

APRIL 6, 2016
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

TABLE OF CONTENTS

**Contractors State License Board Meeting
April 6, 2016, 10:30 a.m. – 3:30 p.m.
CSLB Headquarters
9821 Business Park Drive, Sacramento, CA 95827**

A. Call to Order, Roll Call, Establishment of Quorum, and Chair's Introduction	
B. Public Comment Session – Items Not on the Agenda.....	3
C. Executive	
1. Review and Possible Approval of December 10, 2015 Board Meeting Minutes.....	7
2. Review and Possible Approval of March 14-15, 2016 Board Meeting Minutes.....	27
3. Review and Possible Approval of February 4, 2016 Executive Committee Meeting Summary Report	33
4. Appointment of Nominations Committee.....	37
5. Registrar's Report	39
a. Tentative 2016 Board Meeting Schedule	
b. Status of 2016-18 Strategic Plan	
6. Review, Discussion, and Possible Approval of 2016 Board Members Administrative and Procedures Manual.....	41
7. Administration Update Regarding Personnel and Facilities.....	73
8. Information Technology Update.....	81
9. Budget Update.....	87
10. Developments Since the February 2015 United States Supreme Court Decision: North Carolina State Board of Dental Examiners v. Federal Trade Commission (FTC).....	95
D. Closed Session – Annual Performance Evaluation of the Registrar.....	97



- E. Legislation
 - 1. Review, Discussion, and Possible Action Regarding Positions on 2016 Proposed Legislation.....101
 - a. AB 1793 – Contractors: License Requirements: Recovery Actions (Holden)
 - b. AB 1939 – Licensing Requirements (Patterson)
 - c. AB 2286 – Fee Schedule (Mullin)
 - d. AB 2486 – CSLB: License Search by Location (Baker)
 - e. AB 2699 – Solar Companies: Solar Energy Systems (Gonzalez)
 - f. AB 2859 – Retired License Category (Low)
 - g. SB 465 – Disclosure of Civil Action Settlements or Administrative Actions (Hill)
 - h. SB 661 – Protection of Subsurface Installations (Hill)
 - i. SB 1155 – Licenses: Military Service (Morrell)
 - j. SB 1209 – Complaint Disclosure (Morrell)
 - k. SB 1348 – Licensure Applications: Military Experience (Canella)
- F. Enforcement
 - 1. Enforcement Program Update.....205
 - a. Undercover Operations and Contractor’s License Compliance at Active Job Sites
 - b. General Complaint Handling Statistics
 - 2. Review, Discussion, and Possible Action Regarding Strategies to Reduce the Number of Licensees Filing a False Exemption from Workers’ Compensation Insurance Requirements.....223
- G. Public Affairs
 - 1. Public Affairs Program Update.....233
 - a. Video/Digital Services
 - b. Media Relations Highlights
 - c. Industry, Licensee and Community Outreach Highlights
 - d. Employee Relations



H. Licensing

- 1. Licensing Program Update.....257
 - a. License Application Workload Overview
 - b. LLC Applications Workload Update
 - c. Workers' Compensation Recertification Statistics
 - d. Fingerprinting/Criminal Background Unit Statistics
 - e. Experience Verification Unit Highlights
 - f. Licensing Information Center Statistics
 - g. Judgment Unit Overview
 - h. Licensing Processing Time Statistics
- 2. Testing Program Update.....273
 - a. Examination Administrative Unit Update and Statistics
 - b. Examination Development Unit Update and Highlights

I. Future Agenda Items.....277

J. Adjournment.....279

AGENDA ITEM A

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

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

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

Board Member Roster

KEVIN J. ALBANESE

ROBERT LAMB

AGUSTIN BELTRAN

ED LANG

LINDA CLIFFORD

MARLO RICHARDSON

DAVID DE LA TORRE

FRANK SCHETTER

DAVID DIAS

PAUL SCHIFINO

SUSAN GRANZELLA

JOHNNY SIMPSON

JOAN HANCOCK

NANCY SPRINGER

PASTOR HERRERA JR.



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Executive



AGENDA ITEM C-1

Review and Possible Approval of December 10, 2015 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

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

Board Chair Ed Lang called the meeting of the Contractors State License Board (CSLB) to order at 1:30 p.m. on Thursday, December 10, 2015, at the DoubleTree by Hilton Hotel, 5000 Sierra Point Parkway, Brisbane, CA 94005. A quorum was established. Board Vice Chair Agustin Beltran led the Board in the Pledge of Allegiance.

Board Members Present

Ed Lang, Chair	Frank Schetter
Agustin Beltran, Vice Chair	Joan Hancock
Paul Schifino	David Dias
Susan Granzella	Marlo Richardson
David De La Torre	Nancy Springer
Kevin J. Albanese	Pastor Herrera Jr.
Bob Lamb	Johnny Simpson

Board Members Excused

Linda Clifford, Secretary

CSLB Staff Present

Cindi Christenson, Registrar	David Fogt, Chief of Enforcement
Rick Lopes, Chief of Public Affairs	Ashley Caldwell, Information Officer
Betsy Figueira, Licensing Manager	Erin Echard, Executive Analyst
Laura Zuniga, Chief of Legislation	Kristy Schieldge, DCA Legal Counsel
Cindy Kanemoto, Chief Deputy Registrar	Jesse Flores, Deputy Chief of Enforcement

Public Visitors

Matt Egan	Angie Real
Richard Markuson	Kim Noble Baez
Phil Vermeulen	

B. BOARD CHAIR'S INTRODUCTION

Board Chair Ed Lang welcomed the Board to the last meeting of 2015 and requested a moment of silence for the victims in the San Bernardino shootings. Mr. Lang wished Board member Frank Schetter a happy birthday and congratulated Board Member Susan Granzella on her the Senate confirmation of her appointment. Mr. Lang also shared some CSLB history by noting that the first Board meeting was held 80 years ago, on November 18, 1935.

C. PUBLIC COMMENT SESSION – ITEMS NOT ON THE AGENDA

Kim Baez of Noble Builders sought reconsideration of a citation, quoting Business and Professions Code sections 7110, 7159 (a)(4), and 7159.5(a)(5).

An anonymous consumer requested that CSLB function as a whole organization so that callers do not have to speak to multiple departments.

Marni Cunningham agreed with the anonymous consumer. However, a break in connection prevented the Board from hearing the remainder of her public comment.

D. EXECUTIVE

1. Review and Possible Approval of December 10, 2015 Board Meeting Minutes

MOTION: Approve December 10, 2015 Board Meeting minutes. Augie Beltran moved; David Dias seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Registrar’s Report

a. Update on Stakeholders’ Efforts to Seek Legislation to Potentially Amend Business and Professions Code Section 7031

Registrar Cindi Christenson and Chief of Legislation Laura Zuniga met with representatives from United Contractors and the Association of General Contractors (AGC), and they have agreed to seek legislation in the next cycle.

b. Tentative 2015-2016 Board Meeting Schedule

- March 14-15, 2016 – Board Meeting and Strategic Planning Session in San Diego, CA
- June 23-24, 2016 – Board Meeting and Joint Discussion with Nevada State Contractors Board (NSCB) and Arizona Registrar of Contractors (AZROC) in Garden Grove, CA

**3. Strategic Plan 2015-16 Update**

Registrar Cindi Christenson informed the Board that CSLB is on track to meet its current strategic plan objectives. In IT, the Home Improvement Salesperson online application is now available and bandwidth capacity has been increased. In Enforcement, CSLB began, in June 2015, to accept credit card payments to obtain online court records. Addressing the increased number of complaints in the solar industry will continue to be a strategic plan objective. In Licensing, surveillance system bids for the Testing Centers were too high to implement this year; so staff will consider other options.

4. Administration Update Regarding Personnel and Facilities

Chief Deputy Registrar Cindy Kanemoto updated the Board on current staff vacancies, which are lower than the previous year, the implementation of the Peace Officer Special Investigations Unit (SIU), and the Career Consultation Workshop completed by Personnel. The San Bernardino office will undergo renovations to accommodate expansions for the SIU and changes in the Testing facility. Enforcement Representatives have now received identification credentials.

5. Information Technology Update

Ms. Kanemoto informed the Board that a BreEZe cost benefit analysis will be performed for Boards that were not included in either Release 1 or 2 of BreEZe. For CSLB, a review of business requirements and a gap analysis will clarify what BreEZe can provide. Staff has prepared the website for the transition to the Home Improvement Salesperson (HIS) single registrations, which begin on January 1, 2016, as well as the newly increased \$15,000 bond requirement. Highlights were provided on the IVR phone system, e-Payment expansion to field sites, and firewall hits.

Public Comment:

Richard Markuson complimented the Board for outreach efforts to the contractor community on changes to the bond requirement.

6. Budget Update

Through October 2015, for fiscal year 2015-16, CSLB spent approximately 37 percent of its budget. By FY 2017-18, the Fund is expected to have less than one month's reserve, which is why the Board plans to move forward with legislation seeking a fee increase.

7. Presentation and Discussion Regarding February 2015 United States Supreme Court Decision: North Carolina State Board of Dental Examiners v. Federal Trade Commission (FTC), and Related Formal Opinion from the Office of the California Attorney General, FTC Staff Guidance and Legislative Hearings



DCA Legal Counsel Kristy Schieldge briefed Board Members regarding the U. S. Supreme Court’s decision that is causing licensing boards across the nation to evaluate their structure and how they make policy decisions effecting market participants. The antitrust case centers on the scope and applicability of the state-action immunity doctrine to professional state boards. Specifically, when is a state board’s actions protected from the provisions of the Sherman Antitrust Act (federal antitrust or competition law) under the doctrine of state-action antitrust immunity?

E. LICENSING

1. Review and Possible Approval of October 30, 2015 Licensing Committee Meeting Summary Report

There is an amendment to the report on item E. The words, “and Amend Title 16, CCR Section 832 (Specialty Contractors Classified)” have been added to the end.

MOTION: Approve October 30, 2015 Licensing Committee Meeting Summary Report, with amendments. David De La Torre moved; Augie Beltran seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Review, Discussion, and Possible Action Regarding Recommendations for Proposed New C-1 Non-Structural Remodel and Repair Contractor Classification

Licensing Manager Betsy Figueira informed the Board that the Licensing Committee recommended setting stakeholders meetings to present proposed regulatory text and obtain feedback on initiation of rulemaking to establish a new classification: Non-Structural Remodel/Repair. One stakeholders meeting was



conducted on the topic. Based on the outcome of that meeting, staff recommended moving the matter to the strategic planning session to engage in a broader discussion to address the concerns that emerged.

MOTION: Ratify stakeholders meeting. Augie Beltran moved; David Dias seconded. The motion carried, 13–1.

Board Member Comment:

Joan Hancock asked who developed the list of invitees for the stakeholders meeting. Laura Zuniga replied that a generalized list was compiled from interested parties lists maintained by the Legislation and Licensing divisions. Staff also posted the meeting notice on CSLB’s website, so that individuals who did not receive an invitation could attend, and those unable to attend could submit written comments.

Pastor Herrera Jr. stated a preference for another stakeholders meeting in Southern California.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter		X			
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

MOTION: Move discussion on establishing a new classification for Non-Structural Remodel/Repair to the strategic planning session. Bob Lamb moved; Nancy Springer seconded. The motion carried unanimously, 14–0.

Board Member Comment:

Joan Hancock raised questions about what the criteria to determine the qualifications for this new classification and if there is a need. Cindi Christenson replied that CSLB staff initiated this discussion based on observations made during reviews of applicant’s experience.



Johnny Simpson shared Ms. Hancock's concerns and asked how a contractor would be held to the limitations of the classification.

Susan Granzella indicated that she sees the importance of this, but that parameters must be set first.

Frank Schetter stated his opposition to the new classification and this it is unacceptable to license inexperienced contractors because of the risk to consumers.

Johnny Simpson concurred with Mr. Schetter, and expressed his opposition to this new classification.

Augie Beltran acknowledged the concerns about the proposal, but preferred to hear from the public before making a decision.

Pastor Herrera Jr. expressed his support for the idea, as it would increase marketplace competition.

Marlo Richardson also supported the idea of a new classification as a way to get licensees into the system, which would better protect consumers.

Joan Hancock expressed her concern about which trades would predominate, the appropriateness of the allowable limit of \$15,000 in combined labor and materials under the new classification, and how the class limitations would be set and policed.

Bob Lamb stated that CSLB must find a way to address the needs of the public.

David De La Torre stated that there is a market for the kind of work that this new classification would cover and that unlicensed contractors engaged in that work is a prevalent problem. He emphasized that CSLB must regulate such practices to protect consumers and further vet this proposal.

Public Comment:

Phil Vermeulen indicated that this disagreement appears to come down to the interests of licensed contractors versus the interests of the unlicensed, and that CSLB should be methodical in its consideration of the topic.

Kim Baez said that the new classification would be encouraging for legitimate licensees. She further stated that this issue affects the B – General Building contractor provisions of law contained in Business and Professions Code section 7057.



An anonymous member of public stated that such a classification would lower the bar for unlicensed contractors and fail to reward good contractors.

Richard Markuson indicated his support for stronger enforcement of the existing licensee population. He also stated that this new classification would leave a huge loophole in electrical work and that the Western Insulation Contractors Association (WICA) opposes work performed without certification.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

3. Licensing Program Update

Ms. Figueira provided updates on staffing and licensing topics, including application workloads, limited liability companies, workers’ compensation recertification, criminal background-fingerprinting, the licensing information center, experience verification, and judgments.

4. Testing Program Update

Ms. Figueira provided highlights from both the Examination Administration and Examination Development Units. She reported that the eight (8) test centers administer 46 different exams and that the Testing division completes an occupational analysis on each exam every five (5) to seven (7) years.

F. PUBLIC AFFAIRS

1. Review and Possible Approval of October 30, 2015 Public Affairs Committee Meeting Summary Report

This report was amended to include DCA Legal Counsel Kirsty Schieldge, who was in attendance for the meeting but was erroneously left out of the report.



MOTION: Approve October 30, 2015 Public Affairs Committee Meeting Summary Report, with amendments. Pastor Herrera moved; David De La Torre seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Public Affairs Program Update

Public Affairs Committee Chair Marlo Richardson informed the Board about the tremendous work staff has done in the wake of the devastation the Valley and Butte fires left behind in Calaveras and Amador Counties over the past 2 months.

Public Affairs Chief Rick Lopes updated the Board on the unit’s activities since the September 2015 Board meeting. He noted that website usage statistics from before May 2015 should not be considered accurate because automated web scraping activities greatly increased the number of sessions and page views. This problem was rectified in April 2015. He also noted that when trying to determine the growth of mobile users, statistics for new sessions are a good indicator. Mr. Lopes reviewed media events and the issuance of press releases, noted that social media statistics continue to improve, and that CSLB now utilizes Periscope to stream live videos before Board meetings and during outreach events. The 40 most viewed pages on the CSLB website were included in the packet for Board Member reference. He also reported that staff completed the fall 2015 *California Licensed Contractor* newsletter.

G. LEGISLATION

1. Review and Possible Approval of October 30, 2015 Legislative Committee Meeting Summary Report



MOTION: Approve October 30, 2015 Legislative Committee Meeting Summary Report. David Dias moved; David De La Torre seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Update on 2015 Legislation: AB 181 (Bonilla); AB 500 (Waldron); AB 750 (Low); AB 1545 (Irwin); SB 119 (Hill); SB 467 (Hill); SB 560 (Monning); SB 561 (Monning)

Chair of Legislation Bob Lamb provided updates on:

- AB181 – The Governor signed this bill.
- AB 500 – The Assembly Labor and Employment Committee did not hear this bill, though it may be heard next year.
- AB 750 – The bill was held on suspense file in the Assembly Appropriations Committee and could be brought up again next year.
- AB 1545 – The bill was introduced late in the year’s session and may be brought up next year.
- SB 119 – The Governor vetoed this bill.
- SB 467 – The Governor signed this bill.
- SB 560 – The Governor signed this bill.
- SB 561 – The Governor signed this bill.

3. Update on SB 465 (Hill) Settlement Reporting

Bob Lamb informed the Board that no action has been taken on SB 465. This bill would require licensees and insurance companies to report settlements of \$50,000 or more to CSLB. This bill failed passage in the Assembly Business,



Professions and Consumer Protections Committee. The Author is currently revising the bill and intends to bring it up again early next year.

4. Update Regarding Legislative Proposal to Amend Business and Professions Code Section 7071.17 – Qualifier Responsibility

This bill did not move forward to the full Board.

5. Review, Discussion and Possible Action Regarding Legislative Proposals:

a. Amendment to Business and Professions Code Section 7000-7199.7 – Reorganization of the Contractors State License Law

This proposal would reorganize the Contractors State License Law to make it easier to follow. The recommendation is to approve, in concept, this proposal and direct staff to work with interested parties over the next several months to further develop the proposed changes.

MOTION: Approve in concept the reorganization of the Contractors State License Law. Bob Lamb moved; Nancy Springer seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

b. Amendment to Business and Professions Code Section 7059 – Public Works Contracts

This bill would specify that the Board can discipline contractors working out of class on public works projects.



MOTION: Approve amendment to Business and Professions Code section 7059. Bob Lamb moved; Nancy Springer seconded. The motion carried, 13–1.

Board Member Comment:

Kevin J. Albanese expressed concern with the proposal and his preference that the awarding agency be disciplined rather than the contractor.

Paul Schifino stated his opposition.

David Dias asked if contractors can sub-out?

Public Comment:

An anonymous member of the public would like to see information in unison.

Richard Markuson stated the construction manager is held harmless.

Phil Vermeulen stated that such a policy would create an unfair situation for a contractor and that CSLB should have the final authority to determine which classification is appropriate.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese		X			
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

MOTION: Approve draft language to proposal to amend Business and Professions Code section 7059. Augie Beltran moved; David Dias seconded. The motion carried, 12–2.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese		X			
Agustin Beltran	X				



Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter		X			
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

c. Amendment to Business and Professions Code Section 7074 – When Application Becomes Void: Testing

This bill would eliminate the provision of existing law that voids an application either after an applicant has failed to reschedule an exam within 90 days of cancellation, or twice failed to appear for an exam.

MOTION: Approve in concept the amendment to Business and Professions Code section 7074. Bob Lamb moved; David De La Torre seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				



d. Amendment to Business and Professions Code section 7124.6 – Complaint Disclosure

This bill would allow the Registrar to disclose information to consumers regarding contractors disciplined by CSLB.

MOTION: Refer to staff to work with the Attorney General’s office to re-draft amendment. Paul Schifino moved; Agustin Beltran seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

e. Amendment to Business and Professions Code section 7137 – Fee Schedule

This bill would raise the statutory limit on various fees, establish a new expedite fee, and set the fee for a delinquent HIS renewal at 50 percent of the renewal fee.

MOTION: Approve amendment to Business and Professions Code section 7137. Bob Lamb moved; Kevin J. Albanese seconded. The motion carried unanimously, 14–0.

Public Comment:

Richard Markuson commented that there would be more support from the construction industry if CSLB fee increases went to help the Enforcement division as opposed to the general fund. *(It was clarified that the fee increases would not go to the State’s general fund as CSLB budget is self-generated.)*

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				



Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

f. Amendment to Business and Professions Code section 7159 – Rewrite of the Home Improvement Contract

This bill would attempt to streamline the Home Improvement Contract law to maintain its important consumer protections and disclosures, while also making it easier for both consumers and contractors to understand.

The Board took no action and will defer for one year.

g. Amendment to add Business and Professions Code Section 7159.5 – Home Improvement Solar Contracts

This bill would increase requirements for home improvement solar contracts to better inform consumers of their obligations under these contracts.

MOTION: Approve amendment to Business and Professions Code section 7159.5. Bob Lamb moved; Augie Beltran seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				



Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

H. ENFORCEMENT

1. Review and Possible Approval of October 30, 2015 Enforcement Committee Meeting Summary Report

Public Comment:

An anonymous member of the public requested that CSLB increase consumer protection through outreach beyond that available on the CSLB website.

MOTION: Approve October 30, 2015 Enforcement Committee Meeting Summary Report. Bob Lamb moved; David De La Torre seconded. The motion carried unanimously, 14-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Review, Discussion and Possible Action Regarding Recommendations for Prioritizing Undercover Stings

Chief of Enforcement David Fogt conveyed to the Board the importance of undercover stings, which allow CSLB to effectively identify and support the prosecution of unlicensed individuals who act in the capacity of a contractor and commit other significant violations of contractors' license law, including advertising without a license, misrepresenting repair work, and employing



workers without carrying workers' compensation insurance. This would increase the number of sting days from eight to 12 days per year, per investigator.

MOTION: Approve recommendations to prioritize undercover stings. Augie Beltran moved; Pastor Herrera Jr. seconded. The motion carried unanimously, 14-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

3. Review, Discussion, and Possible Action Regarding Strategies to Reduce the Number of Licensees Filing a False Exemption from Workers' Compensation Insurance Requirements

Chief Fogt discussed potential strategies to achieve greater licensee workers' compensation insurance compliance. Strategies include establishing a State agency task force, identifying violators through specified databases, providing education, and taking enforcement action against licensees that remain out of compliance.

MOTION: Approve strategies to reduce the number of licensees filing a false exemption from workers' compensation insurance requirements. Bob Lamb moved; Nancy Springer seconded. The motion carried unanimously, 14-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				



Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

4. Enforcement Program Update

Deputy Chief of Enforcement Jesse Flores presented highlights from the Intake and Mediation Centers, Investigative Centers, Case Management, Statewide Investigative Fraud Team, Public Works unit, as well as general complaint-handling statistics.

I. FUTURE AGENDA ITEMS

None requested.

J. OVERVIEW OF CSLB OPERATIONS

1. CSLB History
2. Overview of Licensing Division and examination Unit's Functions
3. Overview of Enforcement Divisions' Resources and Processes
4. Public Affairs Services through Education and Outreach

In the interest of time, Board Members requested this training be presented at the next board meeting.

MOTION: Table agenda item J until next Board meeting. Kevin J. Albanese moved; David Dias seconded. The motion carried unanimously, 14-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				



Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

K. ADJOURNMENT

MOTION: Adjourn December 10, 2015 Board meeting. Bob Lamb moved; Augie Beltran seconded. The motion carried unanimously, 14–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford				X	
David De La Torre	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

Board Chair Eddie Lang adjourned the Board meeting at 5:40 p.m.

Eddie Lang, Chair

Date

Cindi Christenson, Registrar

Date

AGENDA ITEM C-2

Review and Possible Approval of March 14-15, 2016 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Monday March 14, 2016

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

Board Chair Ed Lang called the meeting of the Contractors State License Board (CSLB) to order at 1:00 p.m. on Thursday, December 10, 2015, at the DoubleTree by Hilton Hotel, 1515 Hotel Circle South, San Diego, CA 92108. A quorum was established. Board Secretary Linda Clifford led the Board in the Pledge of Allegiance.

Board Members Present

Ed Lang, Chair	Frank Schetter
Agustin Beltran, Vice Chair	Joan Hancock
Linda Clifford, Secretary	Johnny Simpson
Paul Schifino	David Dias
Marlo Richardson	Nancy Springer
Kevin J. Albanese	Pastor Herrera Jr.
Bob Lamb	

Board Members Excused

David De La Torre	Susan Granzella
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CSLB Staff Present

Cindi Christenson, Registrar	David Fogt, Chief of Enforcement
Rick Lopes, Chief of Public Affairs	Mike Melizza, Business Services Manager
Betsy Figueira, Licensing Manager	Erin Echard, Executive Analyst
Laura Zuniga, Chief of Legislation	Kristy Schieldge, DCA Legal Counsel
Cindy Kanemoto, Chief Deputy Registrar	Jessie Flores, Deputy Chief of Enforcement
Wendi Balvanz, Chief of Testing	Gina Zayas, Chief of Information Technology
Stacey Paul, Budget Analyst	

Public Visitors

Tony Forchette	Matt LaTerza
Matt Egan	Jody Castello

B. PUBLIC COMMENT SESSION – ITEMS NOT ON THE AGENDA

Jody Castello, a consumer advocate, expressed concerns about a lack of sufficient consumer protection from the Board and urged additional consumer education via disclosure of disciplinary action.

Russ Durfey asked the Board to consider retroactively withdrawing his plea to revoke his former contractor's license.



C. CLOSED SESSION

Pursuant to Government Code section 11126(e), the Board moved into closed session to receive advice from legal counsel on the following matter:

Joseph Naspini v. Contractors State License Board, et al., Sacramento County Superior Court, Case No. 34-2015-80002260

The record of this closed session is confidential and not open or available to the public. Pursuant to Government Code section 11126.1, this minute book is only available to members of this agency or to a court of law if a violation of the Open Meeting Act is alleged.

RETURN TO OPEN SESSION

D. REGISTRAR'S REPORT

1. 2015 Activities and Accomplishments Report

Registrar Cindi Christenson provided the following highlights:

- *Executive:* Three new board members were appointed – Davis De La Torre, Marlo Richardson, and Johnny Simpson – and for the first time in many years there are no Board vacancies.
- *Licensing:* CSLB has 223,320 active licensees, up 1,780 from last year; processing times for applications has increased; and the Call Center increased their call volume by 5 percent.
- *Testing:* Established a new C-22 exam for asbestos abatement.
- *Enforcement:* 19,654 complaints were opened in 2015, up 985 from last year, of which 44 percent were settled within 90 days; 19,906 investigations were completed in 2015, up 880 from the previous year; the number of stings increased by 23 percent; and positive relationships were built with local prosecutors.
- *Public Affairs:* Responded to drought and wildfire disasters; and conducted 91 Senior Scam Stopper Seminars throughout the State.
- *Legislation:* SB 560, SB 561, and SB 467 were introduced; CSLB's sunset date was extended to January 1, 2020; and eliminated the \$2,500 capital requirement and increased the contractors bond from \$10,000 to \$12,500.



2. 2016 Tentative Board Meeting Schedule

- Wednesday, April 6, 2016 Quarterly Board Meeting at CSLB headquarters
- Thursday, June 23, 2016 – Day 1: Quarterly Board Meeting
- Friday, June 24, 2016 – Day 2: Joint Discussion with Nevada State Contractors Board (NSCB) and Arizona Registrar of Contractors (AZROC) in Garden Grove, CA

E. REVIEW, DISCUSSION, AND POSSIBLE ACTION REGARDING LEGISLATIVE PROPOSAL TO AMEND BUSINESS AND PROFESSIONS CODE SECTION 7059 – PUBLIC WORKS

Chief of Legislation Laura Zuniga recommended amending the Business and Professions (B&P) Code section 7059(b), “Public Works Contract,” to specify that the Board can discipline contractors working out of class on public works contracts. Modifying the language of the proposal would address concerns raised at the December 10, 2015 Board Meeting.

Board Member Comment:

Frank Schetter expressed concerned that the changes may limit the awarding agency.

No motion was needed. The Board opted not to make additional changes to the language previously approved at the December 10, 2015 Board Meeting.

F. STRATEGIC PLANNING WORKSHOP

Strategic planning facilitators Ted Evans and Noel Cornelia of the Department of Consumer Affairs (DCA) SOLID unit led the workshop.

G. ADJOURNMENT

MOTION: Adjourn March 14, 2016 Board Meeting. Paul Schifino moved; Augie Beltran seconded. The motion carried unanimously, 13–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David De La Torre				X	
David Dias	X				
Susan Granzella				X	
Joan Hancock	X				



Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

Board Chair Ed Lang adjourned the Board Meeting at 5:54 p.m.

Tuesday, March 15, 2016

A. CALL TO ORDER

Board Chair Ed Lang called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m. on Tuesday, March 15, 2016, at the DoubleTree by Hilton Hotel, 1515 Hotel Circle South, San Diego, CA 92108. A quorum was established.

B. STRATEGIC PLANNING WORKSHOP

The Board engaged in a strategic planning workshop for fiscal years 2016-2018, facilitated by Ted Evans and Noel Cornelia of DCA's SOLID unit.

C. ADJOURNMENT

MOTION: Adjourn March 15, 2016 Board Meeting. Kevin J. Albanese moved; Augie Beltran seconded. The motion carried unanimously, 13–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David De La Torre				X	
David Dias	X				
Susan Granzella				X	
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Eddie Lang	X				
Marlo Richardson	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				



CSLB

BOARD MEETING MINUTES

Board Chair Ed Lang adjourned the Board meeting at 1:23 p.m.

Ed Lang, Chair

Date

Cindi Christenson, Registrar

Date

AGENDA ITEM C-3

Review and Possible Approval of February 4, 2016 Executive Committee Meeting Summary Report





EXECUTIVE COMMITTEE MEETING

February 4, 2016
Sacramento, CA

A. CALL TO ORDER, ROLL CALL AND ESTABLISHMENT OF A QUORUM – CHAIR'S INTRODUCTORY REMARKS

Committee Chair Ed Lang called the meeting to order at 10:00 a.m. and a quorum was established. Committee members, staff, and members of the audience made self-introductions.

Committee Members Present

Ed Lang, Chair
Agustin Beltran

Linda Clifford
David Dias

Other Board Members Present

Frank Schetter
Joan Hancock

Susan Granzella

Staff Present

Cindi Christenson, Registrar
Cindy Kanemoto, Chief Deputy Registrar
David Fogt, Chief of Enforcement
Laura Zuniga, Chief of Legislation
Rick Lopes, Chief of Public Affairs

Erin Echard, Executive Assistant
Kristy Schieldge, Legal Counsel
Stacey Paul, Budget Analyst
Ashley Caldwell, Videographer

B. PUBLIC COMMENT SESSION

There was no public comment.

C. FY 2015-16 BUDGET UPDATE

Budget Analyst Stacey Paul provided the Committee with updates on expenditures and revenue through November 30, 2015. Approximately 76 percent of CSLB revenue is generated through license and renewal fees, which is up 2 percent from two years ago (the current fiscal year is a non-peak renewal year). The Fund Condition is projected to be at less than a month's reserve by FY 2017-18. The Committee also received a statistics summary, and a vacancy rate comparison with the last calendar year, which is nearly the same, with 35 vacant positions.

Committee Member Comment: Linda Clifford expressed concerned that CSLB is currently spending more than the available funds and asked if the Board would soon be asking for a fee increase. Cindi Christenson replied that the Legislation division is



actively searching for a bill author to sponsor legislation for the fee increase. Chief of Legislation Laura Zuniga added that the full Board voted on and approved this request at the December 10, 2015 Board Meeting.

D. REVIEW OF FY 2016-18 STRATEGIC PLANNING PROCESS

Chief Deputy Registrar Cindy Kanemoto provided the Committee with a status report on the strategic planning process for the next two fiscal years. DCA’s SOLID training and planning solutions unit provided a timeline, which showcases the tasks to be completed and corresponding due dates. She also noted that surveys have gone out to CSLB staff, as well as stakeholders, and that within minutes of the email being sent 63 responses were received.

E. REVIEW, DISCUSSION, AND POSSIBLE RECOMMENDATION FOR BOARD APPROVAL OF CSLB BOARD MEMBER ADMINISTRATIVE AND PROCEDURES MANUAL

Executive Assistant Erin Echard provided the Committee with a summary of changes to the 2014 Board Member Administrative and Procedures Manual, which included additions related to the Bagley-Keene Open Meeting Act, closed session requirements, other types of Board Meetings, Standing Committees of the Board, Committee Meetings quorum, Board Member Orientation Training, and Defensive Drivers Training. Various laws and references to Business and Professions Code sections were updated as well.

MOTION: Adopt changes to Board Members Administrative and Procedures Manual. Augie Beltran moved; Linda Clifford seconded. The motion carried unanimously, 4–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Augie Beltran	X				
Linda Clifford	X				
David Dias	X				
Ed Lang	X				

F. ADJOURNMENT

The Committee adjourned at 10:26 a.m.

AGENDA ITEM C-4

Appointment of Nominations Committee



AGENDA ITEM C-5

Registrar's Report

- a. Tentative 2016 Board Meeting Schedule
- b. Status of 2016-18 Strategic Plan



AGENDA ITEM C-6

Review, Discussion, and Possible Approval of 2016 Board Members Administrative and Procedures Manual





Review, Discussion, and Possible Approval of 2016 CSLB Board Member Administrative and Procedures Manual

In addition to this summary of changes, the 2014 version of the manual, with draft changes for 2016, has been provided for review.

Staff annually reviews the Board Member Administrative and Procedures Manual to determine if any changes are needed. To identify proposed updates, staff reviewed administrative manuals from other Boards, as well as material provided by legal counsel at the Board Member training session held in October 2015.

Proposed additions appear in underline text and deletions in ~~striketrough~~ text. A summary of changes follows:

General – Various grammatical changes were made throughout the booklet. Some sections remained unchanged but were moved for better flow.

Chapter 1. Introduction

Overview – The Board’s “Mission, Vision, and Values” were added.

General Rules of Conduct – Added language that Board Members may act or speak on behalf of the Board only *if authorized by the chair*.

Chapter 2. Board Meeting Procedures

Bagley-Keene Open Meeting Act – Added this section, per the information provided at the Board Member training by legal counsel.

Frequency of Meetings – The first two bullet points were deleted from this section and added to the sections on Special Meetings that appear at the end of this chapter. The third bullet repeated information contained in the section on Quorum in this chapter and was deleted. The fourth bullet also was deleted because this information appears in the section on Notice of Meetings in this chapter. A new sentence was included to indicate that Board meeting dates will be established by fiscal year.

Location – This section was added to note Board meeting location compliance with ADA accessibility requirements, that meetings are held in cities throughout the



State, and that CSLB is cognizant of the public's concern about travel expenses when selecting meeting locations.

Public Attendance at Board Meetings – This section contained information more relevant to the Bagley-Keene Open Meeting Act, and now appears earlier in the chapter. Information related to public attendance appears later in this chapter, between the sections on Meeting Rules and Public Comment.

Quorum – Added a clarifying sentence regarding the definition of a majority and a reference to the Business and Professions Code.

Agenda Items – Added a sentence regarding the preparation of the agenda.

Notice of Meetings – Made a grammatical change and added a sentence that clarifies the parties that will receive the meeting notice.

Notice of Meetings to be Posted on the Internet – Clarified and made consistent with Notice of Meetings that the 10-day period is based on calendar days.

Record of Meetings – Added language to reflect changes to the Bagley-Keene Open Meeting Act that require recording how each Board Member present voted on each item for which a vote was taken.

Voting on Motions – Added a section regarding voting that reflects Bagley-Keene Open Meeting Act requirements and describes voting options. Beginning January 1, 2015, each Board Members vote must be included in the minutes.

Audio/Visual Recording – Added a sentence regarding webcasts of meetings.

Public Attendance at Board Meetings – This section was moved from earlier in the chapter, and includes only one remaining sentence noting that meetings are open to the public.

Public Comment – Language was added to clarify how public comment is taken on items on the agenda and those not on the agenda.

Closed Session – Added this section to define and clarify how and when closed session can be held.

Other Types of Board Meetings – This new section includes teleconference, special, and emergency meeting requirements.



Chapter 3. Committee Meetings – This information previously appeared in Chapter 4, and was split into two chapters for better flow. Travel and Salary Policies and Procedures now appears in Chapter 5.

Standing Committees of the Board – Added this section to define the standing committees of the Board and the duties of committee chairs.

Committee Appointments – Added language to explain the selection process for committee members and to define the term of service. Also, deleted language regarding consultation with the vice-chair and secretary because it violates the Bagley Keene Open Meeting Act.

Committee Meetings Quorum – Added this section to define a quorum and the maximum number of Board Members on a committee, which cannot exceed seven, since that would constitute a quorum of the full Board.

Chapter 4. Selection of Officers – Deleted “committees” from the chapter title and relocated three paragraphs related to committee meetings to Chapter 3.

Chapter 5. Travel and Salary Policies and Procedures – Moved from Chapter 3. The previous Chapter 5, Board Administration and Staff Responsibilities, is now Chapter 6.

Travel Approval – Removed reference to outdated DCA memorandum.

Travel Arrangements – Updated language to reflect changes in how Board Member travel is arranged through the Registrars’ Executive Assistant.

Concur – Added a section on Concur, the State’s new online travel reservations system, which must be used if seeking reimbursement from the State.

Lodging – Added a section about how to arrange lodging for Board-related travel through room blocks established by the Registrars’ Executive Assistant.

Out-of-State Travel – Deleted redundant information about out-of-state travel reimbursements.

Travel Reimbursements – Changed the title from “Travel Claims” and added updated information about how to submit for travel reimbursement via CalATERS Global through the Registrar’s Executive Assistant.



Chapter 6. Board Administration and Staff Responsibilities – This was moved from Chapter 5.

Strategic Planning – Noted that the strategic planning process now occurs on a biennial, not annual, basis.

Legislation – Updated to reflect current Board policy. The Legislative Committee Chair is now consulted instead of the Board Chair.

Registrar Evaluation – Added more specific information about the process for the annual evaluation of the Registrar.

Chapter 7. Representations on Behalf of the CSLB – This new chapter was created from information previously contained in Chapter 5.

Business Cards – Added language that business cards will be provided to Board Members upon request, and deleted language that allowed Board Members to use their business address on such cards in order to comply with conflict of interest laws.

Chapter 8. Training – This new chapter was created from information previously contained in Chapter 6, and now includes an introductory section.

Board Member Orientation Training – Added a section explaining the mandatory Board Member orientation provided by DCA, which must be taken at appointment and re-appointment.

Board Member Ethics Training – Made a grammatical change.

Sexual Harassment Prevention Training – Clarified that the two-year cycle for the required sexual harassment training falls in odd-numbered years.

Defensive Drivers Training – Added a section on defensive drivers training, which is mandatory for anyone driving on official State business and must be taken within six months of initial appointment, and every four years thereafter.

Chapter 9. Other Policies and Procedures – This chapter was formerly Chapter 6.

Conflict of Interest – Added language about potential financial conflicts of interest for greater clarity.



Financial Disclosure – Added a section that explains the requirements related to the mandatory filing by Board Members of financial disclosure statements.

Abbreviations and Acronyms Glossary – Added four abbreviations that now appear in the manual to the glossary: ACT, ADA, DDT, and DGS.

Appendix A – DCA Incompatible Work Activities Policy and Procedure Memorandum – This was removed and is now included in the Board Member Welcome to CSLB information binders received at new appointment.

**CSLB Board Member Administrative
and Procedures Manual**

Updated March 2016

Table of Contents

Chapter 1. Introduction

Overview.....	
Mission, Vision, and Values.....	
General Rules of Conduct.....	

Chapter 2. Board Meeting Procedures

Bagley-Keene Open Meeting Act.....	
Frequency of Meetings.....	
Location.....	
Board Member Attendance at Board Meetings.....	
Quorum.....	
Agenda Items.....	
Notice of Meetings.....	
Notice of Meetings to be Posted on the Internet.....	
Record of Meetings.....	
Voting on Motions.....	
Audio/Visual Recording.....	
Meeting Rules.....	
Public Attendance at Board Meetings.....	
Public Comment.....	
Closed Session.....	
Other types of Board Meetings.....	
Teleconference Meetings.....	
Special Meetings.....	
Emergency Meetings.....	

Chapter 3. Committee Meetings

Committee Appointments.....	
Attendance at Committee Meetings.....	
Participation at Committee Meetings.....	
Committee Meetings Quorum.....	

Chapter 4. Selection of Officers

Officers of the Board.....	
Nomination of Officers.....	
Election of Officers.....	
Officer Vacancies.....	

Chapter 5. Travel and Salary Policies and Procedures

Travel Approval.....
Travel Arrangements.....
Concur.....
Lodging.....
Out-of-State Travel.....
Travel Reimbursements.....
Salary Per Diem.....

Chapter 6. Board Administration and Staff Responsibilities

Board Administration.....
Board Budget.....
Strategic Planning.....
Legislation.....
Registrar Evaluation.....
Board Staff.....

Chapter 7. Representations on Behalf of the CSLB

Communication, Other Organizations and Individuals.....
Public or News Media Inquiries.....
Stationery.....
 Business Cards.....
 Letterhead.....

Chapter 8. Training

Board Member Orientation Training.....
Board Member Ethics Training.....
Sexual Harassment Prevention Training.....
Defensive Drivers Training.....

Chapter 9. Other Policies and Procedures

Board Member Disciplinary Actions.....
Removal of Board Members.....
Resignation of Board Members.....
Conflict of Interest.....
 Financial Disclosure.....
Incompatible Activities.....
Contact with License Applicants.....

Gifts from License Applicants.....
Request for Records Access.....
Ex Parte Communications.....

Abbreviations and Acronyms Glossary.....

(Page numbers will be added to table of contents after revisions are approved and final version of Board Member Administrative Procedure Manual is complete)

CHAPTER 1 INTRODUCTION

Overview

The Contractors State License Board (CSLB) was created by the California Legislature in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards to safeguard the public's health, safety, and welfare. Today, CSLB is one of the boards, bureaus, commissions, and committees within the Department of Consumer Affairs (DCA), part of the Business, Consumer Services and Housing Agency under the aegis of the Governor. The Department is responsible for consumer protection and representation through the regulation of licensed professions and the provision of consumer services. While DCA provides administrative oversight and support services, CSLB has policy autonomy and sets its own policies and procedures, and initiates its own regulations.

The Board is comprised of 15 members. By law, nine are public members (eight non-contractors and one local building official), five are contractors, and there is one labor representative. Eleven appointments are made by the Governor. The Senate Rules Committee and the Speaker of the Assembly each appoint two public members. Board members may serve up to two full four-year terms. Board members fill non-salaried positions, but are paid \$100 per day for each meeting day or day spent in the discharge of official duties (see Section entitled "Salary Per Diem") and are reimbursed for travel expenses.

This Board Member Administrative and Procedures Manual is provided to Board members as a ready reference of important laws, regulations, DCA policies, and Board policies to guide the actions of Board members and ensure Board effectiveness and efficiency.

Mission, Vision, and Values

Mission

CSLB protects consumers by regulating the construction industry through licensure, enforcement, and education.

Vision

CSLB is a model consumer protection agency, providing regulatory oversight of the construction industry as essential to the protection of consumers and licensed contractors.

Values

CSLB provides the highest quality throughout its programs by:

- Being responsive and treating all consumers and contractors fairly;
- Focusing on prevention and providing educational information to consumers and contractors;
- Embracing technology and innovative methods to provide services; and
- Supporting a team concept and the professional development of staff.

General Rules of Conduct

- Board Members shall not speak or act for the Board without proper authorization from the Board Chair.
- Board members shall maintain the confidentiality of confidential documents and information.
- Board members shall commit the time to prepare for Board responsibilities.

- Board members shall recognize the equal role and responsibilities of all Board members.
- Board members shall act fairly, be nonpartisan, impartial, and unbiased in their role of protecting the public.
- Board members shall treat all applicants and licensees in a fair and impartial manner.
- Board Members' actions shall serve to uphold the principle that the Board's primary mission is to protect the public.
- Board members shall not use their positions on the Board for personal, familial, or financial gain.

CHAPTER 2 BOARD MEETING PROCEDURES

Bagley-Keene Open Meeting Act

All meetings of the CSLB are subject to the Bagley-Keene Open Meeting Act (“Act”), which governs meetings of the state regulatory boards and committees of those boards. The Act specifies meeting notice and agenda requirements, and prohibits discussing or taking action on matters not included on the agenda.

This Act is summarized in the “Guide to the Bagley-Keene Open Meeting Act” developed by DCA’s Legal Affairs Division, available on-line at www.dca.ca.gov and distributed to Board Members at the beginning of each calendar year.

Frequency of meetings

(Business & Professions Code sections 7006, ~~7007~~)

- ~~Special meetings of the Board may be held as indicated in its bylaws.~~
- ~~Four members of the Board may call a special meeting at any time.~~
- ~~Eight members constitute a quorum at a Board meeting.~~
- ~~Due notice of each meeting and the time and place thereof shall be given to each member in the manner provided in the bylaws.~~

The Board shall meet at least once each calendar quarter for the purpose of transacting such business as may properly come before it. Regular Board Meeting dates are established by fiscal year (July 1 through June 30).

Location

(Board Policy)

CSLB chooses meeting locations that are ADA (The Americans with Disabilities Act) compliant and easily accessible to the public. CSLB will hold board meetings in different locations throughout the state. CSLB also recognizes its responsibility regarding the public’s concern for the judicious use of public funds when choosing meeting facilities and overnight accommodations.

Board Member Attendance at Board Meetings

(Board Policy)

Board Members shall attend each meeting of the Board. If a member is unable to attend, he or she must contact the Board Chair or the Registrar and ask to be excused from the meeting for a specific reason. Should a member miss two consecutive meetings, the CSLB Chair may notify the Director of the DCA.

Public Attendance at Board Meetings

(Government Code section 1110 et seq.)

~~Meetings are subject to all provisions of the Bagley-Keene Open Meetings Act. This act governs meetings of the state regulatory boards and meetings of committees of those boards where the committee consists of more than two members. It specifies meeting notice and agenda requirements and prohibits discussing or taking action on matters not included in the agenda.~~

~~If the agenda contains matters which are appropriate for closed session, the agenda shall cite the particular statutory section and subdivision authorizing closed session.~~

Quorum

(B&P Code section 7007)

Eight Board members constitute a quorum for the transaction of business. The concurrence of a majority (more than one-half of the entire body) who are present and voting at a meeting shall be necessary to constitute an act or decision of the Board.

Agenda Items

(Board Policy)

The CSLB Chair, with the assistance of the Registrar, shall prepare the agenda and tentative meeting timeframe. Any Board member may submit items for a Board meeting agenda to the Registrar 15 days prior to the meeting.

Notice of Meetings

(Government Code section 11120 et seq.; Business and Professions Code section 101.7)

~~According to the Bagley Keene Open Meeting Act, m~~Meeting notices (including agendas for Board meetings) shall be sent to persons on the Board's mailing or email list at least 10 calendar days in advance. The agenda mailing list shall include a staff person's name, work address, and work telephone number who can provide further information prior to the meeting. The mailing list shall include all CSLB Board Members, as well as those parties who have requested notification.

Notice of Meetings to be Posted on the Internet

(Government Code Section 11125 et seq.)

Unless the meeting meets the requirements for a special or emergency meeting under the Act, Nnotice shall be given and also made available on the Internet at least 10 calendar days in advance of the meeting, and shall include the name, address, and telephone number of a staff person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. The written notice shall additionally include the Internet address where notices required by ~~this article~~ the Act are made available.

Record of Meetings

(Board Policy)

The minutes are a summary, not a transcript, of each Board meeting. They shall be prepared by Board staff and submitted for review by Board members before the next Board meeting. The minutes must contain a record of how each member present voted for each item on which a vote was taken. Board minutes shall be approved at the next scheduled meeting of the Board. When approved, the minutes shall serve as the official record of the meeting.

Voting on Motions

All votes must be taken publicly. Secret ballots and proxy votes are prohibited. A majority of the board or committee vote is determined by the votes actually cast. Abstentions are recorded, but not counted, unless a law provides otherwise.

Options for Board members:

- 1) Support/in Favor/Yes/Aye
- 2) Oppose/No/Nay
- 3) Abstain (not counted as a vote)
- 4) Recused (not counted as a vote)

Audio/Visual Recording

(Board Policy)

The meeting may be audio/video recorded and/or broadcast live via the Internet. Recordings may be disposed of upon Board approval of the minutes; broadcasts may be available in perpetuity. If a webcast of the meeting is intended, it shall be indicated on the agenda notice.

Meeting Rules

(Board Policy)

The Board will use Robert's Rules of Order, to the extent that it does not conflict with state law (e.g., Bagley-Keene Open Meeting Act), as a guide when conducting the meetings.

Public Attendance at Board Meetings

(Government Code section 11120 et seq.)

~~All meetings are open for public attendance. This act governs meetings of the state regulatory boards and meetings of committees of those boards where the committee consists of more than two members. It specifies meeting notice and agenda requirements and prohibits discussing or taking action on matters not included in the agenda.~~

~~If the agenda contains matters which are appropriate for closed session, the agenda shall cite the particular statutory section and subdivision authorizing the closed session.~~

Public Comment

(Board Policy)

Discussion of items not on a noticed agenda violates the Act's advance notice provision. However, the Board may accept public testimony on an item not on the agenda, provided that the Board takes no action or does not discuss the item at the same meeting. For items not on the agenda that the Board wishes to address, the Chair may refer a member of the public to staff or the Registrar, or refer the matter for placement on a future agenda. The Board cannot prohibit public criticism of the Board's policies or services. The Chair may set reasonable time limitations.

Public comment must be allowed on open session agenda items before or during discussion of each item and before a vote, unless the public was provided an opportunity to comment at a previous committee meeting of the Board, where the committee consisted exclusively of Board members. If the item has been substantially changed since the Committee meeting, the Board must provide another opportunity for comment at a later meeting.

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

1. If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments. The Board may ask or direct a staff member to speak with the person directly outside the confines of the meeting room.
2. If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
 - a. Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a Board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
 - b. Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
3. The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.

Closed Session

(Government Code Section 11126)

Examples of types of Closed Session meetings include:

- Discuss and vote on disciplinary or enforcement matters under the Administrative Procedure Act (APA);
- Prepare, approve, or grade examinations;
- Discuss pending litigation; or;
- Discuss the appointment, employment, or dismissal of the Registrar unless the Registrar requests that such action be taken in public.

If the agenda contains matters which are appropriate for closed session, the agenda shall cite the particular statutory section and subdivision authorizing the closed session.

No members of the public are allowed to remain in the meeting room for closed sessions. At least one staff member must be present at all closed sessions to record topics discussed and decisions made. Closed session must be specifically noticed on the agenda (including the topic and legal authority). Before going into closed session the Board Chair should announce in open session the general nature of the item or items to be discussed. If the item involves the Registrar's employment, appointment, or dismissal, and action is taken in closed session, CSLB must report that action and any roll call vote that was taken at the next public meeting.

Other types of Board Meetings

Teleconference Meetings

(Government Code Section 11123)

Special Rules for Notice of Teleconference Meetings are as follows:

- Same 10-day notice requirement as in-person meetings.
- Notice and agenda must include teleconference locations.
- Every teleconference location must be open to the public and at least one Board Member must be physically present at every noticed location. All Board Members must attend the meeting at a publicly noticed location.
- Additional locations may be listed on the agenda that allow the public to observe or address the Board by electronic means.

Special Meetings

(Government Code Section 11125.4; Business and Professions Code Section 7006)

Four members can call a special meeting held with 48 hours' notice in specified situations (e.g., consideration of proposed legislation) and a meeting can be held where two-thirds of the Board members find that there is a "substantial hardship on the state body or immediate action is required to protect the public interest."

Emergency Meetings

(Government Code Section 11125.5)

An emergency meeting may be held after finding by a majority of the Board at a prior meeting or at the emergency meeting that an emergency situation exists due to work stoppage or crippling disaster. [A quorum is required for the Board to meet in the event of emergency, such as a work stoppage or crippling disaster.] Emergency meetings require a one hour notice.

CHAPTER 3 COMMITTEE MEETINGS

Standing Committees of the Board:

- Enforcement
- Licensing
- Legislative
- Public Affairs
- Executive

The Board Chair appoints each Committee Member, with the exception of the Executive Committee, which shall be comprised of the current Board Chair, the Vice Chair, the Secretary, and the immediate past Board chair.

Each Committee shall have a Chairperson, designated by the Board Chair, and who is tasked with:

- Running committee meetings
- Opening and adjourning committee meetings
- Coordinating the creation of the summary reports with staff
- Presenting committee meeting reports and minutes to the Board

Committee Appointments

(Board Policy)

At the beginning of each fiscal year, the newly appointed Board Chair will ask CSLB Board Members if they wish to participate on a committee for the following year. The Registrar's Executive Assistant will compile a list of interested parties and supply it to the Chair. The Chair shall establish or abolish additional committees, whether standing or special, as he or she deems necessary. Composition of the committees and the appointment of the members shall be determined by the Board Chair in consultation with the Vice Chair, Secretary, and Registrar. When committees include the appointment of non-Board members, all interested parties should be considered. Officers shall serve a term of one year, beginning July 1 of the next fiscal year.

Attendance at committee meetings

(Board Policy)

If a board member wishes to attend a committee meeting of which he or she is not a member, the Board member shall obtain permission to attend from the Board Chair and shall notify the committee chair and staff. Board members who are not members of the committee that is meeting cannot vote during the committee meeting. If there is a quorum of the Board at a committee meeting, Board members who are not members of the committee must sit in the audience and cannot participate in committee deliberations.

Participation at Committee Meetings

(Government Code section 11122.5 et seq.)

When a majority of the members of the Board are in attendance at an open and noticed meeting of a standing committee, members of the Board who are not members of the standing committee may attend only as observers. Board members who are members of a committee where a majority of the members of the Board are present, cannot ask questions, talk or sit with the members of the committee at the meeting table.

Committee Meetings Quorum

A quorum is majority (more than one-half) of those committee members appointed by the Board Chair. Committees can include no more than seven members in order to avoid a full quorum of the Board, which would constitute a full Board meeting.

CHAPTER 4 SELECTION OF OFFICERS ~~and committees~~

Officers of the Board

(B&P Code section 7005)

The Board shall elect from its members a Chair, a Vice Chair, and a Secretary to hold office for one year or until their successors are duly elected and qualified.

Nomination of Officers

(Board Policy)

The Board Chair shall appoint a Nominations Committee prior to the last meeting of the fiscal year and shall give consideration to appointing a public and a professional member of the Board to the Committee. The Committee's charge will be to recommend a slate of officers for the following year. The Committee's recommendation will be based on the qualifications, recommendations, and interest expressed by the Board members. A survey of Board members may be conducted to obtain interest in each officer position. A Nominations Committee member is not precluded from running for an officer position. If more than one Board member is interested in an officer position, the Nominations Committee will make a recommendation to the Board and others will be included on the ballot for a runoff if they desire. The results of the Nominations Committee's findings and recommendations will be provided to the Board members. Notwithstanding the Nominations Committee's recommendations, Board members may be nominated from the floor at the meeting.

Election of Officers

(B&P Code section 7005)

The Board shall elect the officers at the last meeting of the fiscal year. Officers shall serve a term of one year, beginning July 1 of the next fiscal year. All officers may be elected on one motion or ballot as a slate of officers unless more than one Board member is running per office. An officer may be re-elected and serve for more than one term.

Officer Vacancies

(Board Policy)

If an office becomes vacant during the year, an election shall be held at the next meeting. If the office of the Chair becomes vacant, the Vice Chair shall assume the office of the Chair. Elected officers shall then serve the remainder of the term.

CHAPTER 5 TRAVEL AND SALARY POLICIES AND PROCEDURES

Travel Approval

(DCA Memorandum 96-01)

Board Members shall have Board Chair approval for all travel except for regularly scheduled Board and Committee Meetings to which the Board Member is assigned.

Travel Arrangements

(Board Policy)

Board Members ~~should attempt to make their own travel arrangements and~~ are encouraged to coordinate with the Registrar's Executive Assistant for lodging accommodations any Board-related travel arrangements, including air or train transportation, car rental, and lodging through Cal Travel Store's online booking tool, Concur. The Registrar's Executive Assistant will setup Board Members' Concur accounts.

CSLB Board Members must also utilize the most economic source of transportation available. For example, if the hotel provides a shuttle from the airport to the hotel it is not fiscally responsible to rent a car or take a taxi. Reimbursements may be reduced or denied if the most economical sources are not used.

Concur

All Board-related travel must be booked using Cal Travel Store's self-service reservation system, Concur, if a Board member seeks reimbursement.

Lodging

In advance of Board and Committee Meetings, the Registrar's Executive Assistant will provide Members information detailing the name and address of the chosen hotel where a room block has been established for lodging. The Registrar's Executive Assistant is available to assist in making these travel reservations, or Board Members may coordinate them on their own.

Out-of-State Travel

(SAM Section 700 et seq.)

~~For out of state travel, Board members will be reimbursed for actual lodging expenses, supported by vouchers, and will be reimbursed for meal and supplemental expenses.~~ Out-of-state travel for all persons representing the state of California is controlled and must be approved by the Governor's Office.

Travel Claims Reimbursements

(SAM section 700 et seq. and DCA Memorandum 96-01)

Rules governing reimbursement of travel expenses for Board Members are the same as for management-level state staff. All expenses shall be claimed on the appropriate travel expense claim forms. Board members must submit the originals of all receipts, with the exception of meals, and, when applicable, a copy of the airline itinerary and hotel receipt showing the balance paid, to the Registrar's Executive Assistant. Reimbursement requests for personal vehicle mileage must include where the trip originated from, where it ended, and the license plate number of the vehicle driven. All travel must be booked through Concur if the Board Member seeks reimbursement.

The Registrar's Executive Assistant completes Travel Expense Claim reimbursements in CalATERS Global and maintains copies of these reports and submitted receipts. forms and completes them as needed. It is advisable for Board Members to submit their travel expenses forms immediately after returning from a trip and not later than two weeks following the trip.

~~For expenses to be reimbursed, Board Members shall follow procedures contained in DCA Departmental Memoranda, which periodically are disseminated by the Director and are provided to Board Members.~~

Salary Per Diem

(B&P Code section 103)

Compensation in the form of salary per diem and reimbursement of travel and other related expenses for Board Members is regulated by B&P Code section 103.

In relevant part, this section provides for the payment of salary per diem for Board members "for each day actually spent in the discharge of official duties," and provides that the Board member "shall be reimbursed for traveling and other expenses necessarily incurred in the performance of official duties."

Accordingly, the following general guidelines shall be adhered to in the payment of salary per diem or reimbursement for travel:

1. No salary per diem or reimbursement for travel-related expenses shall be paid to Board members except for attendance at official Board or committee meetings, unless a substantial official service is performed by the Board Member. Attendance at gatherings, events, hearings, conferences or meetings other than official Board or committee meetings in which a substantial official service is performed shall be approved in advance by the Board Chair. The Registrar shall be notified of the event and approval shall be obtained from the Board Chair prior to Board Member's attendance.
2. The term "day actually spent in the discharge of official duties" shall mean such time as is expended from the commencement of a Board Meeting or Committee Meeting to the conclusion of that meeting. Where it is necessary for a Board Member to leave early from a meeting, the Board Chair shall determine if the member has provided a substantial service during the meeting and, if so, shall authorize payment of salary per diem and reimbursement for travel-related expenses.

For Board-specified work, Board Members will be compensated for actual time spent performing work authorized by the Board Chair. That work includes, but is not limited to, authorized attendance at other gatherings, events, meetings, hearings, or conferences, and NASCLA or CLEAR committee work. That work does not include preparation time for Board or committee meetings. Board Members cannot claim salary per diem for time spent traveling to and from a Board or Committee Meeting.

CHAPTER 6 BOARD ADMINISTRATION AND STAFF RESPONSIBILITIES

Board Administration

(DCA Reference Manual)

Board members should be concerned primarily with formulating decisions on Board policies rather than decisions concerning the means for carrying out a specific course of action. It is inappropriate for Board members to become involved in the details of program delivery. Strategies for the day-to-day management of programs and staff shall be the responsibility of the Registrar.

Board Budget

(Board Policy)

The Secretary shall serve as the Board's budget liaison with staff and shall assist staff in the monitoring and reporting of the budget to the Board. Staff will conduct an annual budget briefing with the Board with the assistance of the Secretary.

The Registrar or the Registrar's designee will attend and testify at legislative budget hearings and shall communicate all budget issues to the Administration and Legislature.

Strategic Planning

(Board Policy)

The Executive Committee shall have overall responsibility for the Board's Strategic Planning Process. The Vice Chair shall serve as the Board's strategic planning liaison with staff and shall assist staff in monitoring and reporting of the strategic plan to the Board. The Board will conduct a biennial annual strategic planning session and may utilize a facilitator to conduct the strategic planning process.

Legislation

(Board Policy)

In the event that time constraints preclude Board action, the Board delegates to ~~the Registrar and the~~ Chair of the Legislative Committee for the authority to take action on legislation that would change Contractors State License Law that impacts a previously established Board policy or affects the public's health, safety, or welfare. Prior to taking a position on legislation, the Registrar shall consult with the ~~Board Chair of the Legislative Committee~~. The Board shall be notified of such action as soon as possible.

Registrar Evaluation

(Board Policy)

Board members shall evaluate the performance of the Registrar of Contractors on an annual basis. The Board Chair will use surveys to complete a written summary of the evaluations and then meet with the Registrar to discuss his/her performance during a closed session of a Board Meeting. The original evaluation is signed by the Board Chair and the Registrar and sent to the DCA Human Resources Office for placement in the Registrar's Official Personnel File.

Board Staff

(DCA Reference Manual)

Employees of the Board, with the exception of the Registrar, are civil service employees. Their employment, pay, benefits, advancement, discipline, termination, and conditions of employment are governed by civil service laws, regulations, and collective bargaining labor agreements. Because of this complexity, it is most appropriate that the Board delegate all authority and responsibility for management of the civil service staff to the Registrar. Board Members shall not intervene or become involved in specific day-to-day personnel transactions or matters.

CHAPTER 7 REPRESENTATIONS ON BEHALF OF THE CSLB

Communication, Other Organizations and Individuals

(Board Policy)

All communication relating to any Board action or policy to any individual or organization, including, but not limited to, NASCLA and CLEAR, shall be made only by the Chair of the Board, his or her designee, or the Registrar. Any Board member who is contacted by any of the above should immediately inform the Board Chair or Registrar of the contact. All correspondence shall be issued on the Board's standard letterhead and will be created and disseminated by the Registrar's office.

Public or News Media Inquiries

(Board Policy)

All technical, licensing, or disciplinary inquiries to a CSLB Board or committee member from applicants, licensees, or members of the public should be referred to the Registrar. Contact of a Board or committee member by a member of the news media should be referred to the Chief of Public Affairs.

Stationery

(Board Policy)

- **Business Cards**

Business cards will be provided to each Board Member with the Board's name, address, telephone and fax number, and website at the Board Member's request. ~~A Board member's own business address, telephone number, fax number, and e-mail address may be listed on the card if the Board Member prefers.~~

- **Letterhead**

Only correspondence that is transmitted directly by the CSLB office may be printed or written on CSLB letterhead stationery. Any correspondence from a Board or committee member requiring the use of CSLB stationery or the CSLB logo should be transmitted to the CSLB office for finalization and distribution.

CHAPTER 8 TRAINING

Once a Board Member is appointed, the Registrar's Executive Assistant will send an email containing a list of all the required trainings, their due dates, and instructions about their completion. Board Members should send the certificate of completion or signature page to the Registrar's Executive Assistant who maintains Board Members records. For additional information, Board Members may refer to DCA's online Board Member Resource Center which may be found at:
www.dca.boardmembers.ca.gov

Board Member Orientation Training

(Business and Professions Code section 453)

Newly appointed and reappointed Board Members must attend a Board Member orientation training course offered by DCA within one year of assuming office. The orientation covers information regarding required training, in addition to other topics that will ensure a members' success, including an overview of DCA.

Board Member Ethics Training

(AB 2179)

With the passage of AB 2179 (1998 Chapter 364), state appointees and employees in exempt positions are required to ~~receive~~ take an ethics orientation within the first six months of their appointment and every two years thereafter. To comply with that directive, Board or committee members may take the interactive course provided by the Office of the Attorney General, which can be found at www.oag.ca.gov/ethics.

Sexual Harassment Prevention Training

(Government Code section 12950.1)

Board members are required to undergo sexual harassment prevention training and education once every two years, in odd years. Staff will coordinate the training with the Department of Consumer Affairs.

Defensive Drivers Training

(SAM section 0751)

All state employees, which includes board and committee members, who drive a vehicle (state vehicle, vehicles rented by the state, or personal vehicles for state business) on official state business must complete the Department of General Services (DGS) approved defensive driver training (DDT) within the first six months of their appointment and every four years thereafter.

CHAPTER 9 OTHER POLICIES AND PROCEDURES

Board Member Disciplinary Actions

(Board Policy)

A member may be censured by the Board if, after a hearing before the Board, the Board determines that the member has acted in an inappropriate manner.

The Chair of the Board shall sit as chair of the hearing unless the censure involves the Chair's own actions, in which case the Vice Chair of the Board shall sit as hearing chair. In accordance with the Bagley-Keene Open Meetings Act, the censure hearing shall be conducted in open session.

Removal of Board Members

(Business and Professions Code sections 106, 106.5, 7005)

The Governor has the power to remove from office at any time any member of any board appointed by him or her for continued neglect of duties required by law or for incompetence or unprofessional or dishonorable conduct. The Governor also may remove from office a Board member who directly or indirectly discloses examination questions to an applicant for examination for licensure.

Resignation of Board Members

(Government Code section 1750)

In the event that it becomes necessary for a Board member to resign, a letter shall be sent to the appropriate appointing authority (Governor, Senate Rules Committee, or Speaker of the Assembly) with the effective date of the resignation. Written notification is required by state law. A copy of this letter also shall be sent to the director of the Department, the Board Chair, and the Registrar.

Conflict of Interest

(Government Code section 87100)

No Board Member may make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision in which he or she knows or has reason to know he or she has a financial interest. Any Board member who has a financial interest shall disqualify him- or herself from making or attempting to use his or her official position to influence the decision. Any Board Member who feels he or she is entering into a situation where there is a potential for a conflict of interest should immediately consult the Registrar or the Board's legal counsel. The question of whether or not a CSLB Member has a financial interest that would present a legal conflict of interest is complex and must be decided on a case-by-case review of the particular facts involved. For more information on disqualifying yourself because of a possible conflict of interest, please refer to the Fair Political Practice Committee's manual on their website: www.fppc.ca.gov/index.php?id=37.

Financial Disclosure

The Conflict of Interest Code also requires CSLB Board Members to file annual financial disclosure statements by submitting a Form 700 – Statement of Economic Interest. New CSLB Board Members are required to file a disclosure statement within 30 days after assuming office or, if subject to Senate confirmation, 30 days after being appointed or nominated. Annual financial statements must be filed no later than April 1 of each calendar year.

A "leaving of office statement" must be filed within 30 days after an affected CSLB Board Member or other official leaves office.

CSLB Board Members are not required to disclose all of their financial interests. Government Code Section 87302 (b) explains when an item is reportable:

An investment, interest in real property, or income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of his or her position.

Refer to DCA's Conflict of Interest Code to determine what investments, interests in property, or income must be reported by a CSLB Member. Questions concerning particular financial situations and related requirements should be directed to DCA's Legal Office.

Incompatible Activities

(Government Code Section 19990)

Following is a summary of the employment, activities, or enterprises that might result in or create the appearance of being inconsistent, incompatible, or in conflict with the duties of state officers:

- Using the prestige or influence of a state office or employment for the officers or employees private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment, or supplies for the officers or employees private gain or advantage, or the private gain or advantage of another.
- Using confidential information acquired by the virtue of state employment for the officer's or employee's private gain or advantage or advantage of another.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his or her state employment or as a part of his or her duties as a state officer or employee.
- Performance of an act other than in his or her capacity as a state officer or employee knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such officer or employee of the agency by which he or she is employed. (This would not preclude an "industry" member of CSLB from performing normal functions of his or her occupation.)
- Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is seeking to do business of any kind with the state or whose activities are regulated or controlled in any way by the state, under circumstances from which it reasonably could be inferred that the gift was intended to influence him or her in his or her official duties or was intended as a reward for any official action on his or her part.

The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of Section 19990 of the Government Code. DCA's Incompatible Work Activities Policy and Procedure OHR 10-01 are included in Appendix A.

Contact with License Applicants

Board Members shall not intervene on behalf of an applicant for licensure for any reason; they should forward all contacts or inquiries to the Registrar.

Gifts from License Applicants

Gifts of any kind to Board Members or staff from license applicants shall not be permitted.

Request for Records Access

No Board Member may access the file of a licensee or applicant without the Registrar's knowledge and approval of the conditions of access. Records or copies of records shall not be removed from CSLB's office.

Ex Parte Communications

(Government Code section 11430.10 et seq.)

The Government Code contains provisions prohibiting ex parte communications. An "ex parte" communication is a communication to the decision-maker made by one party to an enforcement action without participation by the other party. While there are specified exceptions to the general prohibition, the key provision is found in subdivision (a) of section 11430.10, which states:

"While the proceeding is pending, there shall be no communication, direct or indirect, regarding any issue in the proceeding to the presiding officer from an employee or representative of an agency that is a party or from an interested person outside the agency, without notice and an opportunity for all parties to participate in the communication."

Board members are prohibited from ex parte communications with Board enforcement staff while a proceeding is pending.

Occasionally, an applicant who is being formally denied licensure, or a licensee against whom disciplinary action is being taken, will attempt to directly contact Board members.

If the communication is written, the person should read only far enough to determine the nature of the communication. Once he or she realizes it is from a person against whom an action is pending, they should reseal the documents and send them to the Chief of Enforcement.

If a Board member receives a telephone call from an applicant or licensee against whom an action is pending, he or she should immediately tell the person that discussion about the matter is not permitted; that he or she will be required to recuse him or herself from any participation in the matter; and continued discussion is of no benefit to the applicant or licensee. The Board member should end the conversation in a firm and cordial manner.

If a Board member believes that he or she has received an unlawful ex parte communication, he or she should contact the Board's assigned legal office counsel.

Abbreviations and Acronyms Glossary

ALJ	Administrative Law Judge
ACD	Automated Call Distribution system
<u>ACT</u>	<u>Bagley-Keene Open Meeting Act</u>
<u>ADA</u>	<u>The Americans with Disabilities Act</u>
ADR	Alternative Dispute Resolution
AG	Office of the Attorney General
AGENCY	Business, Consumer Services and Housing Agency
AMCC	Arbitration Mediation Conciliation Center
APA	Administrative Procedure Act
APP	Application for contractor license or Home Improvement Salesperson registration
App Fee	Application Fee Number
ASB	Asbestos Certification
B&P	Business and Professions Code
BCP	Budget Change Proposal
BQI	Bond of Qualifying Individual
Cal/OSHA	DIR Division of Occupational Safety & Health
CAT	Computer Assisted Testing CB Contractor's Bond
CCCP	California Code of Civil Procedure
CCR	California Code of Regulations Cite Citation
CLC	<i>California Licensed Contractor</i> newsletter
CLEAR	Council on Licensure Enforcement and Regulations
CP/CORP	Corporation
CSLB	Contractors State License Board
CSR	Consumer Services Representative
DAG	Deputy Attorney General
DB	Disciplinary Bond
DBA	Doing Business As
DCA	Department of Consumer Affairs
<u>DDT</u>	<u>Defensive Drivers Training</u>
<u>DGS</u>	<u>Department of General Services</u>
DIR	Department of Industrial Relations
DLSE	Division of Labor Standards Enforcement
DOI	Department of Insurance
DOL	Department of Labor
DOSH	DIR Division of Occupational Safety & Health (also referred to as Cal/OSHA)
EDD	Employment Development Department
EO	Executive Officer / Registrar of Contractors
ER	Enforcement Representative
ES	Enforcement Supervisor
FSR	Feasibility Study Report

FTA	Failure to Appear
FTB	Franchise Tax Board
HAZ	Hazardous Substances Removal Certification
HIS	Home Improvement Salesperson
IC	Investigative Center
IE	Industry Expert
IEP	Industry Expert Program
IMC	Intake and Mediation Center
IT	Information Technology
IVR	Interactive Voice Response system (automated telephone system)
JV	Joint Venture
LEG	State Legislature, legislative
LETF	Labor Enforcement Task Force
MARB	Mandatory Arbitration Program
MOU	Memoranda(um) of Understanding MSC Mandatory Settlement Conference
NASCLA	National Association of State Contractors Licensing Agencies
NTA	Notice to Appear
OA	Occupational Analysis
OSN	On-Site Negotiation Program
PAO	Public Affairs Office
PD	Proposed Decision
PT	Partnership
QPT	Qualifying Partner
RFP	Request for Proposal
RME	Responsible Managing Employee
RMO	Responsible Managing Officer
SAM	State Administrative Manual
SCIF	State Compensation Insurance Fund
SME	Subject Matter Expert
SOI	Statement of Issues
SSN	Social Security Number
SWIFT	Statewide Investigative Fraud Team
TVDS	Test Validation and Development Specialist
VARB	Voluntary Arbitration Program

AGENDA ITEM C-7

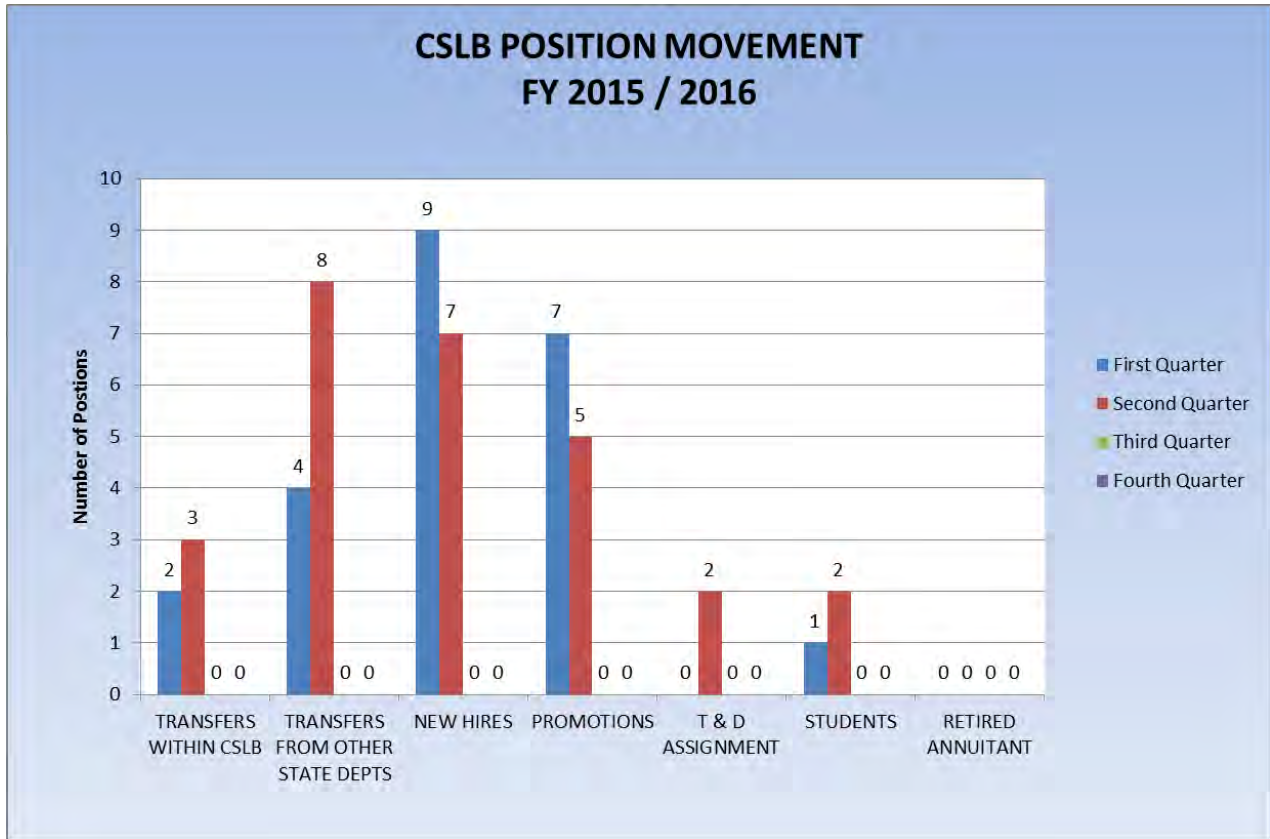
Administration Update Regarding Personnel and Facilities





Personnel Update

In the second quarter of fiscal year 2015-16, CSLB added eight new employees from other State agencies, seven employees new to State service, and two student assistants. Additionally, three employees transferred units, two employees accepted Training and Development assignments, and five employees were promoted within CSLB.



The Personnel office is currently recruiting to fill the Personnel Manager position vacated by Nicole Le.

Personnel staff members have been actively assisting applicants use the State's new recruitment system, CalCareer. The new system, released by the California Department of Human Resources (CalHR) in January 2016, allows candidates to apply online for exams and vacancies through their CalCareer account. CalCareer is the next phase in the overall implementation of the State's Examination and Certification Online System (ECOS), which is helping to streamline the hiring process while implementing the best security principles for protecting personal data. The system provides Personnel staff the ability to view applications online and electronically manage the

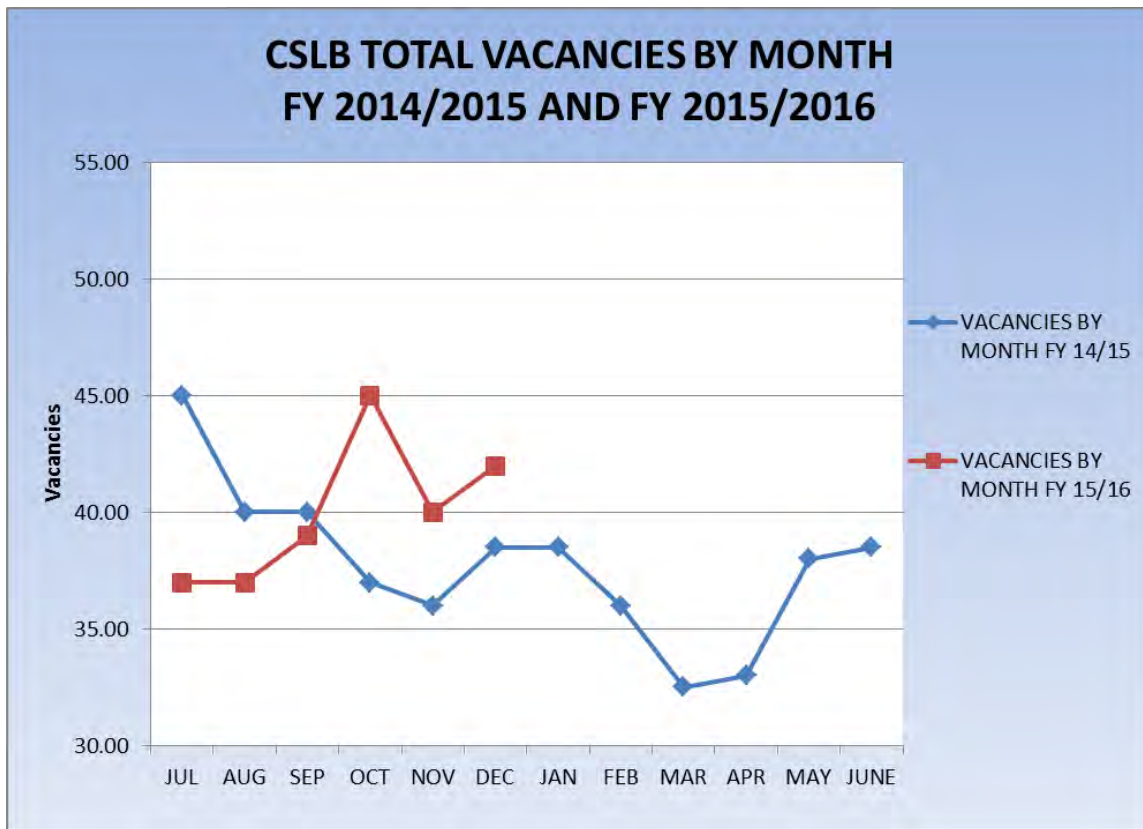


recruitment process through to the final hiring of a candidate. Applicants can also update their contact information and conditions of employment, view eligibility status, receive contact letters electronically for job opportunities, set up notifications for newly released exams and open positions, and upload and save resumes.

In conjunction with the new system, Personnel staff are working with program managers to refine the application screening criteria, a tool used to facilitate the evaluation of applications and ensure that uniform standards are applied in the selection of candidates to interview. Generally, the screening criteria will indicate the knowledge, skills and abilities needed for the position, as well as evaluate how well an application is completed.

The Personnel unit is responsible for tracking and retaining the records of employee mandatory trainings and policy acknowledgments and worked diligently with program managers in February and March 2016, to ensure compliance with annual policy requirements.

As illustrated below, the number of second-quarter CSLB vacancies was higher than in the previous year.





Examinations

In addition to CalHR, DCA/CSLB offer several examinations throughout the year; specific examination dates follow:

DIVISION	EXAMINATION	STATUS
Enforcement	Consumer Services Representative	DCA Continuous Filing
	Enforcement Representative I	Last Exam Administered in November 2015; Tentative Exam Date–June 2016
	Enforcement Representative II	Last Exam Administered in November 2015; Tentative Exam Date–April/May/June 2016
	Enforcement Supervisor I/II	Last Exam Administered in August 2014; Next Exam Final Filing Date is March 29, 2016; Tentative Exam Date–May/June 2016
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician III	CalHR
Testing	Personnel Selection Consultant I/II	Last Exam Administered in November 2015; Tentative Exam Date–TBD
	Test Validation & Development Specialist I/II	Last Exam Administered in August 2015; Tentative Exam Date–TBD
All CSLB	Information Officer I (Specialist)	CalHR
	Management Services Technician	Last Exam Administered in April 2015; Tentative Exam Date–2017
	Office Services Supervisor	CalHR
	Office Technician	Last Exam Administered in November 2015; Next Exam Date–TBD
	Office Assistant	Last Exam Administered in December 2015; Next Exam Date–TBD
	Program Technician I/II/III	Last Exam Administered in October 2015; Next Exam Date–TBD
	Staff Services Analyst/Assoc. Governmental Program Analyst	CalHR
	Staff Services Analyst Transfer Exam	Tentative Exam Dates–February/June/September/December
	Staff Services Manager I/II/III	CalHR



BUSINESS SERVICES

Facilities

San Bernardino – The contractor and the Department of General Services (DGS) planner have held a pre-construction meeting to discuss the final construction plans, and work will commence once DGS approves the project schedule.

Projected Completion Date: September 2016

Norwalk – There are two leases for this facility – one for the Testing unit and one for the Enforcement unit – both of which have been approved and signed by all parties, and that run from November 1, 2015 through October 31, 2023. A pre-construction meeting will be scheduled in April to discuss the final plans with the contractor and the DGS planner. Once the planner receives and approves the project schedule work can proceed.

Projected Completion Date: August 2016

San Diego – CSLB has submitted a lease renewal document to the Department of Consumer Affairs to begin the office lease renewal process. The current lease expires on January 31, 2018. This office includes an Enforcement unit on the first floor and a Testing unit on the third floor, which will undergo minor changes, including new paint and carpet, minor modular modifications, and an additional light in the ADA area in the Testing office.

Projected Completion Date: March 2017

Testing Field Offices – To enable the Testing offices to better monitor each test station and record any misconduct security cameras are being installed at all CSLB Test Centers. If necessary, these recordings can be used for court proceedings. The Department of General Services is seeking competitive bids from camera contractors for this project.

Projected Completion Date: December 2016

Sacramento Headquarters – The DGS space planner is currently working with CSLB staff to identify the upgrades for incorporation into the lease renewal, which will include: new security card reader system; key replacement throughout the entire building; construction of additional office space within the Administration unit; construction of a media room, control room, and storage room for the Public Affairs Office; a utility cage



in the warehouse to store modular furniture; re-painting the walls; installation of new carpet throughout the building; installation of new projector screens, and installation of new privacy panels on all doors in the restrooms.

Additionally, CSLB has requested that the DGS planner incorporate floor plan modifications into the lease renewal agreement in order to better utilize first floor office space to accommodate the growing needs of the Call Center, Enforcement division, and Records Certification Unit.

Projected Completion Date: September 2017

Contracts and Procurement

Contracts in Process:

- Maintenance service contract for inserter mailing machine for Sacramento headquarters; and
- Renewal of Survey Monkey contract for online surveys.

Procurements in Process:

- New batteries for UPS machine;
- Modular furniture for the San Bernardino Investigation Center; and
- Installation of 30amp dedicated electrical outlets in the Berkeley, Oxnard, San Bernardino, and Norwalk offices for new UPS machines.

Executed Contracts/Procurement:

- New copier for Enforcement division, including five year maintenance contract;
- New copier for the Norwalk Intake office, including five year maintenance contract;
- Contract for December 10, 2015, Board meeting in Brisbane; and
- Rental maintenance agreement for mailing meter machine at Sacramento headquarters.

Fleet Management

Vehicle Purchases:

- CSLB purchased seven vehicles for the 2014-15 fiscal year, of which six have been received, including one all-electric vehicle (Nissan Leaf) utilized by CSLB Mailroom staff.
 - (4) Ford Fusions – San Francisco IC, Valencia IC, Fresno SWIFT, Norwalk SWIFT
 - (1) Dodge Grand Caravan – Sacramento Testing division



- (1) Nissan Leaf (all electric) – Sacramento Mailroom

- CSLB anticipates receiving the remaining vehicle before the end of the current fiscal year.
 - (1) Dodge Ram Truck – Sacramento SWIFT

- CSLB submitted the 2015-16 fiscal year Fleet Acquisition Plan to the Department of Consumer Affairs (DCA), which included a request for eleven replacement vehicles.
 - (4) Ford Fusion Hybrids (1-San Diego IC, 2-Valencia IC, 1-West Covina IC)
 - (6) Chevrolet Impalas (1-Fresno SWIFT, 2-Norwalk SWIFT, 3-Sacramento SWIFT)
 - (1) Dodge Ram (1-Sacramento IC North)

AGENDA ITEM C-8

Information Technology Update





Home Improvement Sales Person (HIS) – Implementation of Senate Bill 561

Effective January 1, 2016, a new law (SB 561) authorized CSLB to simplify the Home Improvement Salesperson registration process. SB 561 removed the requirement that an HIS register separately with CSLB for each contractor he or she represents. Instead, through a single registration, an HIS can work for multiple employers.

Implementation of this legislation required significant modifications to CSLB's existing method of registering, tracking, and assigning registered salespersons to a licensed home improvement contractor. As part of this process, CSLB notified by mail more than 14,000 registered HIS in order to update and convert all registration records, and also sent letters to licensees who employ registered salespersons.

CSLB encourages all HIS registrants, as well as licensees who employ salespersons, to review and verify HIS details via CSLB's online Instant License Check, and to take steps to immediately correct any inaccurate or outdated information by filling out a form and sending it to CSLB.

In addition to the single registration, this new law requires licensees to notify CSLB in writing prior to employing an already registered HIS, and when employment of a registered HIS ends. As of January 1, 2016, these new forms are available on the CSLB website.

IT staff is working closely with programming contractors to modify existing programs and to develop new programs/processes to ensure compliance with the new law.

First in the State to Migrate off Otech's Old Network Segment

In late 2015, Otech (California Department of Technology) requested that State agencies, including CSLB, change their external IP addresses (205.225 range), as they no longer owned these IPs. CSLB IT staff worked closely with Otech's Network Engineering Team to successfully migrate off the 205.225.x.x range that housed CSLB's public website and e-Payment. As the first in the State to migrate successfully, CSLB then helped Otech develop a template to assist other State agencies in this process, for which the IT division was recognized at Otech's quarterly Network Forum on February 16, 2016.

**BreEZe**

BreEZe Release One and Release Two are now in production at the Department of Consumer Affairs (DCA).

CSLB Business Consulting Unit staff continues to work with programs to document and map current “as is” business processes, conduct meetings with CSLB end-users to verify mapping, and completing gap/fit analysis.

The current design, development, and implementation contract (with Accenture) for BreEZe implementation ends after Release Two. However, the vendor will continue to perform the maintenance and operation (M&O) services for Release One and Two boards/bureaus/committees under the existing M&O contract.

Following implementation of Release Two, DCA will perform a formal cost/benefit analysis to look at viable options for Release Three boards/bureaus/committees before moving forward.

Interactive Voice Response (IVR) System

CSLB’s IVR is an interactive, self-directed telephone system that provides valuable information to consumers, contractors, and others. It allows callers to request forms or pamphlets that are sent to them immediately. Callers can look up a license, and applicants can check the status of their exam application. The IVR provides consumers with information on how to file complaints, as well as how to become a licensed contractor. In addition, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. From December 2015 through February 2016, CSLB’s IVR handled a total of 103,713 calls, which is an average of 34,571 calls per month. The system is available 24 hours a day, seven days a week.

The IVR system offers dozens of possible menu options. Following is a list of the top 20 IVR requests from December 2015 through February 2016.

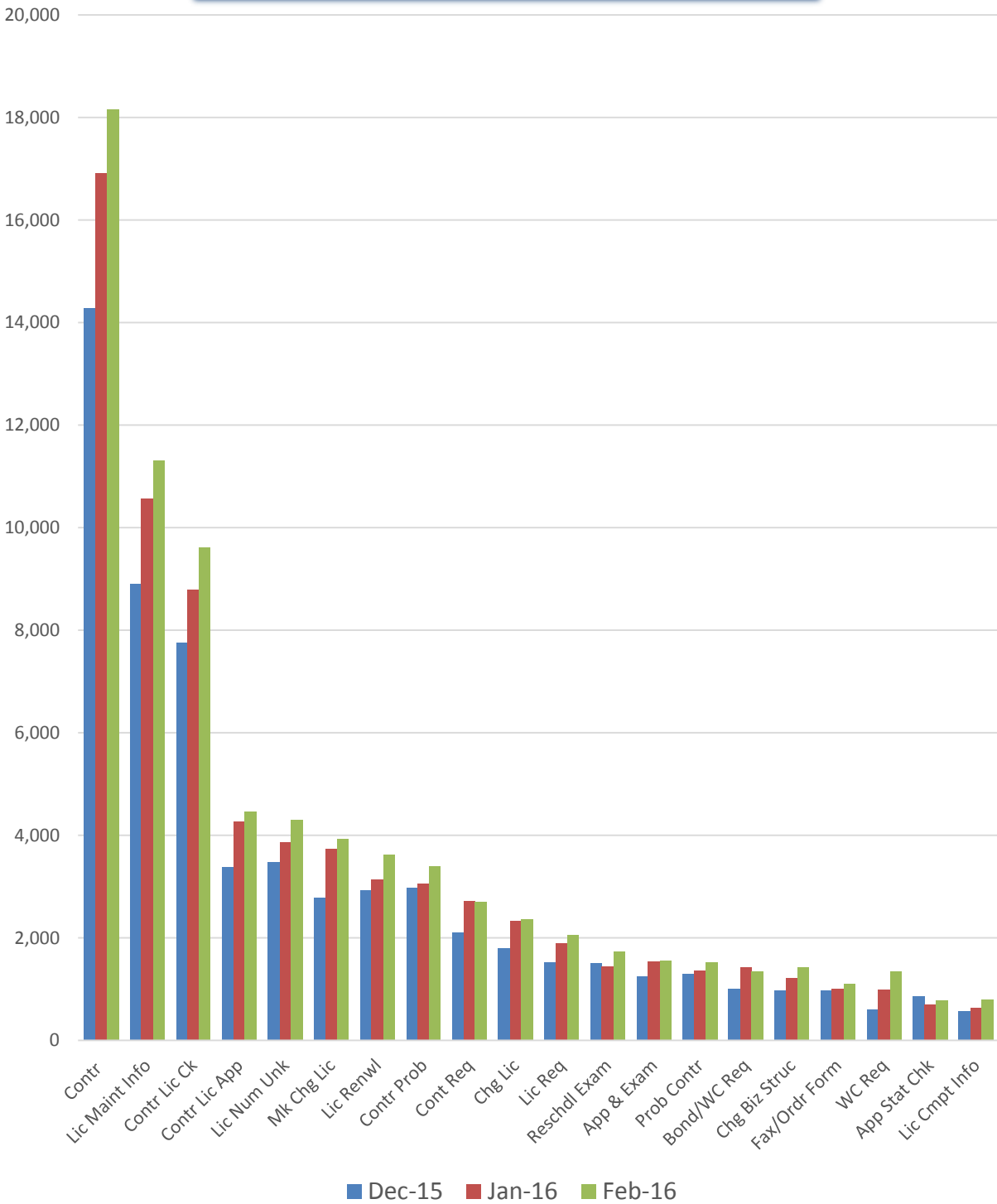


Top 20 IVR Requests - Dec '15 - Feb '16

IVR Statistics					
IVR Statistics		Dec 2015	Jan 2016	Feb 2016	Three Month Totals
IVR Calls Received		30,363	35992	37358	103,713
Monthly Average					34,571
Top 20 IVR Requests	Abbreviation	Dec 2015	Jan 2016	Feb 2016	Three Month Totals
Contractor or Want to Become Contractor	Contr	14,282	16,917	18,167	49,366
Info on Maintaining or Changing License	Lic Maint Info	8,904	10,570	11,310	30,784
Contractor's License Check	Contr Lic Ck	7,762	8,791	9,618	26,171
Contractor License Application	Contr Lic App	3,379	4,273	4,471	12,123
License Number Not Known	Lic Num Unk	3,476	3,875	4,300	11,651
About Making Changes to License	Mk Chg Lic	2,777	3,736	3,939	10,452
About License Renewal	Lic Renwl	2,939	3,141	3,623	9,703
Hire or Problem with Contractor	Contr Prob	2,984	3,067	3,401	9,452
About Continuing Requirements	Cont Req	2,102	2,720	2,710	7,532
For Changes to Existing Licenses	Chg Lic	1,799	2,337	2,367	6,503
License Requirements	Lic Req	1,534	1,904	2,052	5,490
Reschedule Exam Date	Reschdl Exam	1,510	1,447	1,744	4,701
General Application & Examination Info	App & Exam	1,240	1,539	1,553	4,332
Info on Problems with Contractor	Prob Contr	1,292	1,357	1,528	4,177
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,005	1,423	1,348	3,776
For Changing the Business Structure of an Existing	Chg Biz Struc	973	1,223	1,425	3,621
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	973	1,008	1,114	3,095
Info about Workers' Comp Requirements	WC Req	604	993	1,348	2,945
Application Status Check	App Stat Chk	860	704	777	2,341
License Complaint Information	Lic Cmpt Info	575	636	805	2,016



Top 20 IVR Requests - Dec'15 - Feb'16

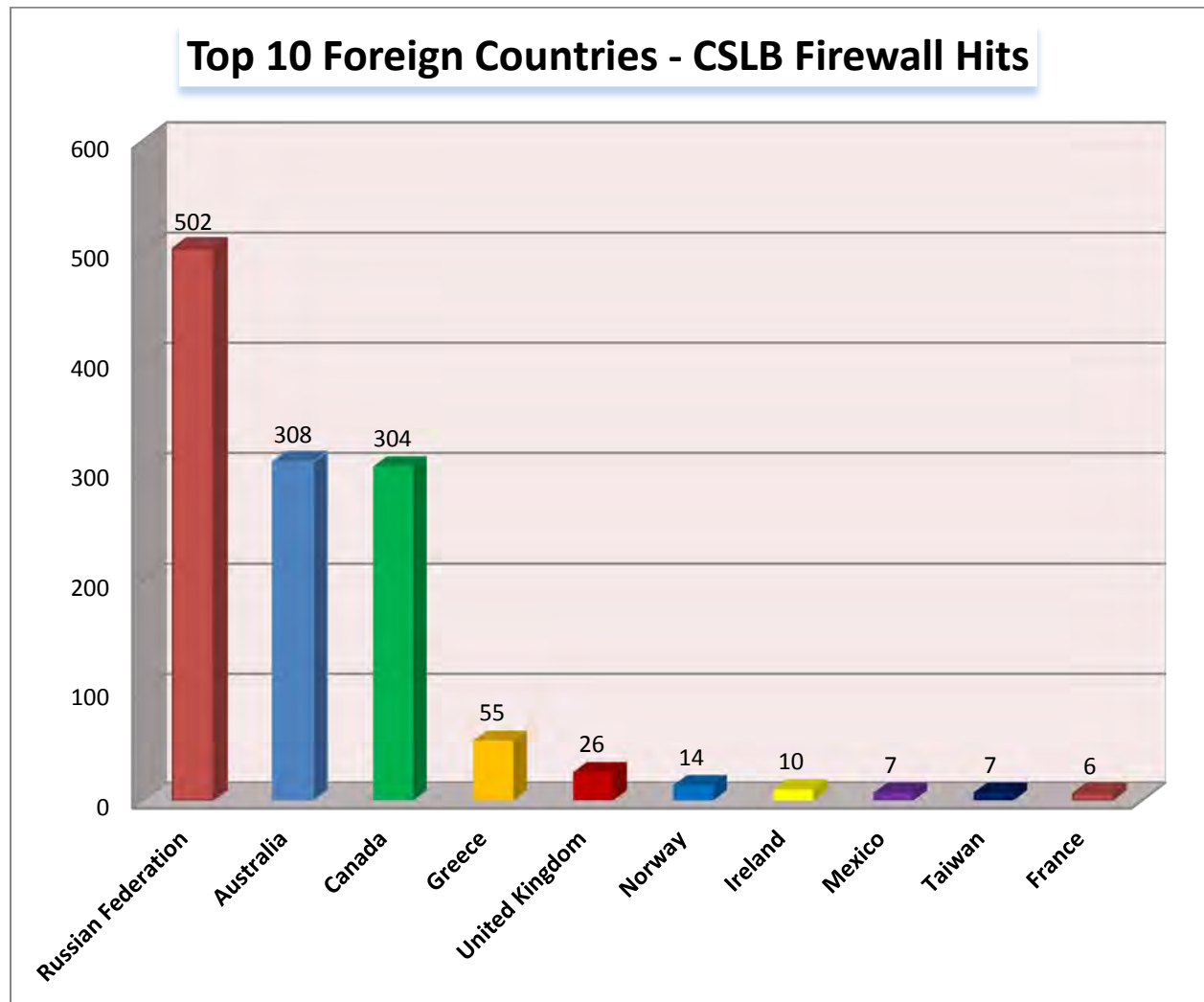




Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security on the Board’s information technology networks, systems, and applications. Using a multi-layered defense utilizing various security products (Next Generation Firewall, anti-spam and anti-virus programs, web filtering, intrusion detection and prevention systems, event management, and correlation tools), CSLB proactively blocks/denies unauthorized attempts to breach its systems from all sources, including those emanating from foreign countries.

The chart below shows the top 10 foreign countries from which users have attempted to access CSLB systems and applications between January 1, 2016 and March 15, 2016, all of which were successfully denied. To date, utilizing best practices, CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have succeeded.



AGENDA ITEM C-9

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2015-16 CSLB Budget and Expenditures

Through February 29, 2016, CSLB spent or encumbered \$43.1 million, roughly 66 percent of its FY 2015-16 budget. This chart details the CSLB budget, including expenditures through February, 2016:

EXPENDITURE DESCRIPTION	FY 2015-16 REVISED BUDGET	FEBRUARY 2016 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	23,076,000	14,546,568	8,529,432	37.0%
Board Members	16,000	7,900	8,100	50.6%
Temp Help	860,000	321,393	538,607	62.6%
Exam Proctor	41,000	101,028	-60,028	-146.4%
Overtime	146,000	105,822	40,178	27.5%
Staff Benefits	10,996,000	7,053,692	3,942,308	35.9%
TOTALS, PERSONNEL	35,135,000	22,136,403	12,998,597	37.0%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	21,193,000	16,639,568	4,553,432	21.5%
Exams	436,000	163,106	272,894	62.6%
Enforcement	8,554,000	4,424,633	4,129,367	48.3%
TOTALS, OE&E	30,183,000	21,227,307	8,955,693	29.7%
TOTALS	65,318,000	43,363,710	21,954,290	33.6%
Scheduled Reimbursements	-353,000	-151,970	-201,030	
Unscheduled Reimbursements		-149,445	149,445	
TOTALS, NET REIMBURSEMENTS	64,965,000	43,062,295	21,902,705	33.7%

❖ Revenue

CSLB received the following revenue amounts through February 29, 2016:

Revenue Category	Through 02/29/2016	Percentage of Revenue	Change from prior year (02/28/2015)*
Duplicate License/Wall Certificate Fees	\$64,838	0.2%	2.6%
New License and Application Fees	\$7,159,326	18.0%	5.9%
License and Registration Renewal Fees*	\$29,449,068	74.4%	0.9%
Delinquent Renewal Fees	\$1,596,655	4.0%	-12.1%
Interest	\$24,232	0.1%	0.0%
Penalty Assessments	\$1,220,024	3.1%	5.5%
Misc. Revenue	\$74,059	0.2%	2.9%
Total	\$39,588,202	100.00%	1.3%

* License & Registrations Renewals Fees are based on 2-year cycle (comparative data is from FY 2013-14, a non-peak renewal year).



❖ Fiscal Year (FY) 2015-16 CSLB Revised Final Budget and Adjustments

- The CSLB revised final FY 2015-16 budget increased by \$1.2 million from \$63.8 to \$65.0 million. This budget includes the following one-time adjustments and reductions: reconciling of salaries and wages with projected operating expenditures (7A adjustment), adjustments to employee retirement contribution rates, and adjustments to employee compensation and health rates.
- The following chart shows the approved original FY 2015-16 budget (2015 Budget Bill) and the overall budgetary impact of the reductions and adjustments to the revised final FY 2015-16 CSLB budget:

EXPENDITURE DESCRIPTION	FY 2015-16 APPROVED BUDGET	7A ADJ	RETIREMENT ADJ	EMPLOYEE COMP & HLTH ADJ	FY 2015-16 REVISED BUDGET
PERSONNEL SERVICES					
Salary & Wages (Staff)	22,663,274	-135,274		548,000	23,076,000
Board Members	15,900	100			16,000
Temp Help	860,000				860,000
Exam Proctor	41,168	-168			41,000
Overtime	146,000				146,000
Staff Benefits	10,519,121	-121	143,000	334,000	10,996,000
TOTALS, PERSONNEL	34,245,463	-135,463	143,000	882,000	35,135,000
OPERATING EXPENSES & EQUIPMENT					
Operating Expenses	20,875,124	135,876	31,000	151,000	21,193,000
Exams	435,882	118			436,000
Enforcement	8,546,531	-531	3,000	5,000	8,554,000
TOTALS, OE&E	29,857,537	135,463	34,000	156,000	30,183,000
TOTALS	64,103,000	0	177,000	1,038,000	65,318,000
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
TOTALS, NET REIMBURSEMENTS	63,750,000	0	177,000	1,038,000	64,965,000



❖ **CSLB Fund Condition**

Below is the fund condition for the Contractors’ License Fund, which shows the final FY 2014-15 reserve (\$24 million – approximately 4.5 months’ reserve), along with the projected reversion amounts for current year (CY) 2015-16 through budget year (BY) 2017-18:

	Final FY 2014-15	Projected CY 2015-16	Projected BY 2016-17	Projected BY+1 2017-18
Beginning Balance	\$26,387	\$23,799	\$18,398	\$10,979
Prior Year Adjustment	\$557	\$0	\$0	\$0
Adjusted Beginning Balance	\$26,944	\$23,799	\$18,398	\$10,979
Revenues and Transfers				
Revenue	\$57,120	\$56,211	\$57,635	\$56,811
Totals, Resources	\$84,064	\$80,010	\$76,033	\$67,790
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$60,211	\$61,500	\$64,973	\$65,623
State Controller (State Operations)	\$0			
Financial Info System Charges	\$54	\$112	\$81	
Total Expenditures	\$60,265	\$61,612	\$65,054	\$65,623
Fund Balance				
Reserve for economic uncertainties	\$23,799	\$18,398	\$10,979	\$2,167
Months in Reserve	4.5	3.4	2.0	0.4

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% renewal license fee growth, based on prior 2-year cycle.
- 3) Assumes expenditure growth projected at 1% starting in FY 2016-17, and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2015-16 and FY 2016-17.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2012-13	2013-14	2014-15	2015-16
July	2,564	2,850	2,805	3,398
August	2,786	3,084	3,004	3,419
September	2,408	2,682	3,207	2,955
October	2,857	2,719	3,177	3,484
November	2,431	2,435	2,542	3,143
December	2,266	2,315	2,944	3,058
January	2,736	2,832	2,958	2,862
February	2,780	3,030	3,568	4,027
Total	20,828	21,947	24,205	26,346
			<i>% Change from Prior FY</i>	8.8%

Original Licenses Issued

	2012-13	2013-14	2014-15	2015-16
July	925	1,008	1,248	1,155
August	1,013	845	1,275	1,098
September	1,249	1,023	1,036	1,030
October	1,138	970	1,247	954
November	762	759	724	866
December	922	812	887	965
January	1,095	971	1,225	904
February	692	819	1,078	888
Total	7,796	7,207	8,720	7,860
			<i>% Change from Prior FY</i>	-9.9%

Licenses Renewed

	<i>PEAK</i> 2012-13	2013-14	<i>PEAK</i> 2014-15	2015-16
July	11,125	11,751	10,079	11,584
August	11,273	9,313	11,505	8,611
September	9,868	8,016	11,584	10,292
October	10,167	8,481	8,448	8,501
November	8,988	8,674	6,467	6,881
December	7,335	8,672	11,886	11,885
January	11,439	10,279	9,847	7,206
February	8,108	10,294	8,045	11,381
Total	78,303	75,480	77,861	76,341
			<i>% Change from Non-Peak FY 2013-14</i>	1.1%



HIS Registrations Issued

	2012-13	2013-14	2014-15	2015-16
July	324	328	520	894
August	339	323	605	658
September	324	300	497	624
October	415	287	635	533
November	291	280	583	580
December	299	274	476	596
January	336	287	410	499
February	246	344	497	614
Total	2,574	2,423	4,223	4,998
			<i>% Change from Prior FY</i>	<i>18.4%</i>

HIS Registrations Renewed

	2012-13	2014-15	2014-15	2015-16
July	115	150	158	167
August	180	150	147	140
September	130	101	187	133
October	136	152	158	152
November	104	143	117	111
December	100	124	143	175
January	132	140	179	89
February	164	140	87	200
Total	1,061	1,100	1,176	1,167
			<i>% Change from Prior FY</i>	<i>-0.8%</i>

License Population by Status

	February 2014	February 2015	February 2016
Active	223,941	222,362	224,083
Inactive	64,515	62,047	60,277
Subtotal	288,456	284,409	284,360
Other*	462,918	477,548	487,514
Expired	397,044	408,856	416,191
Expired % of Other	85.8%	85.6%	85.4%
Grand Total	751,374	761,957	771,874

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



HIS Registration Population by Status

	February 2014	February 2015	February 2016
Active	9,379	11,524	14,478
Other*	87,473	91,030	95,723
Total	96,852	102,554	110,201

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

Complaints By Fiscal Year

	2011-12	2012-13	2013-14	2014-15
Received	19,239	18,101	18,203	19,722
Reopened	1,094	844	786	820
Closed	20,366	19,118	18,875	20,016
Pending (As of June 30)	3,901	3,762	3,893	4,458

CSLB Position Vacancies

	February 2015	February 2016
Administration	0.0	2.0
Executive/Public Affairs	2.0	1.0
IT	3.0	3.0
Licensing	6.0	7.0
Enforcement	18.0	21.0
Testing	1.0	0.5
Total	30.0	34.5

AGENDA ITEM C-10

Developments since the February 2015
United States Supreme Court Decision:
North Carolina State
Board of Dental Examiners v.
Federal Trade Commission (FTC)



AGENDA ITEM D

Pursuant to Section 11126 (a)(1)
of the Government Code,
the Board will move into closed session
to conduct the annual evaluation of
performance of the Registrar



AGENDA ITEM E

Legislation



AGENDA ITEM E-1

Review, Discussion, and Possible Action Regarding Positions on 2016 Proposed Legislation:

- a. AB 1793 – Contractors: License Requirements:
Recovery Actions (Holden)
- b. AB 1939 – Licensing Requirements (Patterson)
- c. AB 2286 – Fee Schedule (Mullin)
- d. AB 2486 – CSLB: License Search By Location (Baker)
- e. AB 2699 – Solar Companies:
Solar Energy Systems (Gonzalez)
- f. AB 2859 – Retired License Category (Low)
- g. SB 465 – Disclosure of Civil Action Settlements
or Administrative Actions (Hill)
- h. SB 661 – Protection of Subsurface Installations (Hill)
- i. SB 1155 – Licenses: Military Service (Morrell)
- j. SB 1209 – Complaint Disclosure (Morrell)
- k. SB 1348 – Licensure Applications:
Military Experience (Canella)



**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1793 (Holden)
Status/Location: Introduced 2/4/16 – Assembly Business & Professions Committee
Sponsor: Jacobs Engineering
Subject: Contractors: License Requirements: Recovery Actions
Code Section: Business & Professions 7031

Summary

Existing law (Business & Professions Code section 7031):

1. Authorizes a person who uses an unlicensed contractor to bring an action in any court of competent jurisdiction for recovery of compensation paid to the unlicensed contractor for performance of any act or contract.
2. Authorizes a court to determine that a contractor has substantially complied with licensure requirements, under limited circumstances.
3. Provides that the four criteria the court should consider to determine substantial compliance are that the contractor:
 - (a) Had been duly licensed as a contractor in this state prior to the performance of the act or contract;
 - (b) Acted reasonably and in good faith to maintain proper licensure;
 - (c) Did not know or reasonably should not have known that he or she was not duly licensed at the time when performance of the act or contract commenced; and
 - (d) Acted promptly and in good faith to reinstate his or her license upon learning it was invalid.

This bill:

1. Revises the conditions a contractor must meet for a court to determine that a contractor is in substantial compliance with licensing requirements (as described in 3a-d above) to eliminate the provision in (c).
2. Revises the last criteria to instead provide that the contractor acted promptly and in good faith to remedy the failure to comply with the licensure requirements upon learning of the failure.
3. Requires (rather than permits) a court to determine that a contractor is in compliance with the licensing requirements, if all of the conditions are met.

Comments:

The current provisions of Business & Professions (B&P) Code section 7031 that 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 performance of any act or contract is broadly applied: If a contractor is unlicensed for any period of time during the performance of a contract a consumer can withhold payment or seek to recover all compensation already paid for the entire project.

Rulings from numerous court cases related to this statute are inconsistent, and its provisions have frequently been interpreted differently while their reach has expanded. Of particular focus has been if an unlicensed contractor will be allowed to assert that it has substantially complied with the statute and derive compensation for its work.

In the case of *Alatrisme v. Cesar's Exterior Designs, Inc.* (2010), the Court of Appeal held in favor of the plaintiff, homeowner Alatrisme, who had contracted with Cesar's to perform landscaping work. Cesar's was unlicensed at the time it began work on the Alatrisme home, a fact that Cesar's maintained Alatrisme was well aware of. Following a dispute, Cesar's quit the job after five months. Alatrisme then sued Cesar's under various fraud theories, including a claim under Business & Professions Code §7031(b) to recover all monies paid to Cesar's. Alatrisme sought recovery for the total amount paid to the contractor because Cesar's was unlicensed at the time it performed the work. Cesar's argued that, under §7031(b), Alatrisme should be barred from obtaining reimbursement for all monies paid because he had prior knowledge that Cesar's was an unlicensed contractor. The appeals court affirmed the judgment that Alatrisme's prior knowledge of Cesar's unlicensed status did not bar his §7031(b) claim and rejected Cesar's claim that Alatrisme should not be reimbursed for work or materials paid for by Alatrisme during the time that Cesar's was properly licensed during performance of the work.

In *White v. Cridlebaugh* (2009), the appellate court concluded that the contractor was not qualified to be licensed because it did not have a qualified responsible managing officer or employee in place, and that its license, therefore, was suspended by operation of law. Hence, disgorgement under section 7031(b) was authorized. (The Whites retained Cridlebaugh and JC Master Builders, Inc. (collectively, the "contractor") to build them a log cabin. The Whites terminated the construction contract because of concerns over the contractor's billing and competency.) The court further considered if "the recovery of compensation authorized by section 7031(b) [may] be reduced by offsets for materials and service provided or by claims for indemnity and contribution." The court concluded that it may not, and that under the express terms of the statute, "unlicensed contractors are required to return all compensation received without reductions or offsets for the value of the materials or serviced provided."

In *Goldstein v. Barak Construction*, 164 Cal. App. 4th 845 (2008), the Court of Appeal rejected the contention that the amount of the judgment should be reduced by the amount earned by Barak after it became a licensed contractor. (In this case the homeowners entered into a contract with Barak Construction to remodel their home in mid-June 2004. Barak began work on the project immediately, but did not obtain a contractor's license for the first time until mid-September 2004.)

In *Wright v. Issak* (2007), a licensed contractor was found to have significantly underreported his employee payroll for purposes of workers' compensation insurance and did not have workers' compensation insurance for the job in question. Under contractors' state license law, a license is automatically suspended for failure to obtain the required insurance. In this case, the contractor was required to disgorge all payment received under the contract.

In *MW Erectors, Inc. v. Niederhauser Ornamental and Metal Works Co., Inc.* (2005), the California Supreme Court held that the subcontractor, MW Erectors, could not recover any compensation whatsoever because it did not strictly comply with B&P Code §7031, as it had not obtained the proper specialty license until eighteen days after commencing work on the project. The court did, however, reject the argument of general contractor Niederhauser, which had hired MW, that the subcontractor should also be denied recovery because it was not properly licensed when the contract was entered into. The court said that proper licensing need not be in effect at the time the contract was executed, so long as proper licensing was in place the entire time the work was performed.

In the California Supreme Court decision *Hydrotech Systems, Ltd. v. Oasis Water Park* (1991), the court found that a contractor without a California license could not recover unpaid compensation by citing alleged fraud of the part of the project owner based on his or her prior knowledge that the contractor was not licensed in the State.

Judicial Council of California v. Jacobs Facilities, Inc. (2015), involved a contract between the Administrative Office of the Courts (AOC) and Jacobs Engineering Group. While Jacobs was licensed at the time the contract was signed and work commenced, at some point during the course of the contract, Jacobs, as part of a corporate restructuring, transferred the employees responsible for the contract to another wholly owned subsidiary, which resulted in the establishment of a new subsidiary that obtained a contractor's license, while the other existing license expired. ACO sued for disgorgement under B&P Code §7031, for the total amount paid under the contract, approximately \$18 million. The Court of Appeals found in favor of AOC.

Prior Legislation:

The Contractors State License Board (CLSB) sponsored legislation in 2013 (SB 263, Monning) to repeal B&P Code §7031 and replace it with language that would still have required a contractor to be licensed at all times, but would have allowed a court to determine that a contractor had substantially complied with the licensing requirement if he or she was licensed when the contract was signed, but subsequently performed work either out of class, under a suspended license, or under an expired or inactive license. CSLB did not succeed in pursuing amendments to B&P Code section 7031, as the Legislature views it as an important consumer protection that should not be weakened.

Fiscal Impact for CSLB

None.

Staff Recommendation and Comments

WATCH. This bill takes a different approach to amending B&P Code section 7031 than that previous pursued by CSLB. It bill does not directly affect the operation of CSLB and, since this has proven a controversial subject in the past, staff recommends that CSLB watch the legislation, but not take an official position.

Date: March 22, 2016

ASSEMBLY BILL

No. 1793

Introduced by Assembly Member Holden

February 4, 2016

An act to amend Section 7031 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1793, as introduced, Holden. Contractors: license requirements: recovery actions.

Existing law, the Contractors' State License Law, creates the Contractors' State License Board within the Department of Consumer Affairs and provides for the licensure and regulation of contractors. Existing law authorizes a person who utilizes an unlicensed contractor to bring an action in any court of competent jurisdiction in this state for recovery of compensation paid to the unlicensed contractor for performance of any act or contract. Existing law authorizes a court to determine that a contractor has substantially complied with licensure requirements if specified conditions are met. Existing law also requires a contractor to demonstrate that he or she acted promptly and in good faith to reinstate his or her license upon learning it was invalid in order to meet substantial compliance of these licensure requirements.

This bill would instead require a court to find that a contractor is in substantial compliance with the licensure requirements if prescribed evidentiary standards are met.

The bill would declare that its provisions are declaratory of existing law.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7031 of the Business and Professions
2 Code is amended to read:

3 7031. (a) Except as provided in subdivision (e), no person
4 engaged in the business or acting in the capacity of a contractor,
5 may bring or maintain any action, or recover in law or equity in
6 any action, in any court of this state for the collection of
7 compensation for the performance of any act or contract where a
8 license is required by this chapter without alleging that he or she
9 was a duly licensed contractor at all times during the performance
10 of that act or contract, regardless of the merits of the cause of action
11 brought by the person, except that this prohibition shall not apply
12 to contractors who are each individually licensed under this chapter
13 but who fail to comply with Section 7029.

14 (b) Except as provided in subdivision (e), a person who utilizes
15 the services of an unlicensed contractor may bring an action in
16 any court of competent jurisdiction in this state to recover all
17 compensation paid to the unlicensed contractor for performance
18 of any act or contract.

19 (c) A security interest taken to secure any payment for the
20 performance of any act or contract for which a license is required
21 by this chapter is unenforceable if the person performing the act
22 or contract was not a duly licensed contractor at all times during
23 the performance of the act or contract.

24 (d) If licensure or proper licensure is controverted, then proof
25 of licensure pursuant to this section shall be made by production
26 of a verified certificate of licensure from the Contractors' State
27 License Board which establishes that the individual or entity
28 bringing the action was duly licensed in the proper classification
29 of contractors at all times during the performance of any act or
30 contract covered by the action. Nothing in this subdivision shall
31 require any person or entity controverting licensure or proper
32 licensure to produce a verified certificate. When licensure or proper
33 licensure is controverted, the burden of proof to establish licensure
34 or proper licensure shall be on the licensee.

35 (e) The judicial doctrine of substantial compliance shall not
36 apply under this section where the person who engaged in the
37 business or acted in the capacity of a contractor has never been a
38 duly licensed contractor in this state. However, notwithstanding

AB 1793

1 subdivision (b) of Section 143, the court ~~may~~ *shall* determine that
2 there has been substantial compliance with licensure requirements
3 under this section if it is shown at an evidentiary hearing that the
4 person who engaged in the business or acted in the capacity of a
5 contractor (1) had been duly licensed as a contractor in this state
6 prior to the performance of the act or contract, (2) acted reasonably
7 and in good faith to maintain proper licensure, ~~(3) did not know~~
8 ~~or reasonably should not have known that he or she was not duly~~
9 ~~licensed when performance of the act or contract commenced, and~~
10 ~~(4) and (3) acted promptly and in good faith to reinstate his or her~~
11 ~~license upon learning it was invalid. *remedy the failure to comply*~~
12 ~~*with the licensure requirements under this section upon learning*~~
13 ~~*of the failure.*~~

14 (f) The exceptions to the prohibition against the application of
15 the judicial doctrine of substantial compliance found in subdivision
16 (e) shall apply to all contracts entered into on or after January 1,
17 1992, and to all actions or arbitrations arising therefrom, except
18 that the amendments to subdivisions (e) and (f) enacted during the
19 1994 portion of the 1993-94 Regular Session of the Legislature
20 shall not apply to either of the following:

21 (1) Any legal action or arbitration commenced prior to January
22 1, 1995, regardless of the date on which the parties entered into
23 the contract.

24 (2) Any legal action or arbitration commenced on or after
25 January 1, 1995, if the legal action or arbitration was commenced
26 prior to January 1, 1995, and was subsequently dismissed.

27 SEC. 2. The amendment of Section 7031 of the Business and
28 Professions Code made by this act does not constitute a change
29 in, but is declaratory of, existing law.
30 .

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1939 (Patterson)
Status/Location: Introduced 2/12/16 – Assembly Business & Professions Committee
Sponsor: Author
Subject: Licensing Requirements
Code Section: Business & Professions 312.3

Summary

This bill requires that the Director of the Department of Consumer Affairs:

1. Study where occupational licensing requirements create an unnecessary barrier to labor market entry or mobility, particularly for dislocated workers, transitioning service members and military spouses.
2. Submit a report to the Legislature by July 1, 2017.

Comments:

According to the author:

“Many different professions and occupations have been added to the list of jobs that require state licensure under the Department of Consumer Affairs. The intent of licensing these professions and occupations is to ensure that those performing these jobs are qualified individuals, thus providing consumers with a quality product and/or service. A recent Dan Walters article pointed out that “the California boards that hand out the licenses are typically dominated by licensees themselves, so they have a built-in interest in dampening competition.”

Background:

A report issued by the White House and the Treasury Department surveyed licensing requirements across the United States and determined that “often the requirements for obtaining a license are not in sync with the skills needed for the job.” This is extremely problematic because when the requirements to obtain a license do not align with the skills needed for a job then the purpose of licensing is no longer about ensuring that licensees are qualified in their scope of practice but, rather, about creating more obstacles for individuals, thus making it more difficult to work.

In this report the White House noted that by erecting such barriers to enter, excessive licensing in certain professions may reduce employment opportunities and raise prices for consumers.

Fiscal Impact for CSLB

Pending.

Staff Recommendation and Comments

WATCH. This bill does not have a direct impact on the Contractors State License Board (CSLB). However, the required report will likely include a review and discussion of CSLB's licensing population, so CSLB staff will monitor this bill and review the resulting report.

Date: March 16, 2016

ASSEMBLY BILL

No. 1939

Introduced by Assembly Member Patterson

February 12, 2016

An act to add Section 312.3 to the Business and Professions Code, relating to professions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1939, as introduced, Patterson. Licensing Requirements.

Under existing law, the Department of Consumer Affairs is comprised of various boards, bureaus, commissions, committees, and similarly constituted agencies that license and regulate the practice of various professions and vocations for the purpose of protecting the people of California. Existing law requires each of these entities to submit annually to the director of the department its methods for ensuring that every licensing examination it administers is subject to periodic evaluation.

This bill would require the director of the department to conduct a study and submit to the Legislature by July 1, 2017, a report identifying, exploring, and addressing occupational licensing requirements that create unnecessary barriers to labor market entry or mobility.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 312.3 is added to the Business and
- 2 Professions Code, to read:
- 3 312.3. (a) The director shall conduct a study and submit to the
- 4 Legislature by July 1, 2017, a report identifying, exploring, and

AB 1939

1 addressing areas where occupational licensing requirements create
2 an unnecessary barrier to labor market entry or labor mobility,
3 particularly for dislocated workers, transitioning service members,
4 and military spouses.

5 (b) The report to be submitted pursuant to subdivision (a) shall
6 be submitted in compliance with Section 9795 of the Government
7 Code.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 2286 (Mullin)
Status/Location: Introduced 2/18/16 – Assembly Business & Professions Committee
Sponsor: Contractors State License Board (CSLB)
Subject: Fee Schedule
Code Section: Business & Professions 7067, 7137, 7153,3, 7153.5

Summary

This bill is sponsored by CSLB and approved by the Board at its December 2015 meeting.

This Bill:

1. Authorizes CSLB to establish, by regulation, an expedited process of approval of contractor license applications and home improvement salesperson registrations.
2. Revises CSLB's existing statutory fee schedule to raise most fees, including the initial license and the renewal fee, by 20 percent.
3. Increases the fee to add a classification and to replace a responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee, from \$75 to no more than \$300.
4. Creates a new fee to add personnel, other than a qualifier, to an existing license. Provides that the fee shall be no more than \$150.
5. Provides that the delinquent renewal fee for a home improvement salesperson shall be 50 percent of the renewal fee, to mirror the contractor delinquent renewal fee.

Changes from Approved Language:

To address concerns raised by industry representatives, staff made a change to the language approved at the December 2015 meeting. The previous proposal authorized CSLB to charge a fee to expedite applications, which has been eliminated. However, the bill does contain language authorizing CSLB to adopt criteria for an expedited approval process, which would formalize current policy.

Additional Requested Changes:

Staff recommends an additional amendment to the approved language to provide for a 10 percent fee increase by statute, with authority granted to CSLB to implement an additional 15 percent increase by regulation. This is similar to the fee structure for the Board of Pharmacy, would make the increased fees effective July 1, 2017, and eliminate the need for regulations to implement the first 10 percent fee increase.

Fiscal Impact for CSLB

Based on CSLB's authorized budget, without a fee increase the Contractor's State License Fund will be in a deficit by the end of fiscal year 2017-18.

Staff Recommendation and Comments

SPONSOR/SUPPORT. This bill contains the proposed fee increases approved previously by the Board.

CSLB needs a statutory fee increase to continue to fulfill its primary mission of consumer protection. CSLB licenses approximately 285,000 contractors and, as a special fund entity, is funded entirely by the fees paid by these licensees. With approval for a fee increase, CSLB can continue its work to provide online license application and renewal services, which will benefit all licensees. Without a fee increase, CSLB will need to reduce costs in Enforcement, beginning with cuts to proactive enforcement, and hold positions vacant, which will lead to backlogs in license application processing and complaint handling.

CSLB's budget for the current fiscal year is \$63.75 million, with anticipated spending of \$61 million, which reflects continued conservative expenditures. However, CSLB's revenue is about \$57 million a year and the Board has been spending down its reserve to compensate for this discrepancy. By fiscal year 2017-18, CSLB expects to have less than half a month of funding in reserve.

In FY 2012-13, CSLB spent approximately \$54 million and, as noted above, in the current budget year the Board expects to spend approximately \$61 million, an increase of approximately 16 percent, or close to \$8.5 million. While costs have increased in every area over the last few years, the most significant are in Personnel Services, the Department of Consumer Affairs (DCA) pro rata, and Enforcement.

Of that \$8.5 million in increased spending, \$4.4 million went to Personnel Services, which includes salary, benefits, and retirements. During that time, CSLB added four positions, which were approved through the annual budget process. The amount CSLB pays to DCA in pro rata charges (which fund DCA) increased by \$2 million, a significant portion of which is due to the new BreZE IT system. While CSLB was previously scheduled for inclusion in the BreZE system, that is not currently the case. CSLB also saw increased Enforcement costs of about \$2 million, primarily for the use of services by the Attorney General's office and the Office of Administrative Hearings.

Date: March 17, 2016

PROPOSED LANGUAGE:

Amend B&P Code section 7137 as follows:

The board shall may set fees by regulation. These fees shall ~~not exceed~~ be set according to the following schedule:

(a) The application fee for an original license in a single classification shall be three hundred thirty dollars (\$330) and may be increased to no more than ~~shall three hundred dollars (\$300)~~ three hundred seventy five dollars (\$375).

The application fee for each additional classification applied for in connection with an original license shall not be more than ~~seventy five dollars (\$75)~~ eighty five dollars (\$85).

The application fee for each additional classification pursuant to Section 7059 shall ~~not be more than seventy five dollars (\$75)~~ one hundred fifty dollars (\$150) and may be increased to not more than \$175.

The application fee to replace a responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee pursuant to Section 7068.2 shall ~~not be more than seventy five dollars (\$75)~~ one hundred and fifty dollars (\$150) and may be increased to not more than \$175.

The application fee to add personnel, other than a qualifying individual, to an existing license shall ~~not be one hundred dollars (\$100) and may be increased to not more than one hundred fifteen dollars (\$115).~~

(b) The fee for rescheduling an examination for an applicant who has applied for an original license, additional classification, a change of responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee, or for an asbestos certification or hazardous substance removal certification, shall not be more than ~~sixty dollars (\$60)~~ seventy dollars (\$70).

(c) The fee for scheduling or rescheduling an examination for a licensee who is required to take the examination as a condition of probation shall not be more than ~~sixty dollars (\$60)~~ seventy dollars (\$70).

(d) The initial license fee for an active or inactive license shall ~~not be two hundred dollars (\$200) and may be increased to more than one hundred eighty dollars (\$180)~~ two hundred twenty five dollars (\$225).

(e) The renewal fee for an active license shall ~~not be four hundred dollars (\$400) and may be increased to more than three hundred sixty dollars (\$360)~~ four hundred fifty dollars (\$450).

The renewal fee for an inactive license shall ~~not be two hundred dollars (\$200) and may be increased to more than one hundred eighty dollars (\$180)~~ two hundred twenty five dollars (\$225).

(f) The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration.

(g) The registration fee for a home improvement salesperson shall ~~not be eighty three dollars and may be increased to more than seventy five dollars (\$75)~~ ninety five dollars (\$95).

(h) The renewal fee for a home improvement salesperson registration shall ~~not be eighty three dollars and may be increased to more than seventy five dollars (\$75)~~ ninety five dollars (\$95).

(i) The application fee for an asbestos certification examination shall ~~not be~~ eighty three dollars and may be increased to more than seventy five dollars (\$75).~~ninety five dollars (\$95).~~

(j) The application fee for a hazardous substance removal or remedial action certification examination shall ~~not be~~ eighty three dollars and may be increased to more than seventy five dollars (\$75).~~ninety five dollars (\$95).~~

(k) In addition to any other fees charged to C-10 and C-7 contractors, the board may charge a fee not to exceed twenty dollars (\$20), which shall be used by the board to enforce provisions of the Labor Code related to electrician certification.

Changes to this section shall take effect July 1, 2017.

Section XXX The board shall, by regulation, establish criteria for the approval of expedite processing of applications. Approved expedited processing of applications for licensure or registration, as required by other provisions of law, shall not be subject to this paragraph.

Amend B&P Code section 7153.3 as follows:

7153.3.

(a) To renew a registration, the registrant shall before the time at which the registration would otherwise expire, apply for renewal on a form prescribed by the registrar and pay a renewal fee prescribed by this chapter.

(b) An application for renewal of registration is delinquent if the application is not postmarked by the date on which the registration would otherwise expire. A registration may, however, still be renewed at any time within three years after its expiration upon the filing of an application for renewal on a form prescribed by the registrar and the payment of the renewal fee prescribed by this chapter and a ~~delinquent renewal penalty~~ delinquency fee in the amount of ~~twenty five dollars (\$25)~~ equal to 50 percent of the renewal fee. If a registration is not renewed within three years, the person shall make application for registration pursuant to Section 7153.1.

(c) The registrar may refuse to renew a registration for failure by the registrant to complete the application for renewal of registration. If a registrant fails to return the application rejected for insufficiency or incompleteness within 90 days from the original date of rejection, the application and fee shall be deemed abandoned. Any application abandoned may not be reinstated. However, the person may file a new application for registration pursuant to Section 7153.1.

The registrar may review and accept the petition of a person who disputes the abandonment of his or her renewal application upon a showing of good cause. This petition shall be received within 90 days of the date the application for renewal is deemed abandoned.

ASSEMBLY BILL

No. 2286

Introduced by Assembly Member Mullin

February 18, 2016

An act to amend Sections 7137 and 7153.3 of, and to add Sections 7067 and 7153.5 to, the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2286, as introduced, Mullin. Contractors: home improvement salespersons.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors, including home improvement contractors, by the Contractors' State License Board within the Department of Consumer Affairs. Existing law also provides for the registration and regulation of home improvement salespersons, who are employed by a licensed home improvement contractor, by the board.

Existing law requires the fees and civil penalties received under this law to be deposited in the Contractors' License Fund, a continuously appropriated fund. Existing law authorizes the board to set fees by regulation and sets forth certain limitations on those fees. Existing law, in connection with a delinquent application for the renewal of registration of a home improvement salesperson, establishes a delinquent renewal penalty.

This bill would increase various fee limitations and would additionally provide that the application fee to add personnel to an existing license be no more than \$150. The bill would also increase the delinquent renewal penalty described above. Because the increased and new fees

AB 2286

would be deposited into the Contractors' License Fund, a continuously appropriated fund, the bill would make an appropriation.

Existing law, on and after July 1, 2016, requires a board within the department to expedite, and authorizes the department to assist with, the initial licensure process for an applicant who supplied satisfactory evidence that he or she has served as an active duty member of the Armed Forces of the United States and was honorably discharged. Existing law also establishes a similar expedited licensure process for an applicant who holds a current license in another jurisdiction and has a specified relationship with such an active duty member who is assigned to a duty station in this state under official orders.

This bill would require the board to establish, by regulation, expedited processes for applications for licensure of contractors and registration of home improvement salespersons, including criteria for approval. The bill would exempt from these regulations an application that is required to be expedited pursuant to other law, including, but not limited to, the applications of those aforementioned applicants who have, among other things, served as an active duty member of the Armed Forces of the United States or have a specified relationship with such an active duty member.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7067 is added to the Business and
- 2 Professions Code, to read:
- 3 7067. The board shall, by regulation, establish an expedited
- 4 process for applications for licensure, including criteria for
- 5 approval. Those regulations shall not apply to an application for
- 6 licensure that is required to be expedited pursuant to other law,
- 7 including, but not limited to, Section 115.4 or 115.5.
- 8 SEC. 2. Section 7137 of the Business and Professions Code is
- 9 amended to read:
- 10 7137. The board shall set fees by regulation. These fees shall
- 11 not exceed the following schedule:
- 12 (a) (1) The application fee for an original license in a single
- 13 classification shall not be more than three hundred sixty dollars
- 14 ~~(\$300).~~ (\$360).
- 15 The

1 (2) *The* application fee for each additional classification applied
2 for in connection with an original license shall not be more than
3 seventy-five dollars (\$75).

4 ~~The~~

5 (3) *The* application fee for each additional classification pursuant
6 to Section 7059 shall not be more than ~~seventy-five dollars (\$75).~~
7 *three hundred dollars (\$300).*

8 ~~The~~

9 (4) *The* application fee to replace a responsible managing officer,
10 responsible managing manager, responsible managing member,
11 or responsible managing employee pursuant to Section 7068.2
12 shall not be more than ~~seventy-five dollars (\$75).~~ *three hundred*
13 *dollars (\$300).*

14 (5) *The application fee to add personnel, other than a qualifying*
15 *individual, to an existing license shall not be more than one*
16 *hundred fifty dollars (\$150).*

17 (b) The fee for rescheduling an examination for an applicant
18 who has applied for an original license, additional classification,
19 a change of responsible managing officer, responsible managing
20 manager, responsible managing member, or responsible managing
21 employee, or for an asbestos certification or hazardous substance
22 removal certification, shall not be more than sixty dollars (\$60).

23 (c) The fee for scheduling or rescheduling an examination for
24 a licensee who is required to take the examination as a condition
25 of probation shall not be more than sixty dollars (\$60).

26 (d) The initial license fee for an active or inactive license shall
27 not be more than ~~one hundred eighty dollars (\$180).~~ *two hundred*
28 *twenty dollars (\$220).*

29 (e) (1) The renewal fee for an active license shall not be more
30 than ~~three hundred sixty dollars (\$360).~~ *four hundred thirty dollars*
31 *(\$430).*

32 ~~The~~

33 (2) *The* renewal fee for an inactive license shall not be more
34 than ~~one hundred eighty dollars (\$180).~~ *two hundred twenty dollars*
35 *(\$220).*

36 (f) The delinquency fee is an amount equal to 50 percent of the
37 renewal fee, if the license is renewed after its expiration.

38 (g) The registration fee for a home improvement salesperson
39 shall not be more than ~~seventy-five dollars (\$75).~~ *ninety dollars*
40 *(\$90).*

AB 2286

1 (h) The renewal fee for a home improvement salesperson
2 registration shall not be more than ~~seventy-five dollars (\$75)~~. *ninety*
3 *dollars (\$90)*.

4 (i) The application fee for an asbestos certification examination
5 shall not be more than ~~seventy-five dollars (\$75)~~. *ninety dollars*
6 *(\$90)*.

7 (j) The application fee for a hazardous substance removal or
8 remedial action certification examination shall not be more than
9 ~~seventy-five dollars (\$75)~~. *ninety dollars (\$90)*.

10 (k) In addition to any other fees charged to C-10 and C-7
11 contractors, the board may charge a fee not to exceed twenty dollars
12 (\$20), which shall be used by the board to enforce provisions of
13 the Labor Code related to electrician certification.

14 SEC. 3. Section 7153.3 of the Business and Professions Code
15 is amended to read:

16 7153.3. (a) To renew a home improvement salesperson
17 registration, which has not expired, the registrant shall before the
18 time at which the registration would otherwise expire, apply for
19 renewal on a form prescribed by the registrar and pay a renewal
20 fee prescribed by this chapter. Renewal of an unexpired registration
21 shall continue the registration in effect for the two-year period
22 following the expiration date of the registration, when it shall
23 expire if it is not again renewed.

24 (b) An application for renewal of registration is delinquent if
25 the application is not postmarked or received via electronic
26 transmission as authorized by Section 7156.6 by the date on which
27 the registration would otherwise expire. A registration may,
28 however, still be renewed at any time within three years after its
29 expiration upon the filing of an application for renewal on a form
30 prescribed by the registrar and the payment of the renewal fee
31 prescribed by this chapter and a delinquent renewal penalty in the
32 ~~an amount of twenty-five dollars (\$25)~~. *equal to 50 percent of the*
33 *renewal fee*. If a registration is not renewed within three years, the
34 person shall make a new application for registration pursuant to
35 Section 7153.1.

36 (c) (1) The registrar may refuse to renew a registration for
37 failure by the registrant to complete the application for renewal of
38 registration. If a registrant fails to return the application rejected
39 for insufficiency or incompleteness within 90 days from the
40 original date of rejection, the application and fee shall be deemed

AB 2286

1 abandoned. Any application abandoned may not be reinstated.
2 However, the person may file a new application for registration
3 pursuant to Section 7153.1.

4 ~~The~~

5 (2) *The* registrar may review and accept the petition of a person
6 who disputes the abandonment of his or her renewal application
7 upon a showing of good cause. This petition shall be received
8 within 90 days of the date the application for renewal is deemed
9 abandoned.

10 SEC. 4. Section 7153.5 is added to the Business and Professions
11 Code, to read:

12 7153.5. The board shall, by regulation, establish an expedited
13 process for applications for a registration, including criteria for
14 approval. Those regulations shall not apply to an application for
15 a registration that is required to be expedited pursuant to other law,
16 including, but not limited to, Section 115.4 or 115.5.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 2486 (Baker)
Status/Location: Introduced 2/19/16 – Assembly Business & Professions Committee
Sponsor: Associated Builders & Contractors
Subject: Contractors’ State License Board: License Search By Location
Code Section: Business & Professions 7018

Summary

This bill:

1. Authorizes the Contractors State License Board (CSLB) to add a feature to its current online license check function that allows a consumer to search for a licensed contractor by either zip code or location.
2. Specifies that this may be done either when funds are available or during a scheduled update of CSLB’s website.

Comments:

CSLB has considered implementing a search feature by location for the past few years and it is currently one of the Board’s strategic plan goals. CSLB has previously had discussions about how to ensure that this information is most useful for consumers, as a licensee’s business name may not fully reflect the type of work he or she performs, and a licensee’s address of record may not reflect the geographic area where he or she works.

CSLB’s IT division is currently implementing changes to the Home Improvement Salesperson Registration process, and anticipates having this proposed search feature operational by next summer.

Fiscal Impact for CSLB

Pending.

Staff Recommendation and Comments

SUPPORT. While this bill is not necessary for CSLB to make this change, as it falls within its existing authority, the bill does allow CSLB to address one of its strategic goals. In addition, as the bill language specifies that the feature be implemented when funds are available, it does not impose an undue burden on CSLB.

Date: March 17, 2016

ASSEMBLY BILL

No. 2486

**Introduced by Assembly Member Baker
(Coauthor: Assembly Member Bonilla)**

February 19, 2016

An act to add Section 7018 to the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 2486, as introduced, Baker. Contractors' State License Board: license search by location.

The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board, which is within the Department of Consumer Affairs. Existing law requires the board to appoint a registrar and requires the registrar, as specified, to publish a list of the names and addresses of contractors registered under that law.

This bill would authorize the board, when funds are available or during a scheduled update of the board's Internet Web site, to add an enhancement to the current contractor license check search function that would permit consumers to search for a licensed contractor by either ZIP Code or location.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7018 is added to the Business and
- 2 Professions Code, to read:

AB 2486

1 7018. The board may, when funds are available or during a
2 scheduled update of the board's Internet Web site, add an
3 enhancement to the current contractor license check search function
4 that permits consumers to search for a licensed contractor by either
5 ZIP Code or location.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 2699 (Gonzalez)
Status/Location: Introduced 2/19/16 – Assembly Business & Professions Committee
Sponsor: Author
Subject: Solar Companies: Solar Energy Systems
Code Section: Business & Professions Section 18892

Summary

Existing law defines a solar energy system as either: (1) any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating; or (2) any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.

This bill:

1. Requires that, prior to the completion of the sale or financing of a solar energy system, a solar company provide each customer with a solar energy disclosure document (document).
2. Requires that the document include :
 - (a) A list of current residential or business electric rates by kilowatt hour.
 - (b) The payback calculation rate for the system.
 - (c) A notification that electric rates are subject to future change, and that estimates of savings are based on today's electric rates.
 - (d) A link to a page on the customer's electricity provider's webpage that provides information about the provider's filings regarding future rates.
 - (e) A description of the solar company's contractor's license, and the name of the qualifier.
 - (f) Valid certificates of insurance for the company's commercial general liability and workers' compensation insurance policies.
 - (g) A description of the average level of electricity per month produced by the solar panels.
 - (h) A notification that when renewable energy attributes are retained by a solar company, the customer is not buying solar power or renewable energy.
 - (i) A notification that the balance of any financing or lease arrangement is payable to the solar company in the event of the death of the customer.
 - (j) An estimate of the cost of removing and reinstalling panels if the roof needs to be replaced.

- (k) An explanation of the potential change in electricity production of a system if the panels become dirty or covered with debris, and instructions on how to maintain the system.
 - (l) An explanation that if a system is financed by a loan that requires a superpriority lien on the mortgage, the homeowner may be unable to refinance his or her mortgage.
 - (m) A notification that customer bill credits are compensated by other customers of the electricity provider.
3. Requires that if the contract was primarily negotiated in Spanish, Chinese, Tagalog, Vietnamese, or Korean, these disclosures be provided in that language.
 4. Requires the Department of Consumer Affairs (DCA) to adopt a regulation with a DCA solar energy system disclosure document (DCA disclosure) informing customers of risks and rewards of a system, and that this be provided to consumers at the same time as the other disclosure required by this bill.
 5. Requires that the DCA disclosure include information on all of the following:
 - (a) Solar energy system malfunctions.
 - (b) Installations not performed to code.
 - (c) Roof intrusions and related structural concerns.
 - (d) Bankruptcy, insolvency, default, takeover, or closure of a solar company with existing customers, especially with respect to companies with lease systems.
 - (e) Loss of warranty on systems caused by bankruptcy, insolvency, default, takeover, or closure of a solar company or manufacturer.
 6. States the intent of the Legislature to enact legislation that would require DCA to certify a solar company and establish an insurance pool for customers to access to obtain compensation for system claims, and that the funds be raised annually from all solar companies actively doing business in the State.
 7. Authorizes a customer damaged by a willful violation of these requirements to bring a civil cause of action against a solar company for damages.

Fiscal Impact for CSLB

There is no impact to CSLB as currently proposed.

Staff Recommendation and Comments

WATCH. This bill is somewhat similar to a legislative proposal the Contractors State License Board (CSLB) approved in December 2015, to require an additional disclosure for home improvement solar contracts to better inform consumers of their obligations under these contracts. In 2010, CSLB received 59 complaints on solar projects, a number that has increased each year, such that in 2015 CSLB received 274 complaints. Consumers face several issues related to the growing solar economy, including a general lack of specificity in solar contracts, complex finance agreements, and unclear estimates of solar savings when systems perform below expectations. While a large majority of contractors are performing well and many consumers are satisfied with their systems, CSLB believes additional consumer disclosures are necessary to help address the recurrent problems identified in the growing number of complaints it has received.

As staff worked to develop language for the previously approved Board proposal related to disclosures for home improvement solar contracts, staff decided not to pursue such legislation this year in order to spend more time studying the issue and related consumer complaints, and to determine what might be the most appropriate solution.

Date: March 16, 2016

ASSEMBLY BILL

No. 2699

**Introduced by Assembly Member Gonzalez
(Coauthor: Assembly Member Weber)**

February 19, 2016

An act to add Chapter 2.4 (commencing with Section 18892) to Division 8 of the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

AB 2699, as introduced, Gonzalez. Department of Consumer Affairs: solar companies: solar energy systems.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires licensed contractors to be classified and authorizes them to be classified as, among other things, a solar contractor. Under existing law, a solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems. Existing law prohibits a solar contractor from performing building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.

This bill would, among other things, require a solar company selling, financing, or leasing a solar energy system, as defined, to provide each customer with a specified "solar energy system disclosure document." The bill would also require the Department of Consumer Affairs to adopt a regulation that includes a specified "Department of Consumer Affairs solar energy system disclosure document" informing customers of the risks and rewards of solar energy system ownership and warranty

AB 2699

issues, and protecting those customers from unscrupulous or unfair business practices. The bill would require these disclosures to be provided by the solar company to the customer prior to the sale, finance, or lease of a solar energy system. The bill would make a violation of these provisions by a solar company punishable by an unspecified fine. The bill would also authorize a customer damaged by a willful violation of these provisions to bring a civil cause of action against a solar company for specified damages.

This bill would also declare the intent of the Legislature to enact legislation that would require the Department of Consumer Affairs to certify a solar company and establish an insurance pool for customers to access in order to obtain compensation for solar energy system claims, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares that the
2 Governor set a goal of one million solar rooftop systems installed
3 by 2018. As of November 2015, this state leads the nation in the
4 installation of residential and business distributed solar projects
5 with approximately 438,250 solar projects.

6 (b) It is the intent of the Legislature to enact this act to ensure
7 that prospective solar customers are provided accurate, clear, and
8 concise information to make an informed decision about solar
9 energy system installation, and to ensure that new solar energy
10 systems continue to reliably provide clean power to millions of
11 Californians for many years.

12 SEC. 2. Chapter 2.4 (commencing with Section 18892) is added
13 to Division 8 of the Business and Professions Code, to read:

14

15

CHAPTER 2.4. SOLAR COMPANIES

16

17 18892. (a) As used in this section, the following terms have
18 the following meanings:

19 (1) "Customer" shall include any person, firm, corporation, or
20 other entity that is solicited by, inquires about, or seeks the services
21 of a solar company for the purchase, financing, or lease of a solar
22 energy system.

1 (2) "Department" means the Department of Consumer Affairs.

2 (3) "Solar company" means any company and its broker,
3 brokers, or agents that sell, finance, or lease solar energy systems.

4 (4) "Solar energy system" has the same meaning as set forth in
5 paragraphs (1) and (2) of subdivision (a) of Section 801.5 of the
6 Civil Code.

7 (b) (1) Prior to completion of a sale, financing, or lease of a
8 solar energy system to a customer, a solar company shall provide
9 each customer with a "solar energy system disclosure document,"
10 which shall include all of the following information:

11 (A) A list of current residential or business electric rates by
12 kilowatthour, as established by the applicable Public Utilities
13 Commission tariff or other regulatory rate document.

14 (B) If a payback calculation for the solar energy system is
15 provided, the calculation must be based on the customer's current
16 electric rate, which shall be disclosed to the customer.

17 (C) A notification that electric rates are subject to change in the
18 future and that estimates of savings are based on today's electric
19 rates. If a payback calculation is included, the notification shall
20 be located immediately next to the payback calculation.

21 (D) A link to a page on the customer's electricity provider's
22 Internet Web site that provides information about the electrical
23 provider's filings regarding future rates.

24 (E) A description of the solar company's contractor's license
25 issued pursuant to Chapter 9 (commencing with Section 7000) of
26 Division 3, license number, and name of the license qualifier for
27 each of the solar company's licenses for solar system installation.

28 (F) Valid, current certificates of insurance for the solar
29 company's commercial general liability and workers' compensation
30 insurance policies.

31 (G) A description of the average level of electricity per month
32 that would be produced by the solar panels planned for installation
33 given the actual physical limitations and conditions specific to the
34 customer.

35 (H) A notification that, when renewable energy attributes are
36 retained by the solar company, the customer is not buying solar
37 power, nor buying renewable energy.

38 (I) A notification that the balance of any financing or lease
39 arrangement is payable to the solar company in the event of the
40 death of the customer during the term of the agreement.

AB 2699

1 (J) An estimate of the cost of removing and reinstalling solar
2 panels in the event that the roof material beneath solar panels is
3 replaced.

4 (K) An explanation of the potential change in electricity
5 production of a solar energy system if the panels become dirty or
6 covered with debris, and instructions on how to maintain the solar
7 energy system.

8 (L) An explanation that if a solar system installation is financed
9 by a loan that requires a superpriority lien on the homeowner's
10 mortgage, the homeowner may be unable to refinance his or her
11 mortgage because of this financing.

12 (M) A notification that customer bill credits are compensated
13 by other customers of the electricity provider.

14 (2) A solar company that sells, finances, or leases a solar energy
15 system to a customer primarily in Spanish, Chinese, Tagalog,
16 Vietnamese, or Korean, whether orally or in writing, shall be
17 required to provide the disclosure document in paragraph (1) in
18 that same language.

19 (c) Subject to the Administrative Procedure Act (Chapter 3.5
20 (commencing with Section 11340) of Part 1 of Division 3 of Title
21 2 of the Government Code), the department shall adopt a regulation
22 that includes a "Department of Consumer Affairs solar energy
23 system disclosure document" informing customers of the risks and
24 rewards of solar energy system ownership and warranty issues,
25 and protecting those customers from unscrupulous or unfair
26 business practices. The solar company shall provide this disclosure
27 document developed by the department at the same time that the
28 disclosure document in subdivision (b) is provided to the customer.
29 The disclosure document developed by the department shall
30 include, but shall not be limited to, information about all of the
31 following:

32 (1) Solar energy system malfunctions.

33 (2) Installations not performed to code.

34 (3) Roof intrusions and related structural concerns.

35 (4) Bankruptcy, insolvency, default, takeover, or closure of a
36 solar company with existing customers, especially with respect to
37 solar companies who lease systems.

38 (5) Loss of warranty on solar energy systems caused by
39 bankruptcy, insolvency, default, takeover, or closure of a solar
40 company or a solar manufacturer.

1 (d) It is the intent of the Legislature to enact legislation that
2 would (1) require the department to certify a solar company and
3 (2) establish an insurance pool for customers to access in order to
4 obtain compensation for solar energy system claims, the funds for
5 which shall be raised yearly from all solar companies actively
6 doing business in this state at the time of assessment.

7 (e) When marketing its services to customers, solar companies
8 shall not use the trade dress of other energy providers such that it
9 creates a likelihood of confusion that an affiliation or connection
10 exists between a solar company and the electrical corporation,
11 unless the solar company has express authorization from the
12 electrical corporation to do so.

13 (f) A violation of this section by a solar company is punishable
14 by a fine of not less than ___ (\$___) and not more than ___ (\$___),
15 which shall be in addition to any other punishment imposed for a
16 violation of this section. All fines collected by the department
17 pursuant to this subdivision shall be deposited in the Professions
18 and Vocations Fund described in Section 205, and these fines shall
19 be subject to appropriation by the Legislature.

20 (g) (1) In addition to the authority granted to the department
21 in subdivision (f), a customer damaged by a willful violation of
22 the provisions of this chapter may bring a civil cause of action
23 against a solar company for damages, including, but not limited
24 to, general damages, special damages, and punitive damages.

25 (2) The court in an action pursuant to this section may award
26 equitable relief, including, but not limited to, an injunction, costs,
27 and any other relief the court deems proper.

28 (3) The rights and remedies provided in this chapter are in
29 addition to any other rights and remedies provided by law.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 2859 (Low)
Status/Location: Introduced 2/19/16
Sponsor: Author
Subject: Retired License Category
Code Section: Business & Professions 463

Summary:

Existing law authorizes all boards to establish an inactive license category.

This bill:

1. Authorizes boards within the Department of Consumer Affairs (DCA) to establish, by regulation, a retired license category for persons who are not actively engaged in the practice of their profession.
2. Provides that the regulations shall specify that a retired license holder shall not engage in any activity for which a license is required, unless the board, by regulation, specifies the criteria for a retired licensee to practice.
3. Provides that an individual who holds a retired license shall not be required to renew the retired license.
4. Specifies that to reinstate a retired license to an active license, the retired licensee must pay a fee; certify that he or she has not committed an act or crime constituting grounds for denial of a license; comply with any fingerprint requirement; and comply with any other requirements a board specifies by regulation.
5. Authorizes a board to investigate the actions of any licensee, including a retired licensee.

Background:

According to the author's office, the following boards issue retired licenses:

Board of Accountancy
Architects Board
Board of Barbering and Cosmetology
Board of Behavioral Sciences
Dental Board
Landscape Architects Technical Committee
Medical Board
Board of Pharmacy
Board of Podiatric Medicine
Professional Fiduciaries Bureau
Board for Professional Engineers, Land Surveyors, and Geologists
Respiratory Care Board

The author contends that an occupational license that moves to “inactive” status does not necessarily accurately reflect the status of a license or the license holder.

A license can be sent to “inactive” for various reasons, including violations and non-renewal. The same is done for those individuals who retire – a troublesome label, as “inactive” status often holds negative connotations and does not appropriately illustrate the decades of service from the license holder.

To that end, a statutory change is required to create a new license category as a practical means to bring uniformity to licensing at the Department of Consumer Affairs.

Comments:

The Contractors State License Law, under which the Contractors State License Board (CSLB) operates, contains a provision with specific requirements for its inactive license category. In order for CSLB to create a retired license category, pursuant to this bill’s authorization, it requires the adoption of new regulations.

Prior Legislation:

AB 750 (Low, 2015) contained substantially similar language. AB 750 was held in the Assembly Appropriations Committee last year because of significant cost estimates for those boards in Phase 2 of BreEZe, as Phase 2 had not yet been implemented.

While there was concern expressed when the Board discussed AB 750 that a licensee could apply for retired license status to avoid discipline, CSLB has the ability to define the requirements for a retired license by regulation, which could include a requirement that the license be in good standing.

Fiscal Impact for CSLB

Pending.

Staff Recommendation and Comments

SUPPORT. This bill does not impose a new requirement on CSLB, but merely provides authority to create a retired license category. CSLB could determine itself whether or not to exercise this authority, and it may be something the Board would like to offer for the benefit of licensees.

Date: March 17, 2016

ASSEMBLY BILL

No. 2859

Introduced by Assembly Member Low

February 19, 2016

An act to add Section 463 to the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 2859, as introduced, Low. Professions and vocations: retired category: licenses.

Existing law provides for numerous boards, bureaus, commissions, or programs within the Department of Consumer Affairs that administer the licensing and regulation of various businesses and professions. Existing law authorizes any of the boards, bureaus, commissions, or programs within the department, except as specified, to establish by regulation a system for an inactive category of license for persons who are not actively engaged in the practice of their profession or vocation. Under existing law, the holder of an inactive license is prohibited from engaging in any activity for which a license is required. Existing law defines "board" for these purposes to include, unless expressly provided otherwise, a bureau, commission, committee, department, division, examining committee, program, and agency.

This bill would additionally authorize any of the boards, bureaus, commissions, or programs within the department to establish by regulation a system for a retired category of license for persons who are not actively engaged in the practice of their profession or vocation, and would prohibit the holder of a retired license from engaging in any activity for which a license is required, unless regulation specifies the criteria for a retired licensee to practice his or her profession. The bill

AB 2859

would authorize a board upon its own determination, and would require a board upon receipt of a complaint from any person, to investigate the actions of any licensee, including, among others, a person with a license that is retired or inactive.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 463 is added to the Business and
2 Professions Code, to read:

3 463. (a) Any of the boards, bureaus, commissions, or programs
4 within the department may establish, by regulation, a system for
5 a retired category of licensure for persons who are not actively
6 engaged in the practice of their profession or vocation.

7 (b) The regulation shall contain the following:

8 (1) The holder of a retired license issued pursuant to this section
9 shall not engage in any activity for which a license is required,
10 unless the board, by regulation, specifies the criteria for a retired
11 licensee to practice his or her profession or vocation.

12 (2) The holder of a retired license shall not be required to renew
13 that license.

14 (3) In order for the holder of a retired license issued pursuant
15 to this section to restore his or her license to an active status, the
16 holder of that license shall meet all the following:

17 (A) Pay a fee established by statute or regulation.

18 (B) Certify, in a manner satisfactory to the board, that he or she
19 has not committed an act or crime constituting grounds for denial
20 of licensure.

21 (C) Comply with the fingerprint submission requirements
22 established by regulation.

23 (D) If the board requires completion of continuing education
24 for renewal of an active license, complete continuing education
25 equivalent to that required for renewal of an active license, unless
26 a different requirement is specified by the board.

27 (E) Complete any other requirements as specified by the board
28 by regulation.

29 (c) A board may upon its own determination, and shall upon
30 receipt of a complaint from any person, investigate the actions of
31 any licensee, including a person with a license that either restricts

AB 2859

1 or prohibits the practice of that person in his or her profession or
2 vocation, including, but not limited to, a license that is retired,
3 inactive, canceled, revoked, or suspended.

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 465 (Hill)
Status/Location: Amended 7/8/15 – Assembly Business & Professions
Committee – Failed Passage
Sponsor: Author
Subject: Contractors State License Board
Code Section: Business & Professions 7071.18, 7071.20, 7124.6

Summary

This bill:

1. Requires a licensee of the Contractors State License Board (CSLB), within 90 days, to report to the Registrar in writing the occurrence of any of the of the following events:
 - a) Conviction of any felony;
 - b) Conviction of any crime that is substantially related to the qualifications, functions, and duties of a licensed contractor;
 - c) A civil action settlement or administrative action resulting in a settlement, if the amount is \$50,000 or greater, involving fraud, deceit, misrepresentation, breach or violation of a contract, negligence, incompetence, or recklessness by the licensee; or,
 - d) A binding arbitration award or administrative action resulting in a binding arbitration award, if the amount is \$25,000 or greater, involving fraud, deceit, misrepresentation, breach or violation of a contract, negligence, incompetence, or recklessness by the licensee.
2. Provides that failure to report is grounds for disciplinary action.
3. Requires an insurer providing professional liability insurance to a licensee to report to the Registrar, within 30 days of payment of a civil action settlement or arbitration award against a licensee, the name of the licensee, the amount of the settlement or arbitration award, the amount paid, and the identity of the payee.
4. Requires a state or local government agency that self-insures to report to the Registrar, within 30 days of payment of a civil action settlement or arbitration award against a licensee, as described in paragraph (1) above, the name of the licensee, the amount of the settlement or arbitration award, the amount paid, and the identity of the payee.
5. Requires the Registrar to make available to the public all civil action settlements, binding arbitration awards, and administrative actions, if those settlements or arbitration awards have been referred for investigation, as specified.
6. Provides that all of these provisions shall only become operative if the Legislature appropriates money from the Contractors' State License Fund for the purposes of this section and grants sufficient hiring authority to CSLB.

Comments:

SB 465 (Hill) was amended on July 1, 2015, to require licensees and insurance companies to report to the Contractors State License Board (CSLB) all civil action settlements or administrative actions resulting in a settlement worth \$50,000 or more, and all binding arbitration awards or settlements of \$25,000 or more.

Senator Hill introduced this language in response to the apartment balcony collapse in Berkeley in the summer of 2015. According to Sen. Hill, “Currently, state law does not require contractors to report defect settlement cases to the CSLB. Such disclosure requirements are routine for such professionals as doctors, architects, and engineers. This bill would empower the CSLB, like other boards, to be made aware of licensee behavior for which they may need to take swift action to promote public health and safety. The bill additionally increases transparency so that consumers have the tools necessary to make an informed decision about the quality of the contractor they hire.”

SB 465 faced significant opposition and failed to pass out of the Assembly Business & Professions Committee.

Several other professions currently have similar reporting requirements as those contained in the proposed bill, including doctors, architects, engineers, land surveyors, and accountants.

Proposed Amendments:

CSLB staff has met several times with the author’s staff to discuss this proposal. Staff suggests that CSLB perform a study over the next two years to try to identify what type of settlement information is available and how the Enforcement division can potentially use that information, and report back to the Legislature in CSLB’s next sunset review report. The Senate Business, Professions and Economic Development Committee has tentatively set an information hearing on this subject for April 25, 2016.

Support:

California Newspaper Publishers Association
Center for Public Interest Law
Center for California Homeowner Association Law
City of Berkeley, Office of the Mayor
The Miller Law Firm

Opposition:

Air Conditioning Trade Association
American Fire Sprinkler Association
Associated Builders and Contractors – San Diego Chapter
Association of California Insurance Companies
Associated General Contractors
California Building Industry Association
California Professional Association of Specialty Contractors
Civil Justice Association of California

Construction Employers' Association
Plumbing-Heating-Cooling Contractors Association of California
United Contractors
Associated General Contractors
Southern California Contractors Association
Western Electrical Contractors Association

Fiscal Impact for CSLB

Enforcement Staff (initial and ongoing) –The work called for in this bill cannot be absorbed by existing CSLB staff. It would require staff to perform the following tasks: receive information from licensed contractors and insurance providers, review and open cases based on that information, investigate cases and determine appropriate action, levy fines against contractors, and take disciplinary action against licensed contractors that do not report to the Board within 90 days civil settlements or administrative actions greater than \$50,000. The work would require two (2) full-time Enforcement Representative I and one (1) full-time Staff Services Analyst. Total costs, with benefits, would be \$288,000.

Staff Recommendation and Comments

WATCH. While SB 465 should be further amended to narrow the reporting requirements, reporting of settlements and criminal convictions could provide CSLB with additional information to strengthen its enforcement efforts. Staff will continue discussions with the author's office.

Date: March 17, 2016

AMENDED IN ASSEMBLY JULY 8, 2015

AMENDED IN ASSEMBLY JULY 1, 2015

AMENDED IN SENATE APRIL 21, 2015

SENATE BILL

No. 465

Introduced by Senator Hill

February 25, 2015

An act to amend Section 7124.6 of, and to add Sections 7071.18 and 7071.20 to, the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 465, as amended, Hill. Contractors: discipline.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires the board, with the approval of the Director of Consumer Affairs, to appoint a registrar of contractors to serve as the executive officer and secretary of the board.

This bill would require a licensee to report to the registrar within 90 days of the date that the licensee has knowledge of the conviction of the licensee of any felony or any other crime substantially related to the qualifications, functions, and duties of a licensed contractor, or any civil action settlement or administrative action resulting in a settlement worth \$50,000 or more, or a binding arbitration or administrative action resulting in binding arbitration worth \$25,000 or more, resulting from specified acts. Failure to comply with this requirement would be grounds for disciplinary action. The bill would also require any insurer providing professional liability insurance to a licensee or a state or local government agency that self-insures that licensee to, within 30 days of

SB 465

payment of all or any portion of a civil action settlement or binding arbitration award against the licensee, report to the registrar the name of the licensee, the amount of value of the settlement or binding arbitration award, the amount paid, and the identity of the payee. The bill would make these provisions operative if the Legislature appropriates moneys from the Contractors' License Fund for these purposes and grants sufficient hiring authority to the board.

Existing law requires the registrar of contractors to make available to the public the date, nature, and status of complaints against a licensee that have been referred for investigation regarding allegations that if proven would present a risk of harm to the public.

The bill would require the registrar to make available to the public all civil action settlements, binding arbitration awards, and administrative actions reported to it pursuant to these provisions *that provision.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7071.18 is added to the Business and
- 2 Professions Code, to read:
- 3 7071.18. (a) Notwithstanding any other law, a licensee shall
- 4 report to the registrar in writing the occurrence of any of the
- 5 following within 90 days after the licensee obtains knowledge of
- 6 the event:
- 7 (1) The conviction of the licensee for any felony.
- 8 (2) The conviction of the licensee for any other crime that is
- 9 substantially related to the qualifications, functions, and duties of
- 10 a licensed contractor.
- 11 (3) Any civil action settlement or administrative action resulting
- 12 in a settlement against the licensee in any action involving fraud,
- 13 deceit, misrepresentation, breach or violation of contract,
- 14 negligence, incompetence, or recklessness by the licensee in the
- 15 practice of contracting, if the amount or value of the settlement is
- 16 fifty thousand dollars (\$50,000) or greater.
- 17 (4) A binding arbitration award or administrative action resulting
- 18 in a binding arbitration award against the licensee in any action
- 19 involving fraud, deceit, misrepresentation, breach or violation of
- 20 contract, negligence, incompetence, or recklessness by the licensee

1 in the practice of contracting, if the amount or value of the
2 settlement is twenty-five thousand dollars (\$25,000) or greater.

3 (b) Failure of a licensee to report to the registrar pursuant to
4 subdivision (a) shall be grounds for disciplinary action.

5 (c) For the purposes of this section, "conviction" means a plea
6 or verdict of guilty in a criminal proceeding, or a conviction
7 following a plea of nolo contendere.

8 (d) This section shall become operative only if the Legislature
9 appropriates moneys from the Contractors' License Fund for the
10 purposes of this section and grants sufficient hiring authority to
11 the board.

12 SEC. 2. Section 7071.20 is added to the Business and
13 Professions Code, to read:

14 7071.20. (a) Within 30 days of payment of all or any portion
15 of a civil action settlement or arbitration award against a licensee,
16 as described in Section 7017.18, the insurer providing professional
17 liability insurance to the licensee shall report to the registrar the
18 name of the licensee, the amount of value of the settlement or
19 binding arbitration award, the amount paid, and the identity of the
20 payee.

21 (b) Within 30 days of payment of all or any portion of a civil
22 action settlement or arbitration award against a licensee, as
23 described in Section 7017.18, a state or local government agency
24 that self-insures shall report to the registrar the name of the
25 licensee, the amount of value of the settlement or binding
26 arbitration award, the amount paid, and the identity of the payee.

27 (c) This section shall become operative only if the Legislature
28 appropriates moneys from the Contractors' License Fund for the
29 purposes of this section and grants sufficient hiring authority to
30 the board.

31 SEC. 3. Section 7124.6 of the Business and Professions Code
32 is amended to read:

33 7124.6. (a) The registrar shall make available to members of
34 the public the date, nature, and status of all complaints on file
35 against a licensee that do either of the following:

36 (1) Have been referred for accusation.

37 (2) Have been referred for investigation after a determination
38 by board enforcement staff that a probable violation has occurred,
39 and have been reviewed by a supervisor, and regard allegations
40 that if proven would present a risk of harm to the public and would

SB 465

1 be appropriate for suspension or revocation of the contractor's
2 license or criminal prosecution.

3 (b) The board shall create a disclaimer that shall accompany
4 the disclosure of a complaint that shall state that the complaint is
5 an allegation. The disclaimer may also contain any other
6 information the board determines would be relevant to a person
7 evaluating the complaint.

8 (c) A complaint resolved in favor of the contractor shall not be
9 subject to disclosure.

10 (d) Except as described in subdivision (e), the registrar shall
11 make available to members of the public the date, nature, and
12 disposition of all legal actions.

13 (e) Disclosure of legal actions shall be limited as follows:

14 (1) Citations shall be disclosed from the date of issuance and
15 for five years after the date of compliance if no additional
16 disciplinary actions have been filed against the licensee during the
17 five-year period. If additional disciplinary actions were filed against
18 the licensee during the five-year period, all disciplinary actions
19 shall be disclosed for as long as the most recent disciplinary action
20 is subject to disclosure under this section. At the end of the
21 specified time period, those citations shall no longer be disclosed.

22 (2) Accusations that result in suspension, stayed suspension, or
23 stayed revocation of the contractor's license shall be disclosed
24 from the date the accusation is filed and for seven years after the
25 accusation has been settled, including the terms and conditions of
26 probation if no additional disciplinary actions have been filed
27 against the licensee during the seven-year period. If additional
28 disciplinary actions were filed against the licensee during the
29 seven-year period, all disciplinary actions shall be posted for as
30 long as the most recent disciplinary action is subject to disclosure
31 under this section. At the end of the specified time period, those
32 accusations shall no longer be disclosed.

33 (3) All revocations that are not stayed shall be disclosed
34 indefinitely from the effective date of the revocation.

35 (f) The registrar shall make available to the public all civil action
36 settlements, binding arbitration awards, and administrative actions
37 ~~reported to it pursuant to Section 7071.18.~~ *pursuant to paragraph*
38 *(2) of subdivision (a).*

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 661 (Hill)
Status/Location: Amended 1/4/16 - Assembly
Sponsor: Author
Subject: Protection of Subsurface Installations
Code Section: Government Code 4216

Summary

This bill is substantially similar to SB 119 (Hill), which Governor Brown vetoed last year. The author is continuing discussions with the Governor's Office and stakeholders to find agreement on this issue.

Existing Law:

1. Requires that every operator of a subsurface installation (except CalTrans) become a member of, participate in, and fund a regional notification center.
2. Requires a person planning any excavation to contact the appropriate notification center before work begins.
3. Provides that a willful or deliberate violation of the regional notification system requirements by a licensee of the Contractors State License Board (CSLB) constitutes a cause for disciplinary action by CSLB.

This Bill:

1. Contains several findings and declarations of the Legislature regarding the need for increased communication between subsurface installation operators and excavators; states that exemptions allowing excavation without first calling a regional notification center should be permitted only if procedures exist so that the excavation occurs without compromising safety; and that the existing exemption that permits private property owners to dig on their own property without notification does not have a basis in safety.
2. The findings further state that California should have an advisory committee, composed of excavation stakeholders, to perform the following three major tasks:
 - a) Coordinate the diverse education and outreach efforts undertaken by state and local agencies, operators, and excavators and issue grants for targeted efforts;
 - b) Study excavation questions and develop standards that clarify best practices; and
 - c) Investigate potential violations of the one-call law that inform both the standards it is to develop and potential enforcement actions.
3. Makes various revisions to the Regional Notification Center System, including the definitions of relevant terms.

4. Provides that an excavator who damages a subsurface installation because of inaccurate marking shall not be liable for damages.
5. Limits the existing exemption for property owners to, instead, provide that exemption only when the work does not require a permit, the property has no easement or right of way, and the work involves only non-mechanized hand tools.
6. Exempts from the definition of “excavation,” until January 1, 2020, landscape maintenance activity performed with hand tools at a depth of no more than 12 inches, and plowing, cultivating, planting, harvesting, or similar operations in connection with agricultural activities, unless the activity disturbs the soil, to a depth of 16 inches or more.
7. For an excavation within the approximate location of a subsurface installation, requires the excavator to determine the exact location of the installations within the tolerance zone using hand tools before using any power-driven excavation or boring equipment within the approximate location of the installations. Further requires the excavator to use reasonable care to prevent damage to subsurface installations.
8. Requires the Occupational Safety and Health Standards Board to revise its regulations to clarify best practices by excavators.
9. **Creates the California Underground Facilities Safe Excavation Advisory Committee (Committee), under CSLB and assisted by CSLB’s staff.** The Committee would be tied to CSLB’s sunset date and review process, but does not have a sunset date itself. Provides that the Committee only becomes operative upon appropriation by the Legislature.
10. Provides that dig alert requirements can be enforced, following a recommendation by the Committee, as follows:
 - a) CSLB, on contractors.
 - b) The Public Utilities Commission (PUC), on gas and electrical corporations.
 - c) The Office of the State Fire Marshal, on operators of hazardous liquid pipeline facilities.
11. Requires the Committee to coordinate education and outreach activities that encourage safe excavation practice.
12. Requires the Committee to develop standards relevant to safety practices in excavating around subsurface installations and procedures and guidance in encouraging those practices. Provides that the standards shall address all of the following:
 - (a) Evidence necessary to demonstrate compliance with the law;
 - (b) Guidance for recommended sanctions against excavators and operators for violations. Provides that guidance shall include the circumstances under which an investigation will be transmitted for formal disciplinary action, and may allow for a decision not to send complaint forward, if the investigation was triggered by a complaint, the parties have settled, and the Committee has determined no further action is needed. Further requires recommendations for sanctions to be graduated;
 - (c) What constitutes reasonable care in conducting deep excavations within the tolerance zone; and

- (d) What constitutes reasonable care in grading activities on road shoulders and dirt roads, which may include standards for potholing.
13. Requires the Committee to develop and recommend a standard or set of standards requiring all new non-pressurized sewer lines, non-pressurized storm drains, and other non-pressurized drains that connect from building structures to the public right-of-way to include the installation of tracer tape or wire to aid in detection and tracing of these subsurface installations, non-pressurized sewer lines, non-pressurized storm drains, and other non-pressurized drains or adoption by the California Building Standards Commission.
 14. On or before December 31, 2018, requires the Committee, in consultation with the California Department of Food and Agriculture, and after an agricultural stakeholder process, to make recommendations for long term treatment of agricultural activities.
 15. Beginning January 1, 2018, requires the Committee to investigate possible violations of the law, including complaints from affected parties and members of the public. Authorizes staff to use compliance audits, including field audits, and investigations of incidents and near-misses.
 16. Provides that the Authority shall have nine members, as follows:
 - a) Four appointed by the Governor, three of whom shall have knowledge of and experience in the operation of subsurface installations (including one with a municipal utility), and one with knowledge and expertise in subsurface installation location and marking.
 - b) Three members (one "A" licensee, one "B" licensee and one "C" licensee) appointed by CSLB, who shall have knowledge of and experience in contract excavation for employers who are not operators of subsurface installations.
 - c) One member appointed by the Assembly Speaker, who has knowledge and expertise in safety matters representing the workers employed by contract excavators.
 - d) One member appointed by the Senate Rules Committee, who has knowledge of and expertise in managing the underground installations on one's own property, and may be drawn from agricultural, commercial, residential, or other property sectors.
 - e) Authorizes the Committee to invite one director of operations of a regional notification center to be a nonvoting ex officio member.
 17. Provides for two-year terms for Committee members.
 18. States that the Committee may obtain funding for its operational expenses from:
 - a) The Safe Energy Infrastructure and Excavation Fund.
 - b) A federal or state grant.
 - c) A fee charged to members of the regional notification centers not to exceed the reasonable regulatory cost incident to enforcement of these requirements.
 - d) A filing or administrative fee to hear a complaint.
 - e) Any other source.
 19. Requires the Committee to annually convene a meeting with state and local agencies, California operators, regional notification centers, and trade associations that fund outreach programs that encourage safe excavation

practices. Further provides that that meeting shall determine areas in which additional education and outreach efforts should be targeted.

20. Upon completion of an investigation, requires the Committee to inform the following parties of the results, including any findings of possible violations:
 - (a) The party or parties whose activities were the subject of the investigation.
 - (b) The complainant, if the investigation was initiated as the result of a complaint.
 - (c) Any excavator and operator whose activities or subsurface installations were involved in the incident.
21. Provides that if the Committee finds a probable violation of the article, it shall transmit the investigation results and any recommended penalty to the state or local agency with jurisdiction over the activity or business undertaken in commission of the violation.
22. For an investigation of a violation regarding the delineating and tolerance zone requirements, prohibits a complainant from seeking action in court for damages until the investigation is complete, or for at least 120 days after the investigation begins, whichever occurs first.
23. If a complainant files an action or damages based upon these requirements, after the completion of an investigation in which the person was found to have not violated the requirements, the complainant shall also notify the Committee when the action is filed.
24. Requires the Committee to annually report to the Legislature and Governor.
25. By February 1, 2019, requires the PUC to report to the Legislature and the Committee an analysis of excavation damage to commission-regulated pipeline facilities.
26. Until January 1, 2020, requires each gas corporation to report to the PUC and the Committee specific excavation damage data and analyses.

Fiscal Impact for CSLB:

- *Create the Underground Facility Safe Excavation Advisory Committee. The advisory committee shall exist under the purview of the Contractor's State License Board, and shall be staffed by CSLB employees.* This new workload would require the creation of a new unit within CSLB. Total annual direct and indirect costs of the Committee, with benefits, would be approximately \$2,175,000 initially and \$1,850,000 ongoing.
- *Committee composed of nine members.* CSLB assumes that Committee Members would meet approximately five times a year, plus an annual stakeholders meeting. Total annual costs for Committee members (including \$100 a day, plus per diem, and travel per Committee member) would be approximately \$50,000.
- Initial Information Technology costs of \$65,000.
- Costs to the CSLB Fund for one additional enforcement representative to handle the Committee's recommended disciplinary actions at an initial cost of \$135,000 and \$127,000 ongoing, and increased Attorney General costs, for a total cost of approximately \$940,000, and \$925,000 ongoing.
- Total (Committee and CSLB workload) approximate annual costs (initial and ongoing): \$3,400,000 (initial) and \$3,000,000 (ongoing).

Governor's Veto Message for SB 119

I am returning Senate Bill 119 without my signature.

This bill would create the California Underground Facilities Safe Excavation Advisory Committee, within the Contractors' State Licensing Board, in order to enforce existing and new provisions related to safe excavation.

I understand that the telecommunications and cable companies have resisted providing explicit enforcement authority to the Public Utilities Commission over excavation safety. However, it is the Public Utilities Commission, and not the Contractors' State Licensing Board, that has the technical expertise and funds and should be given full authority to enforce and regulate excavation activities near subsurface installations.

This is a matter of public safety, and I look forward to working closely with the author to achieve our mutual goal.

Staff Recommendation and Comments

WATCH. This bill is likely to be significantly amended to address the concerns the Governor expressed in his veto message. Staff will return this item to the Board when there is new bill language.

Date: March 10, 2016

AMENDED IN SENATE JANUARY 4, 2016

AMENDED IN SENATE APRIL 13, 2015

SENATE BILL

No. 661

Introduced by Senator Hill

February 27, 2015

An act to amend Sections 755 and 756 of, to amend, repeal, and add Sections 401.17, 1152, 1153, and 1155 of, to add Sections 100.51, 721.51, 828.1, and 1157 to, and to amend and repeal Section 1153.5 of, the Revenue and Taxation Code, relating to taxation. An act to amend Sections 4216, 4216.1, 4216.2, 4216.3, 4216.4, 4216.5, 4216.6, 4216.7, 4216.8, and 4216.9 of, and to add Sections 4216.12, 4216.13, 4216.14, 4216.15, 4216.16, 4216.17, 4216.18, 4216.19, 4216.20, 4216.21, and 4216.22 to, the Government Code, to add Sections 17921.11 and 18940.8 to the Health and Safety Code, and to amend Sections 955.5 and 1702.5 of, and to add Sections 320.5, 911.2, and 971 to, the Public Utilities Code, relating to excavations.

LEGISLATIVE COUNSEL'S DIGEST

SB 661, as amended, Hill. ~~Property taxation: state assessment: commercial air carrier personal property. Protection of subsurface installations.~~

Existing law requires every operator of a subsurface installation, except the Department of Transportation, to become a member of, participate in, and share in the costs of, a regional notification center. Existing law requires any person who plans to conduct any excavation to contact the appropriate regional notification center before commencing that excavation, as specified. Existing law defines a subsurface installation as any underground pipeline, conduit, duct, wire, or other structure. Existing law requires an operator of a

SB 661

subsurface installation, who receives notification of proposed excavation work, within 2 working days of that notification, excluding weekends and holidays, to mark the approximate location and number of subsurface installations that may be affected by the excavation or to advise that no subsurface installations operated by him or her would be affected. Existing law requires an operator of a subsurface installation that has failed to comply with these provisions to be liable to the excavator for damages, costs, and expenses.

This bill, the Dig Safe Act of 2016, would declare the need to clarify and revise these provisions. The bill would define and redefine various terms relating to a regional notification center. The bill would expand the definition of a subsurface installation to include an underground structure or submerged duct, pipeline, or structure, except as specified.

The bill would require an excavator planning to conduct an excavation to delineate the area to be excavated before notifying the appropriate regional notification center of the planned excavation, as provided. The bill would require an operator, before the legal start date and time of the excavation, to locate and field mark, within the area delineated for excavation, its subsurface installations. The bill would require an operator to maintain and preserve all plans and records for any subsurface installation owned by that operator as that information becomes known, as specified.

This bill would prohibit an excavator that damages a subsurface installation due to an inaccurate field mark, as defined, by an operator from being liable for damages, replacement costs, or other expenses arising from damage to the subsurface installation, provided that the excavator complied with the provisions described above.

The bill would delete the existing exemptions pertaining to an owner of real property and would instead exempt an owner of residential real property who, as part of improving his or her principal residence, is performing, or is having performed, an excavation using hand tools that does not require a permit, as specified.

The bill would also require the Public Utilities Commission and the Office of the State Fire Marshal to enforce the requirement to locate and field mark subsurface installations and lines against operators of natural gas and electric underground infrastructure and hazardous liquid pipelines, unless these operators are municipal utilities.

This bill, if specified funds are appropriated by the Legislature and authority to hire sufficient staff is granted to the Contractors' State License Board, would create the California Underground Facilities

Safe Excavation Advisory Committee under, and assisted by the staff of, the Contractors' State License Board, in the Department of Consumer Affairs. The bill would require the committee to coordinate education and outreach activities, develop standards, and investigate violations of the provisions described above, as specified. The bill would also require the advisory committee, by December 31, 2018, and in consultation with the Department of Food and Agriculture, to make recommendations, informed by a specified study, that addresses the long-term treatment of agricultural activities in relation to subsurface excavation, and whether those provisions are appropriate or could be modified in ways to promote participation in safe agricultural practices around high priority subsurface installations, as specified.

The advisory committee would be composed of 9 members who would serve 2-year terms, and 2 nonvoting ex officio members who may be invited by the appointed members of the committee. The bill would authorize the advisory committee, commencing on January 1, 2018, to use compliance audits in furthering the purposes of these provisions. The bill would require the advisory committee to conduct an annual meeting on or before February 1, 2018, and each year thereafter, to report to the Governor and the Legislature on its activities and any recommendations.

The California Building Standards Law requires state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval and adoption. Under existing law, if a state agency does not have authority to adopt building standards applicable to state buildings, the commission is required to adopt specific building standards, as prescribed. Existing law requires the commission to publish, or cause to be published, editions of the California Building Standards Code in its entirety once every 3 years. Existing law requires the Department of Housing and Community Development to propose the adoption, amendment, or repeal of building standards to the commission and to adopt, amend, and repeal other rules and regulations for the protection of the public health, safety, and general welfare of the occupants and the public involving buildings and building construction.

This bill would require the department and the commission to develop, and propose for adoption by the commission of, building standards requiring all new residential and nonresidential nonpressurized building sewers that connect from building structures to the public right-of-way

SB 661

or applicable utility easement to include the installation of tracer wire or tape, as specified. The bill would authorize the department and the commission to expend funds from the existing Building Standards Administration Special Revolving Fund for this purpose, upon appropriation.

The bill would create the Safe Energy Infrastructure and Excavation Fund in the State Treasury and would provide that moneys deposited into the fund are to be used to cover the administrative expenses of the advisory committee, upon appropriation by the Legislature. The bill would authorize the Public Utilities Commission to use excess moneys in the fund for specified purposes relating to the safety of underground utilities, upon appropriation by the Legislature.

The Natural Gas Pipeline Safety Act of 2011, within the Public Utilities Act, designates the Public Utilities Commission as the state authority responsible for regulating and enforcing intrastate gas pipeline transportation and pipeline facilities pursuant to federal law, including the development, submission, and administration of a state pipeline safety program certification for natural gas. Existing federal law requires each operator of a buried gas pipeline to carry out a program to prevent damage to that pipeline from excavation activities, as specified.

The bill would require the Public Utilities Commission, no later than February 1, 2019, to report to the Legislature and to the California Underground Facilities Safe Excavation Advisory Committee an analysis of excavation damage to commission-regulated pipeline facilities. The bill would also require each gas corporation, as part of its damage prevention program, to collect certain information until January 1, 2020, to inform its outreach activities, and to report this information annually until January 1, 2020, to the Public Utilities Commission and the California Underground Facilities Safe Excavation Advisory Committee, as specified. The bill would also require each gas corporation to estimate Californians' use of regional notification centers, as specified, and to provide this estimate to the commission and the advisory committee on or before July 1, 2017.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the requirements described above are within the act, a violation of these requirements would impose a state-mandated local program by creating a new crime.

Existing law requires the Public Utilities Commission to develop and implement a safety enforcement program that is applicable to gas corporations and electrical corporations and that includes procedures for monitoring, data tracking and analysis, and investigations, as well as issuance of citations by commission staff, under the direction of the executive director of the commission, for correction and punishment of safety violations. That law requires the commission to develop and implement an appeals process to govern issuance and appeal of citations, or resolution of corrective action orders. That law requires the commission to implement the safety enforcement program for gas safety by July 1, 2014, and for electrical safety by January 1, 2015.

This bill would require that moneys collected as a result of the issuance of citations to gas corporations and electrical corporations pursuant to the above-described law be deposited in the Safe Energy Infrastructure and Excavation Fund.

The bill would make other conforming and clarifying changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing property tax law requires the personal property of an air carrier to be taxed at its fair market value, and the California Constitution requires property subject to ad valorem property taxation to be assessed in the county in which it is situated. Existing law, through the 2015-16 fiscal year, specifies a formula to determine the fair market value of certificated aircraft of a commercial air carrier, and rebuttably presumes that the amount determined pursuant to this formula is the fair market value of the certificated aircraft.~~

~~The California Constitution requires the State Board of Equalization to assess specified properties owned by specified entities. Existing property tax law provides for the valuation of properties of a state assessee that owns property in more than one county. Existing law also provides, pursuant to specified formulas, for the application in each county of specified tax rates to the allocated assessed value of a state assessee's property, and for the allocation among jurisdictions in that county of the resulting revenues.~~

~~This bill would, from the lien date for the 2017-18 fiscal year and each fiscal year thereafter, require the board to assess personal property~~

SB 661

~~that is owned by a commercial air carrier, as defined, in a manner consistent with currently specified procedures that determine the extent that the certificated aircraft is physically present in each county within the state. The bill would require the board to determine the fair market value of certificated aircraft according to the formula described above. This bill would require the board to notify county assessors, as specified, if a commercial air carrier’s taxable personal property includes fixtures that are to be locally assessed as real property. This bill would require that the revenues derived from the assessment of this property be allocated in the same percentage shares as revenues derived from locally assessed property among the jurisdictions in which the property is located. This bill would also make conforming changes to related provisions. The bill would also require the board to conduct an audit of a commercial air carrier every four years, as specified.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. *This act shall be known, and may be cited, as the*
- 2 *Dig Safe Act of 2016.*
- 3 SEC. 2. *The Legislature finds and declares all of the following:*
- 4 (a) *For the state’s “one-call” law to be effective, it needs greater*
- 5 *clarity and effective enforcement, and it must foster communication*
- 6 *between operators of subsurface installations and the various types*
- 7 *of excavators in California.*
- 8 (b) *Regional notification centers, or “one-call” centers, have*
- 9 *developed means of electronic communication that improve the*
- 10 *efficiency of the “one-call” process, and statutory barriers to using*
- 11 *new methods of notification should be eliminated.*
- 12 (c) *Electronic positive response is a means to communicate the*
- 13 *status of responses to an excavator’s notice of excavation via the*
- 14 *one-call center and provides the safety benefit that an excavator*
- 15 *has an easy means to know whether or not all of the utilities within*
- 16 *the excavation area have marked their subsurface installations.*
- 17 (d) *The delineation by an excavator of the area to be excavated*
- 18 *in advance of the field location and marking by subsurface facility*
- 19 *operators of their installations aids the excavator in understanding*
- 20 *where subsurface installations were marked, and thus improves*
- 21 *safety. This practice was recommended by the National*

1 Transportation Safety Board in its 1997 study “Protecting Public
2 Safety through Excavation Damage Prevention” and is a best
3 practice of the Common Ground Alliance.

4 (e) Continuing an excavation after an excavation “ticket” has
5 expired does not promote safety, and excavators should renew
6 their ticket with the one-call center before expiration. Continuing
7 excavation when markings are no longer visible does not promote
8 safety, and excavators should stop work until the subsurface
9 installations are remarked.

10 (f) Increased communication between subsurface installation
11 operators and excavators before breaking ground has safety
12 benefits.

13 (g) Construction sites often have many parties conducting
14 different, ongoing work, and so the inherent safety risks associated
15 with that work can be increased by a failure of these parties to
16 effectively communicate. Excavators, operators of subsurface
17 installations, and locators have a responsibility to communicate
18 with other parties before entering these worksites, which may
19 require advance schedule coordination, and also have a
20 responsibility to observe the safety requirements set for those
21 worksites.

22 (h) Abandoned subsurface installations can be mistaken for
23 active subsurface installations that are marked, and thus present
24 a safety risk to excavators and the public. Safety will be improved
25 if subsurface facility operators identify these subsurface
26 installations when their existence is known.

27 (i) The ability of an operator of subsurface installations to locate
28 and mark affected installations can be seriously impaired by a
29 lack of high-quality records of those installations, and thus
30 operators should keep records of their facilities for as long as they
31 are in the ground, whether or not they are in use.

32 (j) Failure by an operator of subsurface installations to mark
33 the installations within the required two-working-day period is a
34 serious breach of duty.

35 (k) While an operator has two working days after an excavator’s
36 call to the one-call center to mark its subsurface installations,
37 failure of that operator to do so does not relieve the excavator of
38 the safety responsibility to wait until the operator has marked
39 before commencing excavation.

SB 661

1 (l) Mismarks by an operator place excavators and the public
2 at great safety risk, and so operators who mismark their
3 installations are entitled to no award for any damages to those
4 installations.

5 (m) Installations that are embedded in pavement require more
6 extensive communication among operators, locators, and
7 excavators to prevent the installations from being damaged.

8 (n) Exemptions that allow a class of persons to excavate without
9 calling 811 are to be permitted only if alternative procedures allow
10 the excavation to take place without compromising safety.

11 (o) The Department of Transportation controls access to the
12 state right-of-way by the traveling public, excavators, and
13 contractors through the encroachment permit process authorized
14 in Article 2 (commencing with Section 670) of Chapter 3 of
15 Division 1 of the Streets and Highways Code. Recognizing that
16 the public is not always aware where the state right-of-way exists,
17 and that the Department of Transportation operates subsurface
18 installations in the state right-of-way, the Department of
19 Transportation shall facilitate clear communication channels with
20 those working around the state right-of-way, with utility companies,
21 and with the regional notification centers to promote safety and
22 to prevent damage to subsurface installations.

23 (p) Insufficient information exists on how to best achieve safety
24 when conducting agricultural activities around subsurface
25 installations, and a study, informed by data collected about
26 damages in agricultural areas is needed to determine effective and
27 appropriate safety measures.

28 (q) Prevention of boring through sewer laterals with natural
29 gas and other subsurface installation services may be achieved
30 through reasonable care in the use of trenchless excavating
31 technologies. Indication of the location of sewer laterals can aid
32 in prevention of these cross-bores.

33 (r) The exemption that permits private property owners to dig
34 on their property without calling a regional notification center to
35 have the area marked for subsurface installations does not have
36 a basis in safety.

37 (s) The exemption that permits homeowners to conduct
38 excavation on their property with heavy machinery or when there
39 is a utility easement on his or her property does not have a basis
40 in safety.

1 (t) Behaviors that are suspected to be unsafe, but upon which
2 there is not widespread agreement as to the level of risk and,
3 therefore, are unregulated, must be monitored to better assess the
4 risk.

5 (u) The Study on the Impact of Excavation Damage on Pipeline
6 Safety, submitted by the United States Department of
7 Transportation to Congress on October 9, 2014, reported that
8 other states have found that exemption of landscape maintenance
9 activities of less than 12 inches deep, when performed with hand
10 tools, does not appear to have a significant impact on safety. The
11 report cautions, however, that while those activity-based
12 exemptions may be acceptable, they should be supported by
13 sufficient data.

14 (v) Insufficient data exists on the safety risks of the installation
15 of temporary real estate signposts; therefore, it is important that
16 natural gas distribution companies collect information on whether
17 damages are caused by these signposts.

18 (w) Gas corporations have ready access to information about
19 damages that occur on their subsurface installations and should
20 collect relevant data to inform future discussions regarding the
21 risk of notification exemptions.

22 (x) Other states have experienced a dramatic improvement in
23 safety after implementing centralized administrative oversight of
24 one-call laws.

25 (y) California should have an advisory committee, composed
26 of excavation stakeholders, subject to oversight by the Legislature
27 and the Department of Finance, to perform three major tasks,
28 which are to coordinate the diverse education and outreach efforts
29 undertaken by state and local agencies, operators, and excavators
30 throughout the state and issue grants for targeted efforts, to study
31 excavation questions and develop standards that clarify best
32 practices, and to investigate potential violations of the one-call
33 law that inform both the standards it is to develop and potential
34 enforcement actions. Due to the size of the state, and in order to
35 reduce costs, the advisory committee should meet in northern and
36 southern California.

37 (z) The advisory committee should not be funded through the
38 General Fund, but should be funded through fines levied on gas
39 and electric corporations for safety violations, instead of having
40 those fines go to the General Fund.

SB 661

1 *SEC. 3. Section 4216 of the Government Code is amended to*
2 *read:*

3 4216. As used in this article the following definitions apply:

4 (a) ~~“Approximate location of “Abandoned subsurface~~
5 ~~installations” installation”~~ means a strip of land not more than 24
6 ~~inches on either side of the exterior surface of the subsurface~~
7 ~~installation that is no longer in service and is physically~~
8 ~~disconnected from any active or inactive subsurface installation.~~
9 ~~“Approximate location” does not mean depth.~~

10 (b) “Active subsurface installation” means a subsurface
11 installation currently in use or currently carrying service.

12 (c) “Advisory Committee” means the California Underground
13 Facilities Safe Excavation Advisory Committee.

14 (d) “Delineate” means to mark in white the location or path of
15 the proposed excavation using the guidelines in Appendix B of the
16 “Guidelines for Excavation Delineation” published in the most
17 recent version of the Best Practices guide of the Common Ground
18 Alliance. If there is a conflict between the marking practices in
19 those guidelines and other provisions of this article, this article
20 shall control. “Delineation” also includes physical identification
21 of the area to be excavated using pink marking, if an excavator
22 makes a determination that standard delineation may be misleading
23 to those persons using affected streets and highways, or be
24 misinterpreted as a traffic or pedestrian control, and the excavator
25 has contacted the regional notification center to advise the
26 operators that the excavator will physically identify the area to be
27 excavated using pink markings.

28 (e) “Electronic positive response” means an electronic response
29 from an operator to the regional notification center providing the
30 status of an operator’s statutorily required response to a ticket.

31 (f) (1) “Emergency” means a sudden, unexpected occurrence,
32 involving a clear and imminent danger, demanding immediate
33 action to prevent or mitigate loss of, or damage to, life, health,
34 property, or essential public services.

35 (2) “Unexpected occurrence” includes, but is not limited to, a
36 fire, flood, earthquake or other soil or geologic movement, riot,
37 accident, damage to a subsurface installation requiring immediate
38 repair, or sabotage.

39 (b)

1 (g) (1) "Excavation" means any operation in which earth, rock,
2 pavement, or other material in the ground is moved, removed, or
3 otherwise displaced by means of tools, equipment, or explosives
4 in any of the following ways: grading, trenching, digging, ditching,
5 drilling, augering, tunneling, scraping, cable or pipe plowing and
6 driving, gouging, crushing, jack hammering, saw cutting, or any
7 other way.

8 (2) For purposes of this article, "excavation" does not include
9 any of the following:

10 (A) Landscape maintenance activity that is performed with hand
11 tools at a depth of no more than 12 inches. Landscape maintenance
12 activity includes all of the following:

13 (i) Aeration, dethatching, and cutting of vegetation, including
14 lawn edging.

15 (ii) Installation or replacement of ground cover and plant life.

16 (iii) Minor fixes to existing drainage and sprinkler systems.

17 (B) Operator maintenance activities that are performed with
18 hand tools around an operator's facilities that traverse from above
19 the ground to below ground in areas known, or reasonably
20 believed, to contain only the operator's facilities. Operator
21 maintenance activities include all of the following:

22 (i) Clearing soil, debris, or vegetation from around or inside
23 vaults, casings, and other in-ground structures that house an
24 operator's facilities.

25 (ii) Moving, removing, or displacing soil for the specific purpose
26 of mitigating or preventing corrosion to pipeline facilities such as
27 gas meters, risers, pipes, and valves located above ground or inside
28 vaults, casings, and other in-ground structures.

29 (iii) Replacing or repairing an operator's facilities located
30 above ground or inside vaults, casings, and other in-ground
31 structures.

32 (iv) Repairing or replacing vaults, casings, and other in-ground
33 structures that house an operator's facilities.

34 (C) Routine digging, grading, and scraping or similar operations
35 in a flood control area known, or reasonably known, not to contain
36 substructures, in connection with debris, vegetation, sediment, or
37 mudflow removal for the purposes of flood control if the flood
38 control facility is owned by a county, city, city and county, flood
39 control district, or similar special district, and the activity is

SB 661

1 performed by or for the county, city, city and county, flood control
2 district, or similar special district.

3 (D) This paragraph shall become inoperative on January 1,
4 2020.

5 (3) The exclusion of the activities in paragraph (2) from the
6 definition of "excavation" shall not be used to discourage a person
7 planning to perform those activities from voluntarily notifying a
8 regional notification center pursuant to Section 4216.2, and does
9 not relieve an operator of a subsurface installation from the
10 obligation to locate and field mark pursuant to Section 4216.3
11 following the notification. The exclusion of activities in paragraph
12 (2) does not relieve a person performing those activities from a
13 duty of reasonable care to prevent damage to subsurface
14 installations, and failure to exercise reasonable care may result
15 in liability for damage to a subsurface installation that is
16 proximately caused by those activities.

17 (e)

18 (h) Except as provided in Section 4216.8, "excavator" means
19 any person, firm, contractor or subcontractor, owner, operator,
20 utility, association, corporation, partnership, business trust, public
21 agency, or other entity that, with their, his, her, or his or her, its
22 own employees or equipment equipment, performs any excavation.

23 (d) ~~"Emergency"~~

24 (i) ~~"Hand tool" means a sudden, unexpected occurrence,~~
25 ~~involving a clear and imminent danger, demanding immediate~~
26 ~~action to prevent or mitigate loss of, or damage to, life, health,~~
27 ~~property, or essential public services. "Unexpected occurrence"~~
28 ~~includes, but piece of equipment used for excavating that uses~~
29 ~~human power and is not limited to, fires, floods, earthquakes~~
30 ~~powered by any motor, engine, hydraulic, or other soil or geologic~~
31 ~~movements, riots, accidents, damage to a subsurface installation~~
32 ~~requiring immediate repair, or sabotage. pneumatic device.~~

33 (e)

34 (j) "High priority subsurface installation" means high-pressure
35 natural gas pipelines with normal operating pressures greater than
36 415kPA gauge (60psig), petroleum pipelines, pressurized sewage
37 pipelines, high-voltage electric supply lines, conductors, or cables
38 that have a potential to ground of greater than or equal to 60kv, or
39 hazardous materials pipelines that are potentially hazardous to
40 workers or the public if damaged.

1 (k) "Inactive subsurface installation" means both of the
2 following:

3 (1) The portion of an underground subsurface installation that
4 is not in use but is still connected to the subsurface installation,
5 or to any other subsurface installation, that is in use or still carries
6 service.

7 (2) A new underground subsurface installation that has not
8 been connected to any portion of an existing subsurface
9 installation.

10 (f) ~~"Inquiry identification number"~~

11 (l) "Legal excavation start date and time" means at least two
12 working days, not including the ~~number that is provided by a~~
13 ~~regional notification center date of notification, or up to every~~
14 ~~person who contacts the center pursuant to Section 4216.2. The~~
15 ~~inquiry identification number shall remain valid for not more than~~
16 ~~28 14 calendar days from the date of issuance, and after that date~~
17 ~~shall require regional notification center revalidation. notification,~~
18 ~~if so specified by the excavator.~~

19 (g)

20 (m) "Local agency" means a city, county, city and county, school
21 district, or special district.

22 (n) (1) "Locate and field mark" means to indicate the existence
23 of any owned or maintained subsurface installations by using the
24 guidelines in Appendix B of the "Guidelines for Operator Facility
25 Field Delineation" published in the most recent version of the Best
26 Practices guide of the Common Ground Alliance and in
27 conformance with the uniform color code of the American Public
28 Works Association. If there is a conflict between the marking
29 practices in the guidelines and this article, this article shall control.

30 (2) "Locate and field mark" does not require an indication of
31 the depth.

32 (o) "Near miss" means an event in which damage did not occur,
33 but a clear potential for damage was identified.

34 (h)

35 (p) "Operator" means any person, corporation, partnership,
36 business trust, public agency, or other entity that owns, operates,
37 or maintains a subsurface installation. For purposes of Section
38 4216.1, an "operator" does not include an owner of real property
39 where subsurface ~~facilities~~ installations are exclusively located if
40 they are used exclusively to furnish services on that property and

SB 661

1 the subsurface facilities are under the operation and control of that
2 owner.

3 (q) *“Pavement” means a manmade surface material that cannot*
4 *be removed with a conventional hand tool.*

5 (r) *“Positive response” means the response from an operator*
6 *directly to the excavator providing the status of an operator’s*
7 *statutorily required response to a ticket.*

8 (i)

9 (s) *“Qualified person” means a person who completes a training*
10 *program in accordance with the requirements of Section 1509 of*
11 *Title 8, 8 of the California Code of Regulations, Section 1509,*
12 *Injury Injury and Illness Prevention Program, that meets the*
13 *minimum locators training guidelines and practices published in*
14 *the most recent version of the Best Practices guide of the Common*
15 *Ground Alliance current Best Practices. Alliance.*

16 (j)

17 (t) *“Regional notification center” means a nonprofit association*
18 *or other organization of operators of subsurface installations that*
19 *provides advance warning of excavations or other work close to*
20 *existing subsurface installations, for the purpose of protecting*
21 *those installations from damage, removal, relocation, or repair.*

22 (k)

23 (u) *“State agency” means every state agency, department,*
24 *division, bureau, board, or commission.*

25 (h)

26 (v) *“Subsurface installation” means any underground or*
27 *submerged duct, pipeline, or structure, including, but not limited*
28 *to, a conduit, duct, line, pipe, wire, or other structure, except*
29 *nonpressurized sewerlines, nonpressurized storm drains, or other*
30 *nonpressurized drain lines.*

31 (w) *“Ticket” means an excavation location request issued a*
32 *number by the regional notification center.*

33 (x) *“Tolerance zone” means 24 inches on each side of the field*
34 *marking placed by the operator in one of the following ways:*

35 (1) *Twenty-four inches from each side of a single marking,*
36 *assumed to be the centerline of the subsurface installation.*

37 (2) *Twenty-four inches plus one-half the specified size on each*
38 *side of a single marking with the size of installation specified.*

1 (3) Twenty-four inches from each outside marking that
2 graphically shows the width of the outside surface of the subsurface
3 installation on a horizontal plane.

4 (y) "Working day" for the purposes of determining excavation
5 start date and time means a weekday Monday through Friday,
6 from 7:00 a.m. to 5:00 p.m., except for federal holidays and state
7 holidays, as defined in Section 19853, or as otherwise posted on
8 the Internet Web site of the regional notification center.

9 SEC. 4. Section 4216.1 of the Government Code is amended
10 to read:

11 4216.1. Every operator of a subsurface installation, except the
12 Department of Transportation, shall become a member of,
13 participate in, and share in the costs of, a regional notification
14 center. Operators of subsurface installations who are members of,
15 participate in, and share in, the costs of a regional notification
16 center, including, but not limited to, the ~~South Shore Utility~~
17 ~~Coordinating Council~~, the Underground Service Alert—Northern
18 California or the Underground Service Alert—Southern California
19 are in compliance with this section and Section 4216.9.

20 SEC. 5. Section 4216.2 of the Government Code is amended
21 to read:

22 4216.2. (a) Before notifying the appropriate regional
23 notification center, an excavator planning to conduct an excavation
24 shall delineate the area to be excavated. If the area is not
25 delineated, an operator may, at the operator's discretion, choose
26 not to locate and field mark until the area to be excavated has
27 been delineated.

28 ~~(a) (1)~~

29 (b) Except in an emergency, ~~any person~~ an excavator planning
30 to conduct ~~any~~ an excavation shall ~~contact~~ notify the appropriate
31 regional notification ~~center~~, center of the excavator's intent to
32 excavate at least two working days, ~~but~~ and not more than 14
33 calendar days, ~~prior to commencing~~ before beginning that
34 excavation, ~~if excavation~~. The date of the excavation will be
35 conducted in an area that is known, or reasonably should be known,
36 ~~to contain subsurface installations~~ other notification shall not count
37 as part of the two-working-day notice. If an excavator gives less
38 notice than the ~~underground facilities owned or operated by legal~~
39 excavation start date and time and the excavator and, if practical,
40 excavation is not an emergency, the regional notification center

SB 661

1 *will take the information and provide a ticket, but an operator has*
2 *until the legal excavation start date and time to respond. However,*
3 *an excavator shall delineate with white paint or other suitable*
4 *markings the area to be excavated. and an operator may mutually*
5 *agree to a different notice and start date.*

6 ~~(2)~~

7 *(c) When the excavation is proposed within 10 feet of a high*
8 *priority high-priority subsurface installation, the operator of the*
9 *high priority high-priority subsurface installation shall notify the*
10 *excavator of the existence of the high priority high-priority*
11 *subsurface installation prior to the legal excavation start date and*
12 *time, as such date and time are authorized pursuant to paragraph*
13 *(1) of subdivision (a) of Section 4216.2. The excavator and operator*
14 *or its representative shall conduct set up an onsite meeting at a*
15 *mutually agreed on mutually agreed upon time to determine*
16 *actions or activities required to verify the location of the high*
17 *priority subsurface installations prior to start time. and prevent*
18 *damage to the high-priority subsurface installation. The excavator*
19 *shall not begin excavating until after the completion of the onsite*
20 *meeting.*

21 ~~(b)~~

22 *(d) Except in an emergency, every excavator covered by Section*
23 *4216.8 planning to conduct an excavation on private property that*
24 *does not require an excavation permit may contact the appropriate*
25 *regional notification center if the private property is known, or*
26 *reasonably should be known, to contain a subsurface installation*
27 *other than the underground facility owned or operated by the*
28 *excavator and, if practical, excavator. Before notifying the*
29 *excavator shall delineate with white paint or other suitable*
30 *markings appropriate regional notification center, an excavator*
31 *shall delineate the area to be excavated. Any temporary marking*
32 *placed at the planned excavation location shall be clearly seen,*
33 *functional, and considerate to surface aesthetics and the local*
34 *community. An excavator shall check if any local ordinances apply*
35 *to the placement of temporary markings.*

36 *(e) If an excavator gives less than the legal excavation start*
37 *date and time and it is not an emergency, the regional notification*
38 *center shall take the information and provide a ticket but an*
39 *operator shall have until the legal excavation start date and time*
40 *to respond.*

1 (e)

2 (f) The regional notification center shall provide ~~an inquiry~~
 3 ~~identification number~~ *a ticket* to the person who contacts the center
 4 pursuant to this section and shall notify any member, if known,
 5 who has a subsurface installation in the area of the proposed
 6 excavation. ~~An inquiry identification number may~~ *A ticket shall*
 7 ~~be validated~~ *valid* for ~~more than~~ 28 days ~~when mutually agreed~~
 8 ~~between~~ *from* the excavator and any member operator so notified
 9 ~~that has a subsurface installation in the area of~~ *date of issuance. If*
 10 ~~work continues beyond 28 days, the proposed excavation, and, it~~
 11 ~~may be revalidated~~ *excavator shall update the ticket either by*
 12 ~~notification to~~ *accessing the regional notification center center's*
 13 ~~Internet Web site or by calling "811" by the excavator prior to~~
 14 ~~end of the time of its expiration.~~ *28th day.*

15 (d)

16 (g) A record of all notifications by ~~excavators and operators~~ *an*
 17 ~~excavator or operator~~ to the regional notification center shall be
 18 maintained for a period of not less than three years. The record
 19 shall be available for inspection by the excavator and any member,
 20 or their representative, during normal working hours and according
 21 to guidelines for inspection as may be established by the regional
 22 notification centers.

23 (e) ~~As used in this section,~~

24 (h) ~~Unless an emergency exists, an excavator shall not begin~~
 25 ~~excavation until the delineation is practical when any excavator~~
 26 ~~receives a positive response from all known subsurface installations~~
 27 ~~within the delineated boundaries of the following conditions exist:~~
 28 ~~proposed area of excavation.~~

29 (1) ~~When delineating a prospective excavation site with white~~
 30 ~~paint could not be misleading to those persons using affected streets~~
 31 ~~and highways.~~

32 (2) ~~When the delineation could not be misinterpreted as a traffic~~
 33 ~~or pedestrian control.~~

34 (3) ~~Where~~

35 (i) ~~If a site requires special access, an excavator can determine~~
 36 ~~the exact location of~~ *shall request an excavation prior operator to*
 37 ~~contact the time an area has been field marked pursuant to Section~~
 38 ~~4216.3. excavator regarding that special access or give special~~
 39 ~~instructions on the location request.~~

40 (4) ~~Where delineation could not be construed as duplicative.~~

SB 661

1 ~~(f) Where~~

2 ~~(j) If a ticket obtained by an excavator makes a determination~~
3 ~~that it expires but work is not practical to delineate ongoing, the~~
4 ~~area to be excavated, the excavator shall contact call into the~~
5 ~~regional notification center to advise the operators that the~~
6 ~~excavator shall identify the area to be excavated in another manner~~
7 ~~sufficient to enable the operator to determine the area and get a~~
8 ~~new ticket and wait a minimum of two working days, not including~~
9 ~~the date of the call in, before restarting excavation. All excavation~~
10 ~~to be field marked pursuant to Section 4216.3, shall cease during~~
11 ~~the waiting period.~~

12 *SEC. 6. Section 4216.3 of the Government Code is amended*
13 *to read:*

14 4216.3. (a) (1) ~~Any operator of a subsurface installation who~~
15 ~~receives timely notification of any proposed excavation work in~~
16 ~~accordance with Section 4216.2 shall, within two working days~~
17 ~~of that notification, excluding weekends and holidays, or before~~
18 ~~(A) Unless the start of the excavation work, whichever is later, or~~
19 ~~at excavator and operator mutually agree to a later time mutually~~
20 ~~agreeable start date and time, or otherwise agree to the operator~~
21 ~~sequence and timeframe in which the excavator, operator will~~
22 ~~locate and field mark the approximate location and, if known, the~~
23 ~~number of subsurface installations that may be affected by the~~
24 ~~excavation to the extent and degree of accuracy that the information~~
25 ~~is available either in the records of the mark, an operator or as~~
26 ~~determined through the use shall do one of standard locating~~
27 ~~techniques other than excavating, otherwise advise the person who~~
28 ~~contacted following before the center of the location of the~~
29 ~~operator's subsurface installations that may be affected by the~~
30 ~~excavation, or advise the person that the operator does not operate~~
31 ~~any subsurface installations that would be affected by the proposed~~
32 ~~excavation. legal excavation start date and time:~~

33 *(i) Locate and field mark within the area delineated for*
34 *excavation and, where multiple subsurface installations of the*
35 *same type are known to exist together, mark the number of*
36 *subsurface installations.*

37 *(ii) To the extent and degree of accuracy that the information*
38 *is available, provide information to an excavator where the*
39 *operator's active or inactive subsurface installations are located.*

1 (iii) Advise the excavator it operates no subsurface installations
 2 in the area delineated for excavation.

3 (B) An operator shall mark newly installed subsurface
 4 installations in areas with continuing excavation activity.

5 (C) An operator shall indicate with an "A" inside a circle the
 6 presence of any abandoned subsurface installations, if known,
 7 within the delineated area. The markings are to make an excavator
 8 aware that there are abandoned subsurface installations within
 9 that delineated work area.

10 (2) Only a qualified person shall perform subsurface installation
 11 locating activities.

12 (3) A qualified person performing subsurface installation
 13 locating activities on behalf of a subsurface installation an operator
 14 shall use a minimum of a single-frequency utility locating device
 15 and shall have access to alternative sources for verification, if
 16 necessary.

17 ~~Operators of high priority subsurface installations—An~~
 18 ~~operator shall maintain amend, update, maintain, and preserve all~~
 19 ~~plans and records for its subsurface installations. installations as~~
 20 ~~that information becomes known. If there is a change in ownership~~
 21 ~~of a subsurface installation, the records shall be turned over to~~
 22 ~~the new operator. Commencing January 1, 2017, records on~~
 23 ~~abandoned subsurface installations, to the extent that those records~~
 24 ~~exist, shall be retained.~~

25 ~~(b) Every operator of a subsurface installation who field marks~~
 26 ~~the location of a subsurface installation shall make a reasonable~~
 27 ~~effort to make field markings in conformance with the uniform~~
 28 ~~color code of the American Public Works Association.~~

29 ~~(e) If, at any time during~~

30 ~~(b) If the field marks are no longer reasonably visible, an~~
 31 ~~excavation excavator shall renotify the regional notification center~~
 32 ~~with a request for which there is remarks that can be for all or a~~
 33 ~~valid inquiry identification number, an operator's field portion of~~
 34 ~~the excavation. Excavation shall cease in the area to be remarked.~~
 35 ~~If the delineation markings are no longer reasonably visible, the~~
 36 ~~excavator shall contact redelineate the appropriate regional~~
 37 ~~notification center. The regional notification center shall contact~~
 38 ~~any member, if known, who has a subsurface installation in the~~
 39 ~~area of the excavation. Upon receiving timely notification or~~
 40 ~~renotification pursuant to this subdivision, to be remarked. If~~

SB 661

1 *remarks are requested, the operator shall re-locate and re-mark,*
2 *within two working days, those not including the date of*
3 *request, to remark the subsurface installations that may installation.*
4 *If the area to be affected by remarked is not the excavation full*
5 *extent of the original excavation, the excavator shall delineate the*
6 *portion to be remarked and provide a description of the extent*
7 *necessary, in conformance with this section. area requested to be*
8 *remarked on the ticket. The excavator shall provide a description*
9 *for the area to be remarked that falls within the area of the original*
10 *location request.*

11 *(c) Every operator may supply an electronic positive response*
12 *through the regional notification center before the legal excavation*
13 *start date and time. The regional notification center shall make*
14 *those responses available.*

15 *(d) The excavator shall notify the appropriate regional*
16 *notification center of the failure of an operator to comply with this*
17 *section. identify subsurface installations pursuant to subparagraph*
18 *(A) or (B) of paragraph (1) of subdivision (a), or subdivision (b).*
19 *The notification shall include the inquiry identification number*
20 *ticket issued by the regional notification center. A record of all*
21 *notifications received pursuant to this subdivision shall be*
22 *maintained by the regional notification center for a period of not*
23 *less than three years. The record shall be available for inspection*
24 *pursuant to subdivision (d) subdivision(h) of Section 4216.2.*

25 *(e) If an operator or local agency knows that it has a subsurface*
26 *installation embedded or partially embedded in the pavement that*
27 *is not visible from the surface, the operator or local agency shall*
28 *contact the excavator before pavement removal to communicate*
29 *and determine a plan of action to protect that subsurface*
30 *installation and excavator.*

31 *SEC. 7. Section 4216.4 of the Government Code is amended*
32 *to read:*

33 *4216.4. (a) When the (1) Except as provided in paragraph*
34 *(2), if an excavation is within the approximate location tolerance*
35 *zone of a subsurface installation, the excavator shall determine the*
36 *exact location of the subsurface installations in conflict with the*
37 *excavation by excavating with using hand tools within the area of*
38 *the approximate location of subsurface installations as provided*
39 *by the operators in accordance with Section 4216.3 before using*
40 *any power-operated or power-driven excavating excavation or*

1 boring equipment within the approximate location tolerance zone
2 of the subsurface installation, except that power-operated or
3 power-driven excavating or boring equipment may be used for
4 installations. In all cases the removal of any existing pavement if
5 there are no subsurface installations contained in the pavement. If
6 documented notice of the intent to use vacuum excavation devices,
7 or power-operated or power-driven excavating or boring
8 equipment, has been provided to the subsurface installation
9 operator or operators and it is mutually agreeable with the operator
10 or operators and the excavator, the excavator may utilize vacuum
11 excavation devices, or power-operated or power-driven excavating
12 or boring equipment within the approximate location of a
13 subsurface installation and shall use reasonable care to any depth
14 prevent damaging subsurface installations.

15 (2) (A) An excavator may use a vacuum excavation device to
16 expose subsurface installations within the tolerance zone if the
17 operator has marked the subsurface installation, the excavator
18 has contacted any operator whose subsurface installations may
19 be in conflict with the excavation, and the operator has agreed to
20 the use of a vacuum excavation device. An excavator shall inform
21 the regional notification center of his or her intent to use a vacuum
22 excavation device when obtaining a ticket.

23 (B) An excavator may use power-operated or boring equipment
24 for the removal of any existing pavement only if there is no known
25 subsurface installation contained in the pavement.

26 (3) An excavator shall presume all subsurface installations to
27 be active, and shall use the same care around subsurface
28 installations that may be inactive as the excavator would use
29 around active subsurface installations.

30 (b) If the exact location of the subsurface installation cannot be
31 determined by hand excavating in accordance with subdivision
32 (a), the excavator shall request the operator to provide additional
33 information to the excavator, to the extent that information is
34 available to the operator, to enable the excavator to determine the
35 exact location of the installation. If the excavator has questions
36 about the markings that an operator has placed, the excavator
37 may contact the notification center to send a request to have the
38 operator contact the excavator directly. The regional notification
39 center shall provide the excavator with the contact phone telephone
40 number of the subsurface installation operator.

SB 661

1 (c) An excavator discovering or causing damage to a subsurface
2 installation, including all breaks, leaks, nicks, dents, gouges,
3 grooves, or other damage to subsurface installation lines, conduits,
4 coatings, or cathodic protection, shall immediately notify the
5 subsurface installation operator. The excavator may contact the
6 regional notification center to obtain the contact information of
7 the subsurface installation operator. If high priority subsurface
8 installations are damaged and the operator cannot be ~~contacted~~,
9 *contacted immediately*, the excavator shall call 911 emergency
10 services.

11 (d) *Each excavator, operator, or locator shall communicate*
12 *with each other and respect the appropriate safety requirements*
13 *and ongoing activities of the other parties, if known, at an*
14 *excavation site.*

15 *SEC. 8. Section 4216.5 of the Government Code is amended*
16 *to read:*

17 4216.5. The requirements of this article apply to state agencies
18 and to local agencies ~~which~~ *that* own or operate subsurface
19 installations, except as otherwise provided in Section 4216.1. A
20 local agency ~~which~~ *that* is required to provide the services
21 described in Section 4216.3 may charge a fee in an amount
22 sufficient to cover the cost of providing that service.

23 *SEC. 9. Section 4216.6 of the Government Code is amended*
24 *to read:*

25 4216.6. (a) (1) Any operator or excavator who negligently
26 violates this article is subject to a civil penalty in an amount not
27 to exceed ten thousand dollars (\$10,000).

28 (2) Any operator or excavator who knowingly and willfully
29 violates any of the provisions of this article is subject to a civil
30 penalty in an amount not to exceed fifty thousand dollars (\$50,000).

31 (3) Except as otherwise specifically provided in this article, this
32 section is not intended to affect any civil remedies otherwise
33 provided by law for personal injury or for property damage,
34 including any damage to subsurface installations, nor is this section
35 intended to create any new civil remedies for those injuries or that
36 damage.

37 (4) This article shall not be construed to limit any other provision
38 of law granting governmental immunity to state or local agencies
39 or to impose any liability or duty of care not otherwise imposed
40 by law upon any state or local agency.

1 (b) An action may be brought by the Attorney General, the
2 district attorney, or the local or state agency ~~which~~ *that* issued the
3 permit to excavate, for the enforcement of the civil penalty pursuant
4 to this ~~section~~. *section in a civil action brought in the name of the*
5 *people of the State of California.* If penalties are collected as a
6 result of a civil suit brought by a state or local agency for collection
7 of those civil penalties, the penalties imposed shall be paid to the
8 general fund of the agency. If more than one agency is involved
9 in enforcement, the penalties imposed shall be apportioned among
10 them by the court in a manner that will fairly offset the relative
11 costs incurred by the state or local agencies, or both, in collecting
12 these fees.

13 (c) *The requirements of this article may also be enforced*
14 *following a recommendation of the California Underground*
15 *Facilities Safe Excavation Advisory Committee by a state or local*
16 *agency, which may include the Attorney General or a district*
17 *attorney, with jurisdiction over the activity or business undertaken*
18 *in commission of the violation. The following agencies shall act*
19 *to accept, amend, or reject the recommendations of the advisory*
20 *committee as follows:*

21 (1) *The Registrar of Contractors of the Contractors' State*
22 *License Board shall enforce the provisions of this article on*
23 *contractors, as defined in Article 2 of Chapter 9 of Division 3 of*
24 *the Business and Professions Code.*

25 (2) *The Public Utilities Commission shall enforce the provisions*
26 *of this article on gas corporations, as defined in Section 222 of*
27 *the Public Utilities Code, and electrical corporations, as defined*
28 *in Section 218 of the Public Utilities Code.*

29 (3) *The Office of the State Fire Marshal shall enforce the*
30 *provisions of this article on operators of hazardous liquid pipeline*
31 *facilities, as defined in Section 60101 of Chapter 601 of Subtitle*
32 *VIII of Title 49 of the United States Code.*

33 ~~(e)~~

34 (d) Statewide information provided by operators and excavators
35 regarding facility events shall be compiled and made available in
36 an annual report by regional notification centers and posted on the
37 Internet Web sites of the regional notification centers.

38 ~~(d)~~

39 (e) For purposes of subdivision ~~(e)~~, (d), the following terms
40 have the following meanings:

SB 661

1 (1) "Facility event" means the occurrence of excavator
2 downtime, damages, near misses, and violations.

3 (2) "Statewide information" means information submitted by
4 operators and excavators using the California Regional Common
5 Ground Alliance's Virtual Private Damage Information Reporting
6 Tool. Supplied data shall comply with the Damage Information
7 Reporting Tool's minimum essential information as listed in the
8 ~~Common Ground Alliance's most recent~~ *most recent version of*
9 ~~the Best Practices Handbook.~~ *guide of the Common Ground*
10 *Alliance.*

11 *SEC. 10. Section 4216.7 of the Government Code is amended*
12 *to read:*

13 4216.7. (a) If a subsurface installation is damaged by an
14 excavator as a result of failing to comply with Section 4216.2 or
15 4216.4, or *subdivision (b) of Section 4216.3, or as a result of failing*
16 *to comply with the operator's requests to protect the subsurface*
17 *installation as specified by the operator* ~~prior to~~ *before* the start of
18 excavation, the excavator shall be liable to the operator of the
19 subsurface installation for resulting damages, costs, and expenses
20 to the extent the damages, costs, and expenses were proximately
21 caused by the excavator's failure to comply.

22 (b) ~~If the an operator of a subsurface installation has failed to~~
23 ~~comply with~~ *become a member of, participate in, or share in the*
24 *costs of, a regional notification-center system requirements of*
25 ~~Section 4216.1, center,~~ that operator shall forfeit his or her claim
26 for damages to his or her subsurface ~~installation,~~ *installation* arising
27 ~~from the excavation,~~ *an excavation* against an excavator who has
28 complied with the requirements of Section 4216.2 ~~this article~~
29 to the extent damages were proximately caused by the operator's
30 failure to ~~comply.~~ *comply with this article.*

31 (c) If an operator of a subsurface installation *without a*
32 *reasonable basis, as determined by a court of competent*
33 *jurisdiction,* has failed to comply with the provisions of Section
34 4216.3, *including, but not limited to, the requirement to field mark*
35 *the appropriate location of subsurface installations within two*
36 *working days of notification, as defined by subdivision (y) of*
37 *Section 4216 and subdivision (b) of Section 4216.2,* has failed to
38 comply with ~~paragraph (2) of subdivision (a) (c) of Section 4216.2,~~
39 or has failed to comply with subdivision (b) of Section 4216.4, the
40 operator shall be liable *for damages* to the excavator who has

1 complied with ~~Sections 4216.2~~ Section 4216.2, subdivisions (b)
2 and ~~4216.4~~ for (d) of Section 4216.3, and Section 4216.4, including
3 liquidated damages, liability, losses, costs, and ~~expenses~~ expenses,
4 actually incurred by the excavator, resulting from the operator's
5 failure to comply with these specified requirements to the extent
6 the damages, costs, and expenses were proximately caused by the
7 operator's failure to comply.

8 (d) An excavator who damages a subsurface installation due to
9 an inaccurate field mark by an operator, or by a third party under
10 contract to perform field marking for the operator, shall not be
11 liable for damages, replacement costs, or other expenses arising
12 from damages to the subsurface installation if the excavator
13 complied with Sections 4216.2 and 4216.4.

14 This section is not intended to create any presumption or to
15 affect the burden of proof in any action for personal injuries or
16 property damage, other than damage to the subsurface installation,
17 nor is this section intended to affect, create, or eliminate any
18 remedy for personal injury or property damage, other than damage
19 to the subsurface installation.

20 (e) For the purposes of this section, "inaccurate field mark"
21 means a mark, or set of markings, made pursuant to Section
22 4216.3, that did not correctly indicate the approximate location
23 of a subsurface installation affected by an excavation and includes
24 the actual physical location of a subsurface installation affected
25 by an excavation that should have been marked pursuant to Section
26 4216.3 but was not.

27 ~~(e)~~

28 (f) Nothing in this section shall be construed to do any of the
29 following:

30 (1) Affect claims including, but not limited to, third-party claims
31 brought against the excavator or operator by other parties for
32 damages arising from the excavation.

33 (2) Exempt the excavator or operator from his or her duty to
34 mitigate any damages as required by common or other applicable
35 law.

36 (3) Exempt the excavator or operator from liability to each other
37 or third parties based on equitable indemnity or comparative or
38 contributory negligence.

39 SEC. 11. Section 4216.8 of the Government Code is amended
40 to read:

SB 661

1 4216.8. This article does not apply to ~~any~~ *either* of the
2 following persons:

3 ~~(a) An owner of real property who contracts for an excavation~~
4 ~~project on the property, not requiring a permit issued by a state or~~
5 ~~local agency, with a contractor or subcontractor licensed pursuant~~
6 ~~to Article 5 (commencing with Section 7065) of Chapter 9 of~~
7 ~~Division 3 of the Business and Professions Code.~~

8 (b)

9 (a) An owner of residential real property, not engaged as a
10 contractor or subcontractor licensed pursuant to Article 5
11 (commencing with Section 7065) of Chapter 9 of Division 3 of
12 the Business and Professions Code, ~~who~~ *who*, as part of improving
13 his or her principal residence or ~~appurtenances thereto~~ *an*
14 *appurtenance thereto*, is performing or *is having an excavation*
15 *performed—excavation work using hand tools, including the*
16 *installation of temporary real estate signposts, that does not*
17 ~~requiring~~ *require* a permit issued by a state or local agency. A
18 *person described in this subdivision is not an “excavator” as*
19 *defined in subdivision (h) of Section 4216, however this subdivision*
20 *shall not discourage a person from voluntarily notifying a regional*
21 *notification center pursuant to Section 4216.2, and does not relieve*
22 *an operator of a subsurface facility from the obligation to locate*
23 *and field mark pursuant to Section 4216.3 following the*
24 *notification. Notwithstanding Section 4216.2, an owner of real*
25 *residential property is not required to wait until 14 calendar days*
26 *before the beginning of an excavation to notify the regional*
27 *notification center, but rather may do so at any time at least two*
28 *working days before beginning an excavation to learn the locations*
29 *of subsurface installations on his or her property. This subdivision*
30 *does not relieve a person performing excavation activities from a*
31 *duty of reasonable care to prevent damage to subsurface*
32 *installations, and failure to exercise reasonable care may result*
33 *in liability for damage to a subsurface installation that is*
34 *proximately caused by those activities.*

35 (e)

36 (b) Any person or private entity that leases or rents power
37 operated or power-driven excavating or boring equipment,
38 regardless of whether an equipment operator is provided for that
39 piece of equipment or not, to a contractor or subcontractor licensed
40 pursuant to Article 5 (commencing with Section 7065) of Chapter

1 9 of Division 3 of the Business and Professions Code, if the signed
2 rental agreement between the person or private entity and the
3 contractor or subcontractor contains the following provision:

4
5 “It is the sole responsibility of the lessee or renter to follow
6 the requirements of the regional notification center law
7 pursuant to Article 2 (commencing with Section 4216) of
8 Chapter 3.1 of Division 5 of Title 1 of the Government Code.
9 By signing this contract, the lessee or renter accepts all
10 liabilities and responsibilities contained in the regional
11 notification center law.”

12
13 *SEC. 12. Section 4216.9 of the Government Code is amended*
14 *to read:*

15 4216.9. (a) ~~No~~A permit to excavate issued by any local
16 agency, as defined in Section 4216, or any state agency, shall *not*
17 be valid unless the applicant has been provided an initial ~~inquiry~~
18 ~~identification number ticket~~ by a regional notification center
19 pursuant to Section 4216.2. For purposes of this section, “state
20 agency” means every state agency, department, division, bureau,
21 board, or commission, including the Department of Transportation.

22 (b) This article does not exempt any person or corporation from
23 Sections 7951, 7952, and 7953 of the Public Utilities Code.

24 *SEC. 13. Section 4216.12 is added to the Government Code,*
25 *to read:*

26 4216.12. (a) *The California Underground Facilities Safe*
27 *Excavation Advisory Committee is hereby created under, and shall*
28 *be assisted by the staff of, the Contractors’ State License Board*
29 *in the Department of Consumer Affairs.*

30 (b) *The advisory committee shall perform the following tasks:*

31 (1) *Coordinate education and outreach activities that encourage*
32 *safe excavation practices, as described in Section 4216.17.*

33 (2) *Develop standards, as described in Section 4216.18.*

34 (3) *Investigate possible violations of this article, as described*
35 *in Section 4216.19.*

36 (c) *Notwithstanding any other law, the repeal of this section*
37 *renders the advisory committee subject to review by the*
38 *appropriate policy committees of the Legislature.*

39 (d) *This section shall remain in effect so long as, pursuant to*
40 *subdivision (c) of Section 7000.5 of the Business and Professions*

SB 661

1 Code, there is in the Department of Consumer Affairs a
2 Contractors' State License Board.

3 (e) This section shall become operative only if the Legislature
4 appropriates moneys from the Safe Energy Infrastructure and
5 Excavation Fund to the California Underground Facilities Safe
6 Excavation Advisory Committee for the purposes of this section
7 and grants authority to the Contractors' State License Board to
8 hire sufficient staff.

9 SEC. 14. Section 4216.13 is added to the Government Code,
10 to read:

11 4216.13. (a) The advisory committee shall be composed of
12 nine members, of which four shall be appointed by the Governor,
13 three shall be appointed by the Contractors' State License Board,
14 one shall be appointed by the Speaker of the Assembly, and one
15 shall be appointed by the Senate Committee on Rules.

16 (b) The four members appointed by the Governor shall be
17 appointed, as follows:

18 (1) Three members shall have knowledge and expertise in the
19 operation of subsurface installations. Of those three members, one
20 shall have knowledge and expertise in the operation of the
21 subsurface installations of a municipal utility. At least one of the
22 three members shall have knowledge and experience in the
23 operation of high priority subsurface installations.

24 (2) One member shall have knowledge and expertise in
25 subsurface installation location and marking and shall not be
26 under the direct employment of an operator.

27 (c) The three members appointed by the Contractors' State
28 License Board shall have knowledge and experience in contract
29 excavation for employers who are not operators of subsurface
30 installations. Of the three members, one member shall be a general
31 engineering contractor, one member shall be a general building
32 contractor, and one member shall be a specialty contractor. For
33 the purposes of this section, the terms "general engineering
34 contractor," "general building contractor," and "specialty
35 contractor" shall have the meanings given in Article 4
36 (commencing with Section 7055) of Chapter 9 of Division 3 of the
37 Business and Professions Code.

38 (d) The member appointed by the Speaker of the Assembly shall
39 have knowledge and expertise in representing in safety matters
40 the workers employed by contract excavators.

1 (e) The member appointed by the Senate Committee on Rules
2 shall have knowledge and expertise in managing the underground
3 installations on one's own property, and may be drawn from
4 agricultural, commercial, or residential, or other, property sectors.

5 (f) The advisory committee may invite two directors of
6 operations of regional notification centers to be nonvoting ex
7 officio members of the advisory committee.

8 SEC. 15. Section 4216.14 is added to the Government Code,
9 to read:

10 4216.14. (a) The term of a member of the advisory committee
11 is two years. Of the first members of the advisory committee, four
12 members, determined by lot, shall serve for one year so that the
13 terms of the members shall be staggered.

14 (b) A member shall not be appointed for more than two
15 consecutive full terms.

16 (c) To the extent possible, the appointing power shall fill any
17 vacancy in the membership of the advisory committee within 60
18 days after the vacancy occurs.

19 (d) Upon the recommendation of the advisory committee, the
20 Governor may remove a member appointed by the Governor for
21 incompetence or misconduct.

22 (e) The advisory committee shall select a chairperson from
23 among its members at the first meeting of each calendar year or
24 when a vacancy in the chair exists.

25 (f) Subject to subdivision (g), the manner in which the
26 chairperson is selected and the chairperson's term of office shall
27 be determined by the advisory committee.

28 (g) A member of the advisory committee shall not serve more
29 than two consecutive years as the chairperson of the advisory
30 committee.

31 SEC. 16. Section 4216.15 is added to the Government Code,
32 to read:

33 4216.15. The advisory committee shall meet at least once every
34 three months. The advisory committee shall hold meetings in
35 Sacramento and Los Angeles, and in other locations in the state
36 it deems necessary.

37 SEC. 17 Section 4216.16 is added to the Government Code, to
38 read:

39 4216.16. The advisory committee may obtain funding for its
40 operational expenses from:

SB 661

1 (a) *The Safe Energy Infrastructure and Excavation Fund,*
2 *created in Section 320.5 of the Public Utilities Code.*

3 (b) *A federal or state grant.*

4 (c) *A fee charged to members of the regional notification centers*
5 *not to exceed the reasonable regulatory cost incident to*
6 *enforcement of this article.*

7 (d) *A filing or administrative fee to hear a complaint pursuant*
8 *to Section 4216.20.*

9 (e) *Any other source.*

10 SEC. 18. *Section 4216.17 is added to the Government Code,*
11 *to read:*

12 4216.17. (a) *In order to understand the needs for education*
13 *and outreach, including of those groups with the highest awareness*
14 *and education needs, such as homeowners, and to facilitate*
15 *discussion on how to coordinate those efforts, the advisory*
16 *committee shall annually convene a meeting with state and local*
17 *government agencies, California operators, regional notification*
18 *centers, and trade associations that fund outreach and education*
19 *programs that encourage safe excavation practices.*

20 (b) *The advisory committee shall use the annual meeting*
21 *described in subdivision (a) to determine the areas in which*
22 *additional education and outreach efforts should be targeted. The*
23 *advisory committee shall grant the use of the moneys that may be*
24 *apportioned to it by the Public Utilities Commission pursuant to*
25 *paragraph (1) of subdivision (b) of Section 320.5 of the Public*
26 *Utilities Code to fund public education and outreach programs*
27 *designed to promote excavation safety around subsurface*
28 *installations and target towards specific excavator groups, giving*
29 *priority to those with the highest awareness and education needs,*
30 *such as homeowners.*

31 SEC. 19. *Section 4216.18 is added to the Government Code,*
32 *to read:*

33 4216.18. (a) *The advisory committee shall develop a standard*
34 *or set of standards relevant to safety practices in excavating around*
35 *subsurface installations and procedures and guidance in*
36 *encouraging those practices. When possible, standards should be*
37 *informed by public ly available data, such as that collected by*
38 *state and federal agencies and by the regional notification centers*
39 *pursuant to subdivision (d) of Section 4216.6, and the advisory*
40 *committee should refrain from using data about facility events not*

1 provided either to a state or federal agency or as statewide
2 information, as defined in paragraph (2) of subdivision (e) of
3 Section 4216.6. The standard or set of standards are not intended
4 to replace other relevant standards, including the best practices
5 of the Common Ground Alliance, but are to inform areas currently
6 without established standards. The standard or set of standards
7 shall address all of the following:

8 (1) Evidence necessary for excavators and operators to
9 demonstrate compliance with Sections 4216.2, 4216.3, and 4216.4.

10 (2) Guidance for recommended sanctions against excavators
11 and operators for violations of the article designed to improve
12 safety. Sanctions may include notification and information letters,
13 direction to attend relevant education, and financial penalties.
14 The guidance shall state the circumstances under which the
15 investigation and a recommendation for sanction shall be
16 transmitted to a state or local agency, which may include the
17 Attorney General or a district attorney, for enforcement pursuant
18 to subdivision (b) of Section 4216.20 and may allow for a decision
19 not to transmit if the investigation was initiated by a complaint,
20 the parties have settled the matter, and the advisory committee
21 has determined that further enforcement is not necessary as a
22 deterrent to maintain the integrity of subsurface installations and
23 to protect the safety of excavators and the public.
24 Recommendations for sanctions shall be graduated and shall
25 consider all of the following:

26 (A) The type of violation and its gravity.

27 (B) The degree of culpability.

28 (C) The operator's or excavator's history of violations.

29 (D) The operator's or excavator's history of work conducted
30 without violations.

31 (E) The efforts taken by the violator to prevent violation, and,
32 once the violation occurred, the efforts taken to mitigate the safety
33 consequences of the violation.

34 (F) That homeowners have high awareness and education needs,
35 and for this reason, financial penalties shall not be recommended
36 except in cases in which a person's violations have been willful,
37 repeated, and flagrant.

38 (3) What constitutes reasonable care, as required by paragraph
39 (1) of subdivision (a) of Section 4216.4, in using hand tools around
40 subsurface installations within the tolerance zone, considering the

SB 661

1 need to balance worker safety in trenches with the protection of
2 subsurface installations. As part of determining reasonable care,
3 the advisory committee shall consider the appropriate additional
4 excavating depth an excavator should make if either of the
5 following occur:

6 (A) The subsurface installation is delineated within the tolerance
7 zone but it is not in conflict with the excavation.

8 (B) The location of a subsurface installation is determined, but
9 additional subsurface installations may exist immediately below
10 the located subsurface installation.

11 (4) What constitutes reasonable care, as required by paragraph
12 (1) of subdivision (a) of Section 4216.4, in grading activities on
13 road shoulders and dirt roads which may include standards for
14 potholing.

15 (b) On or before December 31, 2018, the advisory committee
16 shall, in consultation with the Department of Food and Agriculture
17 and after an agricultural stakeholder process, make
18 recommendations for long term treatment of agricultural activities
19 that include determining whether the notification requirements of
20 Section 4216.2, the locate and field mark requirements of Section
21 4216.3, and the excavation requirements of Section 4216.4 are
22 appropriate for all types of agricultural activities, or whether they
23 could be modified in ways to promote participation in safe
24 agricultural practices around high priority subsurface installations.

25 (1) The recommendations shall be informed by a study that
26 includes, but is not limited to, the following:

27 (A) A review of past damages attributable to agricultural
28 activities, including information provided by gas corporations
29 pursuant to subdivision (b) of Section 971 of the Public Utilities
30 Code.

31 (B) Estimations of the use of regional notification centers by
32 persons involved in agricultural activities provided by gas
33 corporations, including the methodology used for the development
34 of, the sources of error in, and confidence intervals for the
35 estimations, pursuant to subdivision (c) of Section 971 of the Public
36 Utilities Code.

37 (C) A review of the outreach and education practices of
38 operators of high-priority subsurface installations toward persons
39 who undertake agricultural activities and measures of the successes

1 of those practices, with an explanation of how the measure of
2 success is defined.

3 (D) A review of existing standards for operator communication
4 with excavators, such as Recommended Practice 1162 by the
5 American Petroleum Institute.

6 (2) The recommendations shall address the following questions:

7 (A) Do agricultural activities differ from common types of
8 excavation in ways that may affect the applicability of Sections
9 4216.2, 4216.3, and 4216.4 to agricultural activities?

10 (B) Should a person notify the regional notification center before
11 undertaking agricultural activities that are not in the vicinity of
12 subsurface installations? What is a sufficient means by which a
13 person would know if there are subsurface installations in the
14 vicinity?

15 (C) What is the benefit of the requirement in subdivision (c) of
16 Section 4216.2 for an onsite meeting in advance of the performance
17 of agricultural activities in the vicinity of high-priority subsurface
18 installations? Under what circumstances is an onsite meeting
19 appropriate in advance of the performance of agricultural
20 activities, and how far in advance of the performance of
21 agricultural activities does the onsite meeting requirement retain
22 its benefit? What is the most convenient and expedient means to
23 initiate an onsite meeting in advance of the performance of
24 agricultural activities?

25 (D) What outreach and education activities on the part of
26 operators of high-priority subsurface installations are important
27 to promote safety in performing agricultural activities? What
28 actions should the outreach and education activities induce in
29 persons performing agricultural activities, and how can success
30 be measured?

31 (E) How should the success of the advisory committee's
32 recommendations be measured?

33 SEC. 20. Section 4216.19 is added to the Government Code,
34 to read:

35 4216.19. (a) The advisory committee shall investigate possible
36 violations of this article, including complaints from affected parties
37 and members of the public.

38 (b) In furthering the purposes of this article, the advisory
39 committee may authorize staff allocated to it by the Contractors'

SB 661

1 State License Board to use compliance audits, including field
2 audits, and investigations of incidents and near-misses.

3 (c) This section shall become operative on January 1, 2018.

4 SEC. 21. Section 4216.20 is added to the Government Code,
5 to read:

6 4216.20. (a) Upon the completion of an investigation of a
7 possible violation of this article, the advisory committee shall
8 inform the following parties of the result of the investigation,
9 including any findings of probable violation:

10 (1) The party or parties whose activities were the subject of the
11 investigation.

12 (2) The complainant, if the investigation was initiated because
13 of a complaint.

14 (3) Any excavator or operator whose activities or subsurface
15 installations were involved in the incident investigated.

16 (b) If the advisory committee, upon the completion of an
17 investigation, finds a probable violation of the article, the advisory
18 committee may transmit the investigation results and any
19 recommended penalty to the state or local agency with jurisdiction
20 over the activity or business undertaken in commission of the
21 violation.

22 SEC. 22. Section 4216.21 is added to the Government Code,
23 to read:

24 4216.21. (a) For an investigation that the advisory committee
25 undertakes as a result of a complaint of a violation of Section
26 4216.2, 4216.3, or 4216.4, the complainant shall not file an action
27 in court for damages based on those violations until the
28 investigation is complete, or for 120 days after the investigation
29 begins, whichever comes first, during which time, applicable
30 statutes of limitation shall be tolled.

31 (b) If a complainant files an action in court against a person
32 for damages based upon violations of Section 4216.2, 4216.3, or
33 4216.4, after the completion of an advisory committee investigation
34 in which the person was found not to have violated the article, the
35 complainant shall also notify the advisory committee when the
36 action is filed.

37 (c) This section only applies to a claim for damages to a
38 subsurface installation.

39 SEC. 23. Section 4216.22 is added to the Government Code,
40 to read:

1 4216.22. (a) Notwithstanding Section 10231.5, the advisory
2 committee shall report to the Governor and the Legislature on or
3 before February 1, 2018, and each year thereafter, on the activities
4 of the advisory committee and any recommendations of the
5 advisory committee.

6 (b) A report to be submitted pursuant to subdivision (a) shall
7 be submitted in compliance with Section 9795.

8 SEC. 24. Section 17921.11 is added to the Health and Safety
9 Code, to read:

10 17921.11. (a) During the next regularly scheduled intervening
11 code cycle that commences on or after January 1, 2017, or during
12 a subsequent code adoption cycle, the department shall develop
13 and propose for adoption by the California Building Standards
14 Commission, pursuant to Chapter 4 (commencing with Section
15 18935) of Part 2.5, building standards requiring all new residential
16 nonpressurized building sewers that connect from building
17 structures to the public right-of-way or applicable utility easement
18 to include the installation of tracer tape or wire to aid in detection
19 and tracing of these nonpressurized building sewers.

20 (b) In researching, developing, and proposing building
21 standards under this section, the Department of Housing and
22 Community Development is authorized to expend funds from the
23 Building Standards Administration Special Revolving Fund, upon
24 appropriation pursuant to Section 18931.7.

25 SEC. 25. Section 18940.8 is added to the Health and Safety
26 Code, to read:

27 18940.8. (a) During the next regularly scheduled intervening
28 code cycle that commences on or after January 1, 2017, or during
29 a subsequent code adoption cycle, the commission shall develop
30 and propose for adoption, pursuant to Chapter 4 (commencing
31 with Section 18935) of Part 2.5, building standards requiring all
32 new nonresidential nonpressurized building sewers that connect
33 from building structures to the public right-of-way or applicable
34 utility easement to include the installation of tracer tape or wire
35 to aid in detection and tracing of these nonpressurized building
36 sewers.

37 (b) In researching, developing, and proposing building
38 standards under this section, the California Building Standard
39 Commission is authorized to expend funds from the Building

SB 661

1 *Standards Administration Special Revolving Fund, upon*
2 *appropriation pursuant to Section 18931.7.*

3 *SEC. 26. Section 320.5 is added to the Public Utilities Code,*
4 *to read:*

5 *320.5. (a) The Safe Energy Infrastructure and Excavation*
6 *Fund is hereby established in the State Treasury. Moneys deposited*
7 *into the fund shall be used to cover the administrative expenses of*
8 *the California Underground Facilities Safe Excavation Advisory*
9 *Committee, upon appropriation by the Legislature. Additionally,*
10 *the moneys may be used as described in subdivision (b).*

11 *(b) Up to five hundred thousand dollars (\$500,000) of moneys*
12 *in the fund that are in excess of the moneys necessary for the*
13 *administrative expenses of the California Underground Facilities*
14 *Safe Excavation Advisory Committee may, upon appropriation by*
15 *the Legislature, be apportioned by the commission for the following*
16 *purposes:*

17 *(1) The California Underground Facilities Safe Excavation*
18 *Advisory Committee, to fund public education and outreach*
19 *programs designed to promote excavation safety around subsurface*
20 *installations and targeted toward specific excavator groups.*

21 *(2) The commission, to further a gas and electric safety and*
22 *enforcement workforce development program consistent with its*
23 *equal employment program. No moneys shall be used to fulfill*
24 *existing state and federal training requirements or for ongoing*
25 *operations, but moneys may be used for the purpose of education*
26 *in emergent safety issues and in best practices pertaining to gas*
27 *and electric utility inspections, audits, accident investigations, and*
28 *data tracking and analysis. The commission may only apportion*
29 *moneys for this purpose upon commission approval of a safety*
30 *and enforcement workforce development program at a meeting of*
31 *the commission. No more than one hundred fifty thousand dollars*
32 *(\$150,000) of the Safe Energy Infrastructure and Excavation Fund*
33 *may be used for this purpose.*

34 *(c) Any moneys not allocated pursuant to subdivisions (a) and*
35 *(b) shall be deposited into the General Fund.*

36 *SEC. 27. Section 911.2 is added to the Public Utilities Code,*
37 *to read:*

38 *911.2. No later than February 1, 2019, the commission shall*
39 *report to the Legislature and to the California Underground*
40 *Facilities Safe Excavation Advisory Committee an analysis of*

1 excavation damage to commission-regulated pipeline facilities.
2 The report shall include analyses of the types of damage and other
3 information described in Section 971.

4 SEC. 28. Section 955.5 of the Public Utilities Code is amended
5 to read:

6 955.5. (a) For purposes of this section, the following terms
7 have the following meanings:

8 (1) "Gas pipeline" means an intrastate distribution line as
9 described in paragraph (1) of, or an intrastate transmission line as
10 described in paragraph (2) of, Section 950.

11 (2) "Hospital" means a licensed general acute care hospital as
12 defined in subdivision (a) of Section 1250 of the Health and Safety
13 Code.

14 (3) "School" means a public or private preschool, elementary,
15 or secondary school.

16 (b) A gas corporation shall provide not less than three working
17 days' notice to the administration of a school or hospital prior to
18 undertaking nonemergency excavation or construction of a gas
19 pipeline pipeline, excluding any work that only uses hand tools,
20 pneumatic hand tools, or vacuum technology for the purpose of
21 marking and locating a subsurface installation pursuant to Article
22 2 (commencing with Section 4216) of Chapter 3.1 of Division 5 of
23 Title 1 of the Government Code, if the work is located within 500
24 feet of the school or hospital. The notification shall include all of
25 the following:

26 (1) The name, address, telephone number, and emergency
27 contact information for the gas corporation.

28 (2) The specific location of the gas pipeline where the excavation
29 or construction will be performed.

30 (3) The date and time the excavation or construction is to be
31 conducted and when the work is expected to be completed.

32 (4) An invitation and a telephone number to call for further
33 information on what the school or hospital should do in the event
34 of a leak.

35 (c) The gas corporation shall maintain a record of the date and
36 time of any notification provided to the administration of a school
37 or hospital prior to undertaking nonemergency excavation or
38 construction of a gas pipeline and any subsequent contacts with
39 the administration of a school or hospital relative to the excavation
40 or construction and the actions taken, if any, in response to those

SB 661

1 subsequent contacts. The gas corporation shall maintain these
2 records and make them available for inspection for no less than
3 five years from the date of the notification.

4 *SEC. 29. Section 971 is added to the Public Utilities Code, to*
5 *read:*

6 *971. (a) As a part of its damage prevention program carried*
7 *out pursuant to Section 192.614 of Part 192 of Title 49 of the Code*
8 *of Federal Regulations, each gas corporation shall collect data*
9 *to inform its outreach activities. Until January 1, 2020, the data*
10 *shall include all of the following:*

11 *(1) Damage to underground commission-regulated pipeline*
12 *facilities that occurred during the performance of landscaping*
13 *activities. Each gas corporation shall note in its investigation of*
14 *excavation damage incidents the approximate depth of the gas*
15 *facility at the time of damage, the type of excavator involved, which*
16 *may include "homeowner," "licensed contractor," or "unlicensed*
17 *contractor," and whether the excavator had called the regional*
18 *notification center before performing the excavation.*

19 *(2) All claims filed by the gas corporation against an excavator*
20 *for damage to commission-regulated pipeline facilities.*

21 *(3) Damages to underground commission-regulated pipeline*
22 *facilities that occurred in the installation of temporary real estate*
23 *signposts. Each gas corporation shall note in its investigation of*
24 *excavation damage incidents the type of signpost installed and the*
25 *method of installation, including the types of tools used.*

26 *(4) Damage to underground commission-regulated pipeline*
27 *facilities that occurred during agricultural activities, including*
28 *the type of activity performed and the type of tool involved in the*
29 *damage.*

30 *(5) Any other information that the commission shall require.*

31 *(b) Until January 1, 2020, each gas corporation shall annually*
32 *report to the commission and to the California Underground*
33 *Facilities Safe Excavation Advisory Committee excavation damage*
34 *data and analyses contained in subdivision (a) in a format of the*
35 *commission's choosing.*

36 *(c) As a part of its damage prevention program carried out*
37 *pursuant to Section 192.614 of Part 192 of Title 49 of the Code of*
38 *Federal Regulations, each gas corporation shall estimate*
39 *Californians' use of regional notification centers, as defined in*
40 *Section 4216 of the Government Code, before conducting*

1 agricultural activities. This estimation shall consider the use of
2 regional notification centers before conducting agricultural
3 activities that are both in the vicinity of its natural gas transmission
4 pipelines and not in the vicinity of its natural gas transmission
5 pipelines. Each gas corporation shall provide this estimate to the
6 commission and to the California Underground Facilities Safe
7 Excavation Advisory Committee on or before July 1, 2017. In
8 performing this estimation, each gas corporation shall do all of
9 the following:

10 (1) Estimate the amount and locations of agricultural activity
11 being performed by using relevant publically available information,
12 such as maps prepared pursuant to the Farmland Mapping and
13 Monitoring Program of the California Natural Resources Agency,
14 information from the National Agricultural Statistics Service, and
15 information available from assessor parcel numbers.

16 (2) Determine the number and locations of notifications to
17 regional notification centers for excavation activities on
18 agricultural land by using information from its own mark and
19 locate activities and, to the extent the information is available,
20 from the regional notification centers or other sources.

21 (3) For notifications in the vicinity of its natural gas
22 transmission pipelines, determine the average number of
23 notifications on agricultural land per transmission pipeline mile
24 per year as well as a histogram to describe the number of
25 transmission pipeline intervals Y , in units of the best available
26 precision, on which X notifications occurred, where X increases
27 from zero.

28 (4) Describe the methodology used for the development of any
29 estimates and identify sources of error in the estimation and a
30 confidence interval for the estimation.

31 SEC. 30. Section 1702.5 of the Public Utilities Code is amended
32 to read:

33 1702.5. (a) The commission shall, in an existing or new
34 proceeding, develop and implement a safety enforcement program
35 applicable to gas corporations and electrical corporations ~~which~~
36 that includes procedures for monitoring, data tracking and analysis,
37 and investigations, as well as issuance of citations by commission
38 staff, under the direction of the executive director. The enforcement
39 program shall be designed to improve gas and electrical system
40 safety through the enforcement of applicable law, or order or rule

SB 661

1 of the commission related to safety using a variety of enforcement
2 mechanisms, including the issuance of corrective actions, orders,
3 and citations by designated commission staff, and recommendations
4 for action made to the commission by designated commission staff.

5 (1) When considering the issuance of citations and assessment
6 of penalties, the commission staff shall take into account voluntary
7 reporting of potential violations, voluntary removal or resolution
8 efforts undertaken, the prior history of violations, the gravity of
9 the violation, and the degree of culpability.

10 (2) The procedures shall include, but are not limited to,
11 providing notice of violation within a reasonable period of time
12 after the discovery of the violation.

13 (3) The commission shall adopt an administrative limit on the
14 amount of monetary penalty that may be set by commission staff.

15 (b) The commission shall develop and implement an appeals
16 process to govern the issuance and appeal of citations or resolution
17 of corrective action orders issued by the commission staff. The
18 appeals process shall provide the respondent a reasonable period
19 of time, upon receiving a citation, to file a notice of appeal, shall
20 afford an opportunity for a hearing, and shall require the hearing
21 officer to expeditiously provide a draft disposition.

22 (c) The commission shall, within a reasonable time set by the
23 commission, conclude a safety enforcement action with a finding
24 of violation, a corrective action order, a citation, a determination
25 of no violation, approval of the corrective actions undertaken by
26 the gas corporation or electrical corporation, or other action. The
27 commission may institute a formal proceeding regarding the alleged
28 violation, potentially resulting in additional enforcement action,
29 regardless of any enforcement action taken at the commission staff
30 level.

31 (d) The commission shall implement the safety enforcement
32 program for gas safety by July 1, 2014, and implement the safety
33 enforcement program for electrical safety no later than January 1,
34 2015.

35 (e) This section does not apply to an exempt wholesale
36 generator, a qualifying small power producer, or qualifying
37 cogenerator, as defined in Section 796 of Title 16 of the United
38 States Code and the regulations enacted pursuant thereto. Nothing
39 in this section affects the commission's authority pursuant to
40 Section 761.3.

1 (f) Notwithstanding any other law, moneys collected as a result
2 of the issuance of citations pursuant to this section shall be
3 deposited in the Safe Energy Infrastructure and Excavation Fund.

4 SEC. 31. No reimbursement is required by this act pursuant
5 to Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.

13
14
15 **All matter omitted in this version of the bill**
16 **appears in the bill as amended in the**
17 **Senate, April 13, 2015. (JR11)**
18

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 1155 (Morrell)
Status/Location: As proposed to be amended
Sponsor: Author
Subject: Licenses: Military Service
Code Section: Business & Professions Section 114.6

Summary

Existing law:

1. Allows licensees that were on active duty in the armed forces to reinstate their license without examination or penalty.
2. Requires boards to waive the renewal fee and other renewal requirements for any licensee called to active duty in the armed forces.
3. Requires boards to expedite a license application from an applicant who was honorably discharged and was on active duty with the armed forces.

This bill:

1. Requires boards within the Department of Consumer Affairs (DCA) to create a fee waiver program for the issuance of a license to an honorably discharged veteran who serves as an active duty member of the California National Guard of the U.S. Armed Forces.
2. Specifies the program shall be developed in consultation with the Department of Veterans Affairs and the Military Department.
3. Provides the fee waiver shall only apply to a license issued to an individual veteran and not to a license issued to a business or other entity.
4. Limits the waiver to only the initial issuance of the license.

Comments:

As proposed to be amended, this bill would affect sole owner licenses and home improvement salesperson registrations.

According to the author's office, initial application and occupational license fees can act as barriers of entry to the workforce for the 240,000 to 360,000 veterans who separate from the military each year. Many either already reside in or intend to make California their home, adding to the 1.9 million veterans currently resident in the State. Eliminating these fees will bring more veterans into the workforce, increase the skilled labor market in California, and take a step to alleviate the growing problem of veteran homelessness.

Fiscal Impact for CSLB
Pending.

Staff Recommendation and Comments

SUPPORT. This bill could make it easier for some veterans to enter into the construction industry, and should not result in a significant financial burden to the Contractors State License Board.

Date: March 18, 2016

Introduced by Senator MorrellFebruary 18, 2016

An act to add Section 114.6 to the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1155, as introduced, Morrell. Professions and vocations: licenses: military service.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law authorizes any licensee 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 certain requirements are met. Existing law also requires the boards to waive the renewal fees, continuing education requirements, and other renewal requirements, if applicable, of any licensee or registrant called to active duty as a member of the United States Armed Forces or the California National Guard, if certain requirements are met. Existing law requires each board to inquire in every application if the individual applying for licensure is serving in, or has previously served in, the military. Existing law, on and after July 1, 2016, requires a board within the Department of Consumer Affairs to expedite, and authorizes a board to assist, the initial licensure process for an applicant who has served as an active duty member of the Armed Forces of the United States and was honorably discharged.

This bill would require the Department of Consumer Affairs, in consultation with the Department of Veterans Affairs and the Military Department, to establish and maintain a program that grants a fee waiver

SB 1155

for the application for and the issuance of an initial license to an individual who is an honorably discharged veteran, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 114.6 is added to the Business and
2 Professions Code, to read:

3 114.6. The Department of Consumer Affairs, in consultation
4 with the Department of Veterans Affairs and the Military
5 Department, shall establish and maintain a program that grants a
6 fee waiver for the application for and issuance of a license to an
7 individual who is an honorably discharged veteran who served as
8 an active duty member of the California National Guard or the
9 United States Armed Forces. Under this program, all of the
10 following apply:

11 (a) The Department of Consumer Affairs shall grant only one
12 fee waiver to a veteran.

13 (b) The fee waiver shall apply only to an application of and a
14 license issued to an individual veteran and not to an application
15 of or a license issued to a business or other entity.

16 (c) A waiver shall not be issued for a renewal of a license or for
17 the application for and issuance of a license other than one initial
18 license.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 1209 (Morrell)
Status/Location: Introduced 2/18/16 – Senate Business, Professions & Economic Development Committee 4/4/16
Sponsor: Contractors State License Board (CSLB)
Subject: Complaint Disclosure
Code Section: Business & Professions 7124.6

Summary

Existing law requires CSLB to disclose to the public all complaints that have been referred for accusation or for investigation after a determination that a probable violation has occurred.

This bill provides that this required disclosure also appear on the license record of any other license that meets both the following criteria:

1. The other license was issued, or associated with the license subject to the citation, on or after the date of the act or omission that led to the issuance of the citation.
2. The other license includes a member of the personnel of record, who at the time of the action that led to the citation, was identified as a qualifier of the license subject to the citation.

Comments:

Business and Professions (B&P) Code section 7124.6 was enacted in 2001, pursuant to SB 135 (Figueroa). Prior to that legislation, complaints were only made available to the public if CSLB determined that a violation had occurred and the case was referred to the Attorney General's office or a local district attorney's office.

Fiscal Impact for CSLB

Pending.

Staff Recommendation and Comments

SPONSOR/SUPPORT. This proposal will further the goal of B&P Code §7124.6, which is to disclose information to consumers regarding contractors that CSLB has disciplined.

In its current form, B&P Code §7124.6 (e)(1) limits disclosure of a citation only to the license subject to a complaint substantiating that citation. Once that citation is disclosed, B&P Code section 7124.6 does not extend that disclosure to licenses obtained or joined by persons thereafter.

Contractors know that if CSLB issues a citation, they can cancel that license and obtain or join a new license not subject to the complaint disclosure affecting the previous license. Thus, persons aware of this limitation are free to operate under a different entity clear of any disclosure action. This eviscerates the purpose of the B&P Code §7124.6 disciplinary action, which is to provide for consumer protection by reporting the activities subjecting individual contractors to discipline.

Sen. Morrell agreed to carry this bill after a constituent, Pamela Gelband, brought the issue to his attention; she also first brought this issue to CSLB's attention.

Date: March 17, 2016

Introduced by Senator MorrellFebruary 18, 2016

An act to amend Section 7124.6 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 1209, as introduced, Morrell. Contractors: discipline.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires the board, with the approval of the Director of Consumer Affairs, to appoint a registrar of contractors to serve as the executive officer and secretary of the board. Existing law requires the registrar, among other things, to make available to the public the date, nature, and disposition of all legal actions against a licensee, except as specified. Existing law limits the disclosure of citations to a specified time period.

This bill would require that disclosure of citations also appear, for the period of disclosure of the citation, on the license record of any other license that was issued, or was associated with the license subject to the citation, on or after the date of the act or omission that led to the citation and the other license includes a member of the personnel of record who, at the time that the act or omission occurred that led to the citation, was identified as a qualifier of the license subject to the citation.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7124.6 of the Business and Professions
2 Code is amended to read:

3 7124.6. (a) The registrar shall make available to members of
4 the public the date, nature, and status of all complaints on file
5 against a licensee that do either of the following:

6 (1) Have been referred for accusation.

7 (2) Have been referred for investigation after a determination
8 by board enforcement staff that a probable violation has occurred,
9 and have been reviewed by a supervisor, and regard allegations
10 that if proven would present a risk of harm to the public and would
11 be appropriate for suspension or revocation of the contractor's
12 license or criminal prosecution.

13 (b) The board shall create a disclaimer that shall accompany
14 the disclosure of a complaint that shall state that the complaint is
15 an allegation. The disclaimer may also contain any other
16 information the board determines would be relevant to a person
17 evaluating the complaint.

18 (c) A complaint resolved in favor of the contractor shall not be
19 subject to disclosure.

20 (d) Except as described in subdivision (e), the registrar shall
21 make available to members of the public the date, nature, and
22 disposition of all legal actions.

23 (e) Disclosure of legal actions shall be limited as follows:

24 (1) (A) Citations shall be disclosed from the date of issuance
25 and for five years after the date of compliance if no additional
26 disciplinary actions have been filed against the licensee during the
27 five-year period. If additional disciplinary actions were filed against
28 the licensee during the five-year period, all disciplinary actions
29 shall be disclosed for as long as the most recent disciplinary action
30 is subject to disclosure under this section. At the end of the
31 specified time period, those citations shall no longer be disclosed.

32 (B) *Any disclosure pursuant to this paragraph also shall appear*
33 *on the license record of any other license that meets both of the*
34 *following criteria:*

35 (i) *The other license was issued, or was associated with the*
36 *license subject to the citation, on or after the date of the act or*
37 *omission that led to the issuance of the citation.*

1 (ii) *The other license includes a member of the personnel of*
2 *record, as defined in Section 7025, who, at the time of the act or*
3 *omission that led to the issuance of the citation, was identified as*
4 *a qualifier, as defined in Section 7025, of the license subject to the*
5 *citation.*

6 (C) *The disclosure described in subparagraph (B) shall be for*
7 *the period of disclosure of the citation.*

8 (2) Accusations that result in suspension, stayed suspension, or
9 stayed revocation of the contractor's license shall be disclosed
10 from the date the accusation is filed and for seven years after the
11 accusation has been settled, including the terms and conditions of
12 probation if no additional disciplinary actions have been filed
13 against the licensee during the seven-year period. If additional
14 disciplinary actions were filed against the licensee during the
15 seven-year period, all disciplinary actions shall be posted for as
16 long as the most recent disciplinary action is subject to disclosure
17 under this section. At the end of the specified time period, those
18 accusations shall no longer be disclosed.

19 (3) All revocations that are not stayed shall be disclosed
20 indefinitely from the effective date of the revocation.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 1348 (Canella)
Status/Location: Introduced 2/19/16 – Senate Business, Professions & Economic Development Committee 4/11/16
Sponsor: Unknown
Subject: Licensure Applications: Military Experience
Code Section: Business & Professions 114.5

Summary

Existing Law:

1. Requires boards within the Department of Consumer Affairs (DCA) to waive the renewal fees and other related renewal requirements for any licensee called to active military duty.
2. Requires DCA boards to ask on all applications if the applicant is currently or has previously served in the military.
3. Beginning July 1, 2016, requires boards to expedite the initial license process for applicants who previously served in the military and were actively discharged from service.

This bill requires DCA boards to modify their license application to advise veteran applicants about their ability to apply military experience and training towards licensure requirements.

Fiscal Impact for CSLB

Minor and absorbable.

Staff Recommendation and Comments

SUPPORT. This requirement may help veterans become more familiar with how their training and experience can help meet the existing experience requirements for applicants.

Contractors State License Board (CSLB) staff is currently updating applications and had planned to include additional information about military experience, so the Board will likely already be in compliance if this bill is enacted.

Date: March 17, 2016

Introduced by Senator Cannella

February 19, 2016

An act to amend Section 114.5 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1348, as introduced, Cannella. Licensure applications: military experience.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law requires each board to inquire in every application for licensure if the individual applying for licensure is serving in, or has previously served in, the military.

This bill would require each board, with a governing law authorizing veterans to apply military experience and training towards licensure requirements, to modify their application for licensure to advise veteran applicants about their ability to apply that experience and training towards licensure requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 114.5 of the Business and Professions
- 2 Code is amended to read:
- 3 114.5. ~~Commencing January 1, 2015, each~~ (a) Each board
- 4 shall inquire in every application for licensure if the individual
- 5 applying for licensure is serving in, or has previously served in,
- 6 the military.

SB 1348

1 ***(b) If a board's governing law authorizes veterans to apply***
2 ***military experience and training towards licensure requirements,***
3 ***that board shall modify their application for licensure to advise***
4 ***veteran applicants about their ability to apply military experience***
5 ***and training towards licensure requirements.***

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AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Enforcement Program Update

- a. Undercover Operations and Contractor's License Compliance at Active Job Sites
- b. General Complaint Handling Statistics





INTAKE AND MEDIATION CENTER (IMC) UPDATES

2015 – A Great End to a Great Year

The Intake and Mediation Center numbers for calendar year 2015 include a total of \$10.5 million in savings to the public statewide – the combined value of corrective work completed by contractors and restitution paid to homeowners – up three million dollars from the previous year. The IMC also reported that 61 percent of licensee complaints were resolved within the IMC and, therefore, did not require referral to an Investigation Center. Lastly, the IMC settled 43 percent of all licensee complaints with restitution paid to injured parties.

Elderly Homeowner Cools Down after HVAC System Is Completed

An elderly homeowner who had entered into an \$18,000 contract for an HVAC system installation filed a complaint with CSLB when the contractor left the project incomplete amid a failed permit inspection from the building department. A Norwalk CSR contacted the contractor regarding the incomplete work and inspection results. The contractor agreed to refund \$7,308 to the homeowner, complete the installation with a proper HERS test, and pass final inspection by the building department. The homeowner reported that the contractor delivered on all promises, and even installed smoke detectors as requested by the building department.

Contractor Triples the Bill for Elderly Homeowner

A 73 year-old homeowner entered into a \$2,500 contract for repair to a deck. After the cost ballooned to \$7,000 and the contractor's workers were seldom on site the homeowner filed a complaint with CSLB. A Sacramento IMC Consumer Service Representative (CSR) contacted the contractor regarding his deficient contract, change orders, and his exemption from workers' compensation insurance. The contractor quickly settled the complaint, refunding \$1,500 to the homeowner. In addition, the CSR issued a warning letter, cancelled the contractor's workers' compensation insurance exemption, and initiated the license suspension process for failure to secure workers' compensation.

Contractor Says "Thank You" for His Warning Letter

For CSRs in the IMC, receiving a thank you letter from a grateful homeowner is appreciated, but not uncommon. However, the Sacramento IMC recently received a thank you letter from a contractor who received a warning letter and had his workers' compensation exemption cancelled, which stated, "Thank you for the graceful way you handled the case. I did receive the letter regarding workers' compensation a few days ago. In response to your letter, I have applied for a WC policy."



CSLB Intake Meets with PG&E about the “Call Before You Dig” Program

On March 2, 2016, CSLB Enforcement staff met with PG&E supervising field investigators to discuss the best way to report unlicensed contractors. As part of the “Call Before You Dig” program, PG&E encounters many unlicensed contractors who fail to contact PG&E before they dig, which creates health and safety hazards. Call 811 is a one-call agency dedicated to safeguarding citizens and construction personnel who work around utilities, as well as safeguarding the underground infrastructure of pipes, mains, and lines. Calling before beginning any excavation in turn prevents damage to underground facilities, service interruptions and bodily injury. CSLB discussed the avenues PG&E should take when encountering an unlicensed contractor, provided information on how to contact an Enforcement Representative, and answered PG&E’s questions regarding unlicensed activity.

Since 2013, PG&E has conducted 107 “Call Before You Dig” workshops for 4,056 attendees, including representatives from 833 excavating companies and staff from 125 cities or municipalities.

Workshops were held in areas with the highest number of “dig-ins” and included discussion of Government Code 4216 requirements, the 811 calling process, the use of hand digging tools, and other best practices.

INVESTIGATION CENTER UPDATES

Revoked Contractor and His Unlicensed Brother Convicted

Seung Taek Kye’s contractor’s license was revoked in 2010 for violations that included aiding and abetting his unlicensed contractor brother, In Taek Kye. In July 2015, Seung Kye, while performing regularly scheduled service as a technician for a water filtration system company, informed the property owner that he did home improvement work and offered, for \$8,900, to replace a concrete sidewalk with brick and to trim some trees. The homeowner initially rejected the offer, after which Kye’s brother became involved and helped procure a \$12,000 contract from the homeowner for an outdoor landscaping project. The brothers began the work, along with an employee, and, after receiving \$11,000, abandoned the job. A licensed contractor who later examined the work the brothers completed estimated its value at \$3,400. The homeowner confronted the pair, only to have them shift responsibility for the problems to one another.

The San Francisco Investigation Center (SFIC) undertook the case last year after the homeowner filed a police report through the Santa Clara County Sheriff’s Office. The SFIC investigator met with the unlicensed brother, In Taek Kye, for an interview while he sat in jail on a no bail warrant for prior unlicensed contracting charges. The SFIC investigator submitted his report to the Santa Clara County District Attorney’s Office,



and in October 2015 a criminal complaint was filed against both brothers. On March 16, 2016, In Kye pled to felony grand theft, contracting without a license, and failure to have workers' compensation insurance. Seung Kye pled to misdemeanor grand theft and contracting without a license. In Kye was sentenced to three years in prison, but will serve two years in county jail and one year supervised probation under 1170(h) of the Penal Code. Seung Kye received 30 days in jail and probation for three years. Both were ordered to pay \$11,000 in restitution to the homeowner.

UPDATE: All Parties Face Criminal Charges in Bay Area "RMO-for Hire" Case

CSLB previously reported that licensee Norman Mallari may have acted as an "RMO-for-hire," qualifying a license for the Agoncillo brothers, one of whom, Junior, used the identity of the other to surreptitiously operate the license under Mallari's name for over a decade. As previously reported, Junior was arrested at Disneyland with a loaded firearm while on probation. On November 16, 2015, the San Mateo County District Attorney's Office filed a misdemeanor criminal complaint against Mallari for failing to exercise sufficient direct supervision and control of his license. The San Francisco Investigation Center report established that the licensee served as RMO for the Agoncillo brothers for 11 years, earning between \$1,200 and \$5,000 a month without any involvement in the contracting business. On December 2, 2015, the district attorney recommended \$1,000 bail for the licensee in this case, but after the SFIC investigator discussed the severity of the case with the presiding judge, bail was raised to the \$10,000 maximum. The licensee was taken into custody the next day. CSLB recently learned that Junior remains in jail because of his probation violation, has been charged with three felonies and a misdemeanor for his acts in this case, and was scheduled for a March 1, 2016, preliminary hearing. An accusation to revoke this illegally operated license is underway.

Homeowners Get Burned by Fire Restoration Contractor

After their house was damaged by fire, in December 2013, the owners of a Bay Area home contracted with a B-General licensee, who identified himself as a "fire restoration" contractor, for \$313,000 for repairs and a new addition to the home. The licensee abandoned the project after the homeowners had made payments totaling over \$272,000. The assigned CSLB investigator dispatched an industry expert (IE) to evaluate the project for workmanship. The IE identified nine areas of the job as "incomplete," and an additional 25 items that fell below industry standards for "good and workmanlike" construction. An additional area was identified as a departure from building plans and specifications. The homeowners now face costs of \$268,000 to correct and complete the project, despite successfully securing the full amount of the licensee's surety bond. On March 15, 2016, the investigator recommended an accusation against this contractor's license.

**Criminal Charges Filed Against Suspended Licensee for Fraudulent Public Works Contract**

Since 2005, Martin Chapa's contractor's license has been under suspension because he owes over \$40,000 to the Employment Development Department and the Department of Industrial Relations. In March, 2011, Chapa used another contractor's license number to submit a bid as a subcontractor on a community redevelopment project in Los Angeles. The general contractor (GC) became concerned when forced to write an extra check because Chapa could not pay for materials and when problems became apparent with Chapa's work. Chapa had cashed nearly \$300,000 in progress payments before it was discovered that the workers' compensation documents he used to cover his eight employees were forged. A Quality Assurance Enforcement Representative (ER) discovered that this occurred without the knowledge of the GC or the contractor whose legitimate license number and name Chapa stole. The ER referred the investigation to the Los Angeles County District Attorney, and CSLB received an update in January 2016, that criminal charges have been filed for theft, fraud, and unlicensed contracting. According to the report, Chapa admitted to his actions, and explained, "I had bills to pay."

Repeat Offender Back on San Francisco Investigation Center's Radar

Jacques Du Pee, a revoked contractor out of Foster City, has returned to unlicensed contracting. On July 22, 2010, as a result of a CSLB investigation, Du Pee pled guilty to contracting without a license, perjury, preparing false documents, and forgery, and received four months in jail, three years' probation, and was ordered to pay fines. On June 22, 2015, a licensed general contractor contacted CSLB to complain that Du Pee was fraudulently representing the licensee's personal name, business name, license number, and Social Security number to contract illegally and dupe Bay Area homeowners, financial institutions, and building officials. A parallel investigation involving CSLB's San Francisco Investigation Center (SFIC) and the Foster City Police Department confirmed that at least one City of Marin homeowner had entered into an \$84,000 remodeling contract based on the belief Du Pee was a licensed contractor. As that investigation was underway, a Redwood City homeowner contacted CSLB in July 2015, complaining that Du Pee duped him into a \$110,000 home remodel contract using the same licensee's stolen information. On February 18, 2016, the SFIC confirmed that the San Mateo County District Attorney had agreed to prosecute Du Pee for advertising without a license, fraudulent use of a license number, contracting without a license, burglary, and obtaining personal information to commit a crime.

Bay Area Engineering Contractor Loses Complete Control of Church Remodel

In February 2013, a church group in Campbell entered into a \$341,900 written contract with a licensed engineering contractor to remodel their church and add a preschool. By September of that year, the licensee alerted the group that, despite receiving \$293,800 in payments, he had run out of money and could not continue work. The church group hired a new contractor to complete the work. Unfortunately, the new licensee



immediately discovered workmanship problems on site, forcing the church group to spend another \$100,000 for corrections. The CSLB investigator established that the group was spending even more money to extricate itself from liens filed by unpaid subcontractors on the first contract. After auditing the financial records, the investigator determined that nearly \$20,000 in payments on the contract was unaccounted for. Allegations against the licensee include workmanship and contract violations, exceeding the contract amount, failing to pay subcontractors, and diversion or failure to account for funds. The investigator testified at a January 2016, hearing in Oakland pursuant to CSLB's accusation to suspend or revoke this license, which remains pending.

UPDATE: Previous Offender Extradited to California, Sentenced to One-Year in Jail and Fines

Unlicensed contractor Frank Guidera had apparently been on the run since CSLB first reported his two cases in early 2015. In the first case, Guidera and his girlfriend pressured an 88 year-old Bay Area widow to pay \$17,437 in advance for sewer repairs. They then gutted the bathroom and abandoned the job, leaving the bathroom unusable. The San Francisco Investigation Center (SFIC) referred the case to the Santa Clara District Attorney in December 2014, resulting in a warrant for Guidera's arrest. In March 2015, Guidera was located at the home of an elderly Bay Area couple that had paid him \$30,000 cash for a sewer line repair. With the help of Sunnyvale police, SFIC effectuated Guidera's arrest at the couple's home. In this second case, Guidera not only pressured the couple to expand the job to a home remodel, he convinced them to provide him with a \$16,000 interest-free personal loan to pay off his motorcycle. Guidera subsequently failed to appear for an April 2015 hearing, and a \$75,000 warrant was issued for his arrest. SFIC later learned that Guidera had been apprehended in Arkansas and was extradited to California. On March 1, 2016, he was sentenced to one year in jail, and ordered to pay restitution—\$17,437 for the first case and \$63,869 for the second. Guidera's girlfriend, who was involved in the first case, was held jointly responsible for meeting that restitution order.

Costly Friendship for RMO

Chun Ho's good friend, James Yu, asked him to qualify a contractor's license. Ho agreed and became the RMO of I.D.O. Construction, Inc., with James Yu as the CEO/President. However, an ER established that Yu had no control over the business operations or knowledge of any projects. In April 2014, Yu entered into a \$270,000 contract to remodel a San Francisco residence. Work was intermittent and slow for nearly a year and the homeowner paid over \$180,000 before Yu abandoned the project. A CSLB industry expert estimated a cost of \$398,000 to complete the project, resulting in a financial injury of over \$308,000. On March 15, 2016, the Investigator recommended filing an accusation against the license. As the RMO, Ho is now responsible for paying restitution to the homeowner or, alternatively, losing his individual license.



SOLAR UPDATES

CSLB Meets with the Solar Energy Industries Association

On February 10, 2016, Registrar Cindi Christenson, Chief Deputy Registrar Cindy Kanemoto, Chief of Enforcement David Fogt, and Deputy Chief of Enforcement Jessie Flores met with attorneys for the Solar Energy Industries Association (SEIA) to discuss the increased number of consumer complaints in the solar industry. SEIA provided a consumer checklist and handouts intended to assist consumers contracting for solar installations. A major discussion point involved the long-term leases of solar panels brokered and executed by unlicensed corporate entities that select and pay a licensed, or unlicensed, contractor to install them on the home. In many cases, the consumer has no direct contract with the contractor, and the financial lender “owns” the panels after the installation. CSLB expressed concern that, under these arrangements, all parties tend to be “hands-off” when a homeowner has issues with either the installation or lease, and accountability is difficult to determine. All present agreed about the paramount importance of consumer protection, and attendees were disappointed to hear the details of some egregious solar-related consumer complaints. SEIA vowed to work with CSLB to address these issues, and CSLB is consulting with its attorney general and district attorney partners to determine if the “lessors” are acting in the capacity of a contractor, as defined in Business and Professions Code §7026. CSLB looks forward to further collaboration with SEIA and other solar industry stakeholders to enhance consumer protection.

Solar Panel Bait and Switch by Revoked Licensee: Referrals for Criminal Charges in Multiple Counties

A contractor with a previously revoked license directed and operated a residential solar contracting corporation for many months under the license of another contractor, who retained no involvement in these operations. The revokee defrauded homeowners by accepting full payment in advance from consumers for solar panels through a financing bank and then either provided no work or installed a product of lesser quality and value than agreed, and pocketed the difference. A CSLB Special Investigations Unit Peace Officer (PO) discovered that the revokee would secure payment for a solar panel model designed to be installed in the “landscape” orientation on a roof (as opposed to a “portrait” layout). Payment was secured largely on the promise that the panel would eliminate the consumer’s PG&E bills. After the revokee received full payment from the financing bank, he would then tell the homeowner that this “landscape” orientation would “void the warranty” of that first product and that another model would need to be installed instead. Not coincidentally, the second model did not come with the same promise of energy savings.

An administrative referral to revoke the license of the uninvolved responsible managing employee has been underway since December 2015, arising out of five consumer complaints throughout the State involving the activities of this revokee. The PO has



recently finished the criminal investigations of the revokee's actions in both San Joaquin and Contra Costa counties, and on March 11 and March 16, 2016, referred these cases to those district attorneys' offices. The charges will include contracting without a license, employing unregistered salespersons, substantial misrepresentation in the procurement of a contract, conspiracy to commit a crime, burglary, grand theft, theft by false pretenses, and burglary enhancements.

STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT) UPDATES

Tree Down, Results in Criminal Referral



On February 10, 2016, Central SWIFT responded to a lead from a homeowner who provided an invoice for \$1,200 for tree service. The tree company requested \$250 for a deposit to order a bin for debris. The homeowner then learned that the contractor was an unlicensed contractor and, after speaking to other homeowners in the area, learned that the same individual cut down a tree in the neighborhood the day prior, which fell onto an adjacent house. The victims are 75 and 80 years old. SWIFT referred the case to the district attorney, requesting that criminal charges be filed against the unlicensed contractor for unlicensed advertising and contracting without a license, and workers' compensation violations.

Law Enforcement Backup in "Right Place at Right Time" During CSLB Undercover Operation

At a sting operation in Solano County on February 24, 2016, SWIFT issued 18 Notices to Appear (NTAs), despite some unexpected events. During an investigator's undercover attempt to "set" a sting suspect, an armed robbery (unrelated to the sting) occurred nearby. Hearing the call over the radio, a sting "backup" law enforcement officer bolted into the room from behind closed doors, handcuffed the sting suspect until he could return, and then dashed out the door to give chase to the robbery suspect, who was apprehended while still carrying a live weapon and stolen goods. The sting



then continued, with a few more NTAs issued the next day, even as neighbors alerted arriving suspects to the operation.

New Website Thumbtack.com Operates Like a “Reverse” Craigslist

Enforcement Representatives from Northern SWIFT conducted a one-day sting operation in Lodi on February 11, 2016. A licensed contractor provided the sting property after he had contacted a few weeks prior, upset that he was losing business to unlicensed contractors via a website called Thumbtack.com. An online site, Thumbtack allows consumers to find contractors for home improvement needs by listing the type of work or services they need performed. Local contractors that have registered with the site then immediately receive this information. Using this site to generate leads, within a couple of hours, ten contractors had submitted online bids, some of whom were licensed and some not. The unlicensed contractors became the primary targets for the sting, and three individuals were caught from leads generated by Thumbtack. Overall the sting resulted in 12 Notices to Appear and two follow-up non-licensee administrative cases. Following the sting, Thumbtack “customer service” contacted an Enforcement Representative to inform him that his account had been disabled for violating their terms of service.

Multiple Unlicensed Contractors Caught in Two-Day Sting Operation in San Diego

On January 26 and 27, 2016, Southern SWIFT conducted a sting operation in San Diego that, with assistance from CSLB Public Affairs Office, was covered by television station KFMB, a CBS affiliate. Partners included the San Diego County District Attorney’s office and the California Highway Patrol. Over the two-day operation the team hit a 100 percent rate of either legal actions pending or issued from the 24 scheduled appointments. CSLB issued 15 criminal citations, one non-licensee administrative citation, and will pursue eight investigative follow-ups that will likely result in additional legal action. Three suspects who appeared were repeat offenders, and another had outstanding warrants in three states, including one listed as “most wanted” by the Department of Law Enforcement in Florida.

Santa Barbara County Sting Operation Results in 21 Notices to Appear

On February 10 and 11, 2016, Enforcement Representatives from Central SWIFT conducted a two-day sting operation in Santa Maria, which resulted in the issuance of 21 Notice to Appear (NTA) for contracting without a license, and one follow-up non-licensee administrative case. One unlicensed contractor stated that he was “booked solid” and could not appear at the sting, so he sent the investigators pictures of the work he was performing, which led to the administrative citation. Many of the unlicensed contractors were repeat offenders, and the drivers’ licenses of many of the unlicensed contractors identified at the sting were suspended for various reasons. Another unlicensed contractor failed a field sobriety test after being issued an NTA, and another was discovered trying to conceal a meth pipe.



Ex-Husband Brought to Justice for Fraudulent Use of Former Wife's License

SWIFT staff received a complaint from a licensee alleging that her estranged ex-husband, Curtis McNally, was using her contractor's license number and business name, "The Professionals," without her consent. The SWIFT ER assigned the case intended to invite McNally to a future sting operation, but on January 21, 2016, saw a van with "The Professionals" logo parked in front of an apartment complex. When the ER contacted the van's owner (who wore a "Professionals" t-shirt), he found himself talking to Curtis McNally, who said he was performing a carpet cleaning job. When asked about the display of his ex-wife's license number on the side of his van, McNally claimed that he had an agreement with her to use the license in exchange for 20 percent of the company profits. The ER informed McNally that his ex-wife had submitted a declaration of non-permission for him to use the license and had obtained a "stay away, no contact" order against him. The ER issued McNally an administrative citation for illegal advertising and fraudulent use of an incorrect license number.

Old Friends, New Relationships: Back Patrolling Marin County with Three New Operations

On February 19, 2016, A Northern SWIFT ER conducted a one day sweep of Marin County with two Marin County District Attorney (DA) Inspectors, which resulted in the issuance of two stop orders issued and one non-licensee citation. CSLB had not conducted a sweep operation in Marin County in over a year; and the Marin County DA's Office was so happy to have CSLB back in their county that a second sweep and sting operation was immediately scheduled. The second sweep was held March 2, 2016, consisting of three CSLB investigators and three Marin County DA Inspectors. The team also discovered six licensed contractors with a number of workers' compensation violations. CSLB issued three stop work orders were issued and all six licensees will be referred to the Marin County DA's office for criminal prosecution for the violations. Additional violations were discovered that day, for which additional allegations are likely, pending follow up investigations. On March 10, the Marin County sting operation took place in Novato, resulting in 10 Notices to Appear, and one follow-up case with a possible licensee citation. During these Marin County operations, SWIFT personnel report the formation of a number of successful new contacts and possible sources of leads from licensed contractors who expressed gratitude for their proactive work in the area.

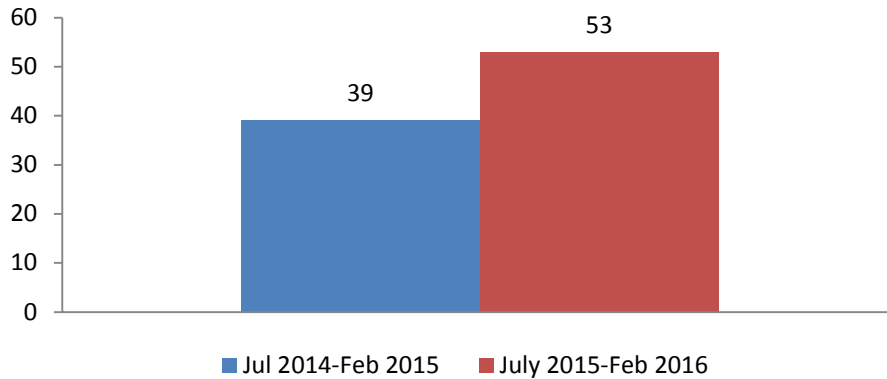
Statewide Investigative Fraud Team Statistics

CSLB's Statewide Investigative Fraud Team (SWIFT) is comprised of Enforcement Representatives (ERs) who aim to enforce license and workers' compensation insurance requirements at active jobsites and perform undercover sting operations targeting unlicensed persons. In 2015, SWIFT conducted 91 sting days, a 23 percent increase over 2014, when 74 sting days were conducted. Also in 2015, SWIFT conducted stings in 30 different counties, including 11 which had not had a sting



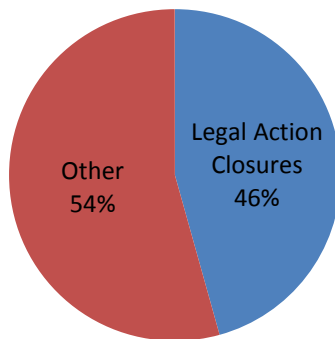
operation during the last three years. For the current fiscal year, 53 sting days have been conducted, in which SWIFT partnered with law enforcement, district attorneys, building department and code enforcement officials, and other State agencies. In addition to stings, SWIFT also partners with other State and local agencies, and has conducted 139 sweep days in various counties across California

Number of Sting Days Fiscal Year Comparison



From July 1, 2015 to February 29, 2016, as a result of stings, sweeps, and leads, SWIFT closed 2,363 cases, of which 1,079 resulted in an administrative or criminal legal action.

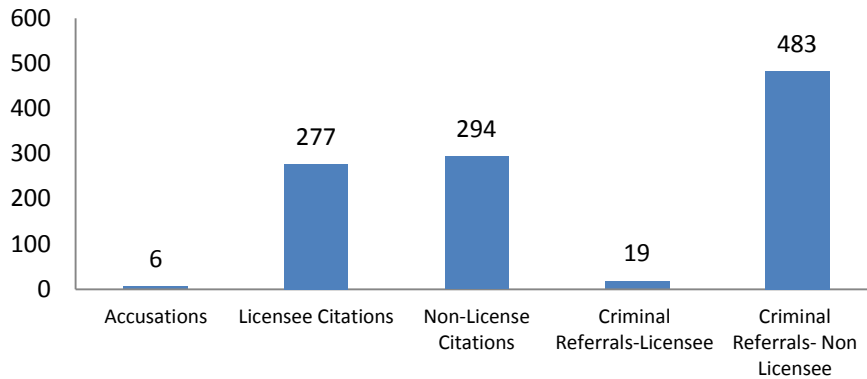
FY 2015-16 Legal Action Closures



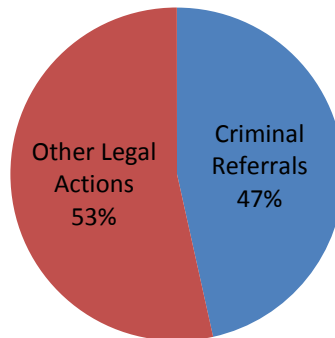
Below is a breakdown of SWIFT legal action closures, where an impressive 502 cases have been referred to local district attorney offices for criminal prosecution.



FY 2015-16 Legal Action Closures



Criminal Referrals & Other Legal Actions



Between July 1, 2015, and February 29, 2015, SWIFT has received over 1,000 leads from consumers, licensed contractors, and other agencies, of which 250 have resulted in legal action.

To date, for fiscal year 2015-16, SWIFT has conducted 139 sweep days, resulting in 458 cases, of which 229 were legal action closures.



TRAINING UPDATES

Southern Investigation Centers Attend Advanced Investigation Course

The Enforcement division's employee training program continues to offer classes designed to improve the skills and knowledge of Enforcement staff. On March 3 and 4, 2016, the Enforcement division's trainer and Deputy Attorney General Mike Franklin presented Advanced Investigation training to investigators from the San Diego, Norwalk, and San Bernardino Investigative Centers. Designed to "raise the bar" in CSLB investigations, the class explores legal issues regarding derivative jurisdiction, financial injury, abandonment versus workmanship, contract violations, industry expert reports, and workers' compensation violations. Techniques for proactive case management also are discussed, along with methods of enhancing investigations.

Southern SWIFT Attends Undercover Operations Training

On January 11 and 12, 2016, Southern SWIFT hosted a training session focused on procedures for proactive undercover operations. The honored guest speaker was Orange County Deputy District Attorney James Young, known locally for achieving a 100 percent conviction rate against unlicensed contractors in his county. Young provided specific training on legal issues and prosecution challenges arising from sting operations alongside CSLB's Enforcement division trainer, a retired law enforcement Captain. Chief Deputy of Enforcement Jessie Flores was also present and provided a history of the law and policy underlying the formation of SWIFT dating back to 1989. The SWIFT Program Manager rounded out the event by outlining the SWIFT goals and expectations for 2016. Training highlights included detailed review and presentation of scenarios designed to refine SWIFT sting operations.

CSLB Enforcement Division Wraps Up Employee Safety Training

The Enforcement division held a statewide safety and security training program for CSLB employees February 1- 5, 2016. Although optional, the training was extremely well attended by staff. To accommodate the 174 students from Headquarters and field offices, eight sessions were held: four each in Sacramento and Norwalk. Retired California Highway Patrol Captain, J.R. Williams, a 33 year veteran of the CHP, taught the course. In addition to serving 14 years as a SWAT commander, Williams taught defensive tactics to new officers at the CHP Academy. Attendees learned about the importance of personal and workplace safety and security, emergency preparedness, workplace violence, and active shooter incidents. The seminar also delved into the theory and practice of violence awareness and prevention, and Williams shared detailed tactics used by law enforcement to identify and avoid safety threats.



Southern SWIFT Attends Criminal Prosecution Training

On February 24, 2016, Southern SWIFT and San Bernardino Investigative Center Enforcement Representatives (ERs) attended a training session presented by deputy district attorneys (DDAs) from the Office of the San Bernardino District Attorney, Workers' Compensation Fraud Unit. A Norwalk SWIFT ER suggested the training, which was coordinated by the Norwalk SWIFT supervisor. DDAs David Simon, Michael Chiriatti Jr., and Scott Byrd presented information on critical factors used by the DA's office in the prosecution of workers' compensation crimes committed by contractors. The comprehensive presentation provided guidance in the determination of the employment status of workers present at job sites and the critical elements for proof of a violation of Labor Code section 3700.5. The training provided excellent, job-specific information for attendees, and served as a helpful review for all SWIFT ERs.

GENERAL COMPLAINT-HANDLING STATISTICS (July-February 2016)

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 2,970. As of March 2016, the pending case load was 3,797.

To ensure timely mediation and screening of complaints, the optimal case load for Consumer Service Representatives (CSR) is 1,150. As of March 2016, 1,668 complaints were assigned to CSRs. High CSR caseloads are attributed to a large number of vacancies in the Intake Mediation Centers.

To ensure timely handling of complaints that warrant formal investigation, the optimal working caseload for Enforcement Representatives (ER) assigned to the Board's eight investigative centers (IC) is 35 cases per ER. CSLB has 52 IC ERs; therefore, the eight ICs have an optimal capacity for 1,820 open complaints. As of March 2016, 2,129 cases were assigned to ERs.



The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER/CSR	Maximum Number of Cases per Classification
ERs	52	10	4	35	1,820
CSRs	23	20	2	50	1,150
TOTAL					2,970

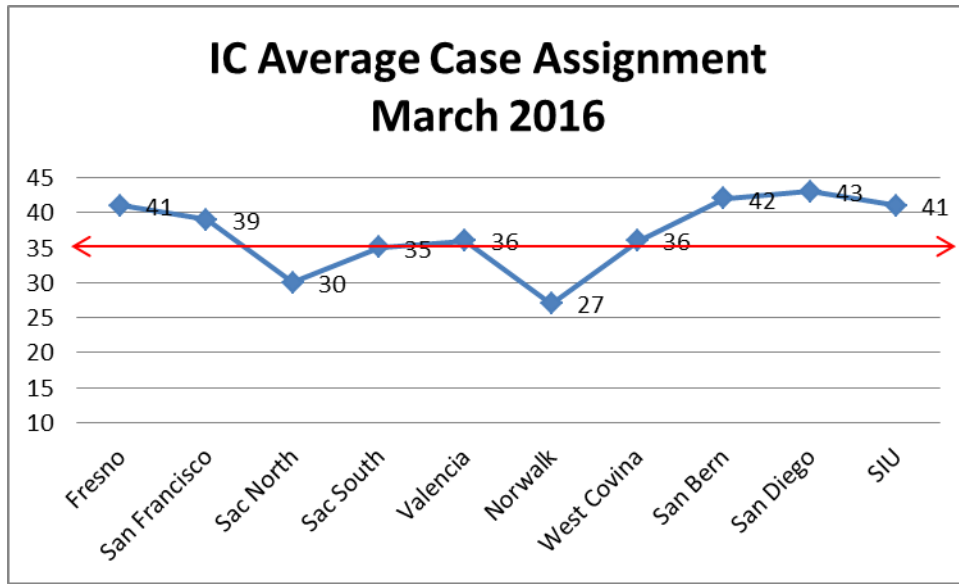
Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. For FY 2015-16 (July through February 2016), Enforcement staff’s settlement efforts have resulted in almost \$8 million in restitution to financially injured parties as depicted in the following chart:

IC Financial Settlement Amount (FY 2015-16)	\$ 2,863,728.82
IMC Financial Settlement Amount (FY 2015-16)	\$ 4,893,906.98

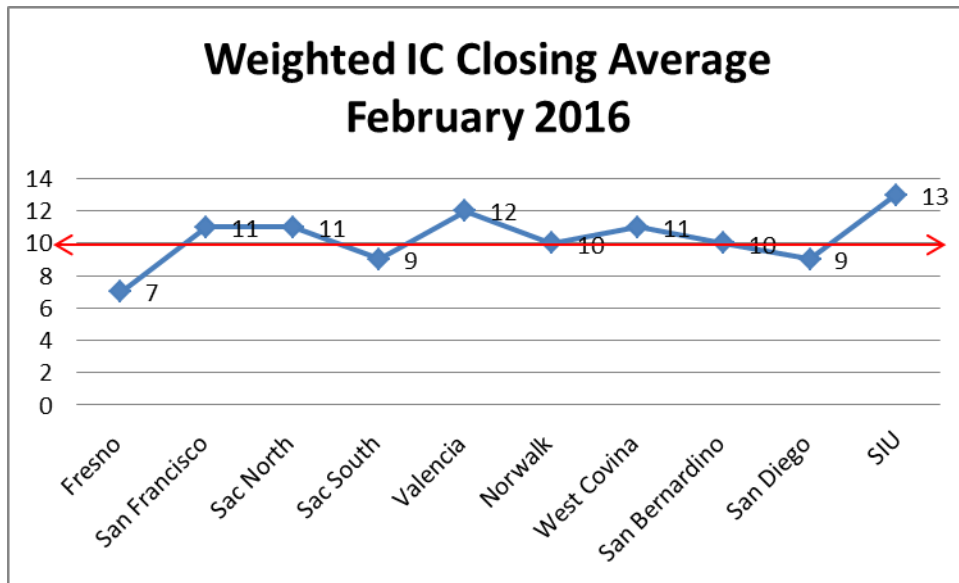
Investigation of Consumer Complaints

To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending case loads, and investigation-closing disposition. To date for FY 2015-16 (July through February 2016), Investigative Center (IC) ERs have consistently achieved the Board’s goal of 10 complaint closures per month, and effective case distribution among the eight investigative centers has resulted in a manageable, ongoing case load of approximately 35 cases per ER. Of the 1,376 legal actions during this time, 27 percent were referred to local prosecutors.

The following chart tracks open IC investigations. The goal is for each IC ER to carry between 30 and 40 pending cases. At the end of February 2016, the statewide average was 37 cases.



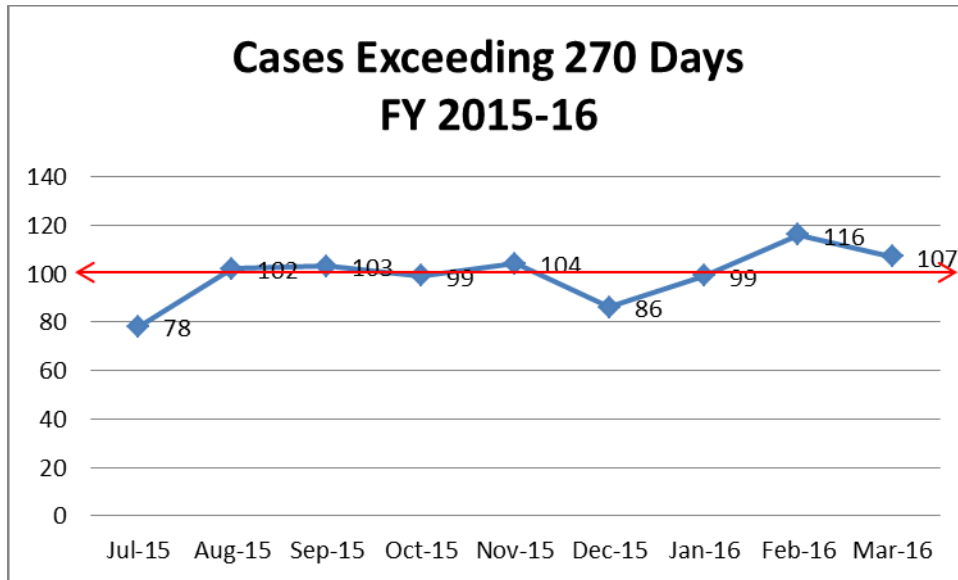
The following chart tracks the Board's target of each IC ER maintaining a weighted monthly closing average of 10 cases.



Historically, the Enforcement division has more than 3,000 consumer complaints under investigation at any given time. The Board's goal is to appropriately disposition all but 100 within 270 days of receipt. Staff's effective management of pending complaints has

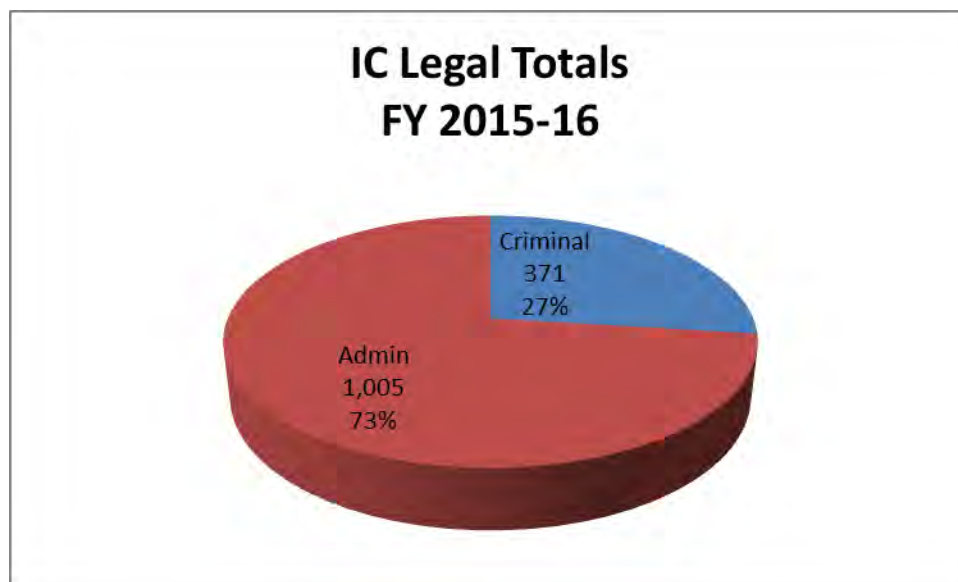


resulted in consistently meeting this goal. At the beginning of March 2016, there were 107 cases exceeding 270 days in age.



The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action.

For FY 2015-16 (July through February 2016), the Enforcement division has referred 27 percent, or 371 investigations, to district attorneys for criminal prosecution.



**CASE MANAGEMENT FY 2015-16 (Jul-Feb)**

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	826	564
Citations Appealed	352	249
Citation Compliance	637	316
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	213	
Settled	133	
Civil Penalties Collected	\$1,055,758	
Legal Fee Savings	\$3,468,378	
ARBITRATION		
Arbitration Cases Initiated	329	
Arbitration Decisions Received	262	
Licenses Revoked for Non-Compliance	17	
Arbitration Savings to the Public – Restitution	\$1,198,733	
ACCUSATIONS/STATEMENT OF ISSUES		
Revocations by Accusation	216	
Accusation Restitution Paid to Injured Persons	\$140,726	
Statement of Issues (Applicants Denied)	35	
Cost Recovery Received	\$148,694	
Number of Cases Opened	320	
Number of Accusations/Statement of Issues Filed	241	
Number of Proposed Decisions Received	47	
Number of Stipulations Received	47	
Number of Defaults Received	98	
Number of Decisions Mailed	207	

AGENDA ITEM F-2

Review, Discussion and Possible Action Regarding Strategies to Reduce the Number of Licensees Filing a False Exemption from Workers' Compensation Insurance Requirements





At its September 3, 2015, meeting the Board discussed license statistics which confirm that more than 50 percent of contractors' licenses have an exemption from workers' compensation (WC) insurance on file with the Contractors State License Board (CSLB).

CSLB requires WC for issuance of an active license, the reactivation of an inactive license, and to renew an active license, unless the licensee does not employ anyone in a manner subject to California workers' compensation laws (Business and Professions Code section 7125). Licensees must either submit proof of workers' compensation insurance coverage or file an exemption from WC with CSLB. It is commonly known in the construction field that most contractors do employ workers, which raises concerns about the high rate of WC exemptions.

At the September meeting, the Board recommended that the Enforcement Committee assume a lead role in establishing strategies to reduce the number of licensees with a fraudulent exemption from workers' compensation insurance requirements.

Subsequently, the Enforcement Committee met on October 30, 2015, and voted unanimously to have the full Board review, discuss, and consider approving five workers' compensation insurance compliance strategies. At its December 2015 meeting, the Board unanimously approved these strategies.

Below is a status update on these efforts, followed by additional tactical enforcement strategies the Board may wish to consider directing staff to perform.

Status of Board Approved Workers' Compensation Insurance Strategies

1. State Agency Partnering

A taskforce consisting of CSLB, Employment Development Department, and the California Department of Insurance was formed to work on this project.

2. Develop Educational/Warning Letter Regarding Workers' Compensation Compliance

The following letter to licensees was written and approved by CSLB, EDD, and CDI.



April 1, 2016

Contractor Name
Address
City, State Zip Code

Re: Increased Enforcement: Workers' Compensation Exemptions

Dear Contractor:

You are receiving this letter because you have filed an exemption with the Contractors State License Board (CSLB) from the State of California workers' compensation insurance requirements, yet the work you are classified to perform with your license generally requires employees.

CSLB protects California consumers by licensing and regulating the State's construction industry. With industry support, CSLB has established a Contractor's Workers' Compensation Insurance Compliance Task Force. The Board has partnered with the California Department of Insurance, the Employment Development Department, and local prosecutors to enhance enforcement efforts to identify underground economy practices, including those related to workers' compensation, that threaten the ability of legitimate contractors to compete in the marketplace and undermine the economic stability of the State of California.

If you currently do not have a workers' compensation policy but do have employees, you must immediately obtain a WC policy and provide copy of the certificate of workers' compensation insurance to CSLB, either via email (workerscomp@cslb.ca.gov) or by mail:

CSLB Workers' Compensation Unit
P.O. Box 26000
Sacramento, CA 95826

Information regarding workers' compensation requirements is available at:
www.cslb.ca.gov/Contractors/MaintainLicense/WorkersCompensation.asp

Should you have any questions, please contact the Enforcement division Workers' Compensation Unit at (916) 843-6451.

Sincerely,

David Fogt
Chief of Enforcement



3. Review Public Works Contractors Registered with the Department of Industrial Relations (DIR)

- On March 10, 2016, CSLB obtained a list of 25,000 contractors from the Department of Industrial Relations.
- To date, staff has researched every 100th contractor on the list and determined that, of the 200 reviewed, 35 have an exemption from workers' compensation insurance on file with CSLB.
- Staff reviewed exempt licensee websites and determined that 25 sites include evidence of either employees or the ability to self-perform large construction projects.
- In March 2016, CSLB sent the WC educational/warning letter to the 35 contractors.
- Beginning May 1, 2016, staff will determine if any of the 35 contractors obtained a WC policy.

4. Research Construction Monitor Database

- Staff researched permits obtained March 10, 2016, in Los Angeles, Orange, and San Diego with a valuation exceeding \$20,000.
- Of the 91 licensed contractor permits reviewed, 34 were identified as contractors with an exemption from workers' compensation insurance on file.
- In March 2016, CSLB sent the WC educational/warning letter to the 34 licensed contractors previously identified.
- Beginning May 1, 2016, staff will determine if any of the 34 contractors obtained a WC policy.

5. Review Consumer Filed Complaints for Workers' Compensation Compliance

- Staff reviewed 856 of the consumer filed complaints received by CSLB in February 2016 to determine if the contractor had a WC policy.
- Of the 856 complaints reviewed, 287 licenses, or 34 percent, had an exemption from workers' compensation insurance on file.
- Staff has flagged the complaints for follow-up to determine if the investigation establishes the use of employee labor.



CSLB

STRATEGIES TO REDUCE WC EXEMPTIONS

- Any resulting suspension or disciplinary action taken by CSLB will be reported at the June 2016 Board meeting.



Specific Classification Workers' Compensation Verification

CSLB staff has determined that the following license classifications are most likely to require employee labor to perform contracting work and are, therefore, most likely to require WC:

Classification	Total - Policies & Exemptions	Number of WC Policies on File	Number of Exempt on File	Percentage of Total with Exemptions
A General Engineering	14,540	8,789	5,751	39%
C-8 Concrete	5,842	3,274	2,568	44%
C-10 Electrical	24,438	10,358	14,080	58%
C-20 HVAC	11,285	4,986	6,299	56%
C-36 Plumbing	14,887	6,074	8,813	59%
C-46 Solar	1,053	637	416	39%

In February 2016, staff performed a random check of 229 licenses with an exemption from workers compensation on file with CSLB.

- 69 of the licensees researched were subject to a consumer complaint, with 201 total complaints.
- 52 of the licensees researched have a website confirming labor.

<u>CLASSIFICATION</u>	<u>NUMBER CHECKED</u>	<u>WEBSITES CONFIRMING LABOR</u>	<u>TOTAL COMPLAINTS</u>
A General Engineering	78	26	101
C-8 Concrete	29	8	25
C-10 Electrical	52	5	26
C-20 HVAC	31	6	16
C-36 Plumbing	31	5	9
C-46 Solar	8	2	24
Totals	229	52	201

**Additional WC Enforcement Strategies for Board Consideration****1. Identify Three Egregious Offenders for each of the 37 district attorney's offices receiving grants from the California Department of Insurance Workers' Compensation Insurance Fraud Grant Program.**

The California Department of Insurance provides \$34.9 million in grants to 37 district attorney offices representing 42 counties in California to combat workers' compensation insurance fraud. Many of CSLB's more egregious complaints include a workers' compensation insurance violation that may provide for criminal prosecution of the WC violation and other contractors' license law violations, rather than a CSLB administrative action.

- a) Identify all workers compensation insurance grant-funded counties and the assigned deputy district attorney and district attorney investigator.
- b) Assign CSLB Peace Officers to partner with grant funded counties.
- c) Develop partnerships with district attorneys that participate in the Workers' Compensation and Insurance Grant Program.
- d) Identify and provide each partnering district attorney with completed investigations that include an insurance fraud violation for the three most significant CSLB offenders.
- e) Seek opportunities to secure a criminal, rather than administrative, filing for all identified unlicensed/uninsured practice.

2. Expand Sting and Sweep Operations to Public Works Projects

- a) Explore additional partnering opportunities with the Labor Commissioner's Office to verify workers' compensation insurance compliance at active public works project sites.
- b) Partner with the Department of Industrial Relations to target public works contractors that remain out of WC compliance at a public works sting.

**3. Perform Inspection of Construction Sites identified by the Construction Monitor Database**

a) Partner with deputy district attorney investigators and the Division of Labor Standards Enforcement to inspect active construction sites identified using the Construction Monitor Database by noting the acquisition of a permit by an uninsured contractor.

STAFF RECOMMENDATION

In addition to the five previously approved workers' compensation enforcement strategies, staff recommends that the full Board approve the three strategies summarized below:

1. Pursue criminal convictions for three egregious offenders in the 27 workers' compensation insurance grant funded counties.
2. Expand sweep operations targeting workers' compensation violations at public works projects.
3. Inspect construction sites of exempt contractors identified via the Construction Monitor database.

Please note, implementation of these additional enforcement strategies may further increase the Board's attorney general costs.

AGENDA ITEM G

Public Affairs



AGENDA ITEM G-1

Public Affairs Program Update

- a. Video/Digital Services
- b. Media Relations Highlights
- c. Industry, Licensee and Community Outreach Highlights
- d. Employee Relations





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam StopperSM and Consumer Scam StopperSM seminars, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and intranet content.

STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant. The office supervisor position (Information Officer II) is currently vacant.

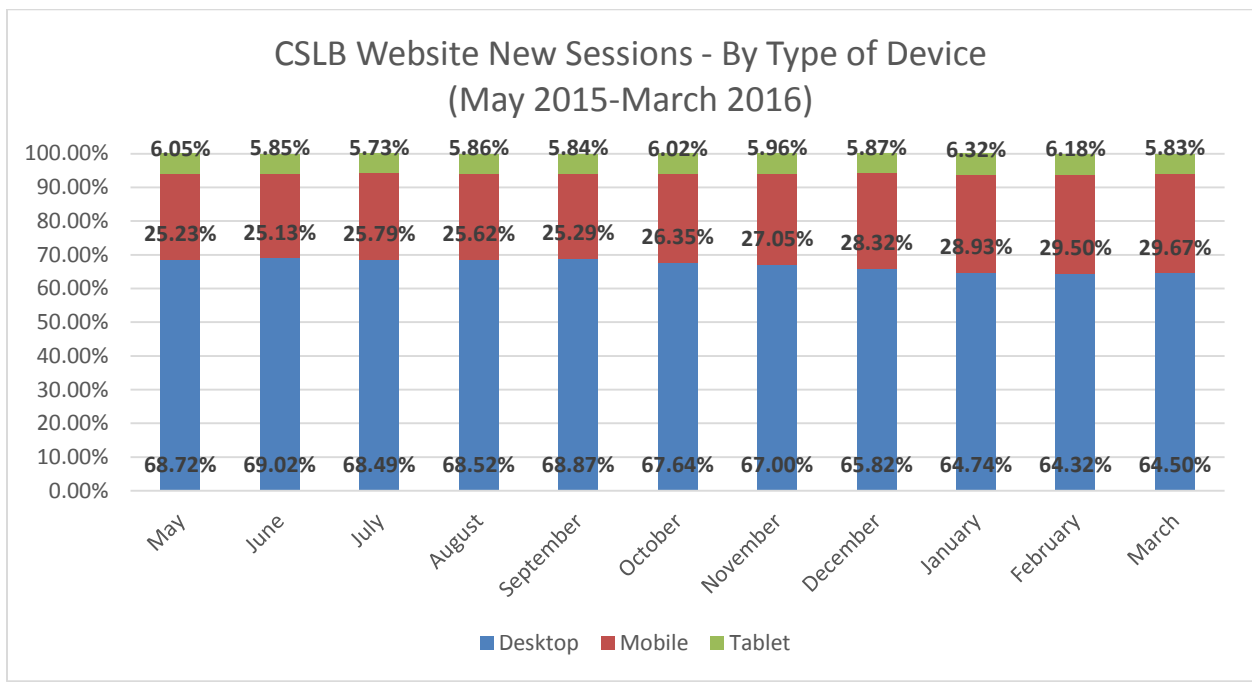
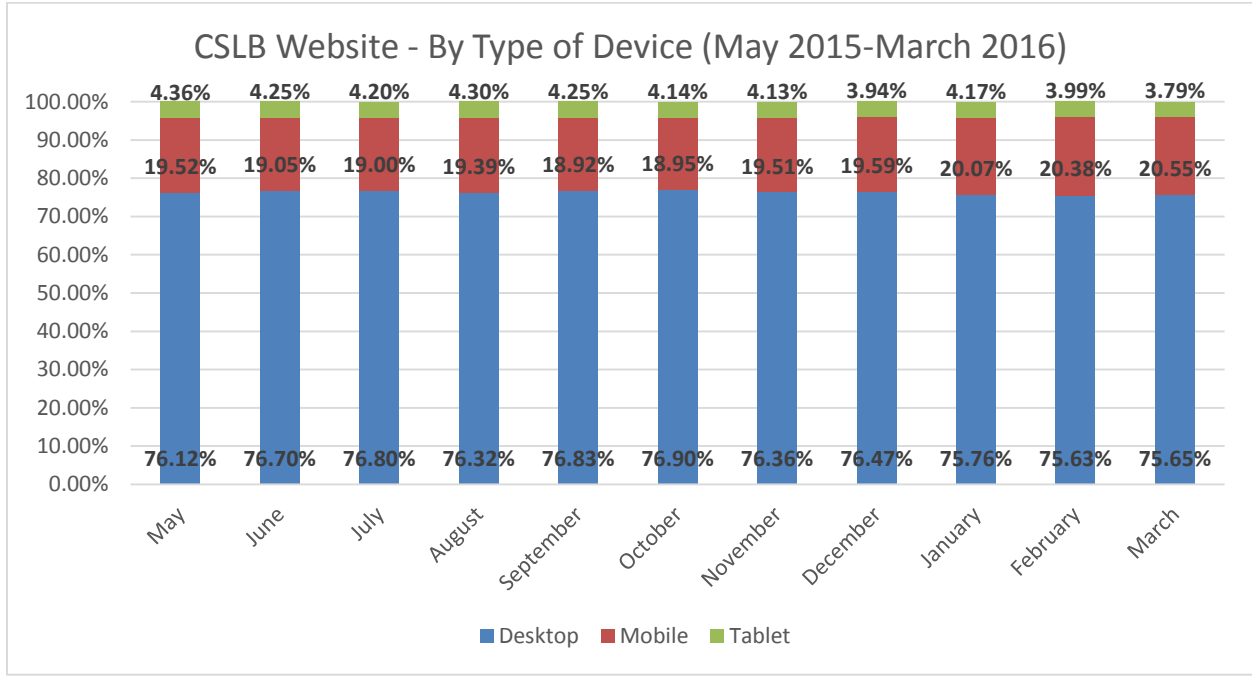
ONLINE HIGHLIGHTS

CSLB Website

Month	Sessions	Users	Pageviews	Pages / Session	Ave. Session Duration	Bounce Rate	% New Sessions
January 2015	976,557	606,653	5,360,226	5.49	4:08	45.31%	51.34%
February	995,339	630,213	5,321,283	5.35	3:58	32.77%	52.67%
March	1,068,105	615,260	6,106,177	5.72	4:07	16.22%	49.73%
April	891,847	474,715	5,422,117	6.08	4:42	18.44%	41.20%
May	638,016	261,649	4,613,779	7.23	6:01	19.56%	22.14%
June	691,311	273,968	4,952,706	7.16	6:01	19.47%	21.89%
July	688,566	278,065	4,952,624	7.19	6:05	20.09%	22.45%
August	664,431	273,010	4,767,302	7.18	6:05	20.43%	22.84%
September	652,660	269,935	4,634,008	7.10	5:59	20.57%	22.96%
October	681,498	280,255	4,847,312	7.11	6:01	20.54%	23.04%
November	582,005	247,350	4,687,603	8.05	6:03	20.73%	23.35%
December	570,452	237,484	3,950,059	6.92	5:57	21.21%	22.90%
2015 Totals	9,100,787	3,300,576	59,615,196	6.55	5:15	23.69%	34.03%
January 2016	654,662	269,875	4,615,718	7.05	6:02	20.35%	23.43%
February	672,362	276,742	4,652,017	6.92	5:55	20.73%	22.83%



March Through 3/19/16	452,130	200,456	3,105,193	6.87	5:57	20.95%	22.41%
May 2015 – March 19, 2016	6,948,104	1,837,359	49,778,404	7.16	6:01	20.39%	22.75%





**The 40 Most Viewed Pages on CSLB Website (Nov. 1, 2015–March 20, 2016)
(Does Not Include Instant License Check or Online Services Pages)**

PAGE TITLE	PAGE VIEWS	LINK
Home Page	1,616,538	www.cslb.ca.gov
Forms and Applications	221,792	www.cslb.ca.gov/about_us/library/forms_and_applications.aspx
Contractor Home Page	161,775	www.cslb.ca.gov/contractors/
Consumer Home Page	119,741	www.cslb.ca.gov/consumers/
Licensing Classifications	113,919	www.cslb.ca.gov/about_us/library/licensing_classifications/
Conditional and Unconditional Waiver and Release Forms	86,598	www.cslb.ca.gov/consumers/legal_issues_for_consumers/mechanics_lien/conditional_and_unconditional_waiver_release_form.aspx
Contact CSLB Contact CSLB	86,127	www.cslb.ca.gov/about_us/contact_cslb.aspx
Applicants	83,116	www.cslb.ca.gov/contractors/applicants/
Licensing Classifications (B Contractor)	71,061	www.cslb.ca.gov/about_us/library/licensing_classifications/b-general_building_contractor.aspx
Apply for a Contractor License	69,226	www.cslb.ca.gov/contractors/applicants/contractors_license
Contractors Overview	67,756	www.cslb.ca.gov/contractors/contractors.aspx
Apply for a Contractors License - Exam Required	58,194	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application
Maintain and Change Your License	54,407	www.cslb.ca.gov/contractors/maintain_license/
Filing a Construction Complaint	51,361	www.cslb.ca.gov/consumers/filing_a_complaint/
Guides and Publications	50,020	www.cslb.ca.gov/about_us/library/guides_and_publications/
Before Applying For Exam	46,998	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/before_applying_for_license.aspx
Consumers	34,249	www.cslb.ca.gov/consumers/consumers.aspx
Licensing Classifications (C-61 Contractors)	30,908	www.cslb.ca.gov/about_us/library/licensing_classifications/c-61_limited_specialty/default.aspx
Examination Study Guides	27,592	www.cslb.ca.gov/contractors/applicants/examination_study_guides
Frequently Asked Questions	25,980	www.cslb.ca.gov/about_us/faqs/
New Mechanics Lien Release Forms Available on CSLB Website	24,734	www.cslb.ca.gov/media_room/industry_bulletins/2012/july_11.aspx
Hire a Licensed Contractor	24,487	www.cslb.ca.gov/consumers/hire_a_contractor/
About CSLB	23,793	www.cslb.ca.gov/about_us/



Laws and Regulations	23,499	www.cslb.ca.gov/about_us/library/laws/
Licensing Classifications (C-10 Contractor)	22,429	www.cslb.ca.gov/about_us/library/licensing_classifications/c-10_-_electrical.aspx
Licensing Classifications (A Contractor)	22,205	www.cslb.ca.gov/about_us/library/licensing_classifications/a_-_general_engineering_contractor.aspx
Renew Your License	20,876	www.cslb.ca.gov/contractors/maintain_license/renew_license/
Check Application Status	19,477	www.cslb.ca.gov/contractors/applicants/contractors_license/waiver_application/check_application_status.aspx
Contractors State License Board	17,454	www.cslb.ca.gov/default.aspx
Tips for Calling CSLB's Licensing Information Center	17,218	www.cslb.ca.gov/about_us/licensing_contact_tips.aspx
"Completing a Contractor License Application" Video	16,936	www.cslb.ca.gov/contractors/applicants/applicant_video.aspx
Frequently Asked Questions About Journey-level Experience	15,889	www.cslb.ca.gov/contractors/journeymen/journeymen_faqs.aspx
Applying for the Contractors Examination	15,572	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/applying_for_license.aspx
Licensing Classifications (C-27 Contractor)	14,901	www.cslb.ca.gov/about_us/library/licensing_classifications/c-27_-_landscaping.aspx
Step 1: General Renewal Information	14,843	www.cslb.ca.gov/contractors/maintain_license/renew_license/general_renewal_information.aspx
2015 Licenses Revoked	14,678	www.cslb.ca.gov/about_us/library/revoked/2015.aspx
How the Complaint Process Works	14,360	www.cslb.ca.gov/consumers/filing_a_complaint/how_the_complaint_process_works.aspx
Reporting Unlicensed Activity	13,996	www.cslb.ca.gov/consumers/report_unlicensed_activity/
Qualifying Experience for the Examination	13,961	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/experience_for_exam.aspx
List of All CSLB Fees	13,902	www.cslb.ca.gov/about_us/library/fees.aspx

VIDEO/DIGITAL SERVICES

Live Webcasts

- *Board Meeting*

On December 10, 2015, PAO provided a live webcast of the Board’s quarterly meeting in Brisbane.

A live webcast was provided for the Executive Committee Meeting held in Sacramento on February 4, 2016.



CSLB has temporarily discontinued live webcasts because of concerns that government agency live webcasts may need to include real-time closed-captioning. CSLB is currently working with the Department of Consumer Affairs to determine if this is the case and, if so, to implement a plan to begin providing live closed-captioning.

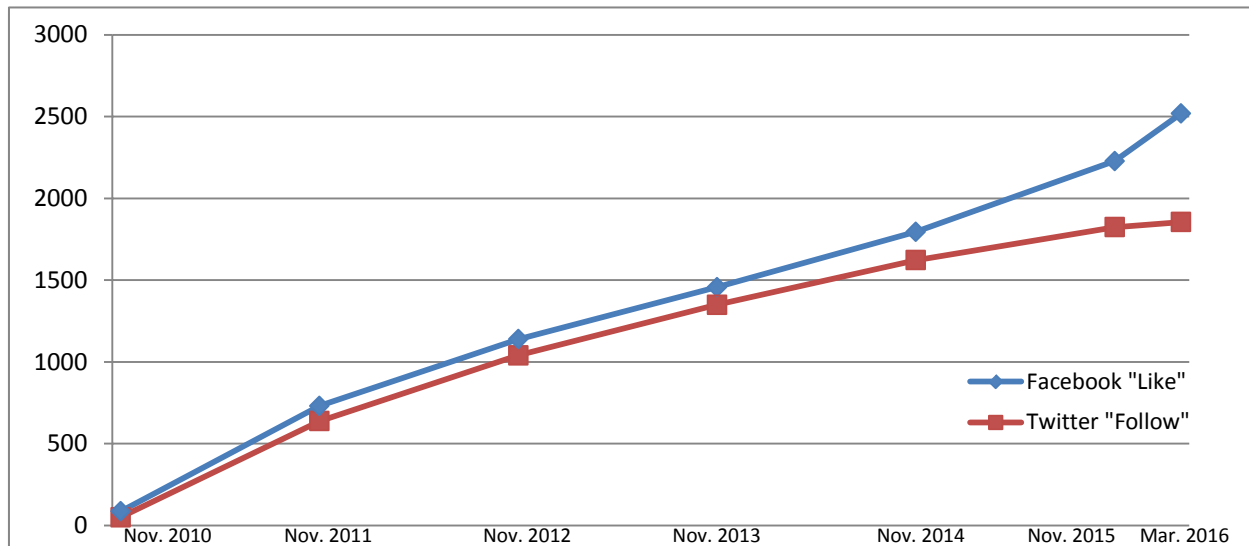
Social Media

CSLB started using a variety of infographics to post information on the Board’s social media pages. Below are examples of infographics recently posted on Facebook, Twitter, and LinkedIn:





Growth of CSLB's Facebook and Twitter sites since their 2010 launch:



Facebook Growth

On February 24, 2016, Facebook introduced a new way to interact with Facebook friends, businesses, etc. Instead of having one option to “like” a post, users can now use five new emotive icons called, “reactions”: “love,” “haha,” “wow,” “sad,” and “angry.”




As of March 15, 2016, CSLB had 2,519 “likes” on its Facebook page, an increase of 213 since the December 2015 Board meeting.

- 68 percent of those who “react” to CSLB on Facebook are male (a 1 percent decrease since December 2015); 30 percent are female.
- 57 percent of CSLB’s Facebook fans are between the ages of 35 and 54.
- On average, photo posts receive 1,273 views per post; links receive 1,814 views per post; videos receive 1,044 views per post; and status updates receive 481 views per post.



- Most viewed posts:
 - San Diego Undercover Sting Press Release - 5.7k reach


02/01/2016
3:30 pm



CSLB investigators recently caught 15 unlicensed contractors during

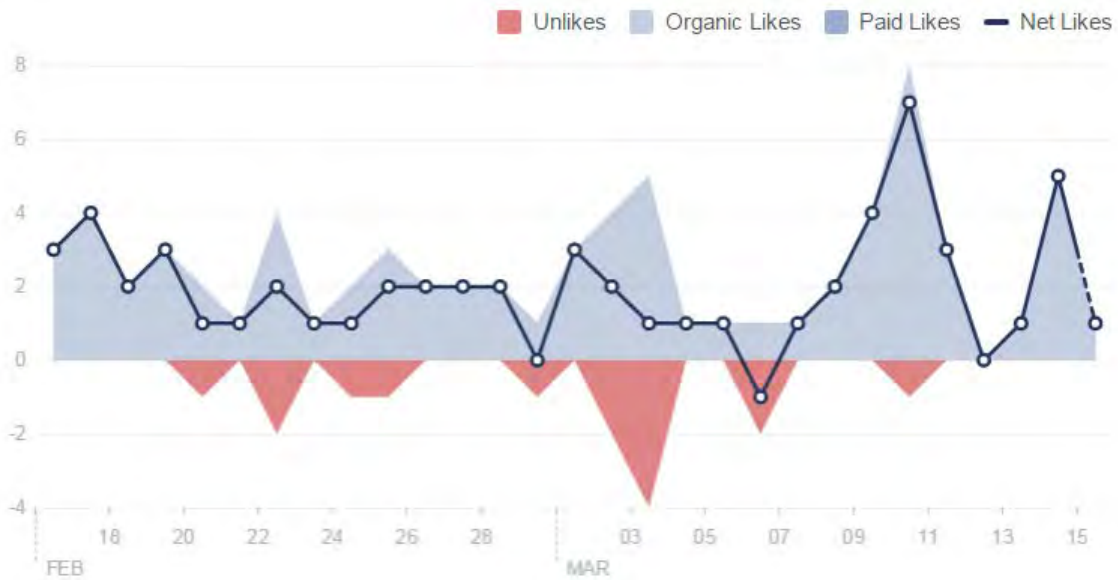
- Chula Vista Sting Press Release - 4.1k reach

03/03/2016
4:10 pm



Those offering to do far more than small jobs among 17 caught in two

The following chart shows the net growth per day since mid-February 2016, for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas represent individuals who have “liked” CSLB at one point, but subsequently “un-liked” CSLB.





Twitter Growth

Between November 17, 2015 and March 21, 2016, CSLB gained 90 followers on Twitter, growing from 1,855 to 1,945.

- 65 percent of CSLB’s followers are male (a 10 percent decrease since December 2015); 35 percent are female.
- Tweets receive an average of 22k impressions (views) per month.
- Top tweets:
 - San Diego Undercover Sting Press Release – 1,247 views



CA Contractors Board @CSLB · Feb 1

CSLB discovers illegal contractors flooding San Diego while homeowners prepare for El Nifio. Read more here:

cslb.ca.gov/Media_Room/Pre...

Periscope Growth

CSLB uses Periscope on an occasional basis to stream live videos during outreach events. A link to the live stream can be sent out via social media and is available for viewers for 24 hours. Periscope allows viewers to send “hearts” to the broadcaster by tapping on the mobile screen as a form of appreciation. Viewers can also send comments and questions during the broadcast.

YouTube Growth

CSLB’s YouTube Channel received 7,245 views between February 15, 2016 and March 13, 2016, an average of 258 visitors per day. Viewers watched a combined total of 35,016 minutes of video. As of March 15, 2016, CSLB has 487 viewers subscribed to the Board’s YouTube channel.



- Since the page was created in 2009, CSLB has had a total of 324,362 views.
- 81 percent of CSLB YouTube viewers are male (a 2 percent decrease since December 2015); 19 percent are female.
- 71 percent of viewers find CSLB videos through “suggested videos” on YouTube, 9.6 percent from a YouTube search, 8.2 percent from external links, and 11 percent use other methods.



- The CSLB Experience Verification Seminar currently has the highest audience retention, with 15,384 minutes watched.



CSLB Undercover Sting, Vallejo
02.24.2016
by Contractors State License Board
304 views · 2 weeks ago

On March 1, 2016, CSLB posted video highlights from the February 24, 2016, undercover sting operation in Vallejo. This video received 1,254 minutes of watch time, with an average view duration of four minutes and 12 seconds.

Flickr Growth

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of March 15, 2016, CSLB has 190 photos available for download on Flickr.

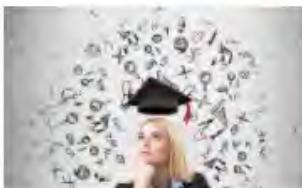
LinkedIn Growth

PAO is exploring the benefits of utilizing LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase exposure and act as an effective recruitment tool to attract quality employees for CSLB job vacancies.

Since the December 2015 Board meeting, CSLB has used LinkedIn to advertise two vacant positions:

- 1) CSLB Graduate Student Assistant - 65 impressions

Contractors State License Board Graduate Student Assistant wanted to contribute to our Examination Development Unit! View the following link for further details: https://lnkd.in/bhq_a_bM



CSLB Graduate Student Assistant Vacancy

jobs.spb.ca.gov · Job Description: Under close supervision and in training capacity of the Personnel Selection Consultant II (Sup), the incumbent will support staff and perform a variety of research duties in the Examination Development Unit (EDU) that is responsible...



2) Test Validation and Development Specialist I/II - 51impressions

Contractors State License Board The Contractors State License Board (CSLB) and Department of Consumer Affairs (DCA) are looking for a top notch Test Validation and Development Specialist I/II to help us effectively identify contractors who are qualified for licensure through the... more



Job Description and Duties

jobs.ca.gov · Completed applications and all required documents must be received or postmarked by the Final Filing Date in order to be considered. Final Filing Date: 2/16/2016 Individuals who are currently in the classification, eligible for lateral transfer,...

Email Alert Feature

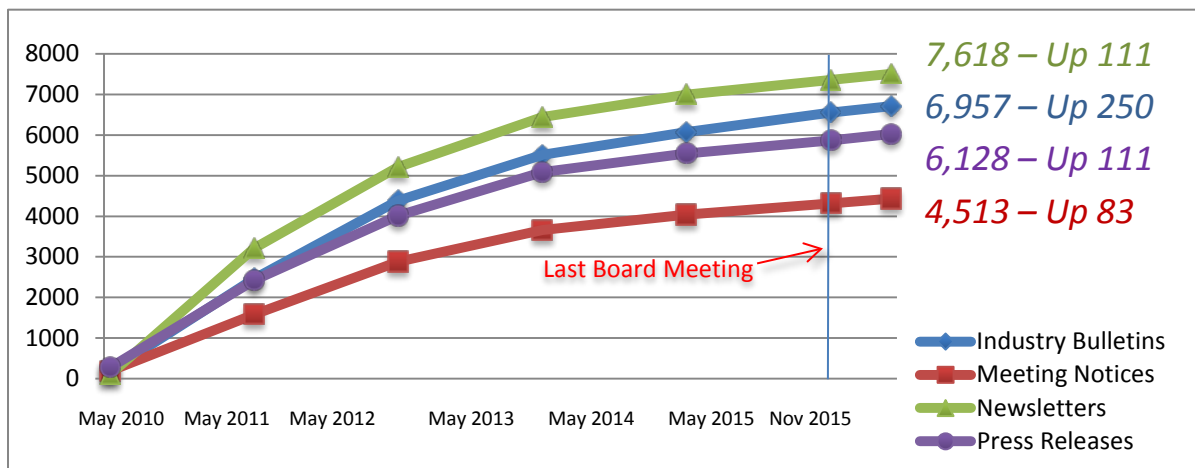
PAO continues to publicize a website feature launched in May 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

- California Licensed Contractor newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

The total subscriber database currently stands at 25,216, which includes 544 new accounts since the December 2015 Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,374 active email addresses, which brings the combined email database to 103,590 addresses.

Email Alert Sign-Up Statistics

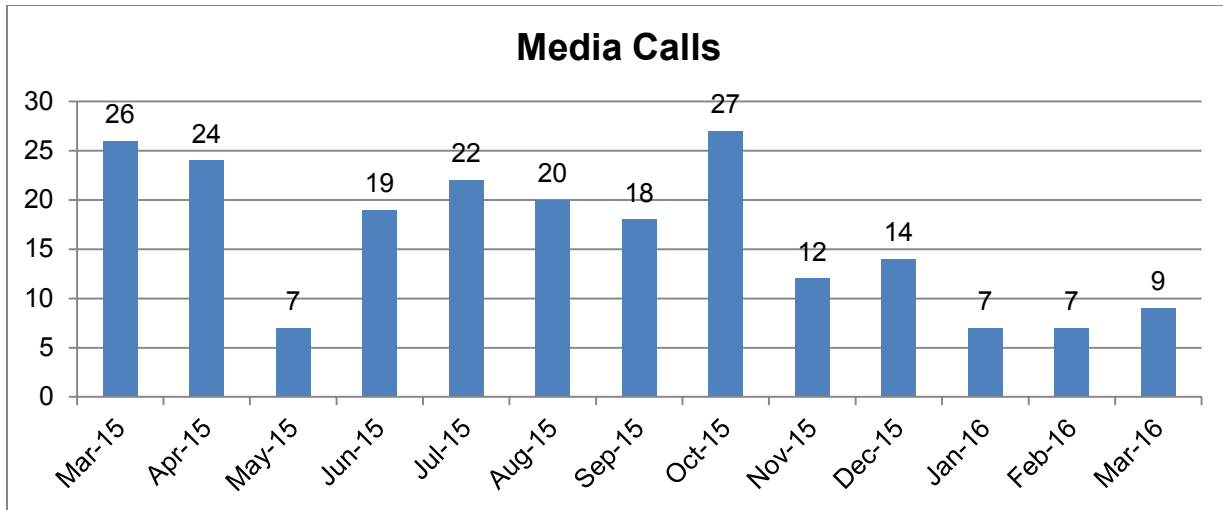




MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between November 20, 2015 and March 18, 2016, PAO staff responded to 42 media inquiries. PAO provided interviews to a variety of online, newspaper, radio, magazine, and television outlets. The following chart breaks down the media calls by month:



News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between January 29, 2016 and March 1, 2016, PAO distributed seven news releases.

Release Date	Release Title
January 29, 2016	CSLB Discovers Illegal Contractors Flooding San Diego While Homeowners Prepare for El Niño
February 1, 2016	Online Try to Sabotage CSLB's Riverside County Sting Fails; 10 Cited
February 12, 2016	Thumbtack Website and Online Bulletins Help CSLB Pin Down Illegal Contractors in San Joaquin County
February 16, 2016	CSLB Snares 23 on Illegal Contracting Charges in a Pair of L.A.-Area Undercover Sting Operations
February 17, 2016	CSLB Weeds Out 21 Unlicensed Contractors in Santa Maria Sting
February 19, 2016	No Contractor Licenses, Workers' Comp at CSLB Sting in Hanford
February 29, 2016	Handymen Defy Contracting Law at CSLB Sting in San Diego

March 1, 2016

CSLB Cites 18 on Illegal Contracting Charges in Vallejo Sting

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

Industry Bulletins

PAO distributes industry bulletins to alert industry members to important and interesting news. Bulletins are sent via email on an as-needed basis to just over 6,000 individuals and groups, including those who have signed-up to receive the bulletins via CSLB’s Email Alert system. Between December 3, 2015 and March 18, 2016, PAO distributed six industry bulletins.

Release Date	Bulletin Title
December 3, 2015	Licensed Contractors Urged to Make Sure They Increase Bond Coverage to \$15,000 Before End of Year; Applies to All Licensees
December 21, 2015	Contractors State License Board Notes Death of Former Registrar Gail W. Jesswein
December 24, 2015	CSLB Warns Contractors on Public Works Projects: Miss Year-End DIR Registration Deadline, Pay Big Penalty
January 4, 2016	Earthquake Brace + Bolt Program Provides Contractors with New Work for the New Year
January 13, 2016	CSLB Successfully Implements New Home Improvement Salesperson Program as Part of New 2016 Laws
February 11, 2016	CSLB’s 2016 Law Book Now Available For Sale, Online

PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS

CSLB publications update (print and online):

Completed

- 2016 Law & Reference Book
- New What Happens Now brochure (Spanish)
- New Build a Rewarding Career: Protecting California Consumers brochure
- A Homeowner’s Guide to Preventing Mechanics Liens brochures (English & Spanish)
- A Consumer Guide to Filing Construction Complaints brochures (English & Spanish)





- A Guide to Contractor License Bonds
- Building Your Career as a Licensed Contractor

In Production

- Mandatory Settlement Conference Tips brochure
- New Consumer Guide
- Mandatory Arbitration Program Guide
- Voluntary Arbitration Program Guide
- Asbestos: A Contractor’s Guide and Open Book Exam

In Development

- New Contractor Guide
- 2015 Building Official Information Guide
- New outreach pull-up banners

COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars

CSLB’s Senior Scam StopperSM seminars have been offered throughout the state since 1999 in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction-related scams and how seniors can protect themselves when hiring a contractor. Seniors are a vulnerable audience, often preyed upon by unlicensed or unscrupulous contractors.

Sessions feature expert speakers from many local, state, and federal agencies, who present broader topics, including identity theft, auto repair, Medicare, foreign lotteries, and mail fraud.

The 500th seminar is scheduled for April 15, 2016, in Coachella with Assembly Member Eduardo Garcia.

The following seminars have been conducted and/or scheduled from January through April 2016:

Date	Location	Legislative/Community Partner(s)
January 26, 2016	Union City	Tropics Mobile Home Park
February 4, 2016	Santa Barbara	Sen. Hannah-Beth Jackson
February 11, 2016	San Marcos	Rancho Vallecitos Mobile Estates
February 12, 2016	Vacaville	Asm. Jim Frazier
February 18, 2016	Union City	Asm. Bill Quirk



February 19, 2016 AM	Redwood City	Asm. Kevin Mullin
February 19, 2016 PM	Castro Valley	Asm. Bill Quirk
February 24, 2016	La Jolla	Rep. Scott Peters
February 26, 2016	Los Gattos	Sen. Jim Beall
March 2, 2016	Murrieta	Sen. Jeff Stone
March 4, 2016	Santa Ana	Asm. Tom Daly
March 10, 2016	La Verne	Copacabana Mobile Home Park
March 11, 2016	Anaheim	Asm. Tom Daly
March 14, 2016	Oakley	Asm. Jim Frazier
March 16, 2016	Commerce	Rep. Lucille Roybal-Allard
March 18, 2016 AM	West Covina	Asm. Roger Hernandez
March 18, 2016 PM	Pomona	Asm. Freddie Rodriguez
March 21, 2016	American Canyon	Asm. Bill Dodd
March 22, 2016	Newark	Asm. Kansen Chu
March 23, 2016	Claremont	Sen. Carol Liu/Asm. Chris Holden
March 24, 2016	Clovis	Asm. Jim Patterson
March 25, 2016	Seaside	Asm. Mark Stone
March 28, 2016	Elk Grove	Asm. Jim Cooper
March 31, 2016	Santa Clarita	Sen. Sharon Runner
April 7, 2016	Lancaster	Sen. Sharon Runner
April 8, 2016	Carmichael	Sen. Ken Cooley
April 12, 2016	Calimesa	Riverside Co. Supv. Marion Ashley
April 13, 2016	La Mesa	Asm. Shirley Weber
April 14, 2016	Westminster	Orange Co. Supv. Andrew Do
April 15, 2016	Coachella	Asm. Eduardo Garcia
April 18, 2016	Galt	Asm. Jim Cooper
April 19, 2016 AM	Sacramento	Asm. Jim Cooper
April 19, 2016 PM	El Dorado Hills	Asm. Beth Gaines
April 20, 2016	Brentwood (Contra Costa County)	Asm. Jim Frazier
April 21, 2016	Carpenteria	Asm. Das Williams
April 22, 2016	Fremont	Asm. Bill Quirk



EMPLOYEE RELATIONS

Intranet (CSLBin)

CSLBin, the employee-only Intranet site launched in November 2013, continues to be a very popular source of news and photos about CSLB and staff, as well as a go-to work resource. PAO has posted hundreds of stories and photos highlighting employee and organizational accomplishments, and maintains an active archive system for easy referrals. In addition to employee news, the site also is kept current with the latest forms, policies, reports, and other information used by CSLB staff around the State.

Staff reaction to the site has been very positive, with many contributing story ideas and other suggestions.



AGENDA ITEM H

Licensing



AGENDA ITEM H-1

Licensing Program Update

- a. License Application Workload Overview
- b. LLC Applications Workload Update
- c. Workers Compensation Recertification Statistics
- d. Fingerprinting/Criminal Background Unit Statistics
- e. Experience Verification Unit Highlights
- f. Licensing Information Center Statistics
- g. Judgment Unit Overview
- h. Licensing Processing Time Statistics





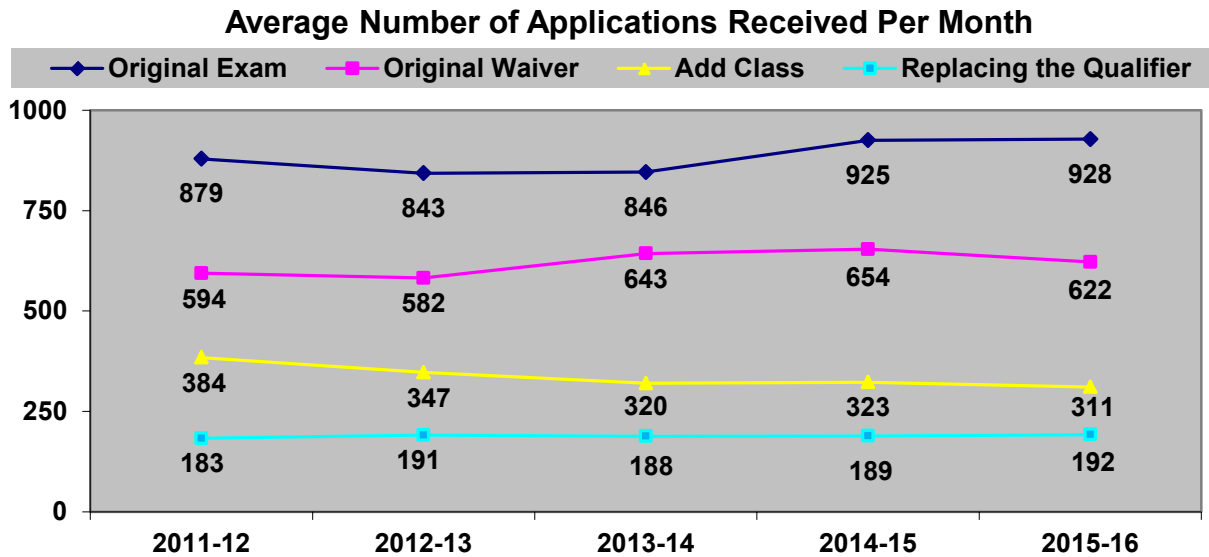
CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

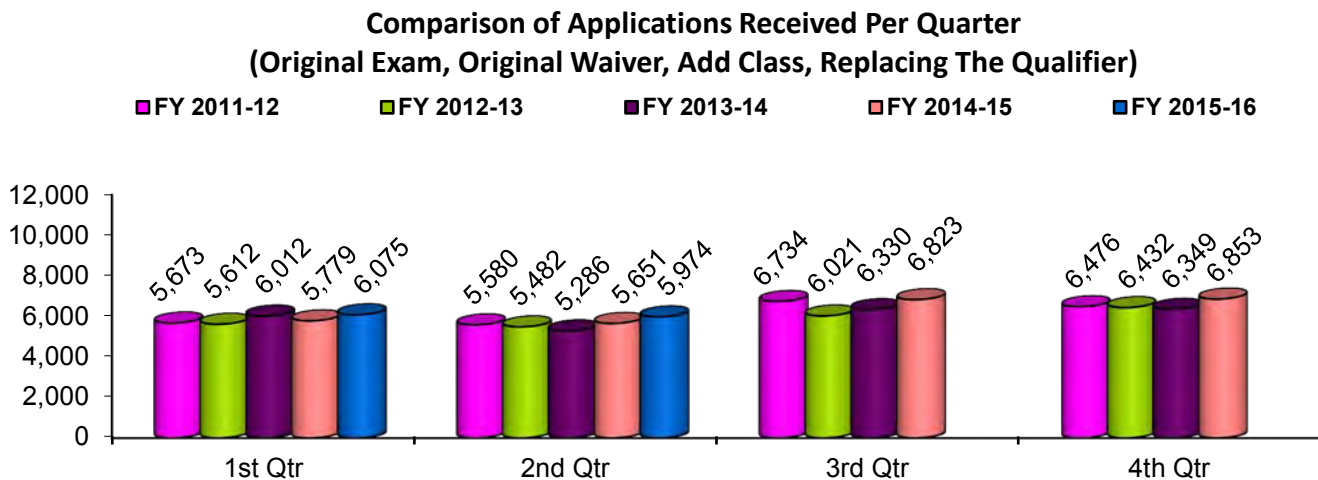
LICENSE APPLICATION WORKLOAD

Beginning in fiscal year (FY) 2013-14, the number of applications CSLB received trended upward 2 percent from the previous year, reversing the decline in previous years because of the economic recession and housing downturn.

The following chart provides the average number of applications received per month:



The total number of applications received by fiscal year quarter is shown below:

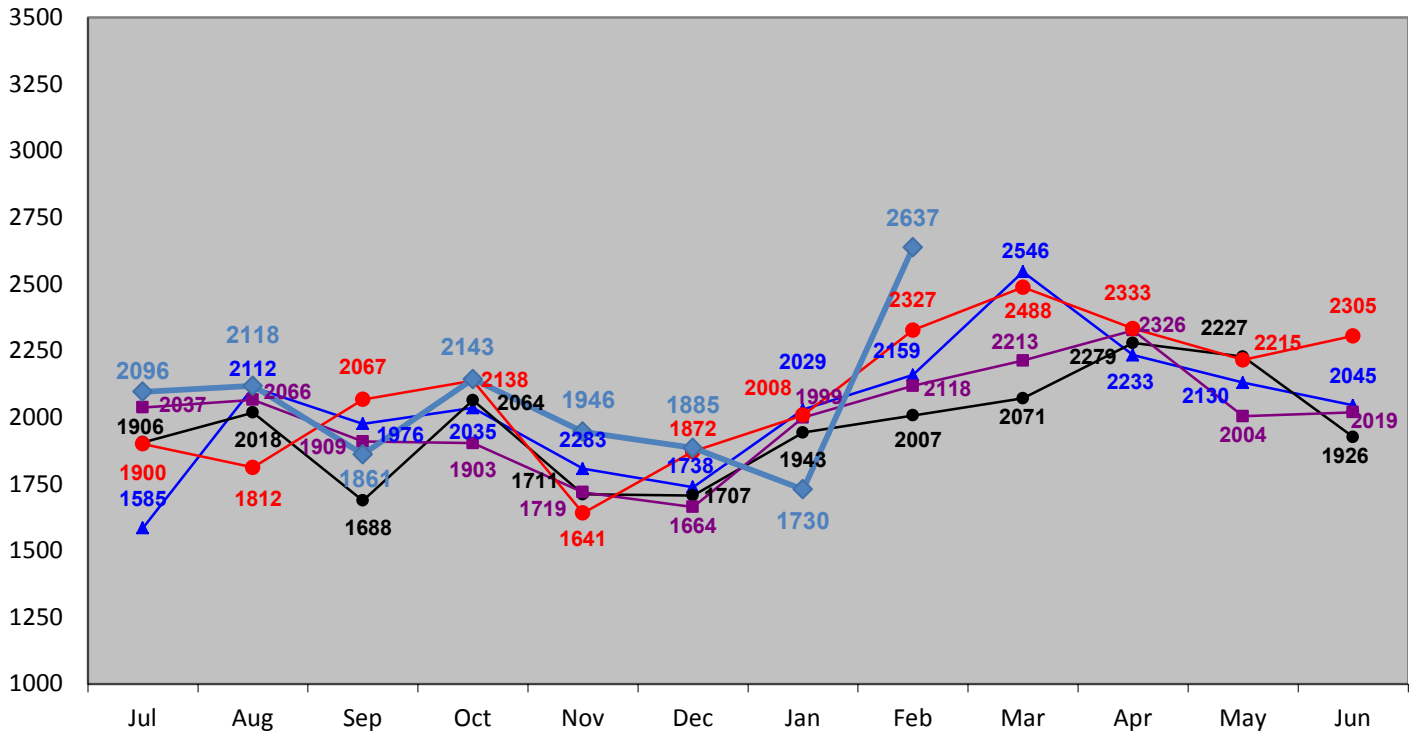


**Increase of 2 percent for total applications received for FY 2014-15
Compared with FY 2013-14**



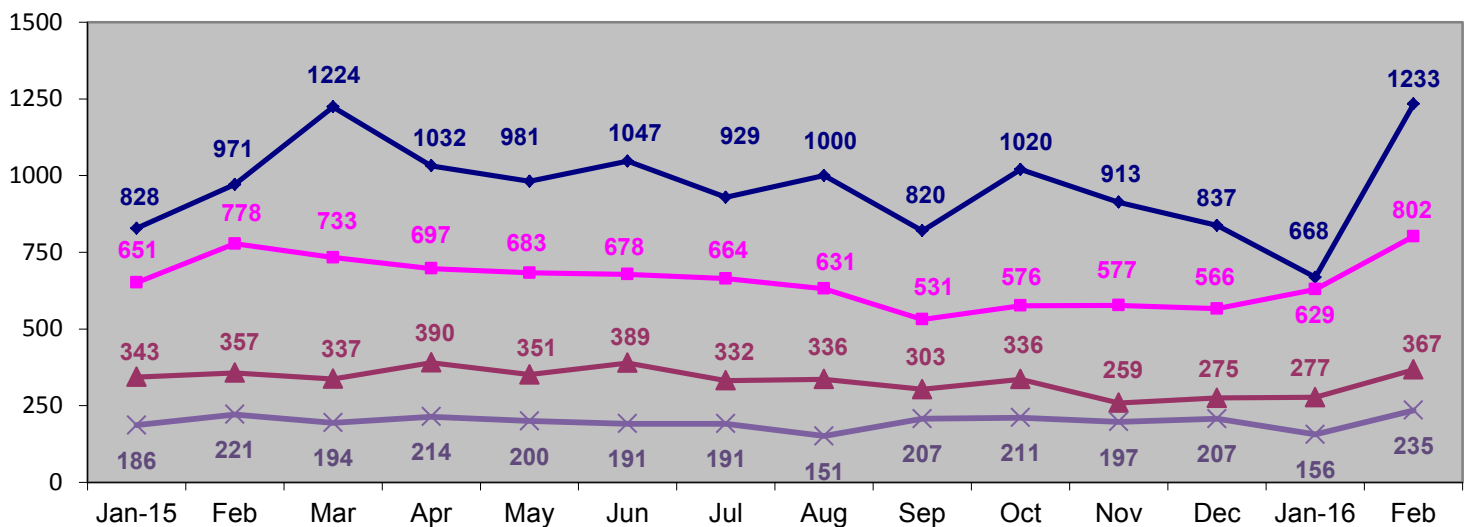
**Total Number of Applications Received Per Month for Fiscal Year
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)**

2011-12 2012-13 2013-14 2014-15 2015-16



Number of Applications Received

Original Exam Original Waiver Add Class Replacing the Qualifier



**LIMITED LIABILITY COMPANIES (LLCs)**

CSLB has licensed LLCs since January 1, 2012, when a new law (SB 392) gave CSLB the necessary authority.

Of the 3,070 original LLC applications received through March 1, 2016, CSLB issued 1,359 limited liability company contractor licenses. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of the Secretary of State. The SOI information is required to process the LLC application and provides staff with the total number and names of LLC personnel, which is crucial to determine the appropriate liability insurance requirement (between \$1 million and \$5 million) for the LLC.

Most Common Reasons LLC Applications are Returned for Correction:

1. The personnel listed on the application does not match the personnel listed on Secretary of State (SOS) records.
2. LLC/SOS registration number and/or business name is missing or incorrect.
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title.
4. Questions section (page 3 of application, #10-15) is missing or incomplete.

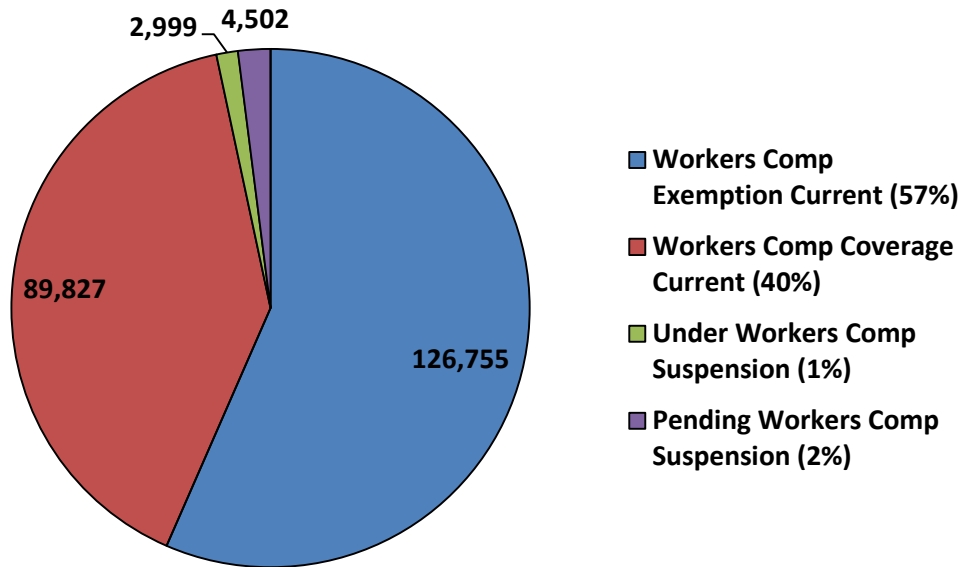
WORKERS' COMPENSATION RECERTIFICATION

Business and Professions Code §7125.5 (Assembly Bill 397) took effect on January 1, 2012. Licensing implemented the requirements of the new law in January 2013, effective for licenses expiring March 31, 2013. This law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify that exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.



This chart provides a snapshot of workers' compensation coverage for active licenses:

**Workers' Comp Coverage for
Active Licenses - March 1, 2016**



Total Number of Active Licenses: 224,083

Data obtained from Teale Program ACTLICWC

The chart shown on the following page provides the current workers' compensation coverage status (policies and exemptions) on file for active licenses by classification and the percentage of exemptions per classification.

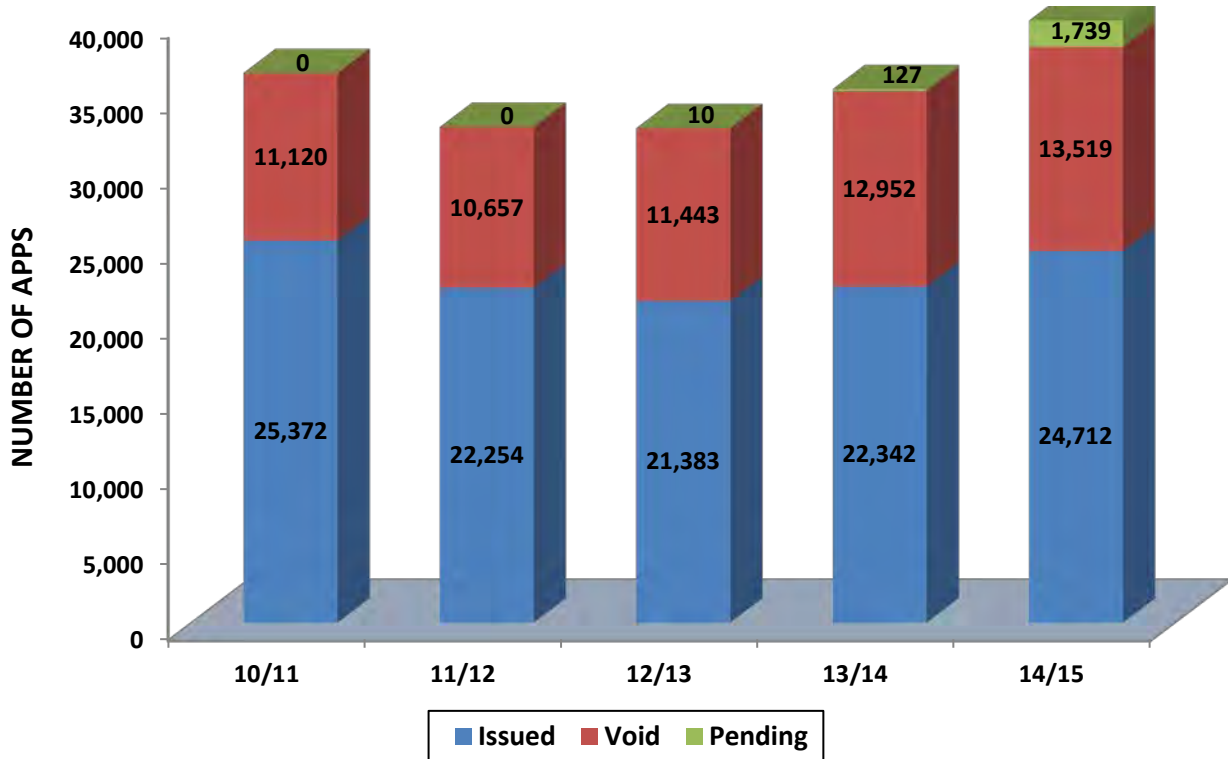
**Active License Classifications – Workers’ Comp Status Effective 03-01-2016**

	Classification	Number of Exemptions on File	Number of WC Policies on File	Total Exemptions & Policies	Percentage of Total with Exemptions
A	General Engineering	5,734	8,662	14,396	40%
B	General Building	64,007	35,866	99,873	64%
C-2	Insulation and Acoustical	291	864	1,155	25%
C-4	Boiler Hot Water	220	596	816	27%
C-5	Framing/Rough Carpentry	476	278	754	63%
C-6	Cabinet-Millwork	2,866	1,784	4,650	62%
C-7	Low Voltage Systems	2,147	2,595	4,742	45%
C-8	Concrete	2,568	3,243	5,811	44%
C-9	Drywall	1,329	1,667	2,996	44%
C10	Electrical	13,957	10,228	24,185	58%
C11	Elevator	45	159	204	22%
C12	Earthwork & Paving	1,036	1,254	2,290	45%
C13	Fencing	672	777	1,449	46%
C15	Flooring	3,836	3,159	6,995	55%
C16	Fire Protection	748	1,337	2,085	36%
C17	Glazing	1,118	1,591	2,709	41%
C20	HVAC	6,250	4,951	11,201	56%
C21	Building Moving Demo	475	1,011	1,486	32%
C22	Asbestos Abatement	0	192	192	0%
C23	Ornamental Metal	449	526	975	46%
C27	Landscaping	4,838	6,100	10,938	44%
C28	Lock & Security Equip	157	196	353	44%
C29	Masonry	1,115	1,358	2,473	45%
C31	Construction Zone	36	188	224	16%
C32	Parking Highway	194	308	502	39%
C33	Painting	9,010	6,247	15,257	59%
C34	Pipeline	168	306	474	35%
C35	Lath & Plaster	662	1,112	1,774	37%
C36	Plumbing	8,806	6,001	14,807	60%
C38	Refrigeration	987	925	1,912	52%
C39	Roofing	0	4,002	4,002	0%
C42	Sanitation	399	547	946	42%
C43	Sheet Metal	485	1,016	1,501	32%
C45	Signs	389	432	821	47%
C46	Solar	431	629	1,060	41%
C47	Gen Manufactured House	238	190	428	56%
C50	Reinforcing Steel	68	159	227	30%
C51	Structural Steel	422	952	1,374	31%
C53	Swimming Pool	1,052	1,236	2,288	46%
C54	Tile	3,583	2,541	6,124	59%
C55	Water Conditioning	131	169	300	44%
C57	Well Drilling	363	510	873	42%
C60	Welding	561	401	962	58%
C61	Limited Specialty	7,543	8,870	16,413	46%
ASB	Asbestos Cert	349	779	1,128	31%
HAZ	Hazardous Cert	598	1,307	1,905	31%



Disposition of Applications by Fiscal Year
Teale Report S724: Run Date 03-01-2016

(Includes: Original, Add Class, Replacing the Qualifier, Home Improvement Salesperson, Officer Changes)





FINGERPRINTING/CRIMINAL BACKGROUND UNIT

CSLB began fingerprinting applicants in January 2005. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide Criminal Offender Record Information (CORI) to CSLB for in-state convictions and for out-of-state and federal convictions, respectively.

Since the fingerprint program began, CSLB has received 351,172 transmittals from DOJ. These include clear records and conviction information.

Of the applicants fingerprinted during that time, Criminal Background Unit (CBU) staff received CORI for 61,355 applicants, an indication that DOJ and/or the FBI had a criminal conviction(s) on record for that individual.

As a result of CORI files received through March 1, 2016, CBU denied 1,268 applications and issued 1,502 probationary licenses; 635 applicants appealed their denials.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the results are delayed in order for the agency to conduct further research based on the applicant’s record. This does not necessarily indicate a conviction, as sometimes the results reveal a clear record. Recently, at any given time an average of 300 applicants are subject to DOJ/FBI delays. Most delays are resolved within 30 days; however, some continue for 60 or 90 days, or more. Since DOJ and FBI are independent agencies, CSLB has no control over these delays and must wait for the fingerprint results before issuing a license.

Below is a breakdown of CBU statistics by fiscal year.

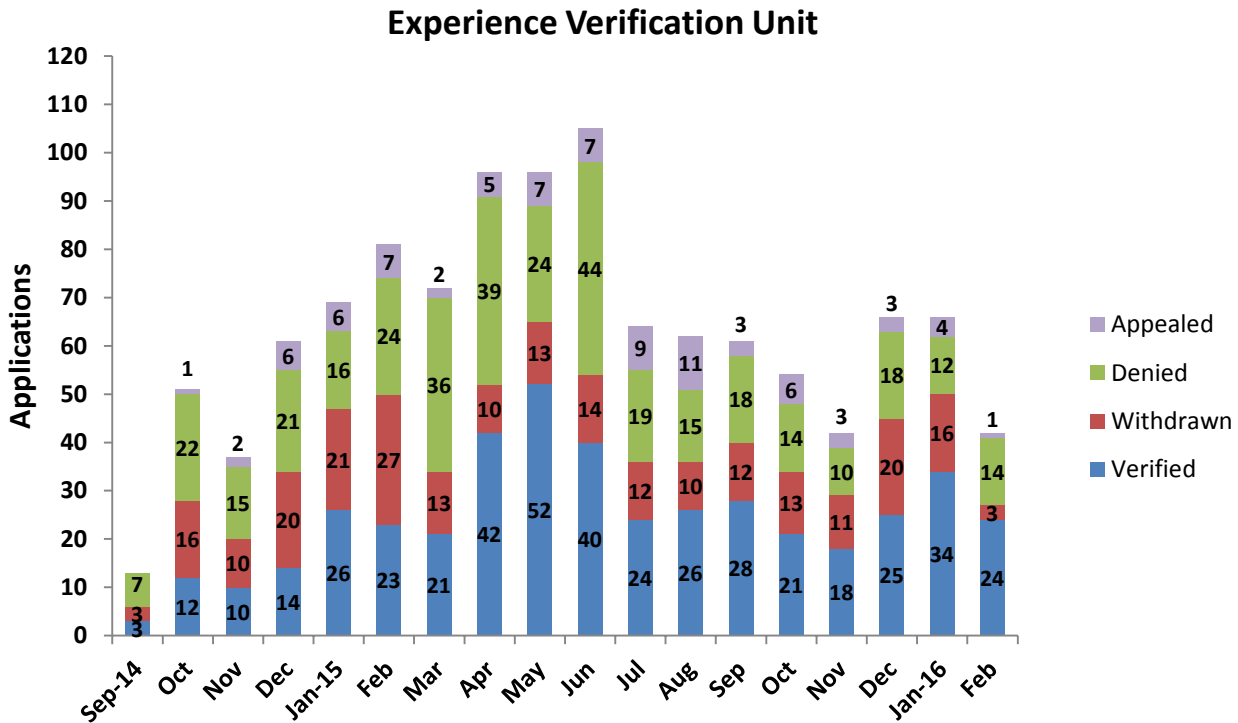
Criminal Background Unit Statistics								
	FY 04-05 thru FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	TOTALS
DOJ Records Received	216,177	24,730	18,805	18,270	20,395	28,434	19,961	351,172
CORI RAPP Received	35,407	5,201	3,997	3,663	3,768	4,686	3,940	61,355
Denials	907	108	70	67	37	40	39	1,268
Appeals	435	62	39	36	23	21	19	635
Probationary Licenses Issued	825	243	146	71	76	97	44	1,502



EXPERIENCE VERIFICATION UNIT

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants' claims of work experience. Until 2005, application experience investigations were performed by the Licensing division. However, in early 2005, when the fingerprinting requirements were implemented, Licensing requested that the application experience investigation workload be transferred to the Enforcement division. This enabled Licensing staff, who had previously conducted application experience investigations, to review criminal histories. However, the Experience Verification Unit returned to the Licensing division on July 1, 2014, statistical reporting was in place by September 2, 2014, and the unit was fully staffed by November 20, 2014. Licensing continues to follow the same procedures as Enforcement.

The following chart provides a monthly breakdown of the action taken for applications referred to the Experience Verification Unit.



Since implementation, the Experience Verification Unit staff has been assigned a total of 921 applications for experience verification. The number of applications referred to the unit each month meets the 3 percent minimum requirement (Business and Professions Code §7068(g) and California Code of Regulations 824).

The Experience Verification Unit denied 368 applications, 83 have been appealed, and 443 verified for continued processing. Two hundred forty four applications were withdrawn. Currently, 86 applications are pending further review or awaiting additional supporting experience documentation from the applicant.



The chart below provides the classification breakdown for appeals, denials, withdrawals, and experience verifications from September 1, 2014 through February 29, 2016.

Experience Verification By Classification

Classification	Total Reviewed by Class	Appealed	Withdrawn	Verified	Denied
A General Engineering	92	15	27	22	28
B General Building	663	52	160	220	231
C-2 Insulation/Acoustic	1			1	
C-4 Boiler Hot Water	1			1	
C-5 Framing/Rough Carp	3			2	1
C-6 Cabinet-Millwork	2			2	
C-7 Low Voltage	7		1	5	1
C-8 Concrete	13		2	5	6
C-9 Drywall	8	2			6
C-10 Electrical	64	1	10	40	13
C-12 Earthwork & Paving	6		1	2	3
C-13 Fencing	3			1	2
C-15 Flooring	13	1	1	7	4
C-16 Fire Protection	2		1	1	
C-17 Glazing	4		1	2	1
C-20 HVAC	38	2	5	17	14
C-21 Bldg. Moving Demo	5		1	2	2
C-22 Asbestos	4		2	1	1
C-23 Ornamental Metal	2		1	1	
C-27 Landscaping	38	3	6	16	13
C-29 Masonry	2		1	1	
C-31 Construction Zone	1				1
C-32 Parking Highway	1		1		
C-33 Painting	24		1	18	5
C-35 Lath-Plaster	5	1		1	3
C-36 Plumbing	53	2	6	33	12
C-39 Roofing	7	1	2	2	2
C-42 Sanitation	2		1		1
C-43 Sheet Metal	1		1		
C-46 Solar	8	1		4	3
C-47 Manufactured Housing	1			1	
C-51 Structural Steel	1			1	
C-53 Swimming Pool	8	1	1	2	4
C-54 Tile	16		3	10	3
C-57 Well Drilling	9		2	5	2
C-60 Welding	3		1	2	
C-61 Limited Specialty	26	1	4	15	6
Totals By Action	1137	83	243	443	368



LICENSING INFORMATION CENTER (LIC)

LIC Workload

LIC (call center) staff has continued to exceed Board goals. To date, for fiscal year 2015-16, call center agents answer approximately 14,605 calls per month. Call wait times averaged only 4:08, with 98 percent of all incoming calls answered. The average length of each call was 1:16.

These improved statistics can be attributed to improved staffing levels and training. Employees hired in 2014 and 2015 continue to benefit from comprehensive training and are becoming more seasoned each day.

Staffing Update

LIC currently has two vacancies, with 13 full-time Program Technician IIs and two Retired Annuitants.

Increased Training

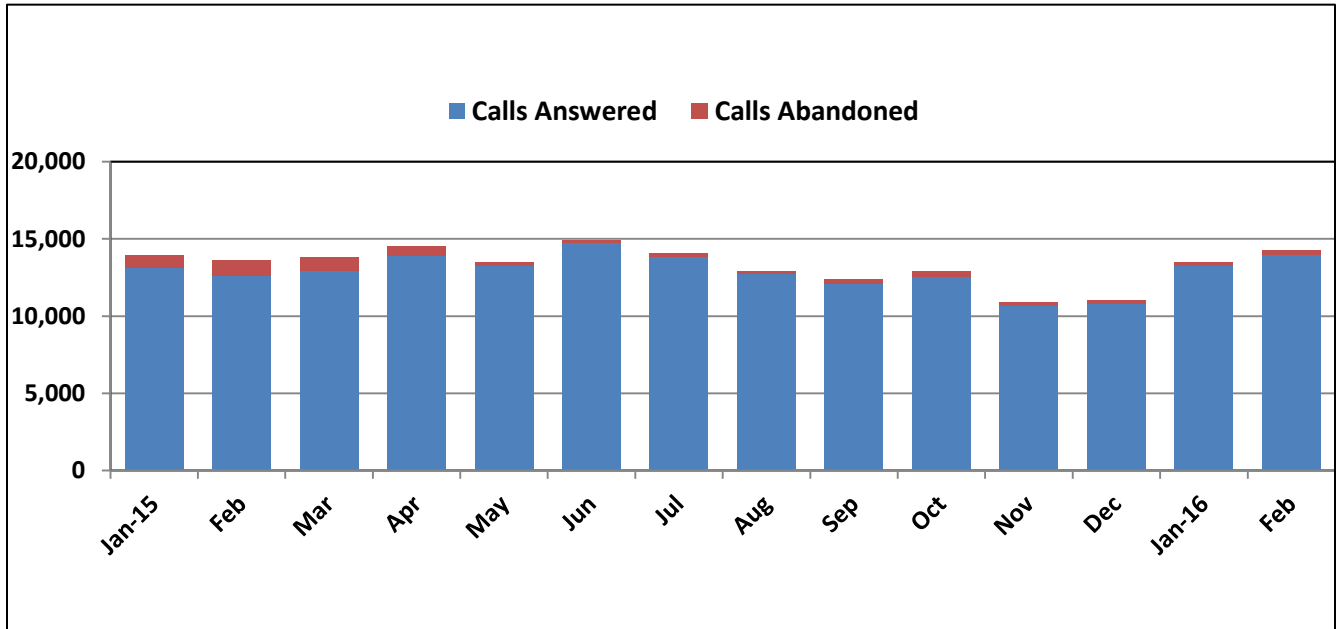
LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC meets bi-monthly with the CSLB Classification Deputy for updated classification changes, and keeps in constant contact with all Licensing units to ensure that the public receives the most current information.

LIC analyst Ellen Maier is planning the next round of training for new CSLB employees, and the first class is scheduled for April 2016.



Licensing Information Center Call Data

	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2016	Feb
Calls Received	13,984	13,595	13,788	14,490	13,514	14,906	14,060	12,899	12,392	12,889	10,871	11,021	13,500	13,988
Calls Answered	13,156	12,633	12,927	13,889	13,272	14,755	13,810	12,709	12,114	12,527	10,646	10,820	13,291	13,710
Calls Abandoned	823	958	854	599	242	151	250	189	278	357	223	200	205	273
Longest Wait Time	10:32	12:59	12:17	11:06	4:51	2:51	4:01	3:55	5:40	4:37	5:14	7:47	3:51	4:34
Shortest Wait Time	0:45	0:44	0:31	0:34	0:22	0:08	0:07	0:12	0:15	0:21	0:07	0:06	0:12	0:15
Average Wait Time	4:39	4:30	4:12	4:32	4:27	4:17	4:13	4:08	4:00	4:02	4:04	4:20	4:08	4:04



**JUDGMENT UNIT**

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment, or payment of claim, the licensee receives an initial letter that explains options and the timeframe to comply, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

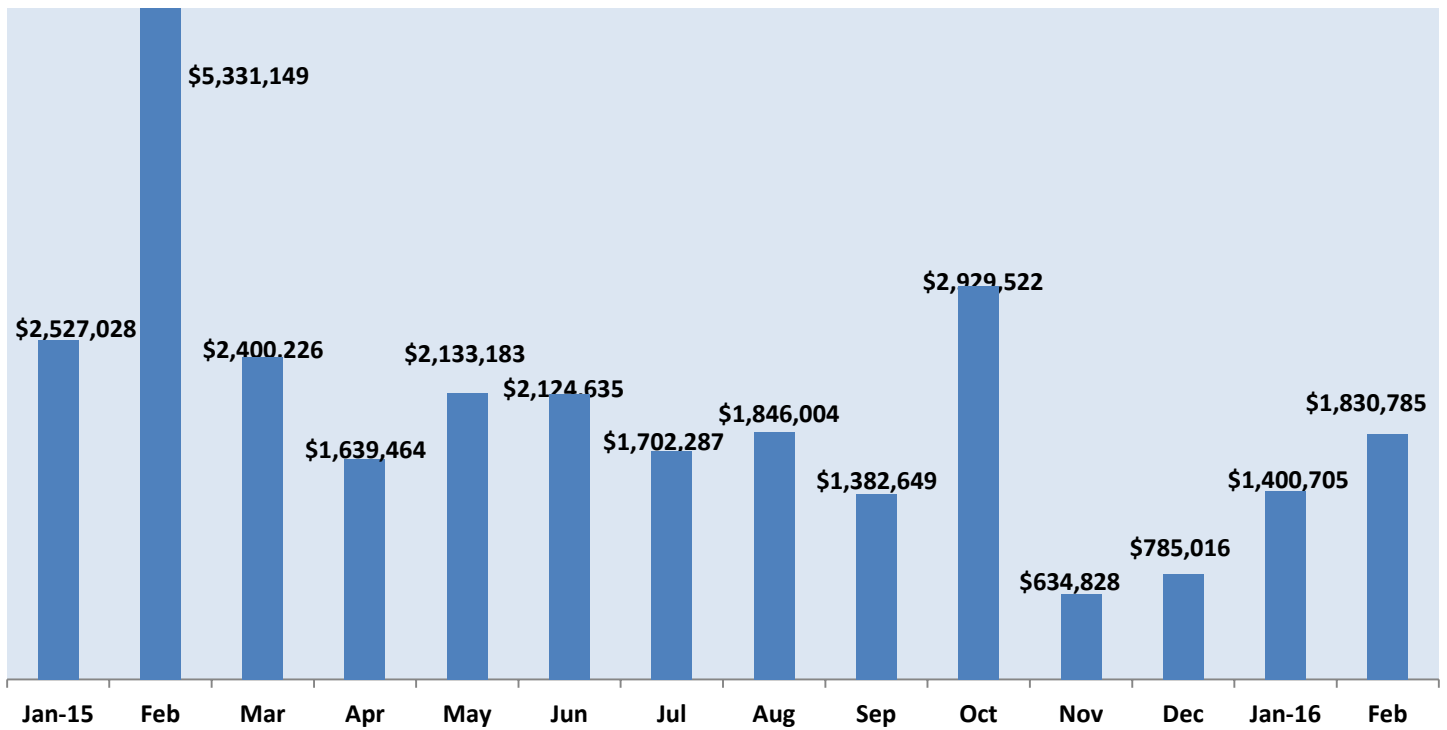
If the licensee fails to comply within the allotted timeframe, the license is suspended and a notice of suspension is sent to the contractor. Upon compliance, a reinstatement letter is sent to the licensee.



Outstanding Liabilities

	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2016	Feb
Initial	46	46	38	57	89	102	78	51	51	56	40	91	58	51
Suspend	42	40	42	36	32	51	80	91	64	38	45	48	33	84
Reinstate	63	100	42	43	25	40	41	52	42	44	31	33	39	52

Savings to the Public

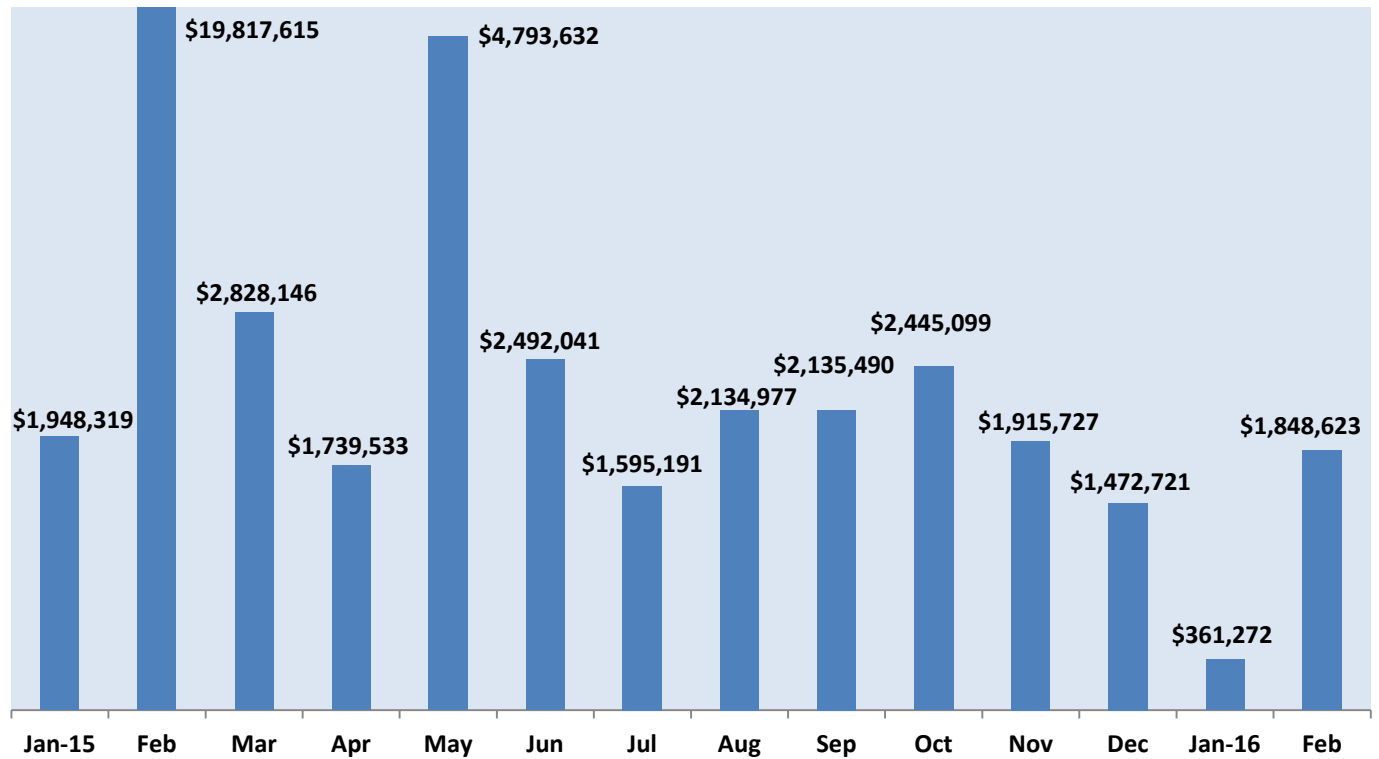




Judgments

	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2016	Feb
Initial	181	112	185	145	148	142	171	144	155	116	27	69	59	55
Suspend	96	53	68	54	48	84	81	67	54	73	61	77	43	3
Reinstate	109	132	134	121	93	117	111	102	111	111	84	83	77	70

Savings to the Public

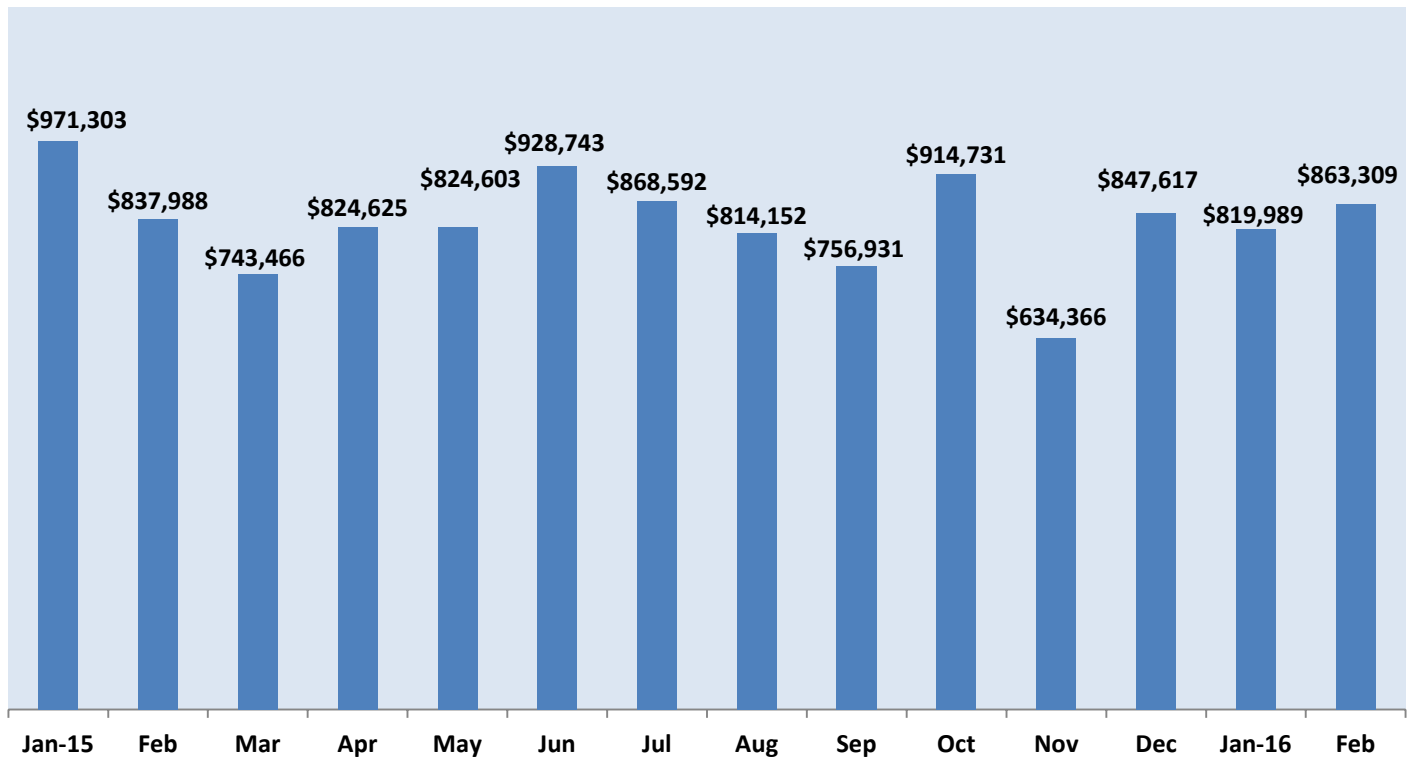




Bond Payment of Claims

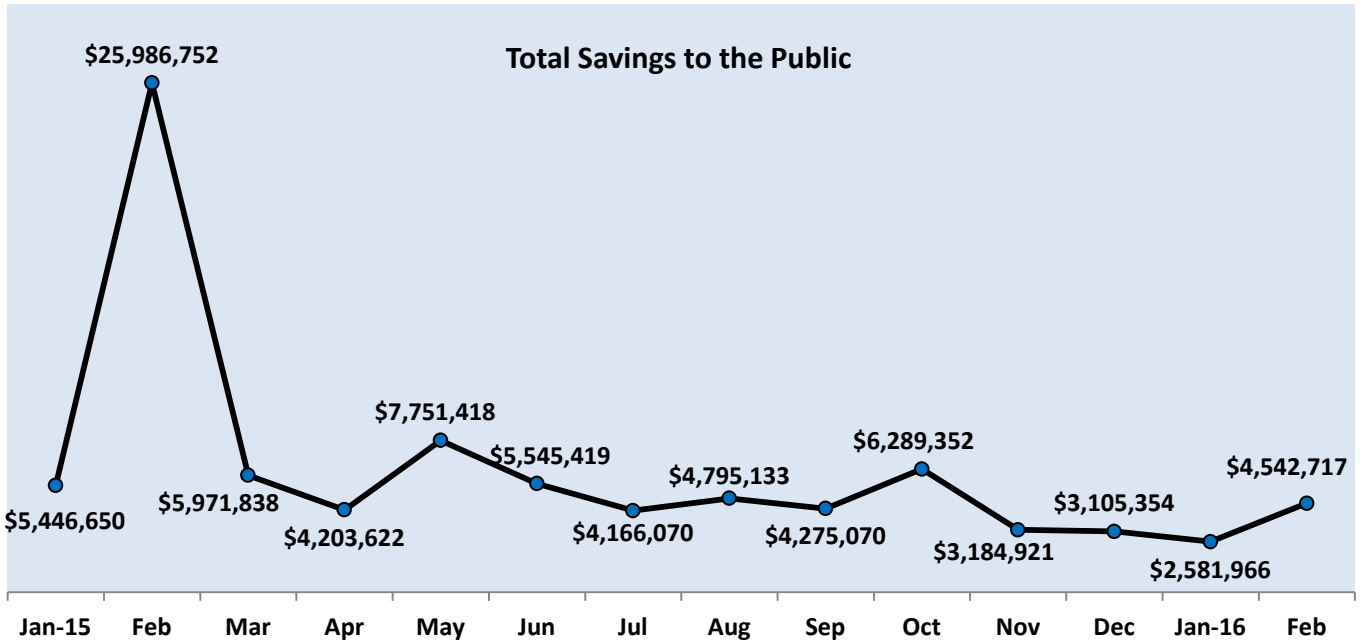
	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2016	Feb
Initial	253	153	122	207	178	218	166	154	182	167	129	143	130	167
Suspend	126	39	60	114	77	43	127	71	109	72	65	100	57	59
Reinstate	159	148	130	140	142	157	152	147	130	155	107	146	124	137

Savings to the Public





The chart below illustrates the combined total savings to the public by month for outstanding liabilities, judgments, and payments of claim.



CSLB management continues to monitor processing times for the various licensing units on a weekly and monthly basis. The charts on the last four pages of this report track the “weeks to process” for the application and license maintenance/transaction units.

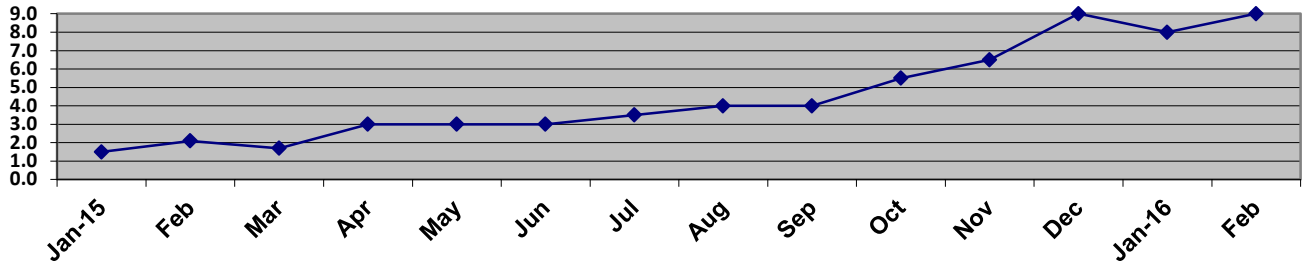
The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

The time-to-process timelines for applications and renewals include an approximate two-day backlog that accounts for the required cashing and image-scanning tasks that must be completed before an application or document can be processed.

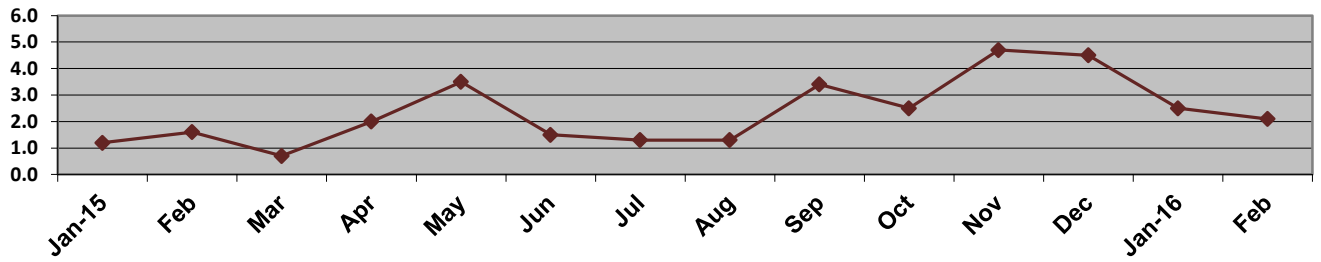


Number of Weeks before Being Pulled for Processing

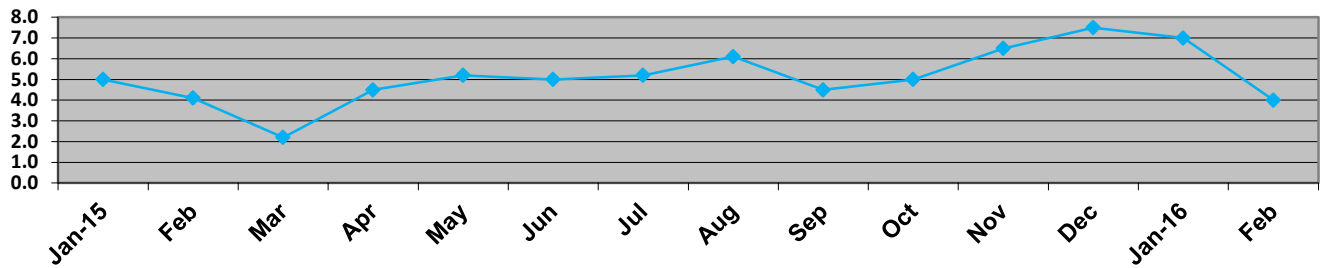
Application for Original License - Exam



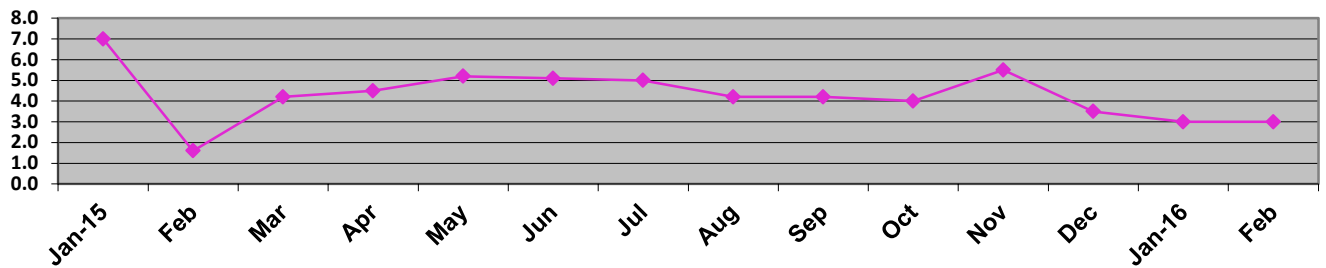
Application for Original License - Waiver



Application for Additional Classification



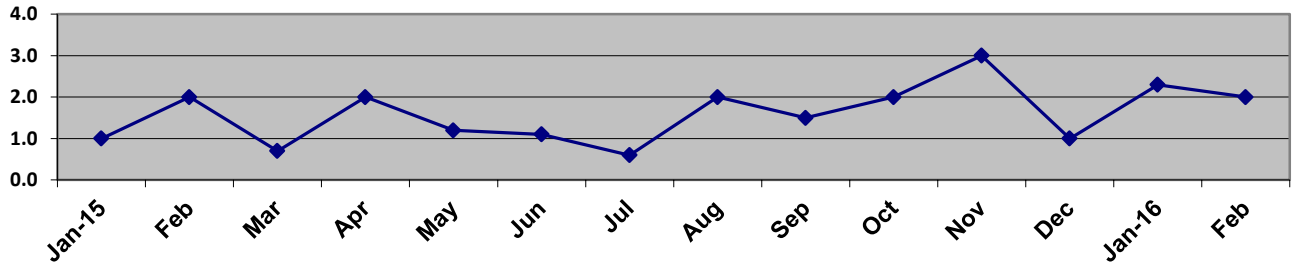
Application to Replace the Qualifier



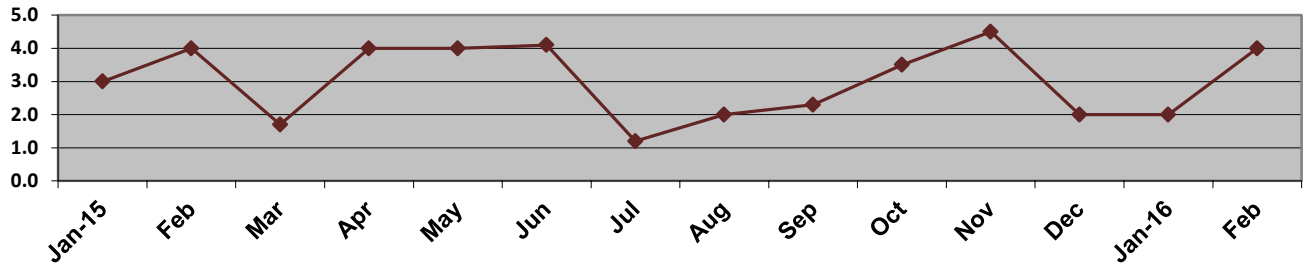


Number of Weeks before Being Pulled for Processing

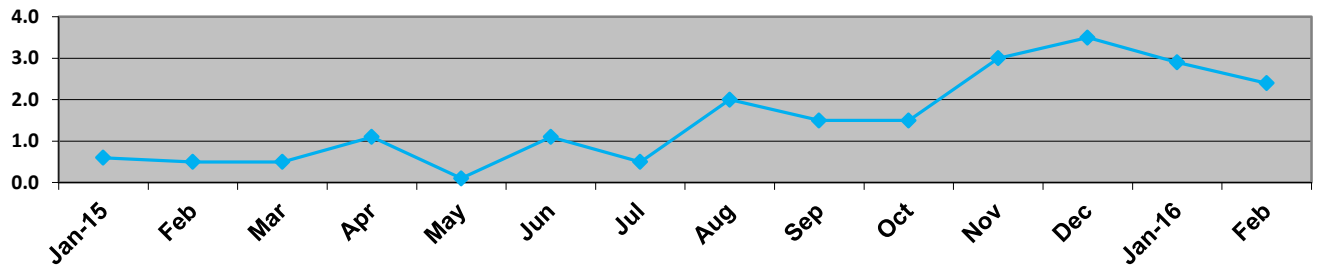
Application for Renewal



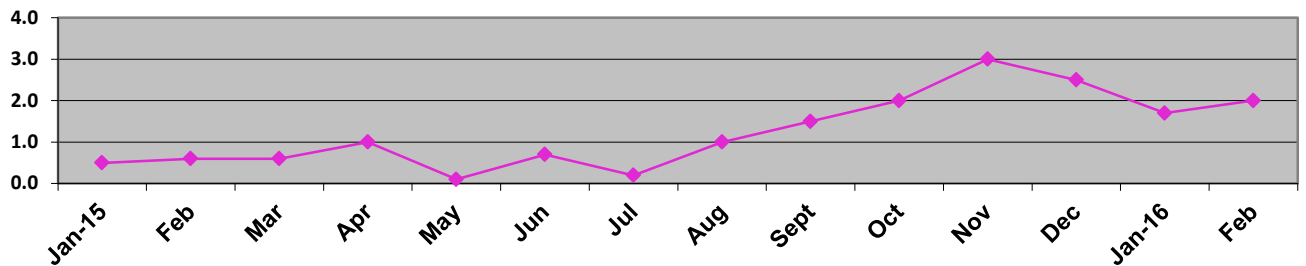
Home Improvement Salesperson (HIS) Application



Application to Add New Officer



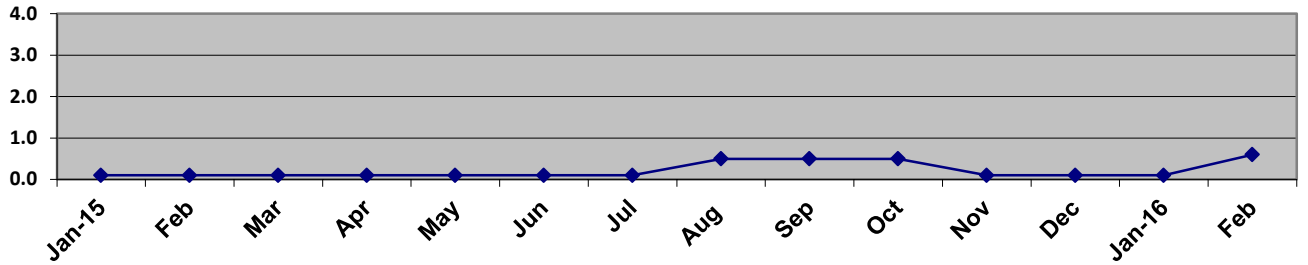
Application to Change Business Name or Address



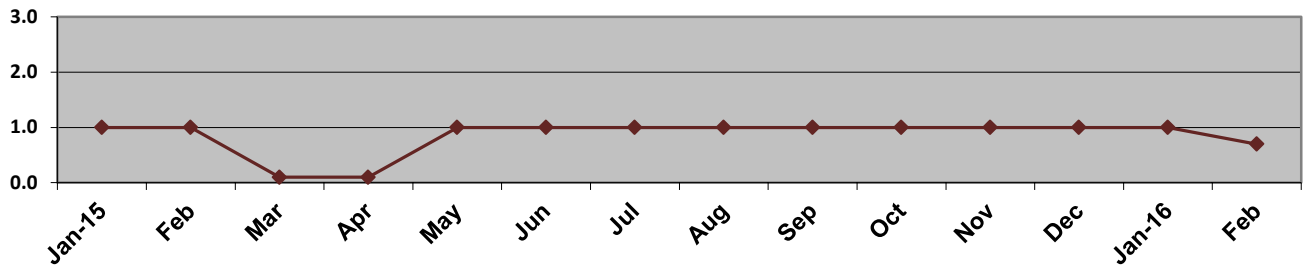


Number of Weeks before Being Pulled for Processing

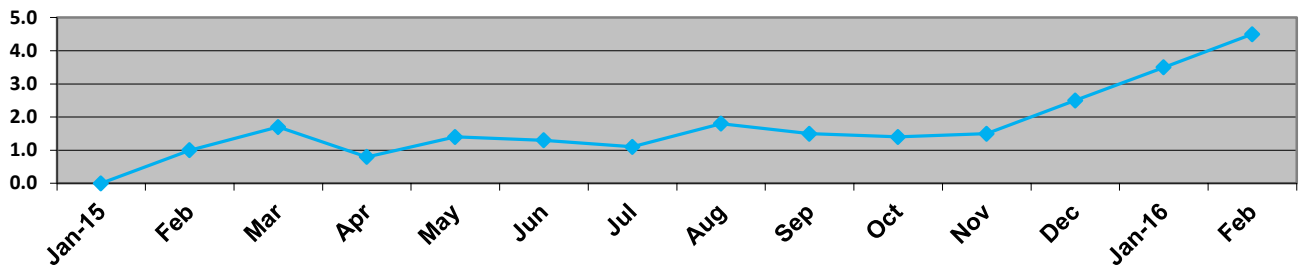
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond, Disciplinary Bond and Qualifier Exemptions



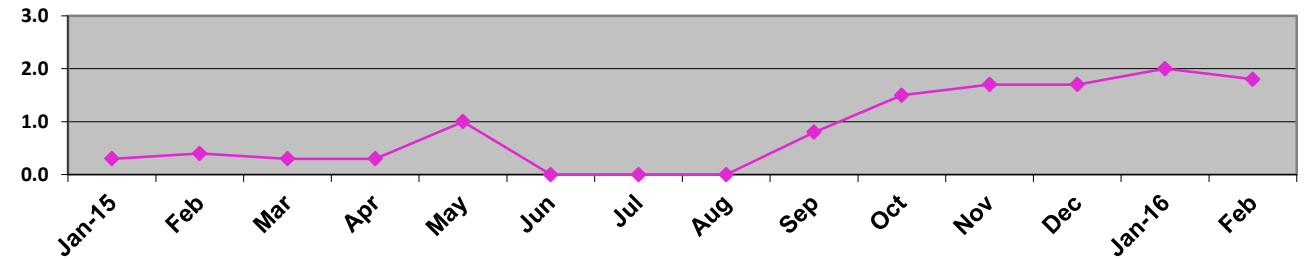
Workers' Compensation Certificates and Exemptions



Certified License History



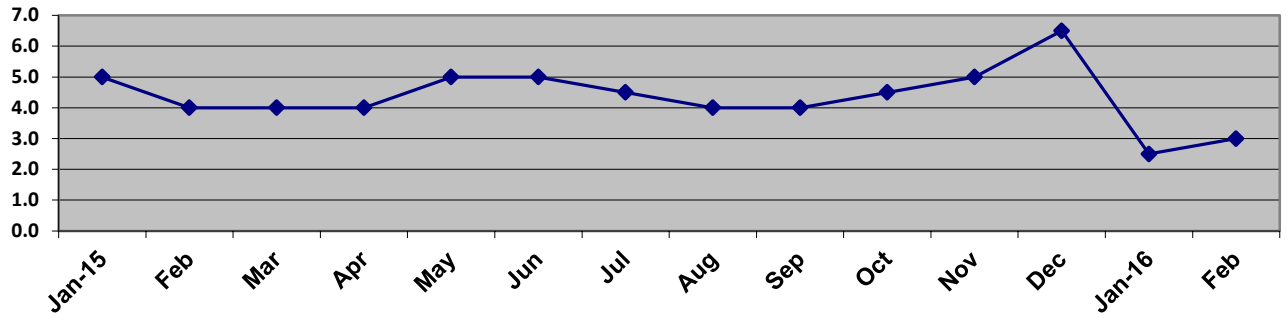
Request for Copies of Documents





Number of Weeks before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM H-2

Testing Program Update

- a. Examination Administration Unit
Update and Statistics
- b. Examination Development Unit
Update and Highlights





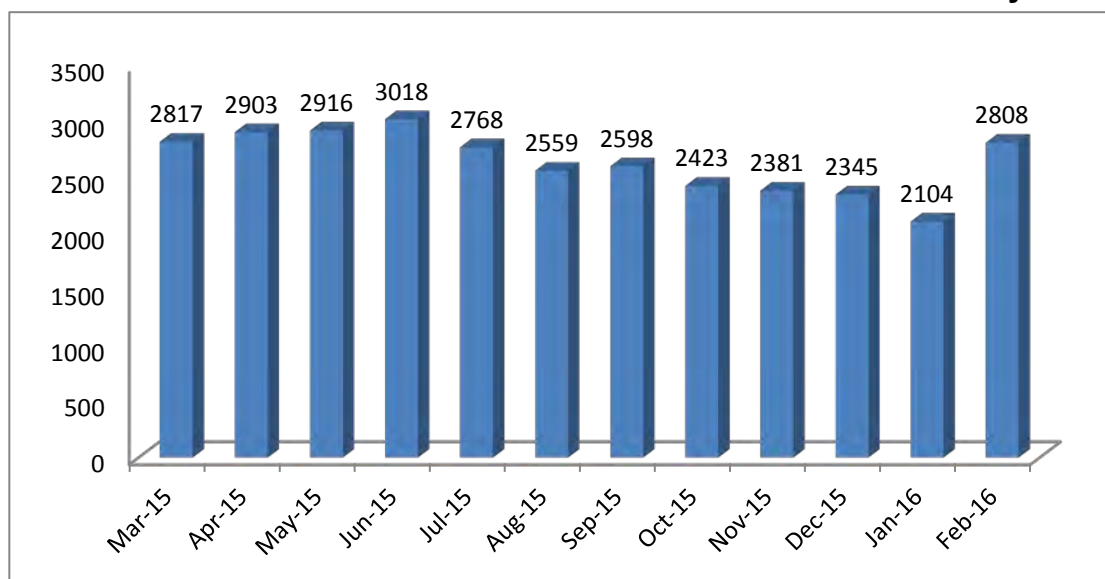
CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

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

Number of Examinations Scheduled March 2015 – February 2016



Test Center Status

CSLB maintains test centers in the following locations:

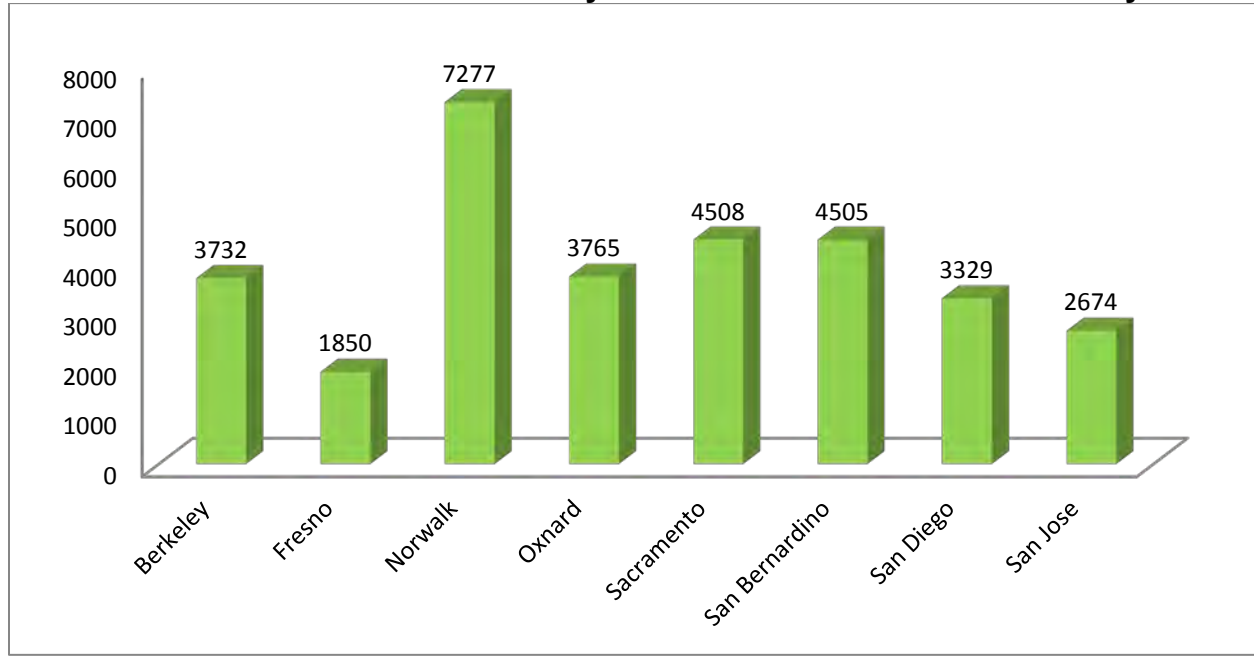
- Sacramento
- Berkeley
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego

Examination Administration Unit Staffing

EAU is fully staffed.



Number of Examinations Scheduled by Test Center March 2015 – February 2016



EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

Valid licensure examinations involve two ongoing phases: occupational analysis and examination development. This cycle must be completed every five to seven years for each of CSLB’s examinations.

The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The cycle starts with interviews of a sample of active California licensees statewide. EDU staff then conducts two workshops with these Subject Matter Experts, along with online surveys about job tasks and relevant knowledge. The end product is a validation report that includes an examination outline, which serves as a blueprint for constructing examination versions/forms.

The examination development phase involves numerous workshops to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.



EDU released one new examination in January 2016: C-9 Drywall, one new examination in February 2016: C-8 Concrete, and one new examination in March: C-15 Flooring and Floor Covering.

Occupational Analyses in Progress	New Examinations in Progress
C-7 Low Voltage Systems	C-17 Glazing
C-16 Fire Protection	C-27 Landscaping
C-53 Swimming Pool	C-31 Construction Zone Traffic Control
C-54 Ceramic and Mosaic Tile	C-32 Parking and Highway Improvement
	C-33 Painting and Decorating
	C-39 Roofing
	C-43 Sheet Metal
	ASB Asbestos Certification
	Law and Business

Examination Development Unit Staffing

EDU has three vacancies: one Test Validation and Development Specialist II, one Personnel Selection Consultant II, and one Graduate Student Assistant.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division’s handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey’s response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email one month after the initial request is sent.

TESTING DIVISION

Civil Service Examinations

In addition to licensure examinations, EDU develops, and EAU administers, examinations for civil service classifications for use by CSLB.

AGENDA ITEM I

Future Agenda Items



AGENDA ITEM J

Adjournment

