that the applicant or licensee is paying the correct rate for the employees they have. Additionally, CSLB does not have jurisdiction to enforce employee misclassification.

The author's fact sheet states AB 336 will "allow both the public and the rest of the construction industry to verify that the level of workers' compensation insurance each contractor provides to its workers is appropriate for the kind of construction work their employees are performing." However, if a contractor's employees vary because of contracted work or other factors, the reported classifications may not be valid, thereby reducing the informational value of posting the codes.

FISCAL IMPACT: \$227,500.

The sponsor incorporated amendments to its original language that reduce the fiscal impact, including limiting website reporting to three classification codes. AB 336 would require staff time and workload to make changes to CSLB enterprise licensing system and website to receive and post workers' compensation classification code data. Costs would include hiring a limited-term IT consultant to, among other things, add new classification codes to CSLB's system and allow data to post from the system to the licensee's public data portal and the CSLB's website, including collaborating with and downloading information from Workers' Compensation Insurance Rating Bureau.

Update: At the sponsor's request, IT staff reviewed the fiscal impact to determine if there are any cost savings we did not identify. The fiscal remained the same.

STAFF RECOMMENDATION: NEUTRAL. This bill was amended on April 12, 2023, to explicitly state CSLB is not responsible for verifying or investigating the accuracy of classifications provided by applicants and licensees. The amendments were made in response to Board member concerns about whether CSLB would incur any liability from licensees misreporting their WCCs to the Board.



b. Assembly Bill (AB) 968 (Grayson) – Single-family residential property: disclosures.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB968

STATUS/LOCATION (as of June 12, 2023): Scheduled to be heard by the Assembly Committee on Judiciary on June 20, 2023.

SPONSOR: Author-sponsored

SUBJECT: Single-family residential property: disclosures.

CODE SECTION: Adds § 1102.6h to the Civil Code (CCC)

SUMMARY: This bill would require sellers of property purchased within the previous 18 months to disclose to the new buyer any room additions, modifications, or alterations made to the property, as well as the name and contact information of any contractor who performed the modifications. This bill would also require the seller to turn over to the buyer all permits obtained for the work performed.

EXISTING LAW: Business and Professions Code (BPC) section [7028](#) provides that it is a misdemeanor to act in the capacity of a contractor without a license unless one of the exemptions to contractor licensure applies (BPC [§ 7040](#), et seq).

BPC section [7044](#) provides exemptions from licensure for property owners, provided the improvements are not intended for sale, the owner performs all the work, the owner contracts with a licensed contractor to perform the work, etc.

BPC section [7031.5](#) requires each city or county that requires permit issuance prior to construction, alteration, improvement or demolition to also require permit applicants to provide a statement of licensure or exemption under the Contractors State License Law.

CCC sections [1102-1102.6](#) requires a seller of residential property to provide the buyer with The Real Estate Transfer Disclosure Statement.

The Real Estate Law authorizes the Department of Real Estate to take disciplinary action when an agent does not provide all required disclosures, including The Real Estate Transfer Disclosure Statement (BPC [§ 10176.5](#)).

COMMENT/ANALYSIS: The practice of house flipping, or buying real property to make modifications and quickly sell at a profit, creates a strong incentive to find cost savings when making improvements to the property. To increase profitability, work is frequently performed without regard for license requirements, without obtaining necessary permits, exhibiting below standard workmanship, and other issues.



This bill is intended to improve transparency about renovations made to increase the property value at the time of sale. Currently, sellers are required to make specific disclosures to buyers, including an explanation of whether any room additions, structural modifications, or other alterations or repairs are made without necessary permits or were done without complying with building codes. The disclosure does not currently require the seller to provide the name or contact information of the person responsible for completing the modifications, alterations, or repairs. The disclosure also does not require providing a copy of the permits that were obtained, to the new owner.

This bill would provide consumers with valuable information about the modifications and alterations that were performed on the property shortly before their purchase. By requiring the seller to disclose the contractor(s) and contact information, as well as to provide permits, this bill would encourage sellers to comply with the Contractors State License Law, local permit requirements, and the California Building Code. Further, consumers would know who to contact to address any workmanship defects they find after purchase.

FISCAL IMPACT: This bill does not create a workload or fiscal impact for CSLB.

STAFF RECOMMENDATION: SUPPORT



- c. **Assembly Bill (AB) 1204 (Holden) – Contractors: contracts: restrictions.**
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1204

STATUS/LOCATION (as of June 12, 2023): Referred to the Senate Committees on Business, Professions and Economic Development (BPED) and Labor, Public Employment and Retirement; scheduled for hearing by BPED on June 19, 2023.

SPONSOR: State Building and Construction Trades Council of California (Sponsor) and International Union of Painters and Allied Trades (Co-Sponsor)

SUBJECT: Contractors: contracts: restrictions.

CODE SECTION: Add § 7035 to the Business and Professions Code (BPC)

SUMMARY: This bill would prohibit specialty contractors from subcontracting with more than one subcontractor in the same classification as the specialty contractor on the same jobsite unless: 1) the subcontractor has employees who perform the work in the relevant classification or 2) the specialty contractor is signatory to a collective bargaining agreement for the work being conducted. This bill would make a violation of this section cause for disciplinary action.

EXISTING LAW: The Contractors State License Law requires a license to perform the duties of a contractor. Existing law requires workers' compensation insurance for issuance, reinstatement, reactivation, renewal, or continued maintenance of a license (BPC [§ 7125](#)). Failure to meet workers' compensation requirements is cause for license denial or disciplinary action against an existing license (BPC [§ 7125.2](#)).

Effective January 1, 2023, [Senate Bill \(SB\) 216](#) (Dodd, Chapter 978, Statutes of 2022) requires all C-8, C-20, C-22, and D-49 contractors to carry workers' compensation insurance regardless of whether the contractor has employees. Contractors in all other classifications who do not have employees may file an exemption from workers' compensation requirements until January 1, 2026, when SB 216 requires all licensees to obtain workers' compensation insurance.

Labor Code section [2750.5](#) provides that a worker performing services for which a contractor's license is required is presumed to be an employee (not an independent contractor) unless among other things, they hold a valid contractor's license.

COMMENT/ANALYSIS: According to the author, in lieu of having employees and payroll, contractors may subcontract with several contractors rather than carry workers' compensation insurance and make unemployment insurance payments for employees. By preventing multiple subcontracts with more than one contractor in the same classification on the same jobsite, this bill is intended to encourage contractors to hire journey-level employees rather than subcontracting with multiple contractors



to avoid meeting workers' compensation and tax withholding requirements. Because the contractors in this scenario do not comply with employment requirements, the author states they are able to underbid contractors that hire employees and are compliant with Labor Code requirements.

Update: As introduced, this bill was not clear about to whom the restriction would apply – general contractors, specialty contractors, or others. The sponsors worked with stakeholders and on April 27, 2023, amended the bill to clarify that the restriction applies only to specialty contractors. The amendments also specify that the restriction would apply only to a single project or undertaking. Finally, the amendments add definitions relevant to the substantive portion of the bill.

Staff have identified the following pros and cons of this bill:

Pros:

- This bill could be seen to complement SB 216 by making contractors accountable for tax withholding and obtaining workers' compensation insurance for their employees.
- This bill could incentivize contractors to properly classify their employees as such and subsequently, comply with other employment laws.

Cons:

- Smaller contractors may be disqualified from subcontracting on larger jobs if they do not have enough employees in their specific classification because the primary contractor would be unable to secure another subcontractor.
- Any consumer protection value this bill would provide is not clear.
- CSLB does not enforce employee misclassification.

FISCAL IMPACT: Minimal fiscal impact. Ensuring contractors comply with this bill would add a level of complexity to existing investigations, but this bill is not anticipated to create a significant fiscal impact to CSLB.

STAFF RECOMMENDATION: NEUTRAL



d. AB 1383 (Ortega) – Contractors: discipline: noncompliance with child support obligations.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1383

For the status of this bill, please see the text that precedes the bill analyses.



e. **SB 544 (Laird) – Bagley-Keene Open Meeting Act: teleconferencing.**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB544

STATUS/LOCATION (as of June 12, 2023): Referred to the Assembly Committee on Governmental Organization. Hearing date not yet scheduled.

SPONSOR: California Commission on Aging

SUBJECT: Bagley-Keene Open Meeting Act: teleconferencing.

CODE SECTION: Amends Government Code (GC) § 11123

SUMMARY: This bill would permanently grant authority for state bodies (board) to conduct remote meetings so long as the board provides the public with a means to hear audio of the meetings, provides a way the public can remotely observe the meeting, and includes the method to access the meeting remotely, whether conference call or online platform, on the posted agenda.

This bill would require at least one physical site to be listed on the agenda. The board would also be required to implement and advertise a procedure to meet accessibility requirements consistent with the Americans with Disabilities Act and disclose any members of the public who are 18 years of age or older at the remote location and describe the general nature of the relationship with the individual(s).

This bill would also state the Legislature’s findings and declarations that acknowledge the efficiencies that remote meetings provide, as well as increased public participation, a larger pool of people who can serve, and reduced travel costs.

EXISTING LAW: Business and Professions Code (BPC) [§ 7000.5](#) establishes the Contractors State License Board, a 15 member state body, which must meet at least once each quarter pursuant to BPC [§ 7006](#).

GC [§ 11120](#) et seq. establishes the Bagley-Keene Open Meeting Act (Bagley-Keene), which requires state bodies, as defined, to conduct business in meetings with an opportunity for public participation.

Bagley-Keene authorizes state bodies to hold teleconference meetings so long as, among other things, the location of each teleconference is open to the public and published on the agenda, votes are taken by roll call, and at least one member of the board is present at each location (GC [§ 11123](#)).

GC [§ 11133](#) allows remote meetings to be held so long as requirements are met but will be repealed on July 1, 2023.



COMMENT/ANALYSIS: In response to risks associated with traveling and holding large gatherings due to COVID-19, the Governor issued Executive Order [N-25-20](#) on March 12, 2020, and [N-29-20](#) on March 17, 2020. These executive orders authorized state bodies to hold meetings by teleconference and waived requirements to post each location from which a member of the state body was calling, make each location open to the public, and for member locations to be within the territory to establish a quorum.

Assembly Bill 361 (Rivas, Chapter 165, Statutes of 2021) added GC section 11133 to Bagley-Keene to codify authority for public bodies to meet remotely, provided certain requirements were met. As enacted, GC section 11133 was to be repealed on January 31, 2022; however, the repeal date was subsequently extended to July 1, 2023, by Senate Bill 189 (Committee on Budget, Chapter 48, Statutes of 2022). SB 544 would indefinitely allow remote meetings when certain conditions are met.

While these bills were effective, the Legislature realized remote meetings could be conducted effectively while keeping public participation and accessibility intact. Additionally, significant cost savings have been reported by state entities.

This bill would define “participate remotely,” as “participation in a meeting at a location other than the physical location designated in the agenda of the meeting,” and waives the requirement to post the locations of board members who are participating remotely. According to the Legislature’s findings and declarations, “removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member’s private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public’s right to access information concerning the conduct of the people’s business.”

Although staff recognize the value of meeting in person, remote meetings have provided greater public participation and created cost savings for CSLB from employee travel, meeting room costs, and time associated with planning an in-person meeting. This bill would provide flexibility in meeting planning, allowing CSLB to conduct remote meetings when necessary or wanted. This bill does not affect in-person meetings, but this bill would be effective January 1, 2024, requiring CSLB to hold in-person meetings throughout the remainder of 2023.

FISCAL IMPACT: No fiscal impact would be imposed by this bill. CSLB would achieve minor cost savings each time a meeting is held remotely.

STAFF RECOMMENDATION: SUPPORT. Authorize staff to work with the Legislative Committee Chair to continue to SUPPORT SB 544 should this bill be amended to include an urgency clause or other technical amendments as long as the concept of permissive remote meetings remains in the bill.



- f. **SB 601 (McGuire) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions.**
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB601

STATUS/LOCATION (as of June 12, 2023): Referred to Assembly Committee on Business and Professions and Assembly Committee on Public Safety; scheduled to be heard on June 20, 2023, by the Committee on Business and Professions.

SPONSOR: Author-sponsored

SUBJECT: Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions.

CODE SECTION: Amends Business and Professions Code (BPC) § 7159.5 and Penal Code § 802.

SUMMARY: SB 601 would increase the statute of limitations for misdemeanor violations pertaining to unlawful use of a license. It is supported by consumer complaints received from designated disaster areas where licensed contractors unlawfully allowed unlicensed contractors to use their license for disaster rebuilds. This bill would also increase the civil penalties for specified home improvement contract violations in declared disaster areas.

EXISTING LAW: The Contractors State License Law does not classify unlawful use of a license as a misdemeanor. The Board derives its misdemeanor authority for violations of fraudulent use of a license from BPC section [119](#), which is in the general BPC that applies to all DCA programs.

Separately, Penal Code (PC) section [802](#) provides statute of limitations to prosecute certain misdemeanor violations of the BPC ranging from one year of the commission of the offense to three years after discovery of the offense. The statute of limitations for a violation of BPC section 119 is currently one year from the date of violation, pursuant to PC section 802 (a).

BPC section [7159.5](#) requires home improvement contracts to be in writing and include the agreed contract amount (subdivision (a)(1)), limits down payments to \$1,000 or 10% of the contract price, whichever is less (subd. (a)(3)), and prohibits progress payments that exceed the value of the work performed or material delivered (subd. (a)(5)). Additionally, subd. (b) sets the civil penalties for violating these requirements between \$100 and \$5,000.

COMMENT/ANALYSIS:

This concept and language to extend the statute of limitations for violations of BPC section 119 were presented to the board and approved as a legislative proposal at



the board meeting on March 21, 2023. That proposal also included new performance and payment bond requirements for rebuilds, restorations, and repairs conducted in disaster areas, which was subsequently opposed by sureties. The author amended the bill to remove the bond requirements and instead, increase civil penalties for violations of home improvement contract requirements committed in disaster areas.

Extended Statute of Limitations for Fraudulent Use of a License – A critical element of disaster response is to protect the safety and welfare of disaster victims by reducing the potential for unlicensed predatory contractors to take advantage of disaster victims. CSLB participates in California Office of Emergency Services (Cal OES) initiatives to protect consumers whose homes were damaged by disasters. Activity includes conducting outreach at Local Assistance Centers to educate homeowners about contractor licensing requirements. However, a consumer cannot protect themselves by checking a license if the unlicensed contractor is unlawfully using the valid license of another contractor. Fraudulent use of a valid license undermines safeguards provided by the licensing process where consumers are confident the contractor has been fingerprinted, is insured, and has the knowledge and skills necessary to operate as a contractor.

This proposal would allow CSLB time needed to investigate and refer misdemeanor violations of fraudulent license use for prosecution, which will serve as a deterrent and better protect consumers who are in the process of rebuilding or repairing their homes after a disaster. The current one-year statute of limitations is insufficient as consumers typically wait to file a complaint until problems arise on the job and CSLB must investigate other potential violations, including financial crimes and workmanship issues.

Increased Civil Penalty for Home Improvement Contract Requirements – When consumers use an unlicensed contractor or pay large (and illegal) down payments or progress payments, the likelihood of poor workmanship or job abandonment increases. Both are issues frequently found as consumers file complaints during the process to rebuild after a natural disaster. Although these practices are illegal, the civil penalty is relatively low for the egregiousness of the violation (\$100-\$5,000).

FISCAL IMPACT: Minor and absorbable with no impact to enforcement staff workload and no IT impact.

STAFF RECOMMENDATION: SUPPORT. The Board voted to approve the legislative proposal containing the provisions to extend the statute of limitations at its meeting on March 21, 2023. Staff additionally recommends SUPPORT for the provision to increase the civil penalty for violating down payment and progress payment requirements. Together, these amendments will increase CSLB's ability to protect consumers through referrals for prosecution for the most egregious cases involving fraudulent use of a license and illegal payment practices.



- g. SB 630 (Dodd) – Contractors State License Board: regulation of contractors.**
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB630

STATUS/LOCATION (as of June 12, 2023): Referred to the Assembly Committee on Business and Professions and the Committee on Judiciary; scheduled to be heard on June 20, 2023, by the Assembly Committee on Business and Professions.

SPONSOR: Contractors State License Board (CSLB)

SUBJECT: Contractors State License Board: regulation of contractors

CODE SECTION: Adds § 7083.2 to the Business and Professions Code (BPC) and amends BPC § 7095.

SUMMARY: SB 630 would require CSLB applicants and licensees to provide an email address, if available, at the time of initial licensure and renewal. This bill would require licensees to update their email address within 30 days of a change and specify that licensee email addresses are not subject to disclosure under the California Public Records Act (CPRA). Additionally, this bill would authorize the Registrar to revoke a license when probationary conditions placed upon that license are not met.

EXISTING LAW: SB 630 proposes **two** unrelated concepts:

1. Email Address Submission

The Contractors State License Law requires anybody who desires a contractor's license to submit an application on a form prescribed by CSLB (BPC [§ 7066](#)), which includes an address. Further, BPC sections [136](#) and [7083](#) require licensees to timely update the board of changes to their license information. However, CSLB is not authorized by law to require applicants and licensees to submit an email address at the time of application or renewal or update an email address if there is a change.

2. Reinstates a License Revocation for Failing to Meet Probationary Terms

Boards and bureaus within DCA are bound to the Administrative Procedure Act (APA) in Government Code (GC) [§§ 11500](#), et seq., which provides notice and opportunity to be heard (due process) before a license is revoked. The APA also allows boards to “stay” (or pause) a decision to revoke a license by requiring the licensee to comply with specific terms and conditions of probation (GC [§ 11519](#)).

The CSLB “Disciplinary Guidelines” implement these requirements by authorizing the Registrar to order between one and three years of probation for any of the violations of the Contractors State License Law (see [§ 871](#) of Article 7, Division 8, of Title 16 of the Code of Regulations (16 CCR)). The Disciplinary Guidelines further authorize the Registrar to automatically reimpose revocation without further notice if



a contractor on probation fails to make restitution. BPC [§ 125.3](#) also allows the Registrar to refuse to reinstate a license when the licensee fails to pay investigative and enforcement costs ordered in a disciplinary proceeding.

Existing law does not authorize the Registrar to automatically reimpose revocation when a licensed contractor fails to comply with other terms of probation outlined in CSLB's Disciplinary Guidelines, such as taking trade-specific course work or retaking the CSLB law and business examination and/or CSLB trade examination.

COMMENT/ANALYSIS:

1. Email Address Submission:

CSLB's large licensee population – currently more than 285,000 – makes it cost prohibitive for CSLB to send information by U.S. Mail each time it needs to distribute information about new legislation, industry bulletins, notices of board and stakeholder meetings to licensees, and other important information to licensees. Additionally, widespread adoption of technology and environmental concerns have led to many people preferring paperless methods of communicating.

The high cost of mailing has led to CSLB increasingly using listserv email notifications to educate licensees on information they need to maintain their license. However, to receive listserv updates, licensees must access the CSLB website and "opt in" to receive information by email. As a result, distributed information only reaches those who subscribe to email alerts, leaving most licensees unaware of changes to their license maintenance requirements or construction business. At least four programs within DCA have recently obtained authority to collect email addresses for their applicants and licensees.¹

2. Revocation for Failing to Meet Probationary Terms

This bill consolidates CSLB's disciplinary authority by adding reference in the Contractors State License Law to CSLB's existing authority to: 1) order probationary conditions be imposed (derived from the APA); 2) order cost recovery (BPC [§ 125.3](#)); and 3) reimpose revocation for failure to complete probation terms (CSLB's Disciplinary Guidelines).

These amendments would be consistent with other boards and bureaus within DCA that incorporate APA authority into their practice act and specifically authorize a board or bureau to impose probation pursuant to the APA.²

¹ Since 2020, the Speech-Language Pathology & Audiology & Hearing Aid Dispensers Board, Dental Hygiene Board of California, California Board of Accountancy, and BPELSG have obtained similar authority.

² Chiropractors; Dentists; Dental Hygienists; Physicians; Midwives; Occupational Therapists; Physical Therapists; Vocational Nurses; Accountants; Fiduciaries; Engineers; Barbers and Cosmetologists; Private Investigators; Alarm Companies; Cemetery and Funeral Providers; Geologists and Geophysicists; Structural Pest Control Operators; Land Surveyors; Electronic and Appliance Repair Dealers; Automotive Repair Providers; and Household Movers.



Additionally, SB 630 would standardize the process for licensees who fail probationary conditions imposed as disciplinary action. CSLB Disciplinary Guidelines currently authorize the Registrar to automatically revoke a license when a licensee fails to pay restitution as a condition of probation. However, the Disciplinary Guidelines do not provide authority to automatically reimpose revocation for failing to comply with probationary conditions that require the contractor to take trade-specific courses, as well as the CSLB law and business examination, and/or CSLB trade examination.

These probationary terms are intended to ensure the contractor has the necessary degree of knowledge to be licensed, yet CSLB must reinstate the license after the probationary period ends. CSLB must then file a separate disciplinary action and request a hearing on the licensee's failure to take the course work or pass the examinations. This process is not cost-effective and conflicts with CSLB's responsibility to ensure contractors possess the knowledge to be licensed.

FISCAL IMPACT: Minor and absorbable IT costs to program Teale system to accept email addresses.

STAFF RECOMMENDATION: Update only. The Board voted to **SUPPORT** this bill at its meeting on March 21, 2023.

AGENDA ITEM E-3

Review, Discussion and Possible Action on
Amendments to Business and Professions
Code Section 7071.4 to Address Board
Exposure to Risk of Liability for Attorney Fees
in Litigation Involving a Deposit in Lieu of
Bond (Karton v. Ari Design & Construction
(61 Cal.App.5th 734 (2021)))





Review, Discussion and Possible Action on Amendments to Business and Professions Code Section 7071.4 to Address Board Exposure to Risk of Liability for Attorney Fees in Litigation Involving a Deposit in Lieu of Bond (Karton v. Ari Design & Construction (61 Cal.App.5th 734 (2021)))

Background

At the March 25, 2021, board meeting, a public commenter alerted the Board and its legal counsel to a California Appellate Court case (Karton v. Ari Design & Construction: https://scholar.google.com/scholar_case?case=11045464683830676391&hl=en&as_sdt=6&as_vis=1&oi=scholarr). The case involved a civil dispute between a contractor and a consumer where the court found a surety bond company (Wesco Insurance Company) liable for \$90,000 in attorney fees for the litigation. This judgement amount is well more than the surety liability on any contractor bond (\$12,500 at the time of the Karton case, \$25,000 today). The case greatly expands surety financial liability on contractor bond cases, which could increase the cost of the license bond, require more license bond underwriting, and/or preclude potential licensees from obtaining a bond at all. As a result, surety companies are considering legislation that would limit the amount of surety liability for attorney fees on a contractor license bond.

Separately, on or about April 20, 2023, a deputy attorney general representing CSLB in a routine “cash deposit” bond case where CSLB is listed as a codefendant because of the cash deposit, alerted the CSLB Executive Office that the Karton case was being used to make CSLB liable for consumer’s attorney fees in a civil case against a contractor. This was the first CSLB learned of the case being used in this way.

Cash deposits refer to cashier’s checks (filed with the state) or certificates of deposits (filed with private banks) by contractors who do not want to use a surety company for their required license bond. The law provides that only CSLB can “release” these bonds to a consumer and only when a civil court has issued an order to do so (usually at the end of a civil case involving a bond). For several years with minimal issues, CSLB has paid deputy attorney generals to monitor these cases and alert CSLB when to release the bond. There are fewer than 10 of these cases a year.

Problem

Based on the Karton decision, CSLB may currently be liable for over \$100,000 attorney fees in the current consumer/contractor civil case, is exposed to financial liability for attorney fees in all future “cash deposit” civil cases, and must pay the Attorney General to defend CSLB from not paying out without a court order. This legal interpretation is possible because California Bonds and Undertaking laws (Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure) considers CSLB a “surety” in situations when it is holding cash deposits for contractors until their dispute is resolved. This is contrary to the policy and purpose behind “cash deposits,” which is simply to provide contractors with poor credit, no social security number, or other reasons for not wanting to use a



CONTRACTORS STATE LICENSE BOARD

PROPOSAL TO AMEND B&P CODE § 7071.4 REGARDING ATTORNEY FEES

surety company alternative means of complying with the CSLB bond requirement. When a contractor commits an act that exposes their bond to payout, CSLB is not legally responsible. CSLB’s only role in these cases is to protect the consumer (and the funds) by making the cash deposit bond funds available when the court has directed CSLB to dispense the funds to an injured party.

Solution

Amend the Contractors State License Law to expressly provide that CSLB is not liable for attorney fees in civil claims involving a contractor’s cash deposit on license bond.

Fiscal Analysis

None. Current financial exposure may exceed hundreds of thousands of dollars a year. Making this change removes this liability and poses no additional fiscal impact to the Board.

Draft Language

Business and Professions Code section 7071.4

(a) Each person licensed under the provisions of this chapter and subject to any of the bonding provisions of this article shall maintain the requisite bond as executed by an admitted surety insurer or as deposited with the registrar pursuant to paragraph (1) of subdivision (a) of Section 995.710 of the Code of Civil Procedure in the appropriate amount. Notwithstanding Article 7 (commencing with Section 995.710) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure, no other method of deposit, including, but not limited to, a certificate of deposit, shall satisfy a bond requirement under this article.

...

[Other subdivisions not relevant to this proposal excised for clarity]

...

(h) Legal fees may not be charged by the board against any alternative given in lieu of a bond filed with the registrar before January 1, 2019, or deposited with the registrar pursuant to subdivision (a). *In addition, the board shall not be liable for any legal fees in any civil action against a bond executed by an admitted surety insurer or cash deposited with the registrar as described in subdivision (a).*

STAFF RECOMMENDATION

That the Board approve this proposal to protect CSLB from liability for attorney fees in license bond civil cases and authorize staff to seek legislative authorship using the draft language in this proposal. Authorize staff to work with stakeholders and the legislature



CONTRACTORS STATE LICENSE BOARD

PROPOSAL TO AMEND B&P CODE § 7071.4 REGARDING ATTORNEY FEES

to make technical or substantive changes to the proposal that are not contrary to the policy of precluding CSLB liability for attorney's fees in bond-related civil cases.

AGENDA ITEM E-4

Regulatory Updates / Actions

- a. Review, Discussion and Possible Action on Sprinkler Fitters Association of California Petition (Pursuant to Government Code Sections 11340.6 and 11340.7) to Amend Section 832.16 of Title 16, Division 8, Article 3 of the California Code of Regulations (C-16 Fire Protection Contractor Classification) to Include “Fire Fighter Air Replenishing Systems”
- b. Review, Discussion and Possible Action on Section 100 Rulemaking Proposal to Raise Fine Maximums to Conform to Business and Professions Code Section 7099.2





Review, Discussion and Possible Action on Sprinkler Fitters Association of California Petition (Pursuant to Government Code Sections 11340.6 and 11340.7) to Amend Section 832.16 of Title 16, Division 8, Article 3 of the California Code of Regulations (C-16 Fire Protection Contractor Classification) to Include “Fire Fighter Air Replenishing Systems”

BACKGROUND

Pursuant to Government Code (GC) section 11340.6, and with certain exceptions, any interested person may petition regulatory action provided that the petition clearly states: 1) the substance or nature of the regulation, amendment, or repeal requested; 2) the reason for the request; and 3) reference to the authority of the state agency to take the action requested.

CSLB received a petition from the Sprinkler Fitters Association of California (SFAC) on May 11, 2023, requesting the amendment of California Code of Regulations (CCR) Section 832.16 related to the Fire Protection Contractor classification. The petition requests the addition of “and fire fighter air replenishing systems” to CCR Section 832.16, as follows:

“A fire protection contractor lays out, fabricates and installs all types of fire protection systems and fire fighter air replenishing systems; including all the equipment associated with these systems, excluding electrical alarm systems.”

According to the petition, it is in the state’s interest to keep first responders safe in the event of a fire where fire fighter air replenishing systems (FARS) are installed in buildings. The petition states that there is no current requirement as to who may install or repair a FARS in California, and the most qualified to install piping and system components that are placed in structures for life safety measures are C-16 Fire Protection Contractors.

Business and Professions Code section 7059 authorizes CSLB to adopt regulations reasonably necessary to make contractor classifications consistent with established usage and procedure as found in the construction business and allows CSLB to limit the field and scope of a licensed contractor’s operations to those classified and qualified to engage.

PROBLEM

Before CSLB employs/engages/initiates the rulemaking process, the record of the rulemaking must demonstrate by substantial evidence the need for a regulation (GC section 11349). If CSLB grants this petition, it must commence rulemaking immediately. However, the petition at issue (which follows this update) does not explain with substantial evidence why the addition of FARS technology is necessary to add to the C-16 regulation.



CONTRACTORS STATE LICENSE BOARD

DISCUSS PETITION TO AMEND CCR SECTION 832.16

The petition references the *International Fire Code, Appendix L – Requirements for Fire Fighter Air Replenishment Systems (2022) (Appendix L)*, which outlines the design, installation, and maintenance requirements for the FARS. In Appendix L, the FARS is defined as “A permanently installed arrangement of piping, valves, fittings and equipment to facilitate the replenishment of breathing air in self-contained breathing apparatus (SCBA) for fire fighters engaged in emergency operations.”

According to the petition, the Office of the State Fire Marshal (SFM) has not adopted Appendix L statewide but states Appendix L has been adopted by several local jurisdictions throughout California. However, there are any number of technologies in international building codes that have or have not been adopted by the SFM or other state or local agencies. This fact alone is not sufficient for CSLB to modify a specialty contractor regulation.

Further, the petition states that the installation or repair of the FARS components is too comprehensive to trust the work to unregulated installers or repairers. However, existing regulations defining the C-36 – Plumbing Contractor classification, in CCR Section 832.36, provide that work performed by licensed plumbers includes, in part, “[p]iping, storage tanks and venting for a safe and adequate supply of gases and liquids for any purpose, including vacuum, compressed air and gases for medical, dental, commercial and industrial uses,” which generally describes FARS technology. It is therefore questionable to state that there are unregulated installers or repairers.

Other than describing the technology and stating that it is codified in some building codes and not others, the petition does not address why amendments to CCR Section 832.16 are warranted and SFAC has not provided substantiation or evidence of the necessity for the proposed amendment despite requests from CSLB staff.

SOLUTION

GC section 11340.7 authorizes CSLB to deny or grant the petition, in whole or in part, based on the merits of the written information received. Based on CSLB’s review of the petition, the following options may be considered:

Option 1 [If the Board agrees with the staff recommendation to deny the petition as presented in the meeting materials, the Board may take the following action]:

Deny the petition based on the grounds set forth in the meeting materials and other grounds raised at the meeting and transmit the denial to the Office of Administrative Law within 30 days.

Option 2 [If the Board approves the petition and considers the proposed text acceptable as presented in the meeting materials, the Board may take the following action]:



CONTRACTORS STATE LICENSE BOARD

DISCUSS PETITION TO AMEND CCR SECTION 832.16

Grant the petition, approve the proposed regulatory text and changes to Section 832.16 as provided in the materials, and 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 schedule the matter for public hearing. If no adverse comments are received during the 45-day comment period or at the hearing, authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed amendments to Section 832.16, as noticed.

STAFF RECOMMENDATION

Deny the petition received from SFAC requesting to amend CCR Section 832.16, in whole, based on the merits of the petition. The information contained in the May 11, 2023, petition does not demonstrate or provide substantial evidence that the proposed changes to the C-16 Fire Protection Contractors classification are warranted. Should information supporting the petition be received, the Board may consider discussions with stakeholders and public discussion at future Board meetings.



SPRINKLER FITTERS ASSOCIATION OF CALIFORNIA

P.O. Box 1089 • Woodbridge, California 95258
U.A. SPRINKLER FITTER LOCALS 483 • 669 • 709

May 11, 2023

SENT VIA ELECTRONIC MAIL & USPS

David R. Fogt, Registrar of Contractors
Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95827

Ref. Petition for the Adoption of Regulations in Title 16, California Code of Regulations

Registrar Fogt,

Pursuant to Government Code §§ 11340.6 and 11340.7, the *Sprinkler Fitters Association of California* (SFAC) requests the Contractors State License Board (CSLB) to amend regulations in Title 16 California Code of Regulations (herein "T16 CCR") to read as follows:

Title 16, California Code of Regulations §832.16. A fire protection contractor lays out, fabricates, and installs all types of fire protection systems and fire fighter air replenishing systems; including all the equipment associated with these systems, excluding electrical alarm systems.

CSLB statutory authority to adopt this regulation is Business and Professions Code §7059.

The 2022 ed. of the *International Fire Code* Appendix L addresses *Fire Fighter Air Replenishing Systems* (FARS), which outlines the comprehensive design and installation requirements for FARS. Although not adopted statewide by the State Fire Marshal, Appendix L has been adopted in several cities throughout the state through its local code adoption process.

It is in the State's interest to keep our first responders safe in the event of a fire in a building where FARS is installed. Only those qualified to install this life saving

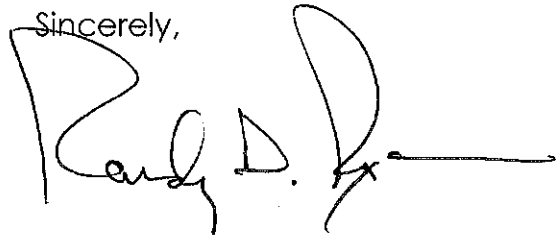
equipment for fire fighter use is essential for fire fighter life safety and the safety of others requiring rescue.

A permanently installed system consisting of piping, valves, fittings and equipment (FARS) to facilitate the replenishment of breathing air for Self-Contained Breathing Apparatus (SCBA) is much too comprehensive to trust to the unregulated installer or repairer for ensuring that the system is operable in its time of need.

The most qualified to install piping and system components that are placed in structures for life safety measures are C-16 Fire Protection Contractors. Unfortunately, there is no current requirement as to who may install or repair a Fire Fighter Air Replenishment System in California.

Please let me know if you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy D. Roxson", with a long horizontal line extending to the right.

RANDY D. ROXSON
Executive Director

Enclosure

APPENDIX L

REQUIREMENTS FOR FIRE FIGHTER AIR REPLENISHMENT SYSTEMS

The provisions contained in this appendix are not mandatory unless specifically referenced in the adopting ordinance or legislation of the jurisdiction.

User note:

About this appendix: Appendix L provides for the design, installation and maintenance of permanently installed fire fighter breathing air systems in buildings designated by the jurisdiction. Breathing air is critical for fire-fighting operations. Historically, fire departments have supplied air bottles by means of a "bottle brigade," whereby fire fighters manually transport air bottles up stairways, which is an extraordinarily fire fighter-intensive process and takes fire fighters away from their primary mission of rescue and fire fighting. Technology now exists to address the issue using in-building air supply systems. Fire fighter breathing air systems were introduced in the late 1980s and are now required in a number of communities throughout the United States. The system has been called a "standpipe for air" and consists of stainless steel, high-pressure piping that is supplied by on-site air storage or fire department air supply units. Air-filling stations are then strategically located throughout the building, allowing fire fighters to refill breathing air cylinders inside the fire building, negating the required "bottle brigade," and making more fire fighters available for search, rescue and fire suppression operations.

SECTION L101 GENERAL

L101.1 Scope. Fire fighter air replenishment systems (FARS) shall be provided in accordance with this appendix. The adopting ordinance shall specify building characteristics or special hazards that establish thresholds triggering a requirement for the installation of a FARS. The requirement shall be based on the fire department's capability of replenishing fire fighter breathing air during sustained emergency operations. Considerations shall include:

1. Building characteristics, such as number of stories above or below grade plane, floor area, type of construction and fire resistance of the primary structural frame to allow sustained fire-fighting operations based on a rating of not less than 2 hours.
2. Special hazards, other than buildings, that require unique accommodations to allow the fire department to replenish fire fighter breathing air.
3. Fire department staffing level.
4. Availability of a fire department breathing air replenishment vehicle.

SECTION L102 DEFINITIONS

L102.1 Definitions. For the purpose of this appendix, certain terms are defined as follows:

FIRE FIGHTER AIR REPLENISHMENT SYSTEM (FARS). A permanently installed arrangement of piping, valves, fittings and equipment to facilitate the replenishment of breathing air in self-contained breathing apparatus (SCBA) for fire fighters engaged in emergency operations.

SECTION L103 PERMITS

L103.1 Permits. Permits shall be required to install and maintain a FARS. Permits shall be in accordance with Sections L103.2 and L103.3.

L103.2 Construction permit. A construction permit is required for installation of or modification to a FARS. The construction permit application shall include documentation of an acceptance and testing plan as specified in Section L105.

L103.3 Operational permit. An operational permit is required to maintain a FARS.

SECTION L104 DESIGN AND INSTALLATION

L104.1 Design and installation. A FARS shall be designed and installed in accordance with Sections L104.2 through L104.15.3.

L104.2 Standards. Fire fighter air replenishment systems shall be in accordance with Sections L104.2.1 and L104.2.2.

L104.2.1 Pressurized system components. Pressurized system components shall be designed and installed in accordance with ASME B31.3.

L104.2.2 Air quality. The system shall be designed to convey breathing air complying with NFPA 1989.

L104.3 Design and operating pressure. The minimum design pressure shall be 110 percent of the fire department's normal SCBA fill pressure. The system design pressure shall be marked in an approved manner at the supply connections, and adjacent to pressure gauges on any fixed air supply components. Pressure shall be maintained in the system within 5 percent of the design pressure.

L104.14.3 Clear space around connections. A working space of not less than 36 inches (914 mm) in width, 36 inches (914 mm) in depth and 78 inches (1981 mm) in height shall be provided and maintained in front of and to the sides of external mobile air connections.

L104.15 Air-monitoring system. An approved air-monitoring system shall be provided. The system shall automatically monitor air quality, moisture and pressure on a continual basis. The air-monitoring system shall be equipped with not less than two content analyzers capable of detecting carbon monoxide, carbon dioxide, nitrogen, oxygen, moisture and hydrocarbons.

L104.15.1 Alarm conditions. The air-monitoring system shall transmit a supervisory signal when any of the following levels are detected:

1. Carbon monoxide exceeds 5 ppm.
2. Carbon dioxide exceeds 1,000 ppm.
3. An oxygen level below 19.5 percent or above 23.5 percent.
4. A nitrogen level below 75 percent or above 81 percent.
5. Hydrocarbon (condensed) content exceeds 5 milligrams per cubic meter of air.
6. The moisture concentration exceeds 24 ppm by volume.
7. The pressure falls below 90 percent of the maintenance pressure specified in Section L104.3.

L104.15.2 Alarm supervision, monitoring and notification. The air-monitoring system shall be electrically supervised and monitored by an approved supervising station, or where approved, shall initiate audible and visual supervisory signals at a constantly attended location.

L104.15.3 Air quality status display. Air quality status shall be visually displayed at the external mobile air connection required by Section L104.14.

**SECTION L105
ACCEPTANCE TESTS**

L105.1 Acceptance tests. Upon completion of the installation, a FARS shall be acceptance tested to verify compliance with equipment manufacturer’s instructions and design documents. Oversight of the acceptance tests shall be provided by a registered design professional. Acceptance testing shall include all of the following:

1. A pneumatic test in accordance with ASME B31.3 of the complete system at a minimum test pressure of 110 percent of the system design pressure using oil-free dry air, nitrogen or argon shall be conducted. Test pressure shall be maintained for not less than 24 hours. During this test, all fittings, joints and system components shall be inspected for leaks. Defects in the system or leaks detected shall be documented and repaired.
2. A cylinder-filling performance test shall be conducted to verify compliance with the required breathing air

cylinder refill rate from the exterior mobile air connection and, where provided, a stored air pressure supply system.

3. The air quality monitoring system shall be tested to verify both of the following conditions:
 - 3.1. Visual indicators required by Section L104.15.1 function properly.
 - 3.2. Supervisory signals are transmitted as required by Section L104.15.2 for each sensor based on a sensor function test.
4. Connections intended for fire department use shall be confirmed as compatible with the fire department’s mobile air unit, SCBA cylinders and, where provided, RIC/UAC connections.
5. Air samples shall be taken from not less than two fill stations and submitted to an approved gas analysis laboratory to verify compliance with NFPA 1989. The FARS shall not be placed into service until a written report verifying compliance with NFPA 1989 has been provided to the fire code official.

**SECTION L106
INSPECTION, TESTING AND MAINTENANCE**

L106.1 Periodic inspection, testing and maintenance. A FARS shall be continuously maintained in an operative condition and shall be inspected not less than annually. Not less than quarterly, an air sample shall be taken from the system and tested to verify compliance with NFPA 1989. The laboratory test results shall be maintained on site and readily available for review by the fire code official.

**SECTION L107
REFERENCED STANDARDS**

L107.1 General. See Table L107.1 for standards that are referenced in various sections of this appendix. Standards are listed by the standard identification with the effective date, standard title, and the section or sections of this appendix that reference the standard.

TABLE L107.1
REFERENCED STANDARDS

STANDARD ACRONYM	STANDARD NAME	SECTIONS HEREIN REFERENCED
ASME B31.3—2020	<i>Process Piping</i>	L104.2.1, L105.1
CGA S-1.3—2008	<i>Pressure Relief Device Standards—Part 3 Stationary Storage Containers for Compressed Gases</i>	L104.7
NFPA 1901—16	<i>Standard for Automotive Fire Apparatus</i>	L104.5.1
NFPA 1989—13	<i>Breathing Air Quality for Fire Emergency Services Respiratory Protection</i>	L104.2.2, L105.1, L106.1



Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Changes Under the Section 100 Rule to Title 16, California Code of Regulations (16 CCR) Section 884 (Assessment of Civil Penalties)

Business and Professions Code (BPC) section 7099.2 requires CSLB to promulgate regulations covering the assessment of civil penalties with consideration given to the following factors: 1) the gravity of the violation; 2) the good faith of the licensee or applicant for licensure being charged; and 3) the history of previous violations. BPC section 7099.2 authorizes the assessment of penalties up to \$8,000 with exception to a specific list of violations for which the civil penalty may be assessed up to \$30,000.

Assembly Bill (AB) 1747 (Quirk, Chapter 757, Statutes of 2022) amended BPC section 7110, establishing that a contractor's willful or deliberate disregard for state and local building permit laws is a violation of the Contractors State License Law (CSLL). AB 1747 amended section 7099.2 adding section 7110 to the list of violations for which a maximum penalty amount of \$30,000 may be assessed for willfully and deliberately violating building permit requirements and other violations as identified in section 7110.

CCR section 884 sets forth the minimum and maximum penalty range that may be assessed against a person cited for violating various provisions of the CSLL. The proposed amendments to CCR section 884 would update the maximum civil penalty for violations of BPC section 7110 from \$8,000 to \$30,000 to conform with BPC section 7099.2.

The amendments specified are considered non-substantive and without regulatory effect as they make CCR section 884 consistent with the amended statute and CSLB has no discretion to adopt a change differing from the one adopted in BPC section 7099.2. Proposals made under the section 100 rule allows the amendments to be made without being subject to the notice and 45-day public comment period requirements specified in the Administrative Procedure Act.

Following the staff recommendation below is the language 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 authorize staff to make 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



CONTRACTORS STATE LICENSE BOARD

REVIEW SECTION 100 RULEMAKING – CIVIL PENALTIES

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

REVIEW SECTION 100 RULEMAKING – CIVIL PENALTIES

CONTRACTORS STATE LICENSE BOARD

PROPOSED LANGUAGE

California Code of Regulations (CCR) Title 1, Section 100 Changes

Title 16, Division 8

Amend Section 884, Article 8, Division 8, Title 16, CCR, 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.

<i>Section Violated</i>	<i>Minimum Civil Penalty</i>	<i>Maximum Civil Penalty</i>
7027.1	\$100	\$1,000
7028	200	8,000
7028.1	1,000	8,000
7028.5	200	8,000
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	8,000
7030.5	100	1,000
7031.5	100	500
7034	100	1,000
7058.7	500	8,000
7068.1	100	8,000
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



CONTRACTORS STATE LICENSE BOARD

REVIEW SECTION 100 RULEMAKING – CIVIL PENALTIES

Section Violated	Minimum Civil Penalty	Maximum Civil Penalty
7107	200	8,000
7108	200	8,000
7108.5	200	2,000
7108.6	200	2,000
7109	200	8,000
7109.5	500	8,000
7110	200	8,000 30,000
7110.1	100	1,000
7111	100	1,000
7111.1	100	1,500
7113	200	8,000
7114	500	30,000
7114.1	200	2,000
7115	100	8,000
7116	100	8,000
7117	100	1,000
7117.5	200	8,000
7117.6	200	8,000
7118	500	30,000
7118.4	3,000	8,000
7118.5	1,000	8,000
7118.6	1,000	8,000
7119	200	2,000
7120	200	2,000
7123	500	8,000
7125	100	500
7125.4	200	30,000
7154	100	1,000
7157	100	1,000
7158	500	8,000
7159	100	1,000
7159.5(a)(1), (a)(3), and (a)(5),	100	8,000
7159.5(a)(2), (a)(4), (a)(6), (a)(7), and (a)(8)	100	1,000
7159.10	100	500
7159.14	100	8,000
7161	100	8,000
7162	100	1,500
7164	100	1,000



CONTRACTORS STATE LICENSE BOARD

REVIEW SECTION 100 RULEMAKING – CIVIL PENALTIES

(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 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 \$8,000, except as provided for violations of Section 7028.7, in which case the total penalty assessment in each citation shall not exceed \$15,000, and for violations of Sections 7110, 7114, 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.

Credits

NOTE: Authority cited: Sections 7008 and 7099.2, Business and Professions Code.

Reference: Sections 7099, 7099.1 and 7115, Business and Professions Code.

AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

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





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

Strategic Plan Item 2.1: Leverage current enforcement tools to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses.

Senate Bill 630 (Dodd), if passed, would authorize CSLB to impose upon the licensee, as part of a disciplinary order, a requirement that the licensee enroll in and complete specified administrative or trade-specific coursework that may include successful completion of the board's law and business examination or trade examination, as appropriate.

Strategic Plan Item 2.2: Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

Staff reached out to universities and consultants and determined that two separate consultants were necessary.

As discussed at the March 21, 2023, board meeting, the board approved the following at the December 8, 2022, board meeting:

1. \$75,000 to research the scope of the underground economy and resource needs to respond to unlicensed practice and declared disasters.
2. Up to \$100,000 for Cooperative Personnel Services (CPS) Consulting to perform a workload study to evaluate CSLB's reactive enforcement complaints and investigations process, identify process improvements, and address production goals.

Staff's update is in Agenda Item D4 regarding a "Request for Proposal" to hire a consultant to research the scope of unlicensed practice and the status of the proposed contract with CPS to perform the workload study.

Strategic Plan Item 2.3: Coordinate educational workshops with agency partners to assist applicants and licensees in complying with Contractors State License Law (CSLL) and other business requirements.

In March 2023, staff contacted representatives from the Joint Enforcement Strike Force (JESF) and Labor Enforcement Task Force (LETF) and were advised construction-specific outreach was not scheduled.

On June 21, 2023, staff was scheduled to meet again with JESF and LETF representatives. At this meeting, staff is expected to invite partnering agencies,



including California Department of Insurance, Department of Industrial Relations (Division of Labor Standards Enforcement), and Employment Development Department to participate with CSLB in upcoming educational workshops for licensed contractors and applicants.

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

Enforcement Division staff have scheduled two Enforcement Academies – one for Northern and Central region staff and one for Southern region staff. Both academies will be conducted by DAG liaisons, Brent Jex and Christine Lee. The Northern/Central Enforcement Academy will take place July 17-21, 2023. The Southern Enforcement Academy will take place October 16-20, 2023.

This academy will provide an overview of the Department of Consumer Affairs and CSLB's Enforcement Division organization, unit functions, and responsibilities, as well as an overview of the Attorney General's Office and administrative processes. Topics to be covered include an introduction to investigations, interview techniques, report writing, safety awareness, phone tactics, specific code training, as well as practical exercises and individualized assessments.

Strategic Plan Item 2.5: Research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce CSLL requirements.

An Enforcement Quality Assurance (QA) Unit was recreated in 2022. Four Special Investigators assigned to the QA Unit are designated to perform public works investigations as part of their duty statement.

Strategic Plan Item 2.6: Continue to enforce workers' compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have not employees.

Ongoing.

AGENDA ITEM F-2

Enforcement Program Update





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE & STATISTICAL REVIEW

Enforcement Program Update and Statistical Review

Staff Vacancy Update

There are currently 21 vacancies in the Enforcement Division. The division's management team is working hard to fill these vacancies, and candidates have been selected and are pending approval for 13 positions. The other eight positions are publicly posted or are under review for public posting. The current vacancies are listed below by position classification.

<i>Position Classification</i>	<i>Vacant</i>
Supervising Special Investigator I	1
Special Investigator	9
Special Investigator (Peace Officer)	1
Consumer Services Representative	4
Office Technician (Typing)	5
Program Technician II	1
TOTAL	21

Investigation Highlights

Unlicensed Contractor Sentenced to Jail and Probation in Stanislaus County

CSLB received a construction complaint from a homeowner who alleged that she hired unlicensed contractor Adam Marcus Soares to complete an interior remodel for \$242,530.77. Soares completed the remodel work with the help of eight unlicensed subcontractors and the homeowner paid Soares \$221,994.20. The homeowner withheld the final payment because of a dispute regarding the workmanship. She found out that the fireplace was not built to applicable codes and was a safety hazard, and a wall that was removed and replaced with a structural support beam was not properly reinforced and was a safety hazard. The homeowner fired Soares after finding out that all eight subcontractors that Soares hired were in fact unlicensed.

The following violations were found during a CSLB investigation: contracting without a license, accepting money beyond the value of work completed, substantial misrepresentation to obtain a contract, diversion of construction funds, grand theft, theft by false pretenses, and embezzlement.

On February 26, 2021, CSLB referred this investigation to the Stanislaus County District Attorney's Office for criminal prosecution. On May 18, 2021, the Stanislaus County District Attorney's Office filed the case with the Stanislaus County Superior Court and a



warrant was issued. The Stanislaus County District Attorney requested follow-up investigative work to support the allegation of theft. A CSLB Industry Expert was obtained, and they reported the value of the work completed to help support the allegation of theft.

On March 20, 2023, Soares entered a plea of no contest to one count of contracting without a license. On the same date, Soares was sentenced to 10 days in county jail, one year probation, and restitution to the homeowner in the amount of \$283,949.

Futura's Painting – Licensed Contractor Pleads Guilty to Felony Charges

In late 2017, contractor Jonathan Alfredo Bermudez, sole owner of Futura's Painting, entered into a contract with a complainant to build a 506-square-foot accessory dwelling unit (ADU) for \$350,000. Bermudez requested and received a down payment in the amount of \$105,000. Futura's Painting finished the demolition work but did not perform any additional work on the project. After work stopped, Bermudez requested payment and received \$100,000.

In 2018, the Oakland Planning Department rejected the plans for the ADU because it exceeded the square footage that was available to build on after calculating the existing square footage used for the lot. The complainant fired Futura's Painting based on delays, and no structural work for the ADU had been done at the time the complainant canceled the project. A CSLB Industry Expert inspected the work performed by Futura's Painting and found the value of any useful work performed to be \$0.00 and the cost to restore the deck and patio that was demolished to pre-existing condition to be \$17,500.

Bermudez told a CSLB investigator that he received and deposited \$205,000 into his business account and that he had delivered approximately \$1,250 in materials on the date that he received the down payment. Bermudez stated that he spent approximately \$34,500 on the project for architect, design, surveying, and engineering fees, as well as construction materials, and said that the balance of the money was invested in other construction projects.

The Alameda County District Attorney's Office filed charges of 368(d) Penal Code, 487 (a) PC and 484b PC against Bermudez. On April 28, 2023, Bermudez pled guilty to misdemeanor 484(b) PC and agreed to \$75,000 restitution to be paid in full by September 25, 2023. The complainant did not want to testify. Bermudez was sentenced on May 25, 2023, to one day in jail and was credited for time served.

Significant Solar Investigation Highlights

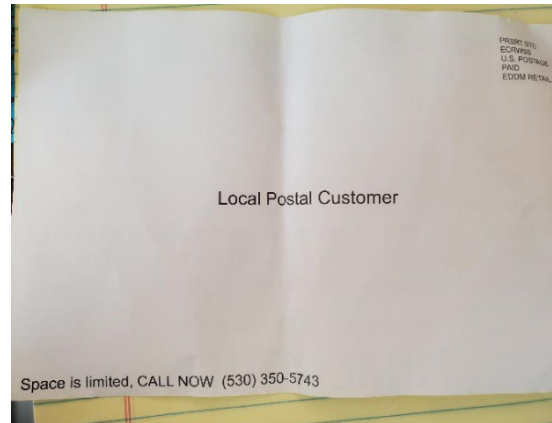
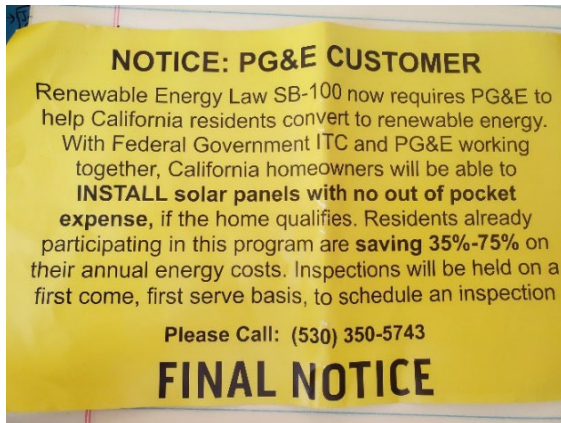
CSLB – Sonoma County DA: Consumer Alert

CSLB's Special Investigations Unit and Public Affairs Office worked with the Sonoma County District Attorney's Office to publish a Consumer Alert about illegal and misleading solar advertisements. The alert was [issued on April 17, 2023](#).

CSLB is experiencing a large influx of solar-related complaints. Homeowners have been led to believe that solar panels will be put on their home and there will either be no cost



to them, or the cost will be reimbursed. The projects are often funded through green energy lenders that include Property Assessed Clean Energy (PACE) programs, which pay the contractor directly. PACE is not a free government program. Homeowners must pay for a PACE contract through increased assessments in their annual property tax bills. CSLB has also seen contractors apply for a PACE loan using an individual's personal identifying information, without the consumer even knowing, only to find out when they get their property tax bill. The loan process is facilitated through the contractor and the loan documents are typically signed via email/DocuSign.



The advertisement above is an example of the information CSLB sees throughout California that risks financial harm to consumers. It includes misleading statements, such as “FINAL NOTICE” and states that the government is working with PG&E, which lends to the story that it is a free government program. In addition, there is no company name or license number listed on the advertisement. Among other things, the flyer is a violation of Business and Professions Code (BPC) §7161(a) – false/misleading advertisement. If this is a licensed company, it is not permissible to omit the business name/license number on an advertisement. If the company is not licensed, then there are additional misdemeanor violations (BPC §7028(a) and BPC §7027.1 BP).

A CSLB investigator called the phone number on the advertisement and spoke with an “inspection scheduler” who confirmed that the advertisement was for solar panels. The inspection scheduler explained that their role was just to make sure the caller was the homeowner, that it was not a mobile home, and to get the inspection scheduled. They further explained that an inspector would come to look at the utility bills and roof. When the investigator asked if the company was PG&E, the inspection scheduler said no and explained that they would do the inspection and get someone to put the solar on, and that they could usually get scheduled the following day. This conversation is an example of how some companies mislead consumers into agreements for solar projects.

Complaint Handling Statistics (For July 1, 2022 to April 30, 2023)

Investigations Initiated & Complaints Received (excluding SWIFT)

- CSLB received 14,079 complaints from July 1, 2022, to April 30, 2023.



- CSLB initiated 694 investigations from July 1, 2022, to April 30, 2023.

Pending Investigations

- With current staffing levels, the optimum maximum Enforcement Division caseload is 4,635 pending complaints. As of May 2023, the pending caseload was 5,363.

Special Investigator Production Goals

- For July 1, 2022, to April 30, 2023, the weighted monthly case-closing average per Special Investigator in CSLB Investigative Centers was nine closures per month, one less than the closure goal of 10.

Complaint-Handling Cycle Time

- The Board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of May 15, 2023, 308 complaints exceeded 270 days in age. Enforcement supervisors and managers continue to conduct monthly case reviews and aid investigators to resolve aged cases.

Restitution to Financially Injured Persons

- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. From July 1, 2022, to April 30, 2023, complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$25 million in restitution to financially injured parties.

Investigative Center Legal Actions

- From July 1, 2022, to April 30, 2023, the Investigative Centers referred 495 (29 percent) of the 1,700 legal action investigations for criminal prosecution.

Case Management Activities (For July 1, 2022, to April 30, 2023)

Arbitration

- 423 arbitration cases were initiated, resulting in \$2,861,015 in restitution ordered to injured parties.
- 90 licenses were revoked for non-compliance with an arbitration award.

Citations

	<i>Licensees</i>	<i>Non-Licensed</i>	<i>Total</i>
Citations Issued	667	644	1311
Citations Appealed	352	227	579
Citations Complied With	465	349	814



License Citation Civil Penalties

Informal Citation Conferences Conducted	233
Civil Penalties Collected	\$1,527,383
Restitution Ordered	\$808,777

Non-Licensee Citation Civil Penalties

Informal Settlement Conferences Conducted	186
Civil Penalties Collected	\$443,806

Accusations

Accusations Filed	184
License Revocations	172
Licenses Placed on Probation	70
Restitution Paid to Injured Parties	\$697,563
Cost Recovery Collected	\$570,408

Letter of Admonishment

The Letter of Admonishment is a form of disciplinary action introduced by CSLB in 2018 to enhance public protection by promptly addressing single, less-egregious violations by licensed contractors. The letter provides for up to two years of public disclosure after issuance, offers an option for requiring corrective action by the contractor, and provides written documentation that can be used to support formal disciplinary action in the future, if warranted.

From July 1, 2022, to April 30, 2023, CSLB issued 335 Letters of Admonishment. The most common violations cited in Letters of Admonishment during that timeframe were conviction of a non-violent misdemeanor criminal offense, violation of a statute or regulation including permit requirements, and failure to meet home improvement contract requirements.

Contractors who receive a Letter of Admonishment are afforded an opportunity to contest its issuance via an Office Conference CSLB administers. The Office Conference procedures provide CSLB the discretion to uphold, modify, or withdraw the Letter of Admonishment based on a second review of the case. Between July 1, 2022, and April 30, 2023, CSLB conducted 25 Office Conferences. As a result of those conferences, 22 Letters of Admonishment were upheld as issued and three were withdrawn.

Beginning in 2020, contractors who have violated local permit requirements have been issued a Letter of Admonishment with a corrective order to complete a video training



session on building permits. Violators who do not complete the training are subject to an administrative citation. Between July 1, 2022, and April 30, 2023, 61 Letters of Admonishment included a requirement to complete the permit training.

Statewide Investigative Fraud Team

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

From July 1, 2022, to April 30, 2023, SWIFT conducted 17 sting operations, participated in 257 sweep days, and responded to 818 leads. SWIFT closed 2,694 cases as a result of stings, sweeps, and leads. Of these 2,694 cases, 741 resulted in an administrative or criminal legal action, as well as the issuance of 1,039 advisory notices for minor violations. From January 2023 to present, 25 SWIFT staff have been redirected from normal duties to help victims affected by the 2022-23 winter storms at various local assistance centers (LACs) and disaster recovery centers (DRCs) across the state.

District Attorney Referrals

From July 1, 2022, to April 30, 2023, SWIFT referred 227 cases to local district attorneys’ offices for criminal prosecution. 191 of those cases were for contracting without a license and 36 were against licensees, primarily for failure to secure workers’ compensation insurance.

Administrative Actions

From July 1, 2022, to April 30, 2023, SWIFT issued 417 licensee and non-licensee citations, issued 85 Letters of Admonishment, filed 12 accusations, and assessed \$598,500 in non-licensee citation civil penalties. Administrative violations include working out of classification, working under a suspended or expired license, failing to obtain permits, and other license law violations that do not warrant a criminal referral.

Stop Orders

A Stop Order is a legal demand to cease all employee labor at any jobsite due to workers’ compensation insurance violations until an appropriate policy is obtained. Failure of a contractor to comply with a stop order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to \$10,000. From July 1, 2022, to April 30, 2023, SWIFT issued 225 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers’ compensation policy.

Outstanding Tax and State Agency Liability Suspensions

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



Amounts Collected or Resolved

	2020	2021	2022	2023 (through 1/31/23)
CSLB	\$139,775	\$82,938	\$104,507	\$36,763
EDD	\$10,372,682	\$9,149,749	\$13,280,832	\$3,156,494
DIR-Cal/OSHA	\$1,031,736	\$267,256	\$243,066	\$84,588
DIR-DLSE	\$2,726,391	\$3,476,291	\$5,217,626	\$1,601,910
FTB	\$4,211,003	\$5,868,340	\$4,024,936	\$616,925
Totals	\$18,481,587	\$18,844,574	\$22,870,967	\$5,496,679

Labor Enforcement Task Force

The Labor Enforcement Task Force (LETF) is comprised of investigators from CSLB, the Department of Industrial Relations (DIR), Division of Labor Standards and Enforcement (DLSE) and Division of Occupational Health and Safety (Cal/OSHA), as well as the Employment Development Department (EDD). LETF combats the underground economy in California and aims to ensure that workers receive proper payment of wages and are provided a safe work environment. Below are LETF statistics for July 1, 2022, to April 30, 2023:

Number of Contractors Inspected	148
Number of Contractors Out of Compliance	120
Percentage of Contractors Out of Compliance	81%
Total Initial Assessments	\$259,900

Note: The results reflect joint LETF inspections with Cal/OSHA, CSLB, DLSE & EDD. Total initial assessments reflect the amount assessed by Cal/OSHA and DLSE at the time of the inspection. These amounts are subject to change.

Training Update

- On May 4, 2023, Human & Organizational Performance Expert Michael Grabow provided a day-long organizational efficiency training to CSLB Enforcement managers and supervisors at CSLB Headquarters building. Part one of the training provided an overview of leadership skills and tools that effective managers should use and a description of the “3-Dimensional Leader.” Part two of the training included breakout sessions during which attendees developed goals for improving the Enforcement program in four topic areas: (1) Leadership; (2) Process Improvement; (3) Knowledge; (4) Resources.



- **CSLB Enforcement Academy** – This academy will provide an overview of the Department of Consumer Affairs and CSLB’s Enforcement Division organization, unit functions, and responsibilities, as well as an overview of the Attorney General’s Office and administrative processes. Topics to be covered include an introduction to investigations, interview techniques, report writing, safety awareness, phone tactics, and specific code training, as well as practical exercises and individualized assessments.
 - CSLB Enforcement Academy for the Northern Region is scheduled for July 17–21, 2023.
 - CSLB Enforcement Academy for the Southern Region is scheduled for October 16–20, 2023.

AGENDA ITEM F-3

Update on the Solar Energy System Restitution Program





CONTRACTORS STATE LICENSE BOARD

SOLAR ENERGY SYSTEM RESTITUTION PROGRAM UPDATE

Update on the Solar Energy System Restitution Program (SESRP)

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

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

SESRP has been extremely well-received by the victims of solar-related fraud, many of whom had given up any hope of recovering their lost funds. SESRP activity increased substantially by the end of 2022. From a handful of claims approved in early 2022, the total restitution paid to consumers has increased to more than \$3.9 million. As of May 31, 2023, staff reports the following totals for SESRP:

SESRP Activity as of May 31, 2023

Claims Received	629
Claims Approved	310
Restitution Approved for Payment	\$3.93 million
Claims Closed Without Restitution Paid *	270
Claims Pending	49
Average Approved Payout	\$12,694.36

* Reasons for closure without payment include duplication of claims, lack of jurisdiction, respondent contractor has a valid license, insufficient evidence to support a financial injury and claims received after January 1, 2023.

In late 2022, CSLB received more than 80 SESRP claims against Zenernet Installation Company LLC (Zenernet). More than 100 consumer complaints were filed in the Enforcement Division with the majority assigned to a CSLB Peace Officer for criminal investigation. A review of Zenernet claims established a potential fund payout of approximately \$1 million. Due to the Zenernet fund liability, CSLB made a public notice that funds received after December 31, 2022, would not be considered for fund payout (unless it was later determined funds remained).



SESRP provides for \$1 million in administrative reimbursement. Due to effective claim handling, CSLB expects to spend only \$350,000 for administrative costs, allowing for about \$650,000 to pay the claims to financially injured solar consumers. The fund is expected to be depleted by August 1, 2023.

Note: 153 claims were received after January 1, 2023, which were denied because of insufficient remaining funds. Notice was sent to the claimants.

AGENDA ITEM G

Licensing



AGENDA ITEM G-1

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





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

Strategic Plan Item 1.1: Assess barriers to licensure for women and minorities and create an outreach plan to community colleges, construction management programs, labor unions, and workforce development groups to increase licensee diversity and create a better understanding of applicants and licensees.

Ongoing. In early 2023, CSLB contracted with PSI Exams to have 10 of the most popular exams translated into Spanish. These will be in test centers by the end of 2023. All 47 Exam Study Guides have been translated into Spanish and posted on CSLB's website.

In March 2023, CSLB celebrated Women in Construction week by creating content for social media and distributing a press release about the resolution as well as supporting both Assembly and Senate concurrent resolutions to acknowledge the week.

In April/May 2023, Testing staff conducted a demographic survey of 13,000 newly licensed contractors to determine the percentages of women and minorities entering the contracting field in the last year.

Strategic Plan Item 1.2: Study and appraise existing and prospective reciprocity agreements to determine if they are needed; and if so, whether qualifying criteria for reciprocity agreements be updated or codified legislatively.

Ongoing. As of June 2023, staff has assessed current reciprocity agreements with Nevada, Arizona, and Louisiana and noticed a big discrepancy between contractors coming to California versus those who leave. CSLB records show that in 2021-2022 CSLB accepted 51 reciprocity requests from those three states. However, CSLB completed hundreds of license verification forms for other states, such as Florida which CSLB does not have a reciprocity agreement. CSLB received 2,153 requests between January 2022 and May 2023. Licensing staff will review California's reciprocity requirements compared to other states to be competitive in recruiting contractors and report findings to the two-person Board advisory committee.

Strategic Plan Item 1.3: Continue automating and streamlining all online applications, licensing, and examination processes to improve processing efficiency.

Ongoing. Information about CSLB's efforts to transition all processes online are in the executive update. In the meantime, staff have drafted the sole owner's application and started the workflow instructions for digitizing CSLB's several forms and applications, as



well as submitted a request to the Department of Consumer Affairs to hire a retired annuitant with expertise in this area.

Strategic Plan Item 1.4: Assess and report on how to incorporate new and emerging technologies into the licensure process to ensure licensees continue to represent reliability in contracting excellence.

Completed. Staff did a presentation to the Board in August 2022 about how the exam development procedures incorporate new and emerging technologies into the examinations.

Strategic Plan Item 1.5: In partnership with Public Affairs, streamline and eliminate jargon on CSLB licensing webpages, handouts, publications, and forms to reduce user confusion and processing times.

Ongoing. Licensing analysts are conducting ongoing work on this project, working with Public Affairs and IT staff to update the website. Licensing and Testing staff are also working with Public Affairs staff to update departmental publications, FAQs, and other materials for exam candidates and licensees.

Strategic Plan Item 1.6: Complete exam administration outsource transition and assess remote testing options.

Completed July 1, 2022. CSLB applicants can now test at PSI Exams' 20 test centers throughout California 6 days a week. In August 2023, testing will expand to two out-of-state test centers – Las Vegas, Nevada and Wilsonville, Oregon (near Portland) to reduce travel and expense for out-of-state candidates who would like to get a California contractors' license. More information will be provided in the Testing Program Update.

AGENDA ITEM G-2

Licensing and Testing Program Statistical Update





CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

Application Processing Statistics

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

Total Number of Applications Received Per Month

	2022 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 Jan	Feb	Mar	Apr
Original Exam	1,408	1,223	1,240	1,568	1,300	1,484	1,180	1,119	1,285	1,396	1,574	1,494
Original Waiver	751	693	539	667	467	642	337	482	674	726	720	735
Add Class	260	286	327	385	338	357	327	343	341	341	307	376
Qualifier Replacer	279	230	218	286	234	258	208	231	277	226	230	266
Home Improvement	1,196	1,080	888	1,238	1,265	1,361	1,207	975	1,213	1,198	1,379	1,149
Total Per Month	3,894	3,512	3,212	4,144	3,604	4,102	3,259	3,150	3,790	3,887	4,210	4,020
3 – Month Totals	May - Jul: 10,618			Aug - Oct: 11,850			Nov - Jan: 10,199			Feb - Apr: 12,117		

Total Applications Received – Prior Calendar Years

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Original Exam	15,500	15,244	13,193	15,729	15,861
Original Waiver	9,327	8,796	7,456	7,558	7,970
Add Class	4,220	4,526	4,231	4,138	4,112
Qualifier Replacer	2,706	2,792	2,620	2,813	3,024
Home Improvement	9,720	11,122	9,694	12,411	12,466
Total Received	41,473	42,480	37,194	42,649	43,433



Weeks to Process

CSLB management closely monitors processing time 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.

	2022								2023			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Original Exam	3.9	4.7	4.5	4.2	5.0	5.6	4.5	5.9	6.0	4.7	5.1	5.5
Original Waiver	3.8	4.7	5.0	4.8	4.0	3.8	4.4	4.8	5.1	5.1	5.7	5.4
Add Class	3.3	4.4	5.2	4.1	3.6	3.5	4.4	4.1	2.9	2.6	2.9	4.3
Qualifier Replacer (Exams & Waiver)	3.4	4.4	5.3	4.0	3.8	3.0	4.3	4.1	2.9	2.7	2.9	4.2
Home Improvement	3.3	3.9	4.1	2.5	3.4	3.0	3.7	2.7	2.1	2.7	3.5	3.3
Renewal	0.9	1.6	1.1	1.2	0.9	1.0	1.1	0.9	1.6	1.6	1.1	1.0
Add New Officer	1.0	1.0	1.5	1.5	1.3	1.7	2.2	2.8	2.4	2.1	2.7	4.4
Address / Name Change	0.9	0.9	1.6	1.5	1.3	1.7	2.2	2.8	2.6	2.6	2.9	2.6
Bond / Bond Exemption	0.6	0.7	0.9	0.6	0.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Workers' Comp / Exempt	1.0	1.6	1.3	1.2	1.7	2.5	3.3	2.7	2.6	3.2	3.2	2.8
Certified License History	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Copies of Documents	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1
Criminal Offender Record Information (CORI) Review*	1.9	2.2	2.3	1.9	2.2	2.3	2.7	2.4	2.4	2.3	2.0	1.9

*Outside CSLB Control—DOJ /FBI timeframe



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

Disposition of Applications by Fiscal Year

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

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

An application may be classified as pending because:

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



Renewal Processing Statistics

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

Total Number of Renewals Received Per Month

	2022 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 Jan	Feb	Mar	Apr
Reactivation	111	130	74	105	94	114	82	109	107	104	138	123
Active	7,767	8,412	8,356	8,280	7,866	7,196	6,772	6,543	8,041	6,948	8,471	7,112
Inactive	734	767	790	864	780	683	707	670	821	778	892	798
Delinquent Active	1,079	1,022	1,072	1,145	999	1,032	1,071	982	987	1,063	1,100	996
Delinquent Inactive	152	154	121	156	139	118	130	140	135	135	128	126
Received Per Month	9,843	10,485	10,413	10,550	9,878	9,143	8,762	8,444	10,991	9,028	10,729	9,155

3 – Month Totals **May – Jul: 30,741** **Aug – Oct: 29,571** **Nov – Jan: 28,197** **Feb – Apr: 28,912**

Total Renewals Received – Prior Calendar Years

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Reactivation	1,421	1,358	1,164	1,230	1,250
Active	104,330	98,901	97,037	94,480	93,180
Inactive	13,757	13,007	12,379	11,351	9,087
Delinquent Active	11,091	10,721	12,636	13,162	12,519
Delinquent Inactive	1,892	1,734	2,071	2,163	1,658
Total Received	132,491	125,721	125,287	122,386	117,694

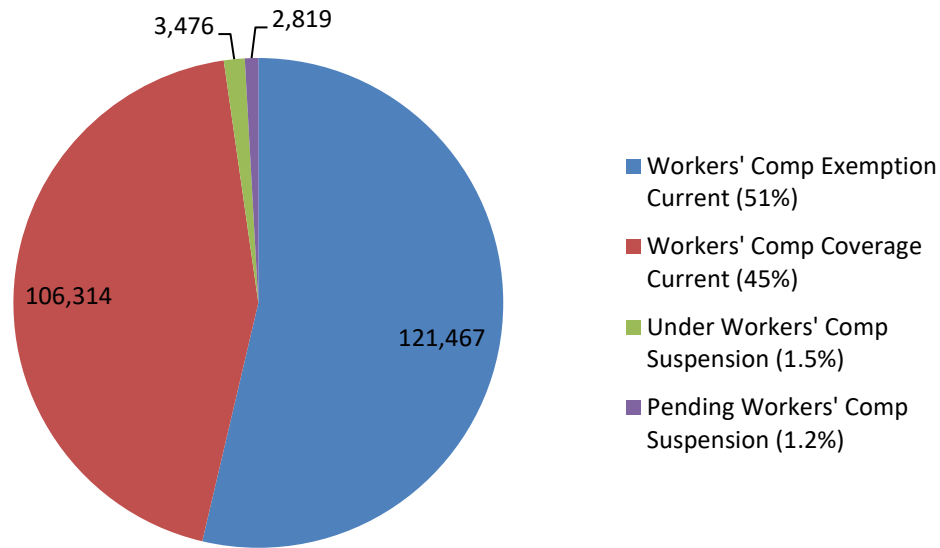


Workers' Compensation Recertification Statistics

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

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

Workers' Comp Coverage for Active Licenses - April 30, 2023



Total Number of Active Licenses: 235,618

The following chart shows the workers' compensation coverage (policies and exemptions) on file as April 30, 2023, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status: As of April 30, 2023**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,265	9,143	14,408	37%
B General Building	60,712	41,089	101,801	60%
B-2 Residential Remodeling	298	75	373	80%
C-2 Insulation and Acoustical	267	894	1,161	23%
C-4 Boiler Hot Water	148	563	711	21%
C-5 Framing / Rough Carp	497	443	940	53%
C-6 Cabinet-Millwork	2,564	1,913	4,477	57%
C-7 Low Voltage Systems	1,962	2,772	4,734	41%
C-8 Concrete	1,686	4,315	6,001	28%
C-9 Drywall	1,225	1,819	3,044	40%
C10 Electrical	14,035	12,227	26,262	53%
C11 Elevator	42	155	197	21%
C12 Earthwork & Paving	980	1,398	2,378	41%
C13 Fencing	669	981	1,650	41%
C15 Flooring	3,626	3,338	6,964	52%
C16 Fire Protection	755	1,423	2,178	35%
C17 Glazing	1,142	1,828	2,970	38%
C20 HVAC	4,237	7,924	12,161	35%
C21 Building Moving Demo	504	1,209	1,713	29%
C22 Asbestos Abatement	2	292	294	0.7%
C23 Ornamental Metal	422	626	1,048	40%
C27 Landscaping	4,795	6,658	11,453	42%
C28 Lock & Security Equipment	145	205	350	41%
C29 Masonry	942	1,305	2,247	42%
C31 Construction Zone	78	309	387	20%
C32 Parking Highway	172	289	462	37%
C33 Painting	8,632	6,790	15,422	56%
C34 Pipeline	143	350	493	29%
C35 Lath & Plaster	613	1,174	1,787	34%
C36 Plumbing	8,928	7,314	16,242	55%
C38 Refrigeration	693	1,063	1,756	39%
C39 Roofing	0	4,725	4,725	0%
C42 Sanitation	372	587	959	39%
C43 Sheet Metal	331	1,018	1,349	25%
C45 Sign	370	497	867	43%
C46 Solar	430	802	1,232	35%
C47 Gen Manufactured House	210	221	431	49%
C50 Reinforcing Steel	73	184	257	28%
C51 Structural Steel	418	1,056	1,474	28%
C53 Swimming Pool	1,200	1,506	2,706	44%
C54 Tile	3,572	2,709	6,281	57%
C55 Water Conditioning	120	172	292	41%
C57 Well Drilling	282	479	761	37%
C60 Welding	552	488	1,040	53%
C61 Limited Specialty	8,243	12,311	20,554	40%



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 2018	CY 2019	CY 2020	CY 2021	CY 2022	TOTALS
DOJ Records Received	34,664	33,553	27,172	35,114	37,895	168,398
CORI Information Received	6,729	6,657	5,375	6,818	7,303	32,882
Denials	65	63	16	8	13	165
Appeals	42	31	11	5	7	96
Probationary Licenses Issued (conditional license, requires periodic review)	61	86	101	177	222	647



Experience Verification Unit Statistics

All license applications received at CSLB are carefully reviewed to ensure experience requirements are met.

There is a special provision in California Code of Regulations section 824 that recommends a comprehensive field investigation of a minimum of 3 percent of applications. Much more like an enforcement investigation than licensing processing, the comprehensive review includes a detailed investigation into all aspects of the applicant's experience and requires extensive documentation and interviews of the applicant or witnesses to ensure experience claims can be verified.

Since implementation in September 2014, Experience Verification Unit (EVU) staff have been assigned and have reviewed 3,939 applications. Last summer, due to staffing considerations, the Licensing Division referred many of the experience investigations to the Enforcement Division. A special investigator endeavors to review 20 to 30 EVU applications a month.

The chart on the following page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification for the past 24 months by the Enforcement special investigator. The statistics do not include application investigations by Licensing staff.

**Experience Verification by Classification
April 1, 2021 to April 30, 2023**

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	1	1	7	4	13
B General Building	3	27	61	24	115
B-2 Residential Remodeling	0	1	4	3	8
C2 Insulation and Acoustical	0	0	0	0	0
C4 Boiler Hot Water	0	0	1	0	1
C5 Framing / Rough Carp	0	0	0	0	0
C6 Cabinet-Millwork	0	0	4	0	4
C7 Low Voltage Systems	0	0	1	0	1
C8 Concrete	1	2	4	0	7
C9 Drywall	0	0	0	0	0
C10 Electrical	1	4	14	3	22
C11 Elevator	0	0	0	0	0
C12 Earthwork & Paving	0	1	1	1	3
C13 Fencing	0	0	0	0	0
C15 Flooring	1	2	3	1	7
C16 Fire Protection	0	0	5	0	5
C17 Glazing	0	0	1	0	1
C20 HVAC	0	2	5	3	10
C21 Building Moving Demo	0	0	0	0	0
C22 Asbestos Abatement	0	0	2	0	2
C23 Ornamental Metal	0	0	0	0	0
C27 Landscaping	0	1	6	2	9
C28 Lock & Security Equipment	0	0	0	0	0
C29 Masonry	0	0	0	0	0
C31 Construction Zone	0	0	0	0	0
C32 Parking Highway	0	0	0	0	0
C33 Painting	0	3	8	0	11
C34 Pipeline	0	0	0	0	0
C35 Lath & Plaster	0	1	4	1	6
C36 Plumbing	0	3	9	2	14
C38 Refrigeration	0	0	0	0	0
C39 Roofing	0	2	6	5	13
C42 Sanitation	0	0	0	1	1
C43 Sheet Metal	0	0	0	0	0
C45 Sign	0	0	2	0	2
C46 Solar	0	0	0	0	0
C47 Gen Manufactured House	0	0	0	0	0
C50 Reinforcing Steel	0	0	0	0	0
C51 Structural Steel	0	0	3	0	3
C53 Swimming Pool	0	2	3	1	6
C54 Tile	0	0	3	0	3
C55 Water Conditioning	0	0	0	0	0
C57 Well Drilling	0	0	0	0	0
C60 Welding	0	0	1	0	1
C61 Limited Specialty	1	2	3	3	9
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
Total	8	54	161	54	277



Judgment Unit Statistics

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

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



Judgment Unit: Number of Reimbursements to State Agencies and Public

Outstanding Liabilities (from California State Agencies)

	5/22	6/22	7/22	8/22	9/22	10/22	11/22	12/22	1/23	2/23	3/23	4/23
Initial	87	79	76	88	62	58	47	63	44	32	70	51
Suspend	65	72	70	75	55	73	48	46	43	44	38	28
Reinstate	37	38	30	59	42	45	31	40	36	33	34	32
Total	189	189	176	222	159	176	126	149	123	109	142	111

Final Judgments (from court actions)

	5/22	6/22	7/22	8/22	9/22	10/22	11/22	12/22	1/23	2/23	3/23	4/23
Initial	55	61	38	57	65	32	40	78	28	22	53	33
Suspend	22	12	17	15	20	16	19	18	8	13	24	4
Reinstate	50	53	35	50	34	41	38	56	37	35	56	24
Total	127	126	90	122	119	89	97	152	73	70	133	61

Payment of Claims (from bond surety companies)

	5/22	6/22	7/22	8/22	9/22	10/22	11/22	12/22	1/23	2/23	3/23	4/23
Initial	68	156	93	119	95	107	106	125	85	83	145	106
Suspend	70	71	73	30	91	40	62	54	74	53	72	53
Reinstate	44	93	84	102	72	86	72	66	40	66	124	71
Total	182	320	250	251	258	233	240	245	199	202	341	230

Reimbursement Amounts to State Agencies and Public
Prior Calendar Years

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Outstanding Liabilities	\$23,899,670	\$26,277,077	\$18,342,630	\$18,765,840	\$22,921,075
Final Judgments	\$12,167,435	\$16,514,073	\$20,586,833	\$18,003,223	\$20,211,482
Payment of Claims	\$9,580,600	\$11,080,053	\$9,921,280	\$7,934,026	\$7,781,618
Total Monetary Recovery	\$45,647,705	\$53,871,203	\$48,850,913	\$44,703,089	\$50,914,175



CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

State Agency Outstanding Liabilities Collected

	Employment Dev. Department (EDD)	Franchise Tax Board (FTB)	Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE) Division of Occupational Safety & Health (DOSH) Office of the Director – Legal Unit (ODL)	Total Liabilities Collected
May 2022	\$1,163,900	\$149,918	\$247,468	\$1,561,286
June	\$1,228,445	\$858,433	\$22,921	\$2,109,799
July	\$999,272	\$196,712	\$669,945	\$1,865,929
August	\$1,042,901	\$395,882	\$374,290	\$1,813,073
September	\$976,015	\$142,565	\$266,121	\$1,384,701
October	\$1,121,676	\$166,161	\$311,764	\$1,599,604
November	\$409,418	\$415,499	\$94,521	\$919,438
December	\$1,308,171	\$650,514	\$2,930,458	\$4,889,143
January 2023	\$593,297	\$232,795	\$274,564	\$1,100,656
February	\$1,205,444	\$13,473	\$541,131	\$1,760,048
March	\$918,723	\$178,767	\$197,377	\$1,294,867
April	\$439,030	\$191,889	\$673,425	\$1,304,344
TOTALS	\$11,406,292	\$3,592,608	\$6,603,985	\$21,602,888



CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

Examination Administration Unit

The Testing Division’s Examination Administration Unit (EAU) utilizes PSI Exams to administer CSLB’s 47 examinations at 20 computer-based test centers. CSLB and PSI mail applicants instructions on how to schedule exams.

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

Number of Examinations Scheduled Per Month May 2022 – April 2023

May 2022	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2023	Feb	Mar	Apr	Total
5105	5888	2046	3362	3515	3359	3212	3346	3398	3742	4204	3641	44,818

CSLB currently utilizes PSI test centers in the following locations:

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

In May 2023, Testing was authorized to request two additional test centers for CSLB candidates. Testing researched where most of CSLB’s out-of-state licensees are located and determined that efforts at expanding testing would be best directed to Nevada and Oregon. The Nevada test center for PSI is located in Las Vegas. The Oregon test center is in Wilsonville, near Portland. These test centers are anticipated to open to CSLB candidates in August 2023.



Number of Examinations Administered by Test Center

From May 2022 to April 2023, CSLB and PSI test centers administered a total of 43,055 exams. The details about each test center are described below.

Test Center	Number of Examinations Administered
Agoura Hills – PSI	2,651
Atascadero – PSI	413
Bakersfield – PSI	638
Carson – PSI	1,216
Diamond Bar – PSI	1,347
El Monte/Santa Fe – PSI	2,564
Fresno – PSI	1,177
Fresno – CSLB	688
Irvine – PSI	2,317
Lawndale – PSI	1,286
Norwalk – CSLB	2,223
Oxnard – CSLB	1,248
Redding – PSI	455
Riverside/Mission Grove – PSI	3,351
Sacramento – PSI	4,071
Sacramento – CSLB	1,847
San Bernardino – CSLB	1,182
San Diego – PSI	3,450
San Diego – CSLB	768
San Francisco – PSI	1,657
San Jose – CSLB	516
Santa Clara – PSI	2,472
Santa Rosa – PSI	1,151
Union City – PSI	1,003
Ventura – PSI	1,280
Visalia - PSI	463
Walnut Creek – PSI	1,621
Total	43,055

**Examination Development Unit**

The Testing Division's Examination Development Unit (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 examinations 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.

The following examinations have been released since March 2023:

- C-9 Drywall
- C-29 Masonry
- C-17 Glazing
- C-53 Swimming Pool
- C-46 Solar



Examination Programs in Progress as of June 2023

Occupational Analysis	Item Bank Development
C-10 Electrical	C-2 Insulation & Acoustical
C-38 Refrigeration	C-4 Boiler, Hot Water Heating, & Steam-fitting
C-55 Water Conditioning	C-7 Low Voltage
C-60 Welding	C-12 Earthwork and Paving
	C-13 Fencing
	C-31 Construction Zone Traffic Control
	C-34 Pipeline
	C-46 Solar
	C-47 General Manufactured Housing
	C-49 Tree and Palm
	C-54 Ceramic & Mosaic Tile
	C-57 Well Drilling
	Hazardous Substance Removal Certification

Demographic Survey Results

In coordination with Board Chair Mary Teichert and in furtherance of Strategic Plan Objective 1.1, Testing Division staff sent in April a survey to individuals who received their license with the Contractors State License Board (CSLB) between March 2022 and March 2023. The purpose of the survey was to gather demographic information from the licensees. The survey included questions about the position held in the company, age, gender, race/ethnicity, disability, and military affiliation. The licensees were given about 6 weeks to respond to the survey. The last page of the survey also includes information about how to participate as a Subject Matter Expert (SME) in the exam development process. Highlights of the results are as follows:

- 8% of respondents were female, and of those 44% were the president of their company, 31% were the CEO, and 24% were the qualifier.
- Most respondents were between 40 and 69 years old (60%) and 38% were between 21 and 39 years old.
- 45% of respondents identified as Hispanic or Latino, 42% identified as white, and 2.7% identified as Black or African American.
- 4% of respondents reported having a disability.
- 5% reported having a military affiliation.

AGENDA ITEM H

Public Affairs



AGENDA ITEM H-1

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





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

Strategic Plan Item 4.1: Expand CSLB's online presence through both standard platforms and emerging technologies to improve effectiveness in educating consumers and the industry.

Ongoing. The Public Affairs Office is consistently researching the best ways to get messaging out to the industry and reach underserved communities.

Strategic Plan Item 4.2: Establish a CSLB-specific new board member orientation to educate board members about legislative processes, licensing and testing functions, and enforcement procedures.

After the Board approved an extension to this objective at the March 2023 meeting to June 2023, the Public Affairs Office has been working on updating this board member orientation. New staff are working on fact sheets about legislative processes, licensing and testing functions and enforcement procedures. Once complete, these will be added to the Welcome binder provided to Board members and will also be used to create an orientation video for Board members to view.

Strategic Plan Item 4.3: Update the website content, accessibility, and navigation to improve the user experience.

Immediate and ongoing. As the Public Affairs Office continues to work on updating website content, they are planning to meet with consumer groups in August to get additional input.

Strategic Plan Item 4.4: Develop video tutorials on processes and procedures to reduce consumer, licensee, and applicant errors (for example, how to complete forms).

Ongoing. The Public Affairs Office continues to create new videos to educate consumers, licensees, and applicants on common errors and new and relevant topics.

Strategic Plan Item 4.5: Develop communications with C-20 (Warm-Air Heating, Ventilating and Air-Conditioning) and C-38 (Refrigeration) contractors on energy work in line with Governor Newsom's carbon reduction goals.

Ongoing. The Public Affairs Office has issued related industry bulletins, and CSLB will be participating in an industry meeting in October.

AGENDA ITEM H-2

Public Affairs Update





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

Public Affairs Program Update

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

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

Disaster Response

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

Several disaster recovery centers (DRCs) were opened in the latter half of 2022 after a number of fires in Northern California, along with a debris flow in San Bernardino County and an earthquake in Humboldt County. Beginning in late 2022 and throughout early 2023, a series of winter storms caused widespread damage around California. As a result, CSLB staffed and participated in 43 DRCs throughout California beginning August 1, 2022 through April 30, 2023. This includes DRCs that were opened more than once in a single city, such as Felton, Hollister, Ventura, and Willits.

Disaster	DRC Location	Resources
1. Oak Fire	Mariposa (Mariposa County)	In-Person Staffing
2. McKinney Fire	Yreka (Siskiyou County)	In-Person Staffing
3. Mills Fire	Weed (Siskiyou County)	In-Person Staffing
4. Mosquito Fire	Foresthill (Placer County)	In-Person Staffing
5. Debris Flow	Yucaipa (San Bernardino County)	In-Person Staffing
6. Humboldt Earthquake	Rio Dell (Humboldt County)	In-Person Staffing
7. Winter Storms	Merced (Merced County)	In-Person Staffing
8. Winter Storms	Galt (Sacramento County)	In-Person Staffing



Disaster	DRC Location	Resources
9. Winter Storms	Watsonville (Santa Cruz County)	In-Person Staffing
10. Winter Storms	Spreckels (Monterey County)	In-Person Staffing
11. Winter Storms	Felton (Santa Cruz County)	In-Person Staffing
12. Winter Storms	San Luis Obispo (San Luis Obispo County)	In-Person Staffing
13. Winter Storms	Salinas (Monterey County)	In-Person Staffing
14. Winter Storms	Santa Barbara (Santa Barbara County)	In-Person Staffing
15. Winter Storms	Santa Maria (Santa Barbara County)	In-Person Staffing
16. Winter Storms	Stockton (San Joaquin County)	In-Person Staffing
17. Winter Storms	Placerville (El Dorado County)	In-Person Staffing
18. Winter Storms	Frogtown (Calaveras County)	In-Person Staffing
19. Winter Storms	Hollister (San Benito County)	In-Person Staffing
20. Winter Storms	San Mateo (San Mateo County)	In-Person Staffing
21. Winter Storms	Ventura (Ventura County)	In-Person Staffing
22. Winter Storms	Willits (Mendocino County)	In-Person Staffing
23. Winter Storms	Point Arena (Mendocino County)	In-Person Staffing
24. Winter Storms	Oakland (Alameda County)	In-Person Staffing
25. Winter Storms	Dublin (Alameda County)	In-Person Staffing
26. Winter Storms	Danville (Contra Costa County)	In-Person Staffing
27. Winter Storms	San Andreas (Calaveras County)	In-Person Staffing
28. Winter Storms	Ventura (Ventura County)	In-Person Staffing



Disaster	DRC Location	Resources
29. Winter Storms	Jackson (Amador County)	In-Person Staffing
30. Winter Storms	Wrightwood (San Bernardino County)	In-Person Staffing
31. Winter Storms	Watsonville (Santa Cruz County)	In-Person Staffing
32. Winter Storms	Felton (Santa Cruz County)	In-Person Staffing
33. Winter Storms	Watsonville (Santa Cruz County)	In-Person Staffing
34. Winter Storms	Tuolumne (Tuolumne County)	In-Person Staffing
35. Winter Storms	Lake Isabella (Kern County)	In-Person Staffing
36. Winter Storms	McFarland (Kern County)	In-Person Staffing
37. Winter Storms	Farmersville (Tulare County)	In-Person Staffing
38. Winter Storms	Hollister (San Benito County)	In-Person Staffing
39. Winter Storms	Coulterville (Mariposa County)	In-Person Staffing
40. Winter Storms	Midpines (Mariposa County)	In-Person Staffing
41. Winter Storms	Pajaro (Monterey County)	In-Person Staffing
42. Winter Storms	Hollister (San Benito County)	In-Person Staffing
43. Winter Storms	Twin Peaks (San Bernardino County)	In-Person Staffing

CSLB also maintains a toll-free disaster hotline, serviced by Enforcement Intake and Mediation Center staff Monday through Friday from 8 a.m. to 5 p.m. The hotline is promoted in various publications, as well as on disaster signs posted in disaster zones and provided at the DRCs. CSLB's disaster response includes immediate and longer-term outreach, enforcement efforts, participation in multi-agency task forces, and assistance for affected licensees.

Short- and Long-Term Outreach

PAO coordinates additional outreach to congressional offices and state legislator offices



in the affected disaster areas, as well as building departments, construction industry associations, and chambers of commerce.

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

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

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

The contractor workshop includes a building department update on the local rebuild and any special rules established for plan approvals and inspections. Licensing requirements are covered, as are bonds and insurance, how to obtain a workers' compensation insurance policy, contract requirements, how to prevent complaints, and how the selection of building materials and the choice of building methods can help prevent future disasters.

CSLB also makes regular disaster-related posts through its social media channels, including Facebook, Twitter, Instagram, and LinkedIn.

Task Force Participation

CSLB staff participate on a multi-agency task force established by the California Governor's Office of Emergency Services that focuses on rebuilding and housing. The task force includes representatives from local, state, and federal agencies, with a goal of coordinating and streamlining the debris cleanup efforts and addressing both short-term housing needs for survivors and the rebuild.

Assistance for Licensees/Applicants

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

Video/Digital Services

Consumer, Licensee and Applicant Tips Videos

Public Affairs staff continue to develop consumer and licensee tips videos for promotion on social media and the CSLB website on topics such as how to renew an active single qualifier license online, what seniors should know about hiring a contractor, and contractor advertising guidelines.



During Women in Construction Week, Public Affairs staff created a video acknowledging the hard work of women in the industry and encouraging those interested in getting their contractor license to utilize CSLB’s online resources.

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

In addition to producing monthly English and Spanish versions of the *Get Licensed to Build* workshop for those interested in getting a contractor license, staff also developed videos promoting these workshops and encouraging people to register online. These workshops have been well attended via WebEx, Facebook, and YouTube, and are also archived on CSLB’s website.

Webcasts/Videos Produced

**Live/Recorded Videos
July 1, 2022 – April 30, 2023**

Date Published	Video Title
7/1/2022	Get Licensed to Build Workshop
7/7/2022	CSLB Industry Stakeholder Meeting
7/15/2022	Get Licensed to Build Workshop (Spanish)
8/3/2022	CSLB Enforcement Committee Meeting
8/5/2022	Get Licensed to Build Workshop
8/19/2022	Get Licensed to Build Workshop (Spanish)
8/30/2022	CSLB Board Meeting Day 1
8/31/2022	CSLB Board Meeting Day 2
9/2/2022	Get Licensed to Build Workshop
9/16/2022	Get Licensed to Build Workshop (Spanish)
10/7/2022	Get Licensed to Build Workshop
10/12/2022	Guía de Publicidad para contratistas (Contractor Advertising Guidelines)
10/21/2022	Get Licensed to Build Workshop (Spanish)
11/4/2022	Get Licensed to Build Workshop



Date Published	Video Title
11/18/2022	Get Licensed to Build Workshop (Spanish)
11/23/2022	CSLB Guide to Renewing Your Active Single Qualifier License
12/2/2022	Get Licensed to Build Workshop
12/8/2022	CSLB Board Meeting
12/16/2022	Get Licensed to Build Workshop (Spanish)
1/6/2023	Get Licensed to Build Workshop
1/18/2023	Participa en nuestro workshop para obtener la licencia para construir (Spanish licensing workshop promo video)
1/20/2023	Get Licensed to Build Workshop (Spanish)
1/25/2023	What Seniors Should Know About Hiring a Contractor (2023)
2/3/2023	Get Licensed to Build Workshop
2/16/2023	CSLB Legislation and Licensing Committee Meeting
2/17/2023	Get Licensed to Build Workshop (Spanish)
3/8/2023	Women in Construction Week (March 5-11)
3/17/2023	Get Licensed to Build Workshop (Spanish)
3/21/2023	CSLB Board Meeting
4/7/2023	Get Licensed to Build Workshop
4/21/2023	Get Licensed to Build Workshop (Spanish)

Social Media

PAO continues to use social media as an outreach tool to better interact with applicants, licensees, the news media, and other stakeholders. CSLB currently utilizes Facebook, Instagram, Twitter, YouTube, and LinkedIn.

Social Media Highlights

- **Facebook:** 6,200 followers, a 2% increase since last year
- **Instagram:** 1,861 followers, a 42% increase since last year
- **Twitter:** 2,972 followers, a .6% increase since last year



- **YouTube:** 29 videos produced, a 31% increase since last year; 74,697 video views, a 11% increase since last year; 384,000 minutes watched, a 20% decrease since last year.
- **LinkedIn:** 866 followers, a 10% increase since last year

Facebook Growth

Between July 1, 2022, and April 30, 2023, CSLB reached 52,051 people on its Facebook page.

Follower Statistics

Of CSLB’s Facebook followers, 67 percent of CSLB Facebook followers are male; 32 percent are female. Of these followers, 1 percent of CSLB’s Facebook followers are ages 18 to 24, 13.6 percent are ages 25-34, 31.9 percent are ages 35-44, 25.9 percent are ages 45-54, 17.4 percent are ages 55-64, and 10.2 percent are ages 65 and up.

Top Facebook Post

The top post was on Wednesday, April 12, with a reach of 7,661 people, 44 likes, 12 comments, and 34 shares.

Always check a license when hiring someone to work in and around your home! Visit our website and click the "check a license" button on the homepage. www.cslb.ca.gov #CSLB #California





Instagram Growth

Between July 1, 2022, and April 30, 2023, CSLB reached 5,173 people on its Instagram page.

Follower statistics

Of CSLB’s Instagram followers, 72.3 percent of CSLB’s Instagram followers are male; 27.7 percent are female. Of these followers, 3.4 percent of CSLB’s Instagram followers are ages 18 to 24, 31.3 percent are ages 25-34, 38.3 percent are ages 35-44, 17.8 percent are ages 45-54, 6 percent are ages 55-64, and 3.2 percent are ages 65 and over.

Top Instagram Post

The top Instagram post was on Thursday, February 16, with a reach of 1,432 people, 81 likes, 14 comments, and 40 shares.

During a two-day undercover sting operation in Tulare, CSLB cited a dozen individuals for charging thousands of dollars on home improvement projects. Suspects could face serious fines and/or jail time as a result. Get the full story--> visit www.cslb.ca.gov and search "press releases"





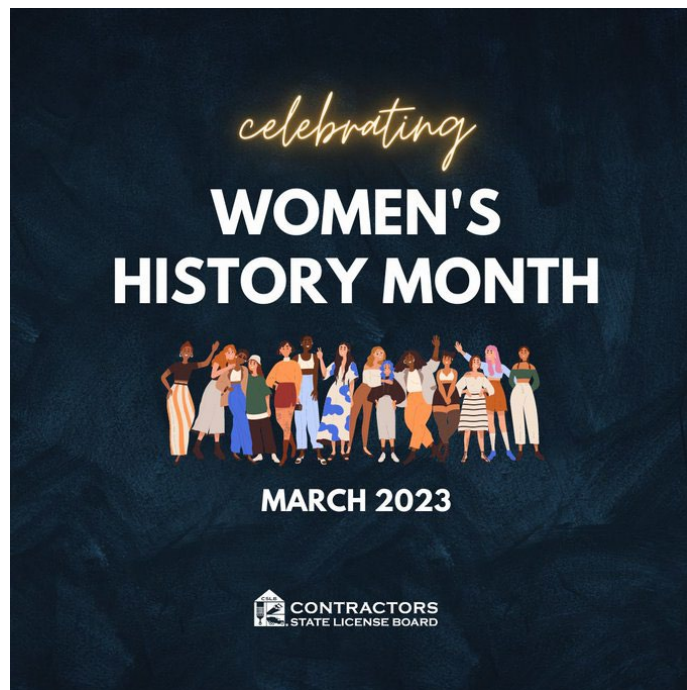
Twitter Growth

Between July 1, 2022, and April 30, 2023, CSLB had 34,700 impressions.

Top Tweet

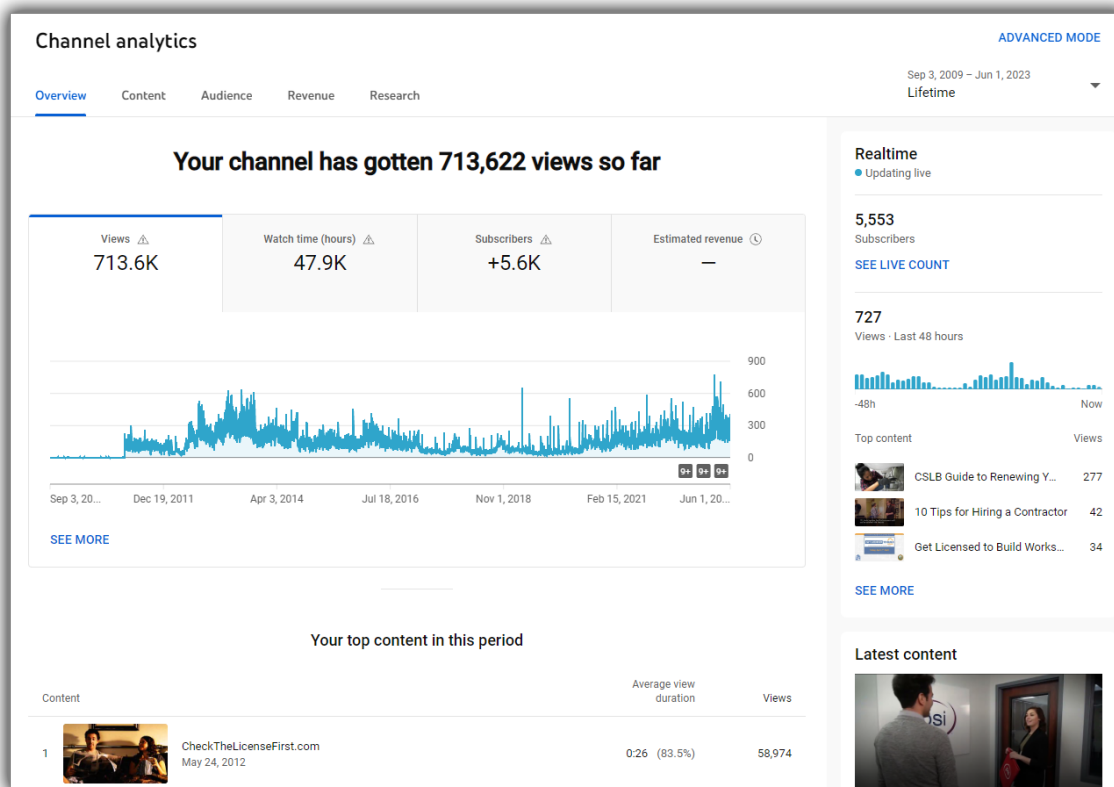
The top tweet was about celebrating Women’s History Month on March 28, 2023. It had 241 impressions, including 5 profile clicks, 3 likes, 2 retweets, and 2 hashtag clicks.

Before March comes to an end, CSLB couldn't leave this month behind without a major nod to all women in all industries. Happy [#WomensHistoryMonth!](#) [#March](#) [#WomenInConstrution](#) [#California](#) [#CSLB](#)



YouTube Channel Growth

CSLB’s YouTube channel continues to grow, with an increase of approximately 450 subscribers, 1,800 hours of watch time, and 28,977 more views since July 2022. The channel has a total of 713,622 views (47,900 hours watched) and 5,553 subscribers since the page was created in 2009.



LinkedIn Growth

PAO actively posts current job vacancies to LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase exposure and act as an effective recruiting tool to attract quality employees for CSLB positions. As of April 30, 2023, CSLB has 762 followers. It received 655 page views from July 1, 2022, to April 30, 2023.

Email Alert Feature

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 75,458.

These include:

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



Industry Bulletins

Important CSLB updates are issued in Industry Bulletins, which are emailed to those who signed up via CSLB’s Email Alert System. From July 1, 2022, to April 30, 2023, CSLB issued 11 Industry Bulletins including new workers’ compensation insurance requirements, new laws affecting contractors in 2023, and Spanish study guides being available.

**Industry Bulletins
July 1, 2022 – April 30, 2023**

Date	Industry Bulletins
9/15/2022	CSLB Reminds Contractors of Requirements for Mechanical Systems Acceptance Tests
9/30/2022	CSLB Reminds Licensees of Contractor’s Bond Increase to \$25,000
10/4/2022	Contractors State License Board Offers Online Process for Licensees Adding Home Improvement Salesperson Data
10/13/2022	Workers’ Compensation Insurance Required for Four Additional License Classifications
11/18/2022	CSLB Shares Additional Details Regarding Workers’ Compensation Insurance Requirement for Four Additional License Classifications
11/23/2022	CSLB Reminds Contractors of Progress Payment Restrictions
12/10/2022	Fraud Alert: Scammers Threaten License Revocation Via Text Message
12/22/2022	CSLB Reminds Licensee of New Laws Beginning January 1, 2023
2/2/2023	2023 California Contractors License Law and Reference Book Now Available
3/17/2023	CSLB Licensing Exam Study Guides Now Available in Spanish
4/28/2023	Additional Resources for Contractors Managing Treated Wood Waste

Media Relations

Media Calls

From July 1, 2022, to April 30, 2023, PAO responded to 37 media inquiries, providing information and/or interviews to a variety of media outlets.

News Releases

PAO issued 17 news releases from July 1, 2022, to April 30, 2023. The releases included reminders related to disasters, sting results, alerts on solar scams, and an unlicensed contractor being sentenced to prison again.

**News Releases
July 1, 2022 – April 30, 2023**

Date	News Releases
9/21/2022	CSLB and Butte County District Attorney Continue Effort to Protect Camp Fire Survivors from Unlicensed Contractors
10/12/2022	Workers’ Compensation Insurance for Certain Licensed Contractors Required by 2023



Date	News Releases
10/18/2022	Contractors State License Board recognizes Construction Inclusion Week
11/7/2022	Contractors State License Board warns consumers of misconduct related to PACE program
11/18/2022	CSLB Works with Bay Area Law Enforcement to Target Unlicensed Contractors
12/6/2022	CSLB Investigation into PACE-related Fraud Leads to Three Arrests in Los Angeles County
12/21/2022	CSLB Urges Homeowners to Hire Licensed Contractors After Humboldt County Earthquake
12/30/2022	Undercover Sting Exposes 10 Unlicensed Contractors in California’s Capital City
1/19/2023	CSLB Urges Homeowners to Hire Licensed Contractors Following Storm Damage
1/26/2023	Attorney General Bonta Warns Against Hiring Unlicensed Contractors, Price Gouging in Aftermath of Winter Storms
2/16/2023	Dozen Unlicensed Contractors Cited in Undercover Sting in Central Valley
3/9/2023	Alleged Unlicensed Contractors Give High Bids in San Diego County Sting
3/10/2023	CSLB Celebrates Women in Construction Week
3/17/2023	Repeat Unlicensed Contractor Sentenced to Seven Years in Prison
4/5/2023	Unlicensed Contractor Sentenced to Jail and Probation in Stanislaus County After Costly Remodeling Project
4/12/2023	Undercover Sting Leads to Unlicensed Contractors in Greater Sacramento Area
4/19/2023	CSLB Warns Consumers to be Cautious of Misleading and Illegal Solar Advertisements

Consumer/Community Outreach

Senior Scam StopperSM Seminars

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

**Outreach Events
July 1, 2022 – April 30, 2023**

Date	Location	Legislative/Community Partner(s)
July 26, 2022	Virtual	Assemblymember Chris Ward
July 27, 2022	Virtual	Assemblymember Sharon Quirk-Silva
August 12, 2022	Torrance	Assemblymember Al Muratsuchi
August 17, 2022	Carmichael	DFPI Scam Event
August 17, 2022	Virtual	American Association of Retired Persons (AARP) Virtual Outreach with DFPI
September 8, 2022	Irvine	Assemblymember Cottie Petrie Norris



Date	Location	Legislative/Community Partner(s)
September 8, 2022	Concord	Assemblymember Timothy Grayson
September 13, 2022	Virtual	PACE Community Awareness with Senator Wilk
September 14, 2022	Virtual	Senator Ben Allen
September 21, 2022	Bakersfield	Assemblymember Rudy Salas
September 28, 2022	San Diego	Assemblymember Brian Maienschein
September 28, 2022	Lamont	Assemblymember Rudy Salas
October 4, 2022	Barstow	Barstow Senior Center
November 3, 2022	Reseda	Assemblymember Jesse Gabriel
November 3, 2022	Virtual	Ventura County Community Development Corporation
November 9, 2022	Clovis	Assemblymember Jim Patterson
November 15, 2022	Virtual	Senator Scott Wilk
November 18, 2022	Virtual	California Alliance for Retired Americans (CARA)
November 21, 2022	Escondido	Senior Scam Stopper with Sen. Brian Jones
January 11, 2023	Virtual	Senior Scam Stopper with Town of Los Altos Hills Parks and Recreation Department
January 18, 2023	Virtual	Senior Scam Stopper with Sen. Scott Weiner
February 24, 2023	Fresno	Assemblymember Jim Patterson
March 3-5, 2023	Fresno	Fresno Home and Garden Show
March 15, 2023	Claremont	Assemblymember Chris Holden
March 23, 2023	Visalia	Golden State Builders Exchange
April 6, 2023	Camarillo	Assemblymember Steve Bennett
April 14, 2023	San Jose	Senator Dave Cortese
April 18, 2023	Livermore	Northern California Plumbing-Heating Cooling Industry Trade Show
April 18, 2023	Virtual	Catholic Charities



Publication/Graphic Design Services

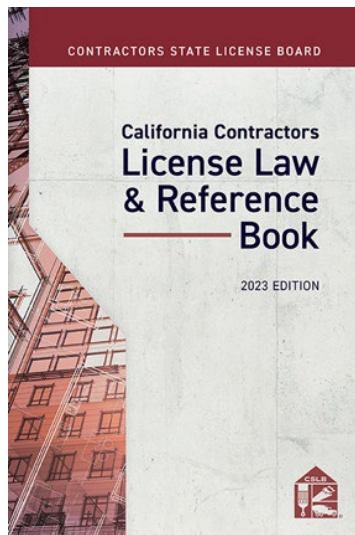
From July 1, 2022, through April 30, 2023, PAO’s Graphic Design Unit completed the following publications and reports.

**Publications & Reports
July 1, 2022 – April 30, 2023**

Publications & Reports
2022 Accomplishments & Activities Report
Fast Facts: Rebuilding After a Disaster
Fast Facts: Debris Removal & Construction Scams
Terms of Agreement: A Consumer Guide to Home Improvement Contracts
March 21, 2023, Quarterly Board Meeting Packet
February 16, 2023, Licensing and Legislative Committee Meeting Packet
December 8, 2022, Quarterly Board Meeting Packet
August 30-31, 2022, Quarterly Board Meeting Packet
August 3, 2022, Enforcement Committee Meeting Packet
A Consumer Guide to Filing Construction Complaints brochure

2023 California Contractor License Law & Reference Book

The 2023 edition of the California Contractor License Law & Reference Book was released at the end of January 2023 and distributed to CSLB staff around the state, as well as deputy attorneys general who prosecute administrative cases for CSLB.





Intranet/Employee Relations

CSLBin is the employee-only intranet site. Stories and photos highlight employee and organizational accomplishments. The site also contains the latest forms, policies, reports, and other information used by CSLB staff around the state. From July 1, 2022, to April 30, 2023, PAO published 16 employee intranet articles.

**Employee Intranet Stories
July 1, 2022 – April 30, 2023**

Date Published	Title
7/7/2022	Thank You, CSLB Staff!
7/13/2022	CSLB Virtual Career Opportunities
8/11/2022	CSLB Video Break: License Renewal Quick Tips
8/25/2022	CSLB's Quarterly Board Meeting Announcement
10/14/2022	Enforcement Supervisor Retires After 17 Years at CSLB
10/31/2022	Register for CSLB's Annual Chili Cook-Off
11/4/2022	Halloween Costume Contest Winners
12/16/2023	CSLB Celebrates Staff with Delicious Lunch, Raffle Prizes, and Holiday Cheer
2/2/2023	California Contractors License Law & Reference Book 2023 Edition Not Available
2/10/2023	CSLB Employee Shares Volunteer Experience Cleaning Up Storm Aftermath in Felton Area
2/14/2023	Tune In! Licensing and Legislative Committee Meetings this Thursday Morning
3/13/2023	Great news! CSLB Licensing Exam Study Guides are Now Available in Spanish
3/17/2023	Tune In! Teleconference Board Meeting – March 21
3/27/2023	CSLB's Accomplishments & Activities Report
4/18/2023	Licensing Staff Gathered for Springtime Fun!
4/26/2023	Happy National Administrative Professionals Day!



Public Information Center Statistics

As of October 3, 2022, the Licensing Information Center transitioned to the Public Information Center under the Public Affairs Office. As a result of supervisor turnover and staff absences, wait times went up significantly from February through April but have improved in May and into June.

Inbound Activity	Oct. 2022	Nov. 2022	Dec. 2022	Jan. 2023	Feb. 2023	March 2023	April 2023	May 2023
Calls Received	10,985	10,431	10,422	13,282	12,464	14,041	12,117	12,771
Calls Answered	9,935	9,040	8,675	9,742	7,660	8,268	7,277	9,054
Caller Abandoned	1,037	1,388	1,743	3,523	4,715	5,682	4,700	3,678
Longest Wait Time	0:19:53	0:32:30	0:27:54	0:54:01	0:59:35	1:00:17	1:10:03	0:54:29
Shortest Wait Time	0:00:52	0:01:22	0:00:50	0:11:03	0:17:46	0:18:14	0:21:13	0:06:14
Avg. Wait Time	0:06:57	0:10:20	0:12:50	0:22:47	0:37:06	0:40:20	0:40:07	0:25:28

Public Information Center Call Data – Prior Calendar Years

Inbound Activity	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Calls Received	166,918	152,845	149,462	149,462	140,589	140,409
Calls Answered	147,074	137,270	136,776	98,044	116,304	119,693
Caller Abandoned	16,527	9,426	7,859	35,865	23,983	20,496
Avg. Longest Wait Time	0:01:36	0:10:48	0:08:33	0:46:23	0:33:56	0:34:45
Avg. Shortest Wait Time	0:00:12	0:01:04	0:00:48	0:04:23	0:03:11	0:01:24
Avg. Wait Time	0:06:46	0:04:21	0:03:34	0:25:27	0:14:38	0:11:06

AGENDA ITEM I

Adjournment

