

NOVEMBER 18, 2013  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Executive & Legislative  
Committee Meetings



**CONTRACTORS STATE LICENSE BOARD**

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

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

**NOTICE OF EXECUTIVE AND LEGISLATIVE COMMITTEE MEETINGS**

The Contractors State License Board (CSLB) will hold the Executive Committee and Legislative Committee meetings on Monday, November 18, 2013. The Executive Committee meeting will begin at 10:00 a.m. and the Legislative Committee meeting will immediately follow. The meetings will be held in the John C. Hall Hearing Room located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827

All times are approximate and subject to change. Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. The meeting may be canceled without notice. For verification of the meeting, call (916) 255-4000 or access the Board's website at <http://www.cslb.ca.gov>. Action may be taken on any item listed on this agenda, including information-only items. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited.

The meetings are open and the public is invited to attend. Meetings are accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by calling (916) 255-4000 or by sending a written request to the CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

Members of the Board who are not members of the Committee may attend the Committee meeting.

**EXECUTIVE COMMITTEE MEETING**

10:00 a.m.

**Executive Committee Members**

Joan Hancock, Chair / David Dias / Ed Lang / Paul Schifino

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Administration and Information Technology Update
- D. Budget Update
- E. Review and Possible Recommendations Regarding Strategic Planning

- F. Review and Possible Recommendations Regarding the Board Member Administrative Procedure Manual
- G. Adjournment

**LEGISLATIVE COMMITTEE AGENDA**  
Immediately Follows the Executive Committee Meeting

**Legislative Committee Members**

Paul Schifino, Chair / Linda Clifford / Pastor Herrera Jr. / Nancy Springer

- A. Call to Order – Chair’s Remarks
- B. Public Comment Session
- C. Legislative Update
  - 1. Review of Senior Scam Stopper Program
- D. Review and Consideration of Legislative Proposals for the Upcoming Legislative Session:
  - 1. Amendment to Business and Professions Code Section 7011.4 – Notice to Appear Authority
  - 2. Amendment to Business and Professions Code Section 7027.2 – Required content of advertisements issued by contractors not licensed by the Contractors State License Board
  - 3. Amendment to Business and Professions Code Section 7110.5 – Initiation of action against a contractor after Labor Commissioner’s finding of violation
  - 4. Addition of a new Business and Professions Code Section – Creation of an Evidence Fund
- E. Adjournment



NOVEMBER 18, 2013  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Executive  
Committee Meeting





## AGENDA ITEM A

# Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

EXECUTIVE COMMITTEE MEMBERS:

JOAN HANCOCK, CHAIR

DAVID DIAS

ED LANG

PAUL SCHIFINO

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



## AGENDA ITEM B

# Public Comment Session

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





## AGENDA ITEM C

# Administration and Information Technology Update





### BUSINESS SERVICES

#### Facilities

- **SAN BERNARDINO**
  - Plans are underway to remodel the office, including the addition of a public counter with bulletproof glass.
- **OAKLAND / BERKELEY**
  - Early next year the Oakland Testing Center and Enforcement Office will be relocated to Berkeley, in space being sub-leased from Department of Toxic Substance Control, at a cost savings. The Board of Equalization will be backfilling CSLB's current space in the Oakland State Building.
- **SACRAMENTO HEADQUARTERS**
  - The front counter area is being upgraded, along with the security camera system.
- **NORWALK**
  - In the process of a renewing lease for five years and replacing the office's security camera system. The office will also be repainted and new carpet will be installed.
- **MODESTO**
  - The lease has been renewed through June 30, 2021.
- **SAN DIEGO**
  - Some glass in the office will be replaced by solid walls. This will provide for better security and sound proofing.
- **WEST COVINA**
  - Lease is being renewed for five years, including more space for additional staff.

#### Contracts and Procurement

The following contracts were signed and they included:

- CHP for standby security;
- Publication of annual California Contractors License Law and Reference Book;
- New mail machines for all offices, including two-year maintenance contracts;
- Fax machines, including three-year maintenance agreements;
- Shredding services for Headquarters and Field Offices; and
- Multiple maintenance contracts to support CSLB office equipment

Staff ergonomic evaluations have been completed at various CSLB offices. Needed equipment identified by the evaluator has been ordered.





New ergonomic chairs and conference room furniture was ordered for the following offices:

- Bakersfield
- Norwalk
- Oxnard
- Sacramento
- San Diego
- Valencia

**Fleet**

In fiscal year (FY) 2012-13, CSLB surveyed 25 vehicles. The 25 vehicles are being replaced with new, fuel-efficient, hybrid models approved by the Department of General Services. As of November 5, 2013, 19 vehicles have been delivered:

- 9 Ford Fusions
- 2 Dodge Avengers
- 2 Chevrolet Impalas
- 6 Toyota Prius

CSLB awaits delivery of six more Toyota Prius vehicles.

Employees report that all the vehicles are running very well and are efficient on gas.

**Records Management**

CSLB continues to purge files that are beyond their useful life per the Records Retention Schedule. CSLB is in compliance with the Records Retention Schedule.

CSLB continues to scan all new license files into the IWAS program.

The California Records Information Management (CalRIM) report was completed and submitted to DCA in October 2013.



### PERSONNEL UPDATE

#### Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous Filing
	Enforcement Supervisor I	Exam Planning scheduled for Spring 2014
	Consumer Services Representative	Exam Item Writing in progress
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician III	CalHR
	Program Technician series	CalHR
Testing	Test Validation and Development Specialist I/II	Continuous Filing
	Personnel Selection Consultant I/II	Promotional Exam
	Supervising Personnel Selection Consultant	Exam has been completed. Certification list is available.
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Manager series	CalHR
	Office Technician/Office Assistant	CalHR

As noted above, the Supervising Personnel Selection Consultant (SPSC) examination has been completed and the new certification list is available. CSLB is in the process of filling a vacant SPSC position in the Testing Division.

#### Position Changes

Between August 15, 2013 and November 5, 2013, there were **eight (8)** transfers within CSLB; **five (5)** transfers to CSLB from other state departments; **eleven (11)** promotions; **five (5)** new hires; and **two (2)** CSLB employees were certified Spanish bilingual.

#### Training and Development

CSLB encourages the use of Training and Development (T&D) assignments to:

1. Provide employees with opportunities to broaden their work experience and skills;
2. Prepare employees for career advancement and future promotion; or
3. Facilitate entry into new occupational fields.

Between August 15, 2013 and November 5, 2013, the CSLB Personnel Office facilitated **one (1)** T&D assignment in the Enforcement Representative classification.





**Vacant Positions**

As of November 5, 2013 there are **38.95** vacant positions. The vacancies break down as follows:

DIVISION	AUTHORIZED PERSONNEL YEARS (PY)	BUDGET LETTER 12-03	VACANCIES
Administration	29.8	1	1.8
Enforcement	210.5	11	21.15
Executive	13	.5	1
Information Technology	24	0	5
Licensing	97.5	5	8
Testing	25	1	2

**INFORMATION TECHNOLOGY UPDATE**

**BreEZe:**

The Department of Consumer Affairs' (DCA) new Enterprise Licensing and Enforcement System (BreEZe) went into production for Release One Boards on October 8, 2013. The programs in Release One are:

- Board of Barbering and Cosmetology
- Board of Behavioral Sciences
- Board of Podiatric Medicine
- Board of Psychology
- Board of Registered Nursing
- Medical Board of California
- Naturopathic Medicine Committee
- Osteopathic Medical Board of California
- Physician Assistant Board
- Respiratory Care Board of California

After all three releases are complete, BreEZe will be the largest enterprise licensing and enforcement solution in the world.

CSLB staff continues to work with BreEZe project staff preparing for the Phase Three release by participating in discussions about functions that will directly impact CSLB operations; working on data conversion;, and conducting meetings with other CSLB staff to discuss specific BreEZe requirements. CSLB IT staff continues to help DCA by



assisting other Boards and Bureaus with Data Validation and Acceptance Testing. CSLB also has provided its testing center for training staff on the BreZEze system.

### **RPA/Personnel Tracking Application:**

Personnel and IT are finalizing the creation of an application that will allow Personnel staff to track and monitor Requests for Personnel Action (RPA) positions within CSLB. Currently, IT is in the final stages of completion of the alpha launch of this application.

The application will allow Personnel to input and track RPA positions in a more timely and efficient manner, while decreasing the possibility of lost data. That data is backed-up nightly.

The application also will allow personnel to provide more accurate and precise reports for their business needs. IT expects to have the application fully functional for within the next quarter. After the completed implementation at CSLB, IT staff will begin researching the possibility of deploying the application throughout DCA.

### **Current Status:**

1. IT held meeting with stakeholders to get final input on the look and feel of the application.
2. IT completed final development of the applications user interface.
3. IT is preparing the application for alpha stage release and testing.
  - a. Alpha stage will allow Personnel to start using the program to input and retrieve data into/from the system.
4. IT is converting current data from the old Excel spreadsheets into new SQL database.
5. IT will then start creating reports that personnel will be able to run.

### **CSLB Enterprise Backup and Storage Systems:**

IT implemented a project that provides enhanced storage and protection of critical data for all CSLB production computer systems, as well as the EMC VNX Storage Array and Avamar Enterprise Backup Solution.

Ensuring that staff has access to vital records, and keeping that information safe is mission-critical for CSLB. IT staff members helped design a “redundant” storage system that uses a second location in Fresno as a data backup center in case the Sacramento system were to fail. This system will prevent the loss of critical information. Sacramento headquarters staff will be able to work without interruption, giving CSLB a disaster recovery capacity it did not have before.

IT has also replaced its existing network storage array with a newer, more robust system. All virtual servers and users data files are stored on this new array, which includes a duplicate system at CSLB’s backup site in Fresno. All CSLB production data and file systems, including user data files, are replicated throughout the day from the HQ site to the Fresno site.



IT also installed two new computer file back-up systems. One is in Sacramento; the other in Fresno. All backups are replicated from HQ to Fresno and from Fresno to HQ each evening. With this system there is no longer a need for weekly tape backups that were taken offsite to DCA.

**Intranet Redesign:**

CSLB's Public Affairs and IT staff worked together to redesign the employee Intranet, creating a more efficient and user-friendly experience. The new site, titled *CSLBin*, will be a portal to showcase the efforts of employees working in CSLB offices around the state, and CSLB's many projects and programs.

The new Intranet site features the latest CSLB news, employee highlights and photos. Other new features include a "10 Second Bio" that spotlights selected employees, current weather localized to the employees' city, and faster and easier access to internal phone numbers, reports, forms, policies, and the IT Help Desk.

The new Intranet site is expected to launch on the week of November 18, if not earlier.



**Old Intranet Home Page:**



**New Intranet Home Page:**





**Old Intranet Phone Details:**

The screenshot shows the 'Old Intranet' website. At the top, there is a banner image of a construction site with the word 'INTRANET' overlaid. Below the banner is a navigation menu with items: Home, Phone, Forms, Admin, Personnel, Policies, Enforcement, Licensing, Employees, Help Desk. A sub-menu item reads '\*\* New Phone App \*\*'. The main content area is titled 'Office Personnel Lookup' and contains a table with the following details:

Name:	Sah, Raju
Office:	HQ, Tech Support
Email:	<a href="mailto:Raju.Sah@cslb.ca.gov">Raju.Sah@cslb.ca.gov</a>
Office Phone:	916-255-3964
Mobile Phone:	916-214-5708
Teale ID:	LB
Mailing Address:	9821 Business Park Drive Sacramento 95827

**New Intranet Phone Details:**

The screenshot shows the 'New Intranet' website, branded as 'CSLB Bin'. The header features the 'CSLB Bin' logo in orange and a folder icon, with the tagline 'Employee News and Resources'. A navigation menu includes: Home, Office, Reports, Policies, Forms, Publications, Employees. The main content area is titled 'Personnel Details' and includes:

- Name: Sah, Raju
- Office: HQ, Tech Support
- Email: [Raju.Sah@cslb.ca.gov](mailto:Raju.Sah@cslb.ca.gov)
- Office: 916-255-3964
- Mobile: 916-214-5708
- Teale: LB
- Mailing Address: 9821 Business Park Drive, Sacramento

A portrait photo of Sah, Raju is displayed. To the right, there is a weather widget for Monday, November 04, 2013, showing a current temperature of 68°F and a forecast of High 70°F and Low 41°F. Below the weather are several utility links: Staff Phone List, IT Help Desk, License Lookup, and Application Status.





**Disclosure of a Partnering Agency's Disciplinary Action Project:**

At a January 2013 Stakeholder meeting, attendees voiced frustration that there was no centralized information source to identify licensees who may have a history of problems with other public agencies that are not subject to CSLB complaint disclosure.

On September 6, 2013, Board Members unanimously approved disclosing disciplinary actions by partnering agencies on CSLB's website.

CSLB will flag the licensee on the CSLB website with an advisory statement and an electronic link to a partnering agency's website. Through disclosure via links on CSLB's website, awarding authorities and prime contractors will be able to easily access information.

IT has completed analysis, programming, and testing required to implement this project. To date, IT has linked the disciplinary actions taken by two partner agencies (Department of Industrial Relations' Division of Labor Standards Enforcement and the Department of Transportation) on CSLB's website and is working toward disclosing additional partnering agencies' disciplinary actions as information becomes available and agreed upon by CSLB Enforcement and our partnering agencies.

The screenshot shows the CSLB website interface for a contractor's license detail. The page title is "Contractor's License Detail - License # 766727". A disclaimer is present at the top, followed by a list of limitations. The main content area is divided into sections: License Information, Business Information, Entity, License Status, Additional Information, Classifications, and Contractor's Bond. The "Additional Information" section is circled in red and contains a warning that the license may be suspended at a future date for failure to comply with an unsatisfied final civil judgment or an outstanding civil judgment. A link is provided for "Complaint Disclosure Information".

License Number	766727	Extract Date	11/5/2013										
Business Information	LEGG INC Business Phone Number: (925) 605-4500 2551 2ND ST LIVERMORE, CA 94550												
Entity	Corporation												
Issue Date	07/30/1999												
Expire Date	07/31/2015												
License Status	ACTIVE This license is current and active. All information below should be reviewed. License may be suspended at a future date for failure to comply with a bond payout.												
Additional Information	The license may be suspended at a future date for failure to comply with an unsatisfied final civil judgment. The license may be suspended at a future date because of its association with another license, if that other license fails to comply with an outstanding civil judgment. <a href="#">Click here for Complaint Disclosure Information</a>												
Classifications	<table border="1"> <thead> <tr> <th>CLASS</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>A</td> <td><a href="#">GENERAL ENGINEERING CONTRACTOR</a></td> </tr> <tr> <td>B</td> <td><a href="#">GENERAL BUILDING CONTRACTOR</a></td> </tr> <tr> <td>C28</td> <td><a href="#">LOCK AND SECURITY EQUIPMENT</a></td> </tr> <tr> <td>C33</td> <td><a href="#">PAINTING AND DECORATING</a></td> </tr> </tbody> </table>			CLASS	DESCRIPTION	A	<a href="#">GENERAL ENGINEERING CONTRACTOR</a>	B	<a href="#">GENERAL BUILDING CONTRACTOR</a>	C28	<a href="#">LOCK AND SECURITY EQUIPMENT</a>	C33	<a href="#">PAINTING AND DECORATING</a>
CLASS	DESCRIPTION												
A	<a href="#">GENERAL ENGINEERING CONTRACTOR</a>												
B	<a href="#">GENERAL BUILDING CONTRACTOR</a>												
C28	<a href="#">LOCK AND SECURITY EQUIPMENT</a>												
C33	<a href="#">PAINTING AND DECORATING</a>												
Contractor's Bond	This license is tied a Contractor's Bond with HANOVER INSURANCE COMPANY. Bond Number: 1954162 Bond Amount: \$12,500												



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Check A License | File a Complaint | Processing Times | Application Status | Surety Co Search | Workers Comp Search

mail alerts

QUICK HITS

- CSLB Basic Facts
- Frequently Asked Questions
- Forms and Applications
- Guides and Pamphlets
- CSLB Laws and Regulations
- List of All CSLB Fees
- How to Participate

Contact Us

Contractors State License Board  
9821 Business Park Drive  
Sacramento, CA 95827  
Phone (800) 321-CSLB

Online Services -> Check a License -> License Detail -> Detail

### Contractor's License Detail (Complaint Disclosure)

Contractor License #: 766727  
Contractor Name: LEGG INC

**DISCLAIMER:** Any complaint listed is only an allegation of a probable violation. A complaint does not affect the status of the license at this time. If a complaint is referred to the Office of the Attorney General for legal action, it may result in the suspension or revocation of the license. Pursuant to 7124.6 of the Business and Professions Code, the following complaints meet the criteria for disclosure.

Select a complaint to view any violations.

COMPLAINT#	DATE	STATUS	CASE
<a href="#">N.A. 2012 9496</a>	09/22/2013	REFERRED TO LEGAL ACTION	N 2013 157
<a href="#">S.F. 2012 9297</a>	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157
<a href="#">S.F. 2012 9294</a>	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157
<a href="#">N.A. 2012 8357</a>	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157

10/30/2013  
**Public Works**  
Complaints: [www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm](http://www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm)

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<a href="#">S.F. 2012 9294</a>	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157
<a href="#">N.A. 2012 8357</a>	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157

10/30/2013  
**Public Works**  
Complaints: [www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm](http://www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm)

The page at <https://www2.cslb.ca.gov> says:  
You are now leaving the CSLB website.  
Once you leave, you will be subject to the privacy and security policies and procedures of the destination website. CSLB does not control this website and is not responsible for their content.  
Thank you for visiting CSLB On-Line.

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[www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm](http://www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm)



The screenshot shows a web browser window with the following content:

- Browser Tab:** CSLB Intranet | Contract: 060N2204 Stop | x
- Address Bar:** www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm
- Page Header:** CALIFORNIA DEPARTMENT OF TRANSPORTATION (CA.GOV)
- Navigation Menu:** Home, Travel, Business, Engineering, News, Maps, Jobs, About Caltrans, Contact Us
- Breadcrumbs:** Caltrans > Major Construction Payment & Information Home > Contract List > Contract: 060N2204 Stop Notice History
- Page Title:** Stop Notice History for Contract 060N2204
- Content:**
  - Stop Notice #1:**
    - Claimant:** Jack Davenport Sweeping Services, Inc. Po Box 9222 Bakersfield Ca 93389
    - History:** Claim established for \$30,412.59 on 12/04/2012 by s134388. Claim Date: 11/30/2012. Suit Date: 02/07/2013.
  - Stop Notice #2:**
    - Claimant:** ESWPPP Consultants LLC 902 Cortina Court Walnut Creek, CA 94598
    - History:** Claim established for \$1,049.00 on 12/04/2012 by s134388. Release Claim - Legal Dept. on 07/18/2013, by s130442. \$0.00 Paymt to contract payee. Per legal, no lawsuit filed. Claim Date: 12/04/2012.
  - Stop Notice #3:**
    - Claimant:** California Parking & Hwy 230 Kaiser Ln Bakersfield, CA 93307
    - History:** Claim established for \$82,176.00 on 12/19/2012 by s129656. Claim Date: 12/18/2012. Suit Date: 05/16/2013.
- Download Bar:** data-protection.jpg

# AGENDA ITEM D

## Budget Update





# CONTRACTORS STATE LICENSE BOARD

## BUDGET UPDATE

### ❖ Fiscal Year (FY) 2013-14 CSLB Budget and Expenditures

- Through September 30, 2013, CSLB spent or encumbered \$16.2 million, roughly 26 percent of its FY 2013-14 budget. The following chart provides a summary of the FY 2013-14 CSLB budget, along with the first quarter expenditures:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	SEPTEMBER 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>PERSONNEL SERVICES</b>				
Salary & Wages (Staff)	21,420,545	5,147,433	16,273,112	76.0%
Board Members	15,900	1,000	14,900	93.7%
Temp Help	812,100	135,120	676,980	83.4%
Exam Proctor	41,168	19,960	21,208	51.5%
Overtime	124,575	34,275	90,300	72.5%
Staff Benefits	9,320,455	2,319,524	7,000,931	75.1%
<b>TOTALS, PERSONNEL</b>	<b>31,734,743</b>	<b>7,657,312</b>	<b>24,077,431</b>	<b>75.9%</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>				
Operating Expenses	21,126,554	7,760,355	13,366,199	63.3%
Exams	435,882	75,200	360,682	82.7%
Enforcement	8,401,821	812,103	7,589,718	90.3%
<b>TOTALS, OE&amp;E</b>	<b>29,964,257</b>	<b>8,647,658</b>	<b>21,316,599</b>	<b>71.1%</b>
<b>TOTALS</b>	<b>61,699,000</b>	<b>16,304,970</b>	<b>45,394,030</b>	<b>73.6%</b>
Scheduled Reimbursements	-353,000	-39,272	-313,728	
Unscheduled Reimbursements		-63,220	63,220	
<b>TOTALS, NET REIMBURSEMENTS</b>	<b>61,346,000</b>	<b>16,202,478</b>	<b>45,143,522</b>	<b>73.6%</b>

### ❖ Revenue

- CSLB received the following first quarter revenue amounts for FY 2013-14:

Revenue Category	Through 09/30/2013	Percentage of Revenue	Change from prior year (09/30/2012)
Duplicate License/Wall Certificate Fees	\$23,115	0.1%	4.5%
New License and Application Fees	\$2,420,848	14.2%	3.7%
License and Registration Renewal Fees	\$13,467,923	79.0%	-4.8%
Delinquent Renewal Fees	\$772,065	4.5%	17.3%
Interest	\$0	0.0%	0.0%
Penalty Assessments	\$327,071	1.9%	26.7%
Misc. Revenue	\$26,788	0.2%	2.2%
<b>Total</b>	<b>\$17,037,810</b>	<b>100.00%</b>	<b>-2.4%</b>





❖ **CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2012-13 reserve (over \$28 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	<b>Final FY 2012-13</b>	<b>Proj. CY 2013-14</b>	<b>Proj. BY 2014-15</b>	<b>Proj. BY+1 2015-16</b>
<b>Beginning Balance</b>	\$26,678	\$28,952	\$23,415	\$17,277
Prior Year Adjustment	\$643	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$27,321</b>	<b>\$28,952</b>	<b>\$23,415</b>	<b>\$17,277</b>
<b>Revenues and Transfers</b>				
Revenue	\$55,588	\$56,082	\$55,821	\$55,192
Transfer from General Fund				
<b>Totals, Resources</b>	<b>\$82,909</b>	<b>\$85,034</b>	<b>\$79,236</b>	<b>\$72,469</b>
<b>Expenditures</b>				
Disbursements:				
Program Expenditures (State Operations)	\$53,628	\$61,346	\$61,959	\$62,579
State Controller (State Operations)	\$36			
Financial Info System Charges	\$293			
13-14 Fi\$cal Assessment		\$273		
<b>Total Expenditures</b>	<b>\$53,957</b>	<b>\$61,619</b>	<b>\$61,959</b>	<b>\$62,579</b>
<b>Fund Balance</b>				
Reserve for economic uncertainties	<b>\$28,952</b>	<b>\$23,415</b>	<b>\$17,277</b>	<b>\$9,890</b>
<b>Months in Reserve</b>	5.6	4.5	3.3	1.9

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 1% starting in FY 2014-15 and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2013-14 to 14-15.



❖ Construction Management Education Account (CMEA) FY 2013-14 Budget and Expenditures

- Through September 30, 2013, CMEA expended roughly \$2,000 in pro rata charges. The following chart provides a summary of the FY 2013-14 CMEA budget, along with the first quarter expenditures:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	SEPTEMBER 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>OPERATING EXPENSES AND EQUIPMENT</b>				
Operating Expenses	15,215	0	15,215	100.0%
Pro Rata	7,785	1,946	5,839	75.0%
<b>TOTALS, OE&amp;E</b>	<b>23,000</b>	<b>1,946</b>	<b>21,054</b>	<b>91.5%</b>
<b>GRANT AWARDS</b>				
Grant Awards	150,000	0	150,000	100.0%
<b>TOTALS, GRANT AWARDS</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>100.0%</b>
<b>TOTALS</b>	<b>173,000</b>	<b>1,946</b>	<b>171,054</b>	<b>98.9%</b>

❖ CMEA Fund Condition

- Below is the CMEA fund condition, which shows the final FY 2012-13 reserve (\$165,000 – approximately 15 months’ reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Proj. CY 2013-14	Proj. BY 2014-15	Proj. BY+1 2015-16
<b>Beginning Balance</b>	\$ 259	\$ 165	\$ 84	\$ 4
Prior Year Adjustment	\$ (7)	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$ 252</b>	<b>\$ 165</b>	<b>\$ 84</b>	<b>\$ 4</b>
<b>Revenues and Transfers</b>				
Revenue	\$48	\$54	\$54	\$54
<b>Totals, Resources</b>	<b>\$ 300</b>	<b>\$ 219</b>	<b>\$ 138</b>	<b>\$ 58</b>
<b>Expenditures</b>				
Disbursements:				
Program Expenditures (State Operations)	\$14	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$121	\$121	\$121
13-14 Fi\$cal Assessment		\$1		
<b>Total Expenditures</b>	<b>\$ 135</b>	<b>\$ 135</b>	<b>\$ 134</b>	<b>\$ 134</b>
<b>Fund Balance</b>				
Reserve for economic uncertainties	\$ 165	\$ 84	\$ 4	\$ (76)
<b>Months in Reserve</b>	14.7	7.5	0.4	-6.8

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.

## AGENDA ITEM E

# Review and Possible Recommendations Regarding Strategic Planning





CONTRACTORS STATE LICENSE BOARD

Strategic Plan 2013-14





## MEMBERS OF THE BOARD

DAVID DIAS, PUBLIC MEMBER

JOAN HANCOCK, CONTRACTOR MEMBER

PASTOR HERRERA JR., PUBLIC MEMBER

MATTHEW KELLY, PUBLIC MEMBER

ROBERT LAMB, PUBLIC MEMBER

ED LANG, PUBLIC MEMBER

JAMES MILLER, PUBLIC MEMBER

JOHN O'ROURKE, PUBLIC MEMBER

BRUCE RUST, PUBLIC MEMBER

FRANK SCHETTER, CONTRACTOR MEMBER

PAUL SCHIFINO, CONTRACTOR MEMBER

MARK A. THURMAN, CONTRACTOR MEMBER



EDMUND G. BROWN, JR.  
Governor

ANNA M. CABALLERO  
Secretary, State and Consumer Services Agency

DENISE D. BROWN  
Director, Department of Consumer Affairs

STEPHEN P. SANDS  
Registrar, Contractors State License Board



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## OVERVIEW

California's construction industry is unique from other states in terms of its breadth, magnitude, and complexity. California has one of the top 10 world economies, and construction continues to be one of the state's largest industries. California's physical size, large and diverse population, varied landscape and climate, frequent seismic activity, distinctive legal framework, and massive economy create an unusually demanding context for contractor licensing.

The responsibility for licensing and regulating California's construction industry belongs to the Contractors State License Board (CSLB).

CSLB was established by the Legislature in 1929 as the Contractors License Bureau, under the Department of Professional and Vocational Standards, to protect the public from irresponsible contractors. In 1935, the mission and duties were placed under the auspices of a seven-member Board. The Board increased to 15 members in 1960. Since 1970, CSLB has been part of the Department of Consumer Affairs.

CSLB's legal and regulatory role has changed since its creation. Initially, applicants were not issued licenses in specific classifications. Instead, applicants simply indicated the type of construction work that would be performed under the license, and the license was issued without examination or experience requirements.

In 1938, the Legislature made it mandatory for contractor license applicants to be examined for competence in their designated field. By 1947, CSLB had been given authority to establish experience standards and to adopt rules and regulations to affect the classification of contractors "in a manner consistent with established usage and procedure as found in the construction business, and... limit[ing] the field and scope of operations of a licensed contractor to those in which he or she is classified and qualified to engage..."



## BOARD STRUCTURE AND FUNCTIONS

The 15-member Board is comprised of five contractor members and 10 public members. The public members include one labor representative, one local building



official, and one representative of a statewide senior citizen organization. The governor and state legislature make these appointments.

The Board appoints the Registrar of Contractors, who directs administrative policy for CSLB operations. CSLB currently has five standing committees that perform various functions for the Board.

- **Licensing Committee** – Ensures that all applicants and licensees are qualified to provide construction services
- **Enforcement Committee** – Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare
- **Public Affairs Committee** – Educates consumers about making informed choices related to construction services, and provides information to licensed contractors so they can improve their technical, management and service skills
- **Legislative Committee** – Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations
- **Executive Committee** – Enhances organizational effectiveness and improves the quality of service in all programs

## LICENSING CONTRACTORS

CSLB regulates contractors in 43 license classifications and two certifications under which members of the construction industry practice their trades and crafts. As of June 2013, there are about 300,000 licensed contractors (both active and inactive status) in California.

Contractor licenses are categorized into three basic branches of contracting business, as defined by statute and by CSLB rules and regulations:

- **Class “A” General Engineering –**  
Infrastructure and similar projects requiring specialized engineering knowledge and skill
- **Class “B” General Building –**  
Buildings – housing, commercial, office, etc.
- **Class “C” Specialty –**  
Specific trades, such as painters, plumbers, electricians, etc.

CSLB may issue a license to an individual, partnership, corporation, limited liability company, or joint venture. All licenses must have a qualifying individual (also referred to as a “qualifier”). A qualifying individual is the person listed in CSLB records who satisfies the experience and examination requirements for a license.

Depending on the type of license, the qualifying individual must be designated as an owner, responsible managing employee, responsible managing officer, or qualifying partner in the license records. A qualifying individual is required for every classification and on each license issued by CSLB; the same person may serve as the qualifier for more than one classification.

CSLB also registers home improvement salespersons (HIS) who are engaged in the sale of home improvement goods and services. As of June 2013, there are just over 9,000 HIS with an active registration status.

### **ENFORCING CONTRACTORS STATE LICENSE LAW**

CSLB’s responsibility to enforce California’s Contractors State License Law includes investigating complaints against licensed and unlicensed contractors; issuing citations and suspending or revoking licenses; seeking administrative, criminal, and civil sanctions against violators; and informing consumers, contractors, and the industry about CSLB actions. In fiscal year (FY) 2011-12, CSLB helped recover nearly \$36 million in ordered restitution for consumers.





CSLB receives complaints from members of the public, licensees and professional groups, governmental agencies, and others concerning all phases of the construction industry. However, the majority of complaints come from owners of residential property involved in remodeling or repair work. CSLB receives approximately 20,000 complaints per year.

### COMPLAINT PROCESS

CSLB's enforcement process consists of a number of steps through which complaints and/or cases may pass:

- Complaint receipt, screening, and mediation to attempt resolution without disciplinary action;
- Complaint investigation;
- Arbitration of cases meeting certain criteria – again, to achieve resolution without disciplinary action in appropriate cases;
- Minor cases: imposition of a warning letter or citation and fine by Enforcement staff;
- Serious cases: referral of the completed investigation to the Attorney General's (AG) office for filing of an accusation to suspend or revoke the license, and cases involving criminal violations, where referral of the completed investigations go to the local district attorney (DA) for the filing of criminal charges;
- An evidentiary hearing before an administrative law judge (ALJ) from the Office of Administrative Hearings;
- Submission of the ALJ's proposed decision to the Registrar of Contractors for final agency decision; and
- Potential judicial review of the Registrar's decision.

### THE UNDERGROUND ECONOMY

California's underground economy has a drastic impact upon law-abiding businesses, consumers and workers. The problem is particularly prevalent in

the construction industry, where cheating businesses are able to underbid law-abiding businesses by:

- Failing to obtain required licenses and building permits;
- Failing to pay payroll or other taxes;
- Failing to obtain required workers' compensation insurance;
- Failing to report worker injuries to keep insurance premiums artificially low; and
- Lying on workers' compensation insurance applications to obtain a lower rate.

CSLB estimates that on any given day, tens of thousands of licensed contractors and unlicensed operators are breaking the law and contributing to the state's underground economy.

Since no one state agency has the resources or the information to tackle this enforcement problem alone, state agencies with overlapping jurisdictions in the areas of labor law enforcement have joined forces to make a concerted, consistent, and effective dent in California's underground economy. CSLB is a partner in the Labor Enforcement Task Force (LETF).

LETF, which was launched January 1, 2012, is comprised of investigators from CSLB, the Department of Industrial Relations, Employment Development Department, and Board of Equalization, in collaboration with the Insurance Commissioner and Attorney General's Office. Partners have broadened information-sharing and the use of new enforcement technology to improve the way they target businesses in the underground economy.





## UNLICENSED ACTIVITY

CSLB's Statewide Investigative Fraud Team (SWIFT) proactively combats illegal contractors that operate in the underground economy. SWIFT routinely partners with other state and local regulatory and law enforcement agencies to conduct undercover sting and sweep operations, targeting egregious offenders who pose a threat to consumers, employees, businesses, and legitimate licensed contractors.

## SIGNIFICANT ACCOMPLISHMENTS OF 2012-2013

Board members develop CSLB's annual strategic plan after reviewing the previous fiscal year's accomplishments. During FY 2012-13, CSLB:

- Began issuing licenses to limited liability companies (LLCs),
- Implemented a workers' compensation (WC) insurance recertification process for contractors exempt from WC coverage,
- Updated 10 examinations and completed 10 occupational analyses, keeping CSLB current with its goal of updating examinations every five years,
- Identified strategies to collect licensee email addresses to improve contact for examination development surveys,
- Expanded use of CSLB testing centers for training and civil service exams,
- Conducted more than 50 Senior Scam Stopper<sup>SM</sup> seminars around the state, educating the vulnerable senior population about various scams that target them,
- Produced a license application instructional video that explains how to correctly fill out a CSLB license application,
- Developed an educational letter for consumers who repeatedly hire unlicensed operators, and
- Worked with the Employment Development Department to develop an outreach packet to educate legislators, contractors, and consumers about the dangers of the underground economy.

## PROGRAM PRIORITIES

The Board established the following priorities to direct program activities:

- Focus on early enforcement intervention and high priority (health and safety) complaints.
- Help keep licensees in business and maintain the collection of revenue by keeping renewals and license maintenance current.
- License applicants by reviewing qualifications and criminal background, and administering legal and effective examinations.
- Educate consumers about their rights and responsibilities, and empower consumers with methods to protect themselves.
- Stress early intervention and resolution of reactive complaints, and refer minor complaints to small claims court.
- Provide services through the Licensing Information Center (call center) and the public counter.
- Ensure that Administrative Services and Information Technology divisions provide the support necessary to maintain unit operations.





## CSLB ENFORCEMENT PRIORITIZATION

	Elder Abuse	Predatory Criminal Acts	Disaster Response	Workmanship Complaints	Health and Safety Complaints	Misuse of a License Violations	Unlicensed Practice	Failure to Obtain a Permit	Workers' Compensation Insurance	Working out of Classification	Electrician Certification	Advertising Violations
Elected Officials												
District Attorneys												
Consumers												
Contractors												
State and Local Government												
Industry Associations												
Media Referrals												
Employees												
Building Officials												
Local Volunteer Groups												
Proactive Enforcement												
Anonymous Tips												

**Higher Priority** (top-left to bottom-right diagonal)

**Lower Priority** (bottom-left to top-right diagonal)

## CSLB IN THE YEAR 2020

CSLB has adopted and aims to establish the following vision by 2020:

### 1. Licensing/Call Center and Testing

- Electronic/paperless application, renewal and license management processes
- Fully automated bond and workers' compensation insurance submission processes
- All communication with applicants and licensees via email
- Virtual call center with chat ability
- Email Unit
- State-of-the-art security technology in testing centers

### 2. Enforcement

- Appropriate management structure, including a Deputy Enforcement Chief
- System for purchasing new vehicles that utilizes the latest technology, including GPS and Bluetooth
- Improved, direct communication between CSLB headquarters and field offices including video conferencing, Skype, online training, etc.
- Improved CSLB presence throughout the state with more small field offices (e.g., San Luis Obispo, Barstow)
- Staff access to new communication equipment
- Staffed in-house training program
- Staffed Subsequent Arrest Unit
- Pay differentials and adjustments for staff in high-cost areas of CA
- Utilization of state-of-the-art audio/video equipment





### 3. Public Affairs

- State-of-the-art audio/video studio to communicate directly with media/stakeholders
- State-of-the-art social network communications
- Ability to quickly look up license information with smartphones through QR codes or other technology
- Ability to attend/participate in conferences (both inside and outside of California)

### 4. Administration and IT

- Improved hiring and retention practices to minimize vacancies
- Full-service Human Resources Unit
- VDI (Virtual Desktop)
- Hiring and retention plan for IT staff
- Enhanced Tele-Work/Telecommuting in a Virtual Environment
- Supervisors provided with real-time snapshot of work in progress
- Automation of all internal services using state-of-the-art technology



## **MISSION**

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

## **VISION**

CSLB is a model consumer protection agency, integrating regulatory oversight of the construction industry as necessary for 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.



## GOALS AND OBJECTIVES

CSLB has identified the following objectives to help meet its goals. These objectives are assigned with a priority status of: (E) Essential, (I) Important or (B) Beneficial.

### GOAL 1: LICENSING AND TESTING

Ensure that all applicants and licensees are qualified to provide construction services.

1.1	Develop language for establishment of an asbestos abatement specialty classification. (E)
1.2	Increase hi-tech security monitoring in testing centers. (I)
1.3	Develop an online smart application package to reduce application decline rates. (I)
1.4	Evaluate the productivity of CSLB's Licensing Information Center and determine if changes are needed. (B)
1.5	Fully automate bonds and workers' compensation insurance submission processes. (I)
1.6	Expand license application video to other languages. (I)
1.7	Inform applicants about the top reasons applications are rejected. (B)
1.8	Establish a task force to analyze the application process and reduce rejection rates. (I)
1.9	Implement an online licensure tool for credit card payment. (B)

**GOAL 2: ENFORCEMENT**

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

2.1	Update the Industry Expert training program. (I)
2.2	Provide for the disclosure of a partnering agencies administrative action section on CSLB’s website. (I)
2.3	Partner with the California Energy Commission to create an energy efficiency campaign. (I)
2.4	Address enforcement vacancies in hard-to-fill geographic areas. (E)
2.5	Develop criteria and controls to monitor and prioritize proactive enforcement. (I)
2.6	Automate an official educational letter to consumers who repeatedly hire unlicensed operators. (B)
2.7	Prioritize enforcement complaints based on the potential to harm the public. (B)
2.8	Conduct a feasibility study of a pilot program similar to law enforcement’s citizens patrol. (B)



### GOAL 3: PUBLIC AFFAIRS

Educate consumers about how to make informed choices related to construction services, and provide information to licensed contractors so they can improve their technical management and service skills.

3.1	Migrate CSLB's website to the new state of California website standards. (E)
3.2	Establish a multimedia unit with a focus on video production. (I)
3.3	Create an archive of consumer stories for use in various outreach efforts and educate staff on benefits of sharing information. (B)
3.4	Complete the flagship contractor and consumer publications.
3.5	Develop a contractor presentation kit.
3.6	Develop a CSLB style guide and brand standards manual.

### GOAL 4: LEGISLATION

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

4.1	Review and recommend changes to simplify Contractors State License Law and update by 2014. (E)
4.2	Prepare and submit Sunset Review Report. (E)

### GOAL 5: IT AND ADMINISTRATION

Enhance organizational effectiveness, and improve the quality of service in all programs.

5.1	Prepare CSLB for implementation of BreEZe. (Information Technology) (E)
5.2	Create a Subsequent Arrest Unit through the BCP process. (E)



## CONTRACTORS STATE LICENSE BOARD

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9821 Business Park Drive  
Sacramento, CA 95826-0026  
800.321.CSLB (2752)

[www.cslb.ca.gov](http://www.cslb.ca.gov)  
[CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)  
[SeniorScamStopper.com](http://SeniorScamStopper.com)





## AGENDA ITEM F

# Review and Possible Recommendations Regarding the Board Member Administrative Procedure Manual



2013

BOARD MEMBER ADMINISTRATIVE

**PROCEDURE MANUAL**



**CONTRACTORS STATE  
LICENSE BOARD**

### **Members of the Board**

JOAN HANCOCK, *Contractor Member, Chair*

DAVID DIAS, *Labor Member, Vice Chair*

ED LANG, *Public Member, Secretary*

KEVIN J. ALBANESE, *Contractor Member*

LINDA CLIFFORD, *Contractor Member*

PASTOR HERRERA JR., *Public Member*

ROBERT LAMB, *Public Member*

JOHN O'ROURKE, *Public Member*

BRUCE RUST, *Public Member*

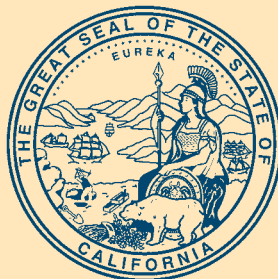
FRANK SCHETTER, *Contractor Member*

PAUL SCHIFINO, *Contractor Member*

NANCY SPRINGER, *Public Member*

### **Registrar of Contractors**

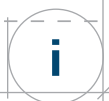
STEPHEN P. SANDS



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## CHAPTER 1. Introduction

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### 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 and are reimbursed for travel expenses.

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

### General Rules of Conduct

- Board members shall not speak or act for the Board without proper authorization.
- 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

---

### Frequency of Meetings

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

- The Board shall meet at least once each calendar quarter for the purpose of transacting such business as may properly come before it.
- Special meetings of the Board may be held at such times as the Board may provide 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 each member in the manner provided in the bylaws.

### 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.

### Public Attendance at Board Meetings

*(Government Code section 11120 et seq.)*

Meetings are subject to all provisions of the Bagley-Keene Open Meeting 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 the closed session.

### Quorum

*(B&P Code section 7007)*

Eight Board members constitute a quorum for the transaction of business. The concurrence of a majority who are present and voting at a meeting shall be necessary to constitute an act or decision of the Board.

**Agenda Items**

*(Board Policy)*

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.)*

According to the Open Meeting Act, meeting notices (including agendas for Board meetings) shall be sent to persons on the Board's mailing list at least 10 calendar days in advance. The notice shall include a staff person's name, work address, and work telephone number who can provide further information prior to the meeting.

**Notice of Meetings to be Posted on the Internet**

*(Government Code section 11125 et seq.)*

Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting, and shall include the name, address, and telephone number of any 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 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. 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.

**Tape Recording**

*(Board Policy)*

The meeting may be tape-recorded if determined necessary for staff purposes. Tape recordings may be disposed of upon Board approval of the minutes.

**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 Comment**

*(Board Policy)*

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.
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.

## CHAPTER 3. 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.

### 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

*(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. The Registrar's Executive Assistant maintains these forms and completes them as needed. It is advisable for Board members to submit their travel expense forms immediately after returning from a trip and not later than two weeks following the trip.

For the expenses to be reimbursed, Board members shall follow the procedures contained in DCA Departmental Memoranda which are periodically 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 4. Selection of Officers and Committees

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### 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.

**Committee Appointments**

(Board Policy)

The Chair shall establish committees, whether standing or special, as he or she deems necessary. The 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 the Registrar. When committees include the appointment of non-Board members, all impacted parties should be considered.

**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 not members of a committee where a majority of the members of the Board are present, can not ask questions, talk, or sit with the members of the committee at the meeting table.

## Chapter 5. Board Administration and Staff

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### 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 the monitoring and reporting of the strategic plan to the Board. The Board will conduct an 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 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. The Board shall be notified of such action as soon as possible.

**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.

**Stationary***(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. A Board member's business address, telephone and fax number, and e-mail address may be listed on the card at the member's request.

**• Letterhead**

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

**Registrar Evaluation***(Board Policy)*

Board members shall evaluate the performance of the Registrar of Contractors on an annual basis.

**Board Staff**

*(DCA Reference Manual)*

Employees of the Board, with the exception of the Registrar, are civil service employees. Their employment, pay, benefits, discipline, termination, and conditions of employment are governed by a myriad of civil service laws and regulations and often by 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.

## Chapter 6. Other Policies and Procedures

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### **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 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 [oag.ca.gov/ethics](http://oag.ca.gov/ethics).

### **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 Public Meetings Act, the censure hearing shall be conducted in open session.

### **Removal of Board Members**

*(B&P Code section 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.

**Incompatible Activities**

*(DCA Policy)*

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 officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment, or supplies for the officer's or employee's 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 is included in Appendix A.

### **Contact with Candidates**

*(Board Policy)*

Board members shall not intervene on behalf of a candidate for licensure for any reason. They should forward all contacts or inquiries to the Registrar or Board staff.

### **Gifts from Candidates**

*(Board Policy)*

Gifts of any kind to Board members or staff from candidates for licensure with the Board shall not be permitted.

### **Request for Records Access**

*(Board Policy)*

No Board member may access the file of a licensee or candidate 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 an ex parte communication 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 they cannot speak to them about the matter. If the person insists on discussing the case, he or she should be told that the Board member will be required to recuse him or herself from any participation in the matter. Therefore, continued discussion is of no benefit to the applicant or licensee.

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

### **Sexual Harassment Training**

*(Government Code section 12950.1)*

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

## Abbreviations and Acronyms Glossary

ALJ	Administrative Law Judge
ACD	Automated Call Distribution system
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
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
Chair	Where the term "Chair" is used in this manual, it will be assumed to include his or her designee

## APPENDIX A

### DCA Incompatible Work Activities Policy and Procedure

  			
<b>DEPARTMENTAL POLICY</b>			
<b>TITLE</b>	<b>INCOMPATIBLE WORK ACTIVITIES</b>		
<b>POLICY OWNER</b>	<b>LEGAL AFFAIRS AND OFFICE OF HUMAN RESOURCES</b>		
<b>POLICY NUMBER</b>	OHR 10-01	<b>SUPERSEDES</b>	ADM 99-02
<b>ISSUE DATE</b>	April 8, 2010	<b>EFFECTIVE</b>	IMMEDIATELY
<b>DISTRIBUTE TO</b>	<b>ALL EMPLOYEES</b>		
<b>ORIGINAL APPROVED BY</b>	 Brian Sijger, Director Department of Consumer Affairs		
<b>PAGE</b>	1 of 8	<b>ATTACHMENT</b>	

**POLICY**

It is the policy of the Department of Consumer Affairs (DCA) to promote and adhere to all policy directives and all laws, rules, and regulations concerning Incompatible Work Activities.

**APPLICABILITY**

This policy applies to all employees, governmental officials, contractors, consultants, and temporary staff of DCA, and any of its divisions, bureaus, boards, programs, and other constituent agencies. Within this policy, the generic acronym "DCA" applies to all of these entities.

**PURPOSE**

The purpose of this policy is to outline the State laws set forth in the standards of conduct with which State civil service officers and employees are expected to comply. All of the employees of the DCA have a responsibility to their employer, their fellow employees, and the people of California to conduct themselves in an ethical manner so as not to bring discredit to themselves or the State and the department.

**AUTHORITY**

- Government Code Section 19990
- Executive Order 86-2, "Standards of Ethical Conduct"
- Penal Code Section 502
- DPA Rule 599.858

**PROVISIONS**

**Responsibility of Employees**

Employees of the DCA have a responsibility to their employer, their fellow employees, and the people of California to conduct themselves in an ethical manner so as not to bring discredit to themselves or the State and the department.

The policy in this statement must be observed by each employee of the DCA in order to avoid activities which are clearly inconsistent, incompatible, or in conflict with his [or her] official duties. Employees must review this policy with a view toward their particular job duties and responsibilities.

This policy specifically relates to incompatible activities and does not include all provisions of law or regulations with which employees must comply.

If an employee is uncertain as to whether certain activity, employment, or enterprise is in violation of this policy, the employee should immediately consult with his [or her] supervisor who will indicate in writing whether the activity, employment or enterprise is prohibited.

**State Law Prescribed Standards of Conduct**

**Civil Service Employees:** To protect the integrity of the California State Civil Service, State law sets forth standards of conduct with which State civil service officers and employees are expected to comply. Although Government Code Section 19990 is not applicable to those persons exempt from the civil service system, they are also subject to standards of ethical conduct, discussed below. Section 19990 of the Government Code requires that:

**A state officer or employee shall not engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his [or her] duties as a state officer or employee.**

Each appointing power shall determine, subject to approval of the Department of Personnel Administration (DPA), those activities which, for employees under its jurisdiction, are inconsistent, incompatible or in conflict with their duties as State officers or employees. Activities and enterprises deemed to fall in these categories shall include, but not be limited to, all the following:

**Using Prestige or Influence and Examples**

- (a) **Using the prestige or influence of the State or the appointing authority for the officer's or employee's private gain or advantage or the private gain of another.**

*Examples of such activities include:*

- (1) *Soliciting business from persons licensed by the employee's agency (Board or Bureau) under the guise that the licensee may receive special benefits from the employee's agency.*

(2) *Soliciting money from a licensee or from other departmental employees for the employee's private gain.*

(3) *Providing or using the names and/or addresses of licensees, vendors, or other entities subject to regulation by the Department for mailing lists or solicitation unless authorized to do so as part of the employee's duties.*

(4) *Using the badge, uniform, or identification card of a State position for private gain or advantage.*

**Use of State Time, Facilities, etc., and Examples**

(b) **Using State time, facilities, equipment, or supplies** for private gain or advantage.

*Examples of such activities include:*

(1) *Using State vehicles or credit cards for personal gain; using State letterhead stationery for private correspondence; using State office supplies, State postage stamping facilities, State copy machines, or computer equipment and software for home or personal business.*

(2) *Selling products such as cosmetics, jewelry, stationery plastics, etc., at times other than regularly scheduled breaks and lunch periods, or to other employees when they are not on such breaks.*

**Using Confidential Information and Examples**

(c) **Using, or having access to, confidential information** available by virtue of State employment for private gain or advantage or providing confidential information to persons to whom issuance has not been authorized.

*Examples of such activities include:*

(1) *Disclosing confidential investigative reports or confidential examination materials or information.*

(2) *Providing or using, unless authorized to do so by the department or by someone to whom that responsibility has been delegated, licensee social security numbers, birth dates, gender, and/or complaint activity reports.*

(3) *Requesting, acquiring, examining, or disseminating confidential or employee personnel records or personal information maintained by the Department unless authorized in the assignment of related duties.*

(4) *Willfully misusing, misplacing or destroying confidential information, including but not limited to, the disclosure of passwords or permitting access to computer information systems, programs or other data to unauthorized personnel.*

**Accepting Money or Other Consideration and Examples**

- (d) **Receiving or accepting money, or any other consideration**, from anyone other than the State for the performance of his [or her] duties as a State officer or employee.

*Examples of such activities include:*

- (1) *Requesting or accepting money, or other consideration, from applicants or licensees for the priority processing of license applications.*
- (2) *Charging a fee for helping an applicant complete documents for licensure.*

**Performance of an Activity and Examples**

- (e) **Performance of an activity, in other than his [or her] capacity as a State officer or employee**, which is subject directly or indirectly, to the control, inspection, review, audit, or enforcement by the officer or employee.

Each board should evaluate its own mission and job classifications to determine what activities are covered by this category. Specific applications may vary by board or bureau. The following examples are provided for guideline purposes only:

- (1) *Engaging in a personal medical practice or activity, which is regulated by the employee's licensing board, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (2) *Engaging in a nursing practice or activity, which is regulated by the employee's licensing board, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (3) *Engaging in a construction business or activity, which is regulated by the employee's licensing board, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (4) *Engaging in an automobile related business or activity which, is regulated by the employee's bureau, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (5) *Engaging in a private legal practice where the employee represents clients in any matter or venture subject to the regulation of an agency in DCA, or represents any licensee in any enforcement matter before an agency in the Department.*

**Exception: to Prohibition in paragraph (e)**

A board, bureau, commission, or other employment unit in the DCA may determine that it is in the interests of the agency to allow specified employees to engage in activities, which would otherwise be prohibited under the above guidelines. Examples may include allowing employees holding professional or vocational licenses to engage in the licensed business or profession in order to maintain current skills.

Any agency deciding to allow such employment or activities shall develop criteria to evaluate whether requests to engage in such employment or activities will be approved. The criteria must include, but need not be limited to: the time-base of the employee, the benefit to the organization of the employment or activity, a policy to avoid an actual conflict of interest or the appearance of a conflict of interest, and periodic review of the employment or activity.

Any employee currently engaged in, or desiring to engage in, such employment or activities shall submit a written request to his [or her] supervisor, describing the type and scope of outside employment or activity. The supervisor shall review the request and make a recommendation to approve or disapprove the request, based on the criteria developed by the agency. The request and recommendation shall be submitted through the supervisorial chain to the program manager, division chief or executive officer, or designee who will make the determination. The approving officer may review the matter with the DCA's Legal Office and request legal review and a legal opinion regarding the proposed activity. The decision of the approving officer shall be in writing with reasons set forth for the decision.

**Gratuities, other things of value**

- (f) **Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or other thing of value** from anyone who is doing or seeking to do business of any kind with the officer's or employee's appointing authority, or whose activities are regulated or controlled by the appointing authority under circumstances from which it could reasonably be substantiated that the gift was intended to influence the officer or employee in his [or her] official duties, or was intended as a reward for any official action performed by the officer or employee.

Although this section does not preclude acceptance of gifts, it clearly establishes that if the intent of the giver is to influence future, or reward past, official actions, the gift cannot be accepted. Since determining intent may be difficult, the following guidelines are provided:

- (1) *Does the value of the gift, in itself, suggest an intent other than routine hospitality or gratuity? It may be useful to apply the Fair Political Practices laws as a general guide. These laws require certain employees (only those who meet specific "Designated Employee" criteria) to report gifts worth more than \$50 and also specify that gifts totaling more than \$300 during any twelve-month period from any one source establish a financial interest between the source and the recipient. Thus, it follows that gifts approaching these value limits could raise questions under Government Code Section 19990. In addition, gifts considerably below these limits can also be inappropriate if they raise concern under any of the following standards:*
- (2) *Do the circumstances surrounding the gift suggest an improper intent? For example, a gift given on the eve of an important decision involving the donor is of much greater concern than a routine holiday gift or an invitation to an annual*



*reception. Gifts directly or indirectly identified as a reward for specific past decisions or actions usually raise questions of improper relationships.*

*(3) Is the gift characteristic of the gratuities, hospitalities, or other items typically received from organizations and/or individuals, similar to the donor? The key here is to not accept a gift from one party, which could be viewed as an attempt to gain an advantage over others who have a similar relationship with the recipient.*

*(4) How strongly does the form of the gift suggest that it is a routine part of an on-going business relationship as opposed to something more? For example, occasional business lunches or the receipt of mementos bearing the name or insignia of the donor raise fewer questions than gifts of cash, merchandise, extraneous travel or entertainment that have value beyond the business relationship.*

#### **Not Devoting Full Time Efforts to State Office**

(g) Subject to any other laws, rules, or regulations as pertained thereto, **not devoting his [or her] full time, attention, and efforts to his or her State office or employment** during his or her hours of duty as a State officer or employee.

*An example of such activity would be conducting a private business during employee's regular hours of duty.*

#### **Exempt Appointees/Employees**

Appointees/Employees exempt from Civil Service: Pursuant to Executive Order 66-2, please be advised that there exists a code of ethical standards, which is applicable to gubernatorial appointees, not including judicial or county board of supervisor employees. This code of ethical standards is to be followed in addition to any and all other statutes and executive orders (i.e. the Fair Political Practices Act) which might affect questions of conflict of interest, incompatibility or ethics relating to gubernatorial appointees.

Applicable portions of the Executive Order are set out below. You are requested to carefully read these sections and to comply with both their letter and spirit.

#### **Standards of Ethical Conduct for Exempt appointees/employees**

##### **"Standards of Ethical Conduct"**

"No employment, activity, or enterprise shall be engaged in by any officer or employee of the Executive Department of the State which might result in, or create the appearance of resulting in any of the following:

**(1) Using the prestige or influence of a State office or employment** for the officer's or employee's private gain or advantage, or the private gain or advantage of another.

- (2) **Using State time, facilities, equipment, or supplies** for the officer's or employee's private gain or advantage, or the private gains or advantage of another.
- (3) **Using confidential information** acquired by virtue of State employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- (4) **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.
- (5) **Performance of an act in other than 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 or the agency by which he or she is employed. [This, of course, would not preclude an "industry" member of a board or commission from performing the normal functions of his or her occupation.]
- (6) **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 doing or 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." (Emphasis added.)

#### **Other Acts that maybe Incompatible**

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. If later experience shows a need for additions to, deletions from, or clarification of the aforementioned limitations, the DCA will request the approval of the Department of Personnel Administration (DPA) in making changes it determines necessary. Upon such approval, the listing will be amended. Nothing in this statement or listing should be construed by any employee as the sole provisions of law and administrative rules, which should be observed by each State officer, and employee of this department.

#### **Procedures for Determining Incompatible Work Activity**

This procedure applies to all requests to engage in outside employment or activity other than a request for an exemption from the prohibitions contained in Government Code Section 19990(e), which procedure is set forth above.

Any officer or employee who is engaging, or intends to engage, in outside employment or an activity or enterprise which may be in conflict with the provisions of this policy shall submit a written request for review of the matter to his [or her] immediate supervisor.

The written request from the employee shall include the following information:

- (1) The name of the officer or employee.
- (2) The name of the board, unit or office by which the person is employed.
- (3) The classification of the officer or employee.
- (4) The collective bargaining unit representing the officer or employee, if applicable.
- (5) The officer's or employee's duty statement, along with a statement describing the extent to which the employee's duties pertain to any confidential information that would come under his [or her] direct review.
- (6) A detailed description of the specific activity in which the officer or employee intends to engage.

The immediate supervisor shall review the request and discuss it with the administrative head of the board, office or unit, as applicable. The administrative head may review the matter with the DCA's Legal Office and request a legal opinion on whether the proposed activity is prohibited by the DCA's Incompatible Work Activity Statement. If the supervisor approves the employee's request, then, upon written approval of the employee's first line supervisor, the employee may continue to, or proceed to, engage in the activity or business. If the supervisor denies the employee's request, a written statement detailing the reason(s) for the denial will be provided to the employee.

Represented employees may appeal a denial in accordance with the terms of the employee's collective bargaining agreement. Non-represented employees may appeal under DPA Rule 599.859 to the Director. In all cases, the Director's decision shall be final.

**State Attorney and Administrative Law Judges: Service on Governmental Bodies**

Service on a local appointed or elected governmental board, commission, committee, or other body or as a local elected official by an attorney employed by the state in a nonelected position or by an administrative law judge, as defined in Section 11475.10, shall not, by itself, be deemed to be inconsistent, incompatible, in conflict with, or inimical to, the duties of the attorney or administrative law judge as a state officer or employee and shall not result in the automatic vacation of either office.

Nothing in this section shall be construed to prohibit an administrative law judge, as defined in Section 11475.10, or an attorney employed by the state in a nonelected position from serving on any other appointed or elected governmental board, commission, committee, or other body, consistent with all applicable conflict-of-interest statutes and regulations and judicial canons of ethics.

**Violation of Policy**

Failure to follow any of the provisions of this policy is cause for discipline, which may include termination of employment.

In addition, any tampering, interference, damage, or unauthorized access to computer data or computer systems may constitute a criminal violation of Penal Code Section 502.

**Revision of Policy**

Determination of the need for revisions to this policy is the responsibility of the Legal Affairs Division and the Office of Human Resources (916) 574-8300.

Specific questions regarding the status or maintenance of this policy should be directed to the Division of Legislative and Policy Review at (916) 574-7800.

**Security Agreement and Language Attachment**

Incompatible Work Activity Security Agreement is attached.

**RECOMMENDED IMPLEMENTATION STRATEGY**

This policy is distributed to all new employees in the new employee packets or transfer packets.

The department may wish to implement this policy on an annual basis and distribute to all employees to ensure everyone has read and signed the "Incompatible Work Activity Security Agreement."

***My signature on this acknowledgement for does not modify my employment relationship with DCA as set forth in the most current Memorandum of Understanding (MOU) appropriate to my employee bargaining unit.***

\_\_\_\_\_  
***(Printed Name)***

\_\_\_\_\_  
***(Signature)***

\_\_\_\_\_  
***(Date)***

\_\_\_\_\_  
***(Board/Bureau/Committee/Commission/Program/Division/Office)***

**Original:** Office of Human Resources (Official Personnel File)  
**Copies:** Employee, Supervisor



**CONTRACTORS STATE LICENSE BOARD**

P.O. Box 26000  
SACRAMENTO, CA 95826-0026

9821 BUSINESS PARK DRIVE  
SACRAMENTO, CA 95827  
800.321.CSLB (2752)

*[www.cslb.ca.gov](http://www.cslb.ca.gov)*

*[CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)*

*[SeniorScamStopper.com](http://SeniorScamStopper.com)*

# AGENDA ITEM G

Adjournment





NOVEMBER 18, 2013  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Legislative  
Committee Meeting





## AGENDA ITEM A

# Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

LEGISLATIVE COMMITTEE MEMBERS:

PAUL SCHIFINO, CHAIR

LINDA CLIFFORD

PASTOR HERRERA JR.

NANCY SPRINGER

Committee Chair Paul Schifino will review the scheduled Board actions and make appropriate announcements.



## AGENDA ITEM B

# Public Comment Session

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



# AGENDA ITEM C

## Legislative Update



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2013 Legislation

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CA AB 44	<p><b>AUTHOR:</b> Buchanan [D]  <b>TITLE:</b> Subletting and Subcontracting Fair Practices Act  <b>FISCAL COMMITTEE:</b> yes  <b>URGENCY CLAUSE:</b> no  <b>INTRODUCED:</b> 12/18/2012  <b>ENACTED:</b> 09/09/2013  <b>DISPOSITION:</b> Enacted  <b>LOCATION:</b> Chaptered  <b>CHAPTER:</b> 258  <b>SUMMARY:</b>  Amends the Subletting and Subcontracting Fair Practices Act that requires the entity taking bids for the construction of any public work or improvement to specify certain information regarding each subcontractor who will perform work or labor or render service to the prime contractor in or about the work or improvement. Requires that the state contractor license number of each subcontractor also be provided.  <b>STATUS:</b>  09/09/2013 Signed by GOVERNOR.  09/09/2013 Chaptered by Secretary of State. Chapter No. 258  <b>POSITION:</b> SUPPORT</p>
CA AB 186	<p><b>AUTHOR:</b> Maienschein [R]  <b>TITLE:</b> Professions and Vocations: Military Spouses: Licenses  <b>FISCAL COMMITTEE:</b> yes  <b>URGENCY CLAUSE:</b> no  <b>INTRODUCED:</b> 01/28/2013  <b>LAST AMEND:</b> 06/24/2013  <b>DISPOSITION:</b> Pending  <b>LOCATION:</b> Senate Business, Professions &amp; Economic Development Committee  <b>SUMMARY:</b>  Establishes a temporary licensure process for an applicant who holds a current license in another jurisdiction and who supplies satisfactory evidence of being married to or in a domestic partnership or other legal union with an active duty member of the Armed Forces and is assigned to a duty station in the state under official active duty military orders. Requires a signed affidavit from the applicant attesting to the fact he or she meets all requirements. Authorizes certain background checks.  <b>STATUS:</b>  07/01/2013 In SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT: Heard, remains in Committee.  <b>POSITION:</b> OPPOSE</p>
CA AB 263	<p><b>AUTHOR:</b> Hernandez R [D]  <b>TITLE:</b> Employment: Retaliation: Immigration-Related Practices  <b>FISCAL COMMITTEE:</b> no  <b>URGENCY CLAUSE:</b> no  <b>INTRODUCED:</b> 02/07/2013  <b>ENACTED:</b> 10/11/2013  <b>DISPOSITION:</b> Enacted  <b>LOCATION:</b> Chaptered  <b>CHAPTER:</b> 732</p>

**SUMMARY:**

Prohibits employer retaliation or adverse action against and employee or applicant for engaging in specified protected conduct. Provides for employment reinstatement and lost wages. Provides civil penalties. Prohibits immigration-related employment practices against employees in retaliation. Prohibits any person from making and/or enforcing a rule that prohibits disclosing information to a government entity or law enforcement. Prohibits preventing an employee from changing their personal information.

**STATUS:**

10/11/2013 Signed by GOVERNOR.  
10/11/2013 Chaptered by Secretary of State. Chapter No. 732

CA AB 811

**AUTHOR:** Lowenthal B [D]  
**TITLE:** Excavations: Regional Notification Center System  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2013  
**ENACTED:** 09/06/2013  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**CHAPTER:** 250  
**SUMMARY:**

Amends existing law that requires any person planning to conduct an excavation to contact a regional notification center prior to excavation. Requires statewide information provided by operators and excavators regarding facility events to be compiled and made available in an annual report by regional notification centers and posted on the Internet Web sites of those regional notification centers.

**STATUS:**

09/06/2013 Signed by GOVERNOR.  
09/06/2013 Chaptered by Secretary of State. Chapter No. 250  
**POSITION:** WATCH

CA AB 834

**AUTHOR:** Williams [D]  
**TITLE:** Private Postsecondary Education: Performance Sheets  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/21/2013  
**LAST AMEND:** 06/25/2013  
**DISPOSITION:** Pending  
**LOCATION:** Senate Education Committee  
**SUMMARY:**

Provides that a law school that meets specified criteria shall be deemed to satisfy the requirements of the State Private Postsecondary Education Act of 2009 regarding a School Performance Fact Sheet by complying with a specified standard of the American Bar Association relating to the disclosure of consumer information and by providing completion, placement, bar passage, and salary and wage information of graduates to prospective students prior to enrollment through a specified application process.

**STATUS:**

07/03/2013 In SENATE Committee on EDUCATION: Not heard.  
**NOTES:** No longer impacts CSLB. Previously dealt with energy efficiency regulations.

	<b>POSITION:</b>	WATCH
CA AB 972	<b>AUTHOR:</b>	Calderon I [D]
	<b>TITLE:</b>	Employment Electricians: Certification
	<b>FISCAL COMMITTEE:</b>	yes
	<b>URGENCY CLAUSE:</b>	no
	<b>INTRODUCED:</b>	02/22/2013
	<b>LAST AMEND:</b>	04/29/2013
	<b>DISPOSITION:</b>	Pending
	<b>LOCATION:</b>	Senate Labor and Industrial Relations Committee
	<b>SUMMARY:</b>	Amends existing law that requires contractors and subcontractors to keep payroll records that include various forms of personal information of each journeyman, apprentice, worker, or other employee employed in conjunction with a public works project. Requires those records for projects that use an electrician to include the electrician's state certification number.
	<b>STATUS:</b>	
	06/26/2013	In SENATE Committee on LABOR AND INDUSTRIAL RELATIONS: Heard, remains in Committee.
CA AB 993*	<b>AUTHOR:</b>	Linder [R]
	<b>TITLE:</b>	Contractors: Arbitration
	<b>FISCAL COMMITTEE:</b>	yes
	<b>URGENCY CLAUSE:</b>	no
	<b>INTRODUCED:</b>	02/22/2013
	<b>LAST AMEND:</b>	06/10/2013
	<b>DISPOSITION:</b>	Pending
	<b>LOCATION:</b>	Senate Judiciary Committee
	<b>SUMMARY:</b>	Amends the Contractors' State License Law. Provides a party that submits a dispute with contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for a arbitration related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the reopening of a hearing prior to any award.
	<b>STATUS:</b>	
	06/17/2013	From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to Committee on JUDICIARY. (10-0)
	<b>POSITION:</b>	SPONSOR
CA SB 261*	<b>AUTHOR:</b>	Monning [D]
	<b>TITLE:</b>	Contractors Fraudulent Use of License
	<b>FISCAL COMMITTEE:</b>	yes
	<b>URGENCY CLAUSE:</b>	no
	<b>INTRODUCED:</b>	02/13/2013
	<b>ENACTED:</b>	08/27/2013
	<b>DISPOSITION:</b>	Enacted
	<b>LOCATION:</b>	Chaptered
	<b>CHAPTER:</b>	163
	<b>SUMMARY:</b>	Provides that any licensed or unlicensed contractor who commits any of

specified activities with respect to a contractor's license is subject to the administrative remedies authorized by the Contractors' State License Law.

**STATUS:**

08/27/2013 Signed by GOVERNOR.  
08/27/2013 Chaptered by Secretary of State. Chapter No. 163  
**POSITION:** SPONSOR

CA SB 262\*

**AUTHOR:** Monning [D]  
**TITLE:** Contractors  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/13/2013  
**ENACTED:** 08/27/2013  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**CHAPTER:** 180  
**SUMMARY:**

Relates to the Contractor's State License Law. Makes the qualifying person responsible for exercising that direct supervision and control to secure compliance with the law and its related regulations; Makes a violation of specified provisions of the law relating to construction operations, grounds for disciplinary action and a misdemeanor penalty.

**STATUS:**

08/27/2013 Signed by GOVERNOR.  
08/27/2013 Chaptered by Secretary of State. Chapter No. 180  
**POSITION:** SPONSOR

CA SB 263\*

**AUTHOR:** Monning [D]  
**TITLE:** Contractors: Unlicensed Activity  
**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 02/13/2013  
**LAST AMEND:** 06/05/2013  
**DISPOSITION:** Pending  
**LOCATION:** Assembly Business, Professions and Consumer Protection Committee  
**SUMMARY:**

Amends the Contractor's State License Law. Provides that it is a misdemeanor for a person to act in the capacity of a contractor if the person either has never been licensed, or the person was a licensee, but performed acts covered by the law under a license that was under suspension for failure to pay a civil penalty, comply with an order of correction, or failure to resolve all outstanding final liabilities.

**STATUS:**

06/05/2013 From ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION with author's amendments.  
06/05/2013 In ASSEMBLY. Read second time and amended.  
Re-referred to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.  
**POSITION:** SPONSOR

CA SB 822\*

**AUTHOR:** Bus, Prof and Econ Dev Cmt  
**TITLE:** Professions and Vocations

**FISCAL COMMITTEE:** yes  
**URGENCY CLAUSE:** no  
**INTRODUCED:** 03/20/2013  
**ENACTED:** 09/20/2013  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**CHAPTER:** 319  
**SUMMARY:**

Provides for licensure of out of state accountants. Relates to delinquency fees regarding a renewal application under the Contractor's State License Law. Relates to common interest development managers. Deletes a meeting requirement of the State Board of Guide Dogs for the Blind for certification of schools that provide training of guide dogs. Creates a retired license category and fee for geologists or geophysicists. Allows a fictitious business name statement to be signed by either party to a marriage.

**STATUS:**

09/20/2013 Signed by GOVERNOR.  
09/20/2013 Chaptered by Secretary of State. Chapter No. 319  
**POSITION:** SPONSOR

- **Indicates CSLB-sponsored legislation**



## AGENDA ITEM C-1

# Review of Senior Scam Stopper Program



# 2013 Statistical Report



## SENIOR SCAM STOPPER

Date	Legislator	Location	Number of Attendees	Panelists	Board Members/Dignitaries/Media
1/11	Asm. Roger Dickinson	Sacramento	100	CSLB, Corp.	Matt Kelly
1/15	N/A – Asian Community Center	Sacramento	11	CLSB, Sac. PD, Sac. Co. APS, CA Health Advocates	Matt Kelly
1/18	Sen. Curren Price	Los Angeles	63	CSLB, CPUC, Ins., Corp., USPIS	
1/29	Cong. Linda Sanchez	Whittier	65	CSLB, Ins., Corp., BAR, CPUC	
2/22	Sen. Ron Calderon	Pico Rivera	80	CSLB, Bet Tzedek, LADA, CHA	
2/28	Sen. Curren Price	Los Angeles	18	CSLB, Corp., CPUC, USPIS	
3/8	Sen. Fran Pavley	West Hills	70	CSLB, LADCA, LACSS, USPIS, CHA	Local paper
3/20	Asm. Nora Campos	San Jose	30	CSLB, CPUC, USPIS, BAR	
3/22	Sen. Ron Calderon	Commerce	80	CSLB, CPUC, BAR, Corp.	
3/27	Asm. Melissa Melendez	Murrieta	9	CSLB, Murrieta PD, Riverside CARE, BAR, CDI	San Diego Trib.
3/28	Asm. Connie Conway	Porterville	40	CSLB, Tulare Co. DA, BAR, USPIS	
4/9	Sylvan Oaks Library	Citrus Heights	2	CSLB, CHA, CDI, Cem. & Fun., CPUC	
4/12	Asm. Mike Morrell	Redlands	57	CSLB, CPUC, San Berdu. SD, BAR, USPIS	
4/18	Asm. Mike Gatto	La Canada	155	CSLB, CHA, LADA, CDI, USPIS	Pastor Herrera
4/19	Asm. Isadore Hall	Wilmington	100	CSLB, Corp., CDI, CPUC,	
4/26 A.M.	Sen. Ron Calderon/ Asm. Ian Calderon	So. El Monte	102	CSLB, Bet Tzedek, CPUC, CDI	Pastor Herrera/ Spanish media
4/26 P.M.	Asm. Allan Mansoor	Irvine	54	CSLB, OCDA, CHA, BAR	
4/30	Cong. Susan Davis/Scott Peters	San Diego	65	CSLB, CPUC, BAR, SDDA, CDI	
5/8	Sen. Curren Price	Los Angeles	30	CSLB, CPUC, Corp.,	Pastor Herrera
5/9	Asm. Norma Torres	Montclair	25	CSLB, SDAA, Montclair PD, BAR, CHA	
5/10	Asm. R. Jones-Sawyer	Huntington	42	CSLB, CPUC, CDI, CHA	Pastor Herrera

A.M.		Park			
5/10 P.M.	Asm. R. Jones-Sawyer	Los Angeles	21	CSLB, BAR, CPUC, LADA	Pastor Herrera
5/17	Asm. Roger Hernandez	Baldwin Park	140	CSLB, CPUC, CDI, CHA, Corp.	Pastor Herrera
5/23	Asm. Ken Cooley	Citrus Heights	28	CSLB, USPIS, CHA, BAR, BSIS	
5/31	Asm. Rudy Salas	Hanford	55	CSLB, BAR, CPUC, USPIS	
6/7	Sen. Fran Pavley	Thousand Oaks	30	CSLB, Thousand Oaks PD, SCO, CDI	
6/14	Sen. Ted Lieu	Redondo Beach	35	CSLB, CPUC, Corp., CDI, LADA, SCO	
6/21	Asm. Bill Quirk	Castro Valley	73	CSLB,	
7/16	Asm. Rudy Salas	Bakersfield	77	CSLB, USPIS, HICAP,	
7/17	Asm. Jose Medina	Moreno Valley	125	CSLB, CPUC, BAR	
7/18	Asm. Jim Frazier	Brentwood	25	CSLB, USPIS, Brentwood PD,	
7/18	Sen. Mark DeSaulnier	Pittsburg	37	CSLB, CPUC, USPIS,	
7/19	Asm. Paul Fong	Saratoga	400	CSLB, USPIS, HICAP, CPUC	SJ Mercury News
7/22	Asm. John Perez	Los Angeles	28	CSLB, SCO, CDI, CPUC	Telemundo, Channel 18
7/23	Asm. John Perez	Los Angeles	28	CSLB, CPUC,	
7/24	Asm. Sharon Quirk-Silva	Buena Park	35	CSLB, SCO, CDI, CHA, SCO	
7/25	Asm. Sharon Quirk-Silva	Cypress	34	CSLB, CDI, ODA,	
7/26	Sen. Ron Calderon	Santa Fe Springs	43	CSLB, LADCA, USPIS, Whittier PD,	Pastor Herrera
7/29AM	Asm. Steve Fox	Lancaster	40	CSLB, CDI, DBO, CPUC	
7/29PM	Asm. John Perez	Huntington Park	4	CSLB, Huntington Park PD, CPUC, DBO	Pastor Herrera, Telemundo
7/30	Asm. Bill Quirk	Hayward	62	CSLB, BAR, USPIS, SCO	
7/31	Asm. Bill Quirk	Fremont	142	CSLB, HICAP, USPIS, Fremont PD, SCO	
8/1	Asm. Bill Quirk	Union City	85	CSLB, HICAP, ADA, USPIS	
8/2	Asm. John Perez	Los Angeles	75	CSLB, LA APS, LADA, CPUC	Pastor Herrera, 3 Korean media
8/9	Asm. Richard Bloom	West Hollywood	66	CSLB, SCO, LASD, Bet Tzedek	Pastor Herrera
8/23	Sen. Jim Beall	San Jose	94	CSLB, CPUC, CDI, HICAP, USPIS	Kevin Albanese, KCBS
9/6	Asm. Al Muratsuchi	Rolling Hills Estates	80	CSLB, BAR, SCO, DBO, CPUC	
9/18	Asm. Luis Alejo	Hollister	65	CSLB, HICAP, CPUC, BAR	
9/19	Asm. Jimmy Gomez	Los Angeles	90	CSLB, BAR, CHA, CPUC, LADA	Pastor Herrera
9/19	Sen. Ron Calderon	Whittier	50	CHA	
9/20	Asm. Rob Bonta	San Leandro	29	CSLB, ADA, USPIS, BAR, HICAP	
9/25	Sen. Ron Calderon	Downey	20	CSLB, Downey PD, Bet	

				Tzedek, CHA	
9/26	Sen. Ted Lieu	Manhattan Beach	85	CSLB, Manhattan Beach PD, SCO, BAR	Pastor Herrera
9/27	Sen. Jerry Hill/Richard Gordon/Asm. K. Mullin	Redwood City	92	CSLB, SAIF, CPUC, RWCPD	
10/3	Asm. Mike Gatto	Los Angeles	75	CSLB, CHA, CPUC, BAR	Pastor Herrera
10/4	Asm. Richard Bloom	Brentwood	42	CSLB, Bet Tzedek, DBO, SCO, LADCA	Pastor Herrera
10/7	Sen. Ellen Corbett	Pleasanton	70	CSLB, CPUC, ADA, Pleasanton PD	
10/15	Sen. C. Liu/Asm. C. Holden	La Verne	48	CSLB, SCO, LA Co. Disaster, La Verne PD	
10/16	Cong. Eric Swalwell/Asm. Bill Quirk	San Lorenzo	12	CSLB, ADA, USPIS, Board of Pharmacy	
10/18	Asm. Kevin Mullin	Millbrae	73	CSLB, SMDA, HICAP, USPIS, SAIF	
10/21	Cong. Swalwell/Asm. Quirk	San Leandro	24	CSLB, CDI, ADA, BAR, HICAP	
10/23	Asm. Jim Frazier	Antioch	30	CSLB, CDI, HICAP, BAR, USPIS, Antioch PD	
10/24	Asm. Jose Medina	Riverside	38	CSLB, CHA, RDA, River. Co. CARE	
10/25	Sen. Lou Correa	Fountain Valley	74	CSLB, Ftn. Vly, PD, CHA, SCO	
10/29	Asm. Richard Gordon	Palo Alto	43	CSLB, CPUC, SCDA, CDI, BAR	
10/30	Asm. Jim Frazier	Fairfield	50	CSLB, USPIS, CHP, DCA, BAR	
10/31	Asm. Ed Chau	Monterey Park	75	CSLB, LADA, CHA, CPUC	Channel 18
11/4	Cong. Scott Peters/Sen. Marty Block	San Diego	37	CSLB, SDDA, CDI, BAR	
11/7	Sen. Carol Liu/Asm. Chris Holden	San Dimas		CSLB, LADA, SCO, BAR	
11/13	Asm. Henry Perea	Fresno			
11/14	Downey Senior Center	Downey			
11/18	Sen. Carol Liu	South Pasadena			
11/19	Asm. Richard Gordon	Santa Clara Co. - TBA			
12/11	Asm. Richard Bloom	Agoura Hills			
12/12	Cong. Scott Peters	San Diego			
12/13	Asm. Luis Alejo	Salinas			

**TOTAL SSS: 68**

**TOTAL ATTENDEES: 4182**

**AVERAGE # of ATTENDEES: 62**

## AGENDA ITEM D

# Review and Consideration of Legislative Proposals for the Upcoming Legislative Session



## AGENDA ITEM D-1

# Amendment to Business and Professions Code Section 7011.4 – Notice to Appear Authority



# **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

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**SUBJECT:**

This bill will allow the Contractors State License Board (CSLB) to implement legislation that provided all enforcement representatives (ERs) the authority to issue a written notice to appear (NTA), without having to modify its organizational structure.

**PROBLEM/SUMMARY:**

CSLB sponsored legislation in 2012 (AB 2554, Berryhill, Chapter 85, Statutes of 2012) which provided all ERs this authority. Prior to AB 2554, only ERs in CSLB's Statewide Investigative Fraud Team had the authority to issue a NTA. However, after the bill's enactment, it appeared that CSLB would need to revise its organizational structure by placing all ERs from the different enforcement units into a separate division. That would have been unwieldy; therefore, CSLB is proposing additional legislation to implement AB 2554 without having to modify its organizational structure.

**PROPOSED CHANGE (Include the Related Sections of Law):**

This proposal will further revise Business & Professions Code (BPC) Section 7011.4, as recommended by CSLB's legal counsel, to clearly provide that all CSLB enforcement representatives may issue a written NTA.

**PROPOSED LANGUAGE:**

BPC 7011.4

(a) Notwithstanding Section 7011, there is in the Contractors' State License Board, a ~~separate~~ *an* enforcement division which shall rigorously enforce this chapter prohibiting all forms of unlicensed activity.

(b) Persons employed as enforcement representatives in this division and designated by the Director of Consumer Affairs are not peace officers and are not entitled to safety member retirement benefits. They do not have the power of arrest. However, they may issue a written notice to appear in court pursuant to Chapter 5c (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.

## AGENDA ITEM D-2

Amendment to  
Business and Professions Code  
Section 7027.2 – Required content  
of advertisements issued by  
contractors not licensed by the  
Contractors State License Board





# **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

---

**SUBJECT:**

§7027.2 Business and Professions Code – Required content of advertisements issued by contractors not licensed by the Contractors State License Board.

**PROBLEM/SUMMARY:**

The California Business and Professions Code (B&P) provides for the licensure and regulation of contractors by the Contractors State License Board (CSLB). Existing law requires that contractors must maintain a valid and properly classified license to perform contracting activity as specified within the State of California. Contractors who do not have a valid contractor license are permitted by statute to perform construction work, providing “the aggregate contract price which for labor, materials, and all other items, is less than five hundred dollars” (§7048 B&P). Such unlicensed contractors also are permitted by statute to publicly advertise their services, providing “that he or she shall state in the advertisement that he or she is not licensed” (§7027.2 B&P).

The stated intent of these exemptions is that unlicensed contractors should be permitted to complete construction work “of casual, minor, or inconsequential nature” (§7048 B&P). The stated intent notwithstanding, unlicensed contractors routinely use the exemption provided in §7027.2 B&P to openly advertise their services for any and all construction services, including large-scale projects that are clearly in excess of the \$500 limit prescribed by law. Internet bulletin boards, such as “craigslist,” are brimming with ads from unlicensed contractors for major construction projects, including new home construction, room additions, kitchen remodels, etc. (see samples attached).

Under existing law, such advertising is legal – even though the work itself is prohibited by law. Legitimate, licensed contractors are consequently forced to compete in the marketplace side-by-side with the unlicensed scofflaws. Consumers also can be deceived by the advertising – thinking that no one would so brazenly advertise illegal activity – and be at risk of financial harm from illegal contracting work.

**PROPOSED CHANGE (Include the Related Sections of Law):**

In furtherance of CSLB’s efforts to combat the underground economy, CSLB is proposing the amendment of §7027.2 to require further disclosure in advertisements placed by unlicensed contractors. As noted above, this section currently requires that a person declare in their advertisement that “he or she is not licensed.” CSLB is proposing that unlicensed contractors also be required to state in their advertising that any contracting work they perform cannot exceed a total of \$500 for any one project, as specified in §7048 B&P.

The adoption of this proposal would help level the playing field for legitimate, licensed contractors; reduce the open advertising of illegal activity; and reduce the risk of harm to the public.

**PROPOSED LANGUAGE:**

Section 7027.2 of the Business and Professions Code is amended as follows:

7027.2. Notwithstanding any other provision of this chapter, any person not licensed pursuant to this chapter may advertise for construction work or work of improvement covered by this chapter, provided that the work is valued at less than \$500.00 and he or she ~~shall~~ states in the advertisement that he or she is not licensed under this chapter.

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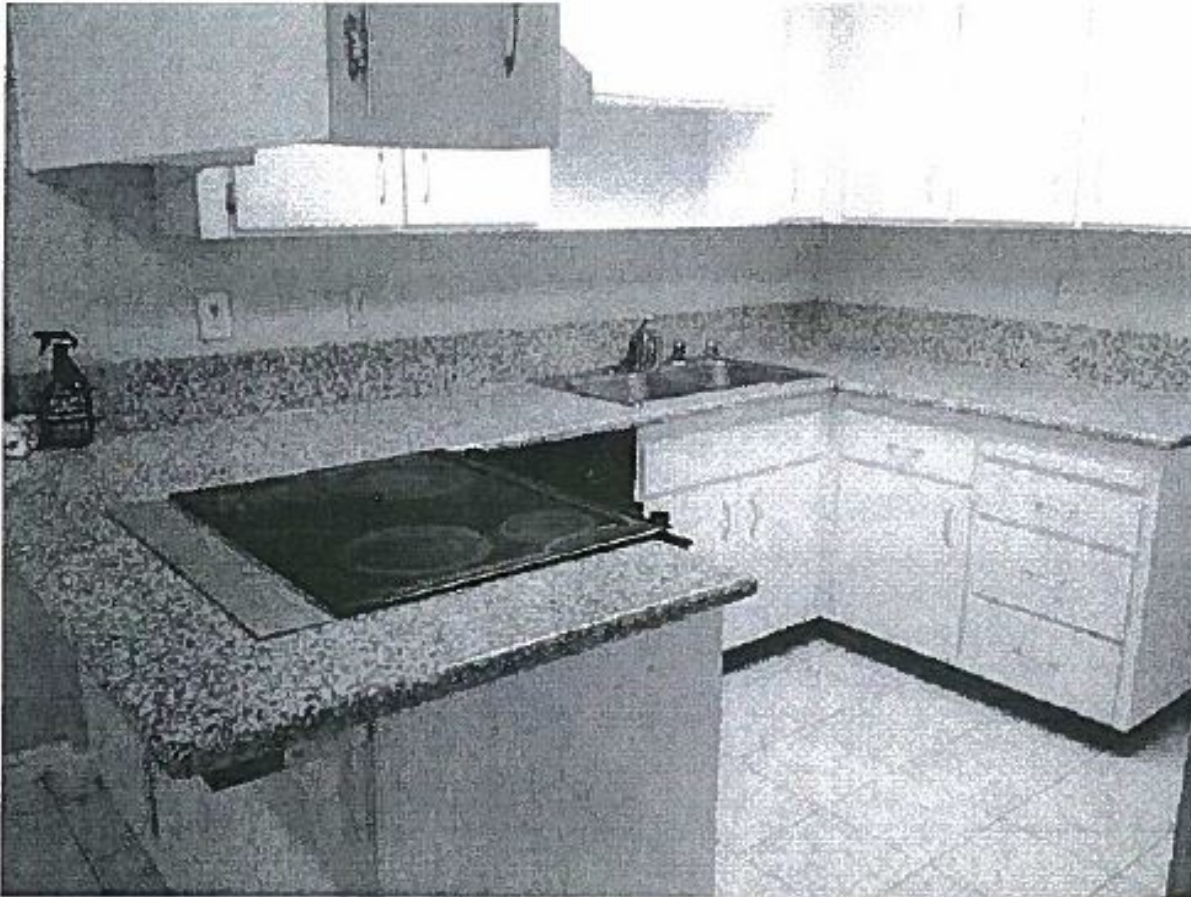


CL sacramento all services offered skilled trade services

Reply [gvf37-4104278927@serv.craigslist.org](mailto:gvf37-4104278927@serv.craigslist.org) <sup>(2)</sup> flag <sup>(2)</sup> : miscategorized prohibited spam best of

Posted: 2013-10-02, 3:57AM PDT

### handyman all home construction (sacramento)



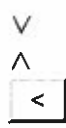
You have problems with your home? **Restoration in mind? Or do you want new patio, deck, room please** call Max i do all restorations and fixes for free estimate call [REDACTED]

- Framing
- Baseboard
- Crwn molding
- Sheetrock
- Tile
- Countertops, granite
- Laminated flooring
- Plumbing and much more

- Location: sacramento
- it's NOT ok to contact this poster with services or other commercial interests

• **License info: Unlicensed**      **FORMAT:** mobile standard

Posting ID: 4104278927    Posted: 2013-10-02, 3:57AM PDT    [email to a friend](#)



CL [sacramento](#) [all services offered](#) [skilled trade services](#)

Reply [4tvxd-4075341618@serv.craigslist.org](mailto:4tvxd-4075341618@serv.craigslist.org) <sup>(2)</sup> flag <sup>(2)</sup> : [miscategorized](#) [prohibited](#) [spam](#) [best of](#)

Posted: 2013-09-18, 8:49AM PDT

**\*\*\*\* HANDYMAN \*\*\*\* !!!!! (Sacramento)**

Handyman

Are you looking for a handyman that knows what he's doing? Look no further -- I have been in the construction industry for over 35 years. **From remodels to new construction, commercial work from homes to high rises.**

What I can do for you:

Electrical -- Replace fixtures, repair wiring, add wiring to room's for additional outlets, move wiring for remodels. I can fix all electrical problems.

Plumbing -- Repair leaking pipes, move plumbing for remodels, new plumbing, unclog pipes. I know how to fix your plumbing problems.

Framing -- New framing, remodels, additions, dry rot repair, metal or wood framing

Painting -- New paint, repaint a bad paint job, interior, exterior, single rooms or whole houses inside and out.

Sheetrock -- Replace sheetrock, texture, patch holes

Remodel -- Move walls for a more open floor plan; remodel bathrooms, kitchens or build a gazebo

Fences -- Do you need your fence fixed or replaced? I do that too.

Trees trimmed or removed -- Small or large trees and landscaping ideas and planting

If it's not on the list, please ask -- I will help you get your house back to your dream home.

Reasonable rates free bids. Let me take a look -- you have nothing to lose.

Mike. 

- Location: Sacramento
- it's NOT ok to contact this poster with services or other commercial interests
- **License info: Unlicensed**

Posting ID: 4075341618    Posted: 2013-09-18, 8:49AM PDT    Updated: 2013-10-01, 9:06PM PDT    [email to a friend](#)

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[Reply](#) [x5tm4-4104636469@serv.craigslist.org](#) <sup>(2)</sup> [flag](#) <sup>(2)</sup> : [miscategorized](#) [prohibited](#) [spam](#) [best of](#)

Posted: 2013-10-02, 7:58AM PDT

## CARPENTER!!! (greater sacramento)

I am a skilled carpenter for hire...also a kitchen and bathroom specialist...anything you need done we can accomplish. Call Brent @ [REDACTED]....i will be happy to come out and give you a free estimate...

- Location: greater sacramento
- it's NOT ok to contact this poster with services or other commercial interests
- 
- **License info: Unlicensed**

Posting ID: 4104636469 Posted: 2013-10-02, 7:58AM PDT [email to a friend](#)

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CL sacramento all services offered skilled trade services

Reply to: see below

flag <sup>1</sup> : miscategorized prohibited spam best of Posted: 2013-09-25, 11:42PM PDT

## **POOL RE-MODEL N RENOVATION-REPAIR/RE-PLASTER/DECK RE-SURFACING (@\_LOWEST PRICES\_FAST COMPLETION\_QUALITY )**

TALENT N EXPERIENCE TO DESIGN N COMPLETE

**CUSTOM POOLS AND SPAS, RENOVATE OR REMODEL NOW. ADDITIONS, REMODELS, NEW CONSTRUCTION**

GIVE US A SHOT BEFORE IT GETS HOT. COMPLETE POOL/SPA CONSTRUCTION

POOLS\_POOLS\_POOLS\_POOLS\_POOLS

SOME OF OUR SERVICES INCLUDED:

- \* POOL/SPA PUMPS
- \* POOL/SPA HEATERS (ELECTRIC AND GAS)
- \* POOL/SPA PLUMBING
- \* FILTER CLEANING
- \* ACID WASH
- \* CHLORINE BATH
- \* ONE-TIME CLEANUP
- \* POOL SYSTEMS
- \* EQUIPMENT REPAIR OR REPLACEMENT
- \* REPAIR AND INSTALLATION OF IRRIGATION SYSTEMS
- \* FULL-SERVICE CUSTOM LANDSCAPING

\* ARTIFICIAL TURF

WE HAVE THE TALENT AND EXPERIENCE TO DESIGN & COMPLETE THE JOB ON OR UNDER BUDGET, AND COMPLETE YOUR BACKYARD WITH A BEAUTIFUL POOL, SPA, HOT TUB AND/OR OUTDOOR LIVING AREA COMPLETE WITH LANDSCAPING.

RENOVATE OR REMODEL NOW.ADDITIONS, REMODELS, NEW CONSTRUCTION AND EVEN CUSTOM POOLS AND SPAS.

HONEST HARD WORKING WITH HANDS ON APPROACH.

LOWEST PRICES, FAST COMPLETION, QUALITY JOB.

GIVE US A SHOT BEFORE IT GETS HOT.

POOL RE-MODEL AND RENOVATION

REPAIR/RE-PLASTER/DECK RE-SURFACING

- Location: @\_LOWEST PRICES\_FAST COMPLETION\_QUALITY
- it's NOT ok to contact this poster with services or other commercial interests

• **License info: Unlicensed**

Posting ID: 4091809314 Posted: 2013-09-25, 11:42PM PDT [email to a friend](#)

No contact info?  
 if the poster didn't include a phone number, email, or  
 other contact info, craigslist can notify them via email.

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FORMAT: mobile standard



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CL los angeles SF valley all services offered skilled trade services

Reply | [k4gbp-4069424256@serv.craigslist.org](mailto:k4gbp-4069424256@serv.craigslist.org) <sup>[2]</sup> flag <sup>[2]</sup> : miscategorized prohibited spam best of

Posted: 2013-09-15, 12:50PM PDT

## Chung's Handyman Service (Winnetka)



Hello Everyone!

I have a small handyman service with my dad and we've been in the business for over 20 years. We mostly work on residential houses but am also capable of working on commercial property. I charge \$20/hr. and my dad charges \$30/hr. or \$400 combined per day. Usually we charge per job and not by hour and will be a little more expensive to pay per job. For example, if you need a sink replaced, it could cost you up to \$300+ for a 4 hour job for 1 person. So you would be saving by paying per hour.

Some of our work include:

**Remodeling of kitchens** - remove old cabinets, counter-tops, and flooring for installation of new materials.

**Remodeling of rooms** - make new walls by erecting framing and drywall and other necessary installations for electrical and plumbing.



## AGENDA ITEM D-3

Amendment to  
Business and Professions Code  
Section 7110.5 – Initiation of  
action against a contractor after  
Labor Commissioner's finding  
of violation



## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

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**SUBJECT:**

Business and Professions (B&P) Code § 7110.5 – Initiation of action against a contractor after Labor Commissioner’s finding of violation; modification of requirements.

**PROBLEM/SUMMARY:**

The B&P Code provides for the licensure and regulation of contractors by the Contractors State License Board (CSLB). Existing law requires that contractors that perform works of improvement in California, as specified in B&P Code §7126 and §7126.1, maintain a valid and properly classified license. In addition to specific license requirements, California contractors also must comply with many other statutes and regulations, which apply to all business owners in the State. Existing statutes require that CSLB take action against licensees for specified violations of other State codes.

Specifically, B&P Code §7110.5 currently requires that CSLB “initiate disciplinary action against the licensee within *30 days of notification*” by the Division of Labor Standards Enforcement (DLSE), also known as the Labor Commissioner, that a licensee has been found in “willful or deliberate violation of the Labor Code” (emphasis added). Under existing procedures, CSLB reviews each DLSE referral when it is received. If the violation or Civil Wage and Penalty Assessment (CWPA) is egregious, CSLB will initiate an investigation with the intent of pursuing discipline on the license.

Unfortunately, CSLB’s Enforcement Division does not have the resources nor personnel to investigate and pursue each of the hundreds of CWPAs issued by DLSE each year. The primary mission of CSLB is consumer protection; and ancillary sanctions for Labor Code violations, while important, are necessarily a secondary focus.

Those CWPA cases that are pursued are investigated by a CSLB field office. After completion, investigations are routed through CSLB’s Disciplinary Services Section to the Office of the Attorney General (AG). The AG will review the investigation and determine whether an accusation should be filed for revocation of the contractor’s license. The entire process can take up to several months, with the primary delay being AG review and approval. Even when CSLB completes its investigation quickly, delays beyond CSLB’s control preclude compliance with the 30-day requirement contained in B&P Code §7110.5.

There are some unfortunate consequences of the current procedures used for processing DLSE referrals. Awarding agencies and prime contractors that are vetting bids to determine the lowest responsible, responsive bidder for public works projects are, in most cases, unaware of any prior Labor Code violations. Even if the Labor Code violation is egregious and revocation is in progress at CSLB, contractors can continue with business as usual, sometimes for years, until the revocation is finalized, and awarding authorities/prime contractors remain oblivious to the pending action.

To improve disclosure and enhance consumer protection, CSLB is initiating a new program to publicly disclose the disciplinary actions of other partner State agencies, including DLSE. When CSLB is notified by the Labor Commissioner of a CWPA against a licensed contractor, CSLB's website will be updated to include a link on the violator's license lookup to the issuing agency's website with the following advisory statement:

CSLB is aware of a potential Labor Code violation, relating to a Civil Wage and Penalty Assessment (CWPA) by the Labor Commissioner on one or more public works projects. Please refer to the following link for additional information and to verify the status of the CWPA: [website link provided here].

This new disclosure project will help address the problem of information disclosure to consumers; but it will not address the unrealistic mandates currently specified in B&P Code §7110.5.

**PROPOSED CHANGE (Include the Related Sections of Law):**

Recognizing that CSLB's primary mission is consumer protection and that CSLB is unable to meet with the statutory mandates of B&P Code §7110.5, CSLB is proposing the following two amendments to the Section:

- Diminish the Section's mandate that requires CSLB to take disciplinary action on Labor Code referrals from DLSE. Given current staffing levels, CSLB must have the flexibility to pursue only those cases where the misconduct is egregious and/or the risk to public harm is great. Newly implemented disclosure procedures at CSLB will ensure that the public is better and more promptly informed of all DLSE referrals.
- Remove the Section's unachievable requirement that disciplinary action be initiated "within 30 days of notification." As previously discussed, procedural delays outside of CSLB's control have made compliance with this deadline impossible, even under the best of circumstances.

**PROPOSED LANGUAGE:**

Section 7110.5 of the Business and Professions Code is amended as follows:

§7110.5. Upon receipt of a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of the Labor Code by a licensee, pursuant to Section 98.9 of the Labor Code, the registrar ~~shall~~ **may** initiate disciplinary action against the licensee ~~within 30 days of notification.~~

## AGENDA ITEM D-4

# Addition of a new Business and Professions Code Section – Creation of an Evidence Fund



## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

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**SUBJECT:** Evidence Fund

**PROBLEM/SUMMARY:**

This proposal would establish a separate revolving fund for the Contractors State License Board (CSLB) to use for the procurement of evidence in an administrative or criminal investigation.

CSLB periodically has expenditures for evidential matter when pursuing administrative or criminal matters against licensees or non-licensed operators, almost exclusively to pay for sting properties. Historically, expenditures for this purpose have been withdrawn from the revolving fund sub account – Miscellaneous Expenses. The evidence expenditures are required to be for specific use in an approved case or investigation. The California Government Code (GC) allows any state agency to use moneys for purpose of a confidential nature, without requiring documentation at the time of expenditure; however, such usage is not allowed to exceed \$2,000 in any one fiscal year. As CSLB exceeds the \$2,000 threshold each three to six months, the revolving fund usage does not meet the requirement of the GC.

The applicable sections of the GC and the State Administrative Manual (SAM) are as follows:

GC Section 16401 states, “Any revolving fund drawn under the provision of section 16400 may only be used in accordance with law for payment of compensation earned, travel expenses, travel expense advances, or where immediate payment is otherwise necessary.”

GC Section 16404, states in part, “Where the duties of any state agency for which an appropriation is available made necessary the use of moneys for purposes of a confidential nature, such agency may, without at the time furnishing vouchers and itemized statements, draw from such appropriation an advance for such confidential purposes... shall not exceed two thousand dollars (\$2,000) in any one fiscal year...”

GC Section 16405 states, “No State agency or person shall use or disburse any money withdrawn under the provisions of this article for any purpose whatever, unless authorized by law.”

SAM Section 8110 Permissible Uses, states in part, “Revolving funds drawn under the provisions of Government Code Section 16400 may be used only, in accordance with law, for payment of compensation, travel expenses, travel expense advances, or where immediate payment is necessary, the determining factor is whether payment could be made through the normal claim processing procedures and a State Controller’s warrant issued.”

**PROPOSED CHANGE (Include the Related Sections of Law):**

Since the \$2,000 revolving fund maximum provided for in GC section 16404 is insufficient, a new GC section needs to be added that will increase the allowable usage for CSLB. GC Section 16404.5 provides for an increase in the revolving fund maximum amount for confidential use by the Department of Corrections to \$10,000 per fiscal year. A new GC section 16404.6 needs to be added that will provide an increase in the allowable revolving fund withdrawals by CSLB.

In addition, a new Business and Professions Code Section needs to be added that will authorize evidence expenses, for evidence included in an approved case or investigation, as a proper charge to the respective revolving funds. The section will address the internal reporting requirements for administering the revolving fund.

**PROPOSED LANGUAGE:**

Government Code Section 16404.6 should be added as follows:

16404.6. Notwithstanding section 16404, the Contractors State License Board may separately withdraw funds for confidential use in an amount not to exceed ten thousand dollars (\$10,000) per fiscal year. The sums so withdrawn may be used as a revolving fund where cash advances are necessary. At the close of each fiscal year, the Board shall account for and substantiate to the Controller the amount of moneys so withdrawn during the fiscal year with vouchers and itemized statements, exclusive of names and locations, along with a certificate of the purpose and necessity for secrecy. The Controller is authorized to perform audits of these vouchers and itemized statements as may be necessary.

Business and Professions Code Section 7017 should be added as follows:

7017. Evidence expenses in Administrative and Criminal actions  
Evidence expenses incurred by the board, whereby the evidence is used in an approved case or investigation, are proper charges against the respective funds. The usage will be accounted for in the revolving fund sub account – evidence expense. The revolving fund sub accounts require vouchers and itemized statements be retained for verification purposes and outstanding fund advances be closed in 180 days or less.

# AGENDA ITEM E

Adjournment

