

APRIL 17-18, 2024
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





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

The Contractors State License Board (Board or CSLB) will meet in person in accordance with Government Code section 11123, subdivision (a), at 12:00 p.m. on April 17, 2024, and at 9:00 a.m. on April 18, 2024, at the following location:

MEETING LOCATION

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

Day 1: April 17, 2024, 12:00 p.m. – 5:00 p.m. (or until the conclusion of business)

and

Day 2: April 18, 2024, 9:00 a.m. – 5:00 p.m. (or until the conclusion of business)

The meeting will also be live webcast (with an approximate 30-second delay) for viewing only. Links are available at the end of this agenda. There is no remote access for participation or comment at this meeting.

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

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the board chair.

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.

MEETING AGENDA – Day 1

Wednesday, April 17, 2024, 12:00 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. Strategic Planning Session – Department of Consumer Affairs, SOLID Planning Solutions
 - 1. Diversity, Equity, and Inclusion training videos
 - 2. Overview of the Strategic Planning Process
 - 3. Overview of Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis
 - 4. Environmental Scan Review
 - 5. Review of Possible Update of Mission, Vision, and Value Statements
 - 6. Development of Strategic Objectives
 - a. Enforcement
 - b. Legislative
 - c. Licensing and Testing
 - d. Public Affairs
 - e. Executive
 - 7. Overview of Process for Finalizing Strategic Plan for Adoption by the Board

D. Recess

MEETING AGENDA DAY 2

Thursday, April 18, 2024, 9:00 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a))
- C. Executive
 - 1. Review and Possible Approval of the December 13, 2023, Board Meeting Minutes
 - 2. Review and Possible Approval of the February 15, 2024, Licensing Committee Meeting and March 21, 2024, Legislative Committee Meeting Summary Reports
 - 3. Registrar’s Report
 - a. 2023 Accomplishments and Activities Report

- b. Update Regarding Progress of Spanish Translation of Written Licensing Examinations
- c. Review and Discussion of Cooperative Personnel Services Enforcement Workload Study

4. CSLB Budget Update

5. Administration Update Regarding Personnel and Facilities

6. Information Technology Update

7. Bagley-Keene Update

D. Licensing

1. Licensing and Testing Program Update

2. Review, Discussion and Possible Action Regarding the Experience Verification Unit in the Licensing Division

E. Enforcement

1. Enforcement Program Update

2. Review and Discussion Regarding Unlicensed Developers

F. Public Affairs

1. Public Affairs Program Update

G. Legislation

1. Update on 2023-2024 Legislation

- a. AB 2622 (Carrillo) – Expand the exemption from contractor licensure on a single project from less than \$500 to less than \$5,000
- b. AB 2677 (Chen) – Exclude surety bond companies from liability for attorney's fees and costs
- c. AB 2993 (Grayson) – Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer and local permitting agencies
- d. SB 1071 (Dodd) – Authorize a contractor to file an exemption from workers' compensation insurance requirements for contractors who affirm and prove they are operating without employees

2. Review and Discussion of Possible Legislative Concepts

- a. Legislative Concepts Regarding Business and Professions Code § 7124.6, including the Disclosure of an Accusation to Revoke a Contractor's License on the Licenses of Personnel of Record and the Number of Years of Disclosure of a Citation, Public Repeal, and Criminal Conviction
 - b. Legislative Concepts Regarding Business and Professions Code § 7002 License Classifications Held by Board Members and Possible Inclusion of a Member Holding a B-2 Residential Remodeling Contractor's License
3. Review, Discussion, and Possible Action on Comments Received During the 45-Day Comment Period Regarding Previously Board-Approved Proposed Rulemaking to Amend Title 16, California Code of Regulations (CCR) Sections 810, 832.10, and 832.46 (Definitions, Class C-10 – Electrical Contractor, and Class C-46 – Solar Contractor)
 - a. Staff recommendation to the Board: Consider and approve the responses drafted to address public comments received during the 45-day comment period on the Board's proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.
 - b. Board Options:
 - i. Accept staff recommendation and authorize final Rulemaking
 - ii. Reject staff recommendation and withdraw the Rulemaking

H. Adjournment

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

The meetings are accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the meetings may make a request by calling (916) 255-4000, or emailing Robin.williams@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 with at least five business days prior to the meetings will help ensure availability of the requested accommodation.



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APRIL 17-18, 2024
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 1



AGENDA ITEM A

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

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

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

Board Member Roster

JOËL BARTON	JACOB LOPEZ
RODNEY M. COBOS	DIANA LOVE
DAVID DE LA TORRE	MICHAEL MARK
MIGUEL GALARZA	HENRY NUTT III
AMANDA GALLO	STEVEN PANELLI
SUSAN GRANZELLA	JAMES RUANE
ALAN GUY	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

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



AGENDA ITEM C-1

Diversity, Equity, and Inclusion training videos



AGENDA ITEM C-2

Overview of the Strategic Planning Process



AGENDA ITEM C-3

Overview of Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis



AGENDA ITEM C-4

Environmental Scan Review





2024 Environmental Scan

*Prepared by
SOLID Planning Solutions
for the Contractors State License Board*



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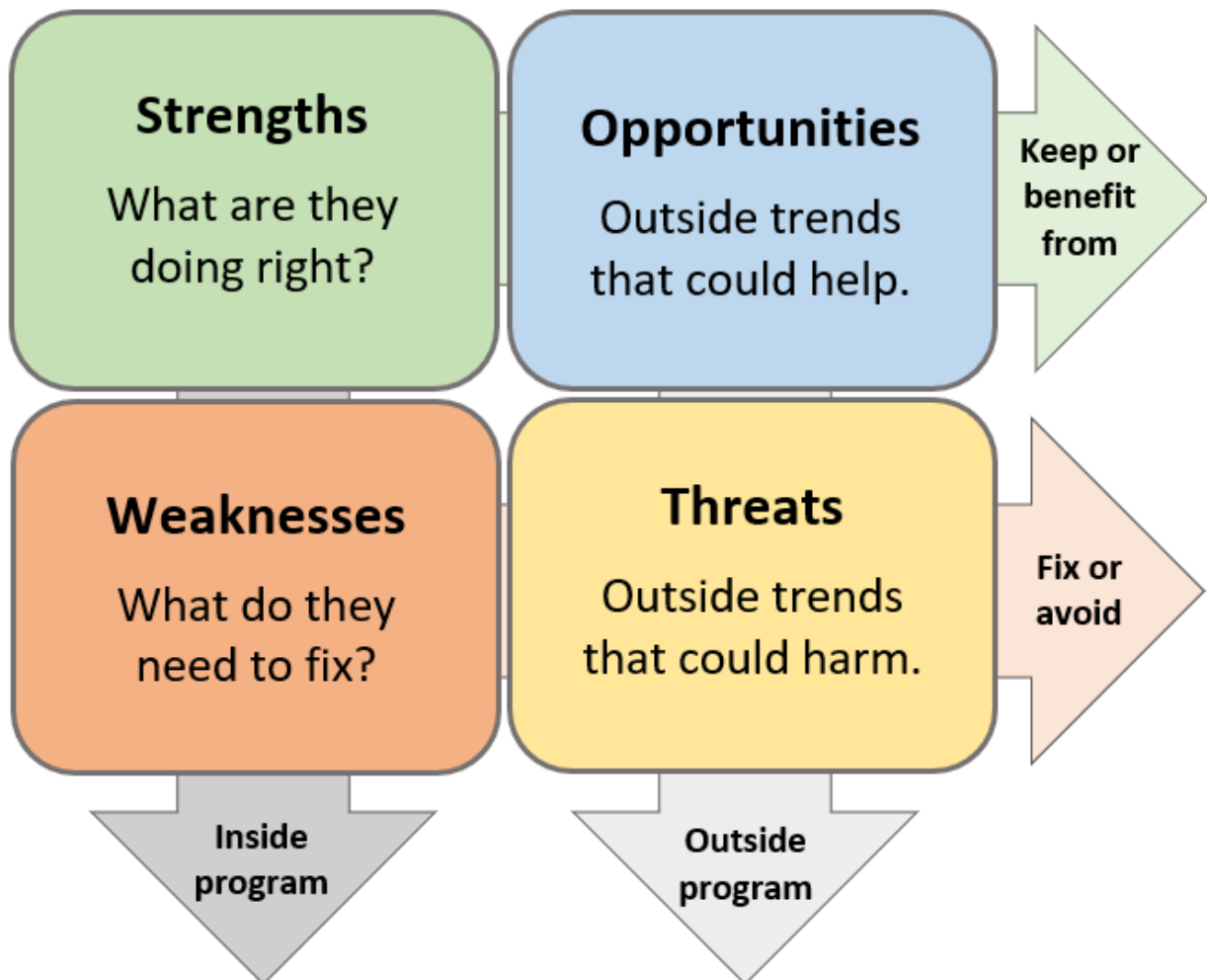
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Introduction

One of the first steps in developing a strategic plan is to conduct a scan and analysis of the internal and external environment in which an organization operates. This analysis allows the organization to look at the factors that can impact its success. This report is a summary of the environmental scan recently conducted by SOLID Planning (SOLID) for the Contractors State License Board (CSLB or Board) in the months of January and February of 2024.

The purpose of this environmental scan is to provide a better understanding of external and internal stakeholder thoughts about CSLB's performance and environment. SOLID followed the SWOT Analysis (strengths, weaknesses, opportunities, and threats) method to solicit feedback from stakeholders, where strengths and weaknesses refer to CSLB's internal environment and opportunities and threats refer to CSLB's external environment.



Diversity, Equity, and Inclusion in the Strategic Planning Process

Governor Gavin Newsom, through [Executive Order \(N-16-22\)](#), strengthened the State's commitment to a "California For All" by directing state agencies and departments to take additional actions to embed equity analysis and considerations into their policies and practices, including but not limited to, the strategic planning process.

At the Department of Consumer Affairs (DCA), we are driven by our consumer protection mission and common goal to support our employees and the people and communities across California. As part of advancing the Governor's Executive Order, DCA's strategic planning process reflects our commitment to diversity, equity, and inclusion (DEI), incorporating inclusive public engagement and enhanced data collection and analysis.

DCA DEI Mission Statement: *To Advance a Diverse, Equitable, and Inclusive California Department of Consumer Affairs for All.*

Diversity: *The inherent and acquired qualities, characteristics, and experiences that make us unique as individuals and the groups to which we belong.*

Equity: *Creating pathways to equal outcomes.*

Inclusion: *A practice to maintain a positive environment where all individuals feel recognized, understood, and valued.*

Consider DEI impacts of policy decisions when reviewing the feedback from the environmental scan and when developing strategic objectives.

Feedback

Feedback was solicited from external stakeholders, board members, board leadership, and staff regarding CSLB's internal strengths and weaknesses as they relate to its goal areas (listed below) and external opportunities and threats as they relate to the industry and environment in which CSLB operates.

1. Licensing and Testing
2. Enforcement
3. Legislation
4. Public Affairs
5. Executive

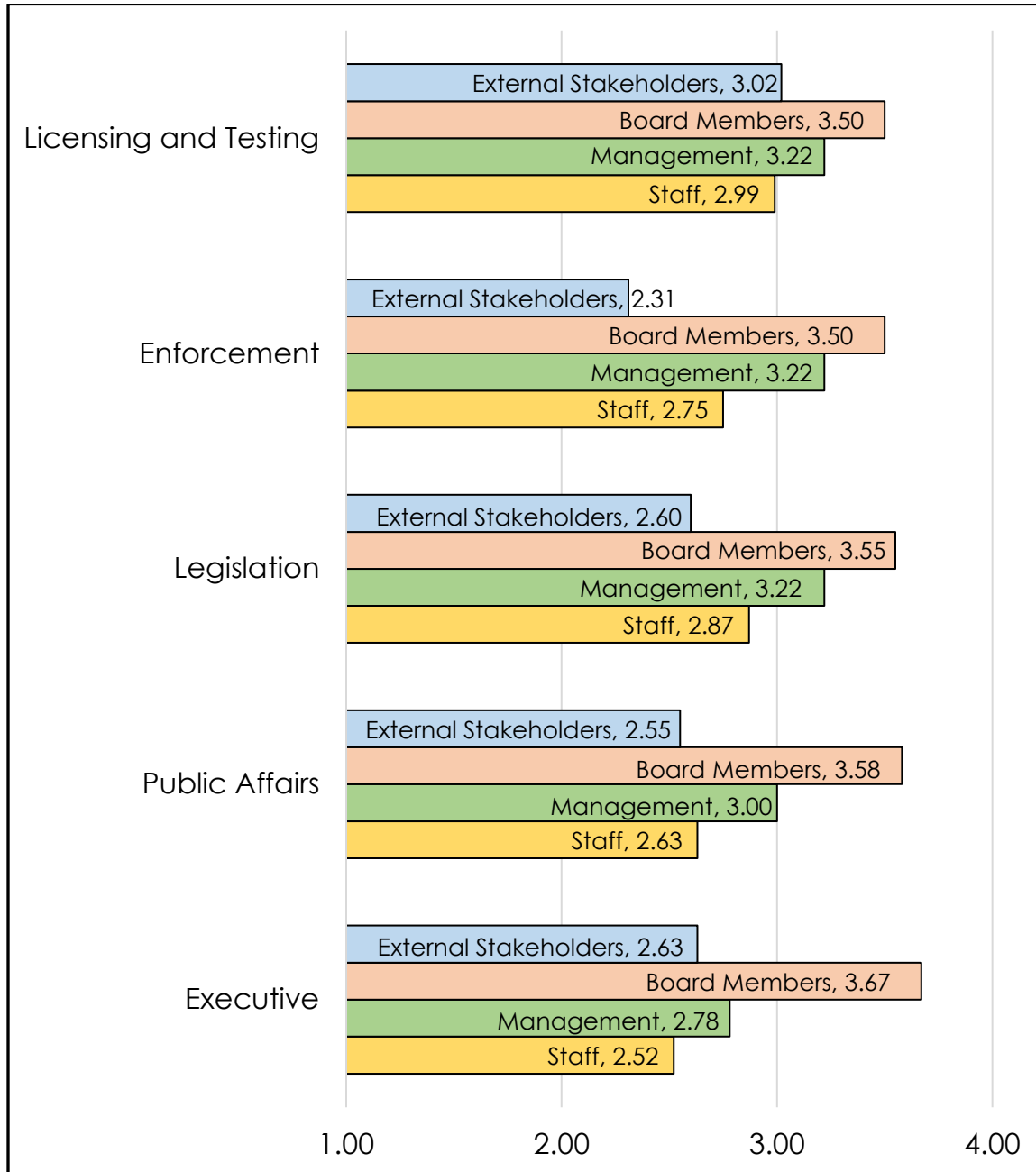
This document summarizes trends, including areas where stakeholder groups agree and disagree, while providing insight to assist CSLB in developing objectives for the upcoming strategic plan.

At the strategic planning session, CSLB's leadership team and board members will discuss and evaluate this information as a group to help create the objectives that CSLB will focus on during its next strategic plan period.

If you have any questions about this report, please contact Trisha St.Clair with SOLID Planning at Trisha.St.Clair@dca.ca.gov.

Overall Effectiveness

External stakeholders, board members, board management, and board staff rated CSLB's strategic goal areas on a scale of four (very effective) to one (very poor). The chart below displays the average ratings, with full details contained in the report.



Goal Area 1: Licensing and Testing

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

Effectiveness Rating

Rating	External Stakeholders	Board Members	Management	Staff
Very Effective	22%	50%	22%	19%
Effective	63%	50%	78%	64%
Poor	12%	0%	0%	13%
Very Poor	3%	0%	0%	4%
Total %	100%	100%	100%	100%
Total Responses	1,324	12	9	72

Summary of Licensing and Testing Strengths

1. External stakeholders say licensing and testing requirements maintain standards that ensure individuals are qualified to perform the duties related to their trade.
2. External stakeholders state testing is a beneficial way to make sure contractors are knowledgeable in their trade.
3. External stakeholders believe the exams are appropriate and comprehensive, while board members and board management praise the exams for being up to date. Staff praise the exams' administration, saying exams can be scheduled by applicants and are provided in a timely, effective manner.
4. External stakeholders commend the overall effectiveness of licensing and testing, saying processes are efficient and organized.
5. External stakeholders praise CSLB's communication, saying CSLB provides necessary licensing information, licensing status updates, and helpful renewal reminders.

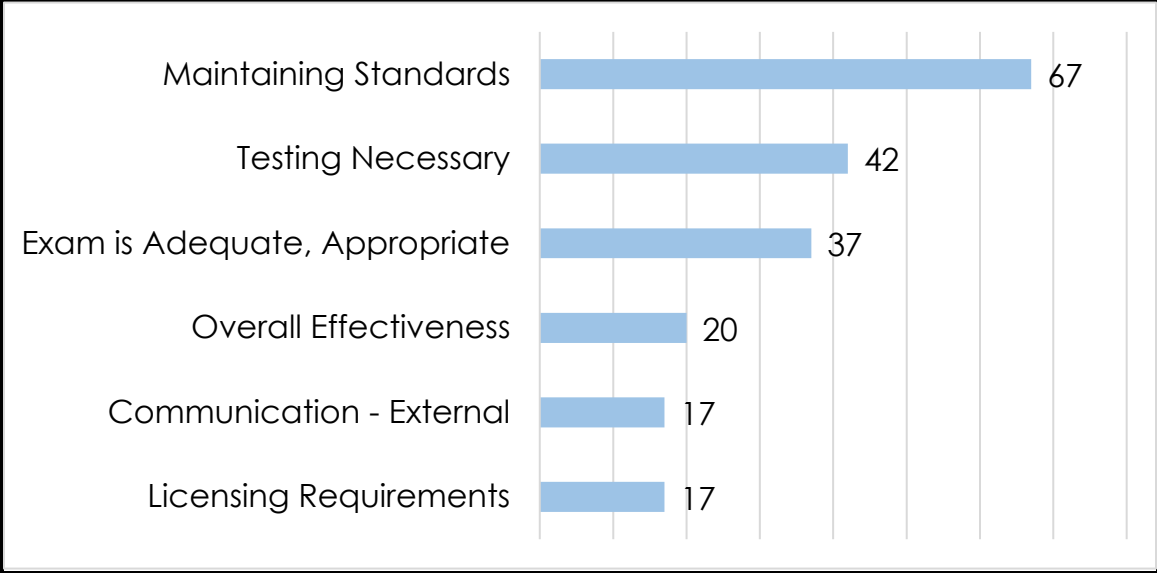
Summary of Licensing and Testing Weaknesses

1. External stakeholders suggest many licensing reforms, such as:
 - Waiving trade tests for already licensed people if they show considerable knowledge and history of the license applied for
 - Reducing the amount of specialty licenses
 - Increasing the number of specialty categories
 - Making it easier to expand specialty classifications, especially for people who hold a general license
 - Allowing managers who have managed workers in a specific trade to be eligible to apply for a license
 - Separate licenses for commercial versus residential
 - Differentiating between new construction versus remodeling or retrofitting
 - Making it simpler for someone to reactivate their license
 - Requiring continual testing, such as every five years
 - Creating more levels for different licenses
 - Making it easier to obtain a license
2. External stakeholders and staff express concern that unqualified applicants are being given licenses and that applicants' experience is not being sufficiently verified.
3. External stakeholders recommend that CSLB require continuing education in such areas as codes, fire and life safety, laws, and business management.
4. External stakeholders say that the licensing exams need to be revised because their content is outdated and unrelated to the industries they are associated with.
5. External stakeholders say CSLB takes too long to process applications, renewals, and changes to existing licenses.

Trends in Licensing and Testing Strengths

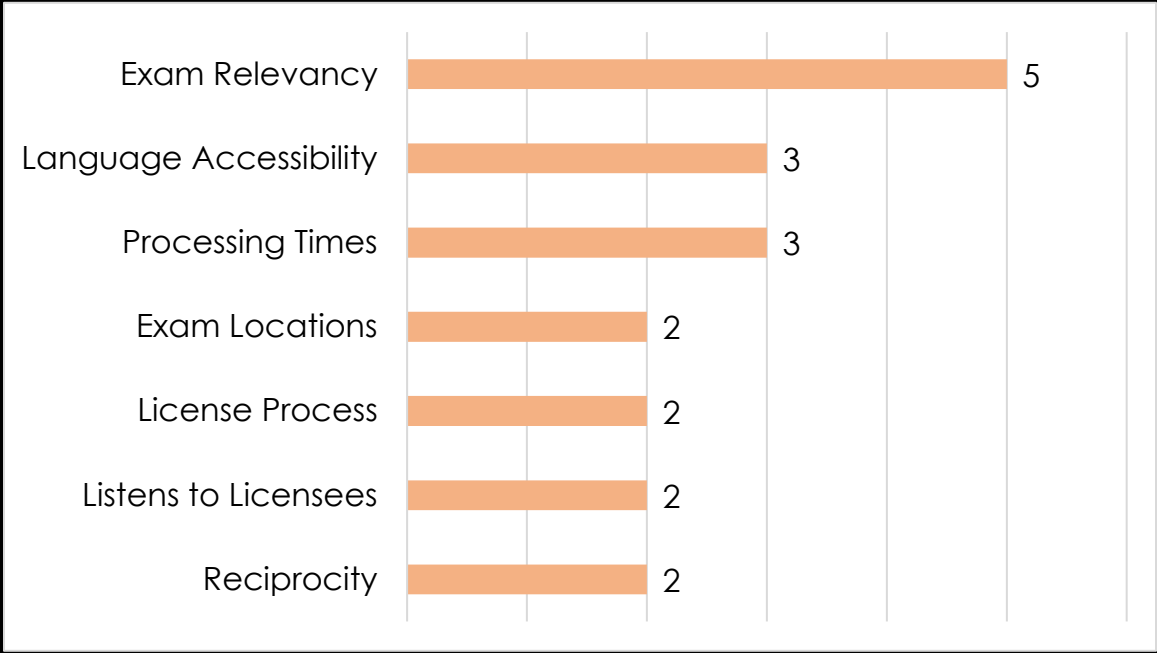
External Stakeholder Strength Comment Trends

The charts below list the top trends along with the corresponding number of comments for feedback provided by external stakeholders.



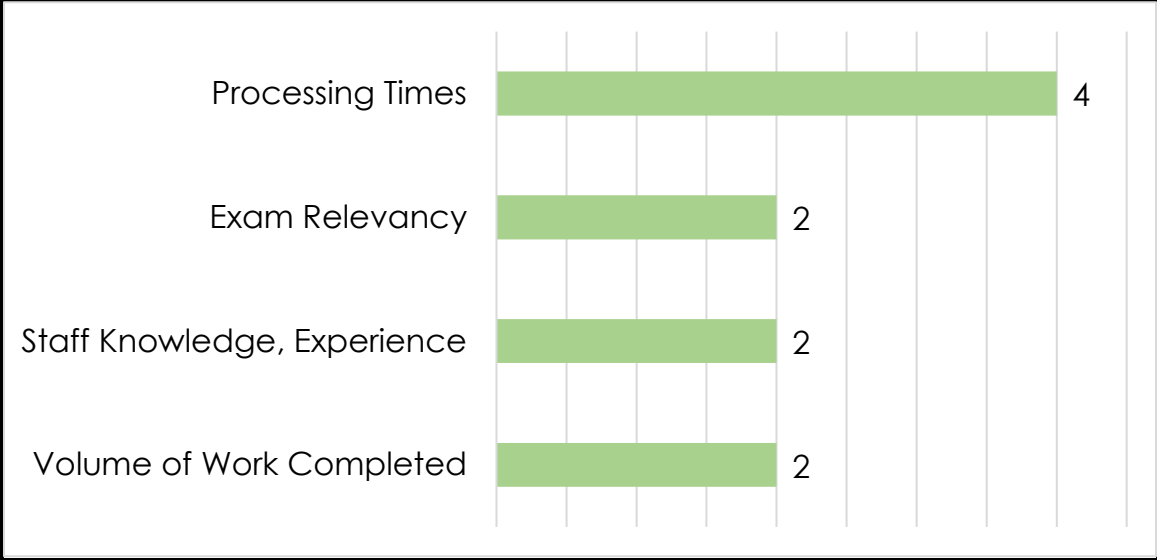
Board Member Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments for feedback provided by board members.



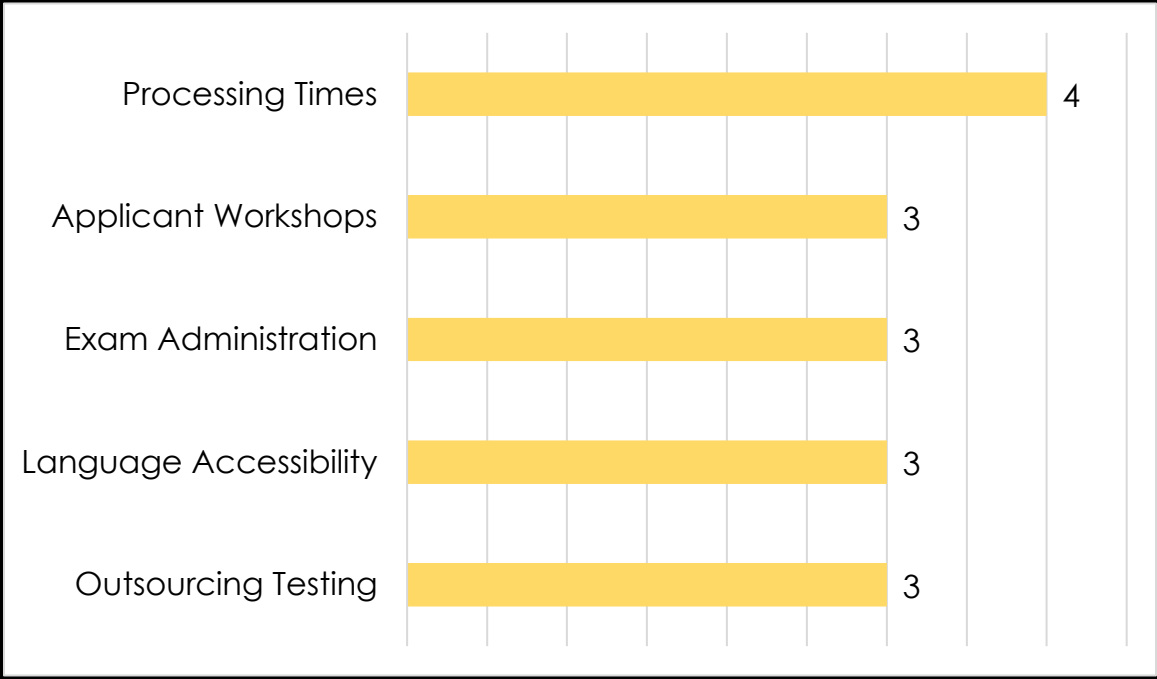
Board Management Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments for feedback provided by board management.



Staff Strength Comment Trends

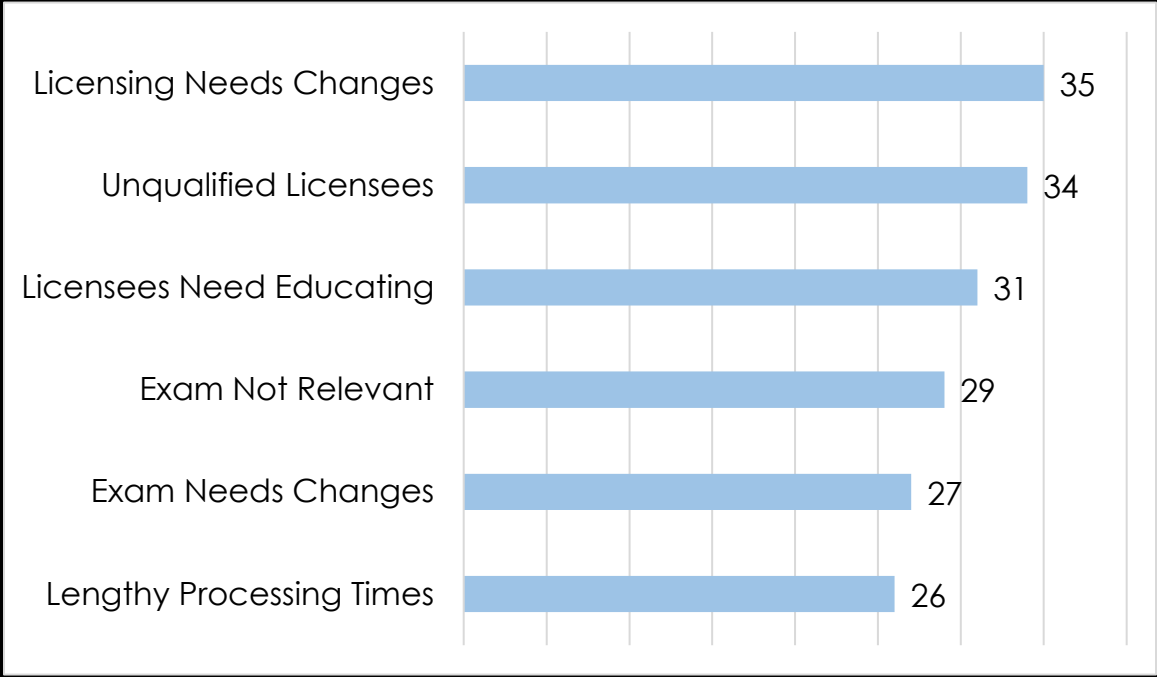
The chart below lists the top trends along with the corresponding number of comments for feedback provided by staff.



Trends in Licensing and Testing Weaknesses

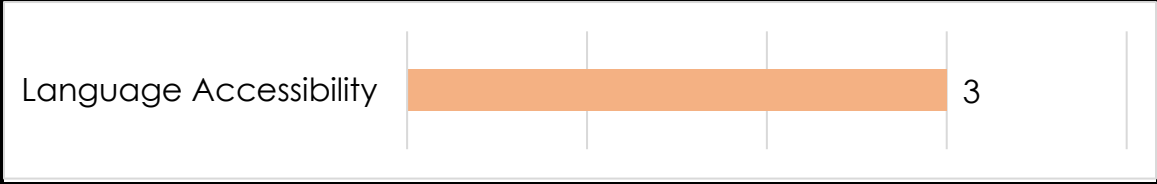
External Stakeholder Weakness Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



Board Member Stakeholder Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



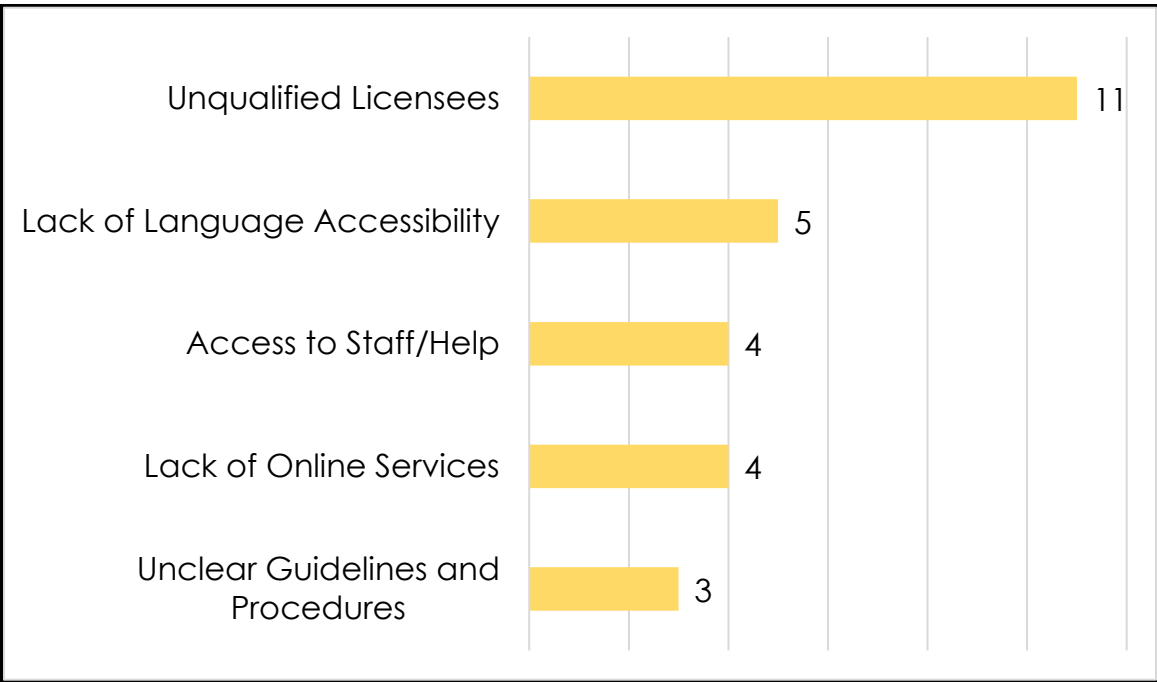
Board Management Stakeholder Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Stakeholder Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Goal Area 2: Enforcement

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

Effectiveness Rating

Rating	External Stakeholders	Board Members	Management	Staff
Very Effective	8%	50%	22%	13%
Effective	38%	50%	78%	55%
Poor	31%	0%	0%	27%
Very Poor	23%	0%	0%	5%
Total %	100%	100%	100%	100%
Total Responses	1,087	12	9	77

Summary of Enforcement Strengths

1. External stakeholders, board members, board management, and staff praise CSLB's sting operations for effectively catching unlicensed contractors.
2. External stakeholders, board members, and board management say CSLB responds to unlicensed activities and works to remove unlicensed contractors from the workforce.
3. External stakeholders and board members describe CSLB's enforcement as effective overall, saying CSLB enforces the laws that require contractors to be licensed.
4. External stakeholders describe CSLB enforcement as responsive, saying CSLB acts quickly and follows through on any complaints received.
5. External stakeholders praise CSLB's enforcement for its communication regarding standards and requirements as well as for notifying contractors of violations and reporting on enforcement activities.

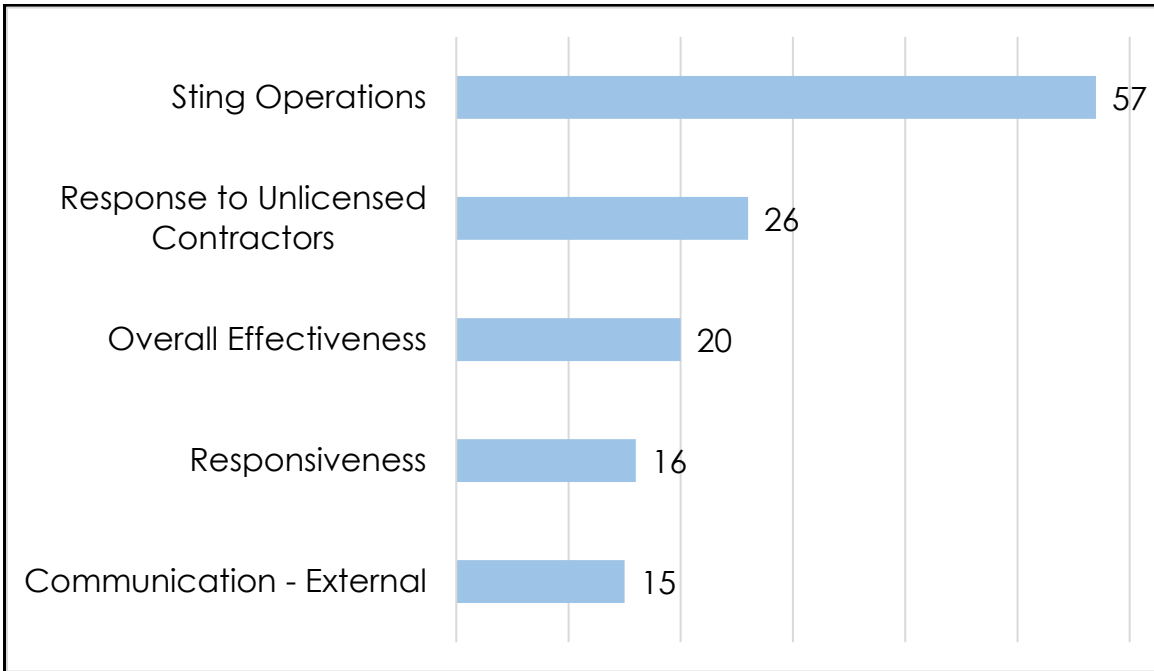
Summary of Enforcement Weaknesses

1. External stakeholders survey most often mentioned the issue of unlicensed contractors is not being adequately addressed.
2. External stakeholders would like CSLB to increase enforcement in general, and they would especially like CSLB to conduct more sting operations.
3. External stakeholders and staff say stiffer penalties for violations are needed to hold licensees accountable for their actions and to deter unlicensed activities.
4. External stakeholders, board members, board management, and staff believe CSLB needs more enforcement staff to be effective.
5. Many external stakeholders report they are not aware of CSLB carrying out any enforcement.
6. External stakeholders would like CSLB to be more responsive to complaints, and board members and external stakeholders would like CSLB to act faster on those complaints it does respond to.

Trends in Enforcement Strengths

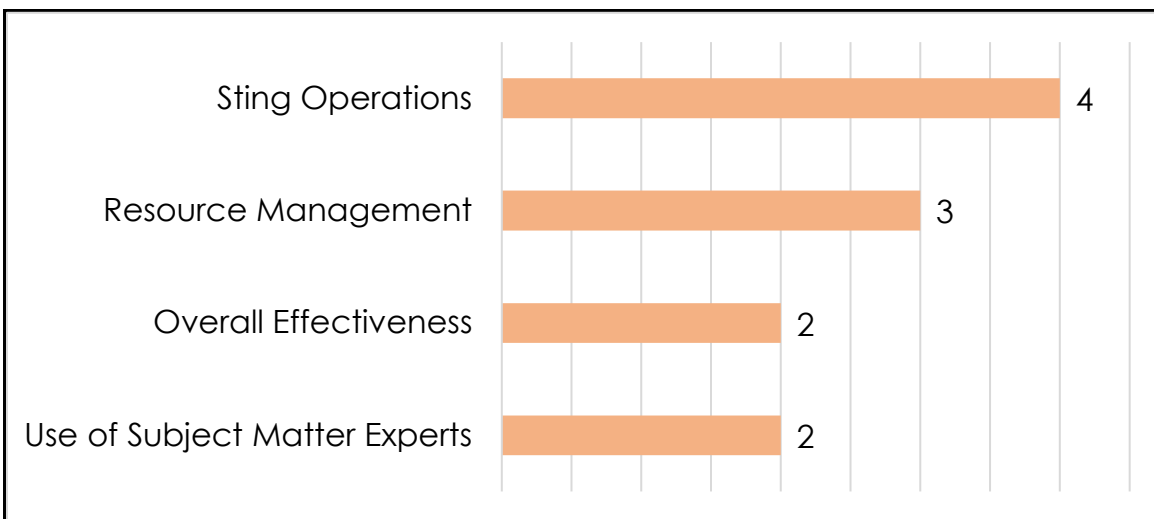
External Stakeholder Strength Comment Trends

The charts below list the top trends along with the corresponding number of comments for feedback provided by external stakeholders.



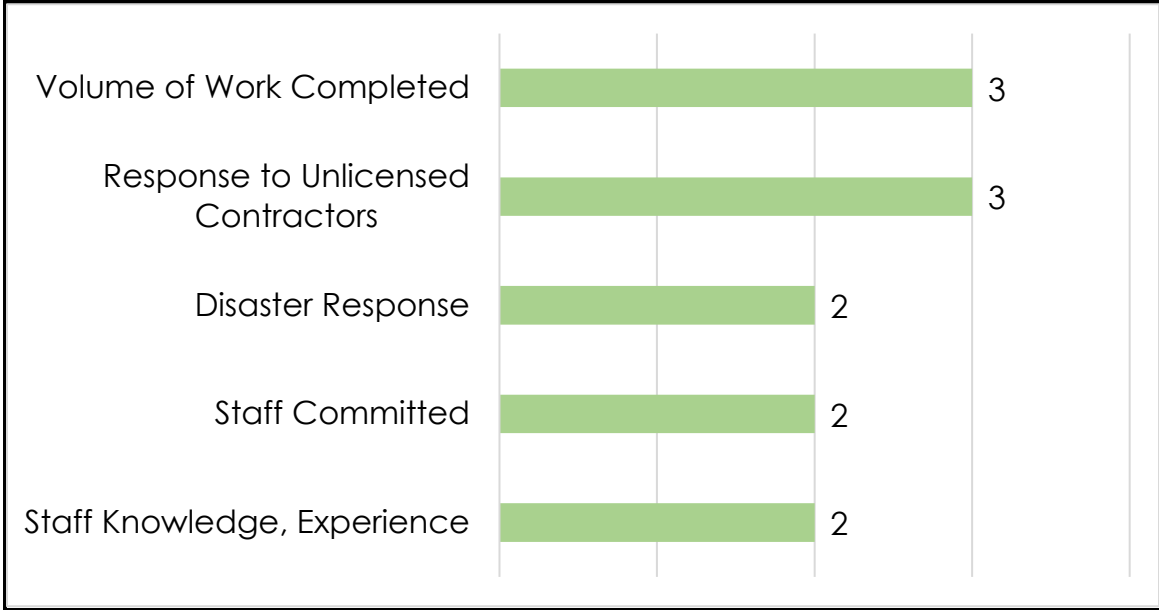
Board Member Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



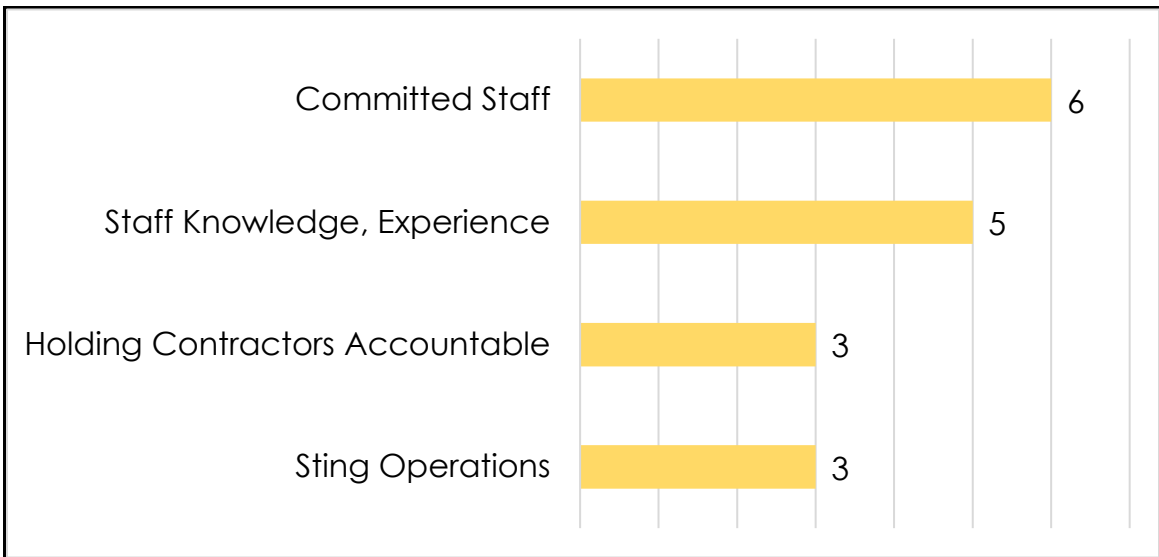
Board Management Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Strength Comment Trends

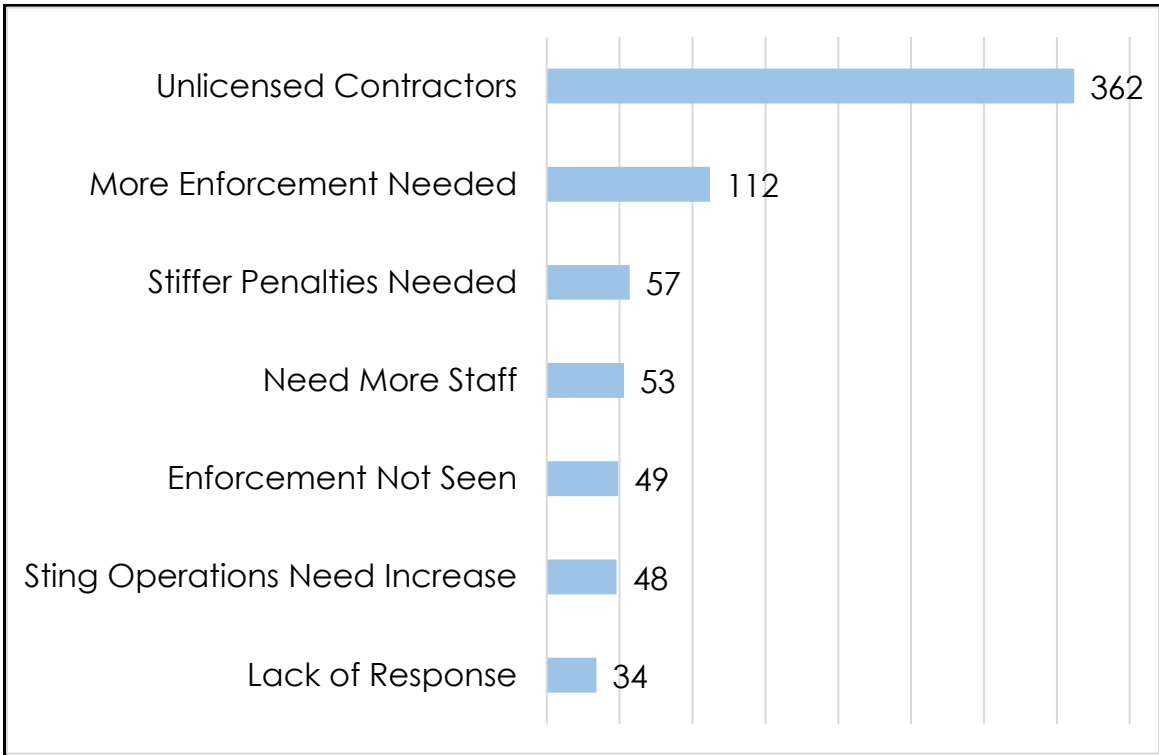
The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Trends in Enforcement Weaknesses

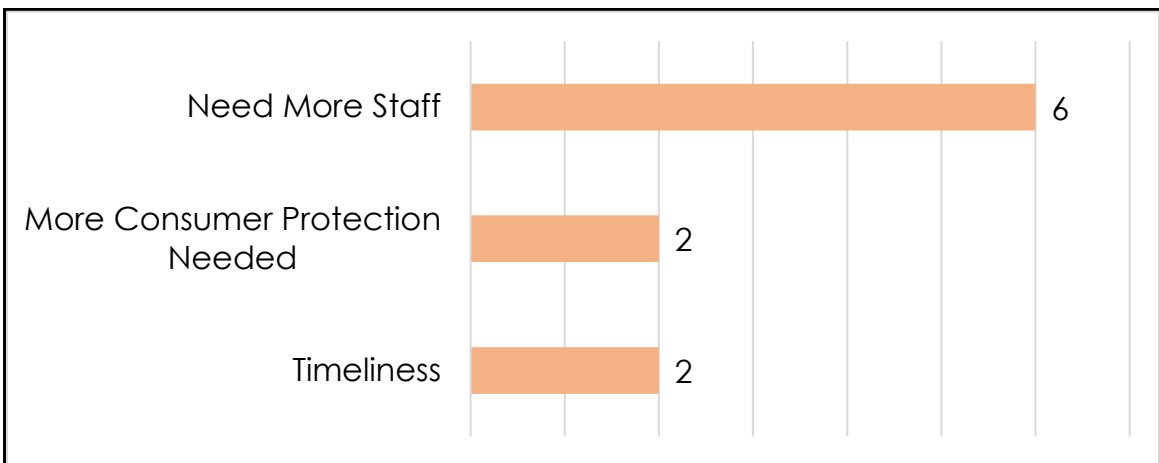
External Stakeholder Weakness Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



Board Member Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



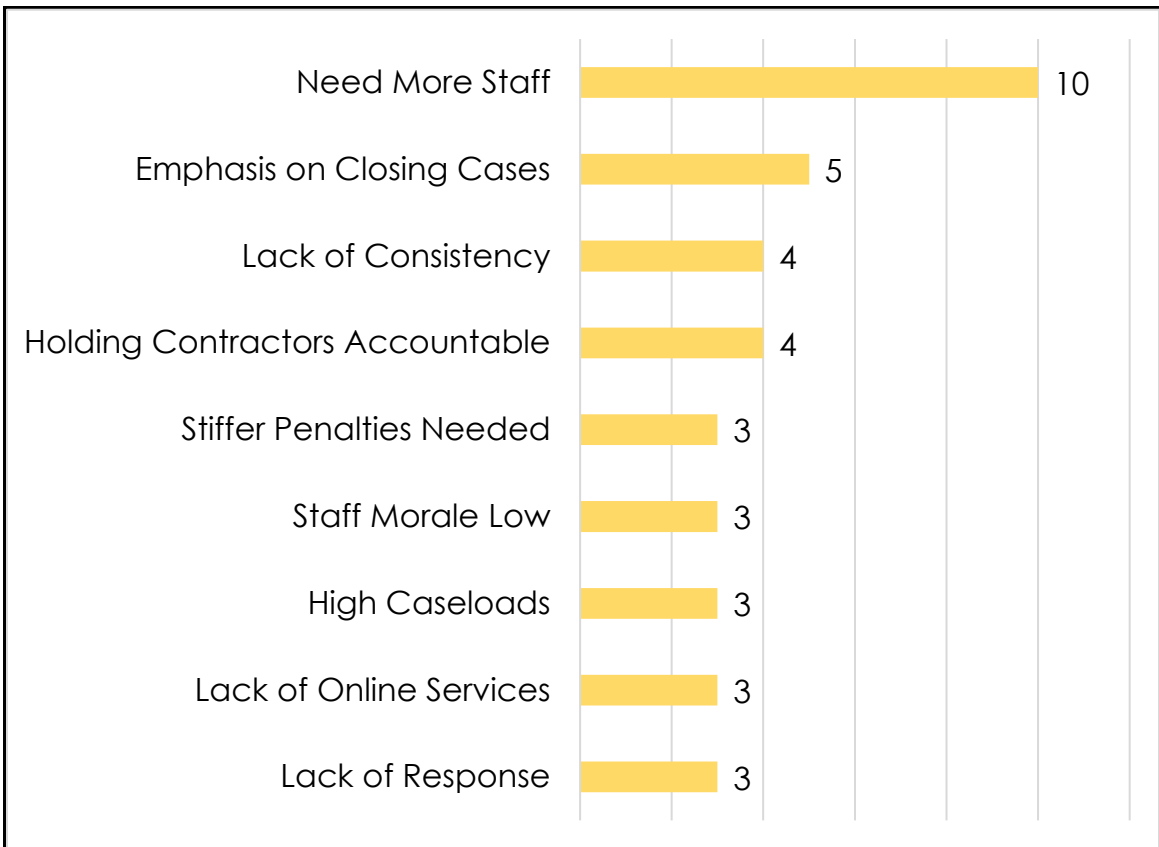
Board Management Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Goal Area 3: Legislation

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

Effectiveness Rating

Rating	External Stakeholders	Board Members	Management	Staff
Very Effective	10%	55%	22%	9%
Effective	53%	45%	78%	72%
Poor	25%	0%	0%	15%
Very Poor	12%	0%	0%	4%
Total %	100%	100%	100%	100%
Total Responses	700	11	9	54

Summary of Legislation Strengths

1. External stakeholders and staff say the current legislation and regulations are reasonable and promote fair protection to consumers and licensees.
2. External stakeholders appreciate that CSLB informs them about legislation and new requirements.
3. External stakeholders believe CSLB supports and sponsors legislation aligned with its mandate of consumer protection.
4. External stakeholders state the legislation helps maintain standards in the construction industry.
5. External stakeholders and board members praise CSLB for being engaged in the legislative process by following bills and suggesting bills to be sponsored.

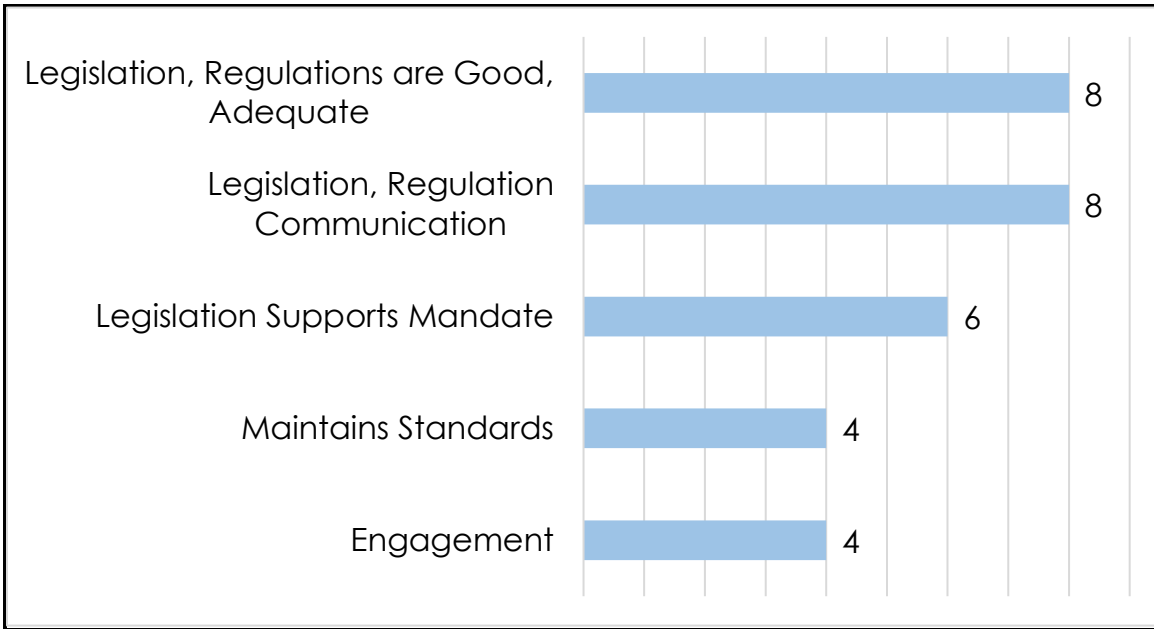
Summary of Legislation Weaknesses

1. External stakeholders believe their industry is overregulated and say this harms consumers by restraining competition in the market and makes it harder for smaller and minority contractors to get established.
2. External stakeholders want CSLB to support more legislation that protects contractors and their jobs.
3. External stakeholders, board members, and board management say CSLB can improve its external communication regarding legislation by increasing its frequency and using simpler language. Staff say CSLB can improve its internal communication by using a humbler tone and coordinating its delivery better to all the offices.
4. External stakeholders, board members, board management, and staff report that legislation and regulations need to be updated. Some of the suggested updates are as follows:
 - Improving the rules surrounding the four-year experience requirement
 - Creating a two-tier B licensing system like Nevada
 - Requiring contractors to submit samples of the contracts they intend to use with consumers
 - Adding to the Home Improvement Contract law to better protect consumers
 - Expanding the Code of Civil Procedures Section 7159 contract language provision requirements to apply to all new construction projects
 - Increasing the dollar amount of trades people working without a license from \$400 per project to \$1,000 per project
 - Rewriting Business and Professions Code 7124.6 to allow discretion on citation disclosure from one to five years rather than just five years
 - Clarifying laws regarding Responsible Managing Officers (RMOs)
 - Closing loopholes that allow contractors to commit fraud then open another business with family or get another license
5. External stakeholders want CSLB to sponsor bills that prevent people from doing unlicensed contracting work.

Trends in Legislation Strengths

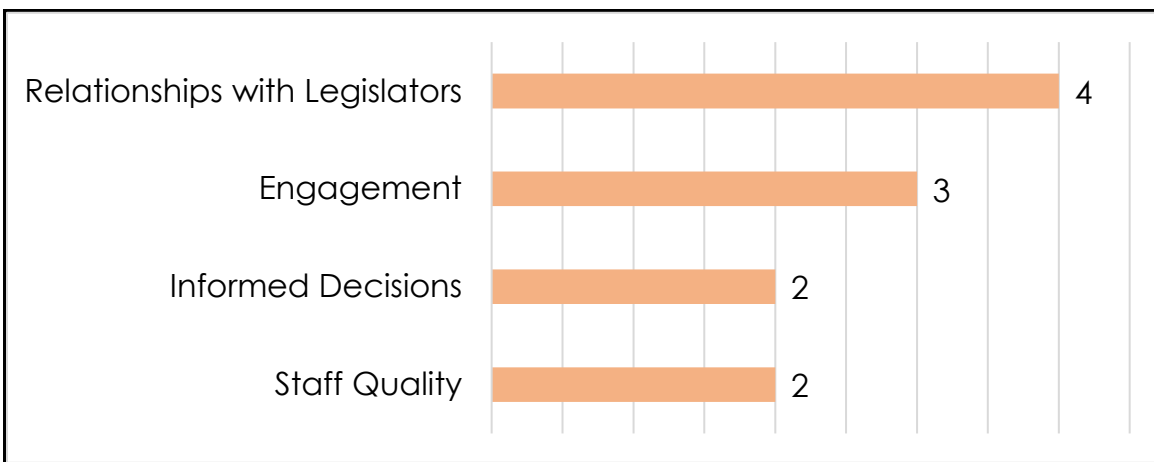
External Stakeholder Strength Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



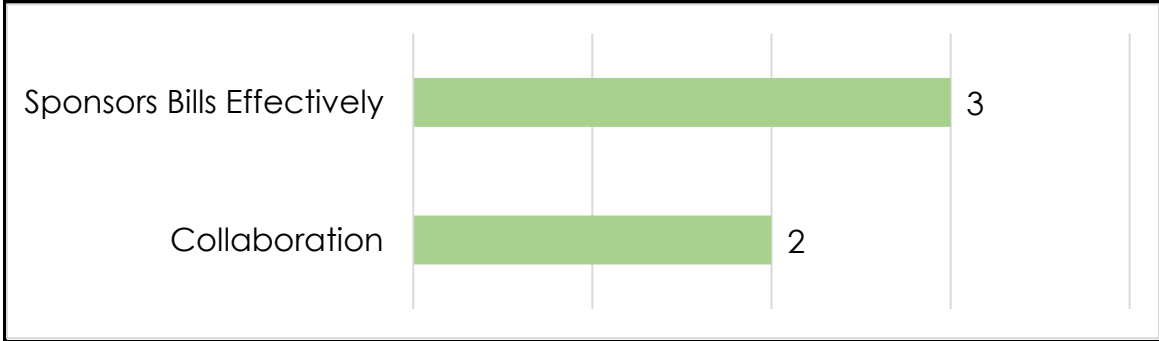
Board Member Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



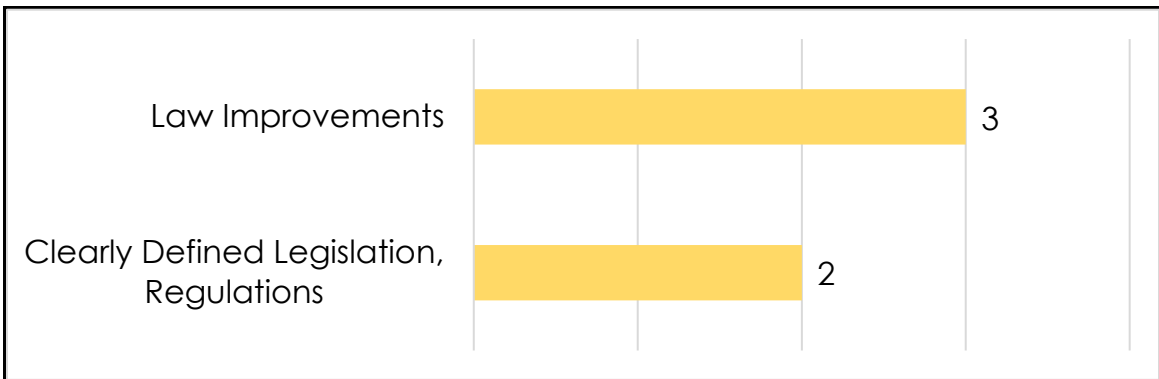
Board Management Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Strength Comment Trends

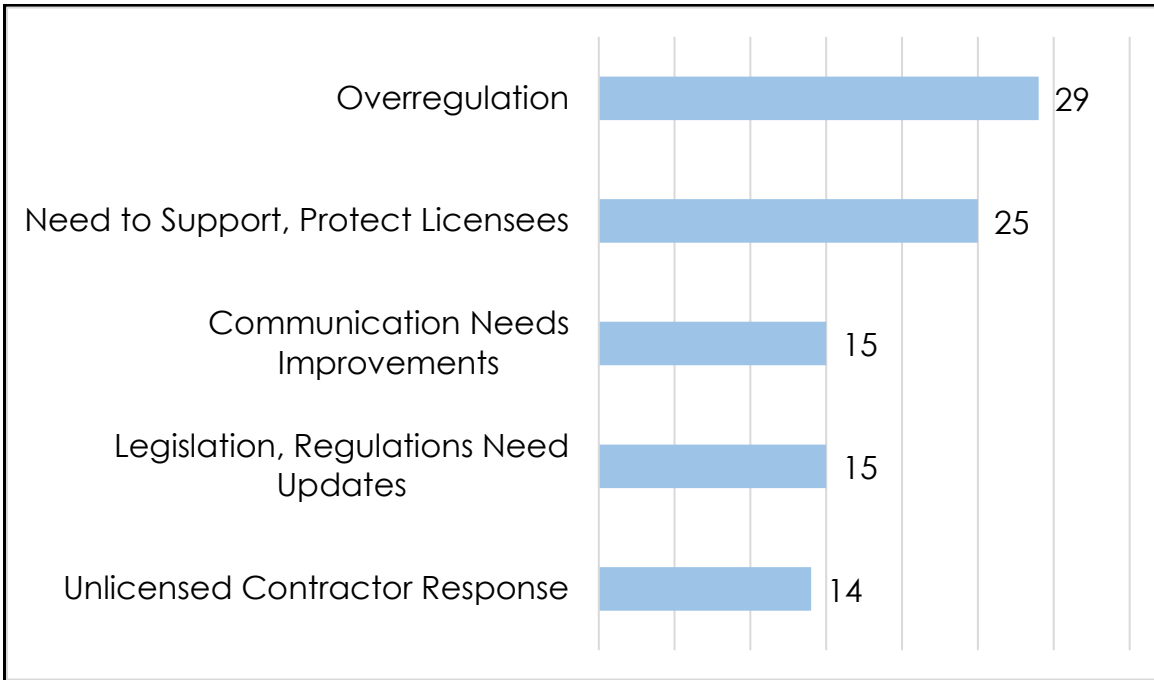
The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Trends in Legislation Weaknesses

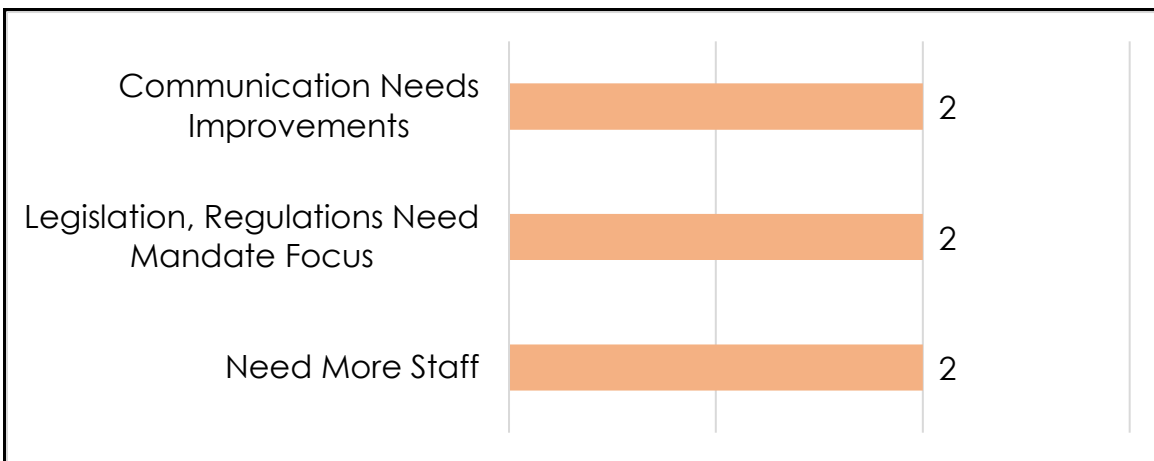
External Stakeholder Weakness Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



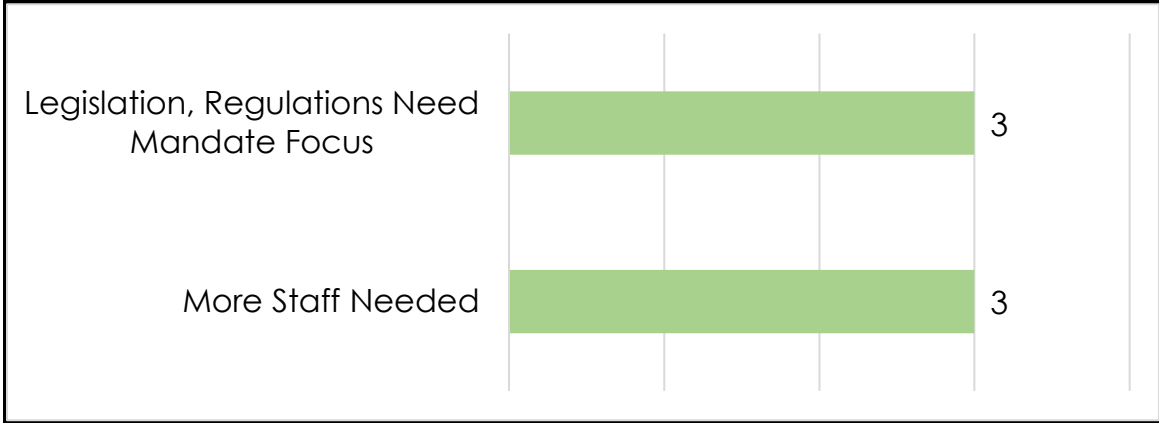
Board Member Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



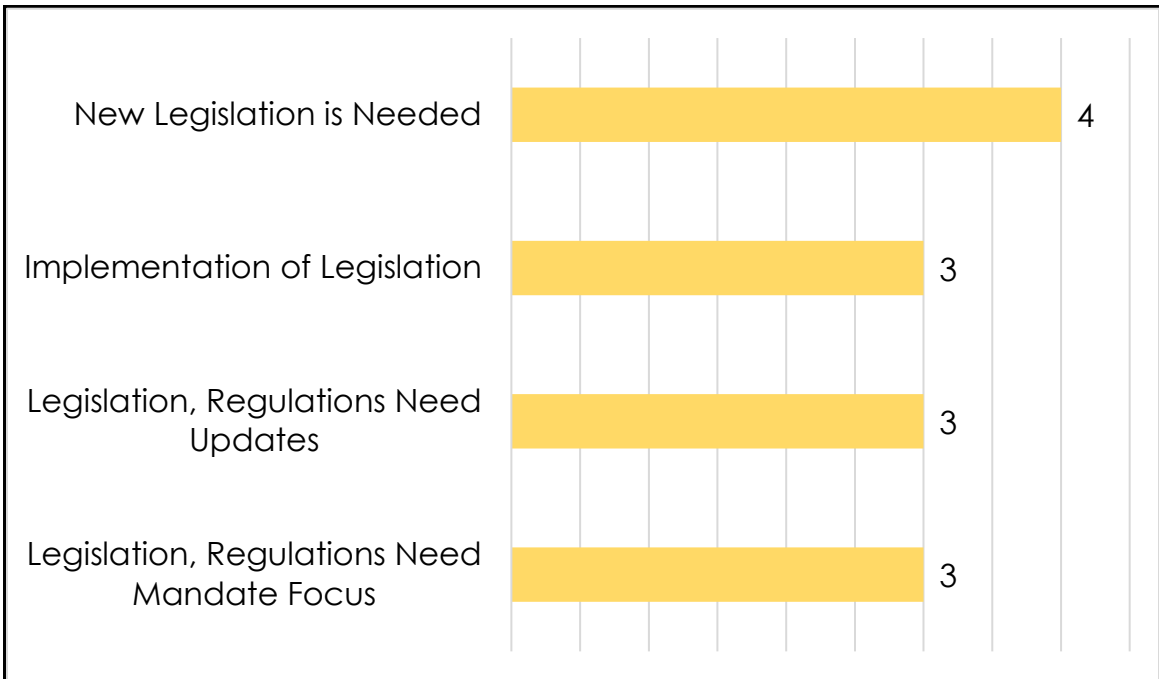
Board Management Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Goal Area 4: Public Affairs

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

Effectiveness Rating

Rating	External Stakeholders	Board Members	Management	Staff
Very Effective	9%	58%	22%	15%
Effective	48%	42%	56%	44%
Poor	31%	0%	22%	29%
Very Poor	12%	0%	0%	12%
Total %	100%	100%	100%	100%
Total Responses	765	12	9	59

Summary of Public Affairs Strengths

1. External stakeholders, board members, board management, and staff praise CSLB's website, saying it contains lots of easy to find information for consumers and licensees.
2. External stakeholders cite CSLB as a great resource for consumers to research and evaluate contractors that they can trust through its license check service.
3. External stakeholders and staff compliment CSLB's efforts to educate the public and consumers on the importance of hiring licensed contractors and how to make informed decisions.

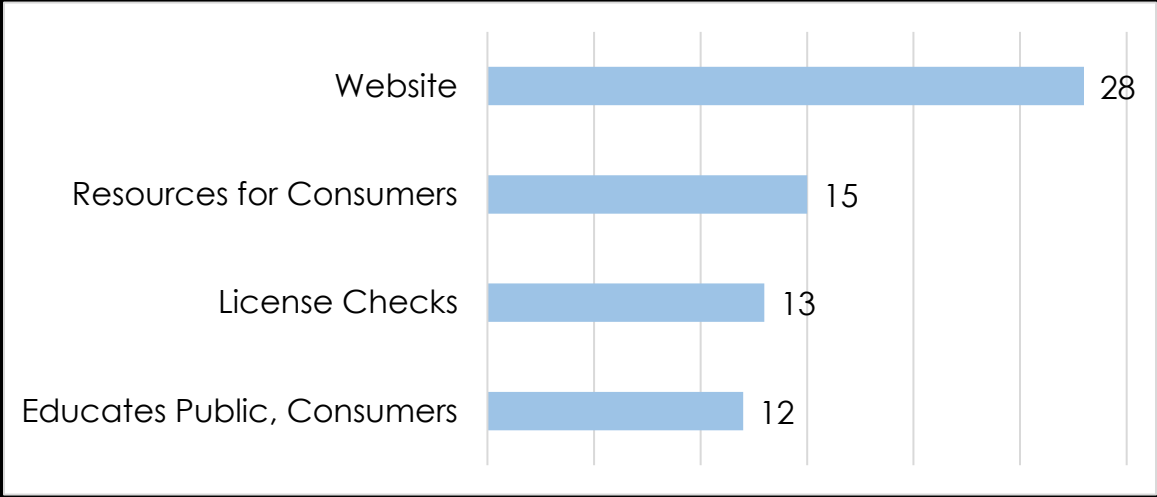
Summary of Public Affairs Weaknesses

1. External stakeholders say CSLB needs to do more to educate the public about billing requirements, the consequences of hiring unlicensed contractors, consumer rights, and what to do if they are the victims of fraud. The staff would like to see CSLB do more to educate licensees, especially regarding the basics of writing contracts.
2. Many external stakeholders say they do not see CSLB conducting any outreach and that the public lacks awareness of the Board's existence or its role.
3. External stakeholders suggest CSLB increase advertisements, commercials, and public service announcements to promote the importance of hiring licensed contractors to the public.
4. External stakeholders suggest CSLB build relationships with contractors to foster a supportive environment for licensees.

Trends in Public Affairs Strengths

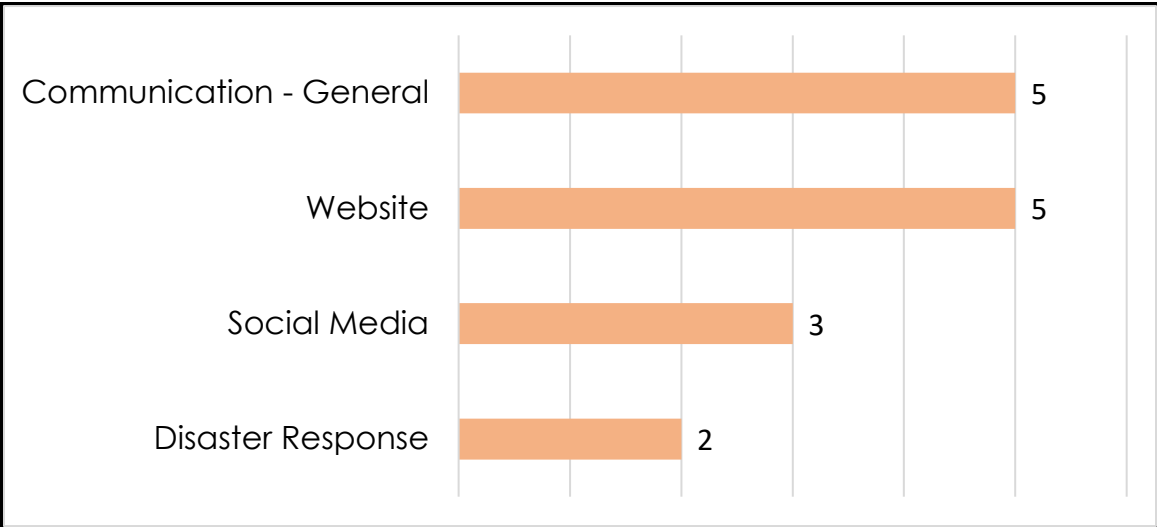
External Stakeholder Strength Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



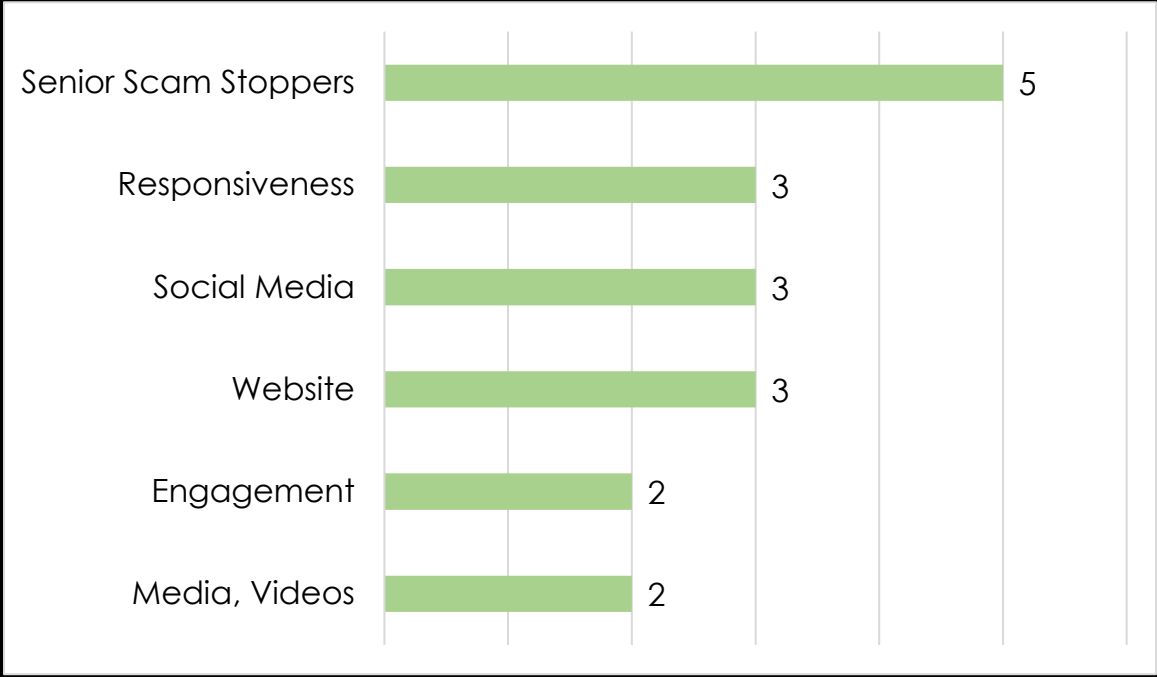
Board Member Strength Comment Trends

The list below displays terms that summarize comments provided by board members.



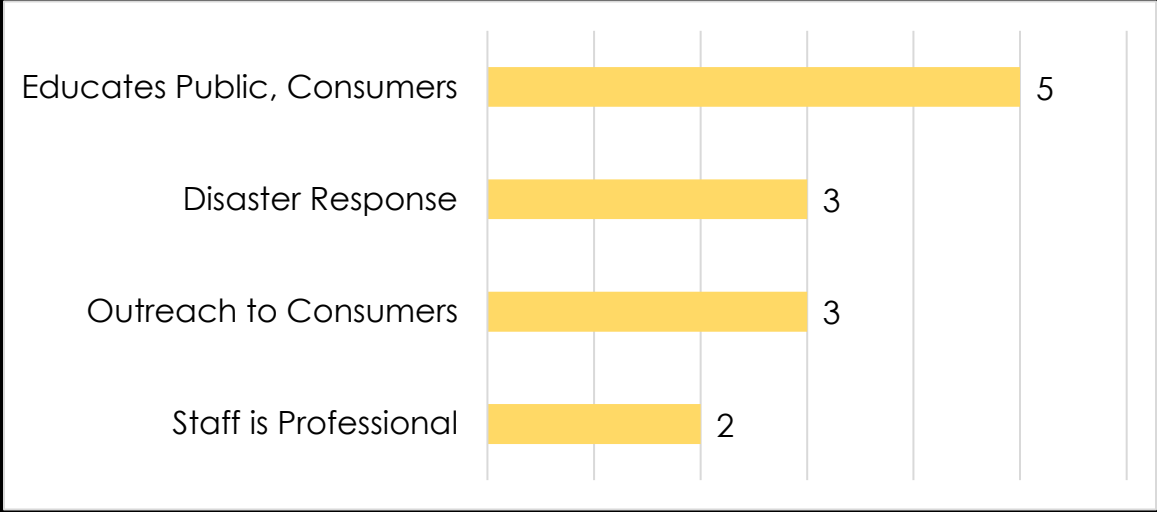
Board Management Strength Comment Trends

The list below displays terms that summarize comments provided by board management.



Staff Strength Comment Trends

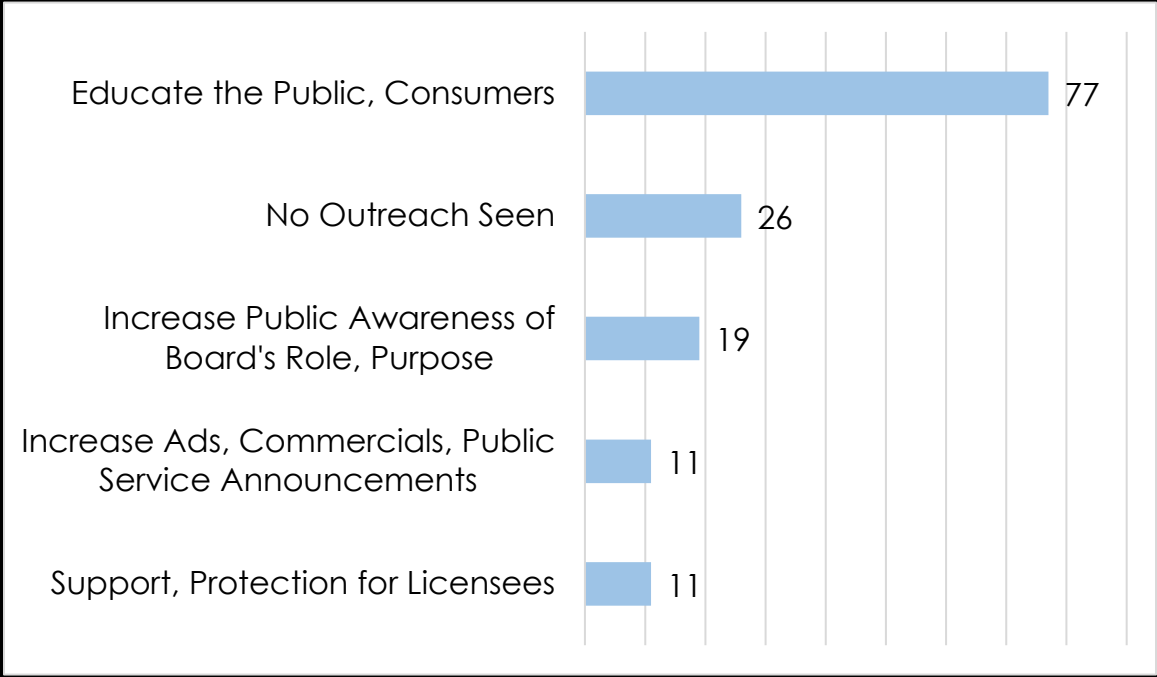
The list below displays terms that summarize comments provided by staff.



Trends in Public Affairs Weaknesses

External Stakeholder Weakness Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



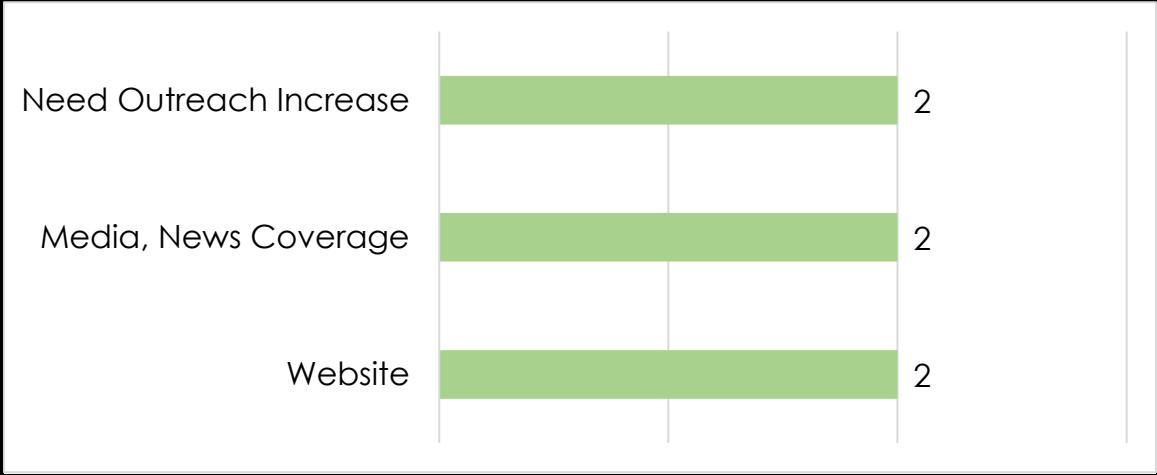
Board Member Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



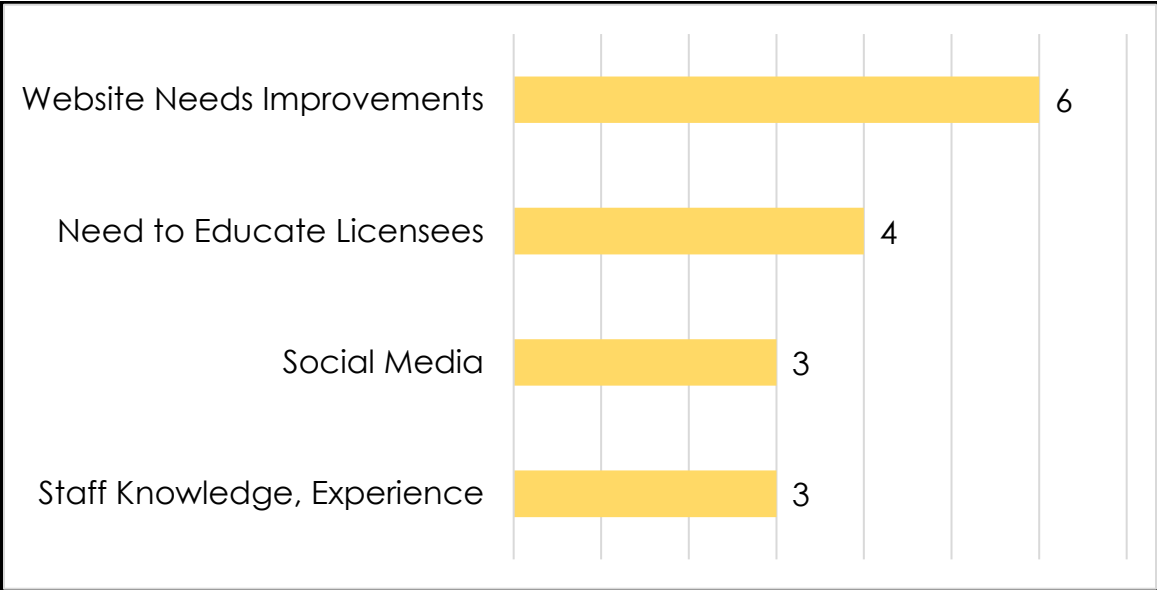
Board Management Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Goal Area 5: Executive

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

Effectiveness Rating

Rating	External Stakeholders	Board Members	Management	Staff
Very Effective	12%	67%	11%	7%
Effective	52%	33%	56%	50%
Poor	23%	0%	33%	31%
Very Poor	13%	0%	0%	12%
Total %	100%	100%	100%	100%
Total Responses	510	12	9	58

Summary of Executive Strengths

1. External stakeholders and board members praise the overall effectiveness of CSLB's executive unit, saying it completes tasks well and responds to issues.
2. External stakeholders, board management, and staff say leadership and staff exhibit knowledge and experience in the construction industry.
3. External stakeholders state staff are easy to contact and provide helpful resources, while board members and board management commend staff for their customer service.
4. External stakeholders say CSLB's website works well and is a good resource for finding contractors and checking license statuses.

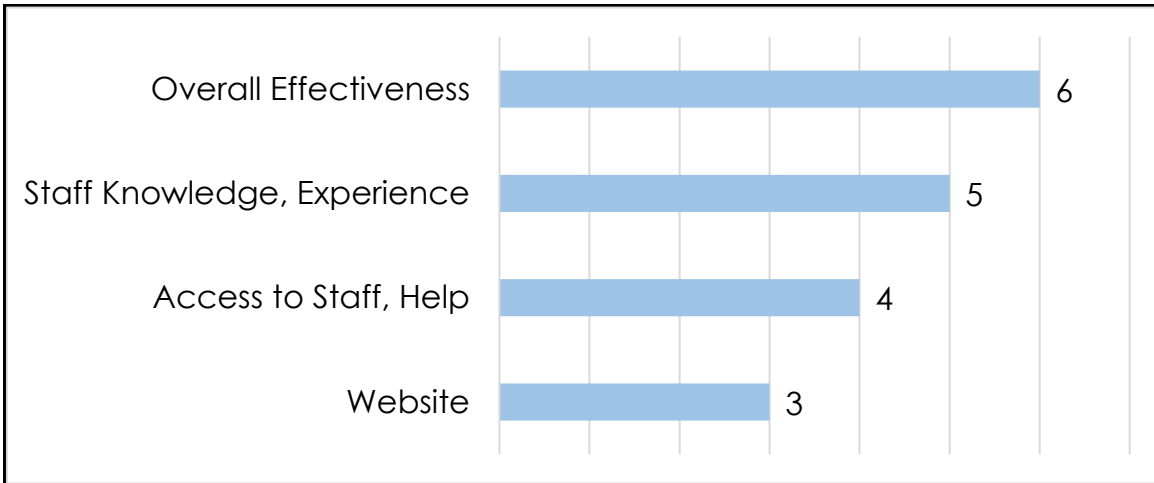
Summary of Executive Weaknesses

1. External stakeholders express difficulty reaching staff and receiving help with their issues.
2. External stakeholders want staff to have more knowledge and experience in the construction industry and the laws that govern it, while board management and staff point out a need for increased staff training and development.
3. External stakeholders, board members, board management, and staff suggest CSLB needs to use more technology to streamline processes, go paperless, provide more online services, and keep up with the times.
4. External stakeholders and board members say CSLB needs more staff, while existing staff say CSLB needs to improve its staff recruitment process.
5. External stakeholders say CSLB would benefit from communicating how its existence benefits licensees and consumers.

Trends in Executive Strengths

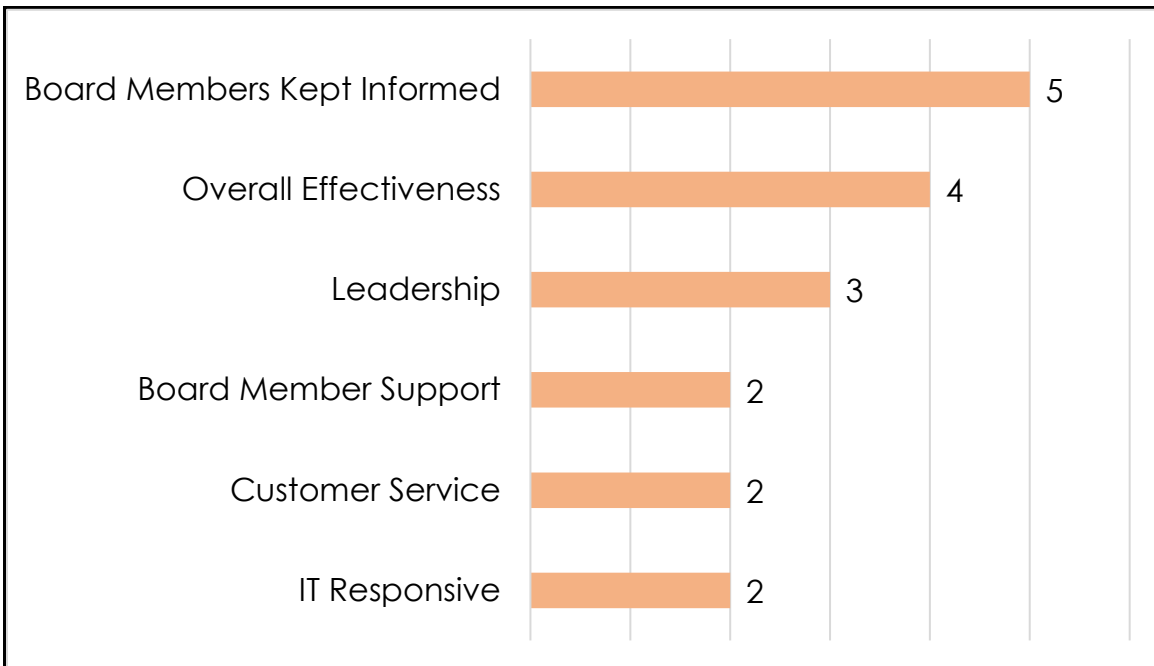
External Stakeholder Strength Comment Trends

The charts below list the top trends along with the corresponding number of comments for feedback provided by external stakeholders.



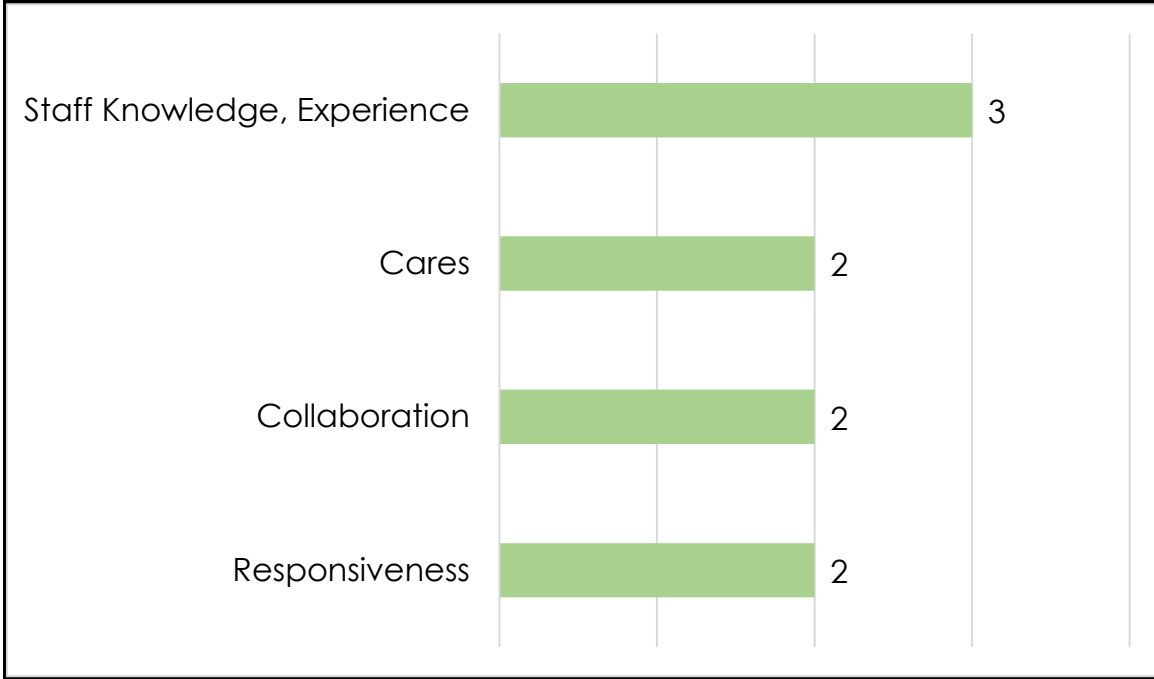
Board Member Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments for feedback provided by board members.



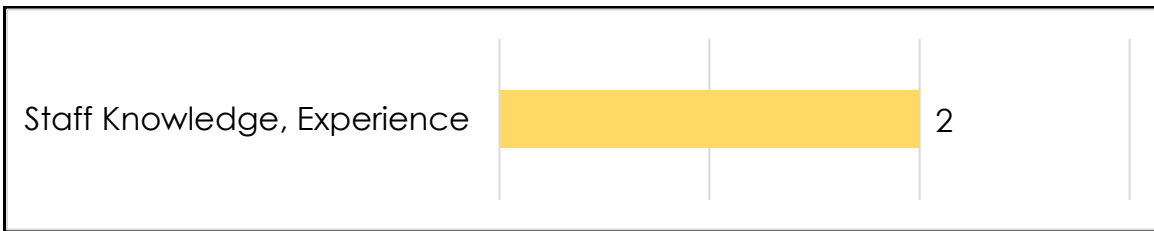
Board Management Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments for feedback provided by board management.



Staff Strength Comment Trends

The chart below lists the top trends along with the corresponding number of comments for feedback provided by staff.



Trends in Executive Weaknesses

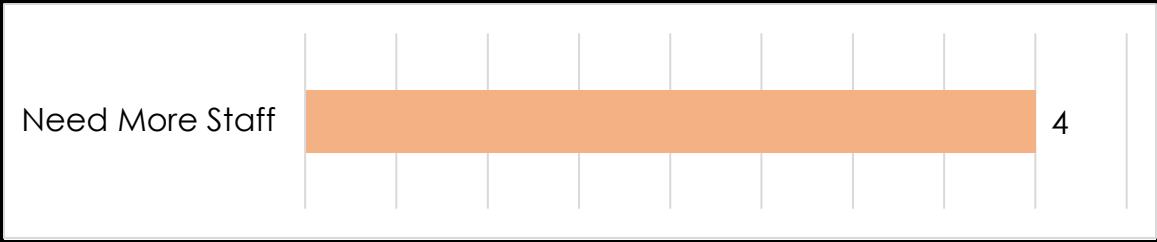
External Stakeholder Weakness Comment Trends

The charts below list the top trends along with the corresponding number of comments based upon feedback provided by external stakeholders.



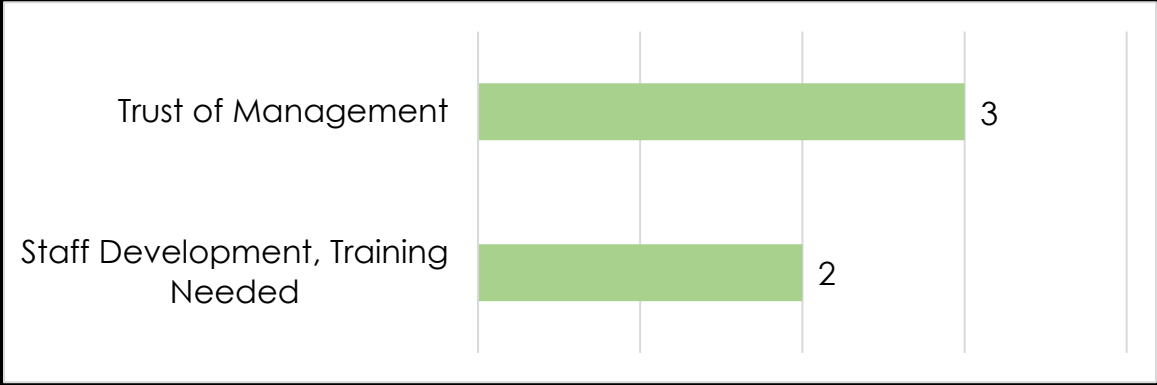
Board Member Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board members.



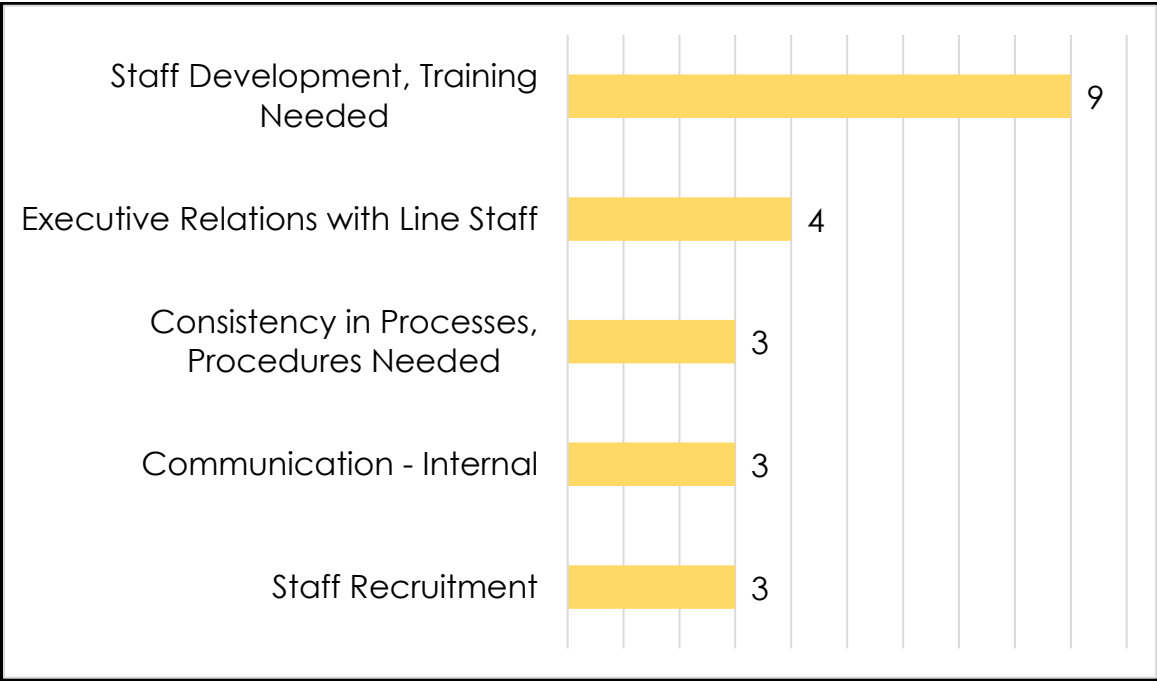
Board Management Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by board management.



Staff Weakness Comment Trends

The chart below lists the top trends along with the corresponding number of comments based upon feedback provided by staff.



Opportunities & Threats Summary

There are many factors that may impact the future direction of the industry. These could be opportunities CSLB may want to capitalize on or threats it needs to mitigate or prepare for.

Stakeholders were asked to list potential opportunities and threats in CSLB's external environment that they felt could impact the industry and CSLB's regulatory role. The following are common responses that CSLB might reference when creating its strategic plan.

Summary of Opportunities

1. External stakeholders, board members, board management, and staff suggest CSLB conduct outreach to high schools and trade schools to develop interest in the industry and knowledge of the licensing process.
2. External stakeholders recommend CSLB support the return of teaching trade skills at the high school level.
3. External stakeholders see an opportunity for CSLB to provide or support educating licensees in such areas as contractors' law, technology, and blueprint reading.
4. External stakeholders want CSLB to increase its enforcement of existing laws and prosecute unlicensed contractors.
5. External stakeholders, board members, and staff say CSLB can use technology to educate licensees, improve communication, modernize the complaint process, generate more consistent reports, and reduce paper heavy processes.
6. External stakeholders, board members, and staff suggest CSLB use Artificial Intelligence (AI) for such things as tracking noncompliant contractors, monitoring unlicensed contractors, license checking, reviewing social media for false advertising, checking collapsed buildings, managing a chatbot on the Board's website to field questions, and helping employees work more efficiently.

7. External stakeholders and board members recommend changing the licensing process in some of the following ways:

- Making it easier to apply for a license
- Increasing requirements for qualifications and experience
- Making it easier to install solar energy systems
- Having some type of starter license for an individual working towards a full license
- Adjusting HAZ certification to include above ground hazards, such as those caused by fires
- Continually seeking input as to what is required to have an effective license
- Offering licenses based on the number of years a person has done a job

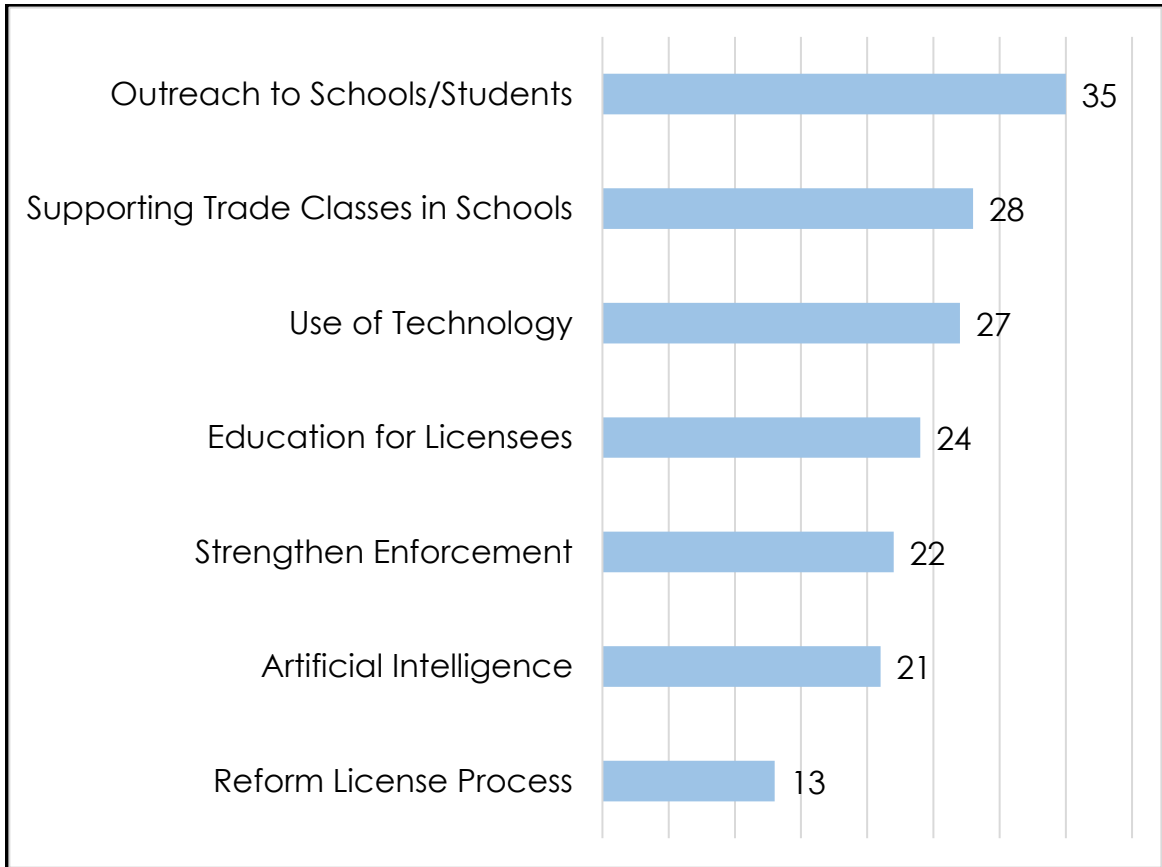
Summary of Threats

1. External stakeholders identify unlicensed contractors as the biggest threat facing CSLB.
2. External stakeholders and board members express concern over CSLB's ability to deal with AI issues, such as people using AI to avoid experience requirements or to do inspections.
3. External stakeholders see rising numbers of undocumented immigrants as a threat, wondering how CSLB will be able to regulate them and worrying that illegal immigrants will undercut legitimate businesses.
4. External stakeholders report that untrained, unqualified workers are being licensed and that this will hurt the reputation of the industry and cause poor quality workmanship and mistakes.
5. External stakeholders, board management, and staff say more people are leaving the industry than entering it, which will cause a labor shortage.
6. External stakeholders say high costs are a threat, citing employer costs for employees, the costs of materials, the costs of preparing for exams, the cost of living, the costs of obtaining and maintaining a license, the costs of insurance, and the costs of bonds.
7. External stakeholders state ineffective enforcement is a threat, allowing for undocumented and unlicensed workers and lack of compliance with seemingly unenforced rules.

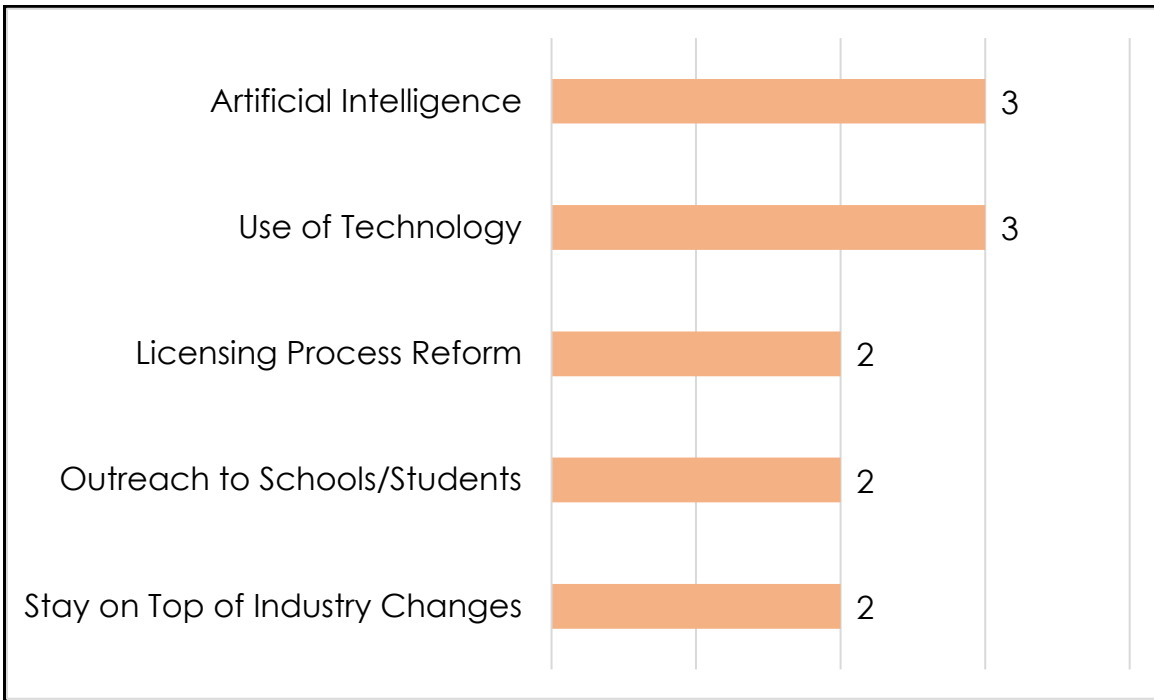
Opportunity Trends

The charts below list the top trends along with the corresponding number of comments for feedback provided by stakeholders.

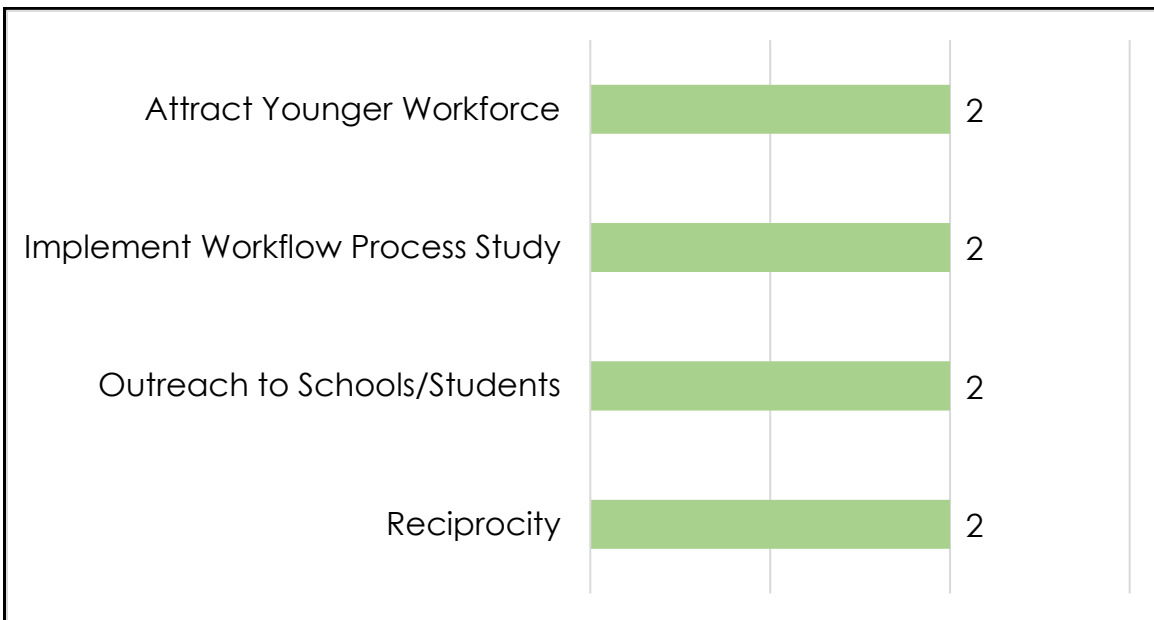
External Stakeholder Comment Trends



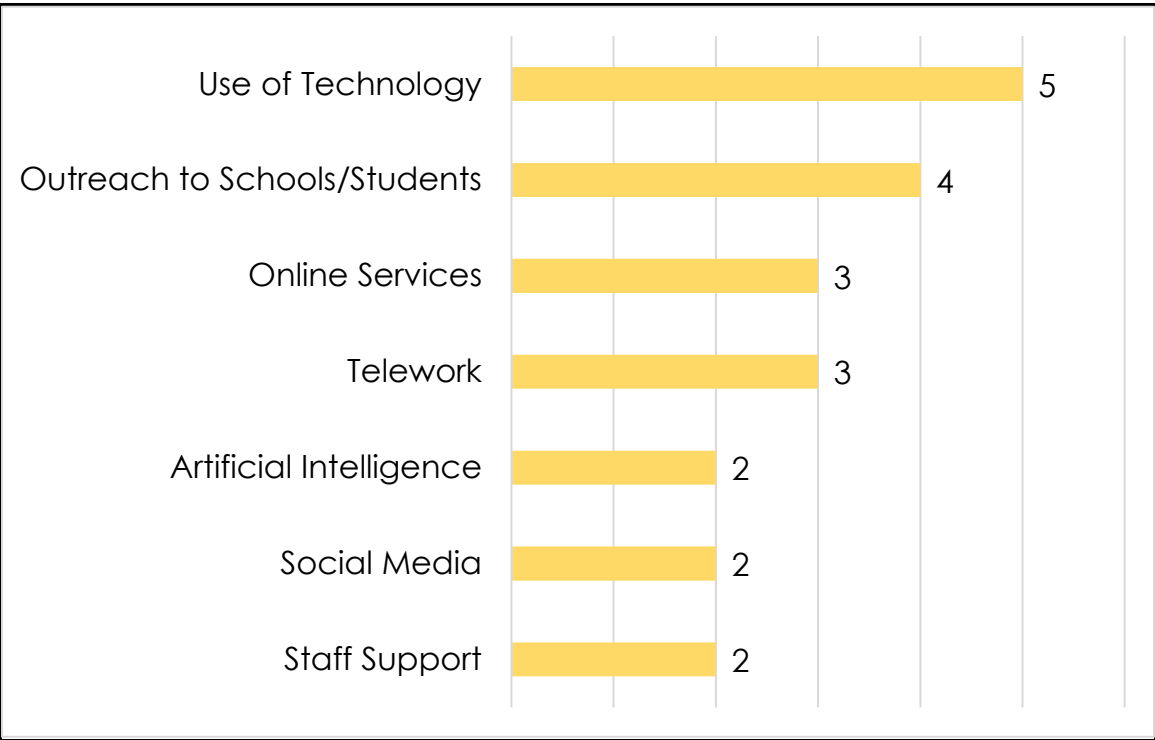
Board Member Comment Trends



Board Management Comment Trends



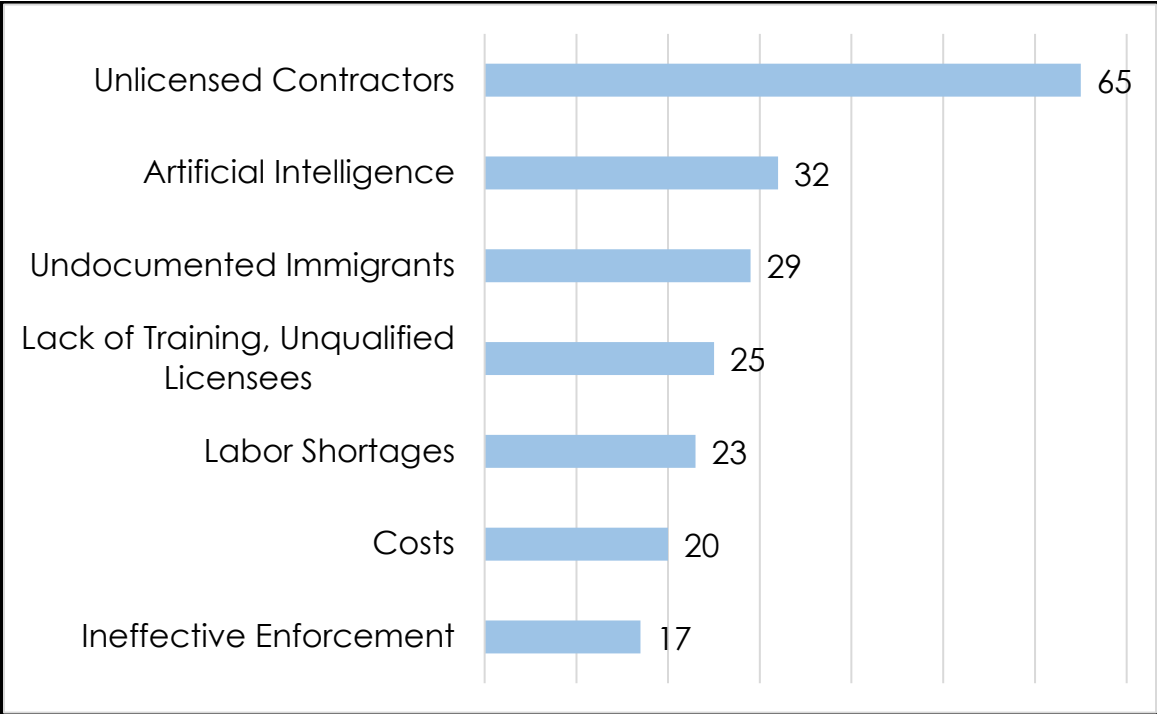
Staff Comment Trends



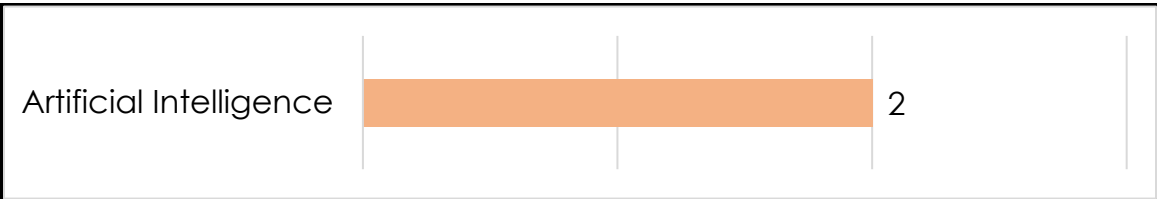
Threat Trends

The charts below list the top trends along with the corresponding number of comments for feedback provided by stakeholders.

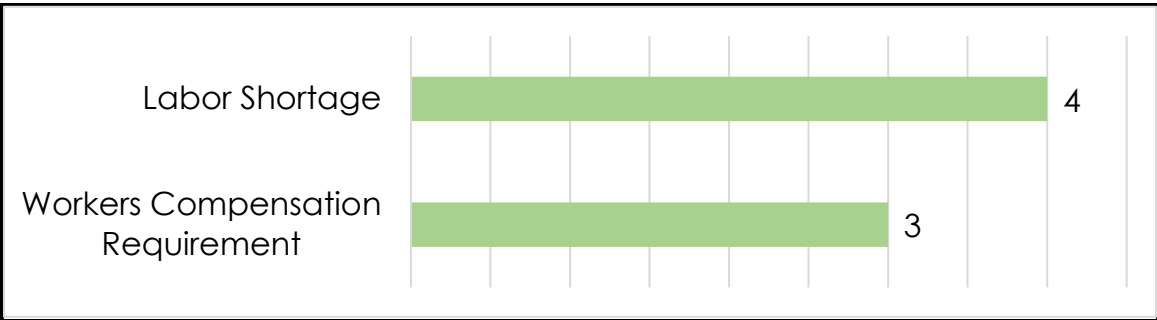
External Stakeholder Comment Trends



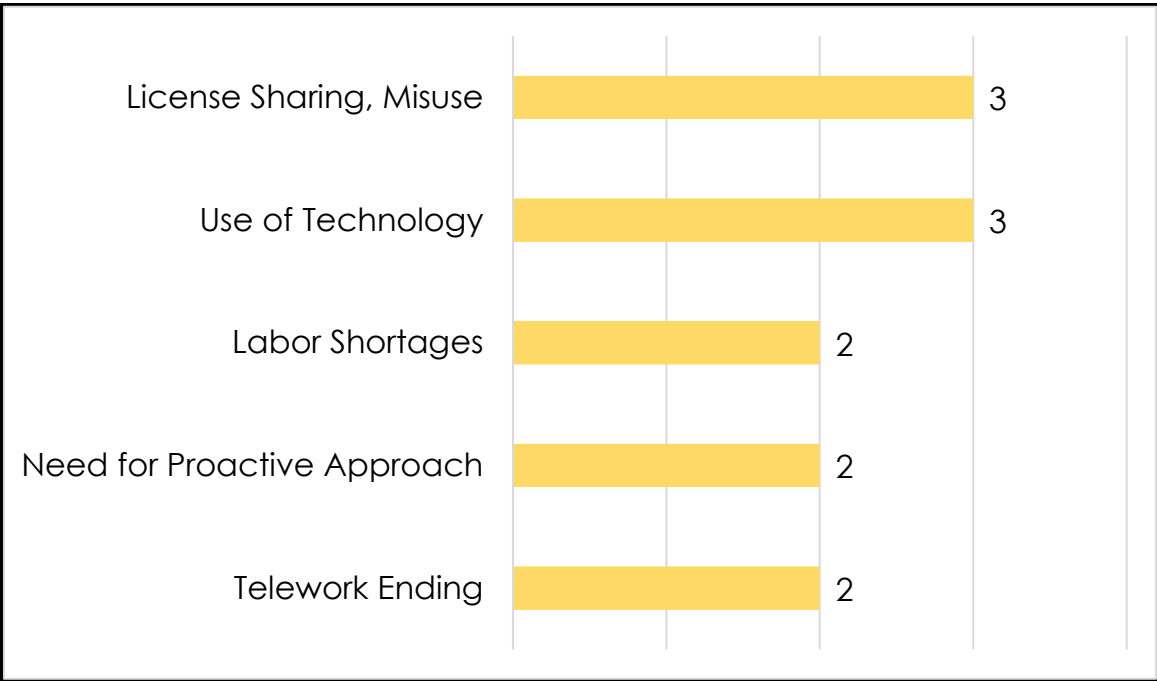
Board Member Comment Trends



Board Management Comment Trends



Staff Comment Trends



Diversity, Equity, and Inclusion

Specific questions have been incorporated into the environmental scan surveys to gather demographic data and for strategic planning participants to consider DEI impacts of policy decisions such as regulatory, statutory, and continuing education requirements, when developing strategic objectives. Consider:

- Who will benefit from or be burdened by the particular decision or proposal?
- Are there needs that may be different for demographic or geographic groups?
- Once implemented, how will the Board measure effect on impacted populations?
- What data/metrics will be used to evaluate the impacts?

Summary of Gaining Different Perspectives

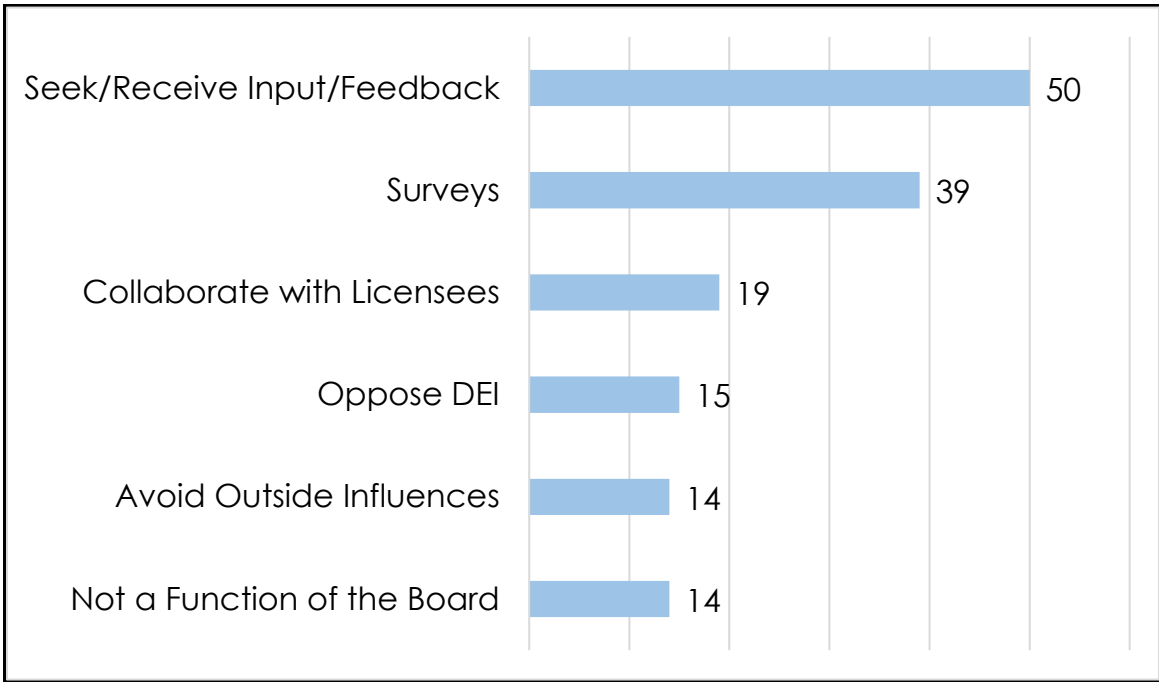
Survey question: What are ways CSLB can gain different perspectives about ideas and priorities related to its activities?

1. External stakeholders, board members, board management, and staff recommend CSLB actively seek and receive input and feedback from contractors, diverse communities, board staff, and building departments.
2. External stakeholders and staff suggest CSLB use regular surveys to receive constant input and feedback.
3. External stakeholders suggest CSLB collaborate with licensees to make informed decisions.

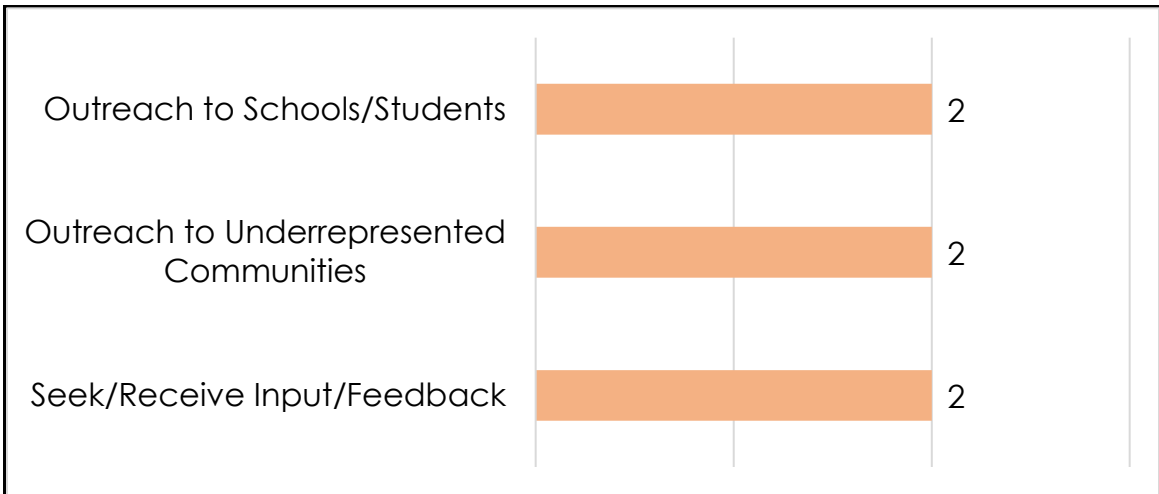
Trends in Gaining Different Perspectives

The charts below lists the top trends along with the corresponding number of comments for feedback provided by stakeholders.

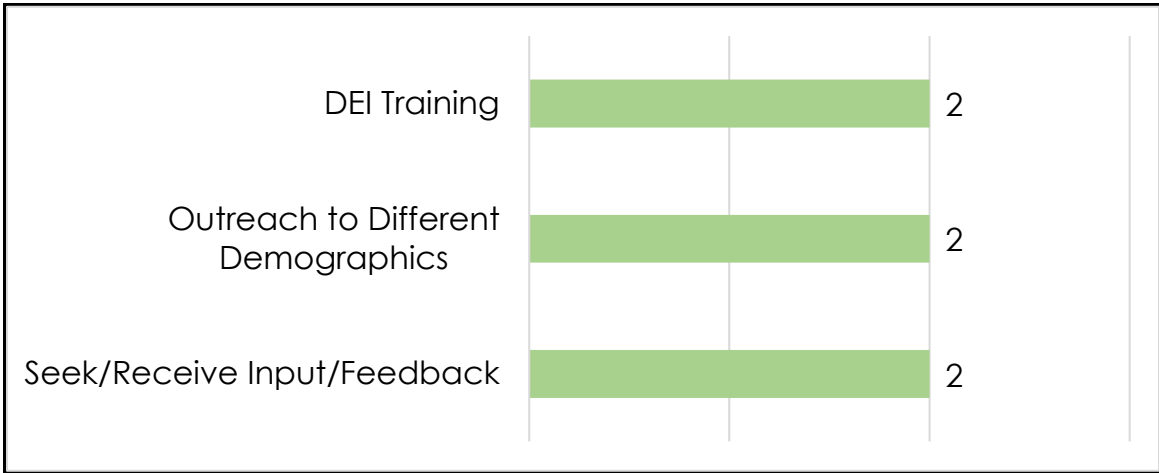
External Stakeholder Comment Trends



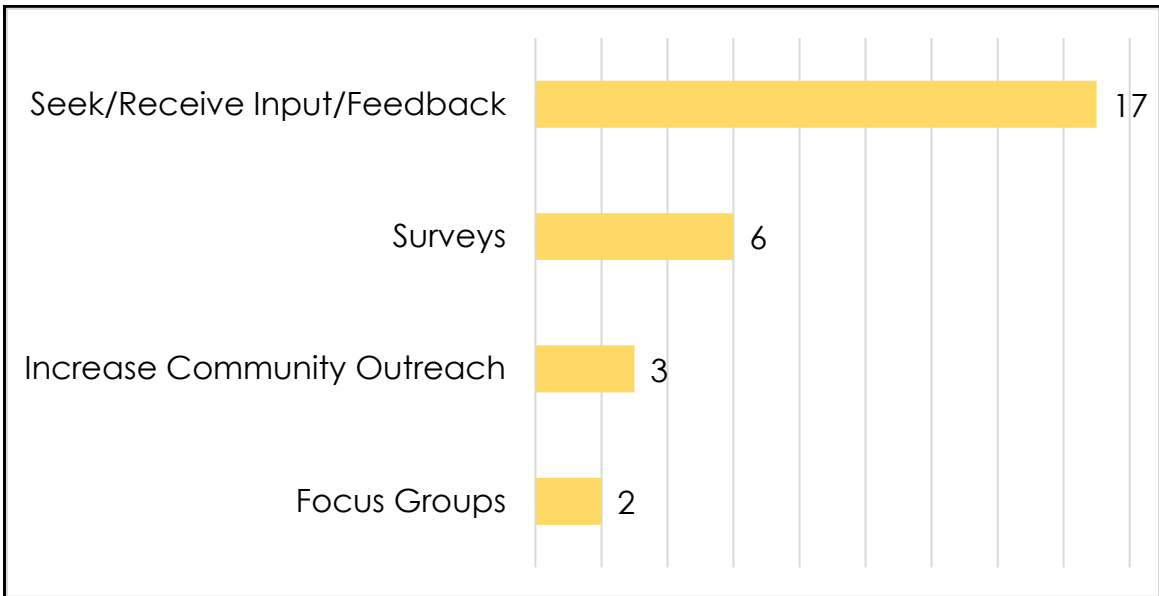
Board Member Comment Trends



Board Management Comment Trends



Staff Comment Trends



Summary of Unnecessary Requirements or Barriers to Licensure

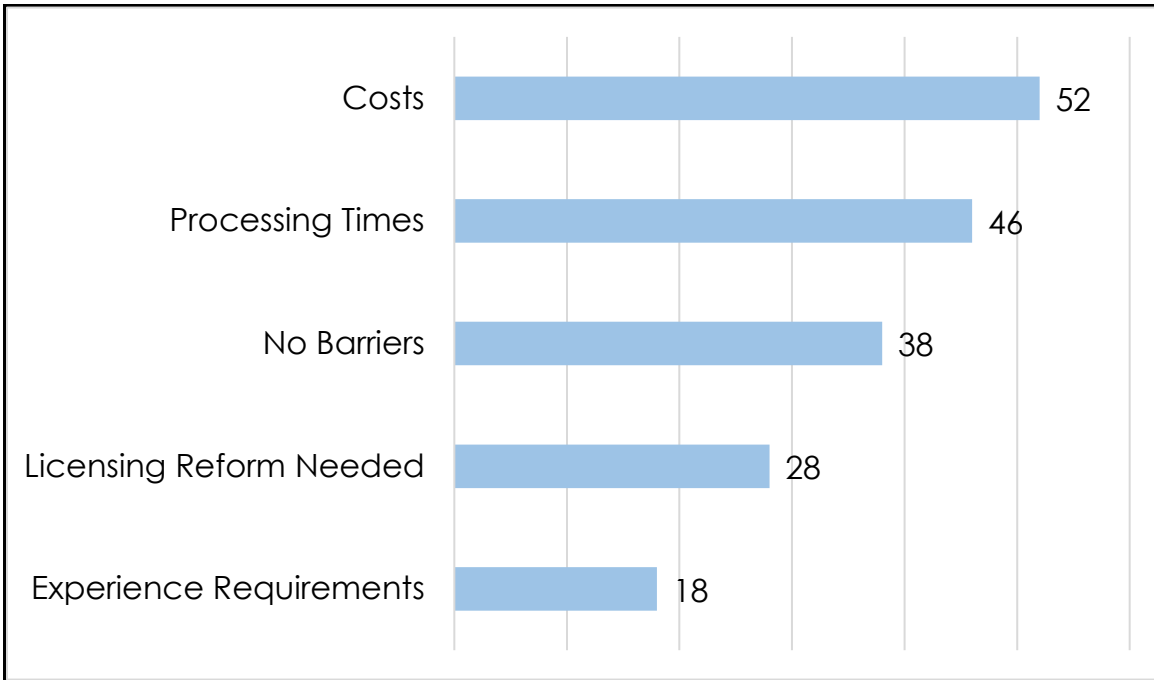
Survey question: Are there unnecessary requirements or barriers to licensure (e.g., education, experience, examination, cost of licensure, processing time)?

1. External stakeholders, board members, and staff list costs as a barrier to licensure, citing such costs as insurance, bonds, licensure, renewal fees, city and county permit fees, and training fees.
2. External stakeholders and staff say that lengthy processing times for applications and license changes are creating a barrier.
3. Some external stakeholders and board members do not see any barriers to licensure.
4. External stakeholders see the need for changes to licensing, such as:
 - Creating a simpler path to licensure
 - Removing D licenses and other categories
 - Eliminating testing for contractors licensed in other states
 - Expanding the renewal times beyond every two years
 - Creating smaller focused licenses
 - Eliminating classification separations
5. External stakeholders and board management see experience requirements as a possible barrier to licensure. External stakeholders say experience requirements should be reduced or eliminated and board management say experience can be difficult to document and some experience requirements need to be reviewed.

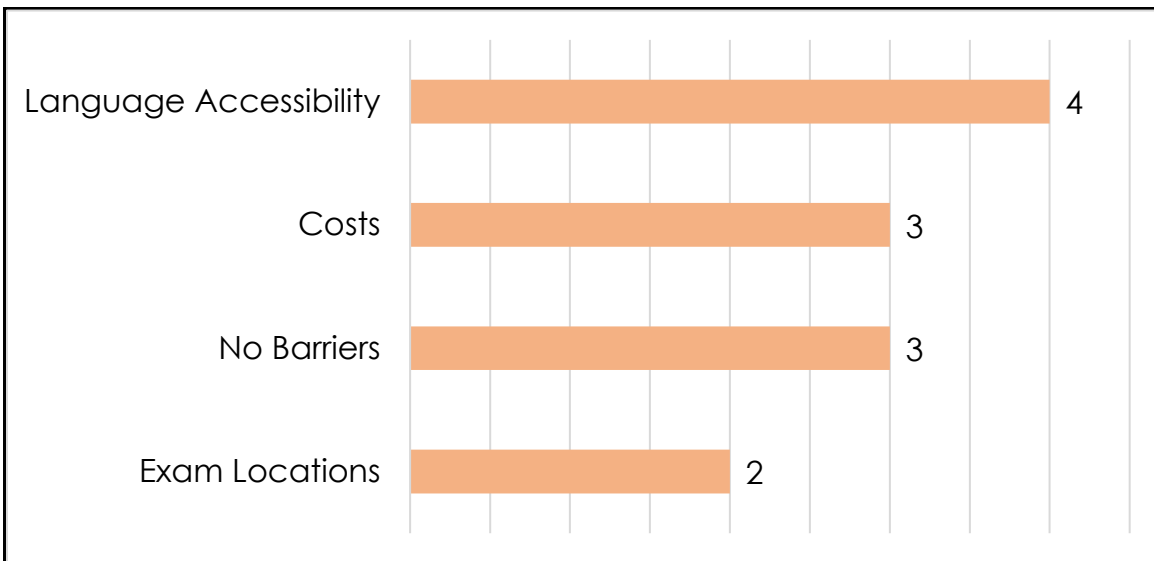
Trends in Unnecessary Requirements or Barriers to Licensure

The charts below lists the top trends along with the corresponding number of comments for feedback provided by stakeholders.

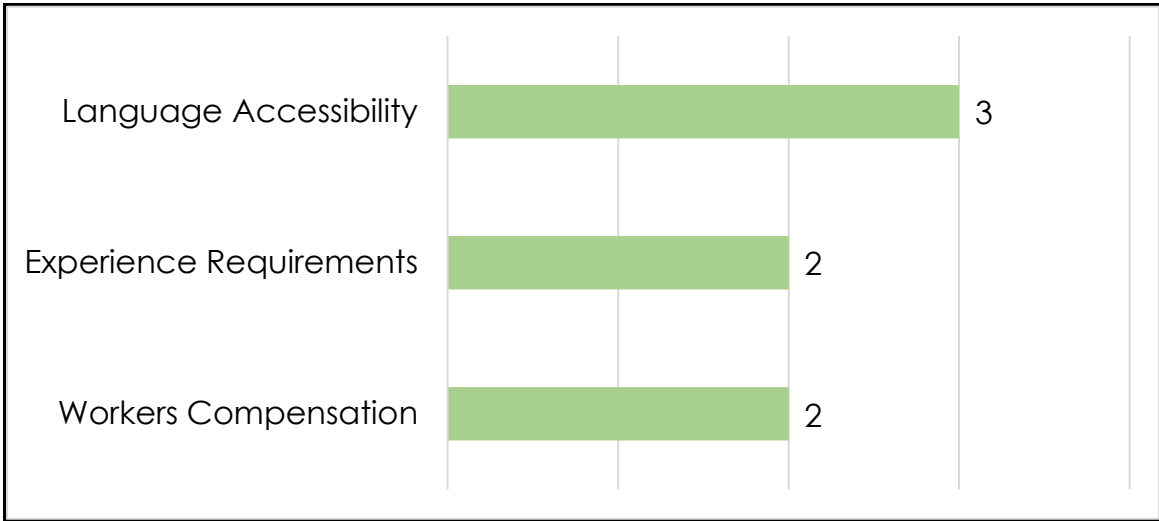
External Stakeholder Comment Trends



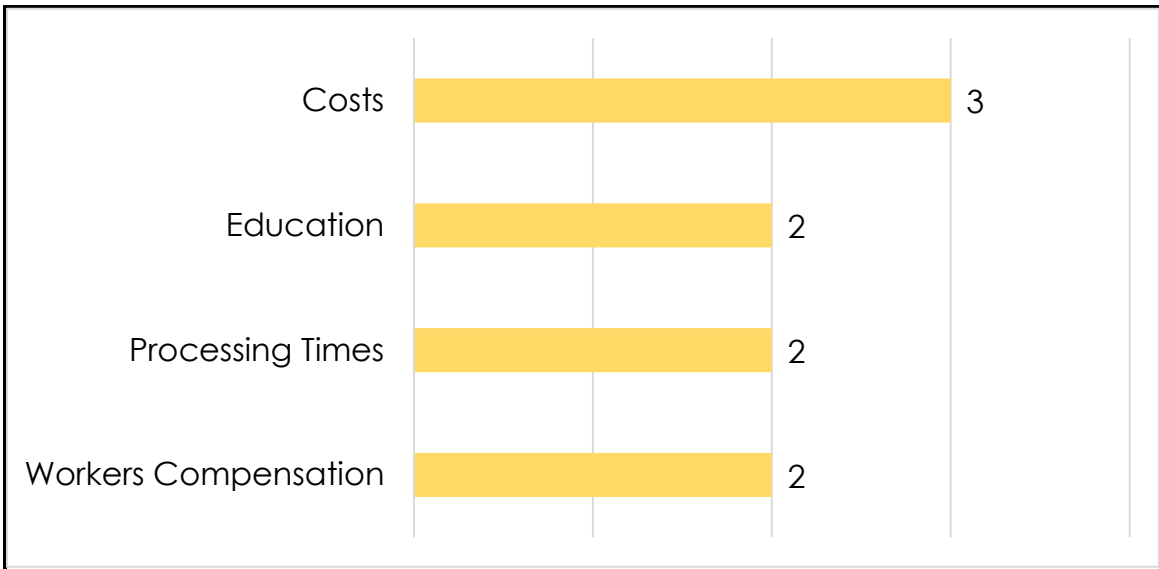
Board Member Comment Trends



Board Management Comment Trends



Staff Comment Trends



Summary of Ways to Increase Outreach and Connection to All California Communities Trends

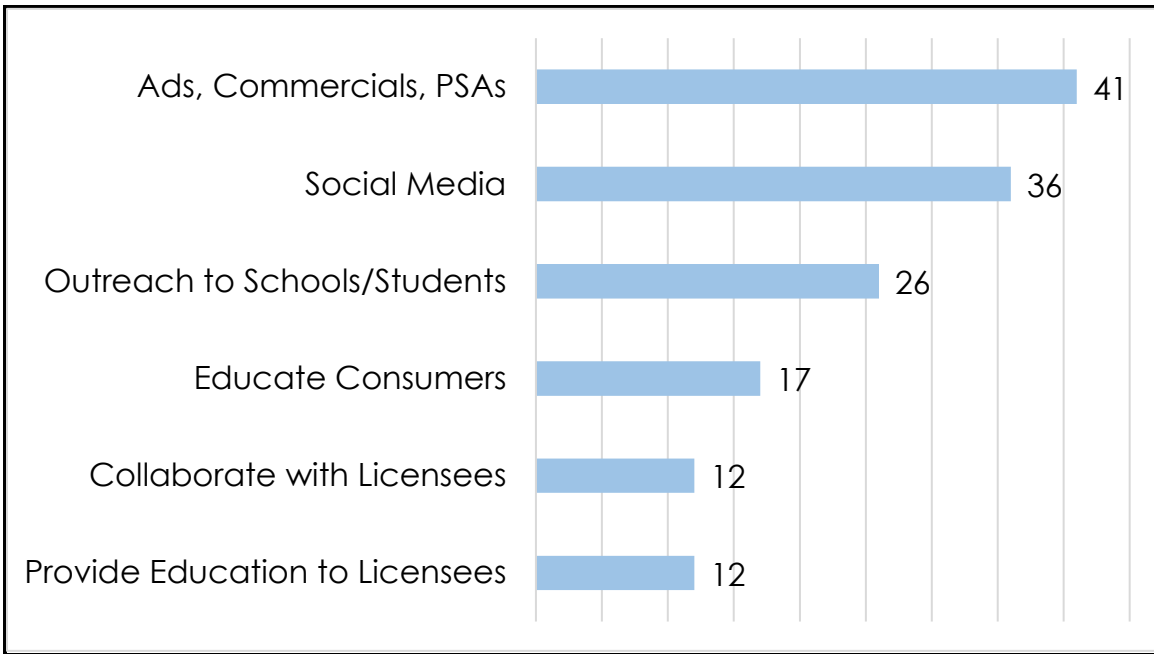
Survey question: What are ways that CSLB can increase its outreach and connection to all California communities?

1. External stakeholders and staff see ads, commercials, and public service announcements as a way to increase outreach and connect with communities.
2. External stakeholders, board members, and staff suggest CSLB increase its use social media, such as Nextdoor, Twitter (X), Facebook, and Instagram.
3. External stakeholders, board members, board management, and staff say CSLB can conduct outreach at high schools, trade schools, and community colleges.
4. External stakeholders state CSLB can educate consumers about how to access CSLB's information and submit a complaint, rules about basic deposits, and the importance of hiring licensed contractors.
5. External stakeholders would like CSLB to collaborate with licensees to volunteer in the community as well as to provide information about the Board.
6. External stakeholders say CSLB can offer education for licensees, such as helping them learn about different agencies, the aspects of obtaining and keeping a license, and new rules.

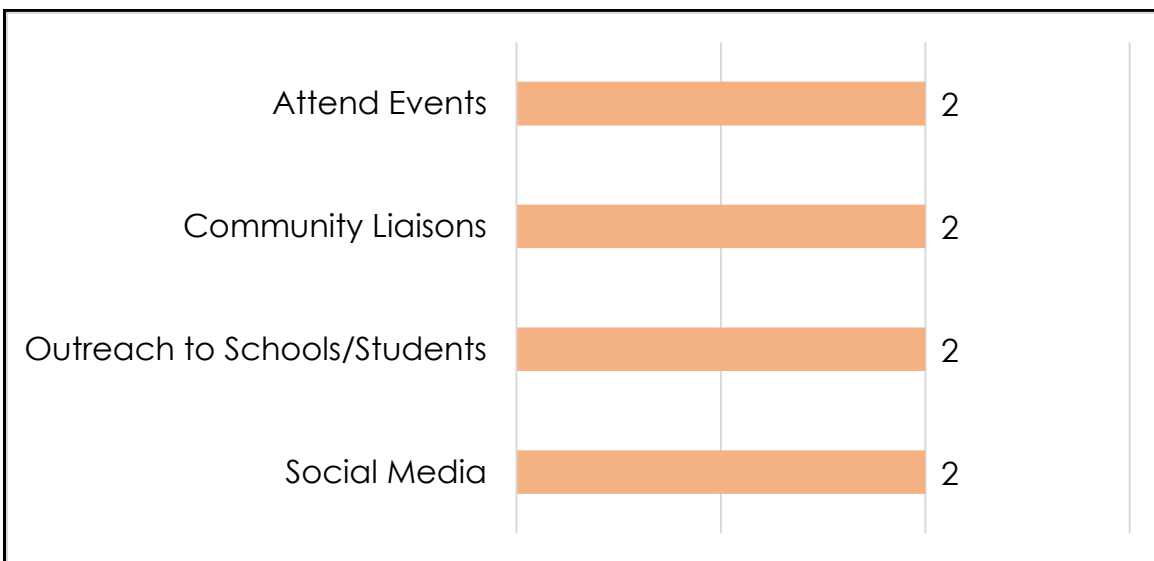
Trends in Ways to Increase Outreach and Connection to All California Communities Trends

The charts below lists the top trends along with the corresponding number of comments for feedback provided by stakeholders.

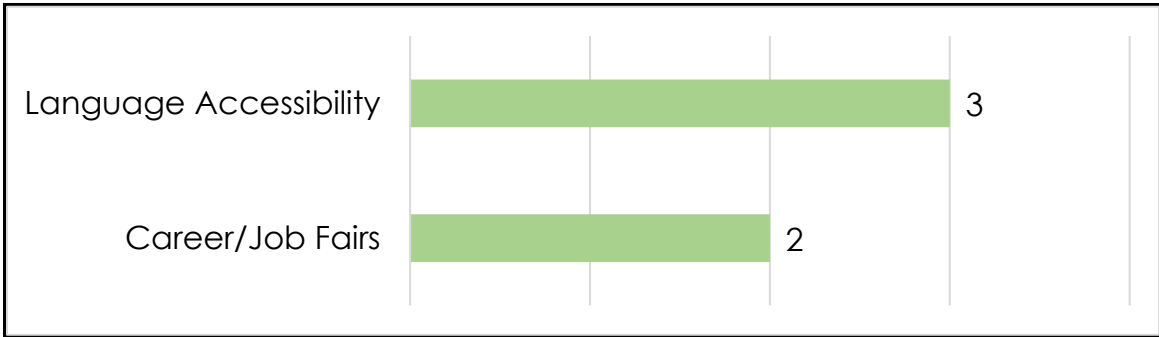
External Stakeholder Comment Trends



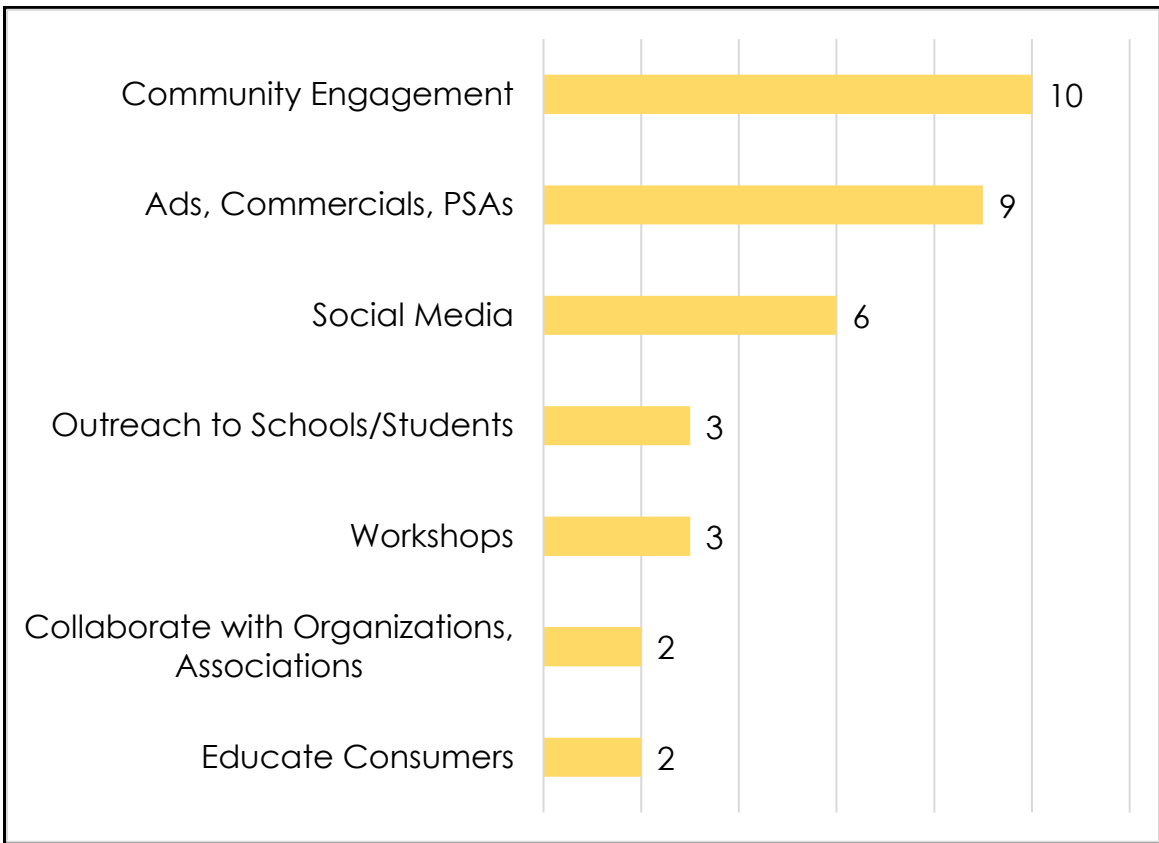
Board Member Comment Trends



Board Management Comment Trends



Staff Comment Trends



Summary of Other Actions to Take to Further Equal Access to Opportunities

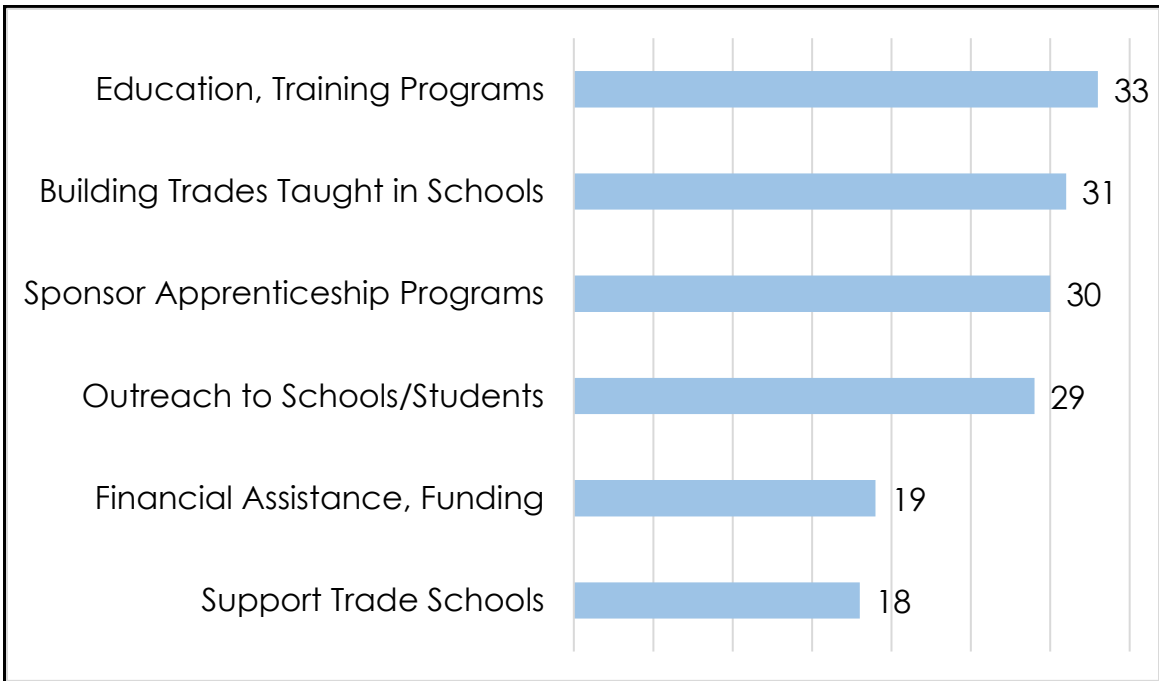
Survey question: What other actions should CSLB take to further equal access to opportunities (e.g., entry into the profession, education/training opportunities, apprenticeships/mentorships)?

1. External stakeholders and staff say CSLB can provide/support education and training programs as a way to create equal opportunities.
2. External stakeholders suggest CSLB support bringing trade skill classes back into high schools.
3. External stakeholders, board members, and staff recommend CSLB sponsor apprenticeship programs.
4. External stakeholders, board management, and staff suggest CSLB conduct outreach to high schools and colleges to let students know the opportunities that exist in the construction industry.
5. External stakeholders recommend CSLB provide/support financial assistance in some of the following ways:
 - Lobby for funding of online trade education
 - Provide scholarships to college
 - Reduce costs of licensing and renewals
 - Encourage major industry players to help fund grant programs
 - Create a fund to licensees in good standing with CSLB to provide them a stipend for mentoring and training future contractors
 - Subsidize education for young workers
 - Enact lower workers compensation rates for apprentices
6. External stakeholders believe more trade skills are needed and suggest CSLB support trade schools.

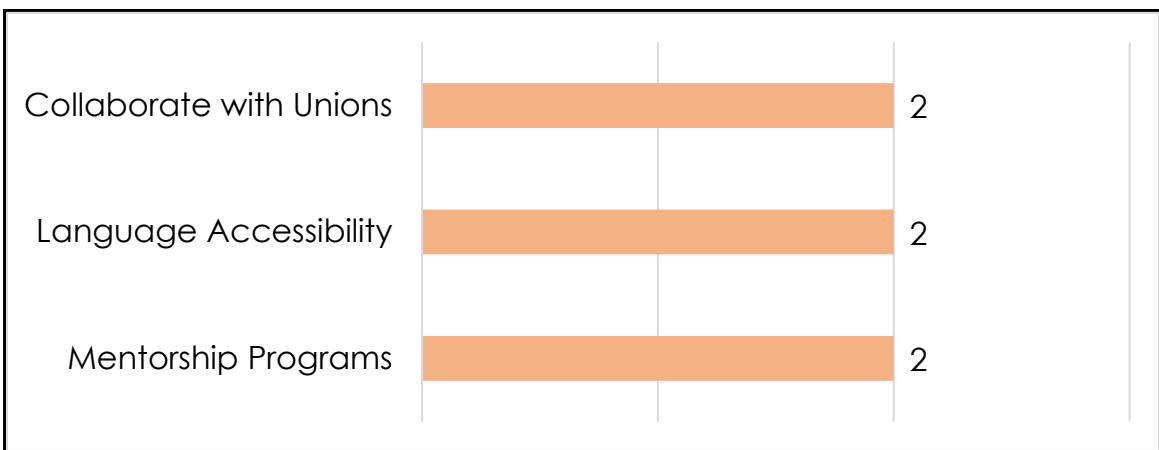
Trends in Other Actions to Take to Further Equal Access to Opportunities

The charts below list the top trends along with the corresponding number of comments for feedback provided by stakeholders.

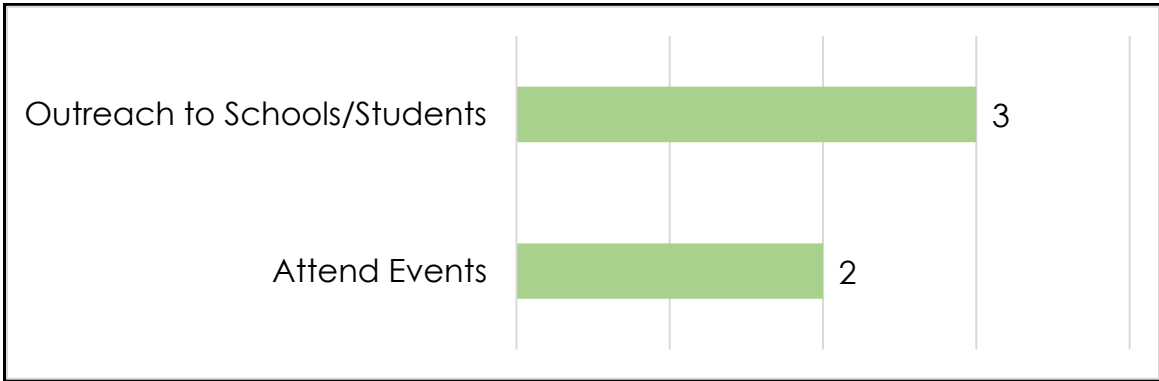
External Stakeholder Comment Trends



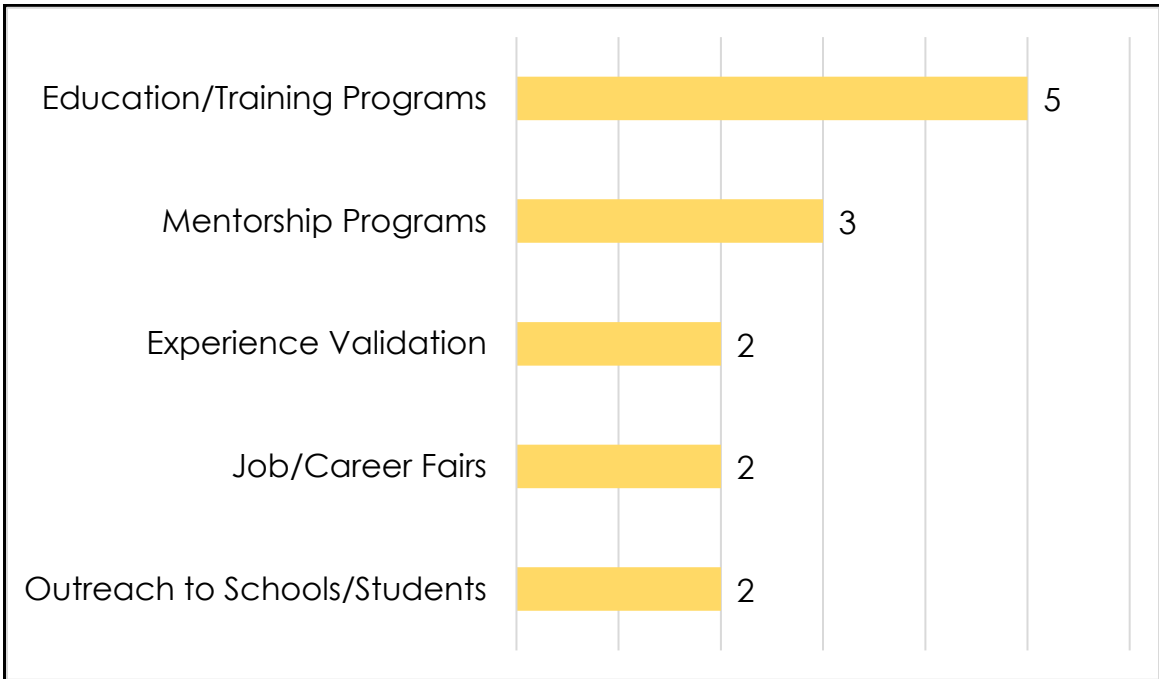
Board Member Comment Trends



Board Management Comment Trends



Staff Comment Trends



Appendix A – Acronym List

Acronym	Definition
AI	Artificial Intelligence
CSLB	Contractors State License Board
DCA	Department of Consumer Affairs
PSA	Public Service Announcement
ROM	Responsible Managing Officer

Appendix B – Data Collection Method

Data for this report was gathered by surveying stakeholder groups that are important to the success of CSLB. Stakeholders include any individual or group who is influenced by or influences a program. Information for this survey was gathered by surveying external stakeholders, board members, board management, and staff using the following methods:

- Phone interviews were conducted with board members during the months of January and February 2024.
- Online meetings were held with CSLB executive leadership and managers during January 2023.
- Online surveys were sent to external stakeholders and board staff on January 3, 2024, and closed on January 31, 2024.

Classification of Stakeholder Relationship with CSLB:

Relationship with CSLB	Number of Responses	Response Rate
Leadership	9	100%
Staff	104	24%
Board Members	12	92%
Licensee	1,819	1
Preparing to Become Licensee	17	
Consumer	14	1
Professional Association/Group	25	1
School/Private License Assistance Service	6	1
Government Agency	10	1
Other ²	87	1

¹ A response rate cannot be determined for these external stakeholders because of the undetermined number having access to the survey link.

² Respondents listed in the “Other” category identified themselves as follows (If the relationship was stated by multiple respondents, the number of times is in parentheses):

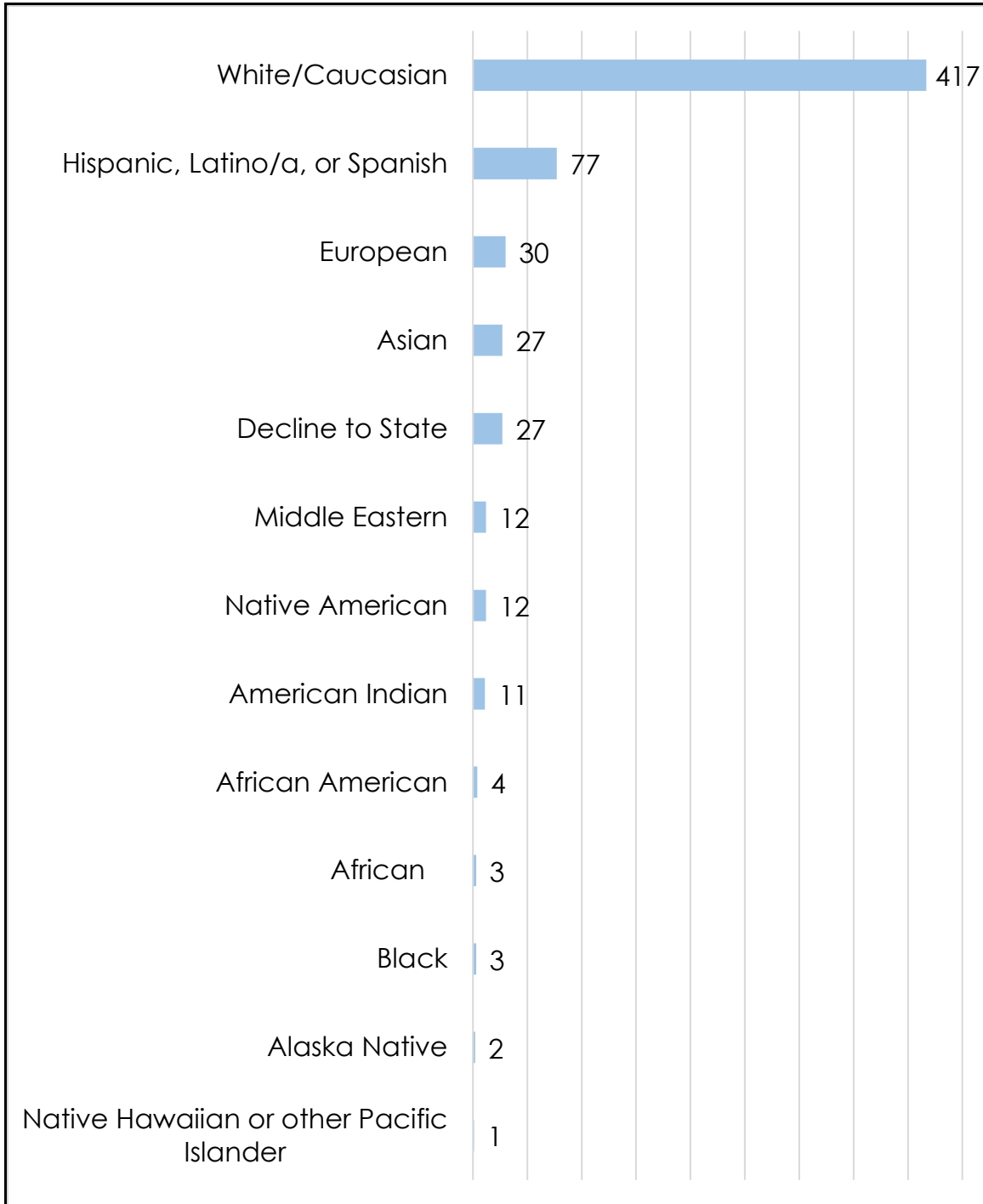
- Retired Licensee (18)
- Former Licensee (14)
- Retired Contractor (10)
- Inactive Licensee (8)
- Company Licensee (3)
- Contractor (3)

- Subject Matter Expert (3)
- Attorney for Contractors (2)
- Out-of-State Contractor (2)
- Arbitrator
- Architect
- Commercial General Contractor Owner
- Consultant
- Entrepreneur
- Exam Developer
- Former Contractor
- Goldman Sachs Ambassador
- No Relationship
- Operations Manager
- Spouse to Licensee
- Unlicensed Contractor

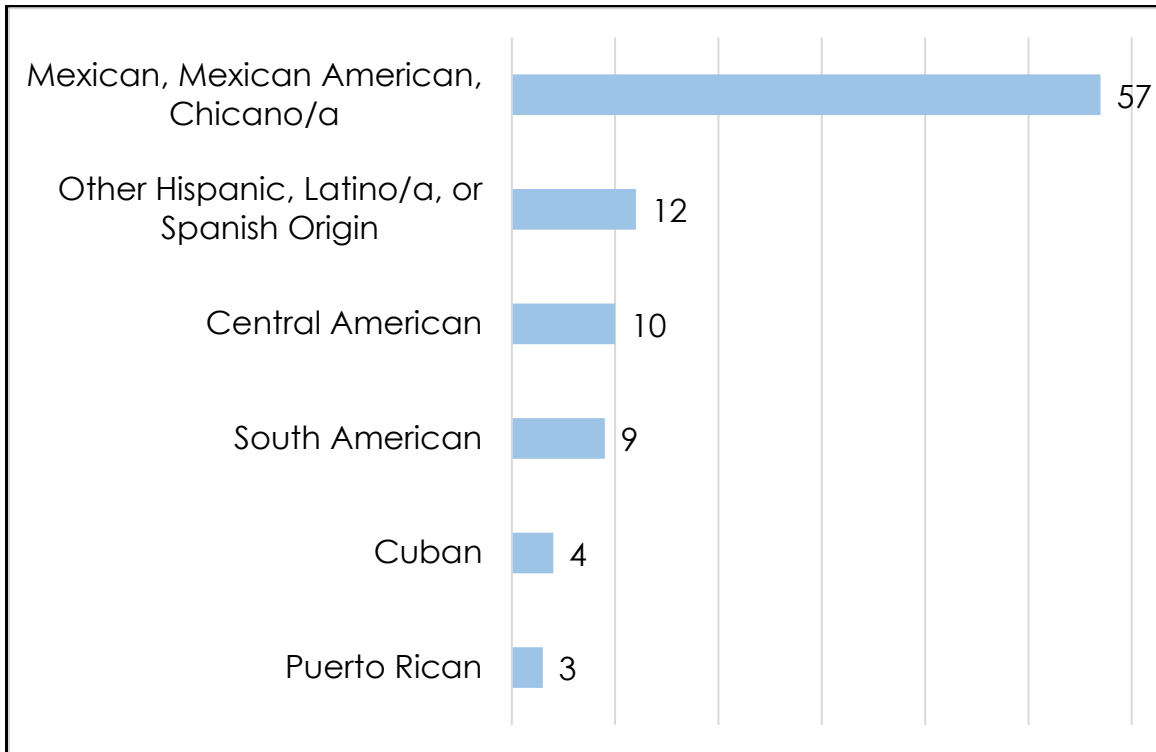
Appendix C – Demographic Data

Race

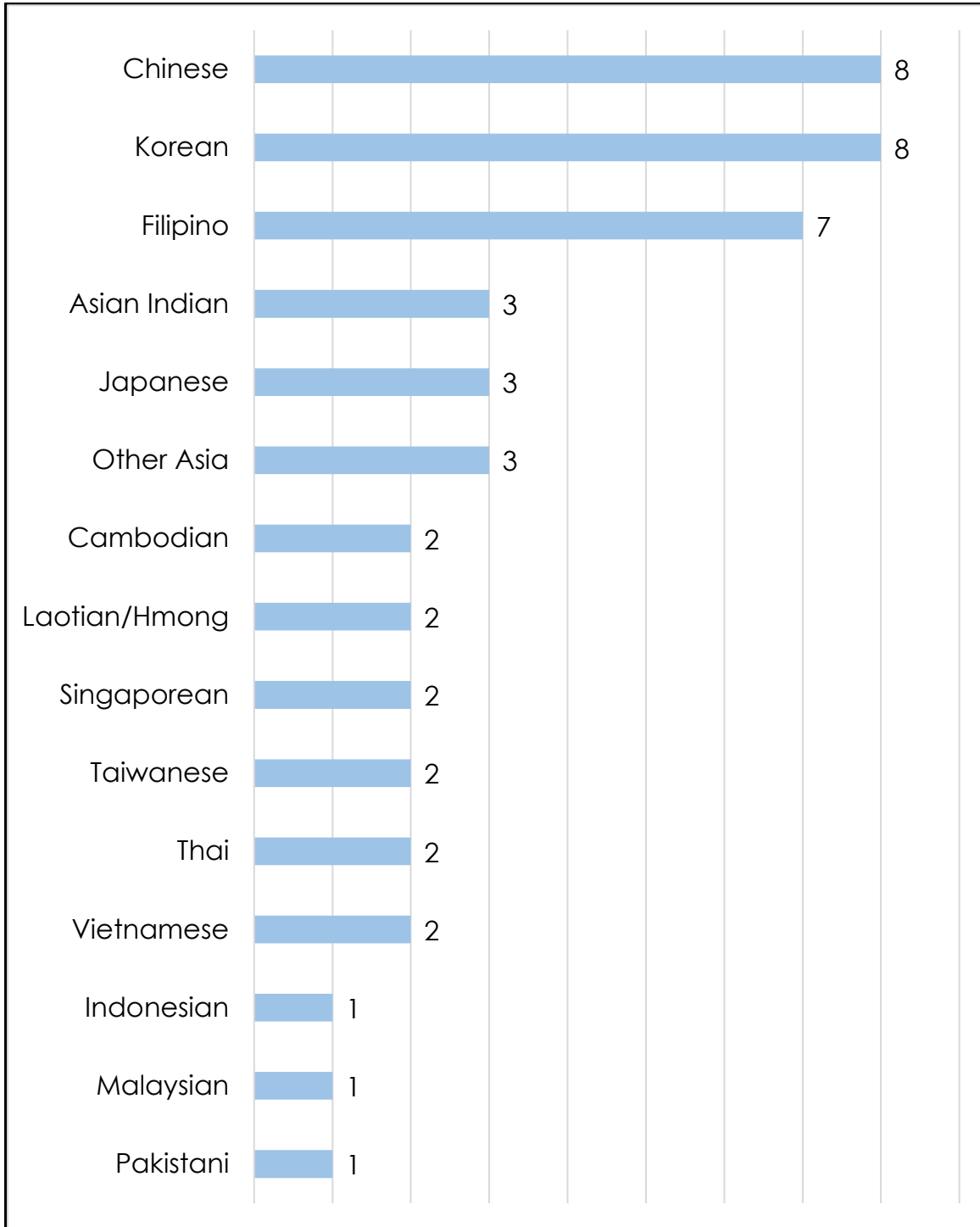
Races External Stakeholders Identified With



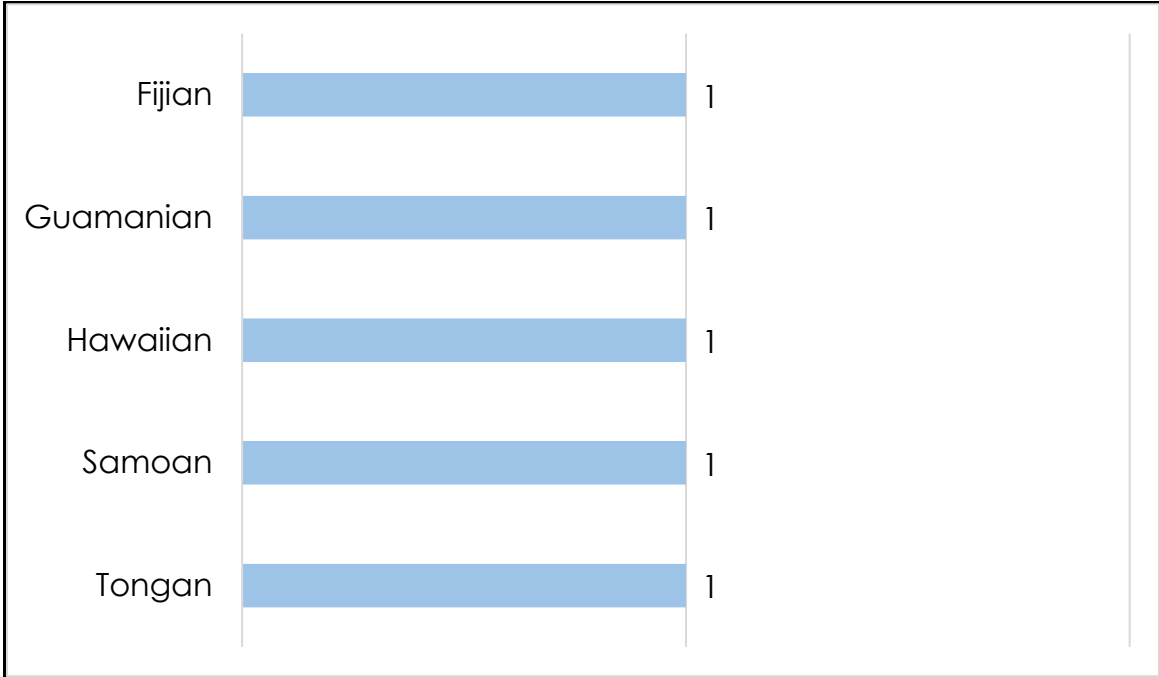
Hispanic, Latino/a, or Spanish External Stakeholders Identified With



Asian External Stakeholders Identified With

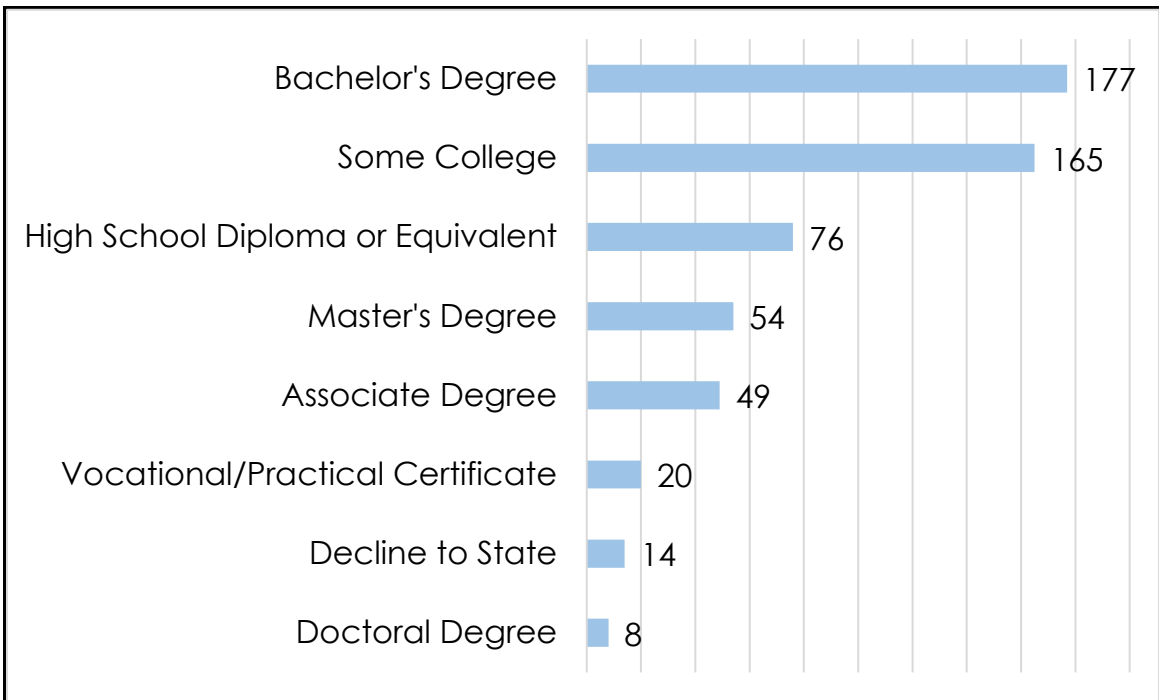


Native Hawaiian or Other Pacific Islander External Stakeholders Identify With



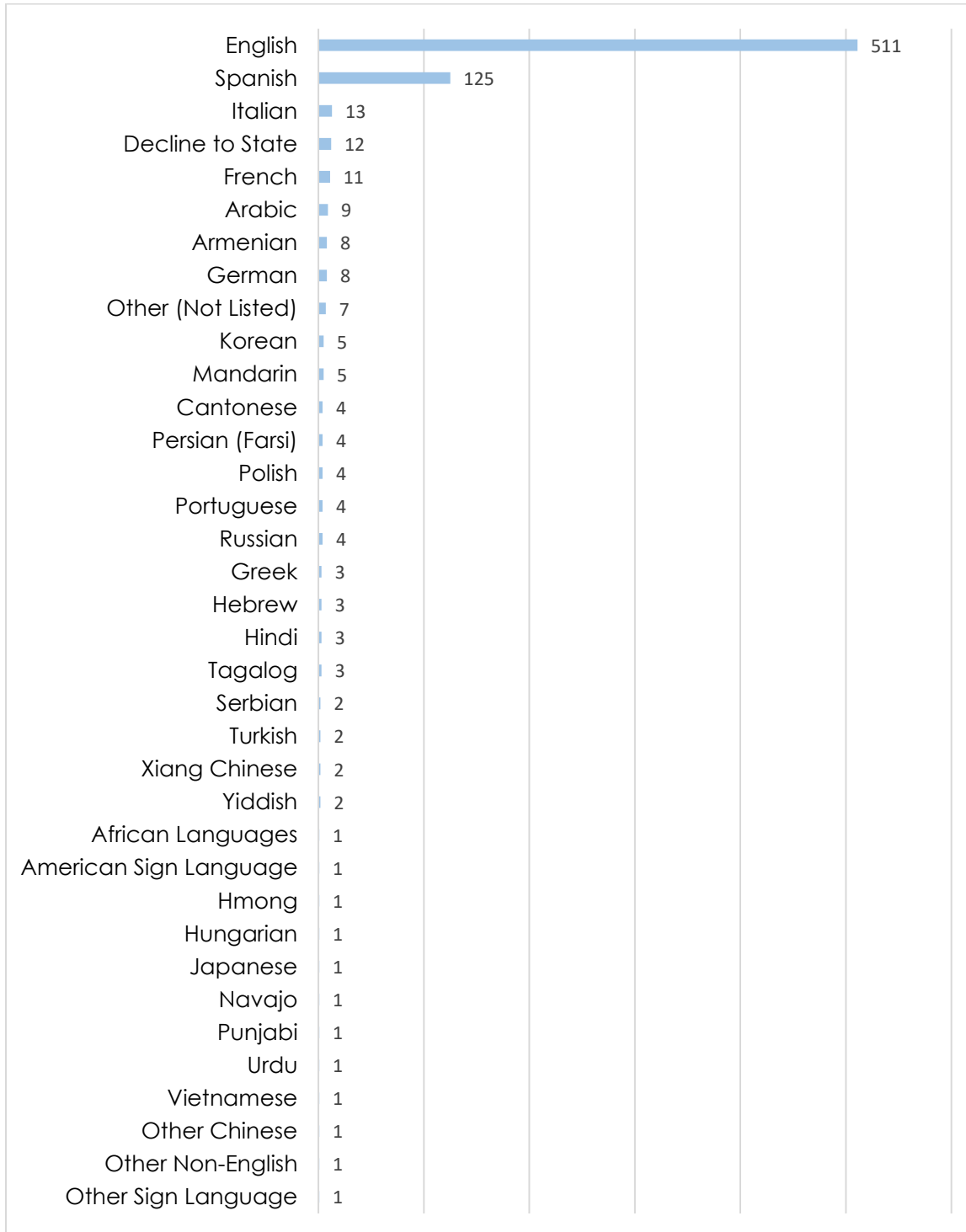
Education

External Stakeholders' Highest Level of Education



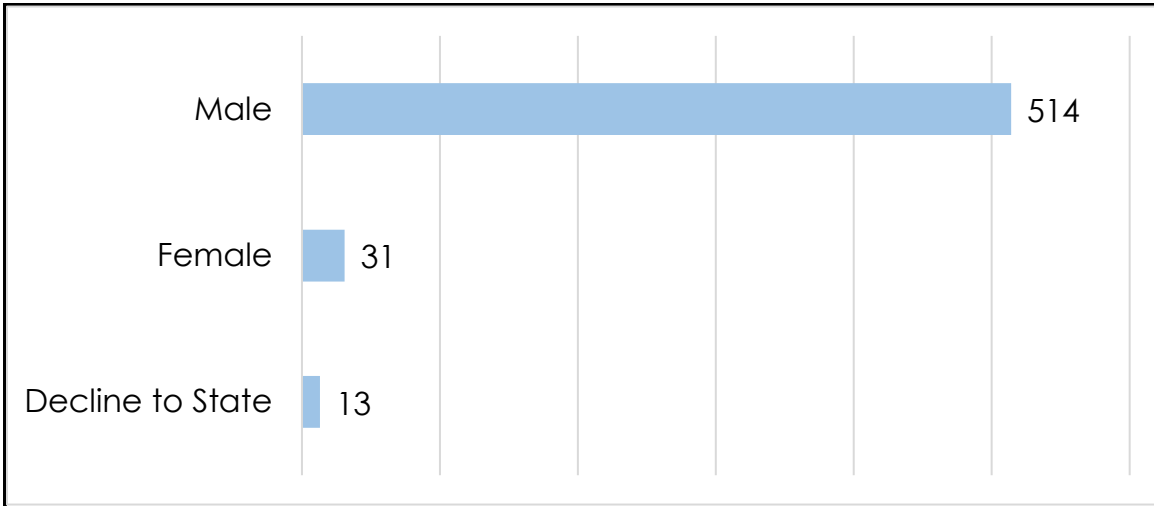
Languages

Languages External Stakeholders Speak Fluently



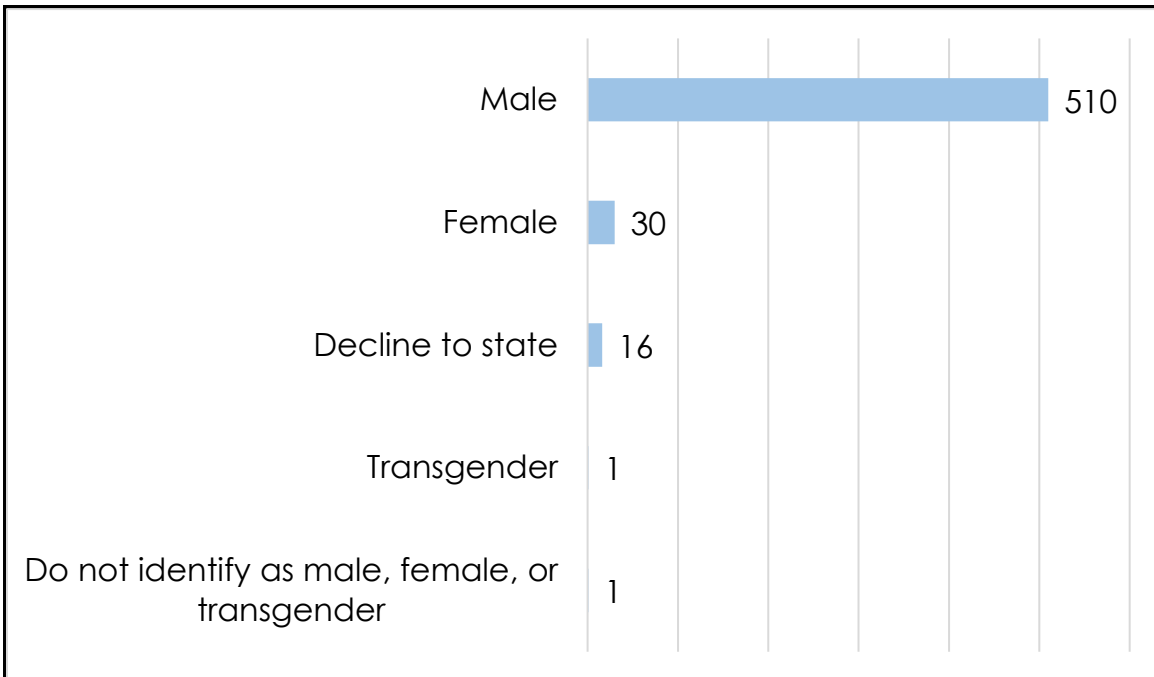
Birth sex

External Stakeholders' Assigned Sex at Birth



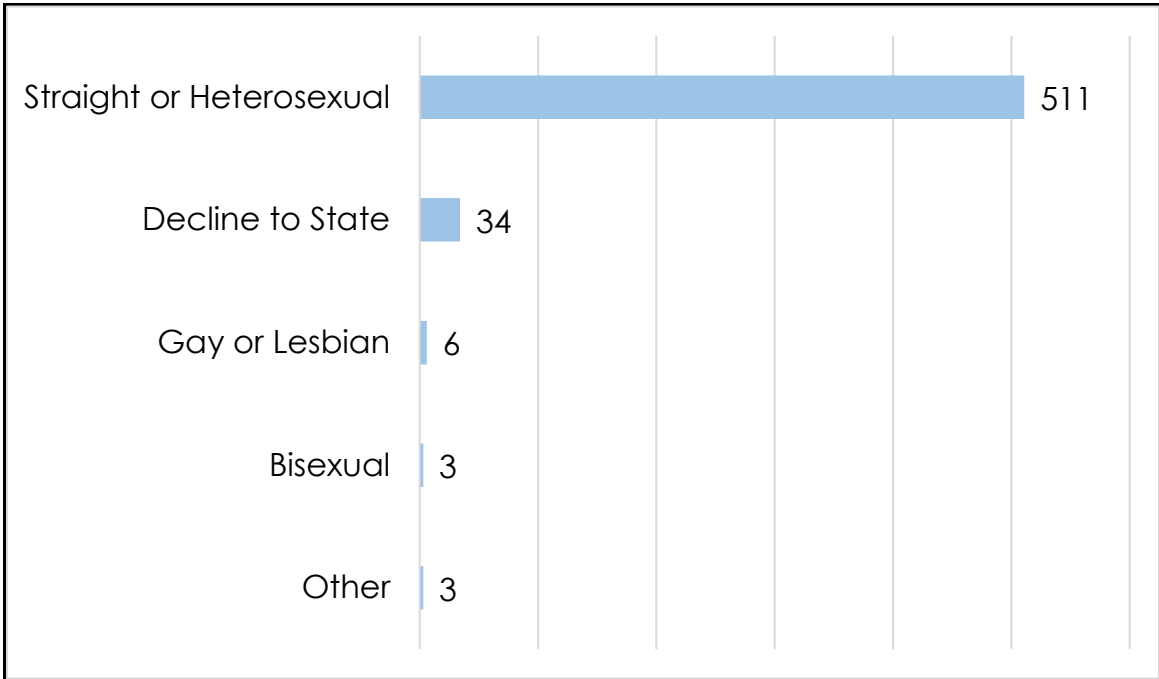
Current gender

How External Stakeholders Describe Themselves



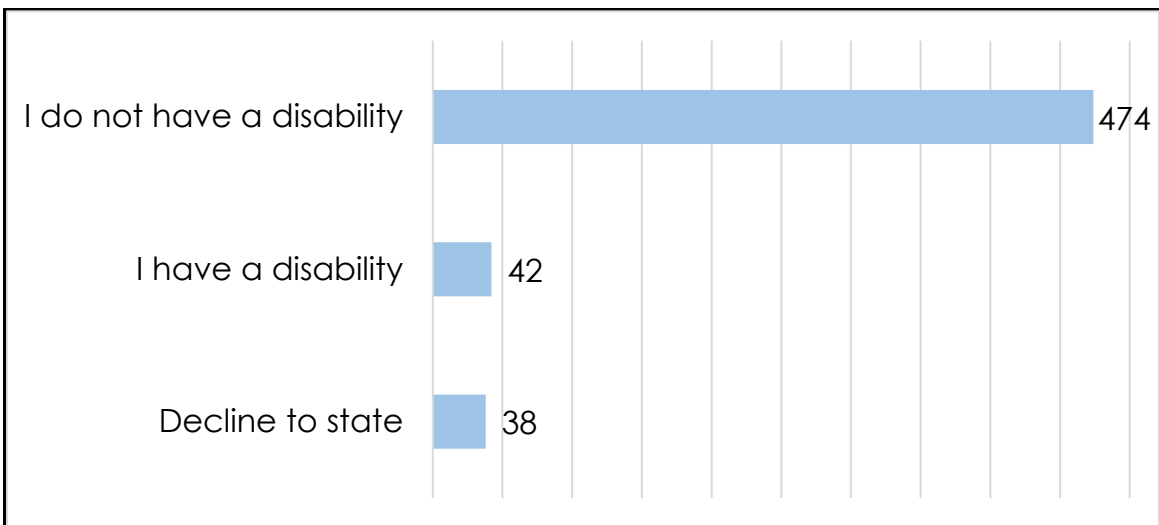
Orientation

External Stakeholders' Orientation



Disability status

External Stakeholders' Disability Status





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AGENDA ITEM C-5

Review of Possible Update of Mission, Vision, and Value Statements



AGENDA ITEM C-6

Development of Strategic Objectives

- a. Enforcement
- b. Legislative
- c. Licensing and Testing
- d. Public Affairs
- e. Executive



AGENDA ITEM C-7

Overview of Process for Finalizing Strategic Plan for Adoption by the Board



AGENDA ITEM D

Recess



APRIL 17-18, 2024
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 2



AGENDA ITEM A

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

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

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

Board Member Roster

JOËL BARTON	JACOB LOPEZ
RODNEY M. COBOS	DIANA LOVE
DAVID DE LA TORRE	MICHAEL MARK
MIGUEL GALARZA	HENRY NUTT III
AMANDA GALLO	STEVEN PANELLI
SUSAN GRANZELLA	JAMES RUANE
ALAN GUY	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

Executive



AGENDA ITEM C-1

Review and Possible Approval of the December 13, 2023, Board Meeting Minutes





Board Meeting Minutes

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

Board Chair Diana Love called the meeting of the Contractors State License Board (CSLB) to order on December 13, 2023, at 9:03 a.m. at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Vice Chair Michael Mark led the Board in the Pledge of Allegiance, and a quorum was established.

Board Members Present

Diana Love, Chair
Jöel Barton
Rodney Cobos
David De La Torre
Miguel Galarza
Amanda Gallo
Susan Granzella
Alan Guy
Jacob Lopez
Steven Panelli
Michael Mark
James Ruane

Mary Teichert joined the meeting at 10:00 a.m.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Yeaphana La Marr, Chief of Legislation
Katherine White, Chief of Public Affairs
Jason Perez, Chief of Information Technology
Steve Grove, Chief of Enforcement
Carol Gagnon, Chief of Licensing
Stacey Paul, Budget Manager
Robin Williams, Executive Assistant
Amy Lawrence, Television Specialist
Natalie Rosenberger, Information Officer
Ingrid Witowski-Sedlar, Personnel Manager



DCA Staff Present

John Kinn, DCA Legal

Yvonne Durantes, Assistant Deputy Director of Board and Bureau Relations

In Person Public Attendance

Rick Pires

Robert Blunt

Chair Love introduced Assistant Deputy Director Yvonne Durantes of DCA Board and Bureau Relations.

Assistant Deputy Director Yvonne Durantes updated the Board that Tomiquia Moss had recently been appointed as the Business, Consumer Services, and Housing Agency Secretary and will be assuming their new position in early 2024. Assistant Deputy Director Durantes stated the DEI Committee Meeting will take place December 14, 2023, and will provide updates afterwards. Assistant Deputy Director Durantes explained the recent launch of the Military Portal was a success and supported service members and their families. Assistant Deputy Director Durantes advised the Board of upcoming changes to the Bagley-Keene Open Meeting Act on January 1, 2024, and stated there will be four new options available. Assistant Deputy Director Durantes reminded the Board 2022-2023 mandatory training was due by the end of 2023. Assistant Deputy Director Durantes stated the “Our Promise” campaign was still active and offered resources for donations.

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

Public Comment

Richard Markuson of the Greater Bay Chapter of the American Fire Sprinkler Association complimented CSLB on enforcing sprinkler fitter certification and stated it helped regulate non-compliant contractors and the AFSA appreciated the efforts of CSLB and staff.

C. Presentation of Certificates of Recognition

Board Chair Love presented a plaque to CSLB staff member Renee Davis in recognition for 37 years of state service in the Information Technology Division and acknowledged Renee’s commitment to CSLB and assisting in the implementation of board-sponsored bill SB 216. Chair Love congratulated Renee on their retirement and thanked them for their service to CSLB.



D. Executive

1. Review and Possible Approval of the June 22 and 23, 2023, Board Meeting Minutes

Chair Love asked for Board member edits to the June 22 and 23, September 14, and November 2023, Board Meeting Minutes. Chair Love stated Board Member Jacob Lopez was incorrectly excluded from the roll call in the June 22, 2023 and the June 22 and 23 minutes have been corrected and are being resubmitted for approval. Chair Love recommended that a motion be made to approve all the board minutes simultaneously.

Motion: To approve the June 22 and 23, September 14, October 30, and November 15, 2023, Board Meeting Minutes. Moved by Michael Mark; Jim Ruane seconded. Motion carried, 12-0-0.

YEA: Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Steven Panelli, Michael Mark, Jim Ruane.

NAY: None

ABSTAIN: None

ABSENT: Mary Teichert

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

2. Review and Possible Approval of the September 14, 2023, Board Meeting Minutes

Motion for approval was passed during Agenda item D.1.

3. Review and Possible Approval of the October 30, 2023, Board Meeting Minutes

Motion for approval was passed during Agenda item D.1.

4. Review and Possible Approval of the November 15, 2023, Board Meeting Minutes

Motion for approval was passed during Agenda item D.1.



5. Registrar’s Report

CSLB Registrar David Fogt stated along with conducting a survey for the 2024 CSLB Board meetings, the focus will be the completion of the Sunset Report and transitioning from the current Strategic Plan, expiring in 2024, to a new Strategic Plan. Registrar Fogt explained the CSLB has obtained Trisha St. Clair, an analytic strategic facilitator, to assist CSLB in adopting a new 3-year strategic plan and recommended the Board members offer suggestions on stakeholder surveys.

Board Member Comment

Board member Granzella reminded the board to monitor the mute function of the Webex because it is distorting the sound of the persons speaking.

Public Comment

There was no public comment.

6. CSLB Budget Update

Budget Manager Stacey Paul stated CSLB has an authorized budget of \$79 million in fiscal year 23/24 and expects to bring in \$91 million in revenue. Manager Paul explained revenue should exceed total expenditures by \$12 million ultimately increasing CSLB’s fund reserves. Manager Paul pointed out the 23/24 fiscal year budget and expenses through October is at 33 percent of the authorized budget and revenue for October has exceeded the prior year by 14 percent. Manager Paul detailed the CSLB budget fund condition that will increase fund reserves to \$32 million or 4.5 months at fiscal year-end and the same should continue into next budget year 24/25. Manager Paul discussed the Construction Management Education Account (CMEA) fund has seen consistent increases in annual donations. CSLB has received final approval from the Department of Finance to increase grant disbursements from \$175,000 to \$225,000. Manager Paul highlighted the first quarter of statistical data confirming an increase in original applications received, new licenses issued, and a 2.9 percent increase in renewals compared to two years ago.

Board Member Comment

Board Vice Chair Michael Mark expressed appreciation for CSLB staff’s hard work with improving the status of budget reserves.

Chair Love recognized Rick Pires and Robert Blunt from Northern California Carpenters for their support in assisting the CSLB with consumer protection efforts and thanked them for their hard work.

Public Comment

There was no public comment.



7. Administration Update Regarding Personnel and Facilities

Personnel Manager Ingrid Witowski-Sedlar updated the Board on the status of the CSLB administrative operations. Manager Witowski-Sedlar stated of the 425 authorized positions, CSLB averaged 33 vacancies in the first month of fiscal year 2023-24. Manager Witowski-Sedlar explained the Personnel Unit, along with CSLB and DCA Office of Human Resources are continuously working to identify and minimize delays in recruitment for key positions. Manager Witowski-Sedlar provided an update on the Consumer Services Representative (CSR) classification transition. Manager Witowski-Sedlar stated in June 2023, CSLB began transitioning the classification of CSR to Staff Services Analyst (SSA) with the intent to align analytical duties performed by the 32 CSRs as well as increase recruitment and retention efforts with an expected completion date of December 2023.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

8. Information Technology Update

Information Technology Chief Jason Perez presented to the Board the latest advancements in the Information Technology (IT) Division. Chief Perez stated the IT Division's focus is the business modernization of the Application for Original Contractors License for Sole Owners, with the main goal to design a simplified process for construction industry professionals that prioritizes efficiency, user friendliness, and clarity. Chief Perez anticipated the contract being signed January 2024. Chief Perez added as part of the business modernization effort, a new portal developed for applicants to seamlessly manage their applications and have a window into the licensing process will be equipped with advanced security features, ensuring sensitive information remains protected.

Chief Perez stated CSLB is transitioning to the AWS Connect IVR System, a call center software designed to improve interactions with all stakeholders. Chief Perez explained AWS Connect features: improved call routing, advanced data analytics, enhanced security, and cost efficiency. They noted the AWS Connect project is expected to be operational by April 2024.

Chief Perez also acknowledged the work done to transition CSLB from its prior voice calling system to Microsoft Teams calling, noting that its key features include a unified communication platform, enhanced collaboration, organization-wide implementation, smooth transitioning, and ongoing support. They thanked all staff involved in the project



and stated implementation of Microsoft Teams marks a significant step toward digital transformation.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

E. Legislation

1. Review, Discussion and Possible Action on CSLB’s Draft 2024 Sunset Report

Chair Love explained the legislative section of the meeting relating to the Sunset Review report was provided separately in a handout and offered background about the Sunset Review process. Chair Love explained the Sunset Review is conducted every four years and CSLB’s last sunset was five years ago, with the fifth year being an extension due to the COVID-19 pandemic. Chair Love stated they and Member Galarza were appointed to the Sunset Committee by past Chair Mary Teichert. Chair Love noted the report consisted of 500 pages detailing CSLB’s work in consumer protection and addressing new and old issues. Chair Love asked for the Board to consider authorization for staff to submit a final version to the Legislature by the first week of January 2024.

Member Galarza thanked CSLB staff and Chief of Legislation Yeaphana La Marr for their hard work in putting the Sunset Report together. Member Galarza explained there were six items included as new issues that would increase protection for consumers and improve processes related to the construction industry.

Chief La Marr stated the Sunset Report needed various non-substantive edits and stated a motion to approve those edits would need to be made. Chief La Marr explained the Sunset Report sections and template questions 1 through 67 and stated Section 1 covered historical and background data regarding Board and committee meetings and program organization.

Chief La Marr explained question 2, noting the CSLB has always established a quorum. Chief La Marr explained pages 5 through 17 detailed changes to the board since the last Sunset Report, including reorganization, relocation, leadership, and strategic planning while noting that section included legislation that has impacted CSLB, and regulations adopted and approved by the Board.

Chief La Marr explained question 4 asked about studies conducted by the Board, included staff and/or consultant reports on the topics of mandating workers’



compensation for certain license classifications, a fee study, and two other studies regarding battery energy storage systems license requirements.

Chief La Marr stated Section 2 covered CSLB's fiscal status and staffing, with pages 27 through 31 discussing board fiscal issues, noting the fund is getting healthier.

Chief La Marr explained pages 32 through 39 discuss staffing issues and challenges in hiring, vacancies, reclassified and redirected positions, and training.

Chief La Marr stated Section 3 covered the licensing program and highlighted pages 41 through 60, including licensing and renewal processing goals, exam passing rates, and statutes that affect application processing.

Chief La Marr explained Section 4, pages 61 through 74, covered the Enforcement Division's performance and highlighted question 33 related to complaints increasing year over year. Chief La Marr attributed the rise in complaints and processing times to an increase in solar complaints. Chief La Marr discussed the SWIFT unit participating in more disaster response efforts, investigation and cycle time goals and unlicensed activity enforcement. Chief LaMarr confirmed the most common violations are workmanship, false workers' compensation exemption, violation of building standards, and failure to complete contracted work for the agreed upon price.

Chief La Marr explained Section 5, pages 80 through 83, highlight the public information office policies and consumer education efforts and noted question 56 discusses the related activities such as: online documents, media responses, in-person outreach, social media, and disaster responses.

Chief La Marr mentioned Section 6 discussed how online business practices have contributed to unlicensed activity.

Chief La Marr stated Section 7 detailed the workforce development and job creation efforts and noting DCA-approved training programs, internships and other factors that influenced workforce development while focusing on the Construction Management Education Account and the creation of the B-2 to provide opportunities for licensure for contractors with residential experience in multiple areas, often performed by handypersons, that do not include structural work. Chief La Marr added question 63 on pages 87 and 88 asked about reducing licensing inequities experienced by licensees, applicants, and consumers from vulnerable communities including: Spanish examination translation and study guides, creating the B-2 license type, protecting senior citizens with support for AB 2471 to extend cancellation rights for seniors, administering the Solar Energy System Restitution Program, and submitting a proposal to allow tribes to be licensed in California.

Chief La Marr stated Section 8 can be found on page 89, which focused on current issues.



Chief La Marr stated Section 9 on pages 90 and 91 asked what CSLB's COVID response was and what steps were taken to protect employees while continuing to meet consumer protection mandates. Chief La Marr explained the steps included: the closure of the public counters, instituting mask wearing and social distancing, obtaining laptops and reducing in-office staff, increasing educational videos, developing online renewal and payment systems, and implementing Webex board meetings.

Chief La Marr stated Section 10, pages 92 to 123, discussed board action response prior to Sunset Report.

Chief La Marr stated Section 11, pages 124 to 130, discussed new issues.

Chief La Marr stated Section 12, pages 131 to 500, are attachments related to content including the administrative manual, major studies, year-end organization charts, quarterly performance measures, and results from questions on the board's consumer satisfaction survey.

Motion: To approve and authorize the submission of the final version of the Sunset Review Report, along with a cover letter from Chair Love, a table of contents, page number references, December 13, 2023, meeting references, organization charts, grammatical and name corrections, and an index of acronyms. Moved by Michael Mark; seconded by Joël Barton. Motion carried, 12-0-0.

YEA: Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Steven Panelli, Michael Mark, Jim Ruane.

NAY: None

ABSTAIN: None

ABSENT: Jacob Lopez

Board Member Comment

Vice Chair Michael Mark thanked CSLB staff for the hard work committed to the production of the Sunset Report and asked if new board member video from the past meeting can be attached to the board manual.

Chief of Public Affairs Katherine White stated the video is not related to the board orientation manual and is separate from board administration manual although it helps with board member orientation.

Vice Chair Mark asked which section board members should pay most attention to for Sections 1 through 9 regarding the breadth of the Sunset Report and asked if there were cliff notes.

Chief La Marr responded the prior issues were to address the last Sunset Report and the template questions recommended focusing on enforcement.



Vice Chair Mark explained the enforcement section contained significant information and the licensing was done very thoroughly.

Chief La Marr agreed the licensing section was important and explained Sections 3 and 4 were sections of interest for board member review.

Chair Love stated they were excited to stand before the legislature and present the Sunset Report and explained they were happy to represent CSLB and all the efforts of CSLB staff.

Public Comment

There was no public comment.

Mary Teichert joined the meeting at 10:00 a.m.

F. Enforcement

1. Update Regarding November 29, 2023, Enforcement Committee Meeting and Possible Approval of Summary Report

Enforcement Committee Chair Jim Ruane stated during the March 2023 Board meeting the board approved \$75,000 to hire a consultant to conduct an enforcement workload study to determine the viability of Special Investigator goals and if enforcement classifications are appropriate for work being performed. Chair Ruane noted CSLB began contracting with Cooperative Personnel Services (CPS) for \$68,587.50 in July 2023. Chair Ruane stated the research is currently being performed with the results and recommendations expected to be delivered in January 2024.

Chair Ruane explained during the March 2023 Board meeting the board authorized another \$75,000 for a second consultant to research the scope of unlicensed activity and disaster response resource requirements. Chair Ruane stated a request for proposal (RFP) was released with a cutoff date of November 28, 2023, but there were no bidders. Chair Ruane noted that prospective consultants advised a study of such complexity would require more than the \$75,000 currently authorized. Chair Ruane explained that staff recommended the Enforcement Committee recommend the board authorize raising the cap from \$75,000 to \$200,000 with a motion being put forward and carried. Chair Ruane added the committee had a fully formed motion with no first or second needed prior to a motion.

Chair Ruane discussed the Consumer Satisfaction Survey and explained the public's satisfaction with CSLB's handling of complaints. Chair Ruane stated the survey showed a steady decrease over the previous five years from fiscal year 2018 to fiscal year 2022 and noted the results of the survey as: satisfaction with clarity of complaint procedure dropped from 76 percent to 63 percent, satisfaction with information regarding case progress decreased from 68 percent to 54 percent, satisfaction with timeliness of case processing dropped from 66 percent to 51 percent, and satisfaction with CSLB services decreased from 61 percent to 50 percent. Chair Ruane attributed budget restrictions,



the COVID pandemic, and a significant increase in solar cases to creating challenges for enforcement staff. Chair Ruane noted previous budget challenges that restricted the use of CSLB industry expert and arbitration programs have been resolved and Special Investigators are again conducting field visits and job site inspections. Chair Ruane stated enforcement management is continuously working to ensure complaints are investigated as soon as possible after assignment and mentioned the development of the Multiple Offender Unit will help with reducing staff caseloads and related complaint-handling cycle times.

Chair Ruane reported to improve customer satisfaction, enforcement staff training initiatives for 2024 are focused on conducting biannual enforcement academies, career development, customer service, and staff development training opportunities.

Chair Ruane stated the final item of the committee meeting was the Multiple Offender Unit (MOU) and explained the committee discussed the concern for the increase in consumer-filed solar complaints and stated CSLB has received a 176 percent increase in solar complaints while non-solar complaints have remained steady. Chair Ruane noted CSLB has 900 open solar complaints, which accounts for 20 percent of all open CSLB complaints. Chair Ruane added due to the volume and egregiousness of the complaints, enforcement staff caseloads have been impacted and as a result the committee established the MOU. Member Ruane explained the goal of the MOU is to focus on solar contractors with the most complaints and take swift action to persuade the contractor to resolve pending complaints and improve business practices addressing complaints to limit CSLB involvement. Chair Ruane added solar contractors will be subjected to legal action, possibly an accusation, if they fail to respond to consumers and CSLB incurs expenses regarding assisting or correcting the complaints. Chair Ruane mentioned CSLB will no longer hire industry experts for the purpose of assisting a solar contractor to help settle contractor's disputes with their customers, and CSLB staff, along with the Office of the Attorney General, have developed a streamlined legal action process and these cases will be strictly enforced with the help of CSLB's Special Investigators in pursuing charges related to unfair business practices. Chair Ruane added the MOU has identified an industry expert to assist consumers on correcting or completing their solar projects. Chair Ruane added further outreach is needed to confirm consumers understanding contract requirements and how to identify predatory practices.

Motion: To approve and authorize increasing the cap from \$75,000 to \$200,000 for consultants to research unlicensed activity and disaster response resource requirements. Motion was fully formed by the Enforcement Committee and didn't need a first or second motion prior to the vote. Motion carried, 12-0-0.

YEA: Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Steven Panelli, Michael Mark, Jim Ruane.

NAY: None

ABSTAIN: None



ABSENT: Jacob Lopez

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

Motion: To approve the November 29, 2023, Enforcement Committee Meeting Minutes. Moved by Michael Mark; David De La Torre seconded. Motion carried, 12-0-0.

YEA: Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Steven Panelli, Michael Mark, Jim Ruane.

NAY: None

ABSTAIN: None

ABSENT: Jacob Lopez

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

2. Enforcement Program Update

Enforcement Chief Steve Grove updated the board on staff vacancies and stated of the 220 positions there are 24 vacancies with candidates being selected to fill 11 of those positions.

Chief Grove discussed the Enforcement Division’s investigation highlights and noted the successful investigation and prosecution of licensed contractor, Jeffrey Nguyen, which resulted in criminal charges for fraudulent use of a contractor’s license number, obtaining money under false pretenses, and aiding and abetting two unlicensed contractors. Chief Grove added that in November 2022 arrest warrants for Nguyen and the two other contractors were issued along with an accusation to revoke Nguyen’s license. Chief Grove noted the hearing took place the day before and the outcome is still pending.

Chief Grove discussed the investigation of Jennifer and Andrew Dickson. Chief Grove stated the Dicksons had entered into a contract as the project managers to construct a new home with a consumer who lost their home in 2017 Tubbs fire worth \$459,686. Chief Grove added the consumers had paid a total of \$447,203 to the Dicksons, with the remaining construction to be performed by Empire Contracting for \$411,203. Chief Grove stated in 2019 Andrew Dickson informed Empire Contracting he would be unable



to finish the project, forcing the consumers to purchase \$300,000 of their own material and hire other contractors to complete the Dicksons' portion of the construction. Chief Grove noted in March 2019 another homeowner had entered into a similar contract with the Dicksons for a value of \$20,000, with Empire Contracting to perform most of the construction, only for the work to have never been performed. Chief Grove added the CSLB investigator referred the cases to the Sonoma and Napa County District Attorney's Offices and in August 2023 both counties filed charges against the Dicksons with Sonoma County including theft of an elder and contracting without a license and Napa County charging contracting without a license and diverting money from a loan that was obtained for the payment of services, labor, materials, or equipment. Chief Grove finished the update and stated there is an active arrest warrant for both Jennifer and Andrew Dickson and after being cooperative in the investigation, Empire Contracting was issued a Letter of Admonishment for associating with an unlicensed contractor.

Chief Grove provided the board with a statistical update and stated between January 1, 2023, and October 31, 2023, 16,317 investigations were opened. Chief Grove added with current staffing levels the optimal maximum enforcement division caseload is 4,740 pending complaints, with the caseload as of October being slightly higher at 5,132. Chief Grove attributed the increase to CSLB receiving excessive solar complaints, averaging around 200 complaints a month.

Chief Grove explained enforcement Consumer Services Representatives (CSRs) and investigators are working hard to keep up with the incoming complaints and CSRs exceeding their closure and settlement goals of 20 complaint dispositions with 65 percent of licenses settled. Chief Grove added the monthly case closing average per Special Investigator is nine closures a month, just shy of their goal of 10.

Chief Grove stated another board goal is to appropriately disposition all but 100 complaints within 270 days of receipt and as of October 31, 2023, only 207 complaints exceeded 270 days.

Chief Grove listed the Enforcement Division's accomplishments between January 1, 2023, and October 31, 2023. Chief Grove stated the efforts by the Intake and Mediation Centers and Investigative Centers resulted in more than \$30.8 million in restitution to financially injured parties, 488 Letters of Admonishment issued, referring 534 of the 1,081 legal action investigations for prosecution, 414 cases referred to arbitration resulting in \$3.2 million in restitution ordered to injured parties, 649 licensee citations, 612 non-licensed citations, \$1.5 million in civil penalties, \$426,196 collected for investigation cost recovery, 164 accusations filed, and 162 licenses revoked.

Chief Grove concluded the update highlighting proactive enforcement conducted by 27 Special Investigators assigned to the Statewide Investigative Fraud Team (SWIFT). Chief Grove added SWIFT conducted 30 undercover sting operations, participated in



318 sweep days, and responded to 834 leads or tips received from industry and the public. Chief Grove stated investigators completed 2,629 investigations with 717 cases resulting in an administrative or legal action, and 961 advisory notices were issued for minor offenses.

The Board took a break from 10:36-10:46 a.m.

G. Licensing

1. Review, Discussion and Possible Action to Grant Construction Management Education Account Awards

Licensing Committee Chair Alan Guy updated the board on the Licensing Division. Chair Guy stated the Board requested and received approval to increase disbursement authority from \$100,000 to \$225,000 in fiscal year 2023-24 for the Construction Management Education Account. Chair Guy added the increase will provide additional funding for institutions that offer construction management education. Chair Guy also stated the increase is made each year based on the amount of funds available and is to be distributed among five public colleges selected by the Construction Management Education Advisory Committee. Member Guy noted the members of the committee can be found on page 125 and revenues in the account are from contributions made by licensees at the time of the license renewal fee payment.

Motion: To direct staff to distribute the 2023 CMEA Grant Award to the identified colleges according to the staff recommendation on page 126 based on the approval of the Department of Finance to expend \$225,000 from the CMEA account. Motion by Jim Ruane; Jacob Lopez seconded. Motion carried, 12-0-0.

YEA: Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Jacob Lopez, Steven Panelli, Michael Mark, Jim Ruane.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

2. Licensing and Testing Program Statistical Update

Chair Guy explained that the table on page 129 exhibited application statistics regarding applications received for new licenses, additional classifications, replacing qualifiers,



and home improvement salespersons (HIS). Chair Guy noted that CSLB received over 39,000 applications in the first 10 months of the year and that this figure is comparable to the previous year's stats.

Chair Guy stated that on page 130 processing times are at or below two weeks, which is well within the goal of three processing weeks. Chair Guy added that processing times begin once the technician begins processing the application and the entire length of time to completion is dependent on the applicant. Chair Guy referenced exam results and submission of workers' compensation or bonds forms as examples of what can affect the processing times.

Chair Guy explained that the processing goal of three weeks is a benchmark and ensures all types of applicants hear back promptly about the status of their application allowing them to efficiently progress through the licensing process.

Chair Guy directed the board to page 132 and stated the total number of renewals decreased between 2021 and 2022 but are expected to rebound by the end of 2023. Chair Guy added that CSLB received more than 100,000 renewals in the last 10 months and stated that if CSLB continues to receive more than 10,000 renewals monthly, those figures would reach 2021 figures of 120,000 renewals annually as opposed to 117,000 in 2022.

Chair Guy discussed workers' compensation and explained that the percentage of licenses with workers' compensation policies increased by 3 percent. They attributed the increase to Senate Bill 216 requiring workers' compensation for four additional classes in 2023, which were C-20 HVAC, C-22 Asbestos Abatement, C-8 Concrete, and D-49 Tree Service.

Chair Guy mentioned the Experience Verification Unit (EVU) statistics and thanked Board Vice Chair Michael Mark for their interest in the EVU after the September 2023 Board meeting. Chair Guy added on October 31, 2023, Vice Chair Mark met with staff to discuss ideas to improve the review of applications and ensure consumer protection.

Chair Guy stated Registrar Fogt sent an email to the Board explaining that due to COVID and other Licensing Division priorities, the 3 percent review had been transferred to enforcement. Enforcement implemented a different approach to not only perform random experience application review but to prioritize investigation of suspect applications. Chair Guy noted Enforcement was focusing on applicants previously rejected or that had withdrawn their application for lack of experience, were subject to an Enforcement investigation, or were suspected of submitting false documentation, among other identifiers.

Chair Guy explained the 3 percent field investigation review currently being conducted is accurately described as a combination of randomly pulled experience applications along with applicants identified for a closer review by enforcement investigators. Chair



Guy stated he looked forward to the January Licensing Committee meeting to review the 3 percent regulation and possibly moving applicant field investigation updates to the enforcement portion of the board packet.

Chair Guy applauded licensing staff for their comprehensive review of each application submitted for licensure and noted in the last three fiscal years, 14,096 applications were voided due to applicants failing to submit sufficient documentation to meet licensing requirements.

Chair Guy directed the Board to page 139 and stated that in 2022 CSLB helped consumers recover over \$20 million in financial restitution from court judgments. Chair Guy added that continued relationships with Employment Development Department (EDD), Department of Industrial Relations (DIR), and the Franchise Tax Board (FTB), CSLB has helped those agencies collect over \$24 million in outstanding liabilities.

Chair Guy stated the testing update can be found on page 141 and that PSI Exams administered roughly 46,000 exams for CSLB. In August 2023, PSI opened two new testing centers to administer CSLB exams in Las Vegas and Oregon. Chair Guy added there are no backlogs in the testing administration.

Chair Guy mentioned that since July 2023 the Exam Development Unit has released nine updated exams, and each exam constituted an item bank of between 600 and 1,000 items. Chair Guy noted that from those item banks, the Exam Specialists create versions of the exams to distribute to test centers. Chair Guy added that on page 144 is an update on the Spanish-translated exams. Since November 2023, over 500 exams have been administered using the translated versions with a goal of the remaining versions to be in test centers by years' end.

Board Member Comment

Vice Chair Michael Mark stated that the license processing wait times being down is a good thing and attributed those times to the combination of low CSR times, budgeting, and renewal times running smoothly.

Public Comment

There was no public comment.

H. Public Affairs

1. Update Regarding November 29, 2023, Public Affairs Committee Meeting and Possible Approval of Summary Report

Public Affairs Committee Chair Galarza provided the board with the November 29, 2023, Public Affairs Committee meeting update and directed the board to view page 149 of the board packet. Chair Galarza stated the Public Affairs Committee meeting discussed CSLB website changes to improve customer service to stakeholders,



including revising the alert box on the homepage with down payment instructions, updating the solar smart page, bringing publications current and up to date, and translating items, including video, into Spanish along with other high demand languages.

Chair Galarza discussed the video outlines for the following year such as solar tips and women in construction. Chair Galarza added staff showed a recent video at the November 29, 2023, Public Affairs Committee meeting to committee members focused on Strategic Plan item 4.2, which highlighted the new board member orientation, and stated the video, with a PDF overview included, will soon be available for all members by the end of the month.

Motion: To approve the November 29, 2023, Public Affairs Committee Meeting Summary Report. Motion by David De La Torre; Steven Panelli seconded. Motion carried, 12-0-0.

YEA: Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Susan Granzella, Alan Guy, Jacob Lopez, Steven Panelli, Michael Mark, Jim Ruane.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

2. Public Affairs Update

Chair Galarza provided the Board with the Public Affairs Update and stated the responsibilities of the Public Affairs Office (PAO) include media, industry, licensee, and consumer communications as well as outreach. Chair Galarza added, PAO provides proactive public relations, responses to media inquiries, the development and distribution of publications and newsletters, and outreach and education to consumers and contractors.

Chair Galarza stated PAO creates content for CSLB’s social media and website, including producing webcasts and videos, conducting workshops and seminars for disaster survivors and contractors, and presenting speeches to service groups and organizations.

Chair Galarza discussed the impact of disaster outreach over the last year and how it has been key to CSLB’s efforts. Chair Galarza noted CSLB works to educate property



and business owners to reduce harm by unlicensed or unscrupulous contractors after a disaster. Chair Galarza added that between August 1, 2023, and October 1, 2023, CSLB staffed and participated in only one Disaster Recovery Center (DRC) throughout California following Tropical Storm Hilary that caused damage in Riverside County.

Chair Galarza stated PAO has focused on creating informative videos for consumers, licensees, and applicants, including tips for swimming pool construction, hiring a roofing contractor, and a video promoting Construction Inclusion Week in October. Chair Galarza noted the videos are shared on social media platforms, YouTube and are archived on the CSLB website. Member Galarza also stated PAO has prioritized producing Spanish-translated videos for consumers and directed the board to a list of live videos on page 157 of the board packet.

Chair Galarza directed the Board to page 158 of the board packet and discussed the PAO's efforts to increase CSLB's social media following by engaging with applicants, licensees, news media, and other stakeholders by maintaining a consistent presence on Facebook, Instagram, X (formerly known as Twitter), and LinkedIn. Chair Galarza explained PAO staff remains up to date with trends to improve CSLB's reach to their target audience as evidenced by a top post referencing Taylor Swift and a growing interest in sting operation related posts. Chair Galarza stated page 161 discusses the updated subscriber list has reached 192,000 subscribers and included the Licensee information listserv. Chair Galarza explained the subscriber list is also a source for distributing CSLB bulletins and press releases to stakeholders and noted between August and October the release of an industry bulletin related to Spanish exams and the out-of-state test centers, along with five news releases in the same period. Chair Galarza noted news releases included sting operations and arrests.

Chair Galarza explained between August and October PAO has responded to 19 media inquiries related to sting operation results and complaints against contractors.

Chair Galarza directed the board to pages 162 and 163 where they discussed outreach events CSLB attended and highlighted PAO has traveled the state to provide key consumer protection information to seniors and other stakeholders. Chair Galarza noted the "What Seniors Should Know" publication has been frequently distributed during these events.

Chair Galarza explained PAO writes and publishes content for internal communication and highlighted seven employee published intranet articles between August and October that highlighted upcoming meetings, Licensing Division achievements, and the Southern California Enforcement Academy.

Chair Galarza stated CSLB's Public Information Center has improved caller wait times and noted the decrease from three minutes in October to two minutes in November.



Board Member Comment

Board Chair Love thanked all the CSLB committees for meeting and providing the Board, the public and stakeholders with key consumer protection information.

Public Comment

There was no public comment.

Closed Session

- I. Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: Los Angeles County Superior Court, Case No. 20STCV45568.
- J. Closed Session: Pursuant to Government Code section 11126(c)(17), the Board will move into closed session to review, discuss, and take possible action on the salary or other compensation of the Registrar.

The Board returned from closed session at approximately 12:58 p.m.

Open Session

- K. Report on Action Taken in Closed Session on the Salary or Other Compensation of the Registrar

L. Adjournment

Chair Love adjourned the Board meeting at approximately 1:00 p.m.

AGENDA ITEM C-2

Review and Possible Approval of the
February 15, 2024, Licensing Committee
Meeting and March 21, 2024, Legislative
Committee Meeting Summary Reports





Licensing Committee Meeting Summary Report

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

Licensing Committee Chair Alan Guy called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order on February 15, 2024, at 9:00 a.m. via WebEx teleconference. A quorum was established.

Committee Members Present

Alan Guy, Chair
David De La Torre
Susan Granzella
Steven Panelli

Mary Teichert and Miguel Galarza had approved absences.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Katherine White, Chief of Public Affairs
Carol Gagnon, Chief of Licensing and Examinations
Steve Grove, Chief of Enforcement
Jason Perez, Chief of Information Technology
David Gower, Information Officer II
Natalie Watmore, Information Officer
Robin Williams, Executive Staff

DCA Staff Present

John Kinn, DCA Legal Counsel
Yvonne Durantes, Assistant Deputy Director, DCA Board and Bureau Relations

B. Public Comment

There were no public comments either in person or online.

C. Review, Discussion, and Update Regarding the Experience Verification Unit in the Licensing Division

Licensing Committee Chair Alan Guy introduced Agenda Item C, located on slide 6 of the Committee packet/PowerPoint. Chair Guy gave an overview of the topic and then had Carol Gagnon, Chief of Licensing and Examinations, provide background information and details.

Chief Gagnon reviewed the application field investigation requirement, the evolution of



the process since it first began in 1980, how the current process addresses consumer protection concerns, and staff recommendations.

Chief Gagnon noted that in essence, California Code of Regulations section 824 was added in 1980 to ensure that 3 percent of licensure applications would be field investigated by CSLB staff because, at the time, CSLB was not closely reviewing the applications it received. For many years, CSLB did a random 3 percent pull of applications each month to send for field investigation.

Chief Gagnon said since then, CSLB has developed much stricter processes for reviewing applications and also created a list of acceptable documents that was approved by the board in 2014, which is provided on the website for candidates. They noted CSLB has more than 30 Licensing technicians trained to closely review each licensure application.

Chief Gagnon continued by noting that CSLB's current focus has been on applications of concern. They stated that Licensing staff send for investigation any application from someone who has been denied or withdrew their application in the past, anyone who has a previous enforcement action under another license, those who have prior unlicensed activity, and any others that are identified as needing a closer review.

Chief Gagnon noted that the task of this closer investigation of applications has moved back and forth between Enforcement and Licensing for the past 40 years, ending up in Enforcement in 2020.

Steve Grove, Chief of Enforcement, spoke in support of moving the field investigation work to Enforcement, stating that his Quality Assurance Unit was handling the field investigations now and doing excellent work.

Chair Guy proposed that the following topic be suggested for the April 2024 Board meeting. They suggested that experience verification staff focus their efforts on the applications that the Registrar has determined need special review because regular applications are already thoroughly reviewed by Licensing staff. Chair Guy noted Enforcement should concentrate on those that are of most concern – applicants who were previously denied, withdrew their earlier application, had an enforcement action on an earlier license, or are identified for another reason.

Chair Guy also proposed moving the EVU statistics reporting from the Licensing section to the Enforcement section of future board packets.

Committee Member Comment:

Member Susan Granzella commented about how informative this presentation was and how pleased they were to see that CSLB is tracking closely with the new laws and regulations. They mentioned that they look forward to discussing this topic further.

Public Comment:

There was no public comment either in person or online.

**D. Review, Discussion, and Update Regarding Progress of Spanish Translation of Written Licensing Examinations**

Chair Guy introduced Agenda Item D, located on slide 27 of the Committee packet/PowerPoint, the review, discussion, and update of the translation of 10 of CSLB's written licensing examinations into Spanish. They asked Chief Gagnon to provide some background on examination development and the Spanish exams.

Chief Gagnon reviewed the process of exam development, the frequency with which all CSLB's exams are updated, and the roles of the Exam Specialists and subject matter experts in the exam development process.

Chief Gagnon then noted which exams had been released in 2023 and those scheduled for 2024. They gave an overview of the research that went into choosing the 10 exams that were translated into Spanish and a summary of those 10 exams.

Chair Guy proposed that as part of strategic planning, staff analyze the number of people taking the other trade exams using a Spanish translator and do a cost/benefit analysis to determine if other exams should be translated in the future.

Committee Member Comment:

Member Steve Panelli commented that it's great to hear CSLB has translated some of the exams to Spanish and announced that the California Plumbing Code has been translated into Spanish as well.

Public Comment:

There was no public comment in person or online.

D. Adjournment

The Licensing Committee adjourned at approximately 9:27 a.m.



Legislative Committee Meeting Summary Report

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

Legislative Committee Chair Michael Mark called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order on March 21, 2024, at 9:30 a.m. via Webex teleconference. A quorum was established.

Committee Members Present

Michael Mark, Chair
Joël Barton
Rodney Cobos
Amanda Gallo
Jim Ruane

Miguel Galarza had an approved absence.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Katherine White, Chief of Public Affairs
Carol Gagnon, Chief of Licensing and Examinations
Steve Grove, Chief of Enforcement
Jason Perez, Chief of Information Technology
Stacey Paul, Budget Manager
David Gower, Public Affairs Manager
Amy Lawrence, Television Specialist
Natalie Watmore, Information Officer
Robin Williams, Executive Staff

DCA Staff Present

John Kinn, DCA Legal Counsel
Yvonne Durantes, Assistant Deputy Director, DCA Board and Bureau Relations

B. Public Comment

Davi Rodriguez thanked the board for addressing the issue of municipalities hiring unlicensed contractors and stated the issue could have been prevented if municipalities followed CSLB law and contract code that requires the publishing of license numbers of contractors being hired. Rodriguez pointed out the enforcement of the contract code is not being prioritized and CSLB should offer outreach to agencies to follow the contract code.



JP Tenore of Capistrano Computers expressed concern over out-of-state unlicensed activity in large California retail stores. They expressed concern about licensed contractors hiring unlicensed workers for lower rates. Tenore also stated they opposed AB 2622 (on the agenda for upcoming discussion) expanding the exemption from \$500 to \$5,000.

Lori Bean, a resident of Ventura County, stated their support for agenda item D-1 with respect to contractors' history being made available to the public to help protect the interest of consumers. Bean stated the wait time for obtaining a contractor's certified license history is excessive and full disclosure should be made available immediately to consumers.

Phil Vermeulen stated they were working on a bill proposal regarding AB 2677 (a bill not on the day's agenda) and requested it be put on the agenda for the April CSLB meeting to gain board support.

C. Review and Discussion of 2023-2024 Pending Legislation

1. AB 2622 (Carrillo) – Contractors: exemptions (expand the exemption from contractor licensure on a single project from less than \$500 to less than \$5,000)

Committee Chair Michael Mark recited the text of Business and Professions Code (BPC) section 7000.6 (which references the Board's public protection purpose).

Chair Mark discussed AB 2622 and stated it was introduced February 14, 2024, and referred to the Assembly Committee on Business and Professions on March 4, 2024, and is set to be heard by the Assembly Business and Professions Committee on April 9, 2024. Chair Mark stated AB 2622 would change the exemption from contractor licensure from \$500 to \$5,000.

Chief Deputy Registrar Michael Jamnetski stated the last increase to the exemption amount was made in 1998 and explained that in fall of 2019, CSLB staff proposed and the Board approved an increase to \$1,000 based on the consumer price index, but concerns over the increase prevented the proposal from being introduced. Chief Deputy Registrar Jamnetski noted two bills were introduced in March 2021 to increase the exemption amount that were opposed by the Board. Chief Deputy Registrar Jamnetski stated the creation of the B-2 residential remodeling contractor license in January 2021 to address licensure concerns over small projects created an opportunity for licensure for applicants who have experience performing small projects in residential homes but do not have the requisite structural framing experience required for the general building contractors license.

Committee Member Comment

Member Rodney Cobos stated AB 2622 is a detriment to licensed contractors who



perform service work and would be competing with unlicensed contractors. They added they are opposed to the proposal.

Member Joël Barton stated they're opposed to the proposal and mentioned it would be problematic and possibly create harm by allowing unlicensed persons to service hazardous work in certain trades like electrical.

Member Jim Ruane stated they are opposed to the proposal for the same reasons cited by prior commenting members Barton and Cobos.

Chair Mark mentioned the bill creates concerns for the underground economy with such a large increase, noting much significant work can be done for less than the proposed \$5,000. Chair Mark mentioned the potential issue of applying for a building permit without having a license.

Registrar David Fogt stated they have had conversations with several industry groups and the concern is the increase in the exemption threshold would include work that requires a permit and could pose safety issues for workers. Registrar Fogt cited the tree service industry and the creation of the C-49 license being founded on safety concerns. Registrar Fogt stated the increased threshold would be significant in the service and repair industry and noted that many CSLB complaints arise out of projects valued at less than that amount, as well as concerns about workers' compensation insurance requirements and tax-related concerns.

Chair Mark stated they concurred with committee members and the proposal was not good for the consumers of California. Chair Mark reminded the committee members that AB 2622 is just a discussion and may be heard by the board at a later date.

Member Cobos asked if the Legislative Committee could make a recommendation be made to the full board.

Chair Mark stated the discussion will be taken to the board but a recommended motion or an official position cannot be made at this particular meeting.

DCA Legal Counsel John Kinn stated the nature of the meeting precludes the committee from taking a position or making a recommendation. The committee meeting is an advisory only meeting and the gathering of public comment and discussion will be reduced to writing and presented for the board to review.

Chair Mark stated that the solution to combatting the underground economy is to raise the bar by encouraging applicants to get licensed rather than lowering the bar and allowing them to work unlicensed.

Public Comment

Evelyn (last name not obtained) commented in the Webex chat and asked what can be done to bring more options for those with no license including possible education with training.

Davi Rodriguez stated they are generally supportive as inflation has made the amount



meaningless as not much work can be done for \$500 particularly considering permit, labor, and materials costs. They mentioned the volume of unlicensed activity is overwhelming and stated most contractors are not willing to do work for under \$1,000. Rodriguez commented that unlicensed activity is not deterred by any amount and that consumers are complicit in hiring unlicensed contractors. Rodriguez initially stated supporting the proposal but after discussions decided to oppose.

Kulraj Nagra, legislative aide for Assemblymember Juan Carrillo (the author of the bill under discussion), commented that the language of the bill does raise the exemption, but the bill in print is not envisioned as final and the goal is to prevent black market occurrence. Nagra mentioned the cost of supplies and materials and market conditions have made licensed contractors uninterested in doing the work which in turn forces consumers to turn to unlicensed work. They stated they are trying to address consumers having the ability to hire licensed contractors legally and suggested creating a whole new license, but the B-2 license mitigates that. Nagra stated they appreciate CSLB's help and responsiveness and reiterated the bill is not final and they believe the \$5,000 exemption cap makes sense.

Chair Mark suggested to the attendees that the Board's priority should be on encouraging licensing by those who are not as opposed to raising the threshold for unlicensed work to occur.

Brandon Lopez, the executive director for the Center of Contract Compliance, opposes raising the exemption to \$5,000 and mentioned the concept of bid splitting to get around the exemption amount. They stated the \$500 limit prevents black market activity and implied contractors do work for \$1,000 to \$2,000 often.

Eddie Bernacchi, on behalf of signatory subcontractor associations from various industries, agreed with the committee members and believes AB 2622 is problematic. They stated one of the goals of the board is to increase the number of licensed contractors and provide an entry way into becoming a licensed contractor. Bernacchi cited the B-2 license as proof of that goal. They clarified that implicit in the industry's support of fee increases and the creation of the B-2 license was getting more contractors licensed with additional revenue for enforcement of the board's laws and regulations particularly unlicensed contracting. The commenter noted that an increase of the threshold to \$5,000 would undercut those efforts as well as the new B-2 classification.

Chris Walker, representing the California Association of Sheet Metal and Air Conditioning Contractors, stated they reached out to author's office about their concerns regarding safety specific to refrigerants being used in specific classifications. Walker stated the bill undermines consumer protection and claimed if harm is done there will be no coverage for workers or consumers.

Ernesto Macias commented that the bill creates an unfair bidding process and that



bid splitting is more likely to occur. They would not be comfortable in being complicit with neighbors hiring unqualified and unlicensed contractors. Macias also stated unlicensed contractors would not possess bonds or workers' compensation policies to protect workers, which would exacerbate the potential to create harm.

Genesis Tafoya stated the bill creates safety concerns for consumers and they oppose the exemption increase. They also explained a better alternative is to simply license more applicants rather than penalize licensed contractors by raising the threshold and emphasized safety is the priority.

Paul Chaney, a licensed D-49 contractor since 1992, stated a tree service contractor requires licensure. They alluded to possible harm of performing such work under \$5,000. Chaney explained the C-49 license was created to eliminate unlicensed and unknowledgeable people from doing work in an unsafe manner and that is being undone. They explained that a larger exemption allows for more damage to be done when unlicensed contractors accept larger jobs with more work.

Jeff Aran, of the California Sign Association, commented that they recommend the board oppose the bill and that it penalizes the legitimate contractor.

Jeremy Smith, on behalf of the State Building and Construction Trades Council of California, commented on their concern with AB 2622 and has informed the author's office of that opposition. Smith stated the board receives around 4,000 unlicensed complaints of the 20,000 complaints received annually and that consumers file most of the complaints. They said 26 percent of those complaints were with contracts ranging from \$500 to \$5,000. The underground economy has not changed in scope or depth and the current \$500 threshold is critical for CSLB to carry out enforcement against the underground economy.

JP Tenore stated the exemption is a handyman's exemption and for commercial work, it puts the public in danger due to lack of knowledge and experience. They offered an example where discount stores are wired incorrectly by contractors that exacerbate the underground economy. Tenore explained everyone should be licensed and there should not be an exemption except for handymen.

Mark Porter stated that as a subject matter expert who helped develop the C-49 exam they are opposed to AB 2622. They provided an example of workers falling out of trees and dying and getting hurt and suing the homeowner. Porter explained poor work, lack of workers' compensation insurance, and safety concerns all reasons the proposal should not be considered.

Mike Parker commented in the Webex chat, stating unlicensed contractors can significantly impact the tree care industry in several ways. They explained the tree



care service is dangerous and unlicensed professionals may lack proper training, safety protocols, and may not follow industry standards, leading to unsafe practices. They stated unlicensed professionals may lack an industry standard of quality of work. Pruning, trimming, and tree felling done incorrectly may cause damage to property and gardens. Parker added unlicensed workers are a liability if an injury occurs.

Peter Michelini, a C-45 contractor and on the California Sign Association Board, is opposed to the exemption increase and expressed concern for unlicensed contractors conducting service improperly and in an unsafe manner. Michelini gave an example of a sign going out and an unlicensed contractor had been called to do the job, which resulted in the building burning down. They provided other examples of improper service techniques using noncompliant parts and equipment and a service call causing an unlicensed contractor to be electrocuted. Michelini is willing to educate and teach unlicensed contractors to help them get licensed and stated they are opposed to the exemption.

Nagra, of Assemblymember Carrillo's office, commented they look forward to honing their approach and concur that consumer protection is a shared goal along with having everyone licensed. They stated the problem they are seeing is the \$500 amount has not been adjusted since 1998 and is too low compared to inflation and the increase in material costs. Nagra mentioned the \$500 exemption caps workers to jobs that pay minimal when costs of material are included, and the price of the project surpasses the exemption cap. They stated that consumers are being forced to pay more for lesser work.

An unidentified call-in user commented they work with service and repair contractors and said raising the exemption is unfair and suggested raising the \$750 service and repairs exemption first to \$1,000 to \$2,000 before raising the minor work exemption to \$2,000.

Patrick Mahoney commented stating that they are a licensed contractor and worked on the development of the C-49 tree maintenance license. Mahoney mentioned the typical tree maintenance for residential work is under \$5,000 and the problem is workers getting hurt on the job. They added they strongly oppose the bill.

An unidentified member of the San Diego Regional Urban Forests Council said their concern about the exemption being raised is its effect on tree care. They explained the largest canopy of trees are mostly found on private properties, and these contributions are critical to several environmental factors such as climate, lower temperatures, and reduced energy costs. They added these trees require professionally licensed contractors to maintain them and suggested revising the bill or not moving it forward at all.



David Bess commented that they sell insurance to contractors and stated they oppose AB 2622 on the basis that the purpose of licensing is to verify competency of the applicant and introduce them to oversight. Bess added that there are rules that need to be followed such as maintaining a bond. They stated the contractor not holding a bond denies the homeowner any legal remedy. Bess explained contractors hiring people and calling them “subcontractors” is happening often and creates the potential to have financial misdealings.

Mark Crain, provided their comment in Webex, stating that as a licensed contractor, they are opposed to raising the limit from \$500 to \$5,000.

Back to the Committee:

Registrar Fogt commented that Committee Member Cobos left the meeting at 11:00 a.m. and unless another committee member joined, the meeting would need to be adjourned due to a loss of quorum.

Chair Mark commented and asked staff to reach Committee Member Amanda Gallo to join the meeting to maintain the quorum.

Chair Mark commented on the volume of responses to AB 2622 and stated they appreciate the public testimony and they hear the concerns. Chair Mark stated there needs to be a way to uplift the unlicensed individuals to be licensed and suggested it would be helpful if the author’s office can offer a funding mechanism for enforcement of the board to help alleviate the problems owners are facing. Chair Mark explained they are in opposition to the bill unless amended and thanked the other stakeholders who offered help.

Amanda Gallo joined the meeting at approximately 11:00 a.m.

The meeting took a break from 11:10-11:20 a.m.

2. SB 1071 (Dodd) – Contractors: workers’ compensation insurance (authorize a contractor to file an exemption from workers’ compensation insurance requirements for contractors who affirm and prove they are operating without employees)

David Gonsalves, policy analyst with Senator Bill Dodd’s office, commented that after SB 216 was implemented their office started receiving calls from contractors who were sole proprietors with no workers about their opposition to SB 216. They explained it was noted during the Sunset Review hearing that license renewals in California are significantly down. Gonsalves stated SB 1071 offers a resolution to conundrum of contractors abandoning their license due to the implementation of SB 216.

**Committee Member Comment**

Registrar David Fogt commented that SB 216 required all licensed contractors to have workers' compensation by 2026 and added there have been several calls to CSLB and Senator Dodd's office opposing having to do so. Registrar Fogt explained prior to the Legislative Committee meeting they discussed with Board Chair Diana Love about appointing a two-person advisory committee to conduct a stakeholder meeting that includes insurance agencies, contractors, and anyone interested to attend. Registrar Fogt added the two committee members would be Chair Mark and Board Member Miguel Galarza.

Chair Mark stated they look forward to sitting on the advisory committee for SB 1071 and exploring ways for CSLB to partner on this issue. Chair Mark explained they are aware of the concerns and comments to SB 216.

Chair Mark asked Registrar Fogt to add the unheard agenda items from the meeting to the April meeting.

DCA Legal Counsel Kinn explained remaining public comments could not be heard due to the loss of quorum and advised comments to leave their comments in the Webex chat.

Public Comment

Chris Walker commented in the Webex chat and thanked the board for their suggestion of a working group on SB 1071 and stated CAL SMACNA is interested in participating in the discussion.

Mike Parker commented in the Webex chat that they have competition with licensed C-61/D-49 contractors that state they have no employees but manage to do large jobs that are several thousands of dollars and asked how they do large jobs without any workers.

Due to the loss of quorum, there was no verbal public comment.

Board Member Jim Ruane departed the meeting at approximately 11:30 a.m.

D. Review and Discussion of Possible Legislative Concepts

1. Legislative Concepts Regarding Business and Professions Code § 7124.6, including the Disclosure of an Accusation to Revoke a Contractor's License on the Licenses of Personnel of Record and the Number of Years of Disclosure of a Citation, Public Repeval, and Criminal Conviction
2. Legislative Concepts Regarding Business and Professions Code § 7002 License Classifications Held by Board Members and Possible Inclusion of a Member Holding a B-2 Residential Remodeling Contractor's License

Due to a loss of quorum, Agenda Items D-1 and D-2 were not heard.



D. Adjournment

Due to loss of quorum, the meeting was adjourned at 11:32 a.m.

AGENDA ITEM C-3

Registrar's Report

- a. 2023 Accomplishments and Activities Report
- b. Update Regarding Progress of Spanish Translation of Written Licensing Examinations
- c. Review and Discussion of Cooperative Personnel Services Enforcement Workload Study



AGENDA ITEM C-4

CSLB Budget Update





CSLB Budget Update

Fiscal Year (FY) 2023-24 CSLB Budget Summary

CSLB has an authorized Governor’s Budget of \$82 million.

At the fiscal year-end, CSLB projects to spend \$78.5 million of its authorized budget on board expenditures. In addition to its board expenditures, the board projects \$6.3 million in external mandatory costs.

The fiscal year-end revenue is projected at \$91.5 million.

As a result of these figures and projections, CSLB is expecting the fund reserve to increase from a beginning balance of \$25.8 million to \$32.5 million (approximately 4.5 months’ reserve) at fiscal year-end.

This information is summarized in the chart below:

FY 2023-24 BUDGET SUMMARY

Description	Amount
Beginning Reserve Balance	\$25,820,000
<i>Projected Fiscal Year-End Totals:</i>	
Revenue	\$91,500,000
Board Expenditures	\$78,520,000
External Costs	\$6,335,000
Total Expenditures	\$84,855,000
Ending Reserve Balance (Projected)	\$32,465,000
Months in Reserve	4.5

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

- Fiscal Year 2023-24 Expenditures
- Fiscal Year 2023-24 Revenue
- Final Fiscal Year 2023-24 Budget and Adjustments
- Budget Letter 23-27 Expense Freeze
- CSLB fund condition
- Construction Management Education Account (CMEA) fund condition



Expenditures

Through February 29, 2024, CSLB spent or encumbered \$52 million, roughly 64 percent of its FY 2023-24 budget:

EXPENDITURE DESCRIPTION	FY 2023-24 BUDGET ACT	FEBRUARY 2024 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	\$32,889,000	\$19,745,322	\$13,143,678	40.0%
Board Members	16,000	6,500	9,500	59.4%
Temp Help	360,000	399,843	-39,843	-11.1%
Overtime	146,000	58,188	87,812	60.1%
Staff Benefits	18,192,000	10,953,906	7,238,094	39.8%
TOTALS, PERSONNEL	\$51,603,000	\$31,163,759	\$20,439,241	39.6%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	\$17,403,000	\$14,760,529	\$2,642,471	15.2%
Exams – Subject Matter Experts	2,315,000	1,500,696	814,304	35.2%
Enforcement	10,688,000	5,000,695	5,687,305	53.2%
TOTALS, OE&E	\$30,406,000	\$21,261,920	\$9,144,080	30.1%
TOTALS	\$82,009,000	\$52,425,679	\$29,583,321	36.1%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-86,167	-266,833	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-269,115	269,115	
GRAND TOTALS	\$81,656,000	\$52,070,397	\$29,585,603	36.2%

Revenue

CSLB received the following revenue through February 29, 2024:

Revenue Category	Through 02/29/2024	Percentage of Revenue	Change from prior year (02/28/2023)
Duplicate License/Wall Certificate Fees	\$303,085	0.4%	3.0%
New License and Application Fees	\$16,532,386	24.0%	11.5%
License and Registration Renewal Fees	\$46,966,432	68.1%	12.1%
Delinquent Renewal Fees	\$2,756,742	4.0%	-11.3%
Citation Penalty Assessments	\$1,494,358	2.2%	-2.7%
Misc. Revenue	\$876,369	1.3%	N/A
Total	\$68,929,372	100.00%	5.3%



Fiscal Year (FY) 2023-24 CSLB Final Budget and Adjustments

- CSLB’s FY 2023-24 budget increased by \$3.2 million, from \$78.5 million to \$81.7 million based on one-time adjustments and reductions in the following areas: reconciling of salaries and wages approved through the bargaining process; adjustments to employee retirement contribution rates, employee benefits for compensation and health rates, and operating expenditures (i.e., DCA pro rata).
- The following chart shows the approved original FY 2023-24 budget (2023 Budget Bill) and the overall budgetary impact of the reductions and adjustments to CSLB’s final FY 2023-24 budget:

EXPENDITURE DESCRIPTION	FY 2023-24 BUDGET ACT	OPERATING EXP ADJ	RETIREMENT ADJ	SALARY & BENEFIT ADJS	FY 2022-23 FINAL BUDGET
PERSONNEL SERVICES					
Salary & Wages (Staff)	31,170,000			1,719,000	32,889,000
Board Members	16,000				16,000
Temp Help	360,000				360,000
Overtime	146,000				146,000
Staff Benefits	17,247,000	-63,000	467,000	541,000	18,192,000
TOTALS, PERSONNEL	48,939,000	-63,000	467,000	2,260,000	51,603,000
OPERATING EXPENSES & EQUIPMENT					
Operating Expenses	17,009,000	-12,000		406,000	17,403,000
Exams	2,315,000				2,315,000
Enforcement	10,610,000			78,000	10,688,000
TOTALS, OE&E	29,934,000	-12,000	0	484,000	30,406,000
TOTALS	78,873,000	-75,000	467,000	2,744,000	82,009,000
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
TOTALS, NET REIMBURSEMENTS	78,520,000	-75,000	467,000	2,744,000	81,656,000

Budget Letter 23-27 – Expense Freeze

In December 2023, the Department of Finance (DOF) released Budget Letter 23-27 that directed all departments to take immediate action to reduce current year expenditures. Given the fiscal outlook, the State of California anticipates a significant General Fund budget deficit in fiscal years 2023-24 and 2024-25, which requires all state entities to take immediate measures to reduce spending.

At that time, the Board was notified by the Department of Consumer Affairs (DCA) that further guidance would be forthcoming. In early January 2024, DCA held a BL 23-27 Guidance meeting to explain the approval process on securing “mission critical” purchases, contracts, travel, and other expenditures requests through a new exemption request form process. This additional exemption form is necessary for most expenses and adds an additional 30 days to the timeframe for DCA to either approve/deny the request. This approved exemption form must be signed by the DCA Director prior to securing the purchase, contract, or travel.



CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund, which shows the final fiscal year (FY) 2022-23 reserve with adjustments (\$25.8 million, approximately 3.7 months' reserve), along with the projected reversion amounts for current year (CY) 2023-24 through budget year (BY) 2024-25:

<i>(Dollars in thousands)</i>	Final FY 2022-23	Projected CY 2023-24	Projected BY 2024-25
Beginning Balance <i>(Fund/Savings Account)</i>	\$9,053	\$25,820	\$32,465
Prior Year Adjustment	\$601	\$0	\$0
Adjusted Beginning Balance	\$9,654	\$25,820	\$32,465
Revenues and Transfers			
Revenue	\$95,528	\$91,500	\$93,000
Transfer from General Fund (Disaster Response)	\$1,271		
Total Resources <i>(Revenue + Fund/Savings Acct.)</i>	\$106,453	\$117,320	\$125,465
Expenditures			
Board Expenditures	\$74,298	\$78,520	\$80,876
External Costs	\$6,335	\$6,335	\$6,335
Total Expenditures	\$80,633	\$84,855	\$87,211
Ending Balance <i>(Fund/Savings Account)</i>	\$25,820	\$32,465	\$38,254
Months in Reserve	3.7	4.5	5.1
Dollars in Reserve	\$25.8 M	\$32.5 M	\$38.3 M

Notes:

- 1) Board expenditures include staff pay, benefits, and operating expenses.
- 2) External costs include statewide pro rata.
- 3) CY 2023-24 & BY 2024-25 assume workload and revenue projections.
- 4) CY 2023-24 assumes board expenditures is Governor's budget with \$3 million in savings and BY 2024-25 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) 2022-23 reserve of \$533,000, along with the projected reversion amounts for current year (CY) 2023-24 through budget year (BY) 2024-25:

<i>(Dollars in thousands)</i>	Final FY 2022-23	Projected CY 2023-24	Projected BY 2024-25
Beginning Balance	\$ 501	\$ 533	\$ 514
Prior Year Adjustment	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 501	\$ 533	\$ 514
Revenues and Transfers			
Revenue	\$214	\$212	\$212
Totals, Resources	\$ 715	\$ 745	\$ 726
Expenditures			
Disbursements:			
Program Expenditures (State Operations)	\$7	\$6	\$6
Local Assistance Grant Disbursements	\$175	\$225	\$225
Total Expenditures	\$ 182	\$ 231	\$ 231
Fund Balance			
Reserve for economic uncertainties	\$ 533	\$ 514	\$ 495

Notes:

- 1) Projected CY 2023-24 and ongoing includes increasing grants based on projected approved CMEA annual augmentation.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Statistics Summary

All Applications Received

Month	2020-21	2021-22	2022-23	2023-24
July	3,323	4,479	3,749	3,794
August	3,863	3,527	5,926	4,511
September	3,441	3,398	5,094	3,920
October	4,324	3,909	4,640	4,324
November	3,168	2,958	3,683	4,002
December	2,681	4,687	3,523	3,911
January	3,112	4,634	4,116	4,365
February	3,178	3,881	4,177	4,943
Total	27,090	31,473	34,908	33,770

% Change from Prior FY -3.3%

Original Applications Received (includes exam and waivers)

Month	2020-21	2021-22	2022-23	2023-24
July	1,311	1,782	1,779	1,973
August	1,226	1,138	2,235	2,289
September	1,122	1,153	1,767	2,084
October	1,834	1,311	2,126	2,256
November	1,218	1,020	1,517	2,023
December	926	2,544	1,601	2,108
January	1,099	1,965	1,959	2,292
February	1,083	1,642	2,122	2,668
Total	9,819	12,555	15,106	17,693

% Change from Prior FY 17.1%

% of Apps Rcvd are Original Apps 52.0%

Original Licenses Issued

Month	2020-21	2021-22	2022-23	2023-24
July	1,032	1,650	1,571	1,350
August	1,084	1,760	1,408	1,937
September	1,171	1,516	1,375	1,473
October	1,257	1,438	1,278	1,663
November	1,119	1,339	1,050	1,441
December	1,115	1,418	1,128	1,379
January	880	1,413	1,035	1,569
February	657	1,230	1,138	1,658
Total	8,315	11,764	9,983	12,470

% Change from Prior FY 24.9%



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

Month	2020-21	2021-22	2022-23	2023-24
July	12,460	7,232	10,339	10,042
August	10,396	11,805	10,445	10,269
September	11,507	10,443	9,784	8,809
October	9,252	8,112	9,029	9,576
November	6,843	8,737	8,680	8,665
December	11,087	10,694	8,335	9,025
January	10,271	7,979	9,984	9,804
February	7,174	8,797	8,924	9,390
Total	78,990	73,799	75,520	75,580

% Change from Non-Peak FY 2021-22 2.4%
% Change from Peak FY 2022-23 0.1%

Original HIS Registrations Issued

Month	2020-21	2021-22	2022-23	2023-24
July	596	533	693	701
August	487	742	830	578
September	570	677	821	691
October	594	722	779	828
November	513	513	754	650
December	444	519	567	665
January	523	467	864	661
February	396	452	852	600
Total	4,123	4,625	6,160	5,374

% Change from Prior FY -12.8%

HIS Registrations Renewed

Month	2020-21	2021-22	2022-23	2023-24
July	646	541	551	578
August	714	588	596	703
September	646	566	602	598
October	548	571	576	668
November	385	538	529	547
December	385	571	483	530
January	464	440	591	650
February	477	441	549	573
Total	4,265	4,256	4,477	4,847

% Change from Prior FY 8.3%



License Population by Status

Status	Mar. 1, 2021	Mar. 1, 2022	Mar. 1, 2023	Mar. 1, 2024
Active	229,016	234,020	236,280	238,393
Inactive	52,389	51,200	48,899	47,318
Total	281,405	285,220	285,179	285,711

% Change from Prior FY 0.2%

HIS Registration Population by Status

Status	Mar. 1, 2021	Mar. 1, 2022	Mar. 1, 2023	Mar. 1, 2024
Active	22,164	24,051	27,904	30,157

% Change from Prior FY 8.1%

Complaints By Fiscal Year

Complaints	2019-20	2020-21	2021-22	2022-23
Received	18,190	16,551	19,158	21,158
Reopened	1,133	1,058	1,231	1,578
Closed	20,272	16,851	19,397	22,181
Pending (As of June 30)	3,898	4,716	5,747	6,361

AGENDA ITEM C-5

Administration Update Regarding Personnel and Facilities





Administration Update Regarding Personnel

Personnel Unit

Transactions

During the third quarter of fiscal year 2023-24 (January 1, 2024-March 31, 2024), CSLB Personnel staff completed 52 personnel transactions. This included the addition of four employees from other state agencies and six employees new to state service. Within CSLB, there were 37 promotions and five transfer appointments.

Total Number of Personnel Transactions Per Quarter – FY 2023-24

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	10	5	4	---
New to State Service	3	7	6	---
Student Assistants	3	0	0	---
Retired Annuitants	1	1	0	---
Promotions	9	7	37	---
Transfers within CSLB	4	6	5	---
Training and Development	0	0	0	---
Total Per Quarter	30	26	52	---

Total Number of Personnel Transactions Per Quarter – FY 2022-2023

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	11
New to State Service	3	10	9	8
Student Assistants	0	1	0	2
Retired Annuitants	3	1	0	0
Promotions	9	7	6	4
Transfers within CSLB	10	26	2	5
Training and Development	1	2	1	0
Total Per Quarter	33	58	26	30



Vacancies

CSLB averaged 36 vacancies out of 425 authorized positions in the first nine months of fiscal year 2023-24, which is an 8 percent vacancy rate. The Personnel Unit continuously works with CSLB hiring managers and the Department of Consumer Affairs' 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
2023-24	38	36	32	30	30	35	38	42	41	---	---	---
2022-23	52	51	54	48	46	44	46	45	45	43	41	40
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

Career Consulting

In January 2024, approximately 30 employees participated in the Personnel Unit's Career Consulting class. The course was developed by Personnel staff and covers how to apply for jobs on the CalHR jobs website, complete an application package, and prepare for an interview, as well as how to maximize one's potential in state service. A continuation of the class was held in March 2024 with 24 employees in attendance.

Consumer Service Representatives Classification Transition

In January 2024, CSLB completed the process of transitioning 30 current employees from the Consumer Services Representatives (CSR) classification to the Staff Services Analyst (SSA) classification in the Enforcement Division's Intake and Mediation Centers. Another two vacant CSR positions were also reclassified to SSA for a total of 32 positions. The transition was made to better align with the analytical duties performed by the Board's Intake and Mediation Center employees as well as increase recruitment and retention efforts.

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
Office Services Supervisor II	Effective date of last exam:	December 2023
	Effective date of next exam	June 2024
Supervising Special Investigator II (Non-Peace Officer)	Effective date of last exam:	December 2023
	Effective date of next exam:	June 2024



Administration Update Regarding Facilities, Contracts, and Training

Facilities

- **Sacramento:** The current lease expires October 31, 2026. The HQ Tenant improvement project is currently in progress with interior and exterior work being done during the months of March, April, and May 2024. The construction is expected to be completed in May 2024.
- **West Covina:** The lease was extended due to delays in completing the tenant improvements. The current lease expires December 31, 2023. The lease extension for this facility started on February 1, 2024, with an end of lease term of January 31, 2026.
- **Norwalk Enforcement:** The lessor approved a two-year soft-term lease extension. The Norwalk lease was amended for renewal on November 1, 2023, with an end of lease term date of October 31, 2025.
- **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 the Department of General Services that the building has been sold.

Contracts

Contracts in process:

- The Survey Monkey contract for CSLB to conduct its various online surveys was conducted and was paid via CalCard on December 6, 2023. The contract expires September 30, 2024.
- The BTCPower contract for electric vehicle charging station services (EVCS) at CSLB's San Diego field office was completed. The EVCS chargers are up and running in the parking lot of the CSLB San Diego office. The radio frequency identification cards for the charger were delivered to the CSLB San Diego office on March 26, 2024.
- The 2024-2025 CHP contract is being processed at DCA's Business Services Office.

Contracts delayed:

- The Request for Proposal (RFP) for a study to be conducted to evaluate the resources to address unlicensed practice in California and unlawful construction activity in declared disaster is delayed. The initial final filing date for proposers to submit their bid was on November 27, 2023. On December 13, 2023, the Board approved a motion to increase the amount of available funds for this project from



\$75,000 to \$200,000. During the process of reposting the RFP, the Department of Finance Budget Letter 23-27 was released, requiring state agencies to justify why any proposed expense is mission critical. Staff must submit for an exemption from the expenditure freeze and plan to submit the request to the Department in May 2024.

Executed contracts:

- The Cooperative Personnel Services (CPS) HR Consulting contract for Enforcement process improvement and production study goals has been completed. The term dates of the contract are July 1, 2023, through June 30, 2024.
- The Employment Development Department (EDD) contract for data sharing between EDD and CSLB is renewed. The new contract terms were effective September 11, 2023, through September 10, 2028.
- The Department of Human Resources interagency agreement to conduct psychological screening services for Peace Officer applicants is in process. The current contract terms were effective July 1, 2023, through June 30, 2024.
- The DCA Division of Investigation contract for Peace Officer background investigations is in place. The term dates of the contract were effective July 1, 2023, through June 30, 2024.
- The International Mailing Equipment contract for the mailroom letter opener maintenance is in process. The current contract terms were effective November 1, 2023, through October 31, 2026.
- UPS maintenance contract was executed and went into effect on April 1, 2024.
- Fresno shred services contract was executed and went into effect on April 1, 2024.

Training

- Staff completed the below mandatory training course for 2024.
 - *“Information Security Awareness Fundamentals,”* which is required annually for all employees. All staff have completed this training.
- This year, 2024, is a required year for all managers and supervisors to take 20 hours of mandatory leadership training. CSLB Business Services sent an announcement to all affected managers and supervisors of the requirement to take the training and will provide additional details once the format of the training has been finalized at DCA.

AGENDA ITEM C-6

Information Technology Update





Information Technology Update

CSLB New AWS Connect IVR System Status Report

CSLB is in the process of transitioning to a new Interactive Voice Response (IVR) call center software – Amazon Web Services (AWS) Connect. This state-of-the-art system is a part of CSLB's ongoing commitment to providing outstanding public service.

Key Features and Benefits:

1. **Improved Call Routing and Management:** AWS Connect offers a more sophisticated call routing system, ensuring that customer calls are directed to the most appropriate representative swiftly and efficiently. This reduces wait times and enhances overall customer satisfaction.
2. **Advanced Data Analytics:** The new IVR system is equipped with comprehensive data analytics capabilities. This feature allows staff to analyze call patterns, identify common inquiries, and continuously improve service based on data-driven insights.
3. **Scalability and Flexibility:** AWS Connect's cloud-based nature provides exceptional scalability and flexibility. It can easily adapt to fluctuating call volumes and enables CSLB to integrate additional features as needs evolve.
4. **Enhanced Security and Compliance:** Security is paramount at CSLB. AWS Connect adheres to stringent security standards, ensuring that all customer interactions and data are protected with the latest security protocols.
5. **Cost Efficiency:** By leveraging the cloud infrastructure of AWS, costs associated with maintaining and upgrading physical call center hardware will be significantly reduced.

AWS Anticipated Completion Date

Originally, CSLB IT had planned to implement the new system by April 1, 2024. However, unforeseen technical issues necessitated extra time for resolution, leading us to reschedule the launch for **May 1, 2024**. At present, IT staff are concluding the final phase of user acceptance testing and are preparing to begin training staff on the updated call center platform.

Security: Privilege Access Manager

The implementation of a Privilege Access Manager (PAM) system is a critical step forward in enhancing our security infrastructure. This initiative aims to ensure robust control over privileged accounts, thereby significantly reducing the risk of security



breaches. The PAM project was initiated with the objective of securing privileged accounts, which have elevated access rights within the IT environment. This will bolster CSLB's defense against potential cyber threats.

Current Status: User Acceptance Testing (UAT)

CSLB IT is currently in the UAT phase of the PAM project. This phase involves:

- Verifying that the PAM system integrates seamlessly with the existing IT infrastructure.
- Ensuring the system meets all predefined requirements as specified in the project's scope.
- Collecting feedback from end users to validate the system's functionality and user-friendliness.

The implementation of the PAM system is a significant milestone in CSLB's ongoing efforts to enhance its cybersecurity posture. CSLB IT is making substantial progress toward securing privileged accounts and protecting the organization from potential threats. The IT Division is moving toward full implementation in June 2024.

Business Modernization

CSLB IT is pleased to announce that the Department of Consumer Affairs (DCA) has approved the procurement package for the Sole Owner License Application workflow automation. This approval comes after some delay attributed to the new budget approval process, but it represents a significant milestone in advancing CSLB's modernization efforts. This development is crucial for progressing with planned upgrades and implementations, signifying a step forward in enhancing service delivery and operational efficiency.

AGENDA ITEM C-7

Bagley-Keene Update



AGENDA ITEM D

Licensing



AGENDA ITEM D-1

Licensing and Testing Program 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

	2023 Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024 Jan	Feb
Original Exam	1,574	1,494	1,610	1,603	1,326	1,525	1,427	1,527	1,377	1,404	1,546	1,817
Original Waiver	720	735	813	757	647	764	657	729	646	704	746	851
Add Class	307	376	420	387	366	416	334	413	358	356	473	501
Qualifier Replacer	230	266	272	253	235	284	275	329	303	278	321	286
Home Improvement	1,379	1,149	1,173	957	899	1,050	894	1,058	947	875	953	1,092
Total Per Month	4,210	4,020	4,288	3,957	3,473	4,039	3,587	4,056	3,631	3,617	4,039	4,547

**3 – Month
Totals**

Mar - May: 12,518

Jun - Aug: 11,469

Sept - Nov: 11,274

Dec - Feb: 12,203

Total Applications Received – Prior Calendar Years

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Original Exam	15,244	13,193	15,729	15,861	17,816
Original Waiver	8,796	7,456	7,558	7,970	8,737
Add Class	4,526	4,231	4,138	4,112	4,482
Qualifier Replacer	2,792	2,620	2,813	3,024	3,288
Home Improvement	11,122	9,694	12,411	12,466	12,792
Total Received	42,480	37,194	42,649	43,433	47,115



Weeks to Process

CSLB management closely monitors processing times for the various licensing units on a weekly and monthly basis.

The chart below provides the “weeks to process” for applications, license transactions, and public information unit documents (i.e., record certification) received each month. “Weeks to process” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

	2023										2024	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Original Exam	5.1	5.5	4.9	3.1	2.8	2.0	2.0	1.9	2.3	2.2	1.9	1.9
Original Waiver	5.7	5.4	5.1	3.9	2.5	1.7	1.5	1.4	1.2	1.3	1.5	1.3
Add Class	2.9	4.3	3.9	2.6	2.2	2.3	1.4	1.0	1.5	2.0	2.0	1.7
Qualifier Replacer (Exams & Waiver)	2.9	4.2	3.8	2.6	2.4	2.4	1.5	1.0	1.3	1.9	1.9	1.6
Home Improvement	3.5	3.3	3.1	2.7	3.8	2.9	1.9	1.1	1.1	1.9	1.1	1.0
Renewal	1.1	1.0	1.4	1.2	1.1	0.9	1.0	0.9	1.0	0.9	1.0	0.9
Add New Officer	2.7	4.4	3.0	4.5	3.5	2.1	1.3	0.9	0.9	0.8	1.1	0.9
Address / Name Change	2.9	2.6	2.0	3.4	3.9	2.1	1.7	0.8	0.9	0.8	1.1	0.9
Bond / Bond Exemption	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.4	0.6	0.6	0.6	0.6
Workers' Comp / Exempt	3.2	2.8	3.2	2.8	1.7	1.6	1.6	1.4	1.5	1.4	2.3	2.2
Certified License History	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0
Copies of Documents	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1
Criminal Offender Record Information (CORI) Review*	2.0	1.9	2.0	2.1	1.9	2.0	2.5	2.0	2.0	2.8	2.5	2.0

*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*
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
2022-2023	47,042	22,301	5,197	19,544

* 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

	2023 Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024 Jan	Feb
Reactivation	138	123	118	97	105	126	85	117	88	85	111	105
Active	8,471	7,112	9,119	8,017	7,924	8,143	6,857	7,529	6,809	7,117	7,661	7,321
Inactive	892	798	1,003	809	846	800	714	709	706	821	807	792
Delinquent Active	1,100	996	1,166	1,043	1,136	1,178	1,102	1,178	1,015	953	1,181	1,135
Delinquent Inactive	128	126	156	134	136	148	136	160	135	134	155	142
Received Per Month	10,729	9,155	11,562	10,100	10,147	10,395	8,894	9,693	8,753	9,110	9,915	9,495

3 – Month Totals Mar - May: 31,446 Jun - Aug: 30,642 Sep - Nov: 27,340 Dec - Feb: 28,520

Total Renewals Received – Prior Calendar Years

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Reactivation	1,358	1,164	1,230	1,250	1,293
Active	98,901	97,037	94,480	93,180	92,088
Inactive	13,007	12,379	11,351	9,087	9,689
Delinquent Active	10,721	12,636	13,162	12,519	12,911
Delinquent Inactive	1,734	2,071	2,163	1,658	1,661
Total Received	125,721	125,287	122,386	117,694	117,642

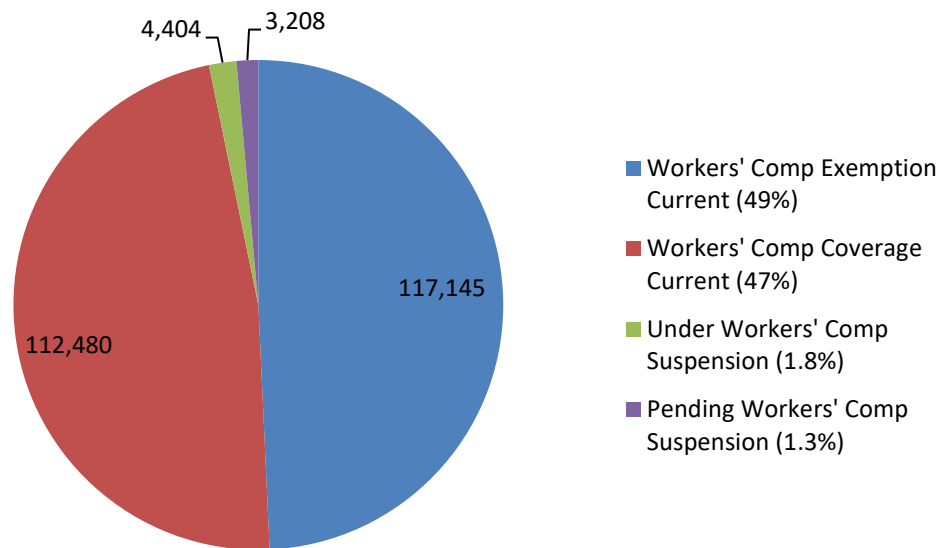


Workers' Compensation Recertification Statistics

The law requires that at the time of renewal, an active licensee 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 - February 29, 2024



Total Number of Active Licenses: 238,389

The following chart shows the workers' compensation coverage (policies and exemptions) on file as February 29, 2024, for active licenses by classification and the percentage of exemptions per classification.



Active License Classifications Workers' Comp Status: As of February 29, 2024

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,171	9,563	14,734	35%
B General Building	60,487	42,758	103,245	59%
B2 Residential Remodeling	531	162	693	77%
C2 Insulation and Acoustical	261	918	1,179	22%
C4 Boiler Hot Water	119	573	692	17%
C5 Framing / Rough Carp	517	474	991	52%
C6 Cabinet-Millwork	2,517	1,954	4,471	56%
C7 Low Voltage Systems	1,942	2,788	4,730	41%
C8 Concrete	8	5,252	5,260	0.2%
C9 Drywall	1,253	1,856	3,109	40%
C10 Electrical	14,108	12,948	27,056	52%
C11 Elevator	49	160	209	23%
C12 Earthwork & Paving	994	1,441	2,435	41%
C13 Fencing	699	1,024	1,723	41%
C15 Flooring	3,635	3,468	7,103	51%
C16 Fire Protection	720	1,471	2,191	33%
C17 Glazing	1,110	1,908	3,018	37%
C20 HVAC	5	11,069	11,074	0.04%
C21 Building Moving Demo	503	1,240	1,743	29%
C22 Asbestos Abatement	2	304	306	0.7%
C23 Ornamental Metal	448	621	1,069	42%
C27 Landscaping	4,797	6,991	11,788	41%
C28 Lock & Security Equipment	142	219	361	39%
C29 Masonry	888	1,352	2,240	40%
C31 Construction Zone	66	345	411	16%
C32 Parking Highway	173	308	481	36%
C33 Painting	8,638	6,963	15,601	55%
C34 Pipeline	135	379	514	26%
C35 Lath & Plaster	631	1,200	1,831	34%
C36 Plumbing	8,743	7,861	16,604	53%
C38 Refrigeration	448	1,246	1,694	26%
C39 Roofing	0	4,956	4,956	0%
C42 Sanitation	354	613	967	37%
C43 Sheet Metal	255	1,084	1,339	19%
C45 Sign	383	512	895	43%
C46 Solar	408	829	1,237	33%
C47 Gen Manufactured House	204	236	440	46%
C49 Tree and Palm	0	7	7	0%
C50 Reinforcing Steel	64	197	261	25%
C51 Structural Steel	438	1,093	1,531	29%
C53 Swimming Pool	1,213	1,573	2,786	44%
C54 Ceramic & Mosaic Tile	3,528	2,785	6,313	56%
C55 Water Conditioning	115	176	591	19%
C57 Well Drilling	281	500	781	36%
C60 Welding	544	518	1,062	51%
C61 Limited Specialty	7,327	13,427	20,754	35%



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.

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	TOTALS
DOJ Records Received	33,553	27,172	35,114	37,895	39,500	173,234
CORI Information Received	6,657	5,375	6,818	7,303	5,616	31,769
Denials	63	16	8	13	10	110
Appeals	31	11	5	7	3	57
Probationary Licenses Issued (conditional license, requires periodic review)	86	101	177	222	185	771

Experience Verification Unit Statistics

See Agenda Item D2 for additional information.

The chart below 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
February 1, 2022 to February 29, 2024**

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	2	3	15	5	25
B General Building	6	47	140	54	247
B-2 Residential Remodeling	0	2	8	4	14
C2 Insulation and Acoustical	0	0	0	2	2
C4 Boiler Hot Water	0	0	3	0	3
C5 Framing / Rough Carp	0	0	1	0	1
C6 Cabinet-Millwork	0	0	11	3	14
C7 Low Voltage Systems	0	3	3	0	6
C8 Concrete	1	4	12	5	22
C9 Drywall	0	0	2	3	5
C10 Electrical	0	10	43	5	58
C11 Elevator	0	1	0	0	1
C12 Earthwork & Paving	0	3	1	1	5
C13 Fencing	0	1	2	4	7
C15 Flooring	0	1	10	3	14
C16 Fire Protection	0	0	3	1	4
C17 Glazing	0	1	3	1	5
C20 HVAC	0	5	18	5	28
C21 Building Moving Demo	0	0	2	1	3
C22 Asbestos Abatement	0	0	2	0	2
C23 Ornamental Metal	0	0	1	0	1
C27 Landscaping	0	8	16	8	32
C28 Lock & Security Equipment	0	0	0	2	2
C29 Masonry	0	0	0	0	0
C31 Construction Zone	0	0	0	0	0
C32 Parking Highway	0	0	1	0	1
C33 Painting	0	3	21	9	33
C34 Pipeline	0	0	1	0	1
C35 Lath & Plaster	0	0	5	3	8
C36 Plumbing	0	4	24	6	34
C38 Refrigeration	0	0	1	0	1
C39 Roofing	0	2	10	6	18
C42 Sanitation	0	0	1	1	2
C43 Sheet Metal	0	1	2	1	4
C45 Sign	0	0	1	0	1
C46 Solar	0	1	1	5	7
C47 Gen Manufactured House	0	0	0	0	0
C49 Tree and Palm	0	0	0	0	0
C50 Reinforcing Steel	0	1	1	0	2
C51 Structural Steel	0	0	6	0	6
C53 Swimming Pool	0	0	5	1	6
C54 Ceramic and Mosaic Tile	0	1	6	3	10
C55 Water Conditioning	0	0	1	0	1
C57 Well Drilling	0	0	0	0	0
C60 Welding	0	0	1	0	1
C61 Limited Specialty	0	6	16	7	29
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
Total	9	108	400	149	666



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 (dishonored checks)

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)

	3/23	4/23	5/23	6/23	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24
Initial	70	51	62	77	68	82	57	84	76	55	71	59
Suspend	38	28	58	39	54	22	58	54	49	56	73	49
Reinstate	34	32	46	41	41	52	25	60	50	30	55	38
Total	142	111	166	157	163	156	140	198	175	141	199	146

Final Judgments (from court actions)

	3/23	4/23	5/23	6/23	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24
Initial	53	33	55	68	28	82	53	67	15	34	152	41
Suspend	24	4	7	20	6	22	22	7	23	18	32	1
Reinstate	56	24	49	43	41	52	37	55	43	38	37	43
Total	133	61	111	131	75	156	112	129	81	90	221	85

Payment of Claims (from bond surety companies)

	3/23	4/23	5/23	6/23	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24
Initial	145	106	146	107	81	80	53	47	119	26	106	256
Suspend	72	53	67	66	66	94	64	46	50	31	37	55
Reinstate	124	71	122	73	65	84	45	94	69	61	45	103
Total	341	230	335	246	212	258	162	187	238	118	188	414

Reimbursement Amounts to State Agencies and Public
Prior Calendar Years

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Outstanding Liabilities	\$26,277,077	\$18,342,630	\$18,765,840	\$22,921,075	\$20,951,291
Final Judgments	\$16,514,073	\$20,586,833	\$18,003,223	\$20,211,482	\$19,505,855
Payment of Claims	\$11,080,053	\$9,921,280	\$7,934,026	\$7,781,618	\$7,168,304
Total Monetary Recovery	\$53,871,203	\$48,850,913	\$44,703,089	\$50,914,175	\$47,625,450



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
March 2023	\$918,723	\$178,767	\$197,377	\$1,294,867
April	\$439,030	\$191,889	\$673,425	\$1,304,344
May	\$1,038,646	\$599,088	\$23,653	\$1,661,387
June	\$718,049	\$412,997	\$217,435	\$1,348,481
July	\$2,077,203	\$575,846	\$133,472	\$2,786,521
August	\$1,084,031	\$386,109	\$545,753	\$2,015,893
September	\$231,052	\$470,402	\$6,875	\$708,329
October	\$1,261,979	\$1,458,954	\$1,817,049	\$4,537,982
November	\$442,929	\$593,355	\$471,811	\$1,508,095
December	\$475,166	\$230,574	\$211,404	\$917,144
January 2024	\$750,036	\$544,940	\$212,856	\$1,507,832
February	\$558,176	\$375,626	\$152,363	\$1,086,165
TOTALS	\$9,995,020	\$6,018,547	\$4,663,473	\$20,677,040



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 48 examinations at 22 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 March 2023 – February 2024

Mar 2023	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Total
4204	3641	3824	4009	3863	4195	4040	4481	4074	3918	4381	4686	49,316

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 |
| Las Vegas (Nevada)* | Visalia |
| Lawndale | Walnut Creek |
| Redding | Wilsonville (Oregon)* |

* In May 2023, Testing was authorized to request two additional test centers for CSLB candidates. Testing’s research concluded that focusing expansion efforts in Oregon and Nevada would serve the highest number of out-of-state licensees. Examination administration was expanded to two additional test centers outside of California in August 2023. The additional PSI test centers are located in Las Vegas, Nevada and Wilsonville, Oregon.



Number of Examinations Administered by Test Center

From March 2023 to February 2024, PSI test centers administered a total of 49,212 exams. The details about each test center are described below.

Test Center	Number of Examinations Administered
Agoura Hills – PSI	3,921
Atascadero – PSI	649
Bakersfield – PSI	941
Carson – PSI	1,640
Diamond Bar – PSI	2,544
El Monte/Santa Fe – PSI	3,731
Fresno – PSI	1,562
Irvine – PSI	3,438
Las Vegas – PSI	50
Lawndale – PSI	1,795
Redding – PSI	652
Riverside/Mission Grove – PSI	4,311
Sacramento – PSI	5,239
San Diego – PSI	4,712
San Francisco – PSI	2,424
Santa Clara – PSI	3,325
Santa Rosa – PSI	1,888
Union City – PSI	1,790
Ventura – PSI	1,732
Visalia - PSI	548
Walnut Creek – PSI	2,315
Wilsonville - PSI	5
Total	49,212

Examination Development Unit

The Testing Division’s Examination Development Unit (EDU) ensures that CSLB’s 48 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 were released between December 1, 2023, and February 1, 2024:

- C-4 Boiler, Hot-Water Heating, and Steam Fitting
- C-31 Construction Zone Traffic Control
- C-49 Tree and Palm

Examination Programs in Progress as of March 2024

Occupational Analysis	Item Bank Development
A – General Engineering	C-10 Electrical
B – General Building	C-11 Elevator
C-5 Framing and Rough Carpentry	C-21 Building Moving and Demolition
C-22 Asbestos Abatement	C-28 Lock and Security Equipment
C-36 Plumbing	C-38 Refrigeration
	C-45 Sign
	C-47 General Manufactured Housing
	C-50 Reinforcing Steel
	C-55 Water Conditioning
	C-60 Welding

**Spanish-translated Examinations**

Candidates are now able to take 10 of CSLB's examinations in Spanish instead of needing to request a translator. The examinations on this list were selected because they were the most often requested exams by Spanish language translator candidates in the last 20 years. The number of examinations administered in Spanish for each trade since August 2023 is in the table below. Considering that most of these exams were released only a few months ago in fall of 2023, this shows that there was a demand for these exams.

Spanish Exams taken between August 1, 2023, and February 29, 2024

Examination	Number of Exams
Spanish Law and Business	2,098
Spanish B - General Building	313
Spanish C-8 Concrete	99
Spanish C-9 Drywall	36
Spanish C-15 Flooring and Floor Covering	23
Spanish C-27 Landscaping	105
Spanish C-33 Painting and Decorating	153
Spanish C-36 Plumbing	25
Spanish C-39 Roofing	39
Spanish C-54 Ceramic and Mosaic Tile	8
TOTAL	2,899

In addition, all CSLB's study guides have been translated into Spanish and are available on the website.

AGENDA ITEM D-2

Review, Discussion and Possible Action Regarding the Experience Verification Unit in the Licensing Division





Review, Discussion and Possible Action Regarding the Experience Verification Unit in the Licensing Division

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. More like an enforcement investigation than Licensing staff's thorough review of application questions and qualifications, the Enforcement Division "field investigation" includes a review of prior contracting activity (license or unlicensed) that may have caused consumer harm. Many of the applicants reviewed under the 3 percent field investigation provision have previously applied for a license or been flagged during an enforcement investigation.

Since implementation in September 2014, Experience Verification Unit (EVU) staff have been assigned and have reviewed 4,538 applications. In 2022, 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. Applications that have been issued a flag are also assigned to special investigators. As stated in the Licensing Committee meeting on February 15, 2024, the best interests of consumers and the public would be served by moving all aspects of the experience verification process to the Enforcement Division.

California Code of Regulations section 824 was added in 1980 to ensure that 3 percent of licensure applications would be field investigated by CSLB staff because, at the time, CSLB did not have the staff to closely review all the applications received. For many years, CSLB did a random 3 percent pull of applications each month to send for field investigation. Since then, CSLB has developed much stricter processes for reviewing applications. CSLB also created a list of acceptable documents that was approved by the Board in 2014 and is provided on the website for candidates.

In addition, CSLB has more than 30 Licensing technicians trained to closely review each licensure application. Licensing staff closely review all applications that are submitted for licensure, reviewing work experience, education, apprenticeships, criminal history, military experience, Secretary of State registration and all other parts of the application. Currently, Licensing staff send for investigation any application from someone who has been denied or withdrew their application in the past, anyone who has a previous enforcement action under another license, those who have prior unlicensed activity, and any others that are identified as needing a closer review.

Staff Recommendation: That the Board approve moving Experience Verification Unit statistics reporting from the Licensing section to the Enforcement section for future board packets.

AGENDA ITEM E

Enforcement



AGENDA ITEM E-1

Enforcement Program Update





Enforcement Program Update and Statistical Review

Staff Vacancy Update

There are currently 25 vacancies in the Enforcement Division. The division's management team is working hard to fill these vacancies. Candidates have been selected and are pending approval for 12 positions. The other 13 positions are publicly posted or are under review prior to 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	14
Special Investigator (Peace Officer)	2
Staff Services Analyst	3
Office Technician (Typing)	4
Program Technician II	1
TOTAL	25

Intake and Mediation Center Highlight

A Los Angeles consumer contracted with a solar company to have a solar system installed on her home. Unfortunately, the contractor went out of business and closed their doors leaving multiple consumers with no contact information before completing their projects. The contractor had arranged for the project to be financed and had been paid \$52,500 for pre-construction expenses although no work had been done.

The consumer, who only spoke Spanish, filed a complaint after trying unsuccessfully to locate the respondent. The finance company was demanding payment from the consumer, and the consumer did not feel she needed to make a payment since no work had been done on her home. She tried to contact the loan company to request the loan be canceled but was unsuccessful.

Intake and Mediation Center (IMC) staff were able to work directly with the finance company and explain that the consumer had been a victim of an unscrupulous solar company that had gone out of business and that the project had been abandoned. After escalating the matter several times, IMC staff were able to have the financing company agree to cancel the loan and forgive the \$52,500 balance. CSLB is currently investigating multiple complaints about this same contractor.



This is just one example of the many complaints the Intake and Mediation Centers settle. In 2023 alone, the IMC saved consumers over \$20.45 million without the need to proceed with a lengthy investigation. IMC staff settle well over 30 percent of the licensee complaints received in less than 60 days.

Investigation Highlight

CSLB's Special Investigation Unit (SIU) investigated multiple complaints against licensed roofing contractor, Arturo Aguilera of Topete's Roofing.

In January 2019, Aguilera contracted with a consumer for a new roof on a warehouse for \$125,000. Over several months, Aguilera asked for and received multiple progress payments totaling \$120,000. He abandoned the project without providing any material or performing any work.

In September 2019, even though his license was expired and suspended, Aguilera entered into a contract with another consumer for a complete re-roof of a house for \$82,000. Aguilera received a total of \$44,500 from the consumer; however, no material was provided and no work was performed on the project.

In July 2020, Aguilera entered into a written contract with another consumer to re-roof his residence and a shed for a total of \$24,000. Aguilera collected \$22,200 and then abandoned the project prior to completion. The only work performed was removing the existing roof, installing the underlayment, and installing one gutter. The consumer had to hire a new contractor to complete the work. The new contractor estimated the value of the work performed by Aguilera to be approximately \$4,000. The victim in this case was 71 years old at the time.

In October 2020, Aguilera contracted with another consumer to re-roof his residence for a total of \$12,500. Aguilera was paid in full but abandoned the project after tearing off the existing roof, installing the underlayment, and performing a few minor repairs. The consumer completed the roof work himself and spent approximately \$5,500 for roofing materials.

CSLB's investigation resulted in an accusation being filed and the revocation of Aguilera's contractor's license in July 2021.

The criminal cases were referred to the Napa County District Attorney's Office who filed 15 counts and special allegations against Aguilera. He pleaded no contest to the following violations: theft by false pretenses, grand theft, elder abuse, and accepting payment in advance of work performed.

In February 2024, SIU was provided an update from the Napa DA's Office about Aguilera. After failing to pay restitution, he was back in court in October 2023 and was remanded and ordered to serve 353 days in jail. Restitution is still ordered plus interest at 10 percent per year. He was recently released after serving 6 months of his sentence.

**Complaint Handling Statistics (For July 1, 2023, to February 29, 2024)****Investigations Initiated & Complaints Received**

- CSLB received 12,732 complaints from July 1, 2023, to February 29, 2024.
- CSLB self-initiated 444 investigations from July 1, 2023, to February 29, 2024.

Pending Investigations

- With current staffing levels, the optimum maximum Enforcement Division caseload is 4,860 pending complaints. As of February 29, 2024, the pending caseload was 5,391.

Special Investigator Production Goals

- For July 1, 2023, to February 29, 2024, the weighted monthly case-closing average per Special Investigator in CSLB Investigative Centers was 8 closures per month, two 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 February 29, 2024, 174 complaints exceeded 270 days in age. Enforcement supervisors and managers continue to conduct monthly case reviews and provide assistance to 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, 2023, to February 29, 2024, complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$26.4 million in restitution to financially injured parties.

Investigative Center Legal Actions

- From July 1, 2023 to February 29, 2024, the Investigative Centers referred 398 (28 percent) of the 1,444 legal action investigations for criminal prosecution.

Case Management Activities (For July 1, 2023 to February 29, 2024)**Arbitration**

- 348 arbitration cases were initiated, resulting in \$4,289,563 in restitution ordered to injured parties.
- 71 licenses were revoked for non-compliance with an arbitration award.



Citations

	<i>Licensees</i>	<i>Non-Licensed</i>	<i>Total</i>
Citations Issued	516	418	934
Citations Appealed	237	146	383
Citations Complied With	289	226	515

Licensee Civil Penalties Collected

Informal Citation Conferences Conducted	146
Civil Penalties Collected	\$119,747.00
Restitution Ordered	\$620,473.00

Non-Licensee Citation Civil Penalties

Informal Settlement Conferences Conducted	116
Civil Penalties Collected	\$372,674.00

Accusations

Accusations Filed	119
License Revocations	122
Licenses Placed on Probation	31
Restitution Paid to Injured Parties	\$312,546.00
Cost Recovery Collected	\$246,958.00

Letter of Admonishment

The Letter of Admonishment is a form of disciplinary action CSLB was authorized to use in 2018 to enhance public protection by promptly addressing 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 that can include taking prescribed training courses, and provides written documentation that can be used to support formal disciplinary action in the future, if warranted.

From July 1, 2023, to February 29, 2024, CSLB issued 275 Letters of Admonishment. The most common violations cited in Letters of Admonishment during that timeframe were conviction of a non-violent misdemeanor criminal offense, failure to comply with 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 with the discretion to uphold, modify, or withdraw the Letter of Admonishment based on a second review of the case. Between July 1, 2023, to February 29, 2024, CSLB conducted 21 Office Conferences. As a result of those conferences, 11 Letters of Admonishment were upheld as issued, four were withdrawn, four were modified, and one was retracted.

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, 2023, to February 29, 2024, 39 Letters of Admonishment were issued that included a requirement to complete 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, 2023, to February 29, 2024, SWIFT conducted 16 sting operations days, participated in 214 sweep days, and responded to 566 leads. SWIFT closed 2,184 cases as a result of stings, sweeps, and leads. Of these 2,184 cases, 551 resulted in administrative or criminal legal action, as well as the issuance of 805 advisory notices for minor violations.

District Attorney Referrals

From July 1, 2023 to February 29, 2024, SWIFT referred 229 cases to local district attorneys' offices for criminal prosecution – 201 for contracting without a license and 28 against licensees, primarily for failure to secure workers' compensation insurance.

Administrative Actions

From July 1, 2023, to February 29, 2024, SWIFT issued 249 licensee and non-licensee citations, issued 71 Letters of Admonishment, filed 2 accusations, and assessed \$297,150 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, 2023, to February 29, 2024, SWIFT issued 115 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.

	2021	2022	2023	2024 (through 02/29/24)
CSLB	\$82,938	\$104,507	\$100,190	\$14,220
EDD	\$9,149,749	\$13,280,832	\$10,485,549	\$1,308,212
DIR-Cal/OSHA	\$267,256	\$243,066	\$493,104	\$102,526
DIR-DLSE	\$3,476,291	\$5,217,626	\$4,620,847	\$262,693
FTB	\$5,868,340	\$4,024,936	\$5,344,249	\$920,566
Totals	\$18,844,574	\$22,870,967	\$21,043,939	\$2,608,216

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 with a safe work environment. Below are LETF statistics for July 1, 2023 to February 29, 2024:

Number of Contractors Inspected	110
Number of Contractors Out of Compliance	92
Percentage of Contractors Out of Compliance	84%
Total Initial Assessments	\$245,620

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

Active Shooter Training: On January 17, 2024, the California Highway Patrol (CHP) conducted Active Shooter Training at CSLB Headquarters in Sacramento. The training had 65 attendees who participated either in-person or via Teams. Additional Active Shooter training will be scheduled for other CSLB units/divisions in the future.



Western States Informational Network (WSIN): The WSIN held a training on February 7, 2024, in Sacramento – which was also streamed via Microsoft Teams to CSLB staff statewide. Approximately 80 people attended. This training provided an overview of how WSIN works with law enforcement agencies across the nation, covering topics such as:

- Location of out-of-state suspects and creation of six-pack lineups
- Use of specialized equipment
- Analytical support
- Free training on various topics
- Notifying WSIN when CSLB has a “most wanted” suspect or a respondent who has criminal cases in multiple jurisdictions

Riverside District Attorney Training: On February 13, 2024, Riverside County Deputy District Attorney Evan Goldsmith hosted a training for CSLB covering a variety of topics including:

- Jury instructions
- Exculpatory evidence
- Presenting evidence
- Important considerations for the investigative report

The training was held at CSLB’s San Bernardino office and streamed via Microsoft Teams to CSLB staff statewide. There were 12 attendees in-person and 78 via Teams.

Career Consulting: Informative workshops were presented by CSLB Personnel staff in January and March. These workshops were created specifically to provide Intake and Mediation Center (IMC) employees with the tools to be more successful when pursuing promotional opportunities. The workshop topics included:

- Tips on how to pursue promotional opportunities
- Information regarding the state application process
- Setting up and navigating a CalCareers account
- Tips on employment applications and Statement of Qualifications
- What to expect at an interview and tips on how to prepare
- Suggestions for after an interview

Both Norwalk and Sacramento IMC employees put their newfound skills to work by participating in mock interviews. The interviews were in March and were both virtual and in-person complete with writing assignments. The supervisor of the Quality Assurance Unit joined the IMC supervisors in providing straightforward feedback and advice. Staff were very appreciative, and several common mistakes were identified and corrected. Employees were encouraged to take additional training and invited to participate in follow-up mock interviews. This training should help IMC staff be more competitive with outside candidates when applying for promotional positions, specifically special investigators.

AGENDA ITEM E-2

Review and Discussion Regarding Unlicensed Developers





Review and Discussion Regarding Unlicensed Developers

At the request of board member Jacob Lopez, Board Chair Diana Love approved this agenda item to discuss construction industry concerns regarding license requirements for commercial developers constructing multi-family mixed use projects.

For background, [Business and Professions Code section 7044](#) provides a license exemption for property owners making their own improvements under specified circumstances. The applicable commercial developer license exemption for this agenda item would be a developer contracting with a licensed B - General Building Contractor to perform the work.

Ensuring the contractor is licensed is important to labor groups and the state building trades is important because of worker protections found in [Labor Code section 218.7](#), that holds both a general contractor and a subcontractor liable for unpaid wages for commercial projects, similar to what is found in the arena of public works.

Enforcement Chief Steve Grove will report on recent inspection(s) of commercial project sites to determine if the developer is acting in the capacity of contractor without the required license.

Patty McCarron, Director of Operations for Carpenters/Contractors Cooperation Committee, Inc., is scheduled to report that her organization has noticed an increase in unlicensed developers using unscrupulous tactics to get around state labor laws put in place to protect workers, communities, and law-abiding contractors. Further, Director McCarron will share collaboration enforcement recommended strategies.

AGENDA ITEM F

Public Affairs



AGENDA ITEM F-1

Public Affairs Program 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 CSLB's social media channels to educate and inform consumers, licensees, the construction industry, the news media, and government officials. Staff also produce content for the CSLB website that includes webcasts and videos. Staff conduct Senior Scam StopperSM and Consumer Scam StopperSM seminars and present speeches to service groups and organizations. Internally, staff also produce content 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.

As a result of winter storms, CSLB staffed and participated in five local assistance centers (LACs)/disaster recovery centers (DRCs) throughout California from November 1, 2023, through February 29, 2024.

Disaster	LAC/DRC Location	Resources
1. Winter Storms	Spring Valley (San Diego County)	In-Person Staffing
2. Winter Storms	San Diego (San Diego County)	In-Person Staffing
3. Winter Storms	Panorama City (Los Angeles County)	In-Person Staffing
4. Winter Storms	Los Angeles (Los Angeles County)	In-Person Staffing
5. Winter Storms	Los Angeles (Los Angeles County)	In-Person Staffing

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



disaster-related posts through its social media channels, including Facebook, X/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 rebuilding.

Assistance for Licensees/Applicants

PAO communicates 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 shares 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 produce and translate consumer and licensee tips videos for promotion on CSLB’s website and social media platforms, including a series on how to navigate the CSLB website and guidance on hiring a licensed contractor for various summer home improvement projects. Topics also include tips on reporting unlicensed contractors in disaster areas, tips for working as a contractor in disaster areas, and a series of 10 tips videos for hiring a licensed contractor.

Staff continue to produce English and Spanish versions of the monthly *Get Licensed to Build* workshop for those interested in obtaining a contractor’s license. These livestreams have been well attended via WebEx and YouTube and are archived on CSLB’s website.

Livestreams/Videos Produced November 1, 2023 – February 29, 2024

Date Published	Video Title
11/3/2023	Get Licensed to Build Workshop
11/7/2023	Board Member Orientation
11/15/2023	CSLB Board Meeting
11/17/2023	Workshop para que obtenga licencia de construir



Date Published	Video Title
11/29/2023	CSLB Enforcement and Public Affairs Committee Meetings
12/1/2023	Get Licensed to Build Workshop
12/13/2023	CSLB Board Meeting
12/15/2023	Workshop para que obtenga licencia de construir
12/20/2023	Consejos rápidos de la CSLB: contratación sin licencia en zonas de desastre
1/5/2024	Get Licensed to Build Workshop
1/19/2024	Workshop para que obtenga licencia de construir
1/31/2024	10 Tips for Hiring a Contractor (Social Media Clip Series)
2/2/2024	Get Licensed to Build Workshop
2/13/2024	Consejos Rápidos de CSLB: cómo denunciar una contratación sin licencia
2/16/2024	Workshop para que obtenga licencia de construir

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, X (formerly known as Twitter), YouTube, and LinkedIn.

Social Media Highlights

- **Facebook:** 6,547 followers, a 1.4% increase since the previous quarter
- **Instagram:** 2,319 followers, a 5.9% increase since the previous quarter
- **X (Twitter):** 3,026 followers, a 1% increase since the previous quarter
- **YouTube:** 16 videos produced; 34,100 video views; 2,000 hours watched since the previous quarter.
- **LinkedIn:** 1,003 followers, a 1% increase since the previous quarter

Facebook Growth

Between November 1, 2023, to February 29, 2024, CSLB reached 23,025 followers.

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, 12.8 percent are ages 25-34, 31.3 percent are ages 35-44, 26.1 percent are ages 45-54, 18.1 percent are ages 55-64, and 10.8 percent are ages 65 and up.



Top Facebook Post

CSLB’s top post (see below) was published on November 27, at 10:00 a.m. with a reach of 3,391 accounts, 119 link clicks, 33 comments, 34 shares, and 62 reactions.



Published post:

📄 Licensed contractors must display their license numbers in ALL advertisements, contracts, and bids.

This ensures transparency and protects YOU. Look for their license number to ensure credibility and quality of work. Stay informed, stay protected! 📁🔒

[#CSLB](#) [#ConsumerAlert](#) [#ChooseLicensedContractors](#) [#TransparencyMatters](#)

Instagram Growth

Between November 1, 2023, and February 29, 2024, CSLB reached 6,322 accounts on its Instagram page.

Follower statistics

Of CSLB’s Instagram followers, 74 percent of CSLB’s Instagram followers are male; 26 percent are female. Of these followers, 3.8 percent of CSLB’s Instagram followers are ages 18 to 24, 29.8 percent are ages 25-34, 39.4 percent are ages 35-44, 18.1 percent are ages 45-54, 6.2 percent are ages 55-64, and 2.7 percent are ages 65 and over.

Top Instagram Post

CSLB’s top post (see below) was published on November 27, 2023, at 10:00 a.m. with a reach of 1,732 people, 70 likes, 2 comments, and 17 shares.

Published post:

📄 Licensed contractors must display their license numbers in ALL advertisements, contracts, and bids.



This ensures transparency and protects YOU. Look for their license number to ensure credibility and quality of work.

Stay informed, stay protected!  

[#CSLB](#) [#ConsumerAlert](#) [#ChooseLicensedContractors](#) [#TransparencyMatters](#)



X (Twitter) Growth

Between November 1, 2023, and February 29, 2024, CSLB had 4,828 impressions.

Top Tweet

CSLB’s top tweet was published on December 21, 2023. It had 180 impressions, including 2 replies, 12 engagements, and 1 detail expand.

Published post:

Work with us! Or, if you know someone who'd be a fit for one of these jobs, tag them in the comments. Visit <http://www.cslb.ca.gov/jobs> [#employmentopportunity](#) [#workwithus](#) [#employment](#) [#cslbjobs](#)

YouTube Channel Growth

CSLB’s YouTube channel continues to grow, with an increase of approximately 613 subscribers, 2,200 hours of watch time, and 34,100 more views since November 2023. The channel has a total of 803,400 views (53,500 hours watched) and 7,069 subscribers since the page was created in 2009.



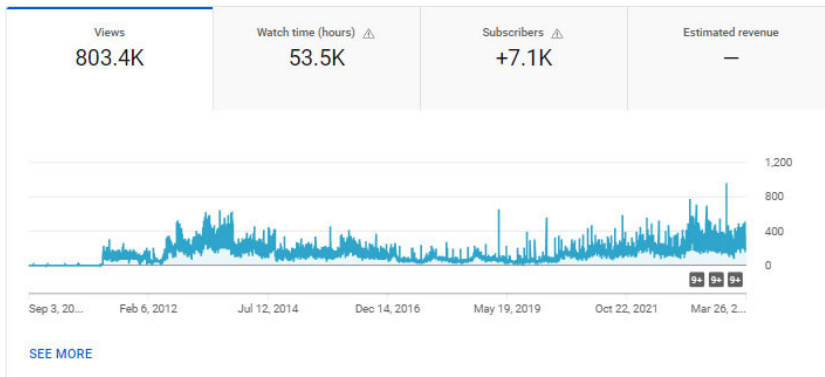
Channel analytics

ADVANCED MODE

Overview Content Audience Revenue Research

Sep 3, 2009 - Mar 26, 2024
Lifetime

Your channel has gotten 803,381 views so far



Realtime

Updating live

7,069

Subscribers

SEE LIVE COUNT

724

Views - Last 48 hours



Top content

Content	Views
CSLB Guide to Renewing Y...	269
10 Tips for Hiring a Contractor	60
What to Expect on Test Day	36

SEE MORE

Latest content



First 1 day 5 hours compared to your typical performance:

Your top content in this period

Content	Average view duration	Views
1 CheckTheLicenseFirst.com May 24, 2012	0:26 (83.4%)	59,119
2 CSLB Undercover Sting, San Rafael, California Mar 21, 2011	4:12 (44.1%)	50,209

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. CSLB has 1,003 followers. It received 991 page views from November 1, 2023, through February 29, 2024.

Email Alert Feature

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 193,812, which includes the Licensee Information database.

These include:

- Industry Bulletins
- CSLB Job Openings



- Public Meeting Notices/Agendas
- *California Licensed Contractor* Newsletters
- News Releases/Consumer Alerts
- Surveys
- Podcasts/webcasts
- Licensee Information
- Home Improvement Salespersons

Industry Bulletins

Important CSLB updates are issued in Industry Bulletins, which are emailed to those who signed up via CSLB's email alerts and also posted on CSLB's website. Between November 1, 2023, and February 29, 2024, CSLB issued Industry Bulletins related to the new Tree and Palm Contractor classification, the impact new California laws will have on contractors and homeowners, and significant changes that streamlined the 2024 California Contractors License Law & Reference Book.

Media Relations

Media Calls

Between November 1, 2023, and February 29, 2024, PAO responded to 27 media inquiries, providing information and/or interviews to a variety of media outlets.

News Releases

PAO issued four news releases between November 1, 2023, and February 29, 2024. The releases covered sting operations throughout the state, and CSLB's partnership with the National Association of State Contractors Licensing Agencies (NASCLA) to provide essential home repairs for a deserving elderly veteran.

Consumer/Community Outreach

Senior Scam StopperSM Seminars

CSLB's Senior Scam StopperSM seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction related scams and how seniors, who are often preyed upon by unlicensed or unscrupulous contractors, can protect themselves when hiring a contractor. Sessions feature expert speakers from local, state, and federal agencies, who present broader topics on consumer and financial scams. CSLB remains committed to consumer protection by offering Senior Scam StopperSM seminars virtually and in-person.

The following seminars were conducted from November through February:



Date	Location	Legislative/Community Partner(s)
November 2, 2023	Irwindale	Senator Susan Rubio
November 2, 2023	Virtual	Assemblymember Marc Berman
November 10, 2023	Palm Springs	City of Palm Springs
November 23, 2023	Salinas	Salinas Valley Chamber of Commerce
November 29, 2023	Garden Grove	Garden Grove Community Center
December 6, 2023	Fresno	Assemblymember Jim Patterson
December 9, 2023	Santa Ana	Assemblymember Avelino Valencia
December 15, 2023	Corona	Assemblymember Bill Essayli
January 18, 2024	San Jose	City Councilmember Domingo Candelas
January 18, 2024	Irvine	City of Irvine
January 26, 2024	Oxnard	Assemblymember Steve Bennett
January 26, 2024	Apple Valley	Apple Valley Senior Center
February 15, 2024	Claremont	Assemblymember Chris Holden
February 28, 2024	Virtual	Assemblymember Christopher M. Ward

From November through February, CSLB staff spoke/staffed booths for the following organizations/events and conducted Consumer Scam StopperSM seminars:

Date	Location	Legislative/Community Partner(s)
November 3, 2023	Fresno	Fresno Fall Home Improvement Show
November 4, 2023	Gilroy	Yacanex Community Women’s Entrepreneur Conference
November 8, 2023	Garden Grove	California Municipal Revenue and Tax Association Annual Conference



Publication/Graphic Design Services

Between November 1, 2023, to February 29, 2024, PAO's Graphic Design Unit completed the following publications and reports.

**Publications & Reports
November 1, 2023 – February 29, 2024**

Publications & Reports
November 15, 2023, Quarterly Board Meeting Packet
December 13, 2023, Quarterly Board Meeting Packet
California Contractors License Law & Reference Book (2024 Edition)
California Licensed Contractor Newsletter (Winter 2024)
Sunset Review Report (December 2023)
Get Licensed to Build Guide (English)
Voluntary Arbitration Guide (English & Spanish)
Mandatory Arbitration Guide (English & Spanish)

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. Between November 1, 2023, and February 29, 2024, PAO published 10 employee intranet articles.

**Employee Intranet Stories
November 1, 2023 – February 29, 2024**

Date Published	Title
11/2/2023	Congratulations to the Halloween Contest Winners!
11/13/2023	Tune in! CSLB's Board Meeting
11/17/2023	Chef Wins Both Awards at 2023 CSLB Chili Cook-off
12/12/2023	Tune In! CSLB's Board Meeting – December 13



Date Published	Title
12/19/2023	CSLB Shows Staff Appreciation with Delicious Barbecue, Raffle Prizes, Games, and Holiday Cheer!
1/5/2024	Provide Your Input on CSLB's Strategic Plan Survey
1/25/2024	2024 California Contractors License Law & Reference Book Now Available
2/9/2024	California Licensed Contractor Newsletter: Winter 2024
2/12/2024	Tune In! Licensing Committee Meeting this Thursday Morning
2/27/2024	Honoring Black History Month: A Commitment to Diversity

Public Information Center Statistics

The Public Information Center includes both the Call Center and Public Counter. Below are statistical updates for the Call Center through February 29, 2024.

	May 2023	June 2023	July 2023	Aug. 2023	Sept. 2023	Oct. 2023	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024
Calls Received	12,771	12,390	11,548	13,104	10,034	10,478	9,344	8,677	12,026	11,259
Calls Answered	9,054	9,719	8,334	11,121	8,900	9,973	9,075	8,493	11,563	10,713
Caller Abandoned	3,678	2,557	2,531	735	735	445	262	175	423	480
Longest Wait Time	0:54:29	0:43:52	0:47:48	0:19:07	0:17:40	0:10:19	0:04:29	0:04:52	0:07:28	0:12:51
Shortest Wait Time	0:06:14	0:01:33	0:02:39	0:01:07	0:01:11	0:00:24	0:00:14	0:00:15	0:00:16	0:00:50
Avg. Wait Time	0:25:28	0:17:41	0:17:44	0:07:53	0:05:20	0:03:17	0:02:05	0:01:30	0:02:51	0:03:07

**Public Information Center Call Data – Prior Calendar Years**

Inbound Activity	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Calls Received	166,918	152,845	149,462	149,462	140,589	140,409	129,601
Calls Answered	147,074	137,270	136,776	98,044	116,304	119,693	99,706
Caller Abandoned	16,527	9,426	7,859	35,865	23,983	20,496	27,590
Avg. Longest Wait Time	0:01:36	0:10:48	0:08:33	0:46:23	0:33:56	0:34:45	0:37:13
Avg. Shortest Wait Time	0:00:12	0:01:04	0:00:48	0:04:23	0:03:11	0:01:24	0:06:49
Avg. Wait Time	0:06:46	0:04:21	0:03:34	0:25:27	0:14:38	0:11:06	0:18:26

AGENDA ITEM G

Legislation



AGENDA ITEM G-1

Update on 2023-2024 Legislation

- a. AB 2622 (Carrillo) – Expand the exemption from contractor licensure on a single project from less than \$500 to less than \$5,000
- b. AB 2677 (Chen) – Exclude surety bond companies from liability for attorney’s fees and costs
- c. AB 2993 (Grayson) – Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer and local permitting agencies
- d. SB 1071 (Dodd) – Authorize a contractor to file an exemption from workers’ compensation insurance requirements for contractors who affirm and prove they are operating without employees





CONTRACTORS STATE LICENSE BOARD

REVIEW OF 2023-24 PENDING LEGISLATION

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

a. Assembly Bill 2622 (Carrillo) – Contractors: exemptions: advertisements.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2622

STATUS/LOCATION (as of April 5, 2024): The bill is in the Assembly Business and Professions Committee; no hearing date scheduled.

SPONSOR: Author

SUBJECT: The \$500 “minor and inconsequential work” license exemption from the Contractors State License Law

CODE SECTION(S): Business and Professions Code (BPC) sections 7027.2 and 7048

SUMMARY: Increases the \$500 exemption in existing law to \$5,000 for construction work and advertising.

EXISTING LAW: Exempts from the licensing requirement work for which the aggregate contract price for labor, material, and all other items is under \$500. Existing law also authorizes a person who is not licensed to advertise for construction work if the aggregate contract price for labor, material, and all other items is under \$500, and the person states in the advertisement that they are not licensed.

COMMENT/ANALYSIS: The exemption has not been increased since 1998. A Board-sponsored proposal in September 2019 would have increased it to \$1,000 consistent with the consumer price index (CPI) at the time. Industry concerns with the proposal led to it not being introduced. In March 2021, the Board voted 8-5 in favor of opposing two bills [AB 899](#) and [SB 304](#) that would have increased the \$500. The concerns were consumer protection from unlicensed practice and employers attempting to avoid workers’ compensation requirements by hiring independent contractors to work without a license.

Staff have since not pursued with the Board an increase to the \$500 exemption. The [B 2 Residential Remodeling Classification](#) took effect in January 2021. It was designed for the many CSLB applicants who have experience with several skills in residential homes but lack structural framing experience or enough time performing one specialty to qualify for the general building contractor license or a “C” class. Staff believe the B-2 has been successful in removing barriers to licensure for those skilled in non-structural multi-trade residential work.

The Board’s Legislative Committee reviewed the bill on March 21, 2024. The Committee did not take any action on the bill; however, four committee members and several members of the public expressed concern that raising the minor work exemption to



\$5,000 would compromise consumer and worker protections. There were no comments in support of the bill. Refer to the March 21, 2024, Legislative Committee Meeting Summary in this packet for additional information.

FISCAL IMPACT: The Board estimates that 17,894, or 10 percent of specialty contractor licensees, would drop their licenses or opt not to renew as most of their work performed is less than the \$5,000 threshold and they could avoid mandatory workers' compensation insurance requirements. The Board estimates a revenue loss of approximately \$4 million to \$6 million annually.

STAFF RECOMMENDATION: Oppose unless amended. CSLB staff have been in contact with the author's office and understand the bill may be amended, possibly between the date of this writing and the April 18, 2024 board meeting.

b. AB 2677 (Chen) – Sureties: Liability.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2677

STATUS/LOCATION (as of April 5, 2024): Referred to the Assembly Committee on Judiciary.

SPONSOR: Flasher Barricade Association

SUBJECT: Liability of surety bond companies for attorney's fees

CODE SECTION: California Code of Civil Procedure section 996.470

SUMMARY: In a civil action, provides that a surety writing a bond is not liable for an award of attorney's fees as costs.

EXISTING LAW: The California Code of Civil Procedure regulates bonds. Bonds, regardless of their purpose, have beneficiaries (the person who benefits from the bond). Existing law allows a beneficiary to file a civil action against both the bond principal (the person for whom the bond is written, such as a contractor) as well as the surety writing the bond, making them both liable for the bond principal's failure to comply with the conditions of the bond. Existing law does not limit liability to the amount of the bond itself.

COMMENT/ANALYSIS: This bill would remove attorney's fees from the things a surety can be liable for in a civil action involving a bond and provides a definition not previously in law for the things a surety is liable for. The nexus of this bill for the Contractors State License Board is that contractors are required to have a \$25,000 bond as a condition of licensure. The bond can be secured with a cashier's check held by CSLB or written by a surety. A license bond benefits a consumer hired by a contractor or worker employed by a contractor, should the contractor cause financial harm by violating the Contractors



State License Law. It is in the best interests of consumers for a surety to make a good faith payout on a license bond should CSLB or the surety find there was a probable violation of the license law.

According to the sponsors, the bill is a result of a recent California appellate court opinion (*Karton v. Ari Design*, 61 Cal.App. 5th 734), that found a surety company liable for attorney's fees as costs in a civil action between a contractor and a consumer, when the surety chose to not timely pay the bond to the claimant in settlement or to the Court in interpleader. The sponsors are concerned that the risk to sureties of paying attorney fee costs arising out of litigation could increase the cost of contractor license bonds which could be passed to consumers. To the extent the *Karton* reasoning could be interpreted to extend to the holder of a cash deposit in lieu of a Bond, the Board approved in its Sunset Review a proposal that corrects the Contractors State License Law to preclude this.

The sponsors note that the bill has strong support from the surety industry and an April 2, 2024, coalition letter to the Assembly Judiciary Committee indicates additional support from 15 additional organizations, including contractor associations, building alliances and exchanges.

FISCAL IMPACT: There is not a currently foreseeable fiscal impact to CSLB. There is concern that if the law is not changed, sureties will increase the cost of bonds which will be passed as expenses to contractors who will charge higher prices to consumers.

STAFF RECOMMENDATION: Neutral: Staff has not performed research to determine if precluding sureties from paying attorney's fees as costs may impact consumers in civil litigation or a surety's willingness to make a good faith payout on a license bond, when warranted. The liability of the surety is commensurate with the liability of its principal. There may be a policy reason CSLB staff is not familiar with for which existing law holds principals and sureties jointly liable beyond the amount of the bond. Further, the bill does not amend the Contractors State License Law and is unlikely to be heard in the Legislature's Business and Professions Committees. It applies generally to surety bonds for any number of industries or markets for which CSLB staff does not have knowledge or expertise.

c. AB 2993 (Grayson) – Home improvement and home solicitation: right to cancel contracts: loan financing regulation.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2993

STATUS/LOCATION (as of April 5, 2024): Referred to the Assembly Banking and Finance Committee

SPONSOR: Housing and Economic Rights Advocates



SUBJECT: Consumer protections in the home improvement lending industry

CODE SECTION(S): Business and Professions Code (BPC) sections 7159 and 7159.5, as well as several sections of the California Financial Code and California Civil Code. This analysis is limited to the impact on the Contractors State License Law/BPC.

SUMMARY: Prohibits a contractor from accepting full payment from a lender on a home improvement contract until the owner confirms the project is completed, permitted, and functional. Extends the three and five days right to cancel in existing law to five and seven days, respectively.

EXISTING LAW: The Contractors State License Law requires a home improvement contract clearly state that a contractor cannot accept payment for materials not delivered or work not performed. It currently provides that a consumer has three days to cancel a home improvement contract unless they are a senior citizen, in which case they have five days.

COMMENT/ANALYSIS: For CSLB purposes, this bill would authorize CSLB to discipline a contractor for accepting full payment from a finance lender if the contractor did not receive written confirmation from the homeowner the project is completed, permitted, and functional.

According to the author, there are no tailored rules for lenders licensed under the California Financing Law when a consumer loan is used to fund a home improvement project. When consumers need to use financing to pay for a home improvement project, they can choose from a variety of options. These financing options pose different risks and are subject to different rules and regulations.

In turn, consumers are vulnerable to unscrupulous actors in the home improvement lending industry. This is particularly true when aggressive marketing and sales tactics are utilized. At times, consumers agree to a home improvement project they may not need or benefit from. These projects may be funded by costly loans with terms that borrowers may not fully understand.

Furthermore, lenders sometimes contribute to the problem. Lenders work and develop relationships with contractors who utilize predatory practices. Often, when a consumer cannot resolve a dispute with the contractor, the lender simply disclaims any responsibility for resulting financial harm.

FISCAL IMPACT: Impact to board to update to all publications, both printed and website. Approximately 40 hours workload for existing staff which is considered minor and absorbable using existing resources.

STAFF RECOMMENDATION: Support. At its November 29, 2023, Enforcement Committee Meeting of the Board, staff announced the development of a multiple



offender unit within the CSLB Enforcement Division primarily to address the 176 percent increase in complaints against solar companies filed by consumers who frequently rely on financing to invest in a solar system. The author might consider clarifying in what form the “written confirmation” from the consumer that the contractor is required to accept shall be provided (e.g., email, letter, text, etc.)

d. SB 1071 (Dodd) – Contractors: workers’ compensation insurance reports.

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

STATUS/LOCATION (as of April 5, 2024): Referred to the Senate Committee on Business, Professions, and Economic Development

SPONSOR: Author

SUBJECT: Workers’ compensation insurance as a condition of licensure for contractors

CODE SECTION: BPC section 7125

SUMMARY: Authorize any licensed contractor to file an exemption with the Board if they affirm they have no employees and provide proof of this fact that is adequate to the Board

EXISTING LAW: C-8 (Concrete), C-20 (Warm-Air Heating, Ventilating and Air-Conditioning), C-22 (Asbestos Abatement), C-39 (Roofing), and D-49 (Tree Service) must have proof of workers’ compensation insurance on file with CSLB even if they do not have employees. Starting January 2026, all licensed contractors must have proof of workers’ compensation insurance on file with CSLB even if they do not have employees.

COMMENT/ANALYSIS: Proof of workers’ compensation insurance with CSLB has been required for the C-39 classification since 2012. It has been required for the additional four classifications after the Governor signed CSLB-sponsored [SB 216](#) (Dodd) in 2022. This bill would essentially “undo” SB 216. The Board has seen a decrease of approximately 8 percent in the license population of the affected classes required by SB 216 to obtain workers’ compensation in 2023. The Board sponsored SB 216 to address worker protection concerns, consumer risk of liability for worker injury from uninsured contractors, and the continued filing of workers’ compensation exemptions by over 50 percent of the license population despite evidence from the Enforcement Division that most contractors have employees. Nonetheless, some of the questions that have arisen about the SB 216 requirement of workers’ compensation insurance for all in 2026 are as follows:

- Will sole proprietor contractors without employees forced to buy a policy pass the cost to consumers?



- Will license population continue to decrease due to contractors deciding not to renew rather than buy a policy?
- Will contractors work “underground” rather than buy a policy?
- Impact of 2026 requirement applying to over 100,000 licensees (includes tens of thousands of sole owners) who currently have an exemption on file.

The Senator’s Office has asked for suggestions from CSLB to address fairness concerns from sole proprietors being forced to pay for a policy that does not benefit them. Board Chair Diana Love appointed a two-member advisory committee consisting of Board Member Michael Mark and Board Member Miguel Galarza to facilitate a stakeholder meeting to explore these concerns and possible alternatives. The meeting is scheduled for April 10, 2024, and an update will be provided at the April 18, 2024 board meeting.

FISCAL IMPACT: This bill as introduced would eliminate any additional decline in the Board’s licensee population and corresponding renewal revenue loss of approximately \$6 million that was previously identified in SB 216. This bill will not create any additional workload for the Board, and therefore there will be no fiscal impact.

STAFF RECOMMENDATION: Pending outcome of April 10 meeting.

AGENDA ITEM G-2

Review and Discussion of Possible Legislative Concepts

- a. Legislative Concepts Regarding Business and Professions Code § 7124.6, including the Disclosure of an Accusation to Revoke a Contractor's License on the Licenses of Personnel of Record and the Number of Years of Disclosure of a Citation, Public Repeval, and Criminal Conviction
- b. Legislative Concepts Regarding Business and Professions Code § 7002 License Classifications Held by Board Members and Possible Inclusion of a Member Holding a B-2 Residential Remodeling Contractor's License to Business and Professions Code Section 7099.2





Review and Discussion of Possible Legislative Concepts for Fall of 2024

The following possible legislative concepts will be briefly introduced and explained and possibly brought back to the Board in the Fall of 2024 as full legislative proposals.

a. Legislative Concept Regarding Business and Professions Code § 7124.6.

[Business and Professions Code \(BPC\) section 7124.6](#) defines situations in which CSLB can publicly disclose complaint investigations on a contractor's public license detail on the CSLB website. It is a powerful consumer protection tool and deters contractors from violating the law.

Existing Law: CSLB can currently publicly disclose the following types of complaints:

- **Open investigations** containing probable violations: disclosure after approval by a supervisor.
- **Letters of Admonishment:** Disclosure for a period of 1 or 2 years.
- **Citations:** Disclosure for a period of 5 years after issuance. Disclosure extends to licenses containing the same qualifier as the cited license.
- **Accusations:** Disclosure for a period of 7 years if the outcome is probation or indefinitely if the license is revoked.

Legislative Concept for Discussion: Existing law does not address, thereby resulting in questions.

- **Accusations on affiliated licenses:** Contractor licenses that have personnel in common but are not the subject of the investigation. Allowed for citations but not accusations.
- **Accusations resulting in public reproof:** Authorized by [BPC Code section 495](#). More serious than citation but less serious than stayed revocation, used by some judges. No disclosure period exists in existing laws.
- **Criminal conviction disclosure period:** No provision exists for how long a contractor's public license shall show they were convicted of a crime.
- **Unfair Business Practices:** [BPC section 17200](#) (unlawful business practices) and [BPC Section 17500](#) (false advertising). Disclosure period undefined.

**b. Legislative Concept Regarding Business and Professions Code § 7002.**

[Business and Professions Code section 7002](#) provides that CSLB board members include one general engineering contractor, two general building contractors, and two specialty contractors.

Background: The legislature has asked if the Board believes board member composition should include a B-2 contractor license on the Board. There are currently 721 B-2 contractors. The license classification took effect in August 2021.

The B-2 Residential Remodeling Contractor Classification is included in [BPC section 7057.5](#).

Legislative Concept for Discussion: Should board member composition provide for a B and a B-2 contractor licensee on the Board?

AGENDA ITEM G-3

Review, Discussion, and Possible Action on Comments Received During the 45-Day Comment Period Regarding Previously Board-Approved Proposed Rulemaking to Amend Title 16, California Code of Regulations (CCR) Sections 810, 832.10, and 832.46 (Definitions, Class C-10 – Electrical Contractor, and Class C-46 – Solar Contractor)

- a. Staff recommendation to the Board: Consider and approve the responses drafted to address public comments received during the 45-day comment period on the Board's proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.
- b. Board Options:
 - i. Accept staff recommendation and authorize final Rulemaking
 - ii. Reject staff recommendation and withdraw the Rulemaking





Review, Discussion, and Possible Action Regarding Previously Board-Approved Proposed Rulemaking to Amend Title 16, California Code of Regulations (CCR) Sections 810, 832.10, and 832.46 (Definitions, Class C-10 – Electrical Contractor, and Class C-46 – Solar Contractor)

Background

Battery energy storage systems (BESS) store energy from photovoltaic solar energy systems (PV systems) for later use. National and state regulatory bodies have adopted health, safety, and building standards for the development and installation of BESS. However, CSLB regulations do not expressly define BESS for specialty contractor classifications, and BESS are not expressly authorized as part of the scope of practice for C-46 Solar contractors. For several years the Board held public meetings and published studies about expressly adding BESS to the C-10 Electrical contractor and the C-46 Solar contractor classification. At its June 2022 meeting, the Board approved initiation of a regulatory proposal that provides that BESS is not considered part of a PV system and a C-46 can only install BESS as incidental and supplemental to the installation of a PV system if the BESS does not exceed an 80 kWh rating capacity. The Board also authorized staff to take all steps necessary to initiate the rulemaking process and set the rulemaking matter for a hearing.

Initial Rulemaking Process and Hearing

After the Board approved the proposed text, staff prepared the [Initial Statement of Reasons](#) that explains to the public in more detail why the proposal is needed. Staff also prepared several documents and public notices, including economic and fiscal statements and underlying research, and ultimately filed the package with the Office of Administrative Law (OAL), which triggered a public notice and comment period. This is a 45-day process that allows the public to provide their comments on the proposal. The Board received 975 written and oral comments between the June 16 and August 2, 2023 public comment period and at the August 3, 2023 hearing on the proposal. All comments received are [posted on the CSLB website](#).

Response to Comments and Final Statement of Reasons

The law requires the Board to respond in writing to all public comments received. What follows is staff's draft responses to the comments. If the Board approves the responses, they will be included in the final rulemaking file that will be submitted to OAL. The Board then has until June 16, 2024 (one year from the start of the public comment period) to submit the final rulemaking file to OAL. OAL will review the package for adherence to the administrative rulemaking requirements, and if approved, the regulatory language is filed with the Secretary of State and is given an effective date. In this case, provided the Board approves the responses to comments and OAL approves the rulemaking file, that



effective date would normally be October 1, 2024, unless an earlier effective date is approved.

Additional Information for Board and Public Consideration

Staff is not adding new evidence the rulemaking record as staff believe the [Initial Statement of Reasons](#) and the draft Final Statement of Reasons to follow include the information necessary to determine whether to accept the staff recommendation. For example, these documents explain that one of the several reasons for the proposed 80 kWh threshold is that available data for installations between 2015 and 2020 show that C-46 solar contractors holding no “B”, “A”, or “C-10” classifications typically install PV systems paired with BESS that are rated between 14.04 kWh and 19.2 kWh in size, well below the 80 kWh threshold. The same documents also state that the 481 C-46 contractors directly affected by the rulemaking (who hold no other license classification authorizing them to install BESS) only installed between 4.6% and 6.4% of all BESS projects during this time, a small fraction of the overall number of projects.

To confirm that the BESS landscape has not substantially changed since last year, staff separately reviewed 2023 interconnection data for 32,184 installations of PV systems with storage. Only 289 of them (less than 1%) were installed by a C-46 Solar contractor holding no other license classification authorizing them to install BESS. Of those installations, the data indicated 273 of interconnections of storage systems between 3.36 kWh and 30 kWh. The other 16 projects indicated kWh ratings between 30 kWh and 54 kWh, all of which remain below 80 kWh proposed threshold. Further, the number of C-46 contractors holding no “A”, “B”, or C-10 classification reported as 481 contractors in August 2022 has declined to 425 as of March 1, 2023.

Board Options with Respect to the Proposed Rulemaking

1. **Accept Staff Recommendation:** Consider and approve the responses drafted to address public comments received during the 45-day comment period on the Board’s proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.
2. **Reject Staff Recommendation:** Withdraw the rulemaking.

TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS

DIVISION 8. CONTRACTORS STATE LICENSE BOARD

FINAL STATEMENT OF REASONS

Subject Matter of Proposed Regulations: Battery Energy Storage Systems

Sections Affected: California Code of Regulations (CCR), Title 16, Sections 810, 832.10, 832.46

Updated Information: The Initial Statement of Reasons is included in the file. The information contained therein is updated as follows.

The Contractors State License Board (CSLB or Board) made the proposed text available to the public on Friday, June 16, 2023, to Wednesday, August 2, 2023. The Board received 975 comments, for which 458 indicated recommendations and/or objections to the rulemaking, and 517 indicated support for the proposed rulemaking. The comments providing recommendations and/or objections to the proposed rulemaking as well as the responses to those comments are summarized in the “Objections or Recommendations/Responses” section below.

A regulatory hearing was requested and held on August 3, 2023. A transcript of the hearing is included in the regulatory file. The Board received additional verbal and written comments at the August 3, 2023, hearing, which are summarized and responded to below.

No modifications were made to the originally approved and noticed text.

The Board considered and approved the Board’s responses to the comments at its April 18, 2024, meeting and delegated to the Executive Officer the authority to adopt the originally approved and noticed text, as written, and to make any technical or non-substantive changes that may be required in completing the rulemaking file.

Local Mandate Determination:

The proposed action does not impose a mandate on local agencies or school districts.

Small Business Impact:

The Board has determined that although small businesses owned by licensees of the Board and small businesses that employ licensees of the Board may be impacted, the Board estimates that the impact would be minor as described in the Initial Statement of Reasons. The Board does not maintain data relating to the number or percentage of licensees who own a small business; therefore, the number or percentage of small businesses that may be impacted cannot be predicted. See the Board’s Responses

below to the Shute APA Letter, Comments Four and Seven as well as to the CalSSA Comment Letter, Comment Four relating to small businesses.

Consideration Of Alternatives

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Board would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation, or would be more cost-effective to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

All alternatives provided during this rulemaking were considered by the Board and rejected as discussed in more detail below. In summary, alternatives proposed and rejected include alternatives to (1) do nothing; (2) permit C-46 classified contractors to “retrofit” existing PV systems with battery energy storage systems (BESS) and perform licensed work on the separate electrical systems; (3) raise the threshold within which C-46 classified contractors may install BESS; and (4) expand the definition for BESS to embrace other electrical systems that were never contemplated by the Board and are not the types of storage systems that are at the core of this rulemaking action.

The explanation and evidence supporting the Board’s determinations are included in the rulemaking file, including the responses to comments below. In particular, see the Board’s Responses to CalSSA’s Comment Letter, Comments Three and Six through Twelve, Brandon Carlson, Grid Alternatives, Lauren Nevitt, and Martin Herzfeld.

Objections or Recommendations/Responses

Summary and Response to Comments Received at the Board’s August 3, 2023, Regulatory Hearing

This section begins with the summary and response to written comments received on August 3, 2023, at the hearing, summarizes and responds to written comments received during the 45-day comment period between June 16 and August 2, 2023, and then summarizes and responds to oral comments received at the August 3, 2023, hearing.

The comments and responses are ordered in this fashion because the Board’s responses to written comments received on August 3, 2023 (described below as Shute APA Comment Letter, CalSSA Comment Letter, and Shute CEQA Comment Letter), can be referenced to respond to remaining written comments received between June 16 and August 3, 2023, and the oral comments received at the hearing on August 3, 2023.

1. Letter, Shute, Mihaly & Weinberger, LLP, on behalf of the California Solar and Storage Association, dated August 3, 2023

Summary: The letter makes the following comments (identified below as one through twenty-two) and is herein referred to as the “Shute APA Comment Letter”.

Shute APA Comment One: The commenter stated that the initial business impact analysis was deficient because it did not analyze the full scope of the proposed rule or the types of businesses that would be affected:

[T]he proposed rule would not only cap C-46 battery installations at 80 kWhs, it would also prohibit C-46 contractors from installing Batteries of any size to existing solar panels, and it would prohibit C-46 contractors from maintaining or repairing Batteries of any size that they install. Thus, the rule also impacts C-46 contractors installing Batteries within the proposed 80 kWh threshold. The CSLB fails to acknowledge, must [sic] less analyze, the significant business and economic impact these aspects of the proposed rule would cause. (Shute APA Comment Letter, p. 4, original emphasis omitted.)

Response to Shute APA Comment One: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The comment incorrectly claims that existing law permits C-46 contractors to install battery energy storage systems to previously installed solar PV systems, and to perform licensed maintenance or repair of battery systems they install, and that the proposed regulation changes the law in these respects. That is not a correct statement of existing law and, consequently, not an accurate statement about the changes proposed in the rulemaking action and their effect on businesses.

The proposed regulation makes no changes in the classification in terms of prohibiting C-46 contractors from retrofitting existing PV systems with battery energy storage systems, or otherwise modifying, maintaining, or repairing existing PV systems by installing separate battery energy storage systems. The proposed regulation also makes no changes in terms of prohibiting C-46 contractors from modifying, maintaining, or repairing previously installed battery energy storage systems. These licensed activities are prohibited under existing law, and the prohibitions are preserved in the proposed regulation.

Contractors are licensed to perform building and construction trades, crafts, and skills. (Bus. & Prof. Code, §§ 7057, subd. (a) [general building contractors “use . . . at least two unrelated building trades or crafts], 7058, subd. (a) [specialty contractors perform “construction work requiring special skill and . . . involves the use of specialized building trades or crafts”]; 55 Ops.Cal.Atty.Gen. 138, 141-143 (1972).) The current regulation permits C-46 contractors to install, modify, maintain, and repair thermal and photovoltaic solar energy systems, and it otherwise expressly prohibits C-46 contractors from “undertak[ing] or perform[ing] building or construction trades, crafts, or skills, except when required to install a . . . photovoltaic solar energy system.” (Cal. Code Regs. tit. 16, § 832.46, emphasis added.)

Thus, the current regulation’s plain language prohibits C-46 contractors from retrofitting previously installed photovoltaic solar energy systems with a new battery energy

storage system. This is the only legally tenable interpretation of existing law. Retrofitting previously installed PV systems with separate battery energy storage systems involves undertaking or performing trades, crafts, or skills that are not required to install a PV system, and consequently, they are expressly barred under existing law.

Nor could retrofitting an existing PV system by installing a battery energy storage system be considered modifying, maintaining, or repairing a previously installed PV system. First, such a view is foreclosed by the express bar on performing other licensed contractor work that is not required to install a PV system. Indeed, if modifying, maintaining, or repairing a previously installed PV system included installing a battery energy storage system, it would render meaningless the regulation's express bar on work that is not required to install a PV system. Legislative enactments must not be interpreted in a way that renders them partly meaningless. (*Harris v. Super. Ct.* (2011) 53 Cal.4th 170, 188.)

Second, the two electrical systems are legally and factually separate and distinct electrical systems, such that modifying, maintaining, or repairing a PV system does not include installing, modifying, maintaining, or repairing a separate battery energy storage system.

A PV system is a legally distinct electrical system. It is defined in the California Electrical Code as “[t]he total components, circuits, and equipment up to and including the PV system disconnecting means that, in combination, convert solar energy into electric energy.” (Cal. Electrical Code, tit. 24, art. 100.)

By definition then, energy storage systems like the battery energy storage systems here are not PV systems. They do not convert solar energy into electric energy. Instead, as the name implies, they store energy. They are “components assembled together capable of storing energy and providing electrical energy into the premises wiring system or an electric power production and distribution network.” (Cal. Electrical Code, § 706.2.) Additionally, PV systems comprise the electrical components and equipment “up to and including the PV system disconnecting means,” and Electrical Code section 690.13 defines the “disconnecting means” of PV systems as the “[m]eans . . . to disconnect the PV system from all wiring systems including . . . energy storage systems . . .” (Emphasis added.) In other words, energy storage systems are, by definition, not components of PV systems.

Other sections of the Electrical Code are in accord. Article 690 of the Electrical Code, which governs PV systems, includes a separate Part VIII for “Energy Storage Systems,” and section 690.71 prescribes how separate “energy storage system[s] connected to a PV system shall be installed” Similarly, section 690.55 is titled, “Photovoltaic Systems Connected to Energy Storage Systems.” If the two systems were truly considered a single electrical system, or if energy storage systems were considered a component part of a PV system, the Electrical Code would not describe them as separate electrical systems, each governed by separate parts of the Electrical Code, Fire Code, and Residential Code. (Electrical Code, arts. 690, 706; Fire Code, §§ 1205, 1207; Residential Code, §§ R324, R328.)

Nonetheless, one commenter pointed out that energy storage systems are identified in three of five diagrams in the Electrical Code (at Figure 690.1(b)) depicting different configurations of PV systems, and the commenter asserted that their appearance in the diagrams established that energy storage systems are a component of PV systems. (CalSSA Comment Letter to D. Godines (Aug. 3, 2023), at p. 10.)

For the reasons discussed above, that is not the case. Additionally, the diagrams refute the claim. Each diagram provides that, “[t]he PV system disconnect in these diagrams separates the PV system from all other systems,” and in each diagram, the “PV system disconnect” separates the PV power source from an energy storage system. (Cal. Electrical Code, § 690.1, figure 690.1(b).) Thus, the diagrams confirm that PV systems and energy storage systems are two separate electrical systems, not components of a single PV system.

The commenter’s view would also lead to absurd results if adopted, which must be avoided when interpreting legislative enactments. (*Khajavi v. Feather River Anesthesia Med. Grp.* (2000) 84 Cal.App.4th 32, 46.) If battery energy storage systems were considered components of PV systems merely because they are depicted in three diagrams in the Electrical Code, then so too would “Electric power production and distribution networks,” “Dedicated loads,” and “Stand alone loads,” since they are also identified in the same three diagrams. (Cal. Electrical Code, § 690.1 [figure 690.1(b)].) An Electric power production and distribution network includes “[p]ower production, distribution, and utilization equipment and facilities, such as electric utility systems” (Cal. Electrical Code, art. 100.) Thus, under the commenter’s incorrect view, C-46 contractors could install, modify, maintain, or repair electrical utility systems and every type of electrical load connected to a PV system simply because those terms appear alongside energy storage systems in three of the five diagrams as possible connections to a PV system.

This is an unreasonable interpretation of the Electrical Code and the C-46 scope of practice. The more reasonable and natural interpretation of the Electrical Code is that energy storage systems, electric power production and distribution networks, and different loads each appear in the diagrams because they are all electrical systems and devices to which a PV system might be connected. And this view is consistent with the diagrams themselves, which state, “[t]hese diagrams are intended to be means of identification for PV system components, circuits, and connections.” (Cal. Electrical Code, § 690.1, Figure 690.1(b), emphasis added.)

The two electrical systems are also factually distinct systems. As explained in the Initial Statement of Reasons, they are made up of different component parts. A battery energy storage system can be deployed to store energy from the power grid without the use of a PV system. A PV system deployed without a battery energy storage system can provide power during a sunny day without drawing from the grid and later draw from the grid at night or during cloudy days when the sun is not available.

The Electrical Code establishes presently that energy storage systems are legally separate and distinct from PV systems. Since they are legally separate and distinct systems, the only legally tenable interpretation of the existing classification regulation is that C-46 contractors may install a battery energy storage system with the installation of a PV system when such installation is required, but all other licensed battery energy storage system work is prohibited. And since the proposed regulation preserves these classification distinctions, it makes no changes in the scope of the C-46 classification in terms of the types of battery energy storage system work they may perform. Thus, the Board correctly evaluated the business and economic impacts of the proposed rule.

Shute APA Comment Two: The commenter asserts that the business impact assessment is inadequate because “limiting its analysis to 2020 data ignores the reality that Battery installations have soared since then and installation of Batteries over 80 kWh will likewise continue to be a growing market, one that more C-46 contractors are currently engaged in and expecting to expand into.” (Shute APA Comment Letter, p. 4, citing to three other public comment letters.)

Response to Shute APA Comment Two: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. First, the comment does not undermine the Board’s finding that “[t]he 80-kWh threshold is consistent with projects that are prevalent in the C-46 construction field,” and “even though the number of PV-paired BESS installations may continue to increase, the size of the projects installed by C-46 contractors are well less than the 80 kWh proposed by this rulemaking. Consequently, C-46 contractors that presently perform BESS installations will continue to be able to perform BESS installations even after the proposed rule is adopted.” (Initial Statement of Reasons, pp. 15, 20.)

Moreover, the comment cites to three inapt anecdotal accounts that do not support its sweeping conclusions, and therefore, the comment is unsupported and speculative, and it is not representative of the proposed rule’s statewide business impact.

None of the cited public comments support the assertions that battery installations “have soared” since 2020 or that installations over 80 kWh is a growing market among C-46 contractors. The cited Simply Solar comment letter merely states that one company is “working on partnerships” with companies whose batteries “typically fall in the 100-200kWh range.” (Bradbury, A. letter to D. Godines (Aug. 2, 2023) at p. 2.) This is not evidence of soaring battery installations since 2020 or of the battery installation marketplace in general.

Likewise, the cited Cinnamon Energy Systems comment letter states that another company’s commercial customers are “interested in adding an ESS,” and “[t]he energy requirements to power their entire facility during a multi-hour blackout is almost always greater than the 80 kWh limit” (Cinnamon, B. letter to D. Godines (Aug. 1, 2023) at p. 1.) Again, an anecdotal reference involving one company’s possible future installations is neither evidence that battery installations “have soared” since 2020, or that installations over 80 kWh “continue[s] to be a growing market.”

And last, the cited Cotter (Luminalt) comment letter does not support the commenter's assertions. To the contrary, that contractor, which holds both C-10 and C-46 license classifications and employs at least one certified electrician, stated that it "mostly installs Powerwalls with each stackable unit at 13.5 kWhs," well within the 80-kWh threshold. (Cotter. J. letter to D. Godines (Aug. 2, 2023) at p. 5.)

Even the industry-retained economic analysis estimated that the affected over-80 kWh market remains insignificant. According to the industry's economic report, PV systems paired with BESS installations larger than 80 kWh were estimated in 2024 to account for \$138,000 in projects and 1.8% of the solar plus storage market. (Economic Impact Analysis of the CSLB's Proposed Battery Energy Storage System Rule, Beacon Economics [hereafter, "Beacon Report"], p. 18 ["solar and storage systems for pure C46 contractors . . . that are larger than 80 kWh . . . represented 1.8%, or \$138k, of the solar plus storage market"].) As a subset of the entire BESS market, this is more in line with the Board's economic evaluation surveying five years of data (not only 2020 data), and which found that "pure" C-46 contractors (i.e., those without another license to install BESS and who are an exceedingly small share of contractors generally) install between 4.6% and 6.4% of all BESS projects.

In all events, as noted above, the Initial Statement of Reasons acknowledged that the number of PV systems paired with BESS increased in California. But the average size of storage systems is declining due to the growth of residential installations that are smaller in size, and far smaller than the proposed 80 kWh threshold. Indeed, the Board reviewed 2020 Interconnection data and five years of Self-Generation Incentive Program (SGIP) data from 2015 to 2020 to prepare this rulemaking action. According to 2020 Interconnection data, pure C-46 contractors installed 601 BESS out of 13,073 total projects (4.6% of all projects), with an average BESS size of between 17.82 kWh, based on CSLB's review of 556 BESS products, or 19.2 kWh, based on CSLB's review of the raw Interconnection data. Based on the SGIP dataset, between 2015 and 2020, this population installed 1,223 BESS out of 19,194 total projects (6.4% of all projects) with an average BESS size of between 14.04 kWh, based on CSLB's review of 556 BESS products, and 17.15 kWh, based on CSLB's review of the raw SGIP data. In sum, 481 C-46 contractors holding no other license classification authorizing them to install BESS only installed between 4.6% and 6.4% of all BESS projects, a tiny fraction of the overall number of projects. And based on the size of installations by this population, the projects they perform are at kWh capacities much lower than 80 kWh, if they install BESS at all (some do not). As a result, the Board reasonably concluded the number of licensees potentially affected is insufficient to create a statewide adverse economic impact.

Shute APA Comment Three: The commenter states that the economic analysis of the regulation's impact improperly fails to consider the impact on "contractors who hold both a C-46 and a C-10 license classification (a group we refer to as 'dual license holders.')

[Citations omitted.] This is because by excluding Batteries from the scope of the C-46 license, the proposed rule will require the use of expensive, and often unavailable, certified electricians under Labor Code section 108." (Shute APA Comment Letter, pp. 4-5.)

Response to Shute APA Comment Three: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

To the extent the commenter claims the proposed rule would require dual license classification holders relying on their C-10 classification to possibly use certified electricians or other authorized workers because it would preclude C-46 contractors from performing retrofits, stand-alone BESS installations, or other unauthorized BESS work, as explained in response to Shute APA Comment One, this is an erroneous legal conclusion and the proposed rule does not affect the current restrictions on C-46 contractors' ability to perform this work at all.

To the extent the commenter claims the proposed rule would require dual license classification holders relying on their C-10 classification to possibly use certified electricians or other authorized workers when concurrently installing PV systems and BESS above 80 kWh, this may be true, but the law already requires persons who connect electrical devices for C-10 contractors to be certified electricians, and the proposed rule would not affect the existing legal requirement.

The Labor Code provides that “persons who engage in the connection of electrical devices” for contractors licensed as C-10 electrical contractors must be certified electricians or another category of authorized worker. (Lab. Code, §§ 108, subd. (c), 108.2, subds. (a), (b)(1), (k).) “Read together, sections [108] and [108.2] provide that electrical contractors holding a C-10 specialty license must use certified electricians, enrolled apprentice electricians, or properly supervised electrical trainees to do electrical work.” (*Alameda County Joint Apprenticeship & Training Comm. v. Roadway Electrical Works, Inc.* (2010) 186 Cal.App.4th 185, 188, emphasis supplied.) The Labor Code contains exceptions from the certification requirement, including exceptions for persons engaged in the connection of electrical devices for contractors dually classified in both the C-10 and C-7 or C-45 classifications. (Lab. Code, § 108.2, subd. (b)(2) [dual license classification exception applies “regardless of whether the same contractor is also licensed as a class C-10 contractor”].) But the Labor Code provides no comparable exception for contractors licensed in the C-46 classification.

Battery energy storage systems are electrical systems covered under the Electrical Code. (Cal. Electrical Code, tit. 24, art. 100; Cal. Electrical Code, §§ 690.55 [describing energy storage system connections to PV systems], 690.71 [same], 706.2.) Consequently, persons who engage in their connection for contractors licensed as C-10 electrical contractors must satisfy the requirements of the Labor Code. Indeed, the California Court of Appeal previously considered a claim that certified electricians were not required because “electricians who are employed by contractors holding other than C-10 specialty licenses do not have to be certified.” (*Alameda County Joint Apprenticeship & Training Comm., supra*, 186 Cal.App.4th at p. 195.) But the Court rejected the claim because that was the Legislature’s intent: “the distinction respondents illuminate with their argument is a distinction drawn by the Legislature.” (*Ibid.*) Indeed, the Court acknowledged the narrow statutory “exceptions from [the] certification requirements” for dually classified C-10 and C-7 or C-45 contractors, but as there, the

C-46 classification is “[n]otably absent from this list of exemptions” (*Id.* at p. 195, fn. 10.) Since persons performing electrical work for a C-10 classified contractor must be certified electricians or another authorized worker, the proposed rule does not affect these licensees.

The comment also cited to unsupported assertions made by other public commenters about the proposed rule’s sweeping impact on the dually classified licensed contractor workforce, but speculation and unsupported claims are not reliable evidence of statewide impacts. (Shute APA Comment Letter, p. 4, citing CalSSA Comment Letters; *Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 [“Speculation or conjecture alone is not substantial evidence”].) Two of the cited public commenters are dually classified licensed C-10 and C-46 contractors, but only one of those, Cotter (Luminalt), stated that its uncertified workforce performs “solar and solar BESS installations and service and warranty work” (Cotter, J. letter to D. Godines (Aug. 2, 2023), p. 4.) This generic statement is not sufficiently specific for the Board to evaluate what type of licensed work was performed. But even if it were, anecdotal claims by one dually classified licensed contractor (among hundreds) is not a sufficient basis to conclude there is widespread noncompliance with the Labor Code and that the Board’s economic analysis is unreasonable or erroneous.

There are important public safety reasons, too, for having certified electricians perform electrical work required under the Labor Code: “competency standards are required for electricians because improper wiring is dangerous and raises concerns of public safety.” (*Alameda County Joint Apprenticeship & Training Comm., supra*, 186 Cal.App.4th at p. 192.) “Requiring certified electricians to perform dangerous tasks inures to the safety and benefit of those who work on public projects as well as of those persons who will ultimately use and occupy them.” (*Id.* at p. 196.) Indeed, the UC Berkeley Report recognized that there are “hazards and risks associated with BESS [that] are significantly different than PV systems” (UC Berkeley Report, p. 75.) And safety concerns led the UC Berkeley Report to recommend the Board preclude C-46 contractors from installing BESS altogether: since “in California certified electricians working under a C-10 contractor have significantly greater documented regulatory requirements for knowledge, skills, and training to safely perform electrical work and BESS installations, the CSLB can best ensure safety by requiring the C-10 license for all BESS installations.” (*Ibid.*)

Finally, in all events, as explained in the Initial Statement of Reasons, businesses holding a C-10 classification will not be significantly adversely affected by the proposed rule because C-10 contractors may install BESS without limitation, and the proposed rule would continue to permit this. (Initial Statement of Reasons, p. 17.) Additionally, as of December 1, 2022, there were a total of 148,619 licensed contractors authorized to contract or subcontract a PV-paired BESS system installation, and “plentiful” workers to install the systems: “There is no evidence to suggest that workforce availability will limit the growth of BESS installations if CSLB were to restrict or exclude sole license C-46 contractors since C-10 vastly outnumber C-46 contractors both in general and specifically in their participation in BESS projects.” (*Id.* at pp. 20-21.)

Shute APA Comment Four: The commenter stated that the proposed rule would be devastating to impacted businesses, regardless of their share of the entire solar industry, and that it will have a significant, statewide adverse economic impact, as confirmed by the industry expert’s assessment of the proposed rule. (Shute APA Comment Letter, p. 5.)

Response to Shute APA Comment Four: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Four regarding the Beacon Report. Additionally, as explained in the Notice of Proposed Rulemaking and Initial Statement of Reasons, since the proposed rule permits C-46 contractors to continue installing BESS at sizes commonly found in the C-46 market, it will have no significant impact on those businesses.

Shute APA Comment Five: The commenter stated the Board was required to perform a standardized regulatory impact assessment, which is applicable to major regulations that will have an economic impact exceeding \$50 million in any 12-month period, because the Beacon Report concluded that the proposed rule would result in a total economic impact of \$86.9 million in 2024, exceeding the \$50 million threshold for such assessments. The commenter also stated that the Board improperly failed to consider economic impacts required only of standardized regulatory impact assessments. (Shute APA Comment Letter, p. 6.)

Response to Shute APA Comment Five: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. (See response to CalSSA Comment Four regarding the Beacon Report).

Additionally, the Board initially determined that the proposed regulation will not have a significant statewide adverse economic impact directly affecting businesses. The Board’s initial determination relied, in part, on the UC Berkeley report, but it was also based on other information described in the Initial Statement of Reasons. The Board’s “initial determination of economic impact need not exhaustively examine the subject or involve extensive data collection. The [Board] is required only to make an initial showing that there was some factual basis for [its] decision.” (*Western States Petroleum Assn. v. Bd. of Equalization* (2013) 57 Cal.4th 401, 429.) The initial determination requirement does not “impose a heavy burden on the [Board].” (*Id.* at p. 431.) “Instead, the statutes require the [Board] to meet an initial, nonconclusive, nonexhaustive evidentiary burden,” which the Board here met. (*Ibid.*) Thus, the Board was not required to perform a standardized regulatory impact assessment.

Last, California Code of Regulations, Title 1, Section 2000 defines “Economic impact” for purposes of conducting a standardized regulatory impact analysis, which the Board did not need to perform.

Shute APA Comment Six: The commenter stated the Board’s economic impact assessment was inadequate because it relied entirely on the UC Berkeley report, which was purportedly flawed and evaluated “an entirely separate regulatory proposal:

precluding C-46 contractors from installing Batteries entirely.” (Shute APA Comment Letter, pp. 6-7.)

Response to Shute APA Comment Six: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Board conducted an appropriate economic impact assessment that partially relied on the UC Berkeley Report as one source of information, among others.

Moreover, contrary to the comment, the UC Berkeley Report exhaustively studied four different proposals: (1) precluding C-46 contractors from installing BESS; (2) permitting C-46 contractors to install BESS at the same time as a PV system up to 20 kWh; (3) permitting C-46 contractors to install BESS on residential dwellings at the same time as a PV system; and (4) making no changes to the C-46 classification. (UC Berkeley Report, pp. 4-5.) And while the report concluded that “there will be no adverse economic impacts of precluding the C-46 license from BESS,” it also concluded that from a market standpoint, the second option described above (a 20 kWh threshold), “would basically maintain the status quo.” (*Id.* at pp. 11, 31.) Since the proposed rule would continue to permit the “status quo,” and there would be no adverse impact even if C-46 license classifications were entirely excluded from the market, the Board’s conclusion that the proposed rule would not have a significant adverse business impact is reasonable.

Shute APA Comment Seven: The commenter stated the Board did not adequately assess the impact on small businesses and that the Beacon Report identified 86 small businesses that would be affected by this proposed rulemaking. (Shute APA Comment Letter, pp. 7-9.)

Response to Shute APA Comment Seven: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. (See response to CalSSA Comment Four relating to small businesses.) To the extent small businesses licensed in the C-46 classification are impacted, they will be impacted in the same ways as other C-46 contractors.

Shute APA Comment Eight: The commenter stated the Board did not adequately consider the proposed rule’s impact of jobs, existing businesses, and business expansion. (Shute APA Comment Letter, pp. 9-10.)

Response to Shute APA Comment Eight: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The commenter, and each of the cited public comments, misconceives the impacts of the proposed rule because they misapprehend the scope of existing law and the proposed changes. The Notice of Proposed Action and Initial Statement of Reasons noted that precluding C-46 contractors from installing BESS might equate to the loss of between 11 and 18 full-time jobs in the residential market statewide, but this proposal does not preclude C-46 contractors from installing BESS. To the contrary, it permits them to continue installing BESS at levels currently found in the marketplace. Licensees will also continue to be permitted to install BESS as they were under existing law—in

conjunction with the installation of a PV system—and projects C-46 contractors install are within the proposed rule’s 80 kWh threshold. Thus, the Board does not anticipate the creation of new businesses, elimination of existing businesses, or business expansion based on the proposed rule.

Shute APA Comment Nine: The commenter stated the Board did not adequately evaluate the loss in local and state tax revenue and noted that the Beacon Report concluded that the state would lose \$4.9 million in tax revenue. (Shute APA Comment Letter, pp. 10-11.)

Response to Shute APA Comment Nine: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. (See response to CalSSA Comment Four relating to the speculative and unsound Beacon Report). As reported in the Initial Statement of Reasons, pp. 18-19, the regulations are not anticipated to create or eliminate jobs or businesses in the state or adversely impact the expansion of business currently doing business in the state. As a result, no impacts on local and state tax revenues are reported.

Shute APA Comment Ten: The commenter concluded that the Board did not adequately evaluate housing costs because the Beacon Report found that the costs to install BESS will increase 4.1-11% under the proposed rule, and “[t]his will increase the costs of housing” (Shute APA Comment Letter, p. 11.) The commenter also stated that consumers will forego solar and storage installations and retrofits because of higher costs, and this will result in higher electricity bills. (*Ibid.*)

Response to Shute APA Comment Ten: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Four relating to the Beacon Report’s estimate of cost increases. Additionally, to the extent a possible increase in labor costs equates with an increase in housing costs, the Initial Statement of Reasons at page 21 noted the possible 1-2% overall project cost increase if, in the unlikely scenario, all installations statewide were performed by more expensive contractors and laborers. Additionally, the Initial Statement of Reasons noted at page 22 that consumer demand is unlikely to change. The Board adequately considered potential housing costs and found they were not significant.

Shute APA Comment Eleven: The commenter stated the Board incorrectly concluded the proposed rule will not harm California residents because, according to the commenter, it will void and frustrate warranties. The commenter also stated the Board incorrectly concluded the proposed rule benefits workers because, according to the commenter, C-46 contractors are equally qualified to C-10 contractors insofar as BESS are concerned. And the commenter stated the proposed rule will have a significant effect on the environment, as outlined in a separate comment letter. (Shute APA Comment Letter, p. 12.)

Response to Shute APA Comment Eleven: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See responses

to CalSSA Comment Eleven and Shute APA Comment Twenty regarding warranties. Additionally, the Board addressed worker safety at page 19 of the Initial Statement of Reasons. The California Court of Appeal also recognized important public safety reasons for having certified electricians perform electrical work required under the Labor Code, which is only required of those working for C-10 contractors: “competency standards are required for electricians because improper wiring is dangerous and raises concerns of public safety.” (*Alameda County Joint Apprenticeship & Training Comm., supra*, 186 Cal.App.4th at p. 192.) “Requiring certified electricians to perform dangerous tasks inures to the safety and benefit of those who work on public projects as well as of those persons who will ultimately use and occupy them.” (*Id.* at p. 196, emphasis added.) Indeed, the UC Berkeley Report recognized that there are “hazards and risks associated with BESS [that] are significantly different than PV systems” (UC Berkeley Report, p. 75.) And safety concerns led the UC Berkeley Report to recommend the Board restrict C-46 contractors from installing BESS: since “in California certified electricians working under a C-10 contractor have significantly greater documented regulatory requirements for knowledge, skills, and training to safely perform electrical work and BESS installations, the CSLB can best ensure safety by requiring the C-10 license for all BESS installations.” (*Ibid.*)

Regarding potential environmental effects, see pages 20-26 of the Initial Statement of Reasons and responses to Shute CEQA Comment Letter, Comments One through Eight. Regarding the cited Kammen letter, see the Board’s Response to the Dan Kammen Comment, below.

Shute APA Comment Twelve: The commenter stated the Board improperly failed to consider higher threshold alternatives that an industry association presented, and “clarify that solar contractors may install batteries to existing solar panels and to repair the batteries that they have installed.” (Shute APA Comment Letter, pp. 12-13.)

Response to Shute APA Comment Twelve: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See Response Eight to the CalSSA Comment Letter. Additionally, the Initial Statement of Reasons explained the constellation of reasons and need for proposing an 80 kWh threshold and why higher thresholds, including the industry’s proposed thresholds, would not be appropriate. See also the Board’s response to Shute APA Comment Letter, Comment One, for a discussion about the scope of the current license classification. The Board declines to broaden the scope of the C-46 practice in the ways suggested by the comment.

Shute APA Comment Thirteen: The commenter asserted that the stated need for the proposed rule is insufficient because it is too general, “just rephrase[s] the text of the regulation,” and provides “cursory justifications based on the need for ‘clarification’ without explaining why it chose to clarify the law in the way that it did or even why clarification was needed.” (Shute APA Comment Letter, pp. 13-15, original emphasis omitted.)

Response to Shute APA Comment Thirteen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See Response One to Shute APA Comment Letter regarding the scope of the proposed rule’s changes to current law, and Response Eight to the CalSSA Comment Letter.

The Initial Statement of Reasons and other rulemaking materials explain in detail the Board’s rationale for this rulemaking action. As explained, with the increased prevalence of BESS in recent years, the Board received questions about the appropriate specialty license classification to install BESS. The current classification regulation permits C-46 contractors to perform out-of-classification licensed construction work like BESS installation when required to “install” a PV system, and the Board received questions about the circumstances under which installation of BESS was “required” for the installation of a PV system. Also, despite clear delineations in the building codes between PV systems and BESS—delineations to which C-10 and C-46 contractors must adhere—the Board’s classification regulations did not expressly delineate both of the two distinct electrical systems. Thus, the proposed rule confirms in the Board’s classification regulation what the Electrical Code and other building codes already establish—that BESS and PV systems are separate and distinct electrical systems. And the proposed rule addresses the circumstances under which BESS may be installed with PV system as incidental and supplemental work, in response to specific inquiries about the current scope of the C-46 classification and whether BESS is “required” to install a PV system.

The comment also fails to acknowledge the constellation of other factors that necessitate the proposed rule, including, among others: (1) that C-46 contractors typically perform installations within an 80 kWh threshold commonly found in the residential market, where there is usually no need for BESS in excess of 80 kWh; (2) preserving distinctions between C-10 and C-46 contractors and their respective workforces; (3) public safety concerns with having unlicensed or unqualified individuals connect electrical devices; (4) establishing clear standards to aid in enforcement; and, (5) binding California appellate authority that provides, “[s]o long as classification occurs in a manner consistent with established usage in the industry, the Board has the power to amend classifications as it sees fit.” (*Davies v. CSLB* (1978) 79 Cal.App.3d 940, 949.)

Shute APA Comment Fourteen: The commenter asserted that the addition of a provision identifying BESS as incidental and supplemental to the installation of a PV system is not necessary because (1) the Board did not establish that batteries are not part of a solar energy system; and, (2) the Board could permit C-46 contractors to install batteries via an alternative proposed rule. Relatedly, the commenter asserted that any interpretation of the current classification regulation as prohibiting battery work or retrofits would “be a void underground regulation.” (Shute APA Comment Letter, p. 16.)

Response to Shute APA Comment Fourteen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See responses to Shute APA Comment Letter, Comment One, and CalSSA Comment Letter, Response Six.

Shute APA Comment Fifteen: The commenter asserted that there is no evidence supporting the Board’s conclusion that the proposed rule will help align the classification with the practice currently found in the construction industry and help meet California’s clean energy and carbon reduction goals. (Shute APA Comment Letter, p. 16.)

Response to Shute APA Comment Fifteen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to the CalSSA Comment Letter, Comments Seven and Eight regarding the practices currently found in the construction industry, including that C-46 contractors primarily install BESS at residences and at sizes within the 80 kWh threshold. See response to Shute CEQA Comment Six regarding energy goals.

Shute APA Comment Sixteen: The commenter asserted that there is no evidence supporting the Board’s conclusion that electrical connections required at thresholds above 80 kWh are more appropriate for a C-10 contractor, and that “there is no documentary evidence” of subject matter expert opinions. (Shute APA Comment Letter, p. 17, original emphasis omitted.)

Response to Shute APA Comment Sixteen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See responses to the CalSSA Comment Letter, Comments Eight and Nine regarding the practices currently found in the construction industry, including that C-46 contractors primarily install BESS at residences and at sizes within the 80 kWh threshold. Additionally, contrary to the comment, the June 3, 2022, staff report expressly identified where an expert concurred in the report’s findings and conclusions. (See June 3, 2022, report, p. 11 [noting expert opinion that work on larger electrical systems “would typically exceed the knowledge and skill of a C-46 contractor”].)

Additionally, there are important public safety reasons for having certified electricians perform electrical work required under the Labor Code, which is only required of those working for C-10 contractors: “competency standards are required for electricians because improper wiring is dangerous and raises concerns of public safety.” (*Alameda County Joint Apprenticeship & Training Comm., supra*, 186 Cal.App.4th at p. 192.) “Requiring certified electricians to perform dangerous tasks inures to the safety and benefit of those who work on public projects as well as of those persons who will ultimately use and occupy them.” (*Id.* at p. 196.) Indeed, the UC Berkeley Report recognized that there are “hazards and risks associated with BESS [that] are significantly different than PV systems” (UC Berkeley Report, p. 75.) And safety concerns led the UC Berkeley Report to recommend the Board restrict C-46 contractors from installing BESS: since “in California certified electricians working under a C-10 contractor have significantly greater documented regulatory requirements for knowledge, skills, and training to safely perform electrical work and BESS installations, the CSLB can best ensure safety by requiring the C-10 license for all BESS installations.” (*Ibid.*) Thus, the Board rejects the claim there is “no evidence” of heightened safety concerns.

Shute APA Comment Seventeen: The commenter asserted that the Board “lacks the authority” to amend its classification regulations, and because Business and Professions Code section 7059 requires it to adopt classification regulations in a manner consistent with established usage and procedures found in the construction business, “by excluding Batteries from the in-license scope of the C-46 classification entirely, . . . the Proposed Rule is fundamentally inconsistent with established usage and procedures in the solar industry.” (Shute APA Comment Letter, pp. 17-19, original emphasis omitted.)

Response to Shute APA Comment Seventeen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. To the extent the commenter asserted that the Board lacks authority to amend its classification regulations, the Board rejects the claim. Business and Professions Code section 7008 authorizes the Board to “make such rules and regulations as are reasonably necessary to carry out the provisions of” the Contractors State License Law. Additionally, section 7059 authorizes the Board to adopt these regulations “effect[ing] the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and [the Board] may limit the field and scope of the operations of a licensed contractor to those in which he or she is classified and qualified to engage” Indeed, “[t]he authority of the Board to classify and define specialty contractors is clear and undisputed.” (*Davies v. CSLB* (1978) 79 Cal.App.3d 940, 948.)

In addition, see response to the Shute APA Comment Letter, Comment One, regarding the current limited scope of the C-46 classification in comparison to the proposed rule. Also, see responses to CalSSA Comment Letter, Comments Six and Eight, regarding maintaining separate legal and factual character of PV and BESS electrical systems, and noting that C-46 contractors typically install BESS at sizes well within an 80 kWh threshold, consistent with the existing construction business.

Last, even if the proposed rule (rather than existing law) excluded BESS from the scope of the C-46 license classification, the change would be authorized under section 7059. The Court of Appeal in *Davies v. CSLB* (1978) 79 Cal.App.3d 940, 949, noted that section 7059 requires only that the Board:

classify in a manner consistent with, not identical to, established usage and procedure. If the Board must always adhere to the identical industry practices in effect, the Board would be limited to establishing new classifications based upon the emergence of special skills that had never before existed, or, as one witness before the Board remarked barbers would still be doing surgery. We find this an unreasonable restriction of the Board’s power, and not consonant with the fact that overlap exists to a significant degree among other classifications. So long as classification occurs in a manner consistent with established usage in the industry, the Board has the power to amend classifications as it sees fit. (*Id.* at p. 949, emphasis added.)

Moreover, “[i]f there is a basic consistency with the practices of the industry, the Board may take into consideration other factors in making its decision,” such as availability of

labor, subcontracting and bidding problems, and the consumer’s best interest. (*Id.* at p. 951.) Indeed, in *Davies*, like here, where two different classifications each performed overlapping work, the Court of Appeal concluded that section 7059’s basic consistency requirement was satisfied and the “Board’s problem was then to decide which of the two license classes should do the work.” (*Ibid.*)

Here, C-46 contractors perform BESS installations in conjunction with the installation of a PV system, and at thresholds below 80 kWh. Thus, the proposed rule is consistent with the existing construction business, and the Board satisfied any consistency requirement of Business and Professions Code section 7059.

Shute APA Comment Eighteen: The commenter stated that the Board is not authorized to amend its classification regulation because Business and Professions Code section 7059 permits the Board to adopt regulations that affect contractors, but “the driving purpose of the Proposed Rule’s 80 kWh threshold is not to regulate contractors themselves, but rather their workers,” and there is no evidence that certified electricians are better equipped to install BESS. (Shute APA Comment Letter, pp. 19-20, original emphasis omitted.)

Response to Shute APA Comment Eighteen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The proposed rule would amend the scope of work authorized of two specialty contractor classifications, the C-10 and C-46 classifications. Accordingly, the proposed rule is consistent with Business and Professions Code section 7059, which authorizes the Board to “adopt reasonably necessary rules and regulations to effect the classification of contractors”

Additionally, the Board may consider factors such as availability of labor and consumer harm in amending classifications: “the Board may take into consideration other factors in making its decision,” “such as availability of labor, subcontracting and bidding problems, the consumer’s best interest, and so forth.” (*Davies v. CSLB* (1978) 79 Cal.App.3d 940, 951.)

See responses to CalSSA Comment Letter, Comments Eight and Nine regarding safety considerations.

Shute APA Comment Nineteen: The commenter stated that the Board may not define what BESS work should be considered incidental and supplemental to the installation of a solar energy storage system because the Board is not authorized to define such work and it would conflict with historical and regulatory interpretations of Business and Professions Code section 7059. (Shute APA Comment Letter, pp. 20-21.)

Response to Shute APA Comment Nineteen: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. At the outset, the comment is illogical—the Board is authorized to adopt reasonably necessary rules and regulations to effect the classification of contractors, including establishing the C-46 contractor classification and the scope of work that may be performed under it.

(Bus. & Prof. Code, § 7059, subd. (a).) Indeed, “[t]he authority of the Board to classify and define specialty contractors is clear and undisputed.” (*Davies v. CSLB* (1978) 79 Cal.App.3d 940, 948, emphasis supplied.) The authority to define the scope of work necessarily includes the authority to limit it.

Moreover, just as the Board implemented, interpreted, and made specific Business and Professions Code section 7059 generally through the adoption of section 831 of title 16, of the California Code of Regulations, the Board may also define the scope of “incidental and supplemental” work specifically in the context of C-46 contractors installing solar energy systems. Nothing prohibits the Board from further specifying the factual circumstances under which certain activities should be considered incidental and supplemental to a classification. Indeed, the purpose of rulemaking is to interpret and make specific the law enforced by the Board.

The commenter points to *Currie v. Stoloritz* (1959) 169 Cal.App.2d 810, but the case is inapt. There, the plaintiff held a specialty license to perform heating and air conditioning work, but not a specialty plumbing license. (*Id.* at pp. 812-813.) The court, applying the Board’s general restriction on incidental and supplemental work, concluded under the facts of the case that certain contracted plumbing work was not incidental and supplemental to the licensed heating and air conditioning work, because it was not necessary to the main purpose of the work performed under the contractor’s specialty license. (*Id.* at p. 814.)

Nothing in that opinion suggests that the Board would be prohibited from reaching the same result via rulemaking, and the commenter’s contrary view would lead to the illogical result that a court interpreting and applying the Board’s regulations could properly decide whether certain Board-classified work is incidental and supplemental to a different specialty license classification, but the Board—the State’s lead regulatory body charged with defining the scope of license classifications—could not. The Board declines to adopt this reasoning.

Shute APA Comment Twenty: The commenter stated that the proposed rule “directly conflicts with state laws” because it purportedly prohibits warranties that are otherwise required by state law. (Shute APA Comment Letter, p. 21.)

Response to Shute APA Comment Twenty: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Eleven regarding warranties.

Additionally, state law does not require BESS installation at all and, consequently, there can be no state law conflict. But even if state law required BESS installation, nothing in the proposed rule prohibits warranties. Thus, there is no state law conflict.

Shute APA Comment Twenty-One: The commenter stated the proposed rule will violate the contract clauses of the United States and California constitutions because it will prevent or frustrate contractors from performing warranty obligations. (Shute APA Comment Letter, pp. 22-23.)

Response to Shute APA Comment Twenty-One: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Eleven and Shute APA Comment Twenty regarding warranties.

“The contract clauses of the federal and state Constitutions limit the power of a state to modify its own contracts with other parties, as well as contracts between other parties.” (*Bd. of Administration v. Wilson* (1997) 52 Cal.App.4th 1109, 1130.) The party asserting a contracts clause violation bears the burden of “mak[ing] out a clear case, free from all reasonable ambiguity, [that] a constitutional violation occurred.” (*Deputy Sheriffs’ Assn. of San Diego County v. County of San Diego* (2015) 233 Cal.App.4th 573, 578.) “To establish an unconstitutional impairment of contract, a party must present facts showing a ‘present, specific and substantial impairment of contract attributable’ to the change in the law.” (*City of Petaluma v. Cohen* (2015) 238 Cal.App.4th 1430, 1442.)

Here, the commenter speculates in an unfounded legal conclusion that a proposed change in regulation will substantially impair existing contracts—contracts to which the commenter is not a party. (*Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 [“Speculation or conjecture alone is not substantial evidence”].) For the reasons stated in response to CalSSA Comment Eleven and Shute APA Comment Twenty, the Board does not agree that the proposed rule represents a change in law that will unconstitutionally impair contracts. (See *Cuenca v. Cohen* (2017) 8 Cal.App.5th 200, 228 [“existing law read into contracts in order to fix their obligations”].) And the Board declines to speculate about the terms of contracts that are not before the Board. (See *ibid.* [the first step in contract analysis involves “the nature and extent of any contractual obligation”].) As for the three incomplete excerpts cited by the commenter, the Board rejects the claim of any impairment for the reasons stated in response to CalSSA Comment Eleven.

In all events, the proposed rule has multiple significant and legitimate public purposes. (*Fourth La Costa Condominium Owners Assn. v. Seith* (2008) 159 Cal.App.4th 563, 584.) Thus, the Board rejects the comment.

Shute APA Comment Twenty-Two: The commenter stated that the proposed rule is unclear because “average solar contractors are unlikely to understand what BESS work they may or may not perform under the proposed regulatory language.” (Shute APA Comment Letter, p. 23.)

Response to Shute APA Comment Twenty-Two: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The proposed rule clearly articulates the conditions under which C-46 contractors may “install” a BESS: when it is (1) in connection with “the installation of a photovoltaic solar energy system,” and (2) the BESS is within an 80 kWh threshold. All other licensed BESS work is prohibited under the terms of proposed subdivision (b), which provides that “a licensee classified in this section shall not [otherwise] install, connect, modify, maintain, or repair a battery energy storage system.” The industry association also

indicated that it understands the clear import of the proposed rule, as it explained in its separate comment letter. (CalSSA Comment Letter, pp. 4-5.) Thus, the Board rejects the comment.

2. Letter, Bernadette Del Chiaro, Executive Director, on behalf of the California Solar and Storage Association, dated August 3, 2023

Summary: The letter makes the following comments (identified below as comments one through twelve) and is herein referred to as the “CalSSA Comment Letter”.

CalSSA Comment One: The commenter stated the proposed rule would have the following effects: (1) “Prohibit solar contractors from maintaining or repairing battery energy storage systems (Batteries) of any size—even batteries that they previously installed or ones that they install in the future”; (2) “Prohibit solar contractors from connecting or installing Batteries of any size to existing solar panels”; and, (3) “Prohibit solar contractors from installing Batteries above 80 kWh.” (CalSSA Comment Letter, pp. 1, 4-5, original emphasis omitted.)

Response to CalSSA Comment One: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment One regarding the current scope of the C-46 classification and proposed changes.

CalSSA Comment Two: The commenter stated the proposed rule would require solar contractors to halt all prohibited work within 4 months of the regulations being approved. (CalSSA Comment Letter, p. 1.)

Response to CalSSA Comment Two: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment Letter, Comment One for a discussion about the existing scope of C-46 practice. See response to CalSSA Comment Letter, Comment Twelve regarding extending the proposed rule’s effective date. Government Code section 11343.4 generally governs the effective date of regulations.

CalSSA Comment Three: The commenter states it believes no changes are needed to the existing C-46 classification and requests that the Board cancel the rulemaking or, alternatively, consider revising the rule that would, according to the commenter: (1) authorize C-46 contractors to install, modify, maintain, and repair batteries that do not exceed 280 kWh as a component of a solar energy system; (2) prohibit C-46 contractors from installing, connecting, modifying, maintaining, or repairing batteries with a rating that exceeds 280 kWh; (3) create an exception to the 280 kWh threshold where necessary to protect existing warranties; and, (4) phase in the 280 kWh threshold over time. (CalSSA Comment Letter, pp. 2, 4.)

Response to CalSSA Comment Three: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See responses

to CalSSA Comment Letter, Comments Six, Seven, Eight, Nine, Ten, Eleven, and Twelve regarding the commenter’s proposed alternatives.

CalSSA Comment Four: The commenter stated it was concerned with the Board’s economic impact report and “requested a third-party expert, Beacon Economics LLP, to conduct an economic impact assessment of the proposed rule.” The commenter copied the report’s findings into its comment and stated “[t]hese conclusions . . . demonstrate that affected contractors will not be able to easily comply with the proposed rule by obtaining a C-10 and/or hiring certified electricians.” (CalSSA Comment Letter, pp. 5-6.)

Response to CalSSA Comment Four: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Board finds that for the following reasons, the Beacon Report is unreliable and not substantial evidence of the economic impacts or environmental conclusions stated in that report. (See *Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 [substantial evidence “is evidence of ponderable legal significance, evidence that is reasonable, credible and of solid value”].) Consequently, the Board gives no weight to the Beacon Report’s findings and conclusions for purposes of this rulemaking.

First, key supporting data upon which the report is purportedly based—particularly, the data regarding the number, size, scope, and cost of solar projects in California—was not provided to the Board, and the Board cannot evaluate the reasonableness of the report’s assumptions or the accuracy of its conclusions. (Beacon Report, p. 4.) For instance, the report incorrectly states that, “[f]or each solar interconnection project, [the Interconnection] dataset provides the kWh, cost, contractor and many other useful variables.” (Beacon Report, p. 4, emphasis added.) But that is not correct. The Interconnection dataset includes data *fields* where this project information *might* be included, but the information is not available for *each* project. Indeed, for at least one category of purported impact, the report acknowledges the “high number of missing values for the total cost, or price, of each retrofit.” (*Id.*, p. 14.)

Similarly, the Interconnection data often omits the kWh size of a BESS, but it may include the overall project’s size in kW. Thus, the Board explained in the Initial Statement of Reasons at page 15 its methodology for calculating kWh BESS sizes for purposes of this rulemaking. The Beacon Report, on the other hand, neither disputes the Board’s methodology nor offers any explanation for its methodology in this regard, further diminishing the report’s reliability.

Second, the report is riddled with incorrect legal conclusions and speculative or wrong factual assertions, which diminish the report’s reasonableness, credibility, and reliability. The report identified “four specific market segments that will be impacted by this ruling,” including:

- 1) Pure C-46 contractors who install BESS systems over 80 kWh
- 2) Pure C-46 contractors who install retrofitted BESS
- 3) Pure C-46 contractors who install solar plus storage systems

- 4) Dual License holders (contractors who have a C-46 and C-10, and do not [have] an A or B) who install retrofits, and BESS systems over 80 kWh

(Beacon Report, p. 12.)

None of the identified “market segments” is reflective of the types of BESS work currently authorized for the C-46 classification and, consequently, the report does not accurately estimate the impact of the proposed rule on the C-46 marketplace.

To the contrary, the only segment that would be impacted by the proposed rule change accounted, according to the report, for \$138,000 in projects, far less than the report’s inflated and unsupported projections. (Beacon Report, p. 18 [“solar and storage systems for pure C46 contractors . . . that are larger than 80 kWh . . . represented 1.8%, or \$138k, of the solar plus storage market”].)

The Estimates About “Pure C-46 contractors who install BESS systems over 80 kWh” Are Speculative and Wrong

The report states the proposed rule “will prohibit pure C-46 contractors from installing BESS that exceed 80-kWh.” (Beacon Report, p. 13.) The statement is misleading because it is only partly true—the proposed rule will prohibit C-46 contractors from installing BESS that exceed 80-kWh *at the same time as a solar PV installation*. C-46 contractors are already prohibited from installing BESS separate from, or after, a solar PV installation, since that work is not within the scope of the classification. (Cal. Code Regs., tit. 16, § 832.46.) The proposed rule does not affect those “market segments” at all. Even assuming a C-46 contractor may impermissibly install BESS separate from, or after, a solar PV installation, it would be more reasonable to assume that absent substantially increased enforcement efforts, the contractors would continue performing this work despite the proposed rule. But as explained in the Initial Statement of Reasons, the projects C-46 contractors typically install are far less than 80 kWhs.

The report also asserts—with no supporting evidence—that the “total market value” of BESS projects over 80 kWh in 2022 was \$8.5 million. (Beacon Report, p. 13.) Then the report springs from this figure to assert the market segment will grow 60% next year and, as a result, further speculates that the proposed rule change will result in a negative economic impact of \$2.7 million in one year, 5.38 jobs “no longer being supported,” and \$505,083 in lost federal, state, and local tax revenue. (Beacon Report, pp. 13-14.) None of these factual assertions is supported in the record supplied to the Board.

Additionally, the report’s claim that labor costs will increase with the proposed rule change is based on the faulty assumption that C-10 contractors “will need to use the more expensive CE [certified electrician] labor.” (Beacon Report, pp. 13, 5 [“If C-46 contractors hold a C-10 license, they will need to use certified electricians for installing their C-10 systems”].) But the report never explains why its comparison of “pure C-46 contractors to pure C-10” contractors is reasonable, when “the majority of installations have been carried out by contractors holding both a C-46 and a C-10 license,” and “[t]he lowest cost contractors for BESS installations hold both C-10 and C-46 licenses.”

(Beacon Report, p. 10; UC Berkeley Report, pp. 12, 37.) And it fails to even acknowledge the thousands of other contractors directly capable of performing the work without certified electricians.

Additionally, its conclusion that there will be a \$1.6 million economic loss is based on another faulty assumption that demand will decrease by “roughly 7.4%,” which, in turn, is based on a 2016 report of solar photovoltaic systems without energy storage, and not battery energy storage systems. (Beacon Report, p. 11, fn. 21, citing Burr, C. (2016) Subsidies, Tariffs and Investments in the Solar Power Market, 13.) A seven-year-old report about *solar panel* technologies is not representative of the *BESS* marketplace in 2024.

The report also provides conclusory estimates for “indirect” and “induced” impacts, but it offers no reasoned explanation or supporting evidence for these estimates. (Beacon Report, pp. 13-14.) And apart from a conclusory statement that the report “incorporates taxes based on the appropriate level of government,” it offers no insights into how it reached any of its conclusory estimates regarding government impacts. (*Id.*, p. 14.)

The Estimates About “Pure C-46 contractors who install retrofitted BESS” Are Speculative and Wrong

Next, the report states the proposed rule “will prohibit C-46 Contractors from installing BESS when they are not also installing PV systems, which means they will not be allowed to retroactively install BESS on previously installed PV systems.” (Beacon Report, p. 14.) And it asserts—again, without supporting evidence—that “[p]ure C-46 contractors installed 322 retrofits last year.” (*Ibid.*) As an initial matter, the Interconnection data fields do not specify whether projects that include storage with a kWh capacity listed involved a retrofit or a simultaneous PV system and BESS installation. And as before, this claim is misleading because existing law already prohibits C-46 contractors from installing BESS when they are not also installing solar PV systems, and the proposed rule will have no legal impact on this stated “market segment” either. Even assuming there are a few contractors that do not presently comply with the classification regulation, it would be more reasonable to assume that absent substantially increased enforcement efforts, they will continue performing this work despite the rule change.

As above, the report asserts the value of retrofits in 2022 at \$12.5 million, without supporting evidence. (Beacon Report, p. 14.) And it speculates that “the growth rate for retrofits over the last five years is 68%” and, as a result, further speculates that the proposed rule change will result in negative economic impact of \$35.3 million in 2024, because “standard warranties”—none of which are supplied or identified in the report—“would be voided.”¹ (Beacon Report, p. 15.) Based on these faulty assumptions, the report then springs to other conclusions that 116.4 jobs will “no longer be[] supported,” and \$8.5 million will be lost in government revenue. (*Ibid.*) As above, none of these

¹ Even if some warranties would be affected (but they won't be), the report unreasonably assumes that all warranties “would be voided” irrespective of when they were issued, even though other commenters have noted that warranties are time limited.

factual assertions and legal conclusions is reasonable or supported in the record supplied to the Board. Moreover, an economist is not qualified to render legal opinions about the proposed rule's impact on contracts.

Additionally, unlike the prior section, which noted that "C-10 contractors likely will" perform the work, this section does not bother identifying any possible offset for C-10 contractors performing the work, and it instead notes without any analysis that the reported impacts "would be reduced if pure C-46 license holders obtained a C-10." (Beacon Report, pp. 13, 16.) But the report does not explain the size of any such reduction, nor does it explain why existing C-10 license classification holders would not perform this work.

And as above, the report provides conclusory estimates for "indirect" and "induced" impacts, and for its government impacts, without any explanation for how it reached those conclusions. (Beacon Report, p. 15.)²

The Estimates About "Pure C-46 contractors who install solar plus storage systems" Are Speculative and Wrong

The report asserts that, "[b]y stipulating that BESS shall not be the work of pure C-46 contractors, except when they are installing them, this means pure C-46 [contractors] cannot maintain, repair or service BESS." (Beacon Report, p. 16.) Once again, the assertion is misleading. C-46 contractors are presently authorized only to install BESS concurrently with the installation of a solar PV system, if at all. Consequently, as above, the proposed rule will have no legal effect on this purported "market segment."

Nonetheless, the report then concludes that "customer contracts"—none of which are provided or identified—require the same contractor who installs BESS to service and maintain them and, "[t]his means that C-46 contractors will be unable to install a system that has a BESS, regardless whether it is 80kWh+ or not." (Beacon Report, p. 16.) In other words, the report concludes that despite the proposed rule's express authorization for C-46 contractors to install BESS concurrently with solar PV systems within an 80 kWh threshold, some unidentified "customer contracts" will categorically prohibit them from doing so. This is an unfounded and unreasonable conclusion, especially since C-46 contractors presently perform this work despite any "customer contracts," and it is refuted even by the evidence in this rulemaking record. (See Response to CalSSA Comment Eleven.) And again, an economist is not qualified to render legal opinions about the proposed rule's impact on contracts.

The report also asserts, without supporting evidence, that this "total market" was \$37 million in 2022, the market segment will grow 31% next year, and as a result, leaps to the conclusions that the proposed rule will result in a negative economic impact of \$7.7

² The report also fails to acknowledge or account for the possible overlap between this "market segment" and the prior one. Both potentially involve BESS installations over an 80 kWh threshold. But while the report acknowledges the overlap between the first and third "market segments" and "back[ed] out this figure from the total as to not double count it," the report does not acknowledge or account for a similar overlap between the first and second segments. (Beacon Report, p. 18.)

million in one year, 15.5 jobs “would not be supported”, and \$1.5 million in lost government tax revenue. (Beacon Report, p. 16.) As with the prior estimates, none of these factual assertions is supported in the record supplied to the Board.

And for reasons already discussed, the report’s assumptions about labor costs, “indirect” and “induced” impacts, and tax revenues are all equally unsupported and unreasonable.

The Estimates About “Dual License holders (contractors who have a C-46 and C-10, and do not [have] an A or B) who install retrofits, and BESS systems over 80 kWh” Are Speculative and Wrong

The report describes the “fourth market segment” impacted by the proposed rule as “the retrofit and 80kWh+ solar and storage systems that are installed by dual license holders.” (Beacon Report, p. 17.) But as before, the report relies on incorrect legal conclusions, and on factual claims and assumptions that are unsupported and unreasonable.

The report assumes the proposed rule will require a shift in the labor workforce to certified electricians, resulting in a drop in demand amounting to an economic loss of \$19 million next year.³ (Beacon Report, p. 17.) It states, “[d]ual license holders . . . will need to employ certified electricians on their BESS and solar-plus-storage installations for work outside of the C-46 license.” (*Id.*, p. 4.) But the Labor Code already requires the employees of C-10 licensees that perform electrical work to be certified electricians. (Labor Code, §§ 108, 108.2.) The proposed rule makes no changes in this regard.

The report’s analysis of this “market segment” also suffers from the same defects as with the other sections of the report. It asserts, without supporting evidence, that this market totaled \$67.5 million last year, speculates that it will grow 53% and, as a result, jumps to the conclusions that the proposed rule will result in a negative economic impact of \$19 million in one year, a loss of 38 jobs, and \$3.6 million in lost tax revenue. (Beacon Report, p. 17.) But none of these factual assertions is supported in the record, and all of the assumptions about labor costs, “indirect” and “induced” impacts, and tax revenues are unsupported and unreasonable, for reasons already discussed.

The Estimates About Environmental Impacts Are Equally Speculative and Wrong

The report asserts the proposed rule “will have adverse effects on the environment as well,” but its conclusions are drawn “from aggregating each of the economic losses of each of the four market segments noted above.” (Beacon Report, p. 19.) Consequently,

³ Even the basic math here is confusing. The report first estimates that absent the proposed rule, the market at the end of 2024 would be valued at \$153 million per year. (Beacon Report, p. 17.) Then the report claims the proposed rule would cause the estimated value in 2024 to decrease, “closer to \$146.2M, about \$11.7M lower than it would otherwise.” (*Ibid.*) The difference between \$153 million and \$146.2 million is \$6.8 million, not \$11.7 million, and the report offers no explanation for the discrepancy, but it uses \$11.7 million as the starting point for its other erroneous factual claims. (See *ibid.*)

the report's environmental conclusions are as flawed as its economic impact conclusions and the Board gives them no weight.

The Report's Estimates About Effects on Small Business are Speculative and Unsupported

The report estimates 86⁴ out of 472 (18%) C-46 contractors qualify as small businesses, and over the last five years they installed 91 projects “that they will no longer be able to install due to the rule’s prohibition on repairing or maintaining BESS. They have also installed 16 battery retrofit projects, which would be prohibited under the new rule.” (Beacon Report, p. 21.) The report further asserts that these companies installed 4,000 solar PV systems that would not be affected by the proposed rule. (*Ibid.*) In other words, according to the report, 2.6% of these companies’ projects over a five-year period would have been impacted by the proposed rule. And the report claims that these impacted projects amounted to \$6.6 million in revenue that “they will no longer be able [to] take” under the proposed rule.⁵

The report’s conclusions are flawed for the same reasons as its prior analysis. It wrongly concludes that the rule would ban C-46 contractors from all BESS work, even though the proposed rule expressly permits them to perform BESS installations within an 80-kWh threshold. (Beacon Report, p. 21 [noting the “projects that they will no longer be able to install due to the rule’s prohibition on repairing or maintaining BESS”].) Moreover, while the report concludes there are 86 affected small businesses, it does not include any information about the size of their BESS projects, so the Board is unable to evaluate what percentage of the total projects would potentially be excluded as over the proposed 80 kWh threshold. And the report speculates about key revenue information needed to evaluate whether the identified contractors even qualify as small businesses pursuant to Government Code section 11342.610. (Beacon Report, p. 21 [noting the speculative nature of the report’s revenue estimates].)

But even if the report accurately assessed the impact on 86 businesses over a five-year period, a 2.6% impact on projects performed by 18% of C-46 licensees is not a significant impact, and not a significant statewide adverse impact on businesses overall. This is also consistent with the Board’s preliminary determination that small businesses “may be impacted” by the proposed rule, and its initial finding that the proposed rule would not have a significant statewide adverse economic impact directly affecting business.

Conclusion (re: Beacon Report, cited by/included with CalSSA Comment Letter)

⁴ Without explanation, the report identifies both 86 and 82 purportedly-impacted small businesses and then it concludes, “it seems safe to assume that over 80 small businesses will be directly impacted” (Beacon Report, p. 21.)

⁵ Curiously, the report fails to include the value of the 4,000 projects that would not be impacted, so it is not possible to compare the relationship between the \$6.6 million in revenue these companies purportedly made on 107 projects that included BESS, with the revenue they made in connection with 4,000 projects that did not.

For the foregoing reasons, the Board gives no weight to the Beacon report for purposes of the proposed rule.

CalSSA Comment Five: The commenter outlined requirements to become a certified electrician in California. (CalSSA Comment Letter, pp. 6-8.)

Response to CalSSA Comment Five: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. This is not a comment related to the rulemaking that requires a response.

CalSSA Comment Six: The commenter proposed an alternative regulation that would identify BESS as a component of a solar energy system. The commenter stated that this “is consistent with established usage and procedures in the solar contractor industry” and “is consistent with established law and code.” (CalSSA Comment Letter, pp. 9-10.)

Response to CalSSA Comment Six: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment One. As explained in the Initial Statement of Reasons, PV systems and BESS can be complementary electrical systems, but they are factually and legally distinct systems. Characterizing a BESS as a component of a solar PV system is inconsistent with the building codes, including the state Electrical Code, which governs their installation and treats them as distinct electrical systems, and it would improperly conflate two different systems into one. The commenter’s proposed change would also expand the scope of the C-46 classification to include licensed BESS work when it is currently not part of the classification, while the proposed rule, on the other hand, preserves the limited scope of the existing classification. That the Civil Code or Revenue and Taxation Code might, for purposes of those codes, define “solar energy system” or “Active solar energy system” differently than the proposed rule is immaterial. Neither of those codes purports to define the scope of the C-46 contractor classification.

CalSSA Comment Seven: In support of the commenter’s alternative regulation, the commenter noted that C-46 licensees “have long performed Battery work as a core part of their scope of work,” unidentified subject matter experts concluded that Batteries are included within the classification scope, and including Batteries within the scope of the classification avoids harm to businesses and consumers. (CalSSA Comment Letter, pp. 10-11.)

Response to CalSSA Comment Seven: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment One regarding the current scope of the classification. The C-46 classification regulation permits contractors to install BESS in tandem with a solar PV system installation when needed for the installation of the PV system, and undoubtedly, C-46 contractors installed BESS pursuant to this authority. The installation of BESS is not otherwise permitted under the current regulation, and the interpretation of regulations is a question of law. It is not dependent on expert opinion testimony. The commenter does not explain how including batteries within the scope of

the classification would “avoid the harms to solar businesses and consumers,” and it is not evident why that would be the case. Additionally, to the extent the commenter is referring to the purported conclusions identified in the Beacon Report, those conclusions are speculative and wrong for the reasons stated in response to the CalSSA Comment Letter, Comment Four.

CalSSA Comment Eight: The commenter proposes to increase the threshold at which a C-46 contractor may no longer perform BESS work from 80 kWh to 280 kWh, on the grounds that there are no additional safety risks with a higher threshold. (CalSSA, pp. 11-12.)

Response to CalSSA Comment Eight: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Initial Statement of Reasons noted that C-46 contractors primarily install BESS at residences and in sizes far smaller than 80 kWhs. Indeed, residences typically have no need for BESS greater than 80 kWh, and the average residential BESS capacity in California was between 16.3 and 18.36 kWh. The average capacity for nonresidential installations, on the other hand, was between 246.4 and 351 kWh, much closer to the commenter’s proposed 280 kWh threshold. BESS installations exceeding 80 kWh will more likely be found in nonresidential settings that require connections, upgrades, or changes to main electrical service panels that exceed the skills of the C-46 contractor classification.

Additionally, as stated in the Initial Statement of Reasons, 80 kWh is the maximum capacity BESS allowed in one location in the Residential Code, and in specified residential occupancies in the Fire Code, within garages and detached accessory structures, on exterior walls, or outdoors on the grounds. (Cal. Residential Code, CCR, tit. 224, Part 2.5, Section R328.5; Cal. Fire Code, CCR, tit. 24, Part 9, Section 1207.11.4.) Installations above this threshold are subject to more rigorous safety standards because they present greater risks.

Additionally, the California Court of Appeal recognized important public safety reasons for having certified electricians perform electrical work required under the Labor Code, which is only required of those working for C-10 contractors: “competency standards are required for electricians because improper wiring is dangerous and raises concerns of public safety.” (*Alameda County Joint Apprenticeship & Training Comm.*, *supra*, 186 Cal.App.4th at p. 192.) “Requiring certified electricians to perform dangerous tasks inures to the safety and benefit of those who work on public projects as well as of those persons who will ultimately use and occupy them.” (*Id.* at p. 196, emphasis added.) And the UC Berkeley Report recognized that there are “hazards and risks associated with BESS [that] are significantly different than PV systems” (UC Berkeley Report, p. 75.) Additionally, because C-46 contractors install “only a tiny percentage of BESS projects . . . a significant safety record for these contractors simply does not exist.” (*Ibid.*) Safety concerns led the UC Berkeley Report to recommend the Board restrict C-46 contractors from installing BESS: since “in California certified electricians working under a C-10 contractor have significantly greater documented regulatory requirements for knowledge, skills, and training to safely perform electrical work and BESS

installations, the CSLB can best ensure safety by requiring the C-10 license for all BESS installations.” (*Ibid.*) For these reasons, the Board rejects the claim that there are no additional safety risks by permitting C-46 contractors to install BESS at greater thresholds.

The comment also fails to acknowledge the constellation of other factors that necessitate the proposed rule, including, among others: (1) that C-46 contractors typically perform installations within an 80 kWh threshold commonly found in the residential market, where there is usually no need for BESS in excess of 80 kWh; (2) preserving distinctions between C-10 and C-46 contractors and their respective workforces; (3) public safety concerns with having unlicensed or qualified individuals connect electrical devices; (4) establishing clear standards to aid in enforcement; and, (5) binding California appellate authority that provides, “[s]o long as classification occurs in a manner consistent with established usage in the industry, the Board has the power to amend classifications as it sees fit.” (*Davies v. CSLB* (1978) 79 Cal.App.3d 940, 949, emphasis added.)

CalSSA Comment Nine: The commenter proposes to increase the threshold at which a C-46 contractor may no longer perform BESS work from 80 kWh to 280 kWh, on the grounds that C-46 contractors are trained and experienced in larger battery installations. (CalSSA Comment Letter, pp. 12-13.)

Response to CalSSA Comment Nine: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Eight. Additionally, the Board’s June 3, 2022, Staff Report at page 9 noted the electrical training differences between C-10 and C-46, as did the UC Berkeley Report. (See UC Berkeley Report, p. 71 [“the C-10 exam clearly covers a broader scope of electrical work than the C-46”].) The Board’s report noted concerns with C-46 contractors installing BESS at higher thresholds than 80 kWh. (June 3, 2022, Staff Report, p. 11.) Additionally, the UC Berkeley report noted the significantly different risk profiles between C-10 and C-46 workers: that certified electricians possess certain proficiencies to evaluate the risk of electrical shock and arc flash, but “there is no comparable standard to ensure that C-46 workers can demonstrate such proficiency.” (UC Berkeley Report, p. 73.) “No such review of the C-46 (no C-10) electrical workforce is possible since there is no comparable skill standard, and therefore we cannot confidently classify these workers as ‘qualified personnel.’” (*Id.* at p. 11.) Likewise, “California has no requirements for certification for solar workers. There is no accredited solar-specific installer apprenticeship program No experience and no exam are required in California for workers to install a BESS in conjunction with a solar installation.” (*Id.* at p. 72.) Thus, while there is evidence of safety concerns in permitting C-46 contractors and their uncertified workers to install BESS at any level, the Board also noted in its June 3, 2022, report that it was “reasonable to infer that if a contractor is licensed to make electrical connections to a solar system through meeting the minimum standards of C-46 or C-10 licensure, such as by taking the CSLB license examination, they have the skill and ability needed to make electrical connections required for smaller BESS installations within an 80 kWh threshold when paired to solar

PV system[s], and that those activities alone would not create greater risk to building occupants or consumers.” (June 3, 2022, Staff Report, p. 9.)

CalSSA Comment Ten: The commenter proposes to increase the threshold at which a C-46 contractor may no longer perform BESS work from 80 kWh to 280 kWh, on the grounds 280 kWh is reflected in the Fire Code. (CalSSA Comment Letter, p. 13.)

Response to CalSSA Comment Ten: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Fire Code provides that 280 kWh is the total aggregate capacity for energy storage systems at residences when all four structure types are utilized. (Cal. Fire Code, CCR, tit. 24, Part 9, Section 1207.11.4.) A maximum of 40 kWh is permitted for utility closets and spaces, 80 kWh for garages or accessory structures, 80 kWh for exterior walls, and 80 kWh outdoors on the ground. (*Ibid.*) Installations above these thresholds are subject to more rigorous safety standards because they present greater risks. (See *ibid.*) While it is theoretically conceivable that a residence might aggregate all four structures at the maximum capacity allowable without additional safety standards, it is unlikely, and the typical residential installation in California is far smaller than 80 kWh. The comment also fails to account for this and the constellation of other factors that merit an 80 kWh threshold.

CalSSA Comment Eleven: The commenter proposes to expressly allow “retrofits” to “protect customer warranties and allow contractors to honor them.” (CalSSA Comment Letter, pp. 2 [“The proposed rule . . . eviscerates customer warranties”], 14.)

Response to CalSSA Comment Eleven: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment Letter, Comment One. The proposed rule will have no impact on the ability of C-46 contractors to install BESS on previously installed PV systems (i.e., retrofit). This practice is presently not authorized, and the proposed rule preserves the classification limitation. Since no changes are being proposed to this practice, the Board declines to expand the scope of the C-46 contractor to permit work that is currently not permitted.

The commenter does not explain how the proposed rule would “eviscerate” customer warranties, and the Board declines to speculate on the possible legal impact to unidentified contracts. (*Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 [“Speculation or conjecture alone is not substantial evidence”].) Moreover, the few and incomplete examples provided do not support the claim.

The commenter points to a letter from Wendel Rosen, which asserts without any supporting evidence, that manufacturer “warranties routinely exclude damage caused by modifications made by contractors they have not certified to work on their product” and “[c]ontractor warranties exclude coverage for modifications made by others.” (Wendel Rosen letter to Fogt, CSLB Registrar (Nov. 4, 2019) at pp. 8-9, attached as Attachment B to Exhibit C of the commenter’s letter.) But no examples of manufacturer

warranties were supplied by the commenter, and the Board declines to speculate or draw legal conclusions about the content of omitted contracts. And it is not evident from the conclusory descriptions provided that such warranties would be affected in any event.

Separately, Exhibit C to the commenter’s letter is a letter from Shute, Mihaly & Weinberger, LLP, and it similarly asserts that, “[b]ecause the warranty on [solar] panels typically requires the installing contractor to maintain and/or complete additional work on the system, customers desiring a storage retrofit may decide not to proceed under the proposed regulation.” (Shute, Mihaly & Weinberger, LLP, letter to Fogt, CSLB Registrar (Nov. 3, 2022) at p. 7.) As explained, C-46 contractors may not retrofit previously installed PV systems with BESS under the current classification, a restriction the proposed rule would preserve. Consequently, the proposed rule would not affect existing warranties.

The letter purports to include as Attachment A three samples of such customer contract warranties. The samples appear to be incomplete excerpts of longer contracts, and the Board cannot determine from the excerpts what type of project was covered by the contract, nor can it meaningfully evaluate a contract without its full terms. Indeed, the first sample (“Sample 1”) includes multiple paragraphs numbered 11, so it is not even clear if the three-page sample is drawn from a single contract or multiple separate contracts. In all events, even with the incomplete excerpts provided, no customer warranties would be “eviscerate[d]” by the proposed rule.

The first sample (“Sample 1”) relating to Aztec Solar at paragraph 13 provides a 10-year warranty on the installation of the project. Aztec Solar is not solely classified as a C-46 contractor, and the commenter fails to explain why the contractor could not perform work under an alternative license classification. Nonetheless, the contract at paragraph 12 notes that Aztec Solar “shall perform its obligations under this Agreement in accordance with . . . (ii) all applicable laws . . .,” and at paragraph 10, it expressly permits Aztec Solar to use contractors and subcontractors to perform its obligations under the contract: “Aztec shall be permitted to use contractors and subcontractors to perform its obligations under this Agreement at its sole discretion.” The contract excerpt at paragraph 11 (the second paragraph 11) restricts system modifications or repairs to Aztec Solar, Inc.

As noted, the contract expressly permits Aztec Solar to authorize others, as necessary, to perform its contract obligations, so even assuming Aztec Solar was somehow prohibited from performing contract work (something that is not clear), the contractor could permit others to do so. Moreover, even assuming the contract prohibits anyone other than Aztec Solar from adding a BESS to a previously installed PV system, that would be a contract limitation on the named contractor, not their license classification. And last, as explained, current law prohibits C-46 contractors from retrofitting PV systems with BESS, and the proposed rule would, consequently, have no impact on this contract warranty.

The second contract excerpt sample (“Sample 2”) does not address adding a BESS to an installed system, nor does it prohibit other contractors from performing repairs on the installed solar system. And it also involves a contractor that is not solely classified as a C-46 contractor, but which also holds C-10 and General B license classifications.

The excerpt states that the contractor provides a 10-year warranty on its installation and “will provide the labor to repair or replace generating system components that are under the manufacturer’s warranty,” which the contract explains includes “the solar energy system panels and inverters.” The contract excerpt also states that if the customer does not allow the contractor the opportunity to make repairs, the contractor is not responsible for the warranty.

Thus, the contract excerpt does not at all discuss additions to existing PV systems to install a BESS, nor does it require customers to use the installing contractor to make such additions. It governs labor and repairs on solar panels and inverters. But even if the excerpt somehow broadly restricted modifications to the installing contractor (it does not), nothing in the one-page excerpt prohibits the contractor from allowing another appropriately licensed contractor to perform the modification or repair work. And indeed, since this particular contractor holds C-10 and General B license classifications, it would presumably be appropriately licensed to perform such work in any event. As with the first sample, the proposed rule would have no impact on this contract warranty.

The last contract excerpt sample (“Sample 3”) appears to involve a PV system and BESS installation contract. The excerpt refers to the contractor as “CES,” but since only a limited excerpt was provided, it’s not clear which contractor is referenced in the document. In all events, no entity actively licensed by the Board under the name “CES” currently holds a C-46 classification. Thus, the excerpt does not support the commenter’s claim.

Moreover, the excerpt states at paragraph 28 that “[b]attery storage components . . . are warranted by the manufacturers, and [the contractor] will provide warranty service based on current manufacturer policies. . . . Contractor will also be the warranty administrator for such manufacturer warranties and as such it will, on a reasonable basis, provide a first line of support on any manufacturer warranty claims.” The contract also states in paragraph 28.3 that the warranty excludes any repair or replacement “not provided or specifically authorized in writing by Contractor,” and it excludes “damages caused by . . . modification or removal by anyone other than Contractor or authorized Contractor representative.”

As with the prior samples, the scope of the warranty is unclear, since it is based on unidentified manufacturer policies. But even if this contract was executed by a licensee holding only the C-46 classification, the contract excerpt permits the contractor to authorize others to perform warranty repairs or other modifications, even if the contractor does not itself perform services. Thus, the contract warranty would remain enforceable under the proposed rule.

In sum, the commenter points to no reliable evidence that the proposed rule will “eviscerate” warranties, and to the contrary, it would be compatible with the few warranty excerpts provided. The Board declines to speculate otherwise about the rule’s possible effects.

CalSSA Comment Twelve: The commenter proposes to extend the proposed rule’s effective date by four years. (CalSSA Comment Letter, p. 14.)

Response to CalSSA Comment Twelve: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Board declines to extend the proposed rule’s effective date by four years. As explained in the initial statement of reasons, C-46 contractors perform only a small share of the overall BESS installations, and from that small share, the typical projects they perform are at kWh capacities much lower than 80 kWh. As a result, the Board expects that C-46 contractors will continue to be able to install BESS even after the proposed rule is adopted. Additionally, as reported in the initial statement of reasons, “[t]here is no evidence to suggest that workforce availability will limit the growth of BESS installations if CSLB were to restrict or exclude sole license C-46 contractors since C-10 vastly outnumber C-46 contractors both in general and specifically in their participation in BESS projects.” (Quoting UC Berkeley Report, pp. 81, 90, 96.) Accordingly, the Board declines the suggestion to adopt a lengthy delayed implementation date.

3. Letter, Shute, Mihaly & Weinberger, LLP, on behalf of the California Solar and Storage Association, dated August 3, 2023

Summary: The letter makes the following comments (identified below as one through eight) and is herein referred to as the “Shute CEQA Comment Letter”.

Shute CEQA Comment One: The commenter asserts that the proposed rule is a “project” within the meaning of the California Environmental Quality Act (CEQA) because “the CSLB’s prohibition of retrofits by C-46 contractors will impede the installation of BESS on thousands of existing PV systems, as well as retrofits on PV-only systems installed by C-46 contractors in the future.” (Shute CEQA Comment Letter, p. 3.)

Response to Shute CEQA Comment One: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

The commenter’s legal conclusion that the proposed rule would newly prohibit “retrofits” is erroneous, because C-46 contractors are presently prohibited from retrofitting pre-existing solar PV systems with BESS. See response to Shute APA Comment Letter, Comment One. Thus, the proposed rule will have no impact on whether C-46 contractors may install BESS to pre-existing PV systems. They may not under existing law, and the proposed rule preserves the classification restriction. Consequently, the proposed rule could have no reasonably foreseeable environmental impact due to retrofitting because the proposed rule would not change the law in that regard.

Shute CEQA Comment Two: The commenter asserts that the proposed rule is not exempt from CEQA’s environmental review because the commenter presented a reasonable argument based on “myriad evidence” that the proposed rule will decrease the installation of BESS, thereby increasing reliance on fossil fuels. (Shute CEQA Comment Letter, p. 4.)

Response to Shute CEQA Comment Two: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Board examined the record evidence and believes that even if the proposed rule were considered a project (it is not), the Board’s invocation of the exemption here is appropriate. (See *Muzzy Ranch Co. v. Solano County Airport Land Use Commn.* (2007) 41 Cal.4th 372, 387.) The proposed rule would make no change to the existing prohibition on retrofitting and, consequently, the common sense exemption clearly applies. (See *id.* at p. 389 [exemption applied where new land use plan merely embraced pre-existing land use restrictions].)

Additionally, the Board engaged in extensive factfinding in advance of preparing the notice of the proposed rulemaking action, and as explained at pages 23-26 of the Initial Statement of Reasons, the factual and legal predicates for the commenter’s conclusion that the proposed rule may have a significant environmental effect are speculative and wrong. And no new evidence introduced during the rulemaking alters that conclusion. To the extent the commenter claims the Beacon Report now supports their claim, see response to CalSSA Comment Four. To the extent the commenter claims that other public comments, including those attached as Exhibit B to the CalSSA Comment Letter, support their claim, see response to Shute CEQA Comment Letter, Comment Three.

Shute CEQA Comment Three: The commenter asserts that the Board’s evaluation “relies on the wrong baseline” because even if C-46 contractors violate current classification restrictions, they “have been and are in fact retrofitting existing PV systems with BESS,” and the proper baseline must reflect that C-46 contractors are installing a substantial and substantially increasing number of BESS retrofits. (Shute CEQA Comment Letter, pp. 4-7, citing the Beacon Report, p. 14.)

Response to Shute CEQA Comment Three: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. Contrary to the comment, there is no basis for the Board to conclude that C-46 contractors are flouting the law in substantial numbers and “installing a substantial and substantially increasing number of BESS retrofits.” (Shute CEQA Comment Letter, p. 7.) See response to CalSSA Comment Four regarding the Beacon Report.

An industry association separately asserted that since 2018, C-46 contractors installed 1,347 retrofits, but there is no indication from where that figure was derived or what it purports to represent. (CalSSA Comment Letter, p. 9; Shute APA Comment Letter, p. 9; see *Davidson Homes v. City of San Jose* (1997) 54 Cal.App.4th 106, 117 [“[m]ere uncorroborated opinion or rumor does not constitute substantial evidence”].) And apart from these unsupported statements and figures, a few public commenters stated that their businesses installed small or unspecified numbers of retrofit projects. (See Irwin,

B. public comment letter, p. 2 [retrofits account for 10% of unspecified business]; Poelstra, K. public comment letter, p. 3 [noting an unspecified amount of retrofit work]; Stimmler, M. public comment letter, p. 2 [noting nine retrofit projects in 2023].) These letters do not establish substantial and widespread noncompliance with the current C-46 classification restriction, nor do claims that three C-46 licensees (out of hundreds of C-46 licensees, and thousands of contractor licensees generally) performing unspecified and small numbers of retrofits support the commenter’s sweeping claim that C-46 contractors are installing “a substantial and substantially increasing number of BESS retrofits.” (Shute CEQA Comment Letter, p. 7.) And substantial evidence supports the Board’s conclusion that C-46 contractors perform a “tiny” fraction of all BESS projects. See Response to Shute APA Comment Two. The Board used the right baseline.

Shute CEQA Comment Four: The commenter asserted that the Board must perform a more detailed CEQA review of the proposed rule because it is a project that is not exempt. (Shute CEQA Comment Letter, pp. 7-8.)

Response to Shute CEQA Comment Four: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See responses to Shute CEQA Comment Letter, Comments One through Four, finding the proposed rule is not a project or, alternatively, is exempt. Thus, further CEQA review is not required.

Shute CEQA Comment Five: The commenter asserted the proposed rule will reduce BESS installations by (1) preventing C-46 contractors from retrofitting existing PV systems with BESS because system warranties would be legally “voided” if they did so, according to an industry-retained economic evaluation; (2) increasing cost and lowering demand for retrofits; and (3) frustrating service warranties by prohibiting C-46 contractors from maintain and repairing BESS. (Shute CEQA Comment Letter, pp. 8-9.)

Response to Shute CEQA Comment Five: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment Letter, Comment One regarding retrofitting, and Comment Twenty regarding warranties. See response to CalSSA Comment Letter, Comment Eleven regarding warranties, and Comment Four regarding the Beacon Report.

Shute CEQA Comment Six: The commenter states that aspirational statements in the initial statement of reasons about clean energy and carbon reduction are concessions and evidence that the proposed rule may cause significant environmental impacts. (Shute CEQA Comment Letter, p. 9.)

Response to Shute CEQA Comment Six: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. Generic, aspirational statements about the value of clean energy are not evidence or concessions of causality between the proposed amendment of a license classification regulation and any potential environmental impacts. To the extent they may be misinterpreted that way, the Board clarifies that was not its intent.

Shute CEQA Comment Seven: The commenter states that the Beacon Report concluded “roughly 8.3 million additional pounds of CO2 would be emitted in 2024 as a result of the resulting reduction in storage capacity,” and “preventing the installation of BESS that would otherwise have been installed . . . will increase . . . the emission of CO2 and other pollutants . . . [and] will create numerous CEQA impacts.” (Shute CEQA Comment Letter, pp. 10, 12-15.)

Response to Shute CEQA Comment Seven: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Four regarding the flawed and unconvincing Beacon Report, and response to Shute CEQA Comment Five.

Shute CEQA Comment Eight: The commenter states that the Board must consider the industry alternative to permit BESS installations up to 280 kWh. (Shute CEQA Comment Letter, p. 15.)

Response to Shute CEQA Comment Eight: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to CalSSA Comment Three.

Summaries of Written Comments Received During 45-Day Comment Period

Below, the Board summarizes and responds to 14 comments that are not from a template/form letter, provides one summary and response of 61 comments from a single template/form letter, and provides one summary and response of 328 comments from a second single template/form letter, all received during the 45-day comment period.

1. Anita Bradbury, CEO, Simply Solar, C-46, C-10 Contractor, written comments dated August 2, 2023

Comment Summary: The commenter states that the proposed rule would prevent solar contractors with only a C-46 license from installing BESS over 80kWh, retrofitting existing PV systems to add BESS, or doing repair and maintenance work on past BESS installations and will have a devastating impact on C-46 license holders and small businesses like the commenter’s. The commenter is concerned about no longer being allowed to retrofit BESS or do any maintenance work on batteries. The commenter states that there is an increasing demand for batteries and that the board’s rule would “completely undercut” the commenter’s ability to retrofit a PV with and maintain BESS and partner with companies whose batteries “fall in the 100-200kWh range,” and states there is no safety basis to the rule and that the rule is “economically harmful.” This comment was included as an exhibit to the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

Regarding the scope of the C-46 classification and retrofitting, see Response to Shute APA Comment One.

The commenter offered no empirical support for the anecdotal claim that demand for batteries or retrofits is increasing, or that the size of any such increase exceeds 80 kWh. (*Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 [“Speculation or conjecture alone is not substantial evidence”].) See Response to Shute APA Comment Two regarding business impacts. See also the Initial Statement of Reasons, pp. 21-22, noting that demand in the BESS industry is unlikely to change with a change in the scope of the C-46 license classification after a study of cost differentials between contractors with different licenses in California. See Response to Shute CEQA Comment Three regarding unspecified and small numbers of retrofits.

The Board disagrees there is no “safety basis” to the rule. See Responses to Shute APA Comment Three and Sixteen, and CalSSA Comments Eight, Nine, and Ten.

The Board also disagrees with the characterization of the proposed rule as “economically harmful.” As explained in the Initial Statement of Reasons, since the proposed rule permits C-46 contractors to continue installing BESS at sizes commonly found in the C-46 market, it will have no significant impact on businesses. See also Response to Shute APA Comments Four and Five, repeating the Board’s findings in the Initial Statement of Reasons and the UC Berkeley report that the proposed regulation will not have a significant statewide adverse economic impact directly affecting businesses, and response to Shute APA Comment Six explaining why the Board’s conclusion of no significant adverse impact to businesses is reasonable. See also Response to Shute APA Comment Seven regarding small businesses.

As to the commenter’s statement they would not be able to partner with companies whose batteries fall within the 100-200kWh range, the commenter holds C-10 and C-46 license classifications, and the C-10 classification is permitted to install batteries within that range.

2. Barry Cinnamon, CEO, Cinnamon Energy Systems, C-46, C-10, and B Contractor, written comment received August 3, 2023

Comment Summary: The commenter states that the proposed rule would harm the commenter’s business, harm consumers, and hinder growth of energy storage in California. The commenter states that commercial and industrial customers interested in BESS need a kWh threshold greater than 80 kWh. The commenter states there is pent-up demand for commercial and industrial customers and a manufacturing shortage and that for this reason the proposed rule should not limit the workforce. The commenter states that C-46 contractors with certifications from manufacturers are well-qualified to install BESS, that it is difficult to find certified electricians, and the proposed rule will limit the available workforce to certified electricians. This comment was included as an exhibit to the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

The Board disagrees that the proposed rule will “hinder growth” of energy storage in California. See Response to Shute APA Comment Three and CalSSA Comment Twelve regarding workforce availability. The Initial Statement of Reasons at pp. 21-22 cites the UC Berkeley Report’s study of whether a change in the scope of the C-46 license classification would have adverse impacts on the cost of BESS and whether it would impede the growth of the industry. The report found no significant savings in project costs with installations performed by C-46 contractors holding no other license class, whether performed by certified electricians or solar contractors, that the least expensive BESS installations are performed by contractors holding both a C-10 and C-46, and transition costs of precluding C-46 contractors from installing BESS outright (which the proposed rule does not do) would be minimal because of the small percentage of the market of BESS installations C-46 contractors perform in California. Additionally, there is no substantial evidence to suggest that workforce availability will limit the growth of BESS installations if CSLB were to preclude sole license C-46 contractors since C-10s vastly outnumber C-46 contractors both in general and specifically in their participation in BESS projects.

The commenter states the rule will hinder installations of commercial or industrial BESS at thresholds far above 80 kWh, but C-46 contractors primarily install BESS at residences and at sizes well within the 80 kWh threshold. Thus, the proposed rule will not significantly impact the purported commercial or industrial market that exceeds 80 kWh. See Response to CalSSA Comment Eight regarding the typical C-46 installation.

Regarding the different qualifications and risk profiles of C-46 and C-10 contractors and their workers, see Response to Shute APA Comments Three and Sixteen, and CalSSA Comments Eight and Nine. As the UC Berkeley Report noted, alternative certifications in the solar installation industry are insufficient because they are voluntary, not state required, and there is no accreditation for solar-specific installer apprenticeship or experience or examination requirement in California for workers to install a BESS in conjunction with a solar PV installation. (UC Berkeley Report, pp. 71-73.)

The Board notes that as a C-46, C-10 and B classification holder, the commenter would not be precluded under the proposed rule from installing BESS of any size in any application. See Response to Shute APA Comment Three regarding the analysis of business impact on contractors holding multiple license classifications, including C-10 and C-46 classifications.

3. Bob Irwin, Vice President, Solar Unlimited, C-46 Contractor, written comment received August 3, 2023

Comment Summary: The commenter recites the proposed rule and states it will have a harmful impact on C-46 license holders and small solar businesses like the commenter’s business. The commenter states there is an increased demand for retrofits and that the proposed rule will preclude commenter’s business from thousands of

potential jobs if the commenter cannot retrofit existing systems with BESS or maintain BESS the commenter has already installed. The commenter states that the proposed rule will damage customer relationships by requiring the commenter to refer previous customers to other contractors. The commenter states that the rule is not needed, that there is no justification to allow the C-46 to install a BESS at the same time as PV but not retrofit a PV with a BESS later on. The commenter states that there is no advantage to having a certified electrician with manufacturer training install a BESS compared to a C-46 with manufacturer training installing a BESS. The commenter encourages the Board to adopt the alternative proposed in the CalSSA Comment Letter. This comment was included as an exhibit in the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

With respect to the impact of the proposed rule on small businesses and the increased demand for retrofits, see the Response to Shute APA Comment One regarding the scope of the classification and retrofits and the Response to Anita Bradbury Comment above. The Board also notes only 17* commenters to this proposed rule out of the 63 who identified themselves as contractors have a C-46 and no C-10 or B license classification. This small number is reflective of the Board's statement in the Initial Statement of Reasons that there may be a small number of businesses who might be affected by the rule, and the impacted licensees are substantially less than the population of under 481 contractors with a C-46 and no other license class.

Regarding impacts on existing customer contracts, the commenter did not include any contracts, and the Board declines to speculate on possible impacts of unknown contracts. See also Responses to Shute APA Comments Eleven and Twenty and CalSSA Comment Eleven.

Regarding the need for the proposed rule, see Response to Shute APA Comment Thirteen. See also Responses to CalSSA Comments Seven, Eight and Nine regarding usage and procedure in the C-46 industry and CalSSA's alternative proposal.

Regarding the differences between C-46 and C-10 license classifications and their workforces, see the Response to Shute APA Comments Three and Sixteen, CalSSA Comments Eight and Nine, and the Response to Barry Cinnamon above.

**(The seventeen public commenters who hold a C-46 contractor license classification without a C-10 or B-General Contractor license classification are Bob Irwin (Solar Unlimited), Karin Poelstra (CleanTech Energy), Meghan Stimmler (SolarHut), Al Rich (ACR Solar), Pamela Garcia (Simmitri), Jeff Basch (Sierra Roofing and Solar), Jessica Nungaray (AMN Solar), Robert Gumm (B&B Solar), Andrew Campbell (Core Energy Group), Michael Ingram (Michael & Son Solar), Tyler Lic (Pivot Energy), Michael Davidson (SD County Solar), Jen Helms (Shade Power), Rolf Ridge (Solex), David Gyllenhammer (Solirvine), M Elliott Jessup (Symmetric Energy), Richard Vasquez (Vasco Solar)).*

4. Brandon Carlson, Applications Engineer for Manufacturer, C-10 Electrical Contractor, written comment received August 3, 2023

Comment Summary: The commenter states that the proposed rule risks constricting the field of licensed contractors when BESS demand is increasing. The commenter states the proposed rule forces a consumer to use a different contractor to install a BESS than a pure C-46 contractor who installs a PV system which raises liability questions and precludes the C-46 from maintaining (including maintaining software) the PV system they installed and questions whether this would violate the C-46 installer's warranty. The commenter states there are few C-10 contractors who specialize in residential energy storage in rural areas. The commenter proposes two alternatives. First, the commenter proposes the Board take no action because if a C-46 contractor can show they have the skills, knowledge and safety training from the manufacturers to reduce risks associated with BESS, it meets national code definitions of "qualified persons" which should allowed them install BESS. Second, they propose the Board alter the proposed rule so that the same contractor who installs a PV system may install BESS, and also to provide that the kWh threshold would change up to 280 kWh depending on whether C-46 BESS installation meets the permitted individual unit requirements in a residence pursuant to the California Residential Code section R328.5 or apply Section 1207 of the California Fire Code if it exceeds it. This comment was included as an exhibit in the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See the Response to Anita Bradbury, above, with respect to comments about purported increasing demand.

Regarding the need for the proposed rule, see the Response to Shute APA Comment Thirteen.

With regard to the proposed rule forcing the selection of another contractor for retrofitting BESS, see the Response to CalSSA Comment One regarding the current scope of the C-46 classification. Regarding purported BESS maintenance to make software upgrades, such maintenance does not require contractor licensure and, consequently, the rulemaking does not affect this activity.

With respect to contract warranties, the commenter did not include any contracts and the Board declines to speculate on the possible legal impact to unidentified contracts. See also Responses to Shute APA Comment Eleven and Twenty and CalSSA Comment Eleven regarding warranties.

Regarding contractor availability, see the Response to Shute APA Comment Three and CalSSA Comment Twelve, as well as the UC Berkeley Report, pp. 11-12, 96, finding no adverse economic impacts in rural or commercial markets would result from precluding C-46 contractors from installing BESS entirely, which this rule does not do.

Regarding the differences between C-46 and C-10 license classifications and their workforces, see the Response to Shute APA Comments Three and Sixteen, CalSSA Comments Eight and Nine, and the Response to Barry Cinnamon above.

As to the commenter's first proposed alternative, to take no action, the Board declines to do nothing for the reasons cited in the Initial Statement of Reasons and the justification for the proposed rule described in Response to Shute APA Thirteen.

As to the commenter's second proposed alternative to raise the 80 kWh threshold to 280 kWh, the Board rejects the comment for the reasons stated in the Responses to CalSSA Comments Eight and Ten.

5. Damon Franz, Policy Manager, Tesla, C-46, C-10 Contractor, written comment received August 2, 2023

Comment Summary: The commenter explains that their business installs BESS of all sizes from small 5 kW systems to in excess of 100-megawatt grid-scale systems. The commenter explains that small, modular, "plug and play" BESS like the 13.5 kWh BESS from the commenter's company is installed under their C-46 license by well-trained employees through their manufacturer certification. The commenter is concerned that the proposal will impair the ability of C-46 contractors to continue serving customers who installed batteries in the past or who wish to add a battery to a PV system, and that this will hinder the state's goal of carbon neutrality by 2045. The commenter states the 80kWh threshold is too low and that Tesla and other contractors currently install BESS above 80kWh thresholds under the C-46 license and there is no increased risk of doing so. The commenter states that the proposal will impact small businesses who will have to hire certified electricians which will impose new labor requirements at a time when new PV systems paired with BESS will be more common. The commenter proposes an alternative that is substantially the same as the proposal in the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

Regarding impacts of the proposed rule in comparison to the existing classification regulation, see Response to Shute APA Comment One. The Board disagrees that modern small self-contained BESS products are properly characterized as "plug and play" devices, because of the risks associated with installing the products. (See UC Berkeley Report pp. 8, 40, 64, and 74 [noting that BESS are not "plug and play" devices, there are inherent hazards, and the variability of electrical systems to which BESS may be connected requires expert site evaluation].)

Regarding the need for an 80 kWh threshold and not a higher threshold, see Responses to Shute APA Comments Thirteen and Sixteen, and CalSSA Comments Seven, Eight, Nine, and Ten.

Regarding the different qualifications and risk profiles of C-46 and C-10 contractors and their workers, see Response to Shute APA Comments Three and Sixteen, CalSSA Comments Eight and Nine, and the Response to Barry Cinnamon, above.

As to the commenter's statement about the proposed rule hindering the state energy goal of carbon neutrality, the comment is not based on any empirical fact or argument that would enable the Board to meaningfully respond. (*Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 ["Speculation or conjecture alone is not substantial evidence"].)

Regarding the proposed rule's effects on contractors with multiple classifications and labor impacts, see Response to Shute APA Comment Three.

6. Dan Kammen, Co-Chair, Roundtable on Climate and Environmental Justice, University of California Berkeley, and other qualifications, written comment received August 3, 2023

Comment Summary: The commenter states that the proposed rulemaking would prevent solar contractors with only a C-46 license from installing BESS over 80 kWh, retrofitting existing PV systems to add BESS, or doing maintenance or warranty work on BESS installations and will have a harmful impact on small solar businesses, their employees, customers, and the solar industry as a whole. The commenter states that the proposed rule is contrary to climate-change related laws or policies, citing eight by name. The commenter states that the demand for storage will continue to grow, including retrofits, and that the 80 kWh limit is unjustified and overly restrictive, and will harm lower income residents who cannot afford solar and storage who need shared community solar projects or solar and storage on multi-family housing. The commenter states that more contractors are needed to install larger storage systems for grid stability and that it is good policy to expand not decrease the pool of storage installers. The commenter states that prohibiting C-46 contractors who currently install and maintain BESS from doing this work will threaten jobs and slow the pace of storage installs. The commenter states it will not be easy for solar contractors to get a C-10 electrical license or for solar workers to become certified electricians. This comment was included as an exhibit in the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

See the response to Anita Bradbury and the response to Shute APA Comment Two regarding the unsupported claim of an increased demand for batteries.

Regarding the need for an 80 kWh threshold and not a higher threshold, see Responses to Shute APA Comment Thirteen and CalSSA Comments Seven, Eight, Nine, and Ten.

To the extent the commenter contends the proposed rule will harm low-income residents or other users residing in multifamily units more susceptible to BESS as part of a community solar arrangement, the Board disagrees. See the June Staff Report pp. 11-12 finding that multifamily properties are more likely to have power needs as high as 200 kw (or 540 kWh), and thereby do not encompass projects of the type primarily installed by C-46 contractors. See also the UC Berkeley Report, p. 19, establishing that the Self Generation Incentive Program, one of the two data sets supporting the UC Berkeley Report findings, prioritizes funding of projects for “communities living in higher fire-threat areas, communities that have experienced two or more utility public safety power shutoff events, as well as low income and medically vulnerable customers.” The SGIP dataset establishes that C-46 contractors primarily install BESS at 17.15 kWh and thus the proposed rule would not impact those projects.

The commenter asserts the proposed rule is contrary to assorted state policies but fails to explain how that is the case to enable the Board to provide a meaningful response. (*Davidson Homes v. City of San Jose* (1997) 54 Cal.App.4th 106, 117 “[m]ere uncorroborated opinion or rumor does not constitute substantial evidence”.)

Moreover, pages 20-22 of the Initial Statement of Reasons cited 11 different reasons why BESS installations will not decrease under the proposed rule, in areas of cost, workforce, contractor availability, BESS size installation data, projections about different changes to the C-46 license classification (including outright preclusion from installing BESS) and models about consumer demand, which empirically support the Board’s view and refute the commenter’s speculation about the rule’s impact. See Responses to Shute CEQA Comments One through Eight and also pages 22-26 of the Initial Statement of Reasons for a discussion of environmental impacts.

The proposed rule will not negatively impact jobs, existing business, and business expansion, and the commenter misconceives the impacts of the proposed rule because they misapprehend the scope of existing law and the proposed rule change. See Responses to Shute APA Comments One and Eight for an explanation of why the Board does not anticipate the creation of new businesses, the elimination of existing businesses, or business expansion based on the proposed rule.

7. Grid Alternatives, C-10, C-46, B-General Contractor, written comment received August 2, 2023

Comment Summary: The commenter is concerned that the proposed rule does not allow C-46 contractors to retrofit BESS to existing solar PV systems. The commenter states that the proposed rule affects thousands of low to moderate income Californians who have high resiliency needs as climate-changed fueled disasters become more frequent. The commenter states that requiring a C-10 for small storage retrofits would significantly slow down their ability to provide storage solutions to 14,000 low-income solar clients because of a shortage of certified electricians in the single-family market. The commenter states that allowing a retrofit is not very different than installing BESS at

the same time as a solar PV system up to 80 kWh. The commenter proposes an alternative that would allow the C-46 to add a BESS to a PV system (retrofit).

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See the Responses to Shute APA Comment One and Anita Bradbury regarding retrofits. Regarding the purported impacts to low-income communities, see the Response to Dan Kammen above.

Regarding workforce availability, see Responses to Shute APA Comment Three, CalSSA Comment Twelve, and the Barry Cinnamon Response.

Where the commenter proposes an alternative that would authorize “retrofits”, see the See Responses to CalSSA Comment Three, Six, Seven, Eight, Nine, Ten, Eleven, and Twelve for explanations of the Board’s rejections of the CalSSA Comment Letter alternatives. The Board declines at this time to expand the scope of the classification to include retrofitting BESS to previously installed PV systems, to preserve the existing classification scope, and because it did not specifically study the labor and economic impacts of expanding the classification to include this additional work that is not presently permitted in the classification. The Board may, however, be willing to consider such a change in a separate proposed rulemaking action. See also Response to CalSSA Comment Eleven.

8. Jeanine Cotter, CEO, Luminalt, C-46, C-10 Contractor, written comment received August 3, 2023

Comment Summary: The commenter states that the proposed rule would prevent solar contractors with only a C-46 license from installing BESS over 80 kWh, retrofitting existing PV systems to add BESS, or doing maintenance work on previously installed BESS, and that the rule will harm solar businesses and solar industry, and cause economic harm as well as harm to the commenter’s employees and customers. The commenter states they install solar and BESS systems and service manufacturer warranties and cites to different local and state programs that “ethically [bind]” the commenter to perform under the warranties. The commenter states that the proposed rulemaking will foreclose diverse career pathways by creating barriers for individuals whose life experiences precluded them from enrolling in apprenticeships. The commenter states that C-46 contractors are qualified to install BESS. The commenter comments on the training requirements of certified electricians and states that certified electricians do not work with BESS and should not be required to install BESS as a result. The commenter states that current employees of their business who install BESS over 80 kWh would be unable to do so under the proposed rule because only one of their current employees is a certified electrician. The comment details the challenges of replacing their workforce with certified electricians particularly that it is difficult to find certified electricians to hire. The commenter states that the 80 kWh limit for C-46 contractors is not based on documented safety considerations, and that the State Fire

Marshall has set the maximum energy rating for residential systems at 280 kWh. This comment was included as an exhibit in the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See Response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

See Response to Shute APA Comments Eleven and Twenty and CalSSA Comment Eleven regarding warranties.

As to the impact on businesses, see Response to CalSSA Comment Four and Response to Shute APA Comment Seven.

Regarding safety considerations, see Responses to CalSSA Comments Eight and Nine.

Regarding the different qualifications and risk profiles of C-46 and C-10 contractors and their workers, see Response to Shute APA Comments Three and Sixteen, and CalSSA Comments Eight and Nine. Regarding workforce availability, see Shute APA Comment Three, CalSSA Comment Twelve, and the Barry Cinnamon Comment.

Regarding impacts on contractors holding multiple license classifications, see Shute APA Comment Three.

Regarding the need for an 80 kWh threshold and not a higher threshold, see Responses to Shute APA Comments Thirteen and Sixteen, and CalSSA Comments Seven, Eight, Nine, and Ten.

9. Joseph Cruz, Executive Director, Laborers' International Union of North America (LIUNA), written comment received July 31, 2023

Comment Summary: The commenter states that they represent Laborers Union members throughout the state who work in the solar and renewable energy industry. The commenter questions the scope of the C-46 classification and states there are no safety concerns with permitting C-46 contractors to continue installing BESS. The commenter states there are underrepresented business costs and warranty issues with the proposed rule. The commenter states that it is not accurate that projects over 80 kWh would more typically tie into "three phase" electrical systems exceeding the skill of C-46 contractors. The commenter states there is no need for the 80 kWh threshold and proposes an alternative 1 million kWh threshold that is purportedly more in line with industry standards. The commenter also proposes to expand the classification to permit BESS retrofits.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See Response to Shute APA Comment One as well as the Response to Anita Bradbury about the scope of the C-46 classification and true impacts of the proposed rule.

Regarding safety considerations and the different qualifications and risk profiles of C-46 and C-10 contractors and their workers, see Response to Shute APA Comments Three, Eleven, and Sixteen, and CalSSA Comments Eight, Nine, and Ten. Additionally, that there have been few documented injuries from faulty installations would support, not undermine, the Board's view to maintain the status quo, by allowing C-46 contractors to continue installing BESS at thresholds within 80 kWh, where they typically install BESS. Where the commenter states that most of the BESS installations performed in California are done by a C-46 contractor, the comment is unsupported and contrary to empirical evidence in the record that C-46 contractors perform a "tiny percentage of BESS projects". (UC Berkeley Report, p. 75; *Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 ["Speculation or conjecture alone is not substantial evidence"].) See Response to Shute APA Comment Two, noting that C-46 contractors install between 4.6% and 6.4% of all BESS projects.

The commenter claims that C-46 contractors routinely tie in to more complicated "three phase" electrical systems, but the commenter does not provide additional information about whether these installations are by contractors who also hold a C-10. Moreover, three phase electrical systems are more common at nonresidential applications at kWh thresholds higher than the 80 kWh, and C-46 contractors primarily install BESS at a kWh thresholds far lower than 80 kWh.

The Board's June 3, 2022 staff report also noted that work on larger electrical systems typically exceed the knowledge and skill of a C-46 contractor, as well as the differences in the Board's license classification examinations as it relates to examination questions on solar PV installation versus connections of electrical devices, and the difference in electrical theory and knowledge required for installations of BESS over a certain size compared to the installation of PV systems. The Board's June 3, 2022 staff report at page 9 also noted the electrical training differences between C-10 and C-46, as did the UC Berkeley Report, and the Board's staff report also noted the concerns with C-46 contractors installing BESS at thresholds higher than 80kWh. These differences support the distinction drawn here by the Board.

See the Board's Response to Shute APA Comments Four and Eight and Anita Bradbury regarding business impacts.

See Responses to Shute APA Comments Eleven and Twenty and CalSSA Comment Eleven regarding warranty impacts.

Regarding the need for an 80 kWh threshold and not a higher threshold, see Responses to Shute APA Comments Thirteen and Sixteen, and CalSSA Comments Six through Twelve.

**10. Karin Poelstra, VP, CleanTech Energy Solutions Inc., C-46 Contractor,
written comment received August 3, 2023**

Comment Summary: The commenter states that the rule would prevent solar contractors with C-46 licenses from installing BESS over 80 kWh or retrofitting existing PV systems to add BESS and will have a devastating economic impact on C-46 license holders and small solar business owners like the commenter. The commenter states there is no justification for the proposed rule since there are no examples of C-46 contractors causing safety incidents. The commenter states that the authorization of a C-46 installing BESS at the same time as a PV but not allowing retrofits or maintenance of BESS does not make sense. The commenter states that C-46 contractors are better qualified than certified electricians in determining how to size a battery to a solar system and that requiring certified electricians to perform retrofits will increase costs. The commenter states that the proposed rule would preclude the commenter from retrofitting BESS for past customers and preclude the commenter from obtaining new solar work. The commenter states that it will interfere with the commenter's ability to provide software updates and perform warranties which the commenter is required to provide. The Commenter recommends adoption of the alternative proposed by the CalSSA Comment letter. This comment was included as an exhibit in the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See Response to Shute APA Comment One as well as the Response to Anita Bradbury about the scope of the C-46 classification and true impacts of the proposed rule. The Board declines at this time to expand the scope of the classification to include retrofitting BESS to previously installed PV systems, to preserve the existing classification scope, and because it did not specifically study the labor and economic impacts of expanding the classification to include this additional work that is not presently permitted in the classification. The Board may, however, be willing to consider such a change in a separate proposed rulemaking action. Regarding purported BESS maintenance to make software upgrades, software upgrades do not require contractor licensure and, consequently, the rulemaking does not affect this activity.

Regarding safety considerations and the different qualifications and risk profiles of C-46 and C-10 contractors and their workers, see Response to Shute APA Comments Three, Eleven, and Sixteen, and CalSSA Comments Eight, Nine, and Ten.

See the Responses to Shute APA Comment Eleven and Twenty and CalSSA Comment Eleven regarding warranties.

Regarding the CalSSA proposal, see the Responses to CalSSA Comments Six through Twelve.

11. Lauren Nevitt, Senior Director, Public Policy, Sunrun; C-10, C-46, C-39, B-General Building Contractor, written comment received August 3, 2023

Comment Summary: The comment states that proposed regulations will impede the ability of solar contractors to perform their livelihoods, serve customers, and execute on the state’s energy goals, thereby hindering the growth of energy storage in California. The commenter states they are the nation’s leading home solar, battery storage, and energy services company that has close to 900,000 annual customers with thousands of workers in California. The commenter states that placing unnecessary limits on California contractors and the clean energy workforce will have unintended consequences. The commenter objects to the prohibition of a C-46 contractor to retrofit or repair a BESS and that the proposal would allow a contractor to use their C-46 to install a BESS under 80 kWh but require a C-10 to perform retrofit or repair of the BESS on the same system. The commenter proposes an alternative that would allow a C-46 to install or repair a BESS that is connected to a PV system.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

Regarding the need for the proposed rule, see Response to Shute APA Comment Thirteen.

Regarding the proposed alternative to permit retrofitting and modifications of BESS that require contractor licensure, the Board declines at this time to expand the scope of the classification, to preserve the existing classification scope, and because it did not specifically study the labor and economic impacts of expanding the classification to include additional work that is not presently permitted in the classification. The Board may, however, be willing to consider such a change in a separate proposed rulemaking action.

12. Martin Herzfeld, Contractor, C-46, C-10, C-7, D-31, D-56 licenses, Certified Master Trainer, and additional qualifications, written comments received June 16, 2023.

Summary of Comment: The commenter proposes as an alternative the addition of the words “for each location type” to the 80 kWh threshold in the proposed rule. The commenter also noted that the proposed definition for a battery energy storage system does not match precisely the definition of “energy storage system” in the 2022 California Electrical Code section 706.2 or the 2023 National Electrical Code Article 100.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

With regard to the commenter’s proposed alternative to specify that battery energy storage systems cannot exceed 80 kWh for each location type, the proposed alternative would add unnecessary uncertainty into the proposed rule in terms of the meaning of “location type”, and how many BESS of up to 80 kWh could be installed with a single PV

system if different BESS were installed at different parts of a structure. The current proposed rule is clear that a BESS installed with a PV system cannot exceed 80 kWh, irrespective of location.

Regarding the proposed definition of BESS, the Board agrees that it does not precisely match the definition of an Energy Storage System in the Electrical Code, but it does match the definitions in the Residential and Fire Codes, thereby establishing a common framework with the building codes and permitting contractor-installed systems to conform to the requirements of the building codes. (See e.g., Cal. Code Regs., tit. 24, Part 2.5, §§ R202, R328; Part 9, §§ 202, 1207.) And the proposed BESS definition fits within the meaning of Energy Storage Systems as defined in the Electrical Code, although the systems specified in the Electrical Code can also include storage systems other than battery systems. (See Cal Code Regs., tit. 24, Part 3, § 706.2 [“ESS(s) can include but is not limited to batteries . . .”].)

The Initial Statement of Reasons explains that the addition of the word “battery” to the term “energy storage” was to capture the self-contained, premanufactured products common in the residential and light commercial markets that are the focus of the proposed regulation. The Electrical Code’s definition of Energy Storage System includes both battery systems and other non-battery systems that are not the subject of this rulemaking action, such as flywheels and compressed air. (See Cal. Code Regs., tit. 24, Part 3, § 706.2.) The Board declines to include these additional technologies in the current definition as they have not been studied for their appropriateness for inclusion within the C-46 classification description.

13. Meghan Stimmler, Sales Executive, SolarHut LLC, C-46 Contractor, written comment received August 3, 2023

Comment Summary: The commenter states that the rule would prevent solar contractors with a C-46 license from installing BESS over 80 kWh or retrofitting existing PV systems to add BESS and will adversely impact C-46 license holders and small solar business owners. The commenter states there is a rapidly growing demand for retrofits and that 80% of the commenter’s eleven projects planned for 2023 are retrofits. The commenter states that California policies encourage the adoption of solar energy systems. The commenter states there is no basis for a rule allowing a C-46 to install BESS at the same time as PV but not retrofit a PV with a BESS. The commenter states that the proposal undermines C-46 contractors’ ability to offer maintenance and repairs for previous installations and that utility companies require contractors give a warranty on all equipment and installation and the proposed rule would prevent the commenter from fulfilling them. The commenter states that the rule would change the commenter’s workforce because they do not have certified electrician staff and that it is difficult to find electricians to install batteries. The commenter states that the proposed rule will require the commenter to replace their installation team with electricians. This comment was included as an exhibit to the CalSSA Comment Letter.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

See the Response Shute APA Comment Two and the Anita Bradbury Response regarding purported increased demand.

See the Responses to Shute APA Comment Eleven and Twenty and CalSSA Comment Eleven regarding warranties.

The commenter asserts that it would elect to replace its staff, but the commenter does not provide sufficient information for the Board to offer a meaningful response to this assertion.

14. Unidentified Commenter, C-46, C-10 Contractor; Email Received June 16, 2023

Summary of Comment: The commenter notes that the proposed rule does not reference off-grid installations and that statistics used to substantiate the Board's decision do not consider off-grid installations. The comment states there are no methods in place to verify or substantiate off-grid installations. The commenter states off-grid installations are how the industry started and that more people are going off grid. The commenter states that the Board is placing too much emphasis on grid-tied systems.

Response to Comment: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. The Board acknowledges that statewide databases do not focus on off-grid installations, but the available statewide data amply demonstrates that C-46 contactors install BESS well under the proposed 80 kWh threshold, and the available information presents a sufficiently representative sample statewide. (See Initial Statement of Reasons pp. 15-16.) The UC Berkely Report at pages 19-26 studied BESS paired with PV systems in California by reviewing data from the three major California utilities from two different data sets: 19,194 installations from the Self Generation Incentive Program and 13,073 installations from 2020 Interconnection data. The Board also acknowledged the existence of off-grid systems in the Initial Statement of Reasons at page 12 in explaining that it is one possible use of BESS paired with a PV system, but one of the main goals of the proposed rule is to bring uniformity to the C-46 classification, which it achieves for all systems.

15. Sixty-one (61) template/form letters from individuals who are contractors, consultants, designers, distributors, financiers, manufacturers, nonprofits, project developers, service providers, software developers, solar brokers, and unknown, written comments received between July 26, 2023 and August 3, 2023

Commenters (61): ACR Solar - Al C Rich; ADT Solar - Nakhia Crossley; Aeterna Energy - Ronald Harris; Aguillon Enterprises - Cecilia Aguillon; Altsys Solar Inc - Jack V

Ramsey; AMN Solar Corp - Jessica Nungaray; Aurora Solar - Sarah Kim; Aztec Solar - Edmond L Murray; B&B Solar - Robert Gumm; BayWare - Robert Wolff; Brighten Solar Co - Marine Schumann; Core Energy Group - Andrew Campbell; Diablo Solar Services - Bryan Raymond; Earth Electric - Sheryl Lane; EcoDirect, Inc - Renee Donaldson; First Response Solar - Dylan Mathias; Fortress Power - Unsigned; GoodLeap - Julia Pyper; Hot Purple Energy - Nate Otto; Infinity Energy - Bryson Solomon; JKB Energy - James K Brenda; Lumin - Stephen Linkous; Michael & Sun Solar - Michael Ingram; Natron Resources, inc - Jeffrey H Ansley; NeoVolta - Brent Wilson; O&M Solar Services - Ken Wells; OptionOneSolar - Scott Thomas; Pivot Energy - Tyler Lis; Planet Plan Sets - Jess Spies; PYCEM - Carlos Mejia; Quality Home Services - Mark Dorman; QuickBOLT - Michael Wiener; Raneri & Long Roofing and Solar - Richard Massey; Rise Energy - Paul Woodworth; SD County Solar - Michael Davidson; Shade Power - Jen Helms; Sierra Pacific Home & Comfort - Jason Hanson; Sierra Roofing and Solar - Jeff Basch; Simmitri - Pamela Garcia; Six Rivers Solar - Daniel Johnson; Solar Technologies - Jeff Parr; SolarCraft - Phil Alwitt; SolarInsure - Ara Agopian; Solex - Applied Solar Energy - Rolf J Ridge; Solirvine - David Gyllenhammer; Sun Light & Power - Gary T Gerber; SunFirst Solar - Aran Moore; Sungenia Solar Solutions - Michael Snell; Sunlight Solar - Jeff Carelli; Sunnova Energy International - Meghan Nutting; Sunpower - Patrick Sterns; Suntegrity Solar - Keith Kruetzfeldt; Sustaineo Construction - Dave Handman; Symmetric Energy - M Elliott Jessup; The Climate Center - Woody Hastings; Upstart Energy - Carol Cole-Lewis; Valley Solar Solutions - Todd Bauer; Valta Energy - Carolann Alt; Vasco Solar - Richard Vasquez; Wallace McQuat_Redacted; Yotta Energy - Andrew Tanner.

Comment Summary: The commenters assert the proposed regulation would harm their business, harm consumers, and hinder the growth of energy storage in California. The commenters describe their business in the solar industry and state that the proposed rule must be amended to protect businesses, allow growth of energy storage and protect consumers and warranties, and state that energy storage is a cornerstone to California's clean energy goals. The commenter recommends the alternative proposed by the CalSSA Comment Letter. Forty-four (44) of the sixty-one (61) commenters are licensed contractors. Fourteen (14) of the forty-four have a C-46 Solar classification without a B-General Contractor classification or C-10 Electrical contractor classification.

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

See the Response Shute APA Comment Two and the Anita Bradbury Response regarding purported increased demand.

See the Responses to Shute APA Comment Eleven and Twenty and CalSSA Comment Eleven regarding warranties.

Regarding the CalSSA proposal, see the Responses to CalSSA Comments Six through Twelve.

16. Three hundred and twenty-eight (328) template/form letters from individuals who identify themselves as consumers, written comments received between July 28 and August 3, 2023

Commenters (328): AJ Cho; Alan Crook; Alan Manewitz; Alan Ouye; Alec Patton; Alicia Gilbert; Amy Umpleby; Andre Ricaud; Andrew Partos; Anita Tenley; Ann and Michael Roggenbuck; Anne B Wright; Anne Lair; Anthony Quaglietta; Anthony Soule; Ara Agopian; Arch & Nelda McCulloch; Armen Balmanoukian; Armstrong Hong; Arthur Kung; Barbara Landy; Barbara Morton ; Barbara T Brunell; Barry C Lawrence; Berj Amir; Bertha Guzman; Beth Riedel; Beverly Joy-Kamo; Bill Hilton; Bill Kuni; Bill Woodbridge; Bob Delaney; Brad & Pei-Lin Van't Hul; Brad Hammett; Brandon Jones; Carl Yaeckel; Carol Haberberger; Carol Sionkowski; Carolyn Mahoney; Carolyn Whittle; Cary Hitsman; Casey McCarty; Catherine McGroarty; Cathy Espitia; Charlene M Woodcock; Chris and Ann Collins; Cliff McCarley; Clint Pettit; Colin deSouza; Connie Rohnman; Curtis Neil ; D N Steward; Daian Hennington; Dan Fruchtman; Danett Abbott-Wicker; Daniel Bell; Daniel Laframboise; Daniel Levin; Daniel Venzon; Daniel, Carolyn Rhoads; Darryl Whisnand; David and Susan Link; David F Hines; David Konell; David MacCallum; David Mautner; David Montijo; David Rose; David Rynerson; Debra Fredrickson; Deepak Sharma; Denise Adams; Dennis Kost; Devora Rossi; Diane Reed; Diane Seaman; Don Wood; Doug Garcia; Doug Mandel; Doug Thompson; Douglas R Ghiselin; Dr Andrew Hamilton; Dr Kendyl Magnuson; Edgar Gee; Edward Graf; Eileen Kortas; Eileen Mitro; Elinore E Lurie; Elizabeth and Robert Macomber; Ellen Pastemack; Enrique Kabahit; Erica Fielder; Erica Silverman and Linda Torn; Evan Elias; Frank Portillo; Fred and Emir Sundquist; Fred Fong; Frederick M Dominguez; Gary Miller; Gary Reece and Donna Maurillo; Gary Ross; Gary S Hurst; George and Kari Khoury; George D Cagley; George Galamba; George Grinsted; Gerard Cardillo; Gerry Heinan; Glenn Gallagher; Glenn H Martin; Gloria Dralla; Gopal Shanker; Greg Peters; Greg Peterson; Gregg Lichtenstein; Gregg Wrisley; Gregory Schultz; Guy Ball; Guy De Primo; Gwendolyn Shelton; Hal Childs; Harold Marcuse; Harvey Moskovitz; Helen Zimmermann; Hildy Meyers; Holly Sletteland & Doug Anderson; Howard Meister; Ira & Luanne Lansing; Irene C Cooke; Irene Lee; Isabel Storey; James Beddow; James C Breuner; James M Lyons; James Pearson; James Semick; Jana & Christopher Przebieda; Jane Bender; Jane Fehrenbacher; Jane L Peterson; Janet Weiss; Jay Knight; Jean Komatsu and Carlos de Luz; Jean Neill and Michael Votta; Jeff Jones; Jeff Wieser; Jeffrey Krumm; Jennifer Raymond; Jenny Wood; Jesse Kauppinen; Jim Colgan; Jo Anne Miller; Joe Veltri; John Downing; John F Arens; John Mason; John McLeod; John Weir; Jon Kovach; Jose Davila; Joseph DuVivier; Joyce Sulik; Judith S Anderson; Julia Fuerst; Kathleen Conroy; Keith Filipello; Keith Stiver; Kelly Patrick; Kenneth F Fitzpatrick; Kenneth J Rasler; Kenneth Jacksteit; Kent Dannehl; Kent Morris; Kevin Bigelow; Kevin Kingma; Larry Black; Larry Knowles; Larry Maas; Lawrence Garwin; Lawrence N DiCostanzo; Leah Redwood; Lindy Rice; Lisa Krepela; Lynda Marin; Lyndon Ong; Margie Matoba; Marie Gauley; Marina Zierk; Mark & Aida Fiske; Mark Elkin; Mark Enbody; Mark Purnell; Mark S Andrews; Martin Koller; Mary C Steele; Mary Cheng; Mary Fine; Master Sergeant Earl M Hamilton Jr; Megan G Mayer; Melanie

J Mayer; Melanie Malhotra; Mical Woldemichael; Michael B Cresto; Michael Brown; Michael Burke & Gladys MartinezBurke; Michael Chaskes; Michael F Scott; Michael Gantos; Michael Gardner; Michael Mora; Michael Perry; Michael Shifrin; Michael Showalter; Michlyn Hines; Mike & Alison Mettler; Mike Beggs; Milton Bender; Mitch Mason; Molly Brown; Morongo Basin Conservation Association; Ms Lee Miller and Mr Craig Vreeken; Nancy F Knop; Nancy Haber; Nandine Hatvany; Nathaniel & Drenda Howard; Nedra Robins; Neil Strock; Nicholas Christensen; Nina Lees; Norman Kort; Pamela Wilkinson; Pat Flanagan; Pat Kanzler; Pat Villano; Patricia and Jivendra Kale; Patricia Blevins; Patrick J Dimmick; Paul Cahill; Paul Chapman; Paul Weber; Paula Manildi & Eric Geyer; Pauline Seales; Penelope Modena; Penny and Julian Mitchell; Penny Crow; Peter De Gregorio; Peter Dinkel; Peter Rudd; Peter Smalley; Phil McRae; Phil Wagner; Philip Steed; Randi L Harry; Ray Kaufman; Renante Reyes; Rene Wise; Richard & Karen Burnett; Richard Needham ; Richard Ponterio; Richard St Angelo; Richard Sugar; Richard Taniguchi; Rick Fanciullo; Robert Burns; Robert King; Robert Leonard; Roger Paskett; Ron Prosser; Ron Smoire Marla Koosed; Russell Urzi; Ruth Cooper; Sabra Rahel; Sahaja Douglass; Sanford J Shattil; Sara Syer; Scott and Jean Dittmyer; Selena Bryant; Shannon Lance Beaudoin; Sharon Woosley; Shmuel Link; Stacie Tillman; Stephen Laminack; Stephen Tanner; Steve Birdlebough; Steve Clabuesch; Steve Freedkin; Steve Moore; Steve Rogers; Steve Spooner; Steven Abbott; Steven Aderhold; Sue Stygar; Summer Mathur; Susan Green; Susan Trivisonno; Susanna Porte; Suzanne Carder; Suzanne Cook; TC; Ted McNamara; Teresa L Hines; Theresa Acerro; Thomas Breunig; Thomas Phillips; Tim L Heiman; Tim Regello; Timothy Sankary; Todd Katz; Tom Bornheimer; Tom Cramer; Tom Edwards; Tom Faust; Tom Lent; Tom O'Neill; Tor Neilands; Torger Johnson; Trent Reupert; Vernon Weaver; Vickie Ficklin; Victor Jevremov; Walt Bilofsky; Walter Jackson; Walter Kitagawa; WE Miller; William Lewis; Yvette Michel; Yvonne Elkin; Ziqiang Wang

Comment Summary: The commenters state that the proposed rule will harm rather than help consumers by forcing consumers to hire a different contractor than the one who did the original work to either add or service a battery which “in most cases” will void consumer warranties. The comment states that the rules will reduce the number of solar contractors available to install or service a battery and that this will limit choices for consumers and drive up the cost of getting solar and/or a battery.

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text.

See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

See the Responses to Shute APA Comment Eleven and Twenty and CalSSA Comment Eleven regarding warranties.

Regarding workforce availability, see the Responses to Shute APA Comment Three, CalSSA Comment Twelve, and Barry Cinnamon.

The assertion that costs will increase is unsupported and speculative. (*Cal. Assn. of Medical Products Suppliers v. Maxwell-Jolly* (2011) 199 Cal.App.4th 286, 308 [“Speculation or conjecture alone is not substantial evidence”].) See the Response to Shute APA Comments Four, Eight, and Ten, and the Anita Bradbury and Barry Cinnamon Responses regarding business impacts.

Summaries of Oral Comments Received During August 3, 2023, Public Hearing

The Board received fifty-two (52) oral comments at the Board’s August 3, 2023, Regulatory Hearing from individuals who identified themselves as contractors, trade association members, and consumers. The Board aggregates the contentions, statements or arguments into seven grouped issues commenters had in common.

- 1. Oral Comment One:** The following oral commenters assert there is no evidence of a problem, harm, or need for the regulation and/or that BESS and PV systems are part of the same system and that as such the 80-kWh threshold is unreasonable or does not comply with code.

Andrew Tanner; Ara Agopian; Bernadette Del Chiaro; Jeanine Cotter; Unidentified; Pam Pampon; Al Rich; Renee Donaldson; Barry Cinnamon; Ed Murray; Jeffrey Parr; Patricia Levins; Mike Berg; Erin Kiel; Jack Ramsey; David Mautner; Unidentified; Dennis; Susanna Gordiana; Doug Buzzo; Barbara Morton; Glenn Bland; Jeff Wellnesbursy; Renny Wise; Zainab Badi; Tom Perez; Meghan Stimmler; Celia; Anthony Tersol; Nina Babiarz; Walt Bilfosky; Michael M. Bluetti; Phil from Solar Craft; Andrew Cambell; Justin Kiel; Rich Borba; Martin Herzfeld; George Galamba; John Knox; Gerald Banning; Heather Minner; Michael Breeden; Jeff; Marshall Mariam; Damon Franz; Joey Applevan

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

With regard to the need for the rule, see Responses to Shute APA Comment Thirteen and Responses to CalSSA Comment Eight.

- 2. Oral Comment Two:** The following oral commenters assert the proposed rule will hinder the growth of energy storage at the time of a demand increase and/or result in fewer contractors in the solar industry at a time when energy storage is needed.

Al Rich; Andrew Tanner; Ara Agopian; Barbara Morton; Barry Cinnamon; Bernadette Del Chiaro; Celia; Cherene Birkholz; Damon Franz; Danett Wicker; David Mautner; David Rynerson; Dennis; Doug Buzzo; Emily Rank; Erin Kiel; George Galamba; Gerald Banning; Glenn Bland; Heather Minner; Jack Ramsey; Jeanine Cotter; Jeff; Jeffrey Parr; Joey Applevan; John Knox; Justin Kiel; Lauren Vitt; Michael M. Bluetti; Mike Berg; Nina Babiarz; Pam Pampon; Patricia Levins; Phil from Solar Craft; Renee Donaldson; Renny

Wise; Rich Borba; Sharon Mullen; Susanna Gordiana; Tom Perez; Unidentified; Unidentified; Walt Bilfosky; Zainab (Badi)

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. With regard to contentions about increased demand, see Responses to Shute APA Comment Two and Shute CEQA Comment Four, and the Response to the Anita Bradbury Comment. With regard to impacts on the cost of BESS or growth of the industry, see the Response to Shute APA Comments Four, Eight, and Ten, Anita Bradbury, Barry Cinnamon, and Dan Kammen.

- 3. Oral Comment Three:** The following oral commenters assert the proposed rule will require the use of certified electricians that are unavailable or more expensive and/or will require replacing the C-46 workforce and hurt businesses or increase labor or project costs.

Al Rich; Andrew Tanner; Anthony Tersol; Barbara Morton; Barry Cinnamon; Bernadette Del Chiaro; Celia; Damon Franz; Doug Buzzo; Ed Murray; Emily Rank; Erin Kiel; Glenn Bland; Heather Minner; Jeanine Cotter; Jeff; Jeff Wellnesbury; Jeffrey Parr; Joey Applevan; Meghan Stimmler; Michael M. Bluetti; Nina Babiarz; Renee Donaldson; Rich Borba; Sharon Mullen; Tom Perez; Unidentified; Unidentified

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule. With regard to workforce availability, Responses to Shute APA Comment Three, CalSSA Comment Twelve, and Barry Cinnamon.

With regard to impacts on the cost of BESS or growth of the industry, see the Responses to Shute APA Comments Four, Eight, and Ten, Anita Bradbury, Barry Cinnamon, and Dan Kammen.

- 4. Oral Comment Four:** The following oral commenters assert the proposed rule will require C-46 contractors who are currently installing BESS retrofits to refer customers to other contractors by precluding retrofits or maintenance, or that the proposed rule requires a C-10 for retrofits, and/or that the proposed rule will interfere with customer warranties.

Al Rich; Cherene Birkholz; Danett Wicker; David Mautner; Dennis; Emily Rank; Meghan Stimmler; Patricia Levins; Sharon Mullen

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. With regard to the scope of the C-46 classification and retrofits, see Response to Shute APA Comment One as well as the Response to Anita Bradbury about the true impacts of the proposed rule.

With regard to warranties, see the Responses to Shute APA Comments Eleven and Twenty and CalSSA Comment Eleven.

5. Oral Comment Five: The following oral commenters assert C-46 contractors and their workers are just as qualified or more qualified to perform BESS than are C-10 contractors and their workers because it has long been part of the C-46 classification and/or manufacturer certification training on BESS is sufficient qualifications.

Barbara Morton; David Mautner; Heather Minner; Jeanine Cotter; Jeff; Joey Applevan; Renee Donaldson; Rich Borba; Susanna Gordiana

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. Regarding the different qualifications and risk profiles of C-46 and C-10 contractors and their workers, see Response to Shute APA Comments Three and Sixteen, and CalSSA Comments Eight and Nine.

6. Oral Comment Six: The following oral commenters assert the proposed rule will harm the state's environment or violate or otherwise offend specified clean energy policies or rules.

Al Rich; Barry Cinnamon; Damon Franz; Ed Murray; Erin Kiel; Gerald Banning; Jeff Wellnesbury; Jeffrey Parr; John Knox; Lauren Vitt; Marshall Mariam; Mike Berg; Nina Baniarz; Sharon Mullen; Susanna Gordiana; Unidentified; Zainab Badi

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. With respect to the proposed rule's potential impact on the environment, see Responses to Shute CEQA Comment Letter, Comments One through Eight, and Response to CalSSA Comment Four regarding the faulty environmental impact conclusions in the Beacon Report. Unsupported speculation about potential environmental impacts is not evidence of such impacts. (*Davidson Homes v. City of San Jose* (1997) 54 Cal.App.4th 106, 117 ["[m]ere uncorroborated opinion or rumor does not constitute substantial evidence"].) See also the Board's Response to Dan Kammen.

7. Oral Comment Seven: The following oral commenters requested the Board consider one or more of the alternatives proposed by the CalSSA Comment Letter.

Al Rich; Andrew Cambell; Andrew Tanner; Ara Agopian; Bernadette Del Chiaro; Celia; Damon Franz; David Rynerson; Doug Buzzo; Ed Murray; Emily Rank; Erin Kiel; Heather Minner; Jeff; Jeffrey Parr; Joey Applevan; Lauren Vitt; Michael Breeden; Michael M. Bluetti; Phil from Solar Craft

Comment Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. Regarding the need for the proposed rule, see Response to Shute APA Comment Thirteen.

Regarding the need for an 80 kWh threshold and not a higher threshold, see Responses to Shute APA Comment Thirteen and CalSSA Comments Six through Twelve. The Board declines to do nothing for the foregoing reasons.

Materials or Comments Dismissed as Irrelevant Pursuant to Government Code 11346.9

1. Ten Letters Dated Between May 14, 2019 and November 3, 2022 Included as “Exhibit C”, and Six Letters Dated Prior to February 23, 2019, included as “Exhibit D” (pp. 65-256), within the CalSSA Comment Letter Dated and Received August 3, 2023:

The letters included as Exhibit C and Exhibit D within the CalSSA Comment Letter are dated between February 2019 and November 2022, and were previously received by the Board prior to this proposed action. The letters preceded the proposed action and did not present statements, arguments, or contentions for the Board’s response pursuant to Government Code section 11346.5(a)(15). They are also not specifically directed at the proposed action pursuant to Government Code section 11346.9(a)(3) because they predate the June 16, 2023, notice of proposed action, and were not directed at the proposed action. To the extent the Exhibit C and D letters were specifically referenced in the August 3, 2023 CalSSA Comment Letter to support specific contentions made in the CalSSA Comment Letter directed at the proposed action, the Board responded above. See the Board’s Response to CalSSA Comment Eleven regarding the November 3, 2022 Shute, Mihaly & Weinberger, LLP, letter regarding CEQA, and the November 4, 2019 Wendel Rosen Letter regarding retrofits.

2. Seventy-Two Individuals included comments either in written letters received within the 45-day comment period or within an oral comment at the public hearing on August 3, 2023, stating in their objection to the proposed rule that it was driven by politics, or profit, or big business or monopolistic motivations, or utility-backed unions, or another undue outside influence.

The need for the proposed rule is articulated in the record, including the Response to Shute APA Comment Thirteen. Otherwise, the Board declines to respond to these comments, which were included in oral statements or letters from: Pat Flanagan; Walt Bilofsky; Alan Ouye; Anne B Wright; Barbara Landy; Berj Amir; Bill Woodbridge; Carolyn Whittle; Casey McCarty; Charlene Woodcock; Chris and Ann Collins; Colin deSouza; Daian Hennington; David Mautner; Debra Fredrickson; Dennis Kost; Dr. Kendyl Magnuson; Eileen Mitro; Ellen Pastemack; Erica Fielder; Gary Ross; George Grinsted; Greg Peters; Howard Meister; James C Breuner; James Pearson; Janet Weiss; Jay Knight; Jeff Wieser; Joseph DuVivier; Judith S Anderson; Keith Filipello; Kelly Patrick; Kevin Bigelow; Kevin Kingma; Lawrence N DiCostanzo; Lee Miller and Craign Vreeken; Mark Andrews; Mike Beggs; Molly Brown; Nancy Haber; Nedra Robins; Pat Kanzler; Patricia Blevins; Patrick J Dimmick; Paul Cahill; Penelope Modena; Philip Steed; Rene Wise; Robert Leonard; Shannon Lance Beaudoin; Tom Faust; D N Steward; Jane Fehrenbacher; Jenny Wood; Keith Stiver; Megan Mayer;

Michael Chaskes; Richard Taniguchi; Robert Burns; Jeff Wellnesbury (O); Rich Borba (O); Sharon Mullen (O); Tom Perez (O); Mike Berg (O); Susanna Gordiana (O); Marshall Mariam (O); David Mautner (O); Patricia Levins (O); Renny Wise (O); David Rynerson (O); Unidentified (O). The designation “(O)” refers to an oral comment made at the August 3, 2023, public hearing. If a name does not have an “(O)” designation the comment was made in writing.

Acknowledgment of Comments in Support of the Proposed Rule

Summary and Response to comment in support that poses a question:

1. Chris Ochoa and Bob Raymer, California Building Industry Association, written comment received August 2, 2023

Summary: The comment states that they strongly support the Board’s proposal to allow a C-46 license holder to install battery energy storage systems providing that the system does not exceed a rating of 80 kWh. The commenter states that the threshold is consistent with the California Residential Code and California Fire Code and will effectively allow the C-46 to do solar and battery installations on single-family homes and small multifamily buildings. The commenter states that the commenter’s association supports the proposed changes to address a source of debate for many years. The commenter states that it seems reasonable to allow the C-46 to modify an existing solar energy system by adding a battery and let the C-46 repair or maintaining an existing battery up to 80 kWh and asks the Board if this change can be made.

Response: The Board reviewed and considered the comment and declines to make any amendments to the proposed text. See Response to Shute APA Comment One regarding the current scope of the classification and the changes under the proposed rule. The Board declines at this time to expand the scope of the classification to include licensed repair or maintenance work on previously installed BESS, to preserve the existing classification scope, and because it did not study the labor and economic impacts of expanding the classification to include additional work that is not presently permitted in the classification. The Board may, however, be willing to consider such a change in a separate proposed rulemaking action.

2. 517 Written and Oral Comments in Support: The Board acknowledges and appreciates the 503 written and 14 oral comments in support of the proposed rule from the individuals or groups identified after the following summary of those support comments:

Summary of Comments: The support comments generally state that the issue has been a matter of debate before the Board for many years and clarification is necessary. The support comments state that the 80 kWh threshold is consistent with the California Residential Code and California Fire Code and will allow the C-46 to install solar and BESS projects on single-family homes and small multifamily buildings. The comments state that the proposed threshold creates no economic or policy concerns because it is large enough that well over 95% of battery energy storage system projects that are

paired with Solar PV projects would still be allowed to be installed by contractors that only hold a C-46 license. The comments cite data about installations and installer profiles to support conclusions that an 80 kWh threshold will have no discernable impact on jobs or business. The comments state that substantial evidence support setting a size threshold above which a BESS shall be considered a separate system, including increased fire and safety risk that is exacerbated by installation complexity performed by technicians with inadequate training. The comments state that there needs to be a limit on the size of BESS installations that are considered “incidental and supplemental” because the greater the BESS size, the greater the risk of fire, explosion, and greater the difficulty of extinguishing the fires, and it is for this reason the Fire Code imposes escalating and more complex safety regulations for larger BESS installations. The comments state the proposed definition of BESS will remove all confusion regarding what components of an electrical system are governed by the proposed requirements and ensures the systems are handled by qualified individuals who have appropriate training, experience, and expertise that will result in the highest level of consumer protection. The comments state the proposed rule is essential for the regulation of the industry and protection of consumers, workers, and first responders. The comments urge adoption of the proposed rule.

The 517 support commenters are as follows: A Eric Perez; Aaron Francis; Aaron Verduzco; Abraham Contreras; Adalberto Gonzales; Adalberto Padilla; Adam Orrill; Adrian Hardesty; Adrian Silva; Agustin Torres; Al Jellings; Alberto Aldana; Alberto Pizana; Aldo Angello; Aldo Calvelli; Alejandro Marquez; Alex Lantsberg (O); Alexander Sanchez; Allen Conner; Allister Sorrells; Alton Wilkerson; Alvaro Rubalcaba; Alvin Dayoan; Amauri Arista; Amber Arnold; Andrew Berg; Andrew Gaebel; Andrew Mendoza; Andrew Zavala; Andy Hartmann; Angel Magana; Angel McDonald; Anisa Thomsen; Anthony Grandelli; Anthony Oghassabian; Antonio Navarrete; Antonio Rios; Antonio Sanchez; April Crosby; Ara Izanian; Aran Rodgers; Arnel Ornedo; Arnold Gomez; Barbara Dees; Beau Kelly; Benjamin Frank; Berkeley Blake; Bernard Kotlier; Bernie Cottlier (O); Bill Baker; Bill Barlogio; Bill Nauta; Bob McMakin; Bradley Steve; Brandon Dennison-Borja; Brandon Howard; Brendan Greene; Brendan King; Brett Boncher; Brett Harradence; Brett Nunes; Brian Campbell; Brian Iwashita; Brian Malloy; Brian Morales; California Building Industry Association Comment; Cameron Teofilo; Carlos Estrada; Carlos Mendoza; Carlos Rodarte; Carol Larson; Casey Sokoskus (O); Casi Lozano; Cathy O’Bryant; Chad Frank; Charles Asendorf; Charles Huddleston; Charles Vella; Cheyne Chambers; Chris Cossey; Chris Glead; Chris Glead (O); Chris Longoria; Chris Robb; Christina Marquez (O); Christine Austria; Christopher Bertlin; Christopher Cooper; Christopher D Smith (O); Christopher Foster; Christopher Huston; Christopher J Fong ; Christopher Mueller; Christopher Olsen; Christopher Russell; Christopher Salorio; Clint Freehauf; Clint Morgan; Cody Mahler; Corey Clayton; Cori Schumacher; Cortland Robins; Cory Black; Courtney Cabral; Craig Gini; Craig Knight; Cristina Marquez; Crystal Herrera; Curt Berger; Daire Gantley; Dale Paris; Dan Smith; Dan Smith 1; Daniel Boyd; Daniel Craft; Daniel Gleason; Daniel Mounts; Daniel Munoz; Daniel Pruet; Daniel Ramirez; Danielle Bonds ; Darien Rosbach; Dave Alonzo; David Hantman; David Hill; David Hoo; David Mauro; David McClave; David Morearty; David Nicely; David Rivera; David Robinson; David Roth; David Salinas; David Solis; David Sztuk; David Wilson; Dayn Richardson; Dean Knupp; Demian Murray; Derek Cole;

Diana Limon; Donny Davis ; Doug Rodriguez; Douglas Mangione; Douglas Nelson; Dustin Ispas; Dustin King; Dwayne Henry; Dylan Keldsen; Earl Hampton; Earl Restine; Eduardo Cardenas; Eileen Purcell ; Enrique Ramos; Eric Grapes; Eric Smith; Erik Estrada; Everardo Gutierrez; Fabian Chavez; Felix Cortez; Foster Goree; Francisco Castano; Franklin Emery; Fred Geiger; Gary Maschio ; Gavin Loggains; Gene Parkes; Gilbert Rea; Gilberto Contreras; Glenn Goodwin; Gordon Reed; Gordon Young ; Gorgina Halaufia; Greg Bonato; Gregg Holt; Gregory Flekal; Gretchen Newsom; Hans Gonzalez; Henry Ramirez; Herb Watts; Hunter Stern; Hunter Stern (O); IBEW NECA LMCC Comment; Irlisis Rodriguez; Israel Andrade; Israel Mosqueda; Issac Azua; Ivan Aguilar; Iyasha Davis ; Jack Johnson; Jackie Waltman; Jacob Anderson; Jacob Peery; Jacob Ray; Jacob Theologidy; Jacob Troncoza; Jaime Quintana; Jake Piland; James Boothe; James Brown; James Grant; James M Willson; James Nichols; James O'Brien; James Rowe; James Stanchfield; James Stanchfield 2; Janet Meyers; Jared Lintner; Jared Mumm; Jasen Smith; Jason Destito; Jason Gumataotao; Jason Johnson; Jason Leyden; Jason McCord; Jason Menes; Jason Peterson; Javier Casillas; Jay Seager; Jeff Barry ; Jeff Neubauer; Jeff Wastell; Jeffrey Bode; Jeffrey Breazile; Jeffrey Zavadil; Jennifer Fothergill (O); Jeremy Abrams; Jeremy Bigman; Jerri Champlin; Jerry Martin; Jesse Crisp; Jesse Isaacson; Jesse Villaescusa; Jesus Renteria; Jim Bridgmon; Joaquin Argueta; Jody Cather ; Joe Fitzgerald; Joel Newcomb; Joel Pickett; John Bartz ; John Boryszewski; John DeCleene; John Doherty; John Draper; John Fedora; John Gannon; John Gregorich; John Harriel; John Holloway; John Hughes; John McEntagart; John Menicucci; John Strohecker; John Tinsley; John Usilton; John Young; Johnathon Martin; Jojo Ortiz ; Jon Dotson; Jonathan Almaraz; Jorge Suarez; Jose Almanza; Jose Diaz; Joseph Fitzer; Joseph Page; Joseph Rausch; Joseph Tremaine; Joseph Wollin; Josh Doheny; Josh Halliburton ; Josh Stitzer; Joshua Bedell; Juan Guzman-Garcia; Juan Madrigal; Juan Montoya ; Juan Palacios; Juan Perez; Judyth Hermosillo; Julia Hild; Julian Vinatieri; Justin Kosinski; Karen Prescott; Kasitalea Talakai; Katherine Flores ; Kathy Laren; Kathy Laren (O); Katie Altamirano; Kayela Jones ; Kebra Stewart; Kellie Perfetto; Kevin Bridegam; Kevin Carsey; Kevin Churchill; Kevin Cunningham; Kevin Huang; Kevin Keane; Kevin Krummes ; Kevin McSherry; Kevin Portch; Kevin Via; Kirt Hackett; Kody Steil; Kyle Hirayama; Larry Strohm; lloyd davis; Lloyd Eads; Lonny Glennan; Loretta Salinas; Luis Arida; Lynn Halliburton; Manuel Garcia; Manuel Madrigal; Manuel Ramos; Marc Greenfield; Marc Ruhmann; Marco Arredondo; Marcos Ramos; Marina Fitzgerald; Mario Barragan; Mario Barragan (O); Mark Battistoni; Mark Bellinger; Mark Buck; Mark Dewey; Mark Dilley; Mark Rojas; Mark Simonin; Mark Van Aken; Matthew Cooper; Matthew Englert; Matthew Martinez; Matthew Odyssey; Matthew Rogador; Max Doss; Max Seagal; Megan Harrold ; Melissa Echeverria ; Micah Mitrosky (O); Michael Aldridge; Michael Brown; Michael Carroll; Michael Costigan; Michael Donlon; Michael Gruber; Michael Johnson; Michael Keane; Michael Kopp; Michael Kufchak; Michael Marcelino; Michael Olmos; Michael Omahoney; Michael Smith; Michael Steel; Michael Stein; Michael Wolfe; Miguel Mexicano; Miguel Ortiz; Mike Crome; Mike Julian; Mike Tilden ; Mitchell Klein; Murray Temple; Nathan Bywater; Neal Lauzon; NECA Contra Costa Chapter; NECA East Central California Chapter; NECA REDWOOD EMPIRE CHAPTER; NECA San Diego Chapter; NECA San Mateo County Chapter; NECA Southern Sierras Chapter; Neil Morris ; Nichele Bissett ; Nicholas Beck; Nicholas Jackson; Nicholas Prelgovisk; Nick Luczak; Nicolas Beck ; Noe Arana; Omar Padilla; Oscar Rivero; Oscar Velazquez; Osha Ashworth; Pamela Thurber;

Patricio Ortiz; Patrick Holloway; Paul Gutierrez; Paul Hilgendorf; Paul Laoretti; Paul Larmour; Paul Martin; Paul Nickolan; Paul Russell; Perla Marquez; Philip Ferrone; Phillip Martin; Preston Haerr; Priscila Ruvalcaba; Rachel Hoobing; Rachel Shoemake; Ralph Woods; Ramon Martinez; Ramona Garcia ; Ramsey Stevens (O); Randal Olmos; Raul Espinoza; Raul Marin; Raymond Schmidt; Raymond Winstead; Reginaldo Ramirez; Regis Lehrman; Reinhold Nestved; Rene Cruz Martinez; Rene Ortega; Ricardo Martinez; Ricardo Morales; Richard Healy; Richard Huston (O); Richard Solak; Richard Welter; Rick Cruzen; Rick Jarvis; Rick Thompson ; Rigoberto Garcia; Rob Barsi; Robert Campos; Robert Corona; Robert Davenport; Robert Hayes; Robert Henson; Robert Kirby; Robert Meadows; Robert Meszaros; Robert Sanchez; Roberto Torrez; Rocio Gianelli; Rocky Baldonado; Rod Hammer; Rodolfo Rangel; Rodrigo Flores ; Ron Harding; Ronald Zych; Ronny Jungk; Ruben Jorge; Ruben Mendoza; Russell Bartz; Russell Yeung; Ryan Huiner; Ryan Ruiz; Ryan Zazueta; Sam Martinez; Sam Passanisi; Sarah Orgill; Scot Van Buskirk; Scott Andelin; Scott Arnold; Scott Kingsmill; Scott Steil; Scott Wein; Sean Cobos; Sergio Diaz; Sergio Medina; Shawn Fragione; Shawn Wortinger; Shomari Davis; Stan Stosel; Stephan Davis; Stephen Loux; Stephen Palmer; Stephen Wright; Steve Earhart; Steve Hart; Steve Nordahl; Steve Ross ; Steve Teer; Steven Booker; Steven Sapien; Taylor Apetz; Teresa Aguilar ; Terry Baldwin; Thomas Bell; Thomas Drexhage; Thomas Scherer; Thurston Johnson; Tim Lovio; Tim Neal ; Timothy J Schneider; Todd Tyler; Tom Ayers; Tom Enslow (O); Tommy Faavae; Tommy Zielomski; Travis Hansen; Travis McMillan; Travis Schrag; Travis Walker; Trenton Straeck; Trevor Kraft; Tristin FitzGerald; Trudi Teller; Tyler Daly; Tyler Stefancich; Ulises Mendoza; Valarie Morales ; Venessa Ingalls; Veronica Martinez; Víctor Barajas; Victor Espinoza; Walter Martinez; Will Bryant; William Berger; William Burke; William Mincey; Xavier Mendez; Zach Moore. The designation “(O)” refers to an oral comment made at the August 3, 2023 public hearing. If a name does not have an “(O)” designation the comment was made in writing.

AGENDA ITEM H

Adjournment

