

MARCH 28, 2012
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Legislative/Public Affairs
Committee Meetings





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800-321-CSLB (2752)
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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF COMMITTEE MEETINGS

The Contractors State License Board (CSLB) will hold Committee meetings on March 28, 2012, from 1:30 p.m. to 5:00 p.m. **NOTE:** The Legislative Committee ONLY will meet via teleconference at the following teleconference sites:

CSLB Headquarters

John C. Hall Hearing Room
9821 Business Park Drive
Sacramento, CA 95827

Deer Valley Resort

6851 Silver Lake Drive
Park City, UT 84060

The Legislative Committee will begin at 1:30 p.m., immediately followed by the Public Affairs Committee. The Public Affairs Committee will meet at CSLB Headquarters.

TELECONFERENCE NOTICE (pursuant to Government Code section 11123(b)): One or more Board members may participate in this meeting via teleconference for the benefit of the Board. The public teleconference site(s) are as noticed in this agenda. The meeting is open and the public is invited to attend. If you need reasonable accommodation, as defined by the Americans with Disabilities Act, or if you have any questions regarding this meeting, contact the Registrar's Office at (916) 255-4000.

Please note that all times indicated and the order of business are approximate and subject to change. Board members who are not members of the Committee may be attending the Committee meetings.

LEGISLATIVE COMMITTEE AGENDA

1:30 p.m.

Legislative Committee Members

Mark Thurman, Chair / Bob Brown / Louise Kirkbride/ Jim Miller/ Paul Schifino

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Review and Approval of Recommended Position on:
 1. AB 1588 (Atkins)
 2. AB 1655 (Dickinson)
 3. AB 1750 (Solorio)
 4. AB 1794 (Williams)
 5. AB 1810 (Norby)
 6. AB 1904 (Block)
 7. AB 1920 (Berryhill)
 8. AB 2219 (Knight)

9. AB 2237 (Monning)

10. AB 2482 (Ma)

11. AB 2554 (Berryhill)

12. AB 2570 (Hill)

D. Adjournment

PUBLIC AFFAIRS COMMITTEE AGENDA
Immediately Follows Legislative Committee Meeting

Public Affairs Committee Members

Joan Hancock, Chair / Bob Brown / Pastor Herrera / Louise Kirkbride / Ed Lang

A. Call to Order – Chair’s Remarks

B. Public Comment Session

C. Public Affairs Program Update

D. Expanded Outreach Proposal

E. Adjournment

MARCH 28, 2012
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Legislative Committee



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

LEGISLATIVE COMMITTEE MEMBERS:

MARK THURMAN, CHAIR

BOB BROWN

LOUISE KIRKBRIDE

JIM MILLER

PAUL SCHIFINO

Committee Chair Mark Thurman will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Review and Approval of Recommended Position on:

- AB 1588 (Atkins)
- AB 1655 (Dickinson)
- AB 1750 (Solorio)
- AB 1794 (Williams)
- AB 1810 (Norby)
- AB 1904 (Block)
- AB 1920 (Berryhill)
- AB 2219 (Knight)
- AB 2237 (Monning)
- AB 2482 (Ma)
- AB 2554 (Berryhill)
- AB 2570 (Hill)



2012-short

CA AB 1588 **AUTHOR:** Atkins [D]
 TITLE: Professions and Vocations: Reservist Licensees
 NOTES: Sponsor - Author
 INTRODUCED: 02/06/2012
 LAST AMEND: 03/05/2012
 DISPOSITION: Pending
 LOCATION: Assembly Appropriations Committee
 SUMMARY:
 Requires boards, commissions, or bureaus within the Department of Consumer Affairs to waive renewal fees and continuing education requirements of any licensee or registrant who is a reservist called to active duty as a member of the Military Reserve or the California National Guard if certain requirements are met.
 STATUS:
 03/13/2012 From ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION: Do pass to Committee on APPROPRIATIONS.

CA AB 1655 **AUTHOR:** Dickinson [D]
 TITLE: Public Employees: Rights
 NOTES: Sponsor - Author
 INTRODUCED: 02/13/2012
 DISPOSITION: Pending
 LOCATION: Assembly Public Employees, Retirement and Social Security Committee
 SUMMARY:
 Enacts the Public Employees' Bill of Rights Act. Informs public employees of their rights and terms of employment in order to promote harmonious personnel relations between public employees and their employers. Provides that state employees shall be entitled to priority over excluded employees or contractors in filling permanent, overtime, and on-call positions. Authorizes the formation of peer review committees for professional staff to provide input regarding workplace operations.
 STATUS:
 02/23/2012 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

CA AB 1750 **AUTHOR:** Solorio [D]
 TITLE: Rainwater Capture Act of 2012
 NOTES: Sponsor - Author
 INTRODUCED: 02/17/2012
 DISPOSITION: Pending
 COMMITTEE: Assembly Business, Professions and Consumer Protection Committee
 HEARING: 03/27/2012 9:00 am
 SUMMARY:
 Enacts the Rainwater Capture Act of 2012. Authorizes residential, commercial and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes, provided that the systems comply with specified requirements. Authorizes a landscape contractor working within the classification of his or her license to enter into a prime contract for the construction of a rainwater capture system if the system is used exclusively for landscape irrigation.
 STATUS:
 03/01/2012 To ASSEMBLY Committees on BUSINESS, PROFESSIONS & CONSUMER PROTECTION and WATER, PARKS AND WILDLIFE.

CA AB 1794 **AUTHOR:** Williams [D]
TITLE: Contractors: Workers' Compensation Insurance Reporting
NOTES: Sponsor - CA State Council of Laborers
INTRODUCED: 02/21/2012
DISPOSITION: Pending
LOCATION: Assembly Insurance Committee
SUMMARY:
 Makes it a misdemeanor for a licensed contractor or a qualifier for a license to fail to notify his or her workers' compensation insurance carrier within a specified number of days of hiring an employee. Requires an insurer who issues a workers' compensation insurance policy to any contractor to require that the contractor report the hiring of new workers within a specified number of days and extends those provisions, as specified.
STATUS:
 03/01/2012 To ASSEMBLY Committees on INSURANCE and BUSINESS, PROFESSIONS AND CONSUMER PROTECTION.

CA AB 1810 **AUTHOR:** Norby [R]
TITLE: Professions and Vocations: Occupational Regulations
NOTES: Sponsor - Institute for Justice
INTRODUCED: 02/21/2012
DISPOSITION: Pending
LOCATION: Assembly Business, Professions and Consumer Protection Committee
SUMMARY:
 Provides a person with a right to engage in a lawful profession or vocation without the imposition of an occupational regulation that imposes a substantial burden on that person. Authorizes a person to bring an action for declaratory judgment or equitable relief for a violation of that right.
STATUS:
 03/01/2012 To ASSEMBLY Committees on BUSINESS, PROFESSIONS & CONSUMER PROTECTION and JUDICIARY.

CA AB 1904 **AUTHOR:** Block [D]
TITLE: Professions and Vocations: Military Spouses
NOTES: Sponsor - Author
LOCATION: Assembly Business, Professions and Consumer Protection Committee
SUMMARY:
 Relates to the issuance of reciprocal licenses, regulated by the Department of Consumer Affairs, in certain fields. Authorizes a board within the Department of Consumer Affairs to issue a temporary license to an applicant who holds an equivalent license in another jurisdiction and is married to an active duty member of the Armed Forces of the United States.
STATUS:
 03/08/2012 To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.

CA AB 1920

AUTHOR: Berryhill B [R]
TITLE: Contractors: Compensation
NOTES: Sponsor – Engineering Contractors’ Association
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 03/13/2012
DISPOSITION: Pending
LOCATION: Assembly Business, Professions and Consumer Protection Committee

SUMMARY:

Relates to the Contractor's State License Law. Authorizes a person acting in the capacity of a contractor without a license to bring or maintain an action for recovery of compensation for any act or contract if the person had previously been licensed as a contractor within a specified number of days of commencement of the work. Limits the liability of a contractor performing work outside the scope of his or her license to the value of the unlicensed work under certain circumstances.

STATUS:

03/13/2012 From ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION with author's amendments.
03/13/2012 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.

CA AB 2219

AUTHOR: Knight [R]
TITLE: Contractors' Workers' Compensation Insurance Coverage
NOTES: Sponsor - Author
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Relates to existing law requiring every licensed contractor to have on file at all times with the Contractors' State License Board, a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance, or a statement certifying that he or she has no employees and is not required to obtain or maintain workers' compensation insurance and requires certain roofing contractors to have such insurance even if he or she has no employees. Extends the operation of these provisions.

STATUS:

02/24/2012 INTRODUCED.

CA AB 2237

AUTHOR: Monning [D]
TITLE: Contractors: Definition
NOTES: Sponsor - CSLB
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Defines contractor, under the Contractors' State License Law, to include a person who provides or oversees a bid, arranges for and sets up work schedules, or maintains oversight of a construction project.

STATUS:

02/24/2012 INTRODUCED.

POSITION: SPONSOR

CA AB 2482

AUTHOR: Ma [D]
TITLE: Registered Interior Designers
NOTES: Sponsor – Interior Design Coalition of CA
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Creates the California Registered Interior Designers Board within the Department of Consumer Affairs. Requires the board to issue a license to a person who meets specified requirements. Authorizes licensees, architects, landscape architects, and engineers to join or form business organizations or associations with persons outside their field of practice if certain requirements are met.

STATUS:

02/24/2012 INTRODUCED.

CA AB 2554

AUTHOR: Berryhill B [R]
TITLE: Contractors
NOTES: Sponsor - CSLB
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Specifies that revocation of a license, under the Contractors' State License Law, does not deprive the Contractors' State License Board of jurisdiction to proceed with, among other things, any investigation or disciplinary proceeding against the licensee.

STATUS:

02/24/2012 INTRODUCED.
POSITION: SPONSOR

CA AB 2570

AUTHOR: Hill [D]
TITLE: Licensees: Settlement Agreements
NOTES: Sponsor - Author
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Relates to professional misconduct by an attorney. Prohibits a licensee who is regulated by the Department of Consumer Affairs or various boards, bureaus, or programs from including a provision in an agreement to settle a civil dispute that prohibits the other party in that dispute from contacting, filing a complaint with, or cooperating with the department, board, bureau, or program.

STATUS:

02/24/2012 INTRODUCED.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1588 (Atkins)
Status/Location: Amended 3/5/12; Assembly Business, Professions and Consumer Protection Committee
Sponsor: Author
Subject: Fee Waivers for Military Reservists
Code Section: Business and Professions Code Section 114.3

Summary:

Existing law: authorizes any licensee within the Department of Consumer Affairs (DCA) whose license expired while he or she was on active duty as a member of the California National Guard or the United States Armed Forces to reinstate his or her license without examination or penalty if specified requirements are met.

This bill: requires every DCA board, commission, or bureau to waive the renewal fees and continuing education requirements for any licensee or registrant who is a reservist called to active duty as a member of the United State Military Reserve or the California National Guard, if all of the following requirements are met:

1. The licensee or registrant was in good standing with the board at the time the reservist was called to active duty.
2. The renewal fees or continuing education requirements are waived only for the period during which the reservist is on active duty service.
3. The active duty reservist, or his or her spouse or registered domestic partner, provides written notice satisfactory to the board that substantiates the active duty service.

Background:

According to the author, AB 1588 ensures military professionals will not be penalized for their military service by allowing their professional licenses to fall into delinquency and possible suspension during their service period. It is important to find ways to support our military reservists' civilian lives while they serve our nation. Military professionals should not be expected to pay to renew an expensive license or fulfill continuing education requirements for a professional license they cannot use on active duty.

Fiscal Impact for CSLB:

Unknown, but potentially resulting in a minor reduction in license/registration renewal and minor and absorbable workload increases for the Contractors State License Board (CSLB) Licensing division. Additionally, minor but absorbable cost/workload to CSLB's Information Technology division, as it is assumed that the information would be entered manually into the CSLB licensing system.

There could be a potential impact to BreEZe implementation, but CSLB has no way of estimating those workload impacts or associated costs.

Staff Recommendation and Comments:

WATCH. This bill should not have a significant impact on CSLB. However, the number of licensees that would benefit from this bill is unknown, as CSLB does not track military status for its licensees.

The bill should be amended to more clearly state its intent. Currently, the bill provides that the waiver is only for the time in which the reservist is on active duty. As this period is not likely to correspond exactly to the renewal period, presumably the licensee would be responsible for paying the fee upon leaving active duty status. Would the licensee pay the full fee or a prorated portion?

Date: March 8, 2012

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1655 (Dickinson)
Status/Location: Introduced 2/12/13; Assembly Public Employees, Retirement and Social Security Committee
Sponsor: Author
Subject: Public Employees: Rights
Code Section: Government Code Section 3524.1

Summary:

Enacts the Public Employees' Bill of Rights Act.

Existing Law:

1. The Bill of Rights for State Excluded Employees prescribes various rights and terms and conditions of employment for excluded employees, defined as certain supervisory, managerial and confidential state employees.
2. Requires notice of any adverse action against any state employee for any cause for discipline based on any civil service law to be served within 3 years after the cause for discipline first arose.
3. Provides that an adverse action based on fraud, embezzlement, or the falsification of records is valid if notice of the adverse action is served within 3 years after the discovery of the fraud, embezzlement, or falsification.

This Bill:

1. States that its purpose is to inform public employees of their rights and terms of employment, and to inspire dedicated service and promote harmonious personnel relations between public employees and their employer.
2. Requires an employer to provide each employee at the onset of his or her employment, and at reasonable intervals, a current, detailed and accurate job description, including a complete description of the scope of his or her duties, salary and benefits information.
3. Provides that the work of the employee shall not be standardized in relation to any given period of time, and unreasonable quotas shall not be imposed.
4. Prohibits an employer from unreasonably preventing the employee from using his or her daily rest and lunch periods as well as his or her leave.
5. Provides that an employee shall not be compelled to perform extra work, including work caused by vacancies, furloughs, or layoffs, without fair compensation.
6. Grants an employee priority in filling permanent, overtime and on-call positions over excluded employees and contractors.
7. Gives employees the rights to a safe and healthy working environment, and provides that grievances relating to this right shall be given a priority status.
8. Prohibits reprisals against any employee who exercises his or her rights under this bill.

9. Grants an employee the right to sue an employer for damages for violations of the Americans with Disabilities Act, the federal Age Discrimination in Employment Act, the federal Family and Medical Leave Act, the California Family Rights Act and the federal Fair Labor Standards Act.
10. States that an employee is entitled to be fairly and progressively disciplined for any deficient or inappropriate behavior or job performance.
11. Requires employers to adhere to strict due process and periodic written notice procedures while investigating employees.
12. Requires the employer to honor the memorandum of understanding under which each employee is covered. Provides that any grievance filed by an employee is deemed to be resolved in the employee's favor if the employer violates any of the contractual timelines.
13. Provides additional, specified protections for an employee required to maintain a professional license as a condition of employment.
14. Requires a notice of adverse action and subsequent investigation to be completed within one year after the cause for discipline first arose, rather than the current 3 years.

Need for the bill

According to the author,

Currently, state employee rights and work conditions may be bargained-for and included within an MOU. Unfortunately, not all bargained-for working conditions are uniformly enforced or understood across all departments and agencies, which negatively impacts employee morale and undermines expectations of public employees. In turn, employer – employee relations tend to be unsettled and unstable.

Among other improvements to state employee working conditions, clearly delineating state employee rights, through statute, and thereby improving both the employer's and worker's understanding of what is expected of both sides, will promote harmonious personnel relations. Ensuring that employees have a priority over contractors in filling positions will create a sense of stability and result in more dedicated service to the state. It also will reduce an excessive amount of state contracting-out activities, which has burdened the state with millions of dollars in unnecessary costs. Finally, requiring adverse actions to be resolved within a year of their alleged occurrence will prevent abuse of the investigatory process, which some agencies delay for years in order to prevent the employee from defending him or herself.

Support:

SEIU Local 1000

Union of American Physicians and Dentists

Opposition:

None on file, although several newspapers have editorialize against it (Merced Sun, Sacramento Bee, Los Angeles Daily News)

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

OPPOSE. This bill could potentially make it more difficult and expensive for government to operate. Of particular note, this bill is intended to make it more difficult for the state to contract out for services, which in turn will potentially impede our ability to get the services we need, particularly in regards to IT projects.

The provision in the bill providing that the work of the employee shall not be standardized in relation to any given period of time will likely impact the Enforcement division, as staff there have monthly goals.

Date: March 6, 2012

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1750 (Solorio)
Status/Location: Introduced 2/17/12; Assembly Business, Professions and Consumer Protection Committee
Sponsor: Author
Subject: Rainwater Capture Act of 2012
Code Section: Business and Professions Code Section 7027.5; Water Code Section 10570

Summary:

1. Authorizes a C-27 Landscaping contractor to enter into a prime contract for a rainwater capture system that is exclusively used for landscape irrigation.
2. Further authorizes a C-27 to design and install all exterior components of a rainwater capture system that are not a part of, or attached to, a structure.
3. Contains findings and declarations regarding the need to collect rainwater and storm water.
4. Specifies that this bill does not authorize a C-27 to engage in or perform activities that require a license under the Professional Engineers Act.
5. Defines “rainwater capture system” as a facility designed to capture, retain and store rainwater flowing off a building, parking lot, or any other manmade, impervious surface, for subsequent onsite use.
6. Authorizes any residential, commercial, or governmental landowner to install, maintain and operate a rainwater capture system, under specified conditions.

Background

According to the author, current law does not authorize a landowner, at least explicitly, to capture rainwater in a cistern or water tank, although plumbing regulations have taken some steps in that direction. State law needs to be clear that Californians are allowed – even encouraged – to capture and use rainwater on their property, to reduce demand on our precious drinking water supplies.

Legislative History

AB 275 (Solorio, 2011) was substantially the same as AB 1750. CSLB took a “watch” position on AB 275. The Governor vetoed the bill, stating, “This measure seeks to adopt an interim standard for rainwater capture outside the established Building Standards Commission process. Without some urgency or a more compelling reason, I think it is better to stick with the process and follow existing California law.”

AB 1834 (Solorio, 2010) was similar to AB 275. CSLB did not take a position on this bill. The final version had no opposition. The Governor vetoed the bill primarily due to the fact that the bill included rainwater capture systems for eligibility under the Property Assessed Clean Energy Program.

Fiscal Impact for CSLB:

This bill is keyed as non-fiscal.

There is potentially minor fiscal impact by requiring an exam update with one or two subject matter expert (SME) meetings at a cost of less than \$10,000. Exam administration impact would be minimal. Also, it is possible there would be some Enforcement costs for additional complaint processing and investigation resulting from the expansion of the classification.

Staff Recommendation and Comments:

WATCH. This bill would not result in a significant change. It is already CSLB's policy that C-27 licensees are authorized to install rainwater capture systems at a single family residence. Existing law already provides that projects outside of the C-27 scope must be done by a "B" contractor or the appropriate specialty contractor.

The California Landscape Contractors Association previously indicated they wanted to amend BPC 7027.5 to make it clear that C-27s could do this work themselves and don't need to subcontract, but as that is already the opinion of CSLB, it does not provide any new authority.

Date: March 6, 2012

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1794 (Williams)
Status/Location: Introduced 2/21/12; Assembly Committees on Insurance and Business, Professions and Consumer Protection
Sponsor: California State Council of Laborers
Subject: Workers' Compensation Insurance Reporting
Code Section: Business and Professions Code Section 7125.4, Insurance Code Section 11665

Summary:

Existing Law:

1. Provides that it is a misdemeanor for a licensed contractor or qualifier on a license to file with the Contractors State License Board (CSLB) a false workers' compensation insurance exemption certificate.
2. Until January 1, 2013, requires an insurer who issues a workers' compensation insurance policy to a C-39 Roofing contractor to perform an annual payroll audit for the contractor.

This Bill:

1. Provides that a licensee or qualifier is guilty of a misdemeanor for failing to notify his or her workers' compensation insurance carrier within 15 days of hiring an employee.
2. Until January 1, 2015, requires an insurer who issues a workers' compensation insurance policy to any licensed contractor to require the reporting of workers within 15 days of hire and perform an annual payroll audit for all contractors.

Background

Underreporting of workers' compensation (WC) insurance is a serious problem in California. A significant number of employers either report no employees or misreport the type of employees they have, such as calling a roofer a receptionist, to qualify for a lower premium, which is known as premium insurance fraud. According to the Center for the Study of Social Insurance at UC Berkeley, this has led to premium rates that are unfairly high for employers of high risk workers, such as construction, premiums that are as much as 2-3 times as high as they should be if all employees were reported accurately.

Premium insurance fraud also has a significant negative impact on the state, as it contributes to an underreporting of payroll. The Center for the Study of Social Insurance estimates that from 1997-2005, an average of \$15 to \$68 billion of California payroll was annually underreported.

Unlike automobile or health insurance policies that require immediate notification to the insurance carrier when adding a vehicle or seeking to add a family member to insurance policies, WC carriers only require periodic reporting of payroll and an annual reconciliation. WC carriers do not currently require notification by an employer when a worker is hired. Subsequently, many employers have minimum policies and only add an

injured worker after the injury occurs, thus increasing the cost for premium paying contractors who legitimately report employees.

However, prosecution of premium fraud is a long, arduous process, typically requiring a search warrant and a forensic audit. A premium fraud conviction can take years to adjudicate. Because of the resources required, many prosecutors will not pursue premium fraud cases unless the underreporting involves amounts that exceed \$100,000 to \$500,000, and even when those amounts are met or exceeded, some prosecutors will not pursue a premium fraud case because of complexity and resource challenges. District attorneys (DAs) have said that prosecuting a premium fraud case is more difficult than prosecuting a homicide case.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

SUPPORT. This bill will ensure that more current information on construction employees is available, which will assist with the enforcement of the existing workers' compensation insurance requirement.

The approximate premium a roofing contractor pays to insure their labor (not clerical) is 20% on every dollar of payroll. A roofing contractor who pays four (4) employees \$50,000 per year, for a total payroll of \$200,000, would typically pay the WC provider a \$40,000 premium. A sample of 64 C-39 Roofing contractors, who are required to carry WC to have a clear, active license, determined that more than half or approximately 54% have either a minimum or nearly minimum WC policy:

- 29 (approx. 45%) have minimum WC policies
 - Average premium paid is approx. \$866.

- 6 (approx. 9%) have nearly minimum WC policies
 - Average premium paid is approx. \$2,803
 - Average estimated reported payroll is \$14,010

Insurance companies need to be aware of how many employees they are insuring. Underreporting of employees is significant and, currently, there is no enforcement tool to address the problem, short of waiting an excessive amount of time. CSLB records indicate that, currently, there are 4,791 active C-39 licenses. However, meetings with SCIF and the roofing industry revealed that approximately the same number of roofers that lacked WC insurance prior to AB881 (≈1,400) have now purchased a minimum policy for the nominal sum of approximately \$650 but still do not report having any employees and have never paid any premium for employed workers. It is common knowledge in the roofing industry that workers are required to remove, replace and install roofs.

Enforcement efforts are compromised by the lack of an employee reporting requirement:

- Consumers filing complaints against licensed contractors routinely provide the names of employees. A random sample of completed licensee investigations recommended for accusation to suspend and/or revoke the license determined

that 100% of the licensees with employees did not pay any premiums to their WC insurance carrier. Current law requires an audit (and typically a search warrant) to substantiate a charge of premium insurance fraud.

- CSLB routinely partners with District Attorney Investigators to verify WC coverage at active construction sites, but actions are not taken against roofing contractors (or other contractors) that have employees on site and have never paid any premiums towards their policy because existing law does not require employee reporting to the carrier. Proving an employee was not covered by WC would require an audit and that the employer had misrepresented the premium upon the 12-month reconciliation certification. Basically, it is difficult to prove, as employers can retroactively report employee payroll at end of the 12-month reconciliation period.

Amending the law will allow CSLB, the Division of Labor Standards Enforcement, or the California Department of Insurance to work more effectively with local prosecutors to achieve criminal filings for premium fraud violations or to provide for an administrative violation by a state agency.

Date: March 6, 2012

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1810 (Norby)
Status/Location: Introduced 2/20/12; Assembly Committees on Business, Professions, and Consumer Protection, and Judiciary
Sponsor: Institute of Justice
Subject: Occupational Regulations
Code Section: Business and Professions Code Section 37

Summary:

Provides an individual with a right to engage in a lawful profession or vocation without the imposition of occupational regulation that imposes a substantial burden, unless the person or entity imposing the regulation demonstrates that there is a compelling interest in protecting against harm to the public health or safety, and that the regulation is the least restrictive means of furthering that interest.

Existing Law:

Provides that the boards, bureaus and commissions in the Department of Consumer Affairs are established for the purpose of ensuring that those private businesses and professions deemed to engage in activities which have potential impact upon the public health, safety and welfare are adequately regulated in order to protect the people of California.

Specifically, this bill:

1. States the intent of the Legislature to ensure that a person may pursue a lawful profession or vocation free from unnecessary regulation and protect against the misuse of occupational regulation to reduce competition and increase prices to consumers.
2. Notwithstanding any other provision of law, grants a person the right to engage in a lawful profession or vocation without the imposition of an occupational regulation that imposes a substantial burden on a person, unless the entity imposing regulation demonstrates that the state has a compelling interest in protecting against present and recognizable harm to public health or safety, and the occupational regulation is the least restrictive means of furthering that compelling interest.
3. Provides that a person may bring an action for a declaratory judgment or injunctive relief, or other equitable relief, for a violation of the above requirement.
4. Further provides that a person may assert as a defense the right to engage in a lawful profession or vocation in any judicial or administrative proceeding to enforce an occupational regulation that is in violation of this law.
5. States that a person who brings an action or asserts a defense has the initial burden of proof to demonstrate that an occupational regulation substantially burdens the person's right to engage in a lawful profession or vocation.
6. Requires that entity relying upon the occupational regulation, if the challenger meets the burden of proof, to demonstrate by clear and convincing evidence that the state has a compelling interest in protecting against present and recognizable

harm to the public health and safety, and that the occupational regulation is the least restrictive means for furthering that compelling interest.

7. Requires a court to liberally construe this bill to protect the rights established within. Prohibits a court from granting any weight to a legislative declaration of harm to the public health or safety, or declaration that the regulation is the least restrictive means of furthering a compelling state interest.
8. Defines the following terms:
 - (a) "Certification" is a voluntary program for which the Legislature establishes the criteria to grant recognition to a person who has met predetermine qualifications.
 - (b) "Court" means a court, administrative tribunal, or other government agency acting in a judicial or quasi-judicial capacity.
 - (c) "Lawful profession or vocation" means a course of conduct, pursuit, or profession that includes the sale of goods or services that are not themselves illegal to sell irrespective of whether the seller is subject to occupational regulation.
 - (d) "Least restrictive" occupational regulations include, from least to most restrictive (1) a provision for private civil action to remedy consumer harm, (2) a provision requiring inspection related to a lawful profession or vocation, (3) a provision requiring the posting of a bond related to a lawful profession or vocation, (4) certification, (5) licensure.
 - (e) "License" is a nontransferable authorization to perform a lawful profession or vocation for compensation based on predetermined qualifications established by the Legislature. Licensing is the most restrictive form of occupational regulation.
 - (f) "Occupational regulation" means a statute, rule, ordinance, practice, policy, or other government-prescribed requirement for a person to engage in a lawful practice or vocation.
 - (g) "Substantial burden" means a legal or other regulatory obstacle that imposes significant difficulty or cost on a person seeking to enter into or continue in a lawful professions or vocation. A substantial burden is a burden that is more than incidental.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

WATCH. It is not clear what the intent of this bill is, or exactly what problem it attempts to solve. The author's office has not provided any background information.

The bill appears to be attempting to allow an individual to practice any lawful profession, without having to meet certification or licensing requirements, if he or she can demonstrate the requirements impose a substantial burden, unless the regulating board, bureau, etc. can justify the requirements. As it pertains to state licensed professions, such as contractors, those requirements are established by the Legislature and approved by the Governor. It is not clear why a licensing board would be put in the position of having to demonstrate that the law it is charged with enforcing is valid, when it did not create the regulation.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1904 (Block)
Status/Location: Introduced 2/22/12; Assembly
Sponsor: None
Subject: Military Spouses: Temporary Licenses
Code Section: Business and Professions Code Section 115.5

Summary:

Authorizes a board within the Department of Consumer Affairs (DCA) to issue a temporary license to the spouse of an activity duty member of the U.S. Armed Forces who is stationed in California.

Existing Law:

1. Provides for the issuance of reciprocal licenses in certain fields where the applicant, among other requirements, has a license to practice within that field in another jurisdiction.
2. For the Contractors State License Board (CSLB), authorizes the acceptance of qualifications of a contractor licensed in another state, if CSLB determines, on a case by case basis, that the professional qualifications and conditions of good standing for licensure and continued licensure are at least the same or greater in that state as in California.

This Bill:

1. Provides that a board within DCA may issue a temporary license to an applicant who meets all of the following requirements:
 - (a) Submits the required application.
 - (b) Supplies satisfactory evidence that he or she is married to, or is in a domestic partnership or other legal union with, an active duty member of the US Armed Forces who is assigned to a duty station in California under official active duty military orders.
 - (c) Holds a current license in another state, district, or territory of the US with the requirements that the board determines are substantially equivalent to its own requirements.
 - (d) Has not committed an act in any jurisdiction that would have constituted grounds for denial, suspension, or revocation of the license at the time the act was committed.
 - (e) Has not been disciplined by a licensing entity in another jurisdiction and is not the subject of an unresolved complaint, review procedure, or disciplinary proceeding conducted by a licensing entity in another jurisdiction.
 - (f) Pays any required fees.
 - (g) Submits fingerprints and any applicable fee.
2. Requires a board to expedite the procedure for issuing a temporary license under these provisions.

3. Provides that a temporary license shall be valid for 180 days, except that the license may, at the discretion of the board, be extended for an additional 180-day period on application of the license holder.

Fiscal Impact for CSLB:

Unknown but potentially significant impact to IT workload as a result of programming requirements to establish a temporary license, impacting both current CSLB IT workload and BreEZe implementation.

Staff Recommendation and Comments:

WATCH. The issuance of temporary licenses under this bill's provisions would result in extensive programming change and impact to the Information Technology division in order to establish a temporary license program for a limited license term. This bill would take effect as DCA is working on implementation of the BreEZe system, which would make it difficult to implement until the system is fully operational.

This bill seems unnecessary for CSLB, as we already have provisions for reciprocal licensure with select states. This bill would only expand on the existing provisions by mandating the expedited processing of an application for such a temporary license. However, it would also significantly limit existing provisions by making the license temporary for only a 180 day period. Under existing law, reciprocity applicants are granted full licenses for the full two-year active license period. AB 1904 requires applicants to pay what will likely be the same fee as all other reciprocity applicants, but they would receive a license that would only be valid for one-fourth the amount of time.

However, the current version of the bill is permissive, rather than mandatory, so it seems as if CSLB could choose whether or not to implement.

Date: March 1, 2012

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1920 (Berryhill)
Status/Location: Amended 3/13/12; Assembly
Sponsor: Engineering Contractors' Association, California Fence Contractor's Association, California Chapter of the American Fence Association, Marin Builders' Association, Flasher Barricade Association, Engineering and Utility Contractors' Association
Subject: Contractors: Compensation
Code Section: Business and Professions Code Section 7031

Summary:

This bill limits the ability to recover compensation paid to unlicensed contractors.

Existing Law:

1. Prohibits a contractor from suing to recover compensation for any work performed that requires a license, if the contractor was not licensed at all times during performance of the work.
2. Authorizes a person who utilizes an unlicensed contractor to bring an action in any court of competent jurisdiction for recovery of all compensation paid to the unlicensed contractor for the performance of any act or contract.
3. Authorizes a court to determine whether a contractor has substantially complied with the contractor licensure requirements.

This Bill:

1. Provides that the above provisions of existing law shall not apply if the person performing the work had:
 - (a) Previously been licensed as a contractor in this state in the appropriate classification for the work performed, and
 - (b) The Contractors State License Board (CSLB) has acted to retroactively reinstate the license from the date work commenced through date work completed.
2. Revises the criteria for the court to use to determine whether a contractor has substantially complied with the licensing requirements, and the loss of licensure was not caused by a disciplinary action taken by CSLB, as follows:
 - (a) The contractor acted reasonably and in good faith to maintain proper licensure;
 - (b) The contractor knew or should have known of the loss of licensure;
 - (c) The contractor took prompt action to request reinstatement of the license after learning that it was invalid;
 - (d) Person receiving the benefit of the work would be unjustly enriched.
3. Further provides that a court may consider aggravating factors for a loss for licensure, including:
 - (a) The seriousness of the violation that resulted in the loss of licensure; and
 - (b) The degree to which the loss of licensure harmed or could have harmed the public.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

WATCH. This bill should not have a significant workload impact on CSLB, as CSLB does not have direct responsibility for implementing BPC 7031. The bill does have a potential impact on the Licensing division, however, as it could result in more contractors seeking retroactive renewal. The sponsor and supporters have referenced numerous abuses of BPC 7031 but have not provided a specific example that this bill would fix.

Retroactive Renewal

Business and Professions Code section 7141.5 allows the Registrar to retroactively renew a license, upon the showing of the contractor that the failure to renew was due to circumstances beyond his/her control, for a period not to exceed 90 days from the due date of the renewal.

This bill is a follow-up to AB 249 (Berryhill) from 2011. AB 249, in its last amended version, would have, for purposes of Section 7031 only, defined “unlicensed contractor” as a person who has engaged in the business or acted in the capacity of a contractor and either of the following applies: (a) the person has never been licensed as a contractor under the Contractors State License Law (CSLL) or (b) the person was previously licensed as a contractor under the CSLL and performed an act or contract after his or her license has been revoked or suspended pursuant to a disciplinary action.

In support of AB 249, the sponsors argued that due to its absolute provision, unscrupulous contractors and owners use Section 7031 against other contractors with minor license problems. Consequently, this results in the wholly disproportionate penalty of either not having to pay for work performed or obtaining their money back if they have already paid for performance. These draconian remedies apply notwithstanding the quality of the work or the contractor being licensed some of the time of performance.

The sponsor further argues that the protection provided by existing law (BPC 7031(e)) for contractors to prove that they have substantially complied with licensing requirements is not sufficient because it requires an evidentiary hearing with complex proof requirements that leave room to keep cases going for significant periods of time.

This bill could lead to potential confusion for consumers. CSLB consistently advocates that consumers check the contractor’s license before commencing work, and the importance of hiring licensed contractors. CSLB would now need to educate consumers that it is at times legal for a contractor to complete work while not properly licensed.

The CSLL requires a contractor to be licensed and hold the appropriate classification(s) to bid on and to perform work. This proposal would move CSLB away from the requirement that a license be held and maintained at all times.

Legislative History:

AB 249 (Berryhill, 2011) limited the ability to recover compensation paid to unlicensed contractors. This bill was heard, but not voted upon, by the Assembly Committee on Business, Professions and Economic Development.

Date: March 14, 2012

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 2219 (Knight)
Status/Location: Introduced 2/24/12; Assembly
Sponsor: Roofing Contractors Association of California
Subject: Contractors: Workers' Compensation Insurance Coverage
Code Section: Business and Professions Code Section 7135; Insurance Code Section 11665

Summary:

Removes the sunset date on the requirement for C-39 Roofing licensees to carry workers' compensation insurance.

Existing Law:

1. Until January 1, 2013, requires a licensee with a C-39 classification to obtain and maintain workers' compensation insurance.
2. Requires the Registrar to suspend a C-39 license if the holder does not submit a valid certificate of workers' compensation insurance coverage, as of January 1, 2011.
3. Until January 1, 2013, requires automatic suspension of a license that, after January 1, 2011, held a C-39 Roofing classification which was previously removed for failure to provide workers' compensation coverage if that license holds other classifications and is subsequently found to have employees who are working without workers' compensation coverage.
4. Until January 1, 2013, requires an insurer who issues a workers' compensation insurance policy to a C-39 licensee to perform an annual payroll audit.

This Bill:

1. Eliminates the January 1, 2013 sunset date on the requirement that all C-39 licensees maintain workers' comp coverage, thereby extending this requirement indefinitely.
2. Requires the Registrar to suspend any active C-39 license if there is no valid workers' comp policy on file, as of January 1, 2013.
3. Eliminates the January 1, 2013 sunset date on the requirement to automatically suspend a license if the license held a C-39 classification which was previously removed for failure to provide workers' compensation coverage, if that license holds another classification and is subsequently found to have employees who are working without coverage, thereby extending this provision indefinitely.
4. Eliminates the January 1, 2013 sunset date on the requirement for insurers to perform an annual payroll audit of C-39 licensees, thereby extending this requirement indefinitely.
5. Postpones the dates from January 1, 2011 until January 1, 2013 in existing law as the date by which a license must have workers' comp coverage, or it will be suspended.
6. Further requires the annual audit to include an in-person visit to the contractor's place of business to verify that the number of employees reported by the

contractor is valid. Also requires the rating organization to track additional roofing classification and data on premiums and losses for specified intervals.

Background:

According to the author's office,

The roofing industry in California has among the highest workers' compensation insurance rates of all industries in the state. However, a high incidence of payroll reporting fraud has also helped lead to these exorbitant costs, as many roofing contractors under-report their payroll in order to secure lower workers' compensation premiums. When roofing companies under-report their payroll and carry substandard levels of workers' compensation insurance, their employees are put at an even higher risk without appropriate insurance coverage in place, homeowners are unwittingly subjected to liability if a worker is injured, and honest roofing companies must subsidize the premiums of dishonest companies.

Data from the first two years of implementation of the insurance mandate reflects the effectiveness of the legislation in that 436 more roofing contractors were insured at the end of 2008 than were insured in 2000, despite fewer roofing contractors in business due to economic attrition.

Eliminating the sunset on this program will ensure a comprehensive approach to eliminating fraud in the roofing industry, which increases system efficiency, protects property owners and roofing employees, while also bringing down costs for California's honest roofing contractors. Furthermore, annually verifying reported payroll numbers through in-person visits (as opposed to simply a phone call) by the insurer during the audit period will further deter fraudulent claims, and will provide insurers with a more accurate picture of the size of roofing operations which they are insuring.

Legislative History:

AB 2305 (Knight, Chapter, 423, Statutes of 2010) extends the sunset date, from January 1, 2011 to January 1, 2013, in existing law requiring a roofing contractor to obtain and maintain workers' compensation insurance, even if he or she has no employees, and extends the parallel sunset date requiring the Department of Insurance to report on this effect. Additionally, added as a new requirement the suspension of any license that, after January 1, 2011, is active and has had the C-39 Roofing classification removed, of the licensee is found by the registrar of contractors to have employees and to lack a valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance.

AB 881 (Emmerson, Chapter 38, Statutes of 2006) established the requirement for all C-39 licensees to maintain workers' compensation coverage.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

WATCH. The cost of workers' compensation insurance continues to escalate, in large part, because of employers who fail to report employees. CSLB has performed a study in select cities to measure roofing contractors' compliance with insurance requirements. The study determined that approximately 50% of roofing contractors insured with State Compensation Insurance Fund (SCIF) have "minimum policies." Basically, a minimum policy is the least amount for which the insurance provider is willing to insure an employer on a given policy. However, the insured is required to notify the carrier when they have payroll, but employers are not reporting payrolls to the insurance carriers.

The approximate premium a roofing contractor pays to insure their labor (not clerical) is 20% on every dollar of payroll. A roofing contractor who pays four (4) employees \$50,000 per year, for a total payroll of \$200,000, would typically pay the WC provider a \$40,000 premium. A sample of 64 roofing contractors (C39 classification), who are required to carry WC to have a clear, active license, determined that more than half or approximately 54% have either a minimum or nearly minimum WC policy:

- 29 (approx. 45%) have minimum WC policies
 - Average premium paid is approx. \$866.
- 6 (approx. 9%) have nearly minimum WC policies
 - Average premium paid is approx. \$2,803
 - Average estimated reported payroll is \$14,010

These numbers may indicate that this requirement is not achieving the desired result.

Additionally, the provisions that change the date from January 1, 2011 to January 1, 2013, as the date by which the license must have coverage or face suspension, can make continued implementation of this law problematic. If the license was not issued until 2014, do they fall under this provision? If the language stated "on or after January 1, 2013," it would cover all licenses that could fall under these circumstances in the future. It is also confusing as to how it would be handled if the C-39 classification was removed from the license in 2011—are they not subject to this suspension? Potentially, but it would be more clear to either remove the "after January 1, 2013" phrase (since the revisions would not take effect until then) or to add an "Effective January 1, 2013," phrase to the beginning of the subsection. That "effective" date phrase could also be a good alternative for subsection (e)(1).

Date: March 2, 2012

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 2482 (Ma)
Status/Location: Introduced 2/24/12; Assembly
Sponsor: Interior Design Coalition of California
Subject: Registered Interior Designers
Code Section: Business and Professions Code Section 5700

Summary:

Creates the California Registered Interior Designers Board (ID Board) within the Department of Consumer Affairs (DCA).

Specifically, this bill:

1. Establishes the ID Board, composed of an unspecified number of members, appointed by the Governor and the Legislature.
2. Defines various terms, including:
 - (a) "Contract documents" as the set of documents that form a part of the legal contract for services between two or more parties. These documents may include, but are not limited to, detailed instructions to the contractor, tender forms, construction documents and specifications.
 - (b) "Practice of registered interior design" as including the development and presentation of final designs...that are appropriate for the alterations or construction of the interior area;" "the preparation and administration of bids or contract documents for the alteration or construction of the interior area as the agent of a client;" "the review and evaluation of problems relating to the design of the interior area during the alterations or construction of the area and upon completion of that alteration or construction."
3. Specifies licensing and renewal requirements for applicants and licensees, and the process for issuing and renewing a license.
4. Defines the practice of registered interior design and provides that, notwithstanding any other provision of law, a licensee may, if required by a city, county, or city and county in relation to the issuance of a permit, prepare and seal interior design documents to be submitted for the issuance of a building permit for interior construction, excluding design of any structural, mechanical, plumbing, heating, air-conditioning, ventilating, electrical, or vertical transportation system.
5. Provides that a licensee may collaborate with a licensed architect, or an electrical, structural, or mechanical engineer.
6. Exempts licensed architects and engineers, employees of registered interior designers, and other specified professionals.
7. States that this bill shall not be construed as authorizing a licensed contractor to perform design services beyond what is authorized in existing law or this bill, unless those services are performed by or under the direct supervision of a

person licensed to practice registered interior design, or a professional or civil engineer.

8. Further states that this bill does not prohibit any person from furnishing, either alone or with contractors, if required by the Contractors State License Law, labor and materials, with or without plans, drawings, specifications, instruments of service, or other data covering such labor and materials to be used for a variety of specified services.

Legislative History:

SB 1312 (Yee, 2008) would have created, within the California Architects Board, the Registered Interior Design Committee for the registration of registered interior designers. This bill was held on the Senate Floor.

AB 1096 (Romero, 2000) would have created a Board of Interior Design for the purpose of registering interior designers. The Governor vetoed this bill, stating:

This bill creates a new regulatory program for an industry where there is no demonstrated consumer harm. The creation of a new regulatory program and new state agency at a time when the Legislature is eliminating licensing boards and streamlining regulatory programs is inappropriate.

Additionally, this bill does not provide for adequate start-up funding and is unclear as to what, if any, consumer protection would be served. Government intervention in a marketplace should be reserved for cases where there is consumer harm.

SB 153 (Craven, Chapter 396, Statutes of 1990) established the Certified Interior Designer Practice Act, which provides for certification by a private non-profit organization.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

OPPOSE. The practice of registered interior design appears to have some overlap with the Contractors State License Law. Specifically, this bill allows registered interior designers to be responsible for the preparation and administration of bids or contract documents for the alteration or construction of the interior area as the agent of a client. It also appears to allow an interior designer to exercise direction and control over a project, which overlaps with CSLB's jurisdiction. Specifically, CSLB is sponsoring legislation this year (AB 2237, Monning) to clarify that someone who does any of the following is subject to licensure: provides or oversees a bid, arranges for and sets up work schedules, or maintains oversight of a construction project.

Additionally, AB 2482 allows an interior designer to pull permits for a project. In order to be able to pull a permit, the interior designer would need to be an agent of the owner, and the owner would have to be using the owner/builder exemption.

Date: March 14, 2012

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 2554 (Berryhill)
Status/Location: Introduced 2/24/12; Assembly
Sponsor: Contractors State License Board (CSLB)
Subject: Contractors: Disciplinary Action
Code Section: Business and Professions Code Section 7106.5

Summary:

Existing Law:

Provides that the expiration, cancellation, forfeiture, suspension, or voluntary surrender of a license does not restrict CSLB's jurisdiction to proceed with any investigation or disciplinary proceeding against a licensee.

This Bill:

Further provides that revocation of a license by operation of law does not restrict CSLB's authority to proceed with an investigation or to take disciplinary action against a licensee.

Amendments

This bill will be amended to provide all enforcement representatives, who have completed the appropriate training, the authority to issue a notice to appear.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

SUPPORT/SPONSOR. Business and Professions Code section 7106.5 grants the Registrar authority to proceed with investigation of a complaint even though the license has been expired, cancelled, forfeited, or suspended by operation of law, or voluntarily surrendered. However, the statute does not provide for pursuing an accusation to revoke the license when the license has already been revoked by operation of law.

An accusation is filed after an investigation by enforcement staff and it is a public written statement of charges CSLB has filed with the Office of the Attorney General that specifies statutes and rules a contractor or home improvement salesperson is alleged to have violated. It may result in a hearing to determine whether a licensee has violated the law and whether the license should be revoked, suspended, and/or placed under some type of restriction by the Registrar.

Revoking a license by operation of law occurs when a licensee fails to comply with a citation or arbitration award. The license is revoked for a minimum of one year. To reinstate the license, the licensee must make restitution or comply with the order of correction, pay civil penalties, and post a minimum disciplinary bond in the amount of \$15,000.00. Often, the amount of restitution is minimal and the civil penalties cannot exceed \$5,000.00.

By not having the clear authority to file an accusation when the license is revoked by operation of law, an individual could evade/avoid discipline because the facts of the grounds for the accusation were never established. For example, if the licensee may not re-apply for licensure for five years after the revocation for non-compliance, the witnesses and evidence of the aforementioned case would not be fresh or the witness may not be located.

With this proposed change, CSLB could proceed with the accusation hearing, and put the discipline and facts of the case on record, which would require the licensee to comply with the Order of the Registrar prior to getting the license re-issued.

The proposed change would protect the public by establishing a financial injury relative to the case, which would allow the consumer to file against the bond. The public would also be more protected when, and if, the licensee re-applied because the egregious act would result in the requirement of a higher disciplinary bond amount, which currently can be imposed up to \$125,000.00.

In addition, the consumer that filed the complaint leading to the accusation would be entitled to restitution before the license is re-issued.

Date: March 12, 2012

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 2570 (Hill)
Status/Location: Introduced 2/24/12; Assembly
Sponsor: Author
Subject: Settlement Agreements
Code Section: Business and Professions Code Section 143.5

Summary:

Prohibits the inclusion of gag clauses in settlement agreements.

Existing Law:

1. Provides that it is a cause for suspension, disbarment, or other discipline for an attorney to agree or seek agreement that the professional misconduct or the terms of a settlement of a claim for professional misconduct are not to be reported to the disciplinary agency, or to agree to seek agreement that the plaintiff shall withdraw a disciplinary complaint or not cooperate with an investigations or prosecution conducted by the disciplinary agency.
2. Specific to the Medical Board of California, prohibits any physician or surgeon from including in a civil settlement agreement any provision that prohibits another party to the dispute from contacting or cooperating with, or filing a complaint with the Medical Board of California (MBC), or that requires withdrawal of a filed complaint.

This Bill:

1. Provides that no licensee that is regulated by a board, bureau or program within the Department of Consumer Affairs (DCA), nor an entity or person acting as the licensee's authorized representative, shall include or allow to be included in agreement to settle a civil dispute, a provision that either prohibits the other party from contacting, filing a complaint with, or cooperating with DCA or the board, bureau, or program, or that requires the other party to withdraw a complaint already filed.
2. States that such a provision is void as against public policy, and subjects any licensees who includes such a provision to disciplinary action.
3. Further provides that any licensing entity within DCA that takes disciplinary action against a licensee or licensees based on a complaint or a report that has also been subject to civil action and settled for monetary damages providing for full and final satisfaction shall not require its licensee(s) to pay any additional sums to the benefit of any plaintiff in the civil action.

Legislative History:

AB 2260 (Negrete McLeod, Chapter 565, Statutes of 2006) established the existing provision for the Medical Board of California.

The Attorney General's Office supported the bill, and write in support:

The [AG] routinely represents licensing agencies, particularly in our Health Quality Enforcement and Licensing Sections. We have long maintained

that such contracts and/or settlement provisions are void as against public policy. Case law supports this view. (See, *Picton v. Anderson Union High School* (1996) 50 Cal.App.4th 726 [non-disclosure agreement in teacher misconduct case held unenforceable and illegal as a matter of public policy]; *Mary R. v. Division of Medical Quality of the Board of Medical Quality Assurance* (1983) 149 Cal.App.3d 308 [gag orders stricken once the Medical Board has intervened and asserted its interest in fulfilling its statutory obligations to supervise and regulate the practice of medicine]; and *Cariveau v. Halferty* (2000) 83 Cal.App.4th 126 [civil settlement agreement which prohibits customers of a securities agent from reporting misconduct to a regulator is void as against public policy].)

AB 446 (Negrete McLeod, 2005) would have prohibited any licensee regulated by the Department of Consumer Affairs, or various boards, bureaus, or programs from including a provision in an agreement to settle a civil dispute that would prohibit the other party to the dispute from contacting, filing a complaint with, or cooperating with the department, board, bureau, or program, or that would require the other party to withdraw a complaint from the department, board, bureau, or program. The Governor vetoed this bill, stating:

I vetoed a similar bill last year because of the negative effect it would have had on the California economy. This bill further erodes the ability to do business in California by creating more uncertainty regarding litigation by prohibiting any licensee or professional overseen by the Department of Consumer Affairs from including in a civil settlement agreement a provision that prohibits the other party from contacting or filing a complaint with the regulatory agency. When parties who are in dispute agree to settle, there should be some assurances that the dispute has been resolved in a satisfactory and final manner for both parties.

AB 320 (Correa, 2004) was virtually identical to AB 446 and was also vetoed, for the same reasons as stated in the veto message for AB 446.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

WATCH. Prior legislation has been supported by the Attorney General's Office, CalPIRG, and the Center for Public Interest Law and Consumers Union. Supporters generally argue that gag clauses allows licensees to keep their misconduct secret and avoid appropriate oversight, which can potentially harm the public.

Opponents to prior legislation have included engineering groups, the California Building Industry Authority, Associated General Contractors, and other contractor groups. They have argued that contractors and their insurers will not settle unless the settlement is final and that during the delay, all parties will continue to have to pay attorneys' fee, thereby increasing litigation costs. They also assert that this will also tend to exacerbate the already high costs of insurance for contractors.

Date: March 5, 2012

AGENDA ITEM D

Adjournment



MARCH 28, 2012
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Public Affairs Committee



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

PUBLIC AFFAIRS COMMITTEE MEMBERS:

JOAN HANCOCK, CHAIR

BOB BROWN

ED LANG

PASTOR HERRERA

LOUISE KIRKBRIDE

Ed Lang

Committee Chair Joan Hancock will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Public Affairs Program Update





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

March 28, 2012

The Contractors State License Board's (CSLB) Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations. PAO provides a wide range of services, including proactive public relations and paid advertising campaigns; response to media inquiries; community outreach that includes Senior Scam StopperSM and Consumer Scam StopperSM seminars, special events, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; and employee relations.

STAFFING UPDATE:

PAO is currently staffed with five full-time positions and three part-time positions:

- Rick Lopes Chief of Public Affairs
- Melanie Bedwell Information Officer II
- Rose Avila Graphic Designer III
- Jane Kreidler Associate Governmental Program Analyst
- Venus Stromberg Information Officer I
- Candis Cohen Retired Annuitant
- Alice Reed Retired Annuitant
- Sarah Martin Student Assistant

One other full-time Information Officer I position has been put on-hold as part of CSLB's 5% workforce cap reduction.

WEBSITE HIGHLIGHTS:

Website Assistance Project

PAO remains responsible for preparing all press releases, industry bulletins and, when time permits, has made updates and corrections to CSLB's website content. IT staff is still responsible for double-checking PAO's document formatting work before it uploads material to the website. PAO formatting assistance enables faster posting of time-sensitive materials that can then be linked to CSLB social media sites. Between January 25 and March 12, 2012, PAO formatted or updated formatting on 29 separate website items.

Social Media

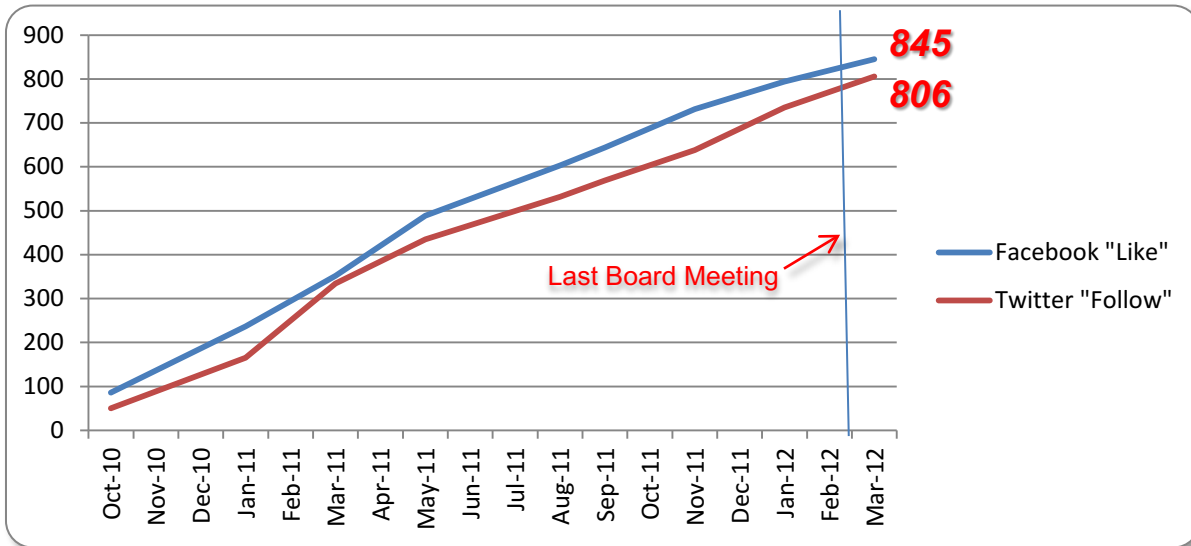
CSLB continues to gain followers on its Facebook and Twitter pages. PAO staff continues to monitor demographic data and track the number of "likes" and "followers," which generally increase on a daily basis. As of March 12, 2012, 845 individuals, businesses or other government entities of all types "like" CSLB's Facebook page and 806 are "following" CSLB on Twitter.

Most followers on both social media sites continue to be licensees or others in fields aligned with the construction industry. The most liked and talked about posts on Facebook tend to be those regarding enforcement actions, which the industry likes to see and tends to share or re-tweet, as well as comment on or "like." From January 25, 2012 to March 12, 2012, PAO posted 31 items to Facebook (including answers to questions received about contractor license law via the Facebook page) and 24 links, posts, or re-tweets on Twitter.

In addition, PAO maintains a YouTube page with videos produced by CSLB or DCA. The latest video posted on this page, as of March 12, 2012, was the streaming video of the Board's meeting on February 7, 2012, in San Jose. The live stream was promoted on Facebook and Twitter.



Facebook "Likes" & Twitter "Followers"



Email Alert Feature

PAO continues to publicize a website feature launched in May 2010 that allows people to sign up to receive up to four different email alerts from CSLB.

Subscribers can receive alerts for:

- California Licensed Contractor newsletter
- Press Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

More than 15,500 subscriptions were activated as of March 12, 2012, an increase of about 500 since the February Board meeting. Each of the four lists is growing at about the same rate, with the greatest number of subscribers to newsletters, followed by industry bulletins, press releases, and meeting notices.

In addition, more than 78,000 email addresses voluntarily submitted on license applications and renewal forms have been added to the email system. Combined, CSLB's email database now consists of just over 94,000 email addresses.



e-mail alerts

Please enter your information to sign up for a CSLB Mailing List:

Email address:

First name:

Last name:

Select the list you would like to subscribe to:

California Licensed Contractor Newsletter

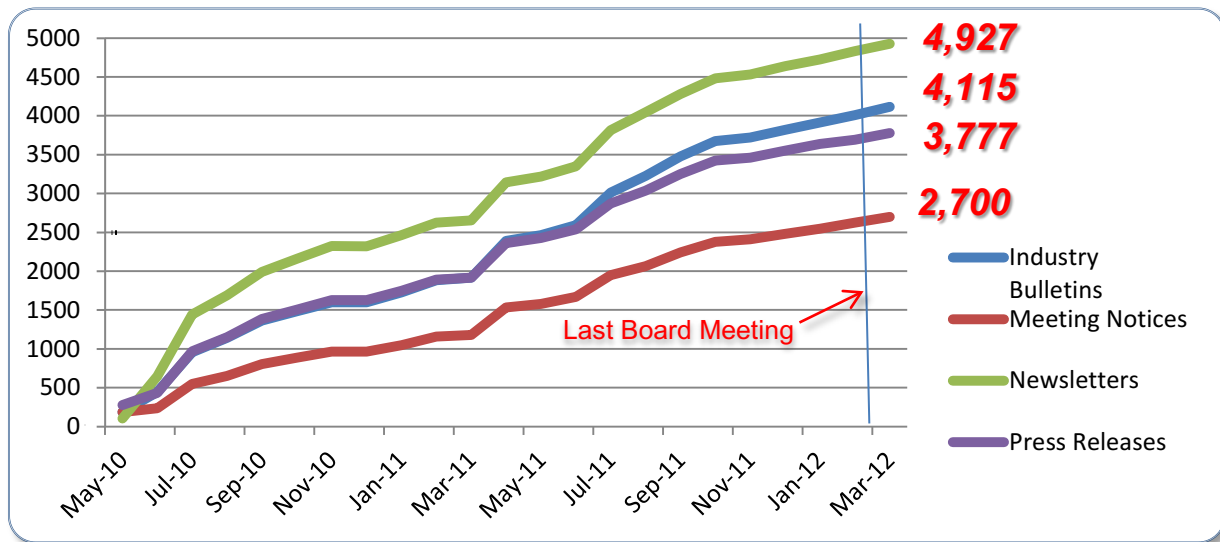
Press Releases/Consumer Alerts

Industry Bulletins

Public Meeting Notices/Agendas.



Email Alert Sign-Up Numbers



MEDIA RELATIONS HIGHLIGHTS:

Media Events

At the conclusion of a two-day Enforcement division statewide sting blitz, Public Affairs held a news conference with partner agencies and staff who were part of the Riverside County operation, along with the Riverside County District Attorney's Office, on Friday, March 16, 2012. Sting operations were held in eight different cities during the operation. Blitz events have, to date, been held twice each year (spring and fall). In 2012, a third blitz will be added (summer). CSLB received comprehensive statewide media attention after distributing the blitz news release.

Media Calls

Between January 24, 2011 and March 16, 2012, PAO staff responded to 40 separate media inquiries and provided interviews to a variety of newspaper, radio, and television outlets.

News Releases

PAO continued its policy of aggressively distributing press releases to the news media, especially to publicize enforcement actions and undercover sting operations. Between January 25, 2012 and March 16, 2012, PAO distributed seven press releases.

Date	News Release Title
February 3, 2012	Contractors State License Board Suspends Contractor License after Worker Death in Milpitas
February 10, 2012	Speedy Suspect Can Run But Not Hide from SWIFT
February 13, 2012	Illegal Operator Corrects Offenses after Three CSLB Busts
February 22, 2012	Contractors State License Board Doesn't Have to Go Far to Arrest Revoked Licensee



February 24, 2012	CSLB and Partners Sink Orange County Swimming Pool Pariah
March 8, 2012	Five-Day Bay Area Sting Operation Targets Workers' Compensation Violators
March 16, 2012	Violators Caught in Eight-City Spring Enforcement Blitz (Tentative Title)

DISASTER OUTREACH HIGHLIGHTS:

While no major disasters struck California since the last Board meeting, PAO has continued to support efforts to assist the National Association of State Contractor Licensing Agencies' (NASCLA) Resource Committee in developing model program materials that can be used by states around the country as part of disaster response.



Materials were distributed to various Midwest states in the wake of an outbreak of tornadoes in February.

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS:

California Licensed Contractor Newsletter

The spring 2012 edition of the licensee newsletter, *California Licensed Contractor*, is currently in final production and will be posted online by the end of March.

Industry Bulletins

PAO continues to alert industry members to important and interesting news by distributing Industry Bulletins. Bulletins are distributed via email on an as-needed basis to a group of more than 3,800 people and groups. This includes those who signed up to receive the bulletins via CSLB's new Email Alert system. Between January 25, 2012 and March 14, 2012, three Industry Bulletins were distributed.

Date	Industry Bulletin Title
January 27, 2012	Contractors State License Board Issues First LLC License
February 16, 2012	How to Contract with Public Entities Forum
March 5, 2012	Contractors Who "Cheat to Compete" Face Stiff Penalties

PUBLICATION HIGHLIGHTS:

2011 Accomplishments and Activities Report

This is CSLB's annual progress report, identified by division.

2012 Contractors License Law & Reference Book

The 900+ page law book is scheduled to be delivered during the week of March 19, 2012.



CSLB Publications

Between January 25, 2012 and March 14, 2012, several publications were completed, moved into production, were delivered or are being reviewed and designed.

Completed Publications

- CSLB Matters – Employee Newsletter
- January 2012 Licensing/Enforcement Committees Meeting Packet
- Stop Order Brochure (new)
- Mandatory Arbitration (reprint)

Other Publications in Progress

- California Licensed Contractor Newsletter (online only)
- What You Should Know Before Hiring a Contractor (Spanish reprint)
- 10 Tips Cards (English/Chinese reprint)
- Master Consumer Publication (new)
- Master Contractor Publication (new)
- Sting Brochure (new)
- Stop Order Brochure (Spanish new)
- Description of Classifications (Spanish)
- Terms of Agreement-Consumer Guide to Home Improvement Contracts (reprint)
- A Consumer Guide to Asbestos (reprint)

COMMUNITY OUTREACH HIGHLIGHTS:

Senior Scam StopperSM Seminars

Interest in Senior Scam StopperSM seminars increased since a promotional/informational brochure and letter was sent to each legislator last September. The letter was personalized and showed elderly population statistics in the legislators’ districts.

In addition to providing information about construction-related scams and how seniors can protect themselves when hiring a contractor, Senior Scam StopperSM seminars feature expert speakers from many local, state, and federal agencies, who present broader topics, including identity theft, auto repair fraud, and investments scams.

Governor Brown’s Executive Order B-06-11 put travel restrictions in place for all non-enforcement activities, including Senior Scam StopperSM seminars. CSLB will continue to schedule seminars, and request travel exemptions in order to deliver these fraud-prevention presentations. To date, all travel requests have been approved.

The following seminars have been conducted or scheduled since the last Board meeting:

Date	Location	Legislative Partners
January 25, 2012	Fresno	Asm. Henry Perea
January 27, 2012	Sacramento	Sen. Darrell Steinberg
February 3, 2012	Compton	Sen. Roderick Wright Asm. Isadore Hall





February 6, 2012	Pleasanton	Asm. Mary Hayashi
February 8, 2012	Castro Valley	Asm. Mary Hayashi
February 10, 2012	Inglewood	Sen. Roderick Wright
February 24, 2012	San Diego	Asm. Ben Hueso
March 9, 2012	Westlake Village	Sen. Fran Pavely
March 30, 2012	Pacoima	Sen. Alex Padilla & Asm. Felipe Fuentes
April 3, 2012 #1	San Rafael	Asm. Jared Huffman
April 3, 2012 #2	Greenbrae	Asm. Jared Huffman
April 4, 2012 #1	Petaluma	Asm. Jared Huffman
April 4, 2012 #2	San Rafael	Asm. Jared Huffman
April 13, 2012 #1	Mill Valley	Asm. Jared Huffman
April 13, 2012 #2	Petaluma	Asm. Jared Huffman
April 20, 2012	San Jose	Asm. Jim Beall, Jr.
April 27, 2012	Anaheim	Sen. Lou Correa

Speakers Bureau

CSLB speakers continue to be in demand. Since more requests are for enforcement-related topics, most of the requests are being accommodated by utilizing Enforcement division staff. More than two dozen presentations or appearances have either been made or have been scheduled since the beginning of 2012.

EMPLOYEE WELLNESS HIGHLIGHTS:

PAO coordinates the Employee Wellness programs at the main headquarters office in Sacramento and southern headquarters in Norwalk. Wellness program events provided since the last Board meeting in February include:

- Yoga
- Free Farmers Market
- Chair massage
- CalPERS Retirement Planning seminar



AGENDA ITEM D

Expanded Outreach Proposal





CONTRACTORS STATE LICENSE BOARD

EXPANDED MEDIA OUTREACH PLAN

Strategic Plan Objective

The 2011-12 Public Affairs Committee Strategic Plan (Plan) calls for expanded media outreach. The Plan outlines how to use budgeted funds while conforming to contract law. The goal of this objective is provide contractors with educational materials that will empower them and enable them to help educate consumers about making informed choices when hiring a contractor.

Background

CSLB's Public Affairs Office (PAO) has been allocated a \$700,000 annual budget to contract for advertising/public relations services. CSLB enters a contract with an advertising/public relations vendor after a competitive bidding process that uses the state Request for Proposal (RFP) process.

In fiscal years (FY) 2009-10 and 2010-11, the majority of allotted funds were used to purchase placement in print, electronic, and online media throughout California. The advertisement message was aimed at consumers and warned them about the dangers of hiring unlicensed operators.

PAO's most recent contract expired on June 30, 2011.

In early 2011, and while reviewing CSLB's RFP documents, the Department of General Services' Legal Office questioned whether this type of RFP conforms with contract law, and suspended PAO's RFP process. As a result, PAO was not allowed to issue an RFP to secure a new advertising/public relations vendor.

Available Research

An element of PAO's FY 2008-2009 advertising/public relations contract was a statewide public opinion survey and focus group research project.

Public opinion research consisted of statewide telephone interviews with consumers. Focus group research, conducted in January 2009, consisted of eight two-hour group sessions with 61 licensed contractors in Fresno, Los Angeles, Sacramento, and San Diego. Four of the sessions were conducted in English, four in Spanish.

The research offered important feedback on licensee sentiments about the state of the construction industry, as well as opinions and impressions of CSLB and its operations.

Research results were used to direct the paid advertising campaign that was held from 2009 to 2011.

Due to the mixed results of post-campaign research conducted in 2011, it was determined that CSLB's limited budget (\$700,000) makes it difficult, if not impossible, to educate and inform the state's 37 million residents through traditional paid advertising.

**Focus Group Research**

The January 2009 focus group research identified a number of opportunities to better utilize licensed contractors and give them the tools to help them educate consumers. An added benefit would be to put a system in place to give licensees information on laws and best business practices. Among the research findings are:

- Contractors believe CSLB should educate contractors. This means making information available on a variety of subjects, including information they can use as part of their presentations to potential clients.
- About one-third of the contractors had seen CSLB's printed educational collateral. Most of the research focus group contractors said they would utilize printed materials and hand them out to customers. They also showed interest in personalizing brochures with an individual contractor name and license number.
- There is a perception in the construction contracting community that CSLB exists only to regulate and charge license fees.
- Some contractor opinions suggested that CSLB does not do a good job representing them. In addition, they suggested that CSLB makes consumers fearful of contractors.

Proposal

PAO's limited budget can better reach 300,000 licensees rather than 37,000,000 California consumers. During the remainder of 2012, and into 2013, PAO recommends development of an outreach campaign aimed at licensees. The goal would be two-fold:

1. Provide licensees with tools they can use to educate consumers/potential clients; and
2. Provide licensees with resources that will help ensure that they are aware of laws and best business practices.

This campaign will encourage licensees to share ownership of CSLB's message that promotes the value of hiring a licensed contractor, and will further inform consumers about the risks they take when either hiring an unlicensed operator or a licensee who is cutting corners by operating in the underground economy. This will give licensees who are following the laws a more competitive business platform and help CSLB achieve its consumer protection goal.

By participating in consumer education efforts, and by receiving information on laws and best business practices, licensees would have a greater understanding of the direct benefit from their license fee.

**Potential Campaign Elements**

- Conduct Research
 - Determine most wanted/needed materials
 - Determine best way to reach licensees
- Develop (update) Print/Web Materials
 - Including new consumer & contractor booklets
 - Formats optimized for printing CSLB website
 - Opportunity to add contractor name/license number on materials
 - Consumer victim stories
- Develop Online Contractor Resource Center
 - Make resources available in one, centralized place
- Develop “State of California Licensed Contractor” Logo
 - Use to promote “State Licensed Contractor”
 - Determine if legislation is needed to prohibit illegal use by non-licensee
- Develop Videos
 - Contractor can embed on their own website
 - Focus on consumer education material
 - Focus on communication w/licensee (maybe monthly video w/highlights)
 - Industry groups
 - Monthly video noted above
- Other Web Elements
 - Development of monthly topics
 - Live Web chats
 - Development of Opt-In “Find a Contractor” feature
 - Site where consumers would go to find list of licensees
 - Search either by location or license classification

Questions

- Should an outside consultant/vendor be hired to help PAO develop/execute plan, and conduct new research?
- How should current ideas be prioritized?
- What should the implementation timeline be?
- Should products be multi-language?
- Which success/results mechanisms should be used?
- How will PAO staffing adjustments be determined?

Committee Motion

- Motion to approve staff development of a contractor education program, including the use of outside vendors, if necessary.



CONTRACTORS STATE LICENSE BOARD

2009 RESEARCH



Public Opinion Survey Results + Focus Group Report

PREPARED BY

A S T O N E

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AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



Methodology

- Focus groups, an exploratory methodology, were selected to achieve the purpose and objectives of the research.
- Nichols Research conducted the screening for Fresno, Opinions of Sacramento for Sacramento, Adept Consumer Testing for Los Angeles and Taylor Research for San Diego groups.
- Mimi Nichols, Founder of Nichols Research, moderated four English groups and Elida Avina, President of Simi Marketing, moderated four Spanish groups; one English and one Spanish group in each of the four cities.
- All Spanish groups were simultaneously translated into English during the groups
- One English and one Spanish group were conducted in Fresno, Sacramento, Los Angeles and San Diego at the facilities where recruiting was done, between January 20 and 29, 2009.

Caveat: As this research is based on a limited number of focus groups, study findings are suggestive in nature and not conclusive. Caution should be exercised in the interpretation and projection of these findings to the population as a whole. Conclusions from the research should be used for directional purposes only.

Participant Recruitment

- Eighty respondents were recruited; half English speakers and half Spanish speakers.
- Sixty-one were included among the groups.
- Eight two-hour groups were conducted.
- All respondents were contractors with a current license in the state of California.
- There was a mix of general contractors and specialty sub-contractors.
- The majority were business owners, with a few per group who were employees of a company.
- Respondents in the English, general-market groups were mixed ethnicities and the Spanish groups had Latino-Spanish-speaking only and bilingual participants.
- Only one or two females were in the English groups, with the majority males; there were only males in the Spanish groups.

Discussion Guide

- A four-page discussion guide, with slight variations for English-speaking groups and Spanish-speaking groups, was created to lead the focus group participants.
- Due to the free-form nature of focus group studies, discussion guides are simple guidelines. Group discussions must be allowed to flow with the mood and direction of the participants.
- The moderator is the facilitator and serves to keep the discussion on target, without inhibiting the respondents.
- Not all topics outlined on the discussion guide were addressed in detail during each group, but each area was explored, at least minimally.

Types of Licenses

- More of the respondents have a General Building License than any other type of license.
- The following specialty contractors were represented, with at least one respondent in each category: Electrical, Plumbing, Fire Protection, Glazier, Drywall, HVAC, Landscaping, Paving and Grading, Flooring, Concrete, Roofing, Painting and Decorating, Framing and Rough Carpentry and Elevator Shafts.
- There was a mix of contractors who do residential and commercial work.
- There was a range of contractors who have had their license for less than a year to those who have had a license for more than 20 years.

Principal Findings

1. Both homeowners and contractors agree that consumers most often find a person to do repairs on their home through word-of-mouth or referrals from friends and relatives.
2. Most contractors say they have a listing or ad in the Yellow Pages, which is also the second most common method consumers use to find a contractor.
3. Homeowners and contractors agree price is a major determinant of how a final bid is selected. However, contractors are more likely to say price is the most important factor for almost ALL consumers. Homeowners state price is only one aspect of their final decision process; gut feelings, reputation, references, quality of work and licensing are also considerations.
4. Generally, homeowners and contractors agree that the benefits of hiring a licensed contractor are: work is guaranteed; legal protection; repairs done correctly; licensed contractors are insured and bonded; and they know what they are doing.
5. Contractors and homeowners in Sacramento are more familiar with the CSLB than the other three regions.
6. Licensed contractors commonly think that young couples, or new homeowners who have used all of their money to buy a house, will hire an unlicensed contractor for repairs because it is generally less expensive.
7. There is a perception the CSLB doesn't help contractors very much and just serves to regulate them and charge them fees for a license.
8. Some contractors feel the CSLB represents contractors poorly and only makes consumers fearful of them.
9. About one-third of the contractors have seen the collateral provided by the CSLB. Almost all of the contractors say they would utilize the materials and give them out to customers and showed interest in personalizing the brochures with an individual contractors name and license number.
10. Contractors believe the CSLB should educate both contractors and consumers; have education programs for contractors and information for consumers.

SIGNIFICANT FINDINGS OF THE RESEARCH**Comparison Between Homeowner Survey and Contractor Groups**

- Both homeowners and contractors agree that most often consumers find a person to do repairs on their home through word-of-mouth or referrals.
- There is agreement that homeowners mostly take recommendations from friends and relatives who have previously had contractor work done, and often go to view the completed work before accepting a contractor's bid.
- Contractors state they try to do excellent, high quality work so they can refer potential clients to past clients and many even bring photos of previous work to prospective customers.
- Most contractors say they have a listing or ad in the Yellow Pages, which is also the second most common method consumers use to find a contractor.
- Sixty-eight percent of homeowners say they get multiple bids, and contractors seem aware that most often they are in competitive bid situations.
- Homeowners and contractors agree that price is a major determinant of how a final bid is selected. However, contractors are much more likely to say price is the most important factor for almost ALL consumers, except for those with whom they already have a working relationship. However, homeowners state price is only one aspect of their final decision process; gut feelings, reputation, references, quality of work and licensing are also very important considerations.
- Homeowners (83%) say it matters to hire a licensed contractor more often than contractors assume they do. Also, the vast majority of homeowners who have hired a contractor at any time say they have hired a licensed contractor.
- Unlike the assumption by contractors that homeowners only hire unlicensed contractors because of price, more homeowners say they have hired unlicensed contractors because the contractor was recommended by family or friends, or because the contractor IS family or a friend.
- Most consumers recognize the benefits of hiring a licensed contractor, which are the same reasons licensed contractors think consumers should hire them: work is guaranteed; legal protection; repairs done correctly; licensed contractors are insured and bonded; and they know what they are doing.
- More than half of homeowners believe that unlicensed contractors offer good prices; however, more than a third feel there is no benefit to hiring an unlicensed contractor. This might surprise licensed contractors since they have the perception that all homeowners consider it a benefit that unlicensed contractors have lower prices than licensed contractors.
- Homeowners seem to understand the risks associated with hiring unlicensed contractors better than contractors give them credit for. Many consumers are aware of issues of liability, substandard work, lack of qualifications, failure to complete and warranty issues connected with unlicensed contractors.

CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009

- Almost half of homeowners surveyed recalled advertising warning consumers not to hire unlicensed contractors and the contractors in the focus groups referred to similar advertising that was prevalent after the California fires.
- Consistent with homeowners, contractors in Sacramento are more familiar with the CSLB than the other three regions.

Common Contractor Industry Topics

- Most respondents state that they like being a licensed contractor because:
 - You have your own schedule and obligations.
 - Work is mostly outdoors.
 - There is variety with a different workspace every week.
 - A license gives you respect from others and they look at you differently than unlicensed contractors.
 - You can do bigger jobs with a license and earn more money.
 - With a license you don't have to hide or be afraid of going to jail.
- The top positive changes respondents see happening in the industry are:
 - Technology
 - Internet for research
 - Order materials online
 - Email estimates to clients
 - Better products
 - Green products
 - Safer products
 - New tools
 - Better education opportunities
 - Classes
 - Seminars
 - Conferences and conventions
- Positive changes mentioned in English groups:
 - Better communication between consumers and contractors
 - Strict EPA laws
 - Inspectors are more knowledgeable
 - More availability of qualified workers
 - More unlicensed contractors are being caught
 - Gas prices have gone down
 - Workers Compensation costs have decreased

CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009

- Other positive changes mentioned in Spanish groups:
 - Health and welfare laws
 - Better seismic rules
 - More work

- The top negative changes respondents see happening in the industry are:
 - Too much competition
 - Not as much work
 - Consumers go for low price bid
 - More workers than jobs
 - Materials and gas prices have risen
 - Even though gas is not as expensive as in the summer, still expensive
 - Expensive to fill trucks that contractors use
 - Steel and copper are expensive
 - Unlicensed contractors/labor
 - Workers who stand outside Home Depot
 - Charge lower prices with no overhead
 - Don't always do work correctly

- Other negative changes mentioned in English groups:
 - Government bureaucracy
 - Too much paperwork
 - Inconsistencies among inspectors
 - Increased tax burden
 - Water shortage (landscaping, cement)
 - Collecting payments from clients
 - Difficult to get permits approved
 - Consumers are uneducated about quality
 - Unrealistic home and garden TV shows

- Other negative changes mentioned in Spanish groups:
 - Difficulty of getting permits
 - Collecting payments from clients
 - Having to go further away from home to find work

“When the economy was flourishing in Sacramento there was a lot of immigration from S.F., L.A. and Las Vegas; they all came to work and stayed to live. Now there are way more contractors in the area and not as much work.” – Sacramento, Spanish focus group participant.

- Contractors feel that the poor economy is most responsible for the problems they are having, with lay-offs causing more workers than jobs.

- Unlicensed contractors are considered as more of a threat or problem for residential construction than for commercial jobs, and for small projects rather than large projects.

**CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009**

- Some contractors think the real estate industry and developers are partially responsible for contractors' problems because the industry flooded the market with new homes and re-sales.
- Many contractors believe the fault lies with consumers who hire unlicensed contractors and who are driven by price only.
- The banking industry and the shortage of financing are viewed as causing consumers to not buy new homes or repair/remodel their current homes.
- Almost all licensed contractors are aware that they can call the CSLB regarding unfair contractor work.
- A few contractors think they can call the city, county or worker's comp to file a report.
- Several contractors say they have reported unlicensed contractors to the CSLB, but most say they have not, and many, particularly Hispanic contractors, say they would not.
- Those contractors who have reported to the CSLB do not feel that adequate or timely action was taken.
- Some contractors advise their clients to report an unlicensed contractor to the CSLB, particularly if the original job done was of poor quality which resulted in a licensed contractor being hired to complete or fix the job.

The following are some comments made about industry topics by the English groups in the four markets:

"The internet is a great resource because it helps connect consumers to us and helps them weed out the bad contractors." – *Los Angeles, English focus group participant*

"Unlicensed contractors are more of an annoyance than competition; they don't compete with us on commercial jobs; they can't do a lot of things; they are more of a threat for residential." – *San Diego, English focus group participant*

"We call the CSLB [about unfair contractor work], but they don't do anything. They say they will put you on the list and say they will get to it, but they never get to it." – *Fresno, English focus group participant*

"More clients are taking the 'Home Depot' mentality – they only care about cost and don't know about quality contractors who: A) have been in business for a long time; B) play by the rules; C) will be there after the job is done." – *Sacramento, English focus group participant*

**CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009**

The following are some comments made about industry topics by the Spanish groups in the four markets:

“People don’t want to invest in their homes; they are scared.” – *Sacramento, Spanish focus group participant*

“Customers need to complain [to the CSLB], but they don’t because they are saving money. If we, as contractors, report an unlicensed contractor, a report is filed, but nothing is done and you keep seeing the unlicensed contractor again and again.” – *Fresno, Spanish focus group participant*

“I feel that the unlicensed guy is working for his family and even though it is not right, I will not say anything.” – *Los Angeles, Spanish focus group participant*

“The fault is with the client because they don’t take care to only hire someone with a license; they hire whoever gives them the lowest price.” – *San Diego, Spanish focus group participant*

Unlicensed Contractors

- Most licensed contractors are unable to, or choose not to, identify a stereotypical type of customer (based on gender, age or ethnicity) who hires unlicensed contractors.
- Contractors agree that it is any homeowner, or small business owner, who is cost-driven rather than quality-driven, who will hire unlicensed contractors.
- Some licensed contractors think that young couples, or new homeowners who have used all of their money to buy a house, will hire an unlicensed contractor for repairs because they don’t have much money left.
- Flippers and slumlords are considered the most likely property owners to use unlicensed contractors because they don’t care about the property or they are going to sell it before construction problems are recognized.
- Immigrants starting a small business are considered targets for unlicensed contractors.
- Almost all of the licensed contractors agree that price is the number one advantage for consumers when hiring an unlicensed contractor.
- Respondents think other advantages consumers might see besides price are:
 - No paperwork to deal with.
 - No waiting for inspectors.
 - Consumers can buy materials themselves.
 - Quick in and out for the contractor.
 - Often no permits are pulled.
 - Unscrupulous homeowners know they don’t have to pay someone without a license and can’t be sued.

CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009

- The following is a list of disadvantages licensed contractors say consumers have when hiring unlicensed contractors:
 - Unlicensed contractors can take money upfront and not complete the work.
 - No insurance.
 - No bond.
 - Poor quality.
 - No building permits.
 - Lawsuits against owner for injuries on the job.
 - No warranties on materials.
 - Hurts morale of licensed contractors who play by the rules.
 - No binding contract.
 - Taxes may not be paid by unlicensed contractors.
 - Possible theft from the home.
 - Unlicensed contractors may not be full-time.

- Licensed contractors in most groups have gotten work from homeowners who had problems with work previously done by unlicensed contractors.

- There is an overall feeling that unlicensed contractors who do poor quality work, or don't finish a job, give all contractors a bad reputation among consumers.

- Contractors with licenses for specific trades, which require certain certifications, skills and equipment, don't feel they are affected as much by unlicensed contractors as those with more general licenses.

- Most licensed contractors perceive that they have lost jobs they have bid because the client has chosen to go with the lower cost of an unlicensed contractor.

- Licensed contractors think that fear is a good motivator so stings and stiffer fines would cause more contractors to become licensed.

- In most groups, respondents feel that the stings done by the CSLB after the various fires in California should continue and be more frequent.

- There is a sense from both Hispanic and other licensed contractors that a large number of unlicensed contractors are Hispanic, and many of them illegal. They are aware that illegal contractors can't apply for a license.

- It is recommended that unlicensed contractors not be allowed to advertise in newspapers, the Yellow Pages or other media.

- Many of the respondents feel that as long as consumers are willing to hire contractors without a license, there is not as much of an incentive to get a license.

**CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009**

- Licensed contractors would like to see consumers penalized if they are caught hiring an unlicensed contractor similar to penalties for hiring an illegal worker.
- It is agreed that consumers need to be educated about why they shouldn't hire unlicensed contractors.
- Licensed contractors think a percentage of unlicensed contractors would get a license if they could pass the test and suggest that either the test be more hands-on to assure competency in a trade itself, or that unlicensed contractors be offered educational opportunities in English and Spanish that would prepare them to take the test.

The following are some general comments made about unlicensed contractors by the Spanish groups in all four markets:

"All kinds of people [hire unlicensed contractors], Arabs, Asians, high income, lawyers – even some of our own people-because they always have a brother or cousin who does the work." – *San Diego, Spanish focus group participant*

"There is no supervision from the CSLB and how do they not catch these people who do a bad job and take the work away from us?" – *San Diego, Spanish focus group participant*

"Consumers distrust all contractors if they had a bad experience with an unlicensed contractor." – *Los Angeles, Spanish focus group participant*

"I've given estimates and I explain the steps, the inspector and so on and they'll ask me if I can do it without using my license so that they won't have to wait for the inspector to give the okay for each step. That's something I can't do or I'll have a big problem. I'll explain it to them and they will go to someone else." – *Sacramento, Spanish focus group participant*

"You can encourage them to get a license by telling them they wouldn't worry about anything. Once you have a license, you don't have to worry about getting caught for working without a license." – *Sacramento, Spanish focus group participant*

"What affects us is the closeness to the border. They come over from Tijuana; they come over the border and hang out at Home Depot and work for very little." – *San Diego, Spanish focus group participant*

"I have co-workers who I work with who are not licensed and they don't want the costs." – *Fresno, Spanish focus group participant*

"If you are unlicensed, people take advantage of you. You can't take someone to court to get paid if you are unlicensed." – *Fresno, Spanish focus group participant*

"I have a brother who was given the option of getting a license or paying \$4000 and he paid the money because he didn't want the responsibility that goes with having a license." – *San Diego, Spanish focus group participant*

CONTRACTORS STATE LICENSE BOARD
Focus Groups Research Summary January 2009

The following are some general comments made about unlicensed contractors by the English groups in all four markets:

“I don’t think it has anything to do with demographics – they want to see how much they can get for their money.” – *Los Angeles, English focus group participant*

“New homeowners know the least about hiring licensed versus non-licensed contractors. They are inexperienced and don’t have money because they just spent so much to buy the house and want to spend the least they can to fix it up.” – *San Diego, English focus group participant*

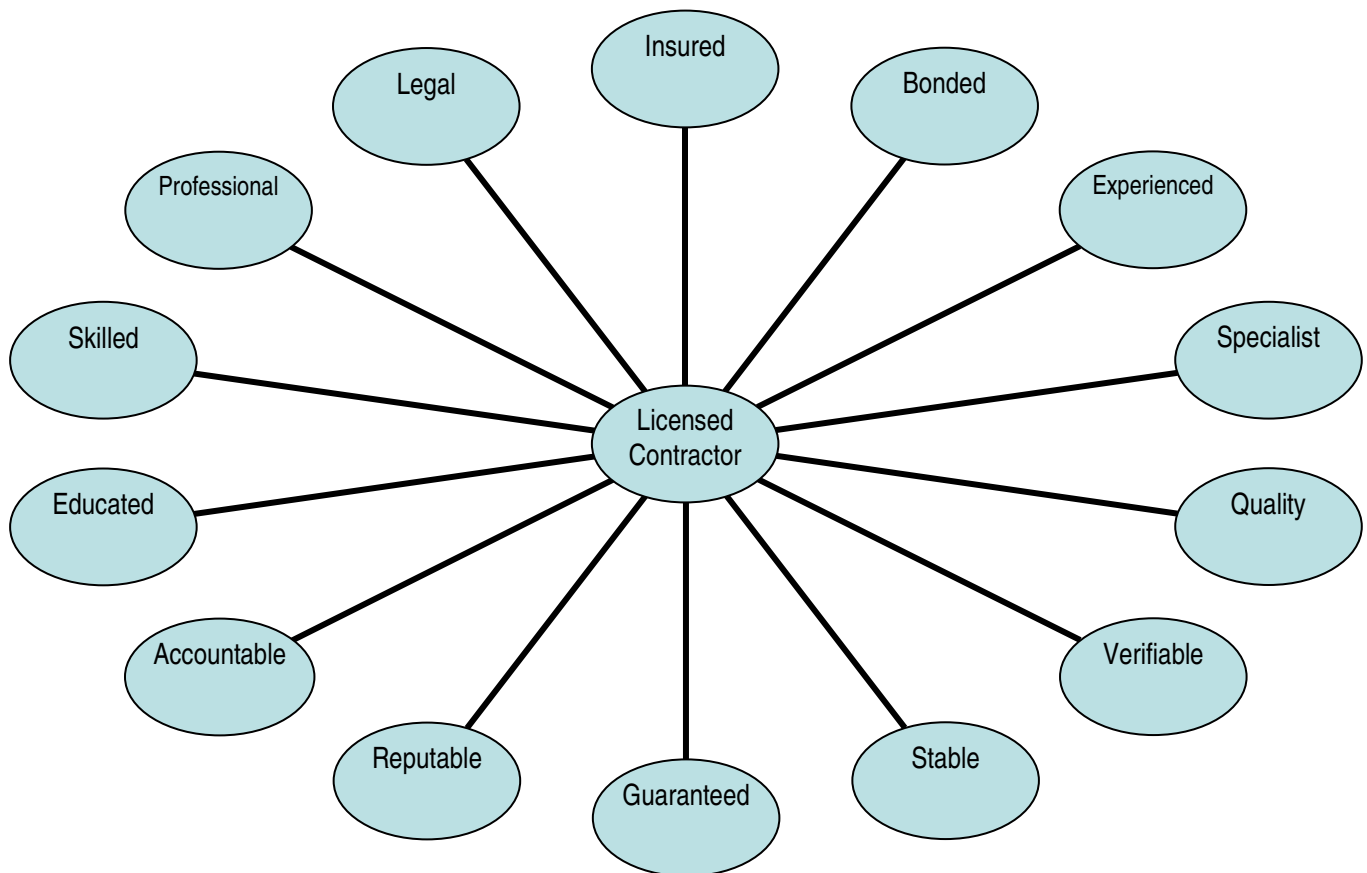
“Simplify the license process. It should be more hands-on than a test. Many people have the know-how and ability, but can’t answer the questions on the test. The test is irrelevant.” – *Los Angeles, English focus group participant*

“Some people don’t want to become licensed because then they have to file tax returns and their payments can be traced.” – *Fresno, English focus group participant*

Benefits of Licensed Contractors

- Licensed contractors are mixed in their opinions of whether or not consumers actually know the difference between licensed and unlicensed contractors.
- Some contractors feel the majority of consumers DO know the value of licensed contractors, but they choose not to hire them because of cost.
- Most of the respondents think the consumer needs to be educated about the advantages of hiring a licensed contractor instead of an unlicensed one and need the benefits pointed out to them.
- In addition to the benefits listed below, peace of mind, satisfaction and more respect for the contractor are all intangible benefits licensed contractors feel consumers get by hiring them instead of unlicensed contractors.

Attributes of licensed contractors:



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- In almost all groups, it is acknowledged that there are some unlicensed contractors who are experienced, reputable and good at what they do, and some licensed contractors who are not.
- Overall, licensed contractors view a license as protection for both the consumer and the contractor.
- The fact that licensed contractors are guaranteed, insured and legal seem to be the top three most important reasons consumers should hire only licensed contractors.
- Particularly Latino licensed contractors feel their license differentiates them from illegal and unlicensed Hispanic contractors and they seem very proud of having a license.

The following are some general comments made about the benefits of licensed contractors by the English groups in all four markets:

“Licensed contractors are playing by the rules and so have to charge more because getting a license, paying taxes, getting insurance and a bond follows the letter of the law and ends up costing more.” – *Los Angeles, English focus group participant*

“If you have a good reputation, the inspectors are more lenient and will pass you faster because they know you will complete the work right and they trust you.” – *San Diego, English focus group participant*

“I tout that I am a licensed contractor and give the benefits of hiring me: I am bonded, licensed, insured and there is a cost to that.” – *Fresno, English focus group participant*

“I mention the liability factor – if someone gets hurt on their job [with an unlicensed contractor] they can get sued and even lose their house.” – *Fresno, English focus group participant*

The following are some general comments made about the benefits of licensed contractors by the Spanish groups in all four markets:

“Because you are offering quality, it assures the consumer that you’ll do a good job. You’re showing the experience. Someone without a license could have very well just grabbed a hammer and started working.” – *Sacramento, Spanish focus group participant*

“The benefit for me to have a license is to separate myself from those who are illegal competition and they work for \$150 a day.” – *San Diego, Spanish focus group participant*

“The license gives you respect from others; they look at you differently.” – *Fresno, Spanish focus group participant*

“We give customers peace of mind.” – *Los Angeles, Spanish focus group participant*

“People in residential don’t ask about a license and insurance for a room addition or a driveway, but at places like Camp Pendleton they always want to see the documentation to assure you have the proper paperwork.” – *San Diego, Spanish focus group participant*

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Contractors State License Board

- All of the licensed contractors in the groups are familiar with the CSLB.
- Most of the contractors have contacted the CSLB at some time (by phone or online) to either check on their own license, the license of a competitor or the license of a sub-contractor.
- Some of the licensed contractors compare the CSLB to the DMV.
- Contractors feel the primary purpose of the CSLB is to protect and educate the consumer.
- There is an awareness that the CSLB is a government resource for verifying licenses of contractors.
- There is a perception that the CSLB doesn't help the contractor very much and just serves to regulate them and charge them fees for a license.
- About half of the contractors would like to receive communication from the CSLB by email and the other half would like regular mail.
- Many of the respondents are familiar with the quarterly newsletter sent by the CSLB and most read at least part of it.
- Unfortunately, some of the contractors feel the CSLB represents contractors poorly and only makes consumers fearful of them.
- Positive aspects:
 - Good resource for the consumer
 - Quarterly newsletter
 - Convenient Website
 - Making an attempt to promote stings
 - Does provide materials on the benefits of hiring licensed contractors
- Negative aspects:
 - Very little awareness with contractors of materials available for consumers
 - Sense that they do not do anything to crack down on unlicensed contractors
 - Should provide educational assistance for licensed contractors in the form of seminars (i.e. business assistance, sample contracts, etc.)
- Suggestions for the CSLB to help contractors:
 - Continuous updates on changes to laws and regulations.
 - More presence at job sites.
 - More publicized stings against unlicensed contractors.
 - Advocacy for contractors with other government entities.
 - Serve as a liaison between contractors and consumers.
 - Offer educational opportunities for contractors.
 - Have a rating program for consumers to evaluate contractors.
 - Have more control over building inspectors.

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- Could arrange for discounts on materials for licensed contractors listed with the CSLB.
- More information about changes in rules and codes.
- Have a listing of consumers who have a lien against them for non-payment.

- Suggested topics for education:
 - General business issues
 - Writing contracts
 - Information about mechanic's liens
 - Tax and accounting issues
 - Worker's comp paperwork
 - Estimating
 - How to bid big projects and write proposals
 - Minority-owned business information
 - Ethics and code of conduct training

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The following are some general comments made about the CSLB by the Spanish groups in all four markets:

“It’s a department of government that gives people the opportunity to obtain a license. They control that and they can...It’s like the DMV. They can revoke or cancel your license. It’s the same system like for a driver’s license. The same way you need to have a license to drive, you need one to work.” – *Sacramento, Spanish focus group participant*

“Can call CSLB to check to see if a contractor has a license and if there are any complaints against them.” – *Los Angeles, Spanish focus group participant*

“They make sure we pay taxes and pay our fee for the license.” – *San Diego, Spanish focus group participant*

“They keep control over the contractors and will take away your license if you get complaints.” – *Fresno, Spanish focus group participant*

“I know my trade well. I know how to pour cement and do concrete work, but I need to know the business side of construction.” – *Fresno, Spanish focus group participant*

The following are some general comments made about the CSLB by the English groups in all four markets:

“Contractors seem to be the ones who have to educate consumers about CSLB.” – *Fresno, English focus group participant*

“I would like them to require continuing education and make it a requirement to keep your license.” – *Los Angeles, English focus group participant*

“They did stings with people advertising on Craig’s List by calling up an advertiser to meet for a bid and when the contractor shows up they ask for a license and if they don’t have one they take your truck away and fine you.” – *San Diego, English focus group participant*

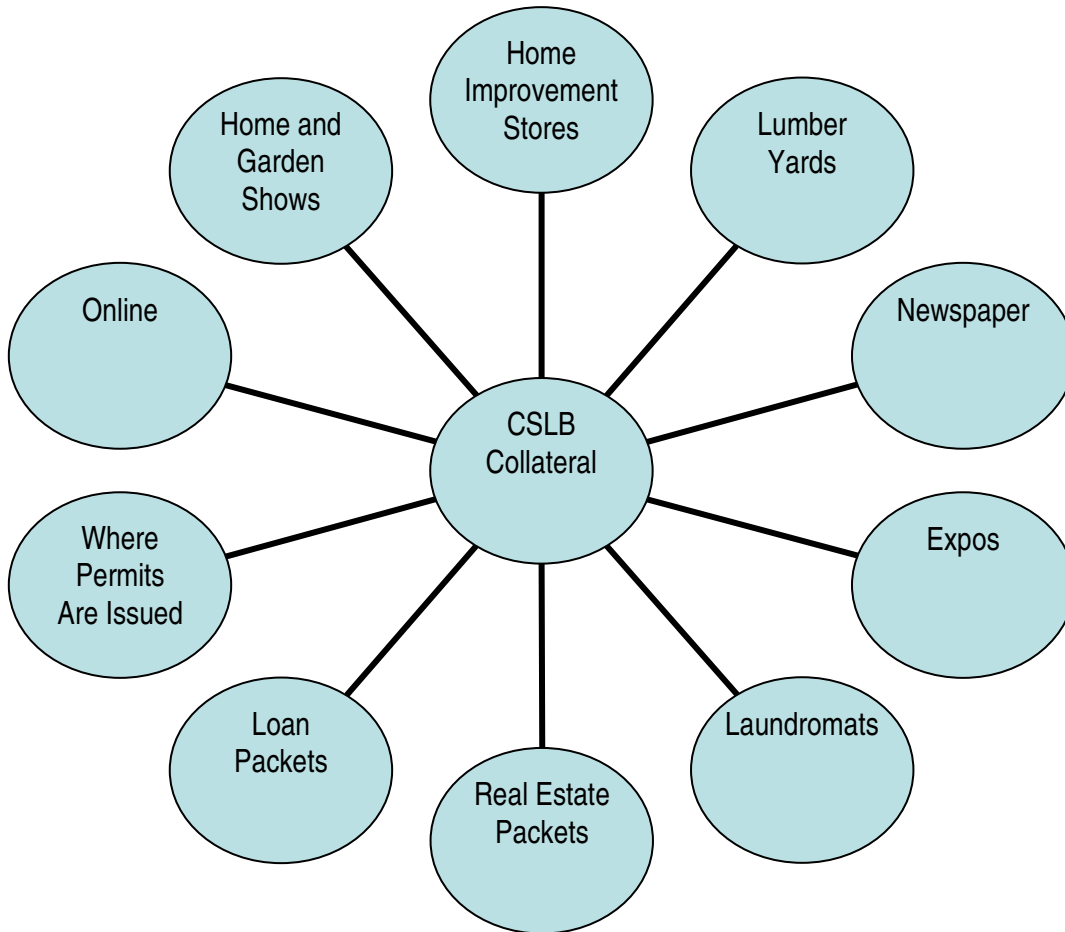
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CSLB Marketing Collateral

Contractors were shown a variety of brochures published by the CSLB and given a chance to look them over.

- All respondents are positive towards both the content and appearance of the brochures and think it is easy to read them.
- Only about one-third of the contractors have seen any of the collateral before and it was at the CSLB office or a permit office.
- Almost all of the contractors say they would utilize the materials and give them out to customers.
- There is interest in personalizing the brochures with an individual contractors name and license number.
- Many of the respondents would incorporate the brochures into their proposal packages.
- Contractors agree that the main message for collateral should be: 'do not use an unlicensed contractor' and list the advantages of a licensed contractor.
- The primary message should not be, "Look out for the bad contractor" but rather, "It is proven that consumers are much happier with a licensed contractor."
- Use collateral to build confidence rather than scare the consumer.
- Latino contractors would like to have content in English and Spanish on the same brochure.

Suggested locations for marketing the CSLB information:



The following are some general comments made about the CSLB marketing collateral by groups in all four markets:

“It saves me from having to create my own piece and has more credibility because it comes from the state.”
 – Los Angeles, English focus group participant

“Brochures are good to give with my presentation, along with information about insurance, bonding, etc.; it makes you look more professional to the client.” – San Diego, Spanish focus group participant

“It would be easiest to download these from a PDF file on the Website.” – San Diego, English focus group participant

“When the fires were happening, there were a lot of PSAs recommending how to have repairs done, should have those commercials on a regular basis.” – Los Angeles, English focus group participant

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CSLB Website

- Contractors mainly use the Website to check on licenses – their own, competitors or sub-contractors.
- Some contractors who have used the Website say there are a lot of resources for consumers and contractors.
- Spanish-speaking contractors would like the Website to be in Spanish in addition to English.
- Contractors would like there to be a link to their own Website which could be accessed by anyone looking up their license on the CSLB Website.
- Positive aspects:
 - Easy to navigate
 - Good colors
 - Search capability
 - Good format
 - Easy to cross-reference topics
- Negative aspects:
 - The Website is only in English
 - Content
 - Not current on rules and regulations
 - Kind of bland, not exciting
 - Not much on homepage

The following are some general comments made about the CSLB Website by the English groups in all four markets:

“I go to the Website to check out competitors; I hear their name and check them out to see if they are legit.”
– *Fresno, English focus group participant*

“Offer a Q&A area with live chat.” – *Sacramento, English focus group participant*

“Post sample contracts and examples of proposals.” – *Sacramento, English focus group participant*

“The 800# is good and the Website is cleaned up and much better and streamlined than it used to be.” –
Los Angeles, English focus group participant

“Would like to see information about new equipment that might be safer or equipment that has failed.” –
San Diego, English focus group participant

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The following are some general comments made about the CSLB Website by the Spanish groups in all four markets:

“Separate the information online, some for contractors and some for consumers.” – *Fresno, Spanish focus group participant*

“Give us information about customers who have a lien against them for non-payment.” – *Fresno, Spanish focus group participant*

“I have gone to the site just to see how many licensed contractors there were and to see how I was classified. Went to the site when I got my worker’s comp to see if it was there, to see if my license was activated. I tell people to feel free to go there to look me up.” – *Sacramento, Spanish focus group participant*

“I check out someone who is trying to hire my company and see what the site says about their company or subcontractors.” – *Los Angeles, Spanish focus group participant*

Website URLs

- None of the contractors have ever heard of any of the Websites with “lookforthelicense” or “cslb.tv.”
- Dot com is preferred to .org, .net or cslb.tv because it is the most common.
- Some contractors say they would expect a government entity to be a .gov site.
- Contractors are neutral towards developing a site like this unless the proper marketing is done so consumers know it is available to them.
- Most think if either a site like this, or the CSLB’s Website, were more familiar to consumers, the sites would get more use.
- It is suggested that it would be good to have information for consumers about what the construction process is from start to finish on a Website.

Future Communication/Behavior

- Licensed contractors have used the following types of communication tools to promote their business:
 - Yellow Pages
 - Sticker or paint on truck
 - Business cards
 - Brochures
 - Sign at job site
 - Local newspaper ad
 - Penny Saver ad
 - Billboard
 - Word of mouth

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- Contractors are in agreement that word of mouth/referrals is the most successful.
- All contractors think materials from the CSLB would be useful to give to potential customers.
- Contractors would like to see more TV ads promoting the use of licensed contractors, like they observed after the fires.
- Give information to banks that are foreclosing on houses and need them fixed-up for resale.
- Put information in homeowners' property tax statements.
- Send speakers to trade conferences.
- Set up booths at expos and home and garden shows.
- Other than the Spanish contractors in Fresno, all of the respondents would be interested in receiving the CSLB survey.

CONTRACTOR RECOMMENDATIONS FOR THE CSLB

1. Educate both contractors and consumers; have programs for contractors and information for consumers.
2. Put top 10 lists on the Website – top-10 reasons to hire a licensed contractor, top-10 problems that could result from hiring an unlicensed contractor.
3. Develop a rating system for contractors like the ones some BBBs do that can be used by consumers when selecting a contractor.
4. Allow Spanish-speaking contractors to take the state test in Spanish.
5. Revise testing so it evaluates the core competencies and abilities of the contractors, more hands-on skills.
6. Enforce the license laws and protect licensed contractors.
7. Be more responsive when contractors call about an issue or question.
8. Continue to get feedback from contractors on how they can be served better by the CSLB.

AGENDA ITEM E

Adjournment

