March 25, 2021
Sacramento, California

CONTRACTORS STATE LICENSE BOARD

Board Meeting
NOTICE OF PUBLIC TELECONFERENCE BOARD MEETING

Thursday, March 25, 2021 9:00 a.m.–12:00 p.m. (or until the conclusion of business)

Pursuant to the provisions of Governor Newsom’s March 17, 2020 Executive Order N-29-20, neither a public location nor teleconference locations are provided.

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

https://cslb.webex.com/cslb/onstage/g.php?MTID=e3539a185f3a87bdcc6acf0390b727f66
Call-In Number: (415) 655-0001 or (844) 621-3956
Access Code: 126 436 6829

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

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

MEETING AGENDA

A. Call to Order, Roll Call, Establishment of Quorum, and Chair’s Introduction and Appointment of Nomination Committee Members

B. Public Comment Session for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the board to discuss items not on the agenda; however, CSLB’s board can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

C. Presentation of Certificates of Recognition – May Include Oral Presentations Commemorating Board Member Achievements and Service of CSLB Staff

D. Executive
  1. Review and Possible Approval of December 10, 2020 and February 4, 2021 Board Meeting Minutes and February 4, 2021 Enforcement and Legislative Committee Meeting Minutes
  2. Registrar’s Report
     a. Tentative Board Meeting Schedule
     b. Status Update on Contract with Consultant to Study Which CSLB License Classifications Should Install Battery Energy Storage Systems
     c. Annual Accomplishments Report
3. Budgets
   a. CSLB Budget Update
   b. Statistics Summary

4. Administration and Information Technology Services Overview
   a. Review and Discussion on the Administration and Information Technology 2019-21 Strategic Plan

5. Administration Update Regarding Personnel and Facilities

6. Information Technology Update

E. Enforcement
   1. Enforcement Overview
      a. Review, Discussion, and Possible Action on the Enforcement 2019-21 Strategic Plan

   2. Enforcement Program Update
      a. Staff Vacancy Update
      b. Expense Reduction Strategy Update
      c. Investigation Highlights
      d. General Complaint-Handling Statistics

   3. Two Proposed Rulemaking Decisions from the Public Utilities Commission (PUC) for Board Member Review, Discussion, and Possible Support
      b. PUC Establishment of a Recovery Fund for Net Energy Metering Solar Consumers

F. Licensing and Testing
   1. Licensing Overview
      a. Review, Discussion, and Possible Action on the Licensing & Testing 2019-21 Strategic Plan

   2. Licensing Program Update
      a. Application Processing Statistics
      b. Renewal Processing Statistics
      c. Fingerprinting/Criminal Background Unit Statistics
      d. Experience Verification Statistics
      e. Licensing Information Center Statistics
      f. Judgment Unit Statistics
      g. Examination Administration Unit
      h. Examination Development Unit
3. Testing Program Update  
   a. Examination Administration Unit  
   b. Examination Development Unit  

4. Update on Test Development for New B-2 Residential Remodeling License Classification  

5. Advisory Committee Update on Women in Construction  

6. Review, Discussion, and Possible Action to Approve Construction Management Education Account Advisory Board Membership for July 2021-June 2021 Term  

G. Public Affairs  
1. Public Affairs Overview  
   a. Review, Discussion, and Possible Action on Public Affairs 2019-21 Strategic Plan  

2. Public Affairs Program Update  
   a. Disaster Response  
   b. Online Highlights  
   c. Video/Digital Services  
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   f. Publications/Graphic Design Highlights  
   g. Industry/Licensee Outreach Highlights  
   h. Consumer/Community Outreach Highlights  
   i. Intranet/Employee Relations  

H. Legislation  
1. Legislative Overview  
   a. Review, Discussion, and Possible Action to Amend Legislative 2019-21 Strategic Plan  

2. Update on Previously Approved Legislative Proposals  
   a. SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage  
   b. AB 246 (Quirk) Contractors: Disciplinary Actions  
   c. AB 569 (Grayson) Contractors: Civil Penalties: Letters of Admonishment  

3. Review, Discussion, and Possible Action on 2021-22 Pending Legislation  
   a. Bills Related to CSLB’s $500 Minor Work Exemption  
      i. AB 899 (Cunningham) Contractors: Unlicensed Work: Inflation Adjustment  
      ii. SB 304 (Archuleta) Contractors: Exemptions  
   b. Bills Related to Reducing Barriers to Licensure  
      i. AB 646 (Low) Department of Consumer Affairs: Boards: Expunged Convictions  
      ii. AB 1026 (Smith) Business Licenses: Veterans  
      iii. AB 1386 (Cunningham) License Fees: Military Partners and Spouses
c. Bills Related to Other Construction Related Issues
   i. AB 484 (Medina) Alarm Company Operators: Advertisements
   ii. AB 1124 (Friedman) Solar Energy Systems
   iii. AB 1129 (Frazier) Home Inspectors License Law
   iv. AB 1136 (Rivas) Property Assessed Clean Energy Program: Enforcement: Ancillary Relief
   v. SB 430 (Borgeas) Small Businesses: Reduction or Waiver of Civil Penalties for Violation of Regulations or Statutes
   vi. SB 772 (Ochoa Bogh) Professions and Vocations: Citations: Minor Violations

I. Adjournment

**Note:** In addition to teleconference, the board intends to provide a live webcast of the teleconference meeting. The webcast can be found at [www.cslb.ca.gov](http://www.cslb.ca.gov) or on the board’s YouTube Channel: [https://www.youtube.com/user/ContractorsBoard/](https://www.youtube.com/user/ContractorsBoard/). Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meetings will continue even if the webcast is unavailable.

Note that viewers of the webcast can only view the meeting, not participate. If you wish to participate, you must join the teleconference itself via the WebEx link above. If participating via teleconference, on day of meeting please register/join WebEx at least 15-30 minutes early to ensure that you have adequate time to install any required plugins or apps.

The meetings are accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the meetings may make a request by calling (916) 255-4000, or emailing Natalie.Watmore@cslb.ca.gov, or 9821 Business Park Drive, Sacramento, CA, 95827. Providing your request at least five business days prior to the meetings will help ensure availability of the requested accommodation.
Instructions for Public Participation in CSLB Teleconference Meeting

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

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

Instructions for each are outlined below.

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

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

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

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

If you are registering in advance of the meeting:

1. Click on the link provided on the meeting agenda. That will take you to the “Event Information Page.
2. Click on either of the “Register” links on that page, highlighted below with red boxes.

![Event Information: CSLB Quarterly Board Meeting](image-url)
On registration page, enter a first and last name, as well as an email address, and "submit" (highlighted by red box below).

Please note that the name and email address **do not** have to be your real identity. But, the meeting host will use the name you enter to let you know when it is your turn to speak during the meeting. So, if you use a different name to identify yourself, be sure to remember that name when you are called upon to speak.

3. A “Registration Confirmation” will be sent to the email address you provided. That confirmation also will link to set up WebEx software on your computer. If you’ve previously used WebEx on your computer, you should not have to reload the software.
4. If you have a calendar application on your computer, you also should receive a calendar invitation.

![Image of calendar invitation]

That invitation will also include a link for you to join the meeting directly.

*If you want to join within 30 minutes of the meeting's start time or while the meeting is in progress:*

1. Click on the link provided on the meeting agenda. That will take you to the event information page.

![Image of event information page]
2. Enter a name and email address in "Join Event Now" section, highlighted above by red box.

Please note that the name and email address do not have to be your real identity. But, the meeting host will use the name you enter to let you know when it is your turn to speak during the meeting. So, if you use a different name to identify yourself, be sure to remember that name when you are called upon to speak.

3. Click “Join Now” (also highlighted above with red box) if you have WebEx applet installed or “Join by Browser” if you do not want to load the applet.

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

**To Join with Telephone (Not over WebEx)**

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

**To Offer Public Comment During the Meeting**

There will be a public comment section during the meeting. The public also will have the opportunity to offer comment during each agenda item.

**For those listening to phone and not on WebEx**

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

When the host calls on you to offer your comment, your line will be unmuted, and you will be able comment. At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time to be allotted for each public comment.

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

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

Be sure to activate your Q&A feature at the bottom right of your screen.
If you would like to offer public comment on a specific agenda item, send the host a message at any time during that item stating:

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

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

At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time allotted for each public comment. The host will note this in the chat as well.

Leaving the Meeting

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

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

ADDITIONAL ASSISTANCE

- WebEx Troubleshooting Info

- WebEx Guide for Setting Up Your Audio

Thank you for your interest in participating in a CSLB teleconference meeting.
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**9:00 a.m. – 12:00 p.m. (or until the conclusion of business)**

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

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

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

Board Member Roster

Kevin J. Albanese
Frank Altamura, Jr.
Augie Beltran
Rodney Cobos
David De La Torre
Miguel Galarza
Donald Giarratano
Susan Granzella
Diana Love
Michael Mark
James Ruane
Johnny Simpson
Nancy Springer
Mary Teichert
AGENDA ITEM B

Public Comment Session
- Items Not on the Agenda

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

Board and Committee Meeting Procedures

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

(1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.

(2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:

(a) The Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or,

(b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).

(3) If a person becomes disruptive at the Board meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.
Presentation of Certificates of Recognition – May Include Oral Presentations Commemorating Board Member Achievements and Service of CSLB Staff
Executive
AGENDA ITEM D-1

Review and Possible Approval of December 10, 2020 and February 4, 2021 Board Meeting Minutes and February 4, 2021 Enforcement and Legislative Committee Meeting Minutes
Board Meeting Minutes

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR’S INTRODUCTION

Board Chair David De La Torre called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Thursday, December 10, 2020, at the Contractors State License Board and via teleconference. Chair De La Torre gave an update on the COVID-19 pandemic and the closing of offices and test centers.

A quorum was established. Board Chair De La Torre led the Board in the Pledge of Allegiance.

Board Members Present
David De La Torre, Chair
Kevin Albanese
Frank Altamura, Jr.
Augie Beltran
Rodney Cobos
Miguel Galarza
Don Giarratano
Susan Granzella

Diana Love
Michael Mark
Marlo Richardson
Jim Ruane
Johnny Simpson
Nancy Springer
Mary Teichert

CSLB Staff Present
David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Claire Goldstene, Supervisor of Public Affairs
Michael Jamnestsiki, Chief of Legislation
Phyliz Jones, Executive Staff
Amy Lawrence, Public Affairs Staff
Mike Melliza, Chief of Administration
Justin Paddock, Chief of Licensing
Stacey Paul, Budget Manager
Jason Perez, Chief of Information Technology
DCA Staff Present
Jason Hurtado, Legal Counsel
Shelly Jones, WebEx Host

B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS

There was no public comment.

C. PRESENTATION OF CERTIFICATES OF RECOGNITION – MAY INCLUDE ORAL PRESENTATIONS COMMEMORATING ACHIEVEMENTS AND SERVICE OF CSLB STAFF

Amanda Martinez
Chair De La Torre recognized Amanda Martinez, a CSLB Peace Officer, for her work on the Chiaramonte Construction Management investigation. He added that Martinez also worked with the CSLB Executives and the labor union representing enforcement investigators to help convert the Enforcement Representative classification to the Special Investigator series.

Board member Kevin Albanese thanked Ms. Martinez and the other CSLB Peace Officers. He briefly mentioned how well she has developed investigative techniques and working relationships with District Attorney’s Offices.

Jane Kreidler
Chair De La Torre also recognized Jane Kreidler, former CSLB Outreach Coordinator with the Public Affairs Office. Ms. Kreidler’s nine years of dedication to consumer protection helped CSLB expand the Senior Scam Stopper program, which provides valuable information to the public while developing partnerships with state agencies and legislators. Ms. Krielder has taken a position as the Administrative Manager with the California Architects Board; CSLB wishes her much success.

Board member Kevin Albanese expressed appreciation for Ms. Kriedler and how well she conducted the Senior Scam Stopper$\text{SM}$ seminars.
D. EXECUTIVE

1. Review and Possible Approval of September 9, 2020 Board Meeting Minutes and November 4, 2020 Executive, Licensing, Legislative, Enforcement, and Public Affairs Committee Meeting Minutes

**MOTION:** To approve the September 9, 2020 Board Meeting Minutes. Augie Beltran moved; Nancy Springer seconded. The motion carried, 14–0–1.

**YEA:** David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSTAIN:** Michael Mark

**MOTION:** To approve the November 4, 2020 Executive, Licensing, Legislative, Enforcement, and Public Affairs Committee meeting minutes. Augie Beltran moved; Jim Ruane seconded. The motion carried unanimously, 15–0.

**YEA:** David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

2. Registrar’s Report

a. Tentative Board Meeting Schedule

Registrar David Fogt stated Board members will be surveyed for possible dates to conduct a meeting mid-March 2021, and, if necessary, committee meetings will be held before the March Board meeting.

b. Status Update on Contract with Consultant to Study Which CSLB License Classifications Should Install Battery Energy Storage Systems

Registrar Fogt provided an update on battery energy storage systems (BESS) consultant UC Berkeley. He reported that UC Berkeley requested six months to
complete the study; the Board has approved this request. The study is expected to begin in January 2021 and be complete June 2021.

Registrar Fogt mentioned that the timeline for the regulatory rulemaking process is included in the Board packet. The Board does not know what UC Berkeley will recommend, and to maintain objectivity of the study, Board staff will not attempt to influence their recommendation. When the time comes, the Board will decide whether or not to adopt UC Berkeley’s recommendation, in full or in part. The Board’s legal counsel has expressed concern that the three-year timeline included in the packet to amend the Board’s regulations, if that is the board direction, is too long. CSLB will be providing materials to UC Berkeley, as requested, but the study will be conducted independently from CSLB staff.

Public Comment:
A member of the public asked if the tentative Board meeting schedule is included in the packet. Registrar Fogt indicated that the Board members have not yet been surveyed for their availability for March meeting dates but will be surveyed next week.

3. Review, Discussion, and Possible Action to Amend the Board Member Administrative Procedure Manual

Chair De La Torre presented the changes made to the Administrative Procedure Manual at the November 4, 2020 Executive Committee meeting, which are as follows: the Enforcement Representative classification was replaced with Special Investigator and an update to the acronym describing the Department of Insurance is now CDI. Chair De La Torre also presented a proposed amendment on page 93 of the Board packet that clarifies the process for addressing correspondence received by Board members. Registrar Fogt and or Chief Deputy Registrar Corcoran will ensure that the correspondent is contacted on the board members behalf within 24-hours of receipt.

Board Member Comment:
Board member Michael Mark mentioned, as a new member, the Board Member Administrative Procedure Manual has been very helpful.

MOTION: To approve the Board Member Administrative Procedure Manual. Kevin Albanese moved; Miguel Galarza seconded. The motion carried unanimously, 15–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None
4. Budgets

   a. CSLB Budget Update

Budget Manager Stacey Paul provided an update on the Board’s budget. She reported for fiscal year (FY) 2020-21 the Board has spent approximately 24 percent of the budget authority, projecting to spend about the same amount as last year, $66 million, on Board expenses. Revenue is up about 16.8 percent from the prior year; this is largely due to the emergency fee increase on renewals implemented in February 2020. This FY projected revenue is $72 million; the total projected expenses are $72 million, which includes more than $5 million in mandatory external costs.

There has been a steady increase in donations made to the Construction Management Education Account (CMEA). The current CMEA account balance is $420,000 and projected to continue to increase.

Ms. Paul reported in the last couple months there has been a decline in license applications, likely due primarily to the pandemic and closing of exam test sites; however, renewals have remained consistent.

Board Member Comment:
Board member Susan Granzella thanked Stacey Paul for her update and providing the background for the next item.

Public Comment:
Gilbert Collins asked if there is a listing of the grants for the schools. Chief of Licensing Justin Paddock mentioned the proposed awards are listed on page 290 of the Board packet.

5. Presentation from CPS HR Consulting on Fee Audit Study and Recommendations

Board Chair De La Torre provided background on the actions taken to date to address the budgetary issues. Specifically:

In September 2019, the Board approved seeking emergency regulations to raise renewal fees and directed staff to hire a consultant to complete a comprehensive fee study with recommendations for long-term financial stability.
In December 2019, the Board received emergency approval by the Office of Administrative Law to raise renewal fees under existing statutory authority $50 for active licenses, $25 for inactive licenses, and $12 for home improvement salesperson registrations. CSLB began collecting the fees effective February 2020.

On September 9, 2020, the Board took additional measures to reduce expenditures and approved a $7.1 million expenditure reduction plan, so CSLB could remain solvent through the remainder of this fiscal year.

Board Chair De La Torre acknowledged the work of the two-person advisory committee consisting of Vice Chair Susan Granzella and Board Secretary Mary Teichert, in reviewing the fee study. He then introduced CPS HR Consulting (CPS) Project Manager Chris Atkinson to present to the Board.

Chris Atkinson presented an overview of the Fee Study. CPS is a joint powers government authority, thus only works with government and nonprofit agencies. CSLB has maintained a structural imbalance since FY 2013-14, mainly due to increased expenditures outside of CSLB’s control. He clarified the data presented in the presentation is based on financial information as of June 2020. Since FY 2013-14 expenditures increased from $57 million to $72 million in 2019-20, these expenditures could increase to $90 million by 2025-26. Revenue for FY 2019-20 is projected at only $74 million. The increase in expenses is outside of CSLB’s control and primarily due to salary increases. CPS developed their recommendation with the goal of having a four or five-month reserve, keeping in compliance with the requirement of Business and Professions Code section 7138.1 for a six-month reserve cap. The revised statutory maximum of 25 percent is the recommended increase cap CPS believes CSLB should be given as it will provide flexibility should CSLB need to increase fees in the future through the regulatory process. If expenditures continue to increase, the 25 start herepercent cap will allow for a buffer to increase fees faster than seeking a statutory change, if necessary. With the current fee structure, the Board’s projected revenue is approximately $69 million. With the recommended fees, the projected revenue could be approximately $90 million by FY 2025-26, which is an additional $21 million in revenue.

**Board Member Comment:**
Board member Susan Granzella asked for elaboration on possible unanticipated expenses not included in the projection. Chris Atkinson explained that it would be difficult to project the revenue needed for unanticipated expenses.

**a. Review, Discussion, and Possible Action on CPS Fee Audit Study and Recommendations**

**Board Member Comment:**
Board member Susan Granzella asked for an explanation of the implementation process should the Fee Study be approved by the Board. Chief of Legislation Mike Jamnetski stated he will provide an explanation during a later agenda item.

Public Comment:
Gilbert Collins asked if the Board would consider stipends from nonenforcement and external enforcement budgets to provide a 0.5 percent annual increase for grants to schools. This question was not within the scope of the fee study or agenda item.

**MOTION:** To approve the CPS Fee Study. Augie Beltran moved; Susan Granzella seconded. The motion carried unanimously, 15–0.

**YEA:** David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**b. Review, Discussion, and Possible Action on Legislative Proposal to Implement CPS HR Fee Audit Study and Recommendations**

Chief of Legislation Mike Jamnetski reported that with the Board approval of the Fee Study recommendations, it will be up to CSLB’s Legislative Division to develop a legislative measure. The proposal can be part of a policy bill or budget trailer bill. If the proposal is implemented through a policy bill, the proposal can go into effect January 2022, with the new renewal fees collected on March 2022 renewals. If the Board can get the proposal on a budget trailer bill, the proposal could potentially be implemented summer of 2021.

**MOTION:** To approve the legislative proposal to increase statutory fee amounts as presented by CPS HR Consulting and authorize staff to seek an author. Diana Love moved; Mary Teichert seconded. The motion carried unanimously, 15–0.

**YEA:** David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None
6. **Administration Update Regarding Personnel and Facilities**

Chief of Administration Mike Melliza reported that 145 personnel transactions were completed in the first quarter of FY 2020-21. Most of the transactions are due to the transition from the Enforcement Representative series to Special Investigator. The Board has averaged 48 vacancies this fiscal year. A new location was identified for the Valencia Office and approved by the Department of Consumer Affairs, CSLB, and the Department of General Services. Staff will be moving to the new building on December 18, 2020. The following COVID personal protective items have been purchased: masks, gloves, hand sanitizer, plexiglass sneeze guards, and free-standing hand sanitizer stations.

7. **Information Technology Update**

Chief of Information Technology (IT) Jason Perez reported that the online renewal program for sole owner licenses and home improvement salesperson registrations has had continued success and processes approximately 4,500 renewals a month. IT staff are evaluating the policies regarding the signature requirements for renewal applications and the possibility of only requiring the signature of the qualifier for a renewal application. After further review and modifications to the application, CSLB will be able to process online renewals for partnerships, corporations, limited liability companies, and joint ventures that only have one qualifier. CSLB is expecting to release the ability to pay citations online by the end of the month. Coding to allow for online retroactive renewals is scheduled for completion by January 2021.

8. **Review, Discussion, and Possible Action to Amend CSLB’s 2019-21 Strategic Plan Objectives**

Board Chair De La Torre reported that the strategic plan objectives were covered in detail during the November 4, 2020 committee meetings, and there are currently no proposed changes to target dates.

E. **ENFORCEMENT**

1. **Enforcement Program Update**

Enforcement Committee Chair Kevin Albanese presented the Enforcement update. Fifteen Enforcement staff are being redirected to assist with COVID-19 contact tracing; staff redirection will likely continue until June 2021. Forty-five Enforcement positions are not available to assist with CSLB-related work because of redirection to contact tracing, vacancies, and approved leave, primarily for child distance learning. Transitioning to the Special Investigator series has been beneficial in recruitment efforts, resulting in CSLB
now receiving over 100 applications for Special Investigator vacancies. Attorney General (AG) expenses are currently averaging $598,000 a month; the Board would like to decrease this to $580,000. Arbitration billings average $55,000 a month; the Board is seeking a decrease to $45,000. Industry Expert expenses average $20,000 a month, exceeding the goal of under $50,000. Staff are using the letter of admonishment (LOA) for less serious offences that do not include large financial injury. At the June Board meeting, staff were authorized to refer consumers to small claims court and the license surety bond for licensees without a history of repeated offenses, and the estimated financial injury is less than $10,000. This process was implemented on August 1, 2020, and 100 complaints have been referred. Complaints from September 2020 that were received, closed, or referred to the field offices were reviewed. Intake and Mediation Centers (IMCs) received approximately 1,000 complaints, closed 670 license complaints, and settled 166 of those complaints. Staff analyzed 273 complaints that were referred for field investigation and confirmed that staff are appropriately using the complaint prioritization guidelines.

Enforcement Committee Chair Albanese reported that Enforcement staff began using the permit violation training video with corrective action plans July 1, 2020. The Board has issued 18 LOAs that include corrective action plans to watch the permit video. Of the 18, four comply, four are pending compliance, and four did not comply and were returned to the investigation center to be issued a citation.

Enforcement Committee Chair Albanese highlighted an investigation regarding a licensee that was renting his license number to an unlicensed contractor. The unlicensed contractor started work on a home in Oakland, CA, where city planners found multiple permit violations and halted the project. Unfortunately, the homeowner had already paid the contractor $35,000. An accusation was filed against the licensee for renting the license, which led to revocation of the license on August 24, 2020. There is an active investigation against the unlicensed contractor.

Board Member Comment:
Board member Nancy Springer expressed appreciation for staff’s quick response to her complaint prioritization statistics request.

Public Comment:
Gilbert Collins asked if the Board would consider a two-percent stipend from nonenforcement and external enforcement budgets with an 0.5 percent annual increase to provide grants for schools and local community work boards, or have the topic placed on the next agenda for discussion. Board Member Albanese said this topic could be considered for a future agenda.

2. Solar Taskforce Update
Enforcement Committee Chair Kevin Albanese reported that between January 2020 and September 2020, the Board has received an average of over 100 solar-related complaints a month, which is a ten percent increase since 2019. Between July 1, 2019 and June 30, 2020, 1,067 solar complaints were received.

F. LICENSING AND TESTING

1. Licensing Program Update

Licensing Committee Chair Jim Ruane reported that application processing units are understaffed. There is a New Applications Manager starting soon; and as new staff complete their training, processing times should decrease. Current processing times for exam and waiver applications are approximately seven weeks; the goal is to bring them down to four weeks by February 2021. Renewals remain steady; however, the Renewals and Modifications Manager is retiring at the end of December. The Board is working to fill behind this vacancy. The Renewals Unit is set to be fully staffed by February 2021. CSLB is utilizing staff from other units to process renewals. Due to the Call Center working remotely since November 17, 2020, call wait times now average six minutes.

2. Testing Program Update

Licensing Committee Chair Jim Ruane reported that exam centers are closed as of December 7, 2020. The Testing Units were able to reduce the pending exams to 6,000 prior to the current closures. Once exam centers are open, additional testing times will be available in the evenings. The Berkeley test center did not reopen in June and has not reopened due to COVID restrictions. Due to the closure, Bay Area exam candidates will be assigned to the Sacramento center.

Public Comment:

Mark Taylor asked, in light of group travel and group meeting restrictions, if there are any current discussions to consider outsourcing to a national testing company that will enable testing for California licenses in remote locations, including out of state. Chief of Licensing Justin Paddock indicated this is not being considered at this time, but staff are working with IT to develop remote testing. Staff are able to conduct remote occupational analyses and are developing a secure method to do remote item writing.

Darrel Cole asked about CSLB’s plan to expedite testing amid COVID-19. He had an exam scheduled for December 8, 2020, but it was cancelled on December 7. Chief Paddock replied that once the test centers reopen, pending exams will be rescheduled in the order they were cancelled, once there is an opening; the December 7, 2020
cancellations will be first, then the December 8, and so on. There will also be additional exam sessions in the evenings to assist with the backlog. Mr. Cole also asked if a gym can be rented or can exams be conducted outside. Chief Paddock stated that it would be difficult outside due to the weather; however, CSLB test centers have been expanded at several office locations to ensure all candidates maintain six feet of distance and provide additional testing capacity. If the shutdown is extended beyond a month, additional changes will be considered to help with the backlog.

Phillip K. asked how many applications were processed as of September and if the expanding processing times is related directly to staff shortages, working from home, or both. Chief Paddock indicated it is due to both; working from home can be slightly slower, but staff shortages also impact processing times. The exam count remains consistent.

Gilbert Collins asked if any processing consideration is given to applicants from accredited schools. Chief Paddock answered that completed educational units are reviewed and can be credited toward experience.

3. Update and Discussion on CSLB Administered Surveys

Licensing Committee Chair Jim Ruane reported that staff are satisfied with the first-year results of the survey, with 80% of participants being satisfied with services received. However, the data does not represent all who participate in the application process because staff are still developing a method to survey applicants whose applications went void.

4. Update on Test Development for New B-2 Residential Remodeling License Classification

Licensing Committee Chair Jim Ruane announced that staff are on track to release the new B-2 classification by August 1, 2021.

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

Licensing Committee Chair Jim Ruane reported that four institutions applied for the Construction Management Education Account (CMEA) grants. Staff recommended grant reward amounts, which were outlined on the bottom of page 290 of the Board packet.

**MOTION:** To direct staff to distribute the 2021 CMEA grant awards according to the recommendation on page 290 of the Board packet. David De La Torre moved; Nancy Springer seconded. The motion carried unanimously, 15–0.
YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

G. PUBLIC AFFAIRS

1. Public Affairs Program Update

Public Affairs Committee Chair Diana Love reported that former Public Affairs Chief Rick Lopes has accepted a position with the Department of Real Estate. Chief Lopes was recognized at the November 4, 2020 Public Affairs Committee meeting. Claire Goldstene, the Public Affairs Supervisor, will manage the unit until his position is filled. Chair Love thanked staff for their effort in spreading the word to consumers, licensees, and applicants of the test center and public counter closures that are in effect for at least the next three weeks.

CSLB dedicated significant resources to the summer and fall wildfires disaster response. Due to COVID-19, changes were made to how staff provided the disaster response. Staff participated in Local Assistance Centers (LAC) in 17 counties across California. Some LACs had in-person staffing, others had virtual staffing, or a special phone line was established.

Public Affairs staff have coordinated outreach events through congressional and state legislature offices, building officials, and chambers of commerce in the affected fire areas. Public Affairs is continuing their partnership with NextDoor to target outreach events to specific neighborhoods. Staff are planning for long-term outreach by setting up rebuilding workshops with local counties and jurisdictions. A contractor rebuilding workshop is scheduled for January 13, 2021 with the Valley Builders Exchange in Butte County. CSLB is participating in two multiagency task forces – one on debris removal and one centered on housing. Public Affairs conducts a live and interactive online workshop the first Friday of each month called Get Licensed to Build. Attendance at the online workshops averages over 200 people. Staff have developed short, quick tip videos for the website and social media that provide information such as how to use the “Find my Licensed Contractor” feature on CSLB’s website. Changes are being made to the 2021 Contractors License Law & Reference Book that are expected to be distributed in late January 2021. Staff are drafting a fall/winter edition of the California Contractors Newsletter set for release in January 2021. Staff are continuing to conduct Senior Scam
Stoppers, there were two recent events held via Zoom with Assemblymember Timothy Greyson and Senator Richard Roth.

H. LEGISLATION

1. Review and Discussion on Board Study to Evaluate Sufficiency of Current $15,000 Contractor Bond Amount and Possible Action on Study Recommendations (Business and Professions Code Section 7071.6(e))

Legislative Committee Chair Augie Beltran reported that CSLB completed its Sunset Review Report during a hearing in 2019. The Sunset bill required the Board conduct a study regarding the $15,000 contractors license bond to determine if an increase is necessary or if the current bond amount is sufficient. The study is due to the Legislature by January 1, 2021. A draft of the study was considered by the Legislative Committee in November 2020; the Committee authorized staff to present the study to the Board at its December 2020 meeting. The study determined that the current $15,000 bond is not sufficient and recommends an increase; however, the mandate did not require the study specify an increased amount. The study recommends a $25,000 bond that would provide enhanced public protection without required detailed underwriting of the contractors. Presenting the study to the Legislature will not in itself result in a statutory change in the bond; the Legislature would consider introducing a bill that would raise the bond amount.

Chief of Legislation Mike Jamnetski noted that, in the motion, staff request authorization to make minor changes to the study before finalizing. There are additionally three minor changes staff discovered that should be made to the study as follows: clarifying that a bond can be obtained without a social security number, correcting a typo on Washington State bonding prerequisites, and making note regarding the $7,500 non-consumer claimant liability cap.

Public Comment:
Gilbert Collins asked if any increase in bond sufficiency could be mitigated by enhanced processing times and increased education indoctrination. No response was provided.

MOTION: To authorize staff to make any minor and technical changes to the draft study, including any changes recommended by the Board, and present a final version of the study to the Legislature by January 1, 2021, as required by Business and Professions Code section 7071.6. Kevin Albanese moved; Johnny Simpson seconded. The motion carried unanimously, 15–0.
YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

2. Review, Discussion, and Possible Action on Legislative Proposal that would Make Illegal Dumping a Cause of Discipline for Licensed Contractors

Chief of Legislation Mike Jamnetski explained this bill will make the illegal dumping of debris a cause for disciplinary action against a contractor’s license. Activity of this nature is already illegal under local and state penal codes, but this proposal will help counties that are having difficulty prosecuting contractors for illegal dumping.

MOTION: To approve Assemblymember Bill Quirk’s request that CSLB sponsor a legislative measure that would make illegal dumping of construction materials a cause for discipline for licensed contractors. This is a fully formed motion from the Legislative Committee. The motion carried unanimously, 15–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

3. Review, Discussion, and Possible Action on Staff Recommendations for Legislative Proposals to Make Minor, Technical, or Non-Substantive Changes to the Contractors State License Law (Omnibus Bill, Clean-Up Request)

Chief of Legislation Mike Jamnetski reported the recommended changes to the omnibus bill as follows: change the title of “Enforcement Representative” to “Special Investigator,” include the C-22 Asbestos Abatement classification in statute as a class that can perform asbestos work, provide the correct section number to reference the letter of admonishment program, and clear up a reference in the Solar Disclosure Document.

MOTION: To authorize staff to submit to the Senate Business, Professions, and Economic Development Committee the four technical, non-substantive proposals for changes to the Contractors State License Law that would:
1. Rename "Enforcement Representatives" as "Special Investigators" or "Investigators" where appropriate in the law.

2. Add the C-22 Asbestos Abatement contractor license alongside the existing asbestos certification, which, since 2015, have been the two qualifications that currently authorize a contractor to engage in asbestos-related work.

3. Correct the reference in the law to the letter of admonishment from Business and Professions Code section 7099.2 to section 7099.9.

4. Correct the reference in the solar energy system disclosure document law that states that the three-day right to cancel a contract applies to every consumer, because there is now a five-day right to cancel for those who are over 65 years of age.

Nancy Springer moved; Jim Ruane seconded. The motion carried unanimously, 15–0.

**YEA:** David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

4. **Update on Previously Approved Legislative Proposals**

Chief of Legislation Mike Jamnetski reported that the Board is seeking authors for the current proposals, and he is hopeful with the potential authorship, but he did not provide potential author names without having confirmation of bill authorship.

I. **ADJOURNMENT**

Board Chair David De La Torre adjourned the meeting at approximately 11:20 a.m.
Board Meeting Minutes

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM AND CHAIR’S INTRODUCTION

Board Chair David De La Torre called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Thursday, February 4, 2021, via teleconference.

Chair De La Torre welcomed the meeting host and moderator Shelly Jones and complimented her work with the December 2020 meeting. Chair De La Torre gave an update on the status of CSLB’s public offices, which have been closed to the public since Monday, December 7, 2020, pursuant to the Governor’s COVID-19 stay-at-home order. After the order was recently lifted, CSLB reopened its public offices and resumed testing applicants for licensure on Monday, February 1, 2021. To accommodate applicants who had test dates during the closure and help reduce the backlog, exams have been rescheduled, a third testing session has been added at many test centers, and seating capacity has been expanded at the Sacramento and Norwalk test centers.

A quorum was established. Chair De La Torre led the Board in the Pledge of Allegiance.

Board Members Present
David De La Torre, Chair
Kevin Albanese
Frank Altamura, Jr.
Augie Beltran
Rodney Cobos
Miguel Galarza
Don Giarratano
Susan Granzella

Diana Love
Michael Mark
Marlo Richardson
Jim Ruane
Johnny Simpson
Nancy Springer
Mary Teichert

CSLB Staff Present
David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement

Michael Jamnetski, Chief of Legislation
Phyliz Jones, Executive Staff
Justin Paddock, Chief of Licensing
Missy Vickrey, Chief of Enforcement

Department of Consumer Affairs Staff Present
Jason Hurtado, Legal Counsel
B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS

Public Comment:
Following up on Chair De La Torre’s comments about the reopening of CSLS’s test centers, Matt Stockton said that he has been waiting for a test date since the middle of December after beginning the licensure process in August 2020. He said that he appreciates any efforts by CSLB to speed up the process.

Staff Comment:
Chief of Licensing Justin Paddock provided his direct phone number to Mr. Stockton to help with the scheduling of his exam.

C. PRESENTATION OF CERTIFICATES OF RECOGNITION – MAY INCLUDE ORAL PRESENTATIONS COMMEMORATING ACHIEVEMENTS AND SERVICE OF CSLB STAFF

Chair De La Torre presented a certificate of recognition to Chief of Enforcement Missy Vickrey who began her state career in 1985 and has been working with CSLB for 22 years in various Personnel, Administration, and Enforcement positions. Chief Vickrey has been leading the Enforcement division for three years. Chair De La Torre read the certificate, which thanked Chief Vickrey for her outstanding professionalism and contributions toward consumer protection and her strong leadership at CSLB and wished her well in her retirement and with her future endeavors.

Board Member Comments:
Board member Kevin Albanese said that he has enjoyed working with Chief Vickrey over the past few years, and she will be missed. He said that she has been a great advocate for consumers. Board member Albanese wished Chief Vickrey all the best and thanked her for all she has done for the Board, him personally, and the consumers of California.

Board member Nancy Springer agreed and said that Chief Vickrey has always been very helpful, doing necessary homework and research to perform exceptional work. She thanked Chief Vickrey and wished her luck in her retirement.

Board member Johnny Simpson thanked Chief Vickrey for everything she has done for the Board and said that it had been a pleasure to work with her. He said that it is great that she will be retiring, and he wished her well.
Board member Marlo Richardson agreed and wished Chief Vickrey well in her retirement, saying that it is a great time to retire.

Board member Susan Granzella wished Chief Vickrey the best of luck and said that her methods, conclusions, and deliveries of enforcement matters always made logical sense for Board members, both new and experienced. She wished Chief Vickrey the best in her retirement.

Chair De La Torre thanked Chief Vickrey and said that the Board truly appreciates her 22 years of dedication and efforts in consumer protection.

Chief Vickrey thanked the Board members for their kind words and Registrar David Fogt and Chief Deputy Registrar Tonya Corcoran for the opportunity to serve as the Chief of Enforcement. She also thanked the Enforcement division employees, including managers, supervisors, investigators, Consumer Services Representatives, and technicians, who are out there every day doing the hard work necessary to make the Enforcement division what it is today and without whom she could not have done her job. Chief Vickrey said that she is now looking forward to the next chapter in her life, spending time with her children and grandchildren and making more happy memories with them. She said that she is grateful for having had the opportunity.

D. REVIEW, DISCUSSION, AND POSSIBLE ACTION REGARDING PREVIOUSLY BOARD-APPROVED PROPOSED RULEMAKING TO AMEND TITLE 16, DIVISION 8, CALIFORNIA CODE OF REGULATIONS, SECTION 811 (FEES)

a. Review, Discussion, and Possible Action Regarding Comments Received Before and During the 45-Day Comment Period

Chair De La Torre said that this agenda item is to review draft responses to three public comments received on CSLB’s regulatory rulemaking package that is in its final stages to make permanent the renewal fee increase recently enacted by emergency regulation. He said that the Board voted at its September 2019 meeting to amend California Code of Regulations, Title 16 (16 CCR), Division 8, section 811 to increase renewal fees to their statutory maximums, specifically increasing the renewal fee for active contractor licenses from $400 to $450, for inactive contractor licenses from $200 to $225, and for home improvement salespersons from $83 to $95. Chair De La Torre said that the Board is required to respond to all comments it receives regarding regulatory proposals; the public comments and draft responses are included in the meeting packet.
Public Comment:
J.P. Tenore said that there is a problem with unlicensed activity in the gig economy, using Uber-like websites where no one has a license. He said that he brought this subject up in September, but the activity continues, and he is asking for the problem to be addressed.

Board Member Comment:
Chair De La Torre said that this issue is not on the agenda.

Staff Comment:
Registrar Fogt said that he would ask Jessie Flores from the Enforcement division to look into the matter.

Public Comment:
Mr. Tenore said that he reported it to the Enforcement division, but they said that it is just a referral service. He said that he, as a low-voltage license holder before he added the electrical classification, made sure that he could not make a referral to a plumbing contractor and collect ten percent off the top. Mr. Tenore said that these agencies also do the advertising and accounting for their clients. He said that he saw a job for installation of camera equipment at a car dealership that was for $35,000, and no one had a license. Mr. Tenore said that he reported it to CSLB and was told that that was just a referral service, but he said that the buyer and provider do not have licenses either.

Staff Comment:
Deputy Chief of Enforcement Jessie Flores asked Mr. Tenore to reach out to him directly to discuss the matter offline, and he provided his phone number.

MOTION: To approve the responses, as drafted, to the public comments on the Board’s proposed rulemaking regarding California Code of Regulations, Title 16, Division 8, section 811 received on June 10, 2020, and September 28, 2020, and to authorize staff to make non-substantive changes to the Board’s responses for inclusion in the Final Statement of Reasons. Kevin Albanese moved; Johnny Simpson seconded. The motion carried unanimously, 15–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None
b. Review, Discussion, and Possible Action Regarding Re-Adoption of Emergency Regulation Set to Expire on June 9, 2021

Chair De La Torre said that this agenda item is to grant staff authority to seek a re-adoption, if necessary, of the emergency regulations that the Board previously authorized and that the Office of Administrative Law approved and must be re-adopted if the regular rulemaking discussed previously will not be completed by June 8, 2021. He said that staff expect the regular rulemaking will be completed before the deadline, but this is a preventative measure in the event there are unexpected delays.

MOTION: To authorize staff to seek re-adoption of the emergency regulations regarding California Code of Regulations, Title 16, Division 8, section 811 on or before June 8, 2021, if needed. Johnny Simpson moved; Augie Beltran seconded. The motion carried unanimously, 15–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Marlo Richardson, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

E. ADJOURNMENT

Board Chair David De La Torre adjourned the meeting at approximately 9:26 a.m.

David De La Torre, Chair

Date

David Fogt, Registrar

Date
Enforcement Committee Meeting Summary Report

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM AND CHAIR’S INTRODUCTION

Enforcement Committee Chair Kevin Albanese called the Enforcement Committee meeting of the Contractors State License Board (CSLB) to order at 9:30 a.m., on Thursday February 4, 2021, at the Contractors State License Board and via teleconference.

Committee Members Present
Kevin Albanese, Chair
Don Giarratano
Diana Love
Michael Mark
Marlo Richardson
Johnny Simpson
Nancy Springer

CSLB Staff Present
David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Michael Jamnetski, Chief of Legislation
Phyliz Jones, Executive Staff
Amy Lawrence, Public Affairs Staff
Stacey Paul, Budget Manager

DCA Staff Present
Jason Hurtado, Legal Counsel
Shelly Jones, WebEx Host

B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS

There was no public comment.

C. PRESENTATION FROM REPRESENTATIVES OF THE PUBLIC UTILITY COMMISSION (PUC) REGARDING TWO PROPOSED RULEMAKING DECISIONS FOR BOARD MEMBER REVIEW, DISCUSSION, AND POSSIBLE SUPPORT

Public Utility Commissioner Martha Guzman Aceves presented on the PUC proposed rulemaking decisions. Commissioner Guzman Aceves noted she released a ruling
ENFORCEMENT COMMITTEE MEETING

which contains the concepts for the proposed rulemakings. She would like to gauge CSLB’s feedback and support before releasing formal proposals.


Commissioner Guzman Aceves mentioned the initial interconnection information did not include verification that the solar work was being performed by a contractor licensed through CSLB. The main purpose of this proposal is to gain compliance with existing laws. Analysis found there is a lack of compliance by solar contractors for the legal requirements established by CSLB.

The concept for the compliance proposal was released January 2021. Commissioner Guzman Aceves noted that many of the commissioners would like to focus the compliance on the solar contractors and less on the Investor-Owned Utilities (IOUs), as they are not the responsible entity for the work performed. The commissioners recommended a secure portal where PUC, CSLB, and the Department of Financial Protection and Innovation (DFPI) can access information needed for compliance. The essential purpose of the proposal is to give access to the interconnection contracts, which will be made available through a portal. The solar industry and the IOUs were concerned with having to review all the interconnection packages in the portal; and how this could slow solar installation. The proposal suggests additional audits be performed and a more comprehensive review would pertain to contractors who are placed on a “Watch List.” The Watch List will contain contractors who have violated the Contractors State License Laws, including consumer guide requirements, or if they have any complaints that warrant being placed on the list. The list would be revised quarterly, to add or remove contractors.

Committee Member Comment:
Committee member Diana Love asked if there is a number of times or a period of time a contractor can be on the Watch List before a higher-level penalty is established. Commissioner Guzman Aceves mentioned no penalty will result from being placed on the watch list, the list will merely result in a full review of an interconnection application, and possible CSLB notification. If there is disciplinary action taken against the contractor, it will go through CSLB as the appropriate oversight and regulatory agency. The watch list is to guide the IOU's in determining when to perform a more extensive review of an interconnection application from a contractor.

Staff Comment:
Registrar David Fogt mentioned that when CSLB reviewed 153 interconnection packages, four primary violations were determined. The violations were due to many contracts not including a start and stop date which is required by law; Home Improvement salespersons (HIS) not being registered with the contractor; required
notices not provided, and the most concerning violation is when the contractor front loaded payments by receiving up to 80 percent of the contract price before performing any work of significance. Registrar Fogt explained that under this proposal the IOUs will be reviewing the application and that this information is available for CSLB as needed to take action to correct the contractor’s business practices, bring them into compliance and prevent future complaints. The Board would like to be proactive in stopping the problems in the marketplace.

Committee Member Comment:
Committee member Nancy Springer asked if CSLB has the staffing to carry out the tasks as described in the proposal. Registrar Fogt mentioned the Board has a Solar Task Force and the goal with the proposal is to reduce the number of consumer complaints received. Staff does not believe it will be a significant workload.

MOTION: To recommend that the full board support PUC’s Enhanced Auditing Proposal and Solar Transaction Record proposal. Johnny Simpson moved; Don Giarratano seconded. The motion carried unanimously, 7–0.

YEA: Kevin Albanese, Don Giarratano, Diana Love, Michael Mark, Marlo Richardson, Johnny Simpson, Nancy Springer

NAY: None

b. PUC Establishment of a Recovery Fund for Net Energy Metering Solar Consumers

Commissioner Guzman Aceves presented a proposal for a fund to pay for consumers who have legacy cases or ongoing matters which have not been remedied. The concept for the recovery fund proposal was released in September 2020. Through this proposal PUC will collect a surcharge to generate revenue for the fund, as CSLB provides guidance on handling claims. Currently, there is an interconnection fee that is paid to the utility when the solar system is connected to the electrical grid; the proposal will create a surcharge on new interconnections, and this surcharge will subsidize the legacy cases.

Commissioner Guzman Aceves noted CSLB has the expertise to determine what is being misrepresented and what is the consumer harm; as well as determine what claims should go before this fund if there is no other remedy. The estimated new interconnection fee would be $12 to generate an annual budget of $1.6 million. Other parties have expressed concern about the PUC assessing this charge at the interconnection and that CSLB should assess the surcharge. The discussed options of collecting this revenue were either a surcharge at interconnection or a surcharge on the
CSLB licensing fee. Commissioner Guzman Aceves is proposing a surcharge on the interconnection fee.

Enforcement Committee Chair Albanese explained the CSLB recovery fund referral protocol outlined beginning on page 43 of the Board packet.

CSLB will not administer the fund but will refer cases to the fund that will be administered through a third party. CSLB has determined protocols to refer solar cases to the recovery fund for payout which is as follows: the license is subject to final administrative action that includes an order of correction, and the contractor has not satisfied the financial injury. Legislation would be required to compel the contractor to reimburse the recovery fund if the financial injury is not established through a formal disciplinary action. The Board would not have the authority to require a contractor pay into the recovery fund but before allowing a revoked licensee to regain licensure, rehabilitation will need to be shown that includes resolving outstanding construction related financial injuries.

Committee Member Comment:
Committee member Nancy Springer expressed support for the recovery fund.

Committee member Diana Love asked if the board votes to move forward with the recovery fund proposal through the interconnection fee, will legislation be required. Commissioner Guzman Aceves mentioned the PUC was challenged on their assessment of the interconnection fee and there is possibility of being challenged again. PUC will work to make the fee as legally robust as possible. If the courts determine PUC does not have authority to implement the surcharge, then the Commission will work with the Board to go to the Legislature. Ms. Love added she feels if the surcharge is added onto licensing fees the Board would receive more pushback from licensed contractors.

Committee member Michael Mark asked if there is already an interconnection fee and if this fee will be in addition to the current fee; and will consumers be educated about the implementation of these fees. Commissioner Guzman Aceves mentioned there is currently a $100 interconnection charge, this new surcharge will be in addition to that $100 charge. She added that the current solar information package directs consumers to CSLB if there are solar issues and elaboration on this fee can be added when the information package is updated.

Enforcement Committee Chair Albanese noted that the proposed $1.6 million restitution fund would be a challenge in establishing if the recovery fund surcharge was added to the licensing fees, given the number of contractors that can perform solar. Registrar Fogt added that currently B General Building, C-10 Electrical, and C-46 Solar contractors can install residential solar, it would be difficult to determine how many of
the contractors in a classification are actually installing solar, assessing the surcharge on all the contractors in the classification could cause strong pushback.

Committee member Diana Love asked if the staff recommendation should be modified since this is to establish a recovery fund but there is a fee that already exists. Commissioner Guzman Aceves explained the existing $100 interconnection fee goes to the utilities to cover their cost for accepting the energy generated from the solar system. PUC will assess an additional surcharge on top of this fee for the recovery fund.

Enforcement Committee Chair Albanese mentioned that the recovery fund is a good start, and he is open to other options to help provide relief for consumers.

**MOTION:** To recommend that the full board support PUC's Recovery Fund for Net Energy Metering Solar Consumers proposal, with the modified protocol for contractors subject to complaints when other remedies have been exhausted. Johnny Simpson moved; Nancy Springer seconded. The motion carried unanimously, 7–0.

**YEA:** Kevin Albanese, Don Giarratano, Diana Love, Michael Mark, Marlo Richardson, Johnny Simpson, Nancy Springer

**NAY:** None

**D. ADJOURNMENT**

Enforcement Committee Chair Kevin Albanese adjourned the meeting at approximately 10:26 a.m.
A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF A QUORUM AND CHAIR’S INTRODUCTION

Legislative Committee Chair Agustin “Augie” Beltran called the February 4, 2021, meeting of the Contractors State License Board (CSLB) Legislative Committee to order at 10:30 a.m. via teleconference. A quorum was established.

Committee Members Present
Agustin “Augie” Beltran, Chair
Frank Altamura, Jr.
Rodney Cobos
Miguel Galarza
Susan Granzella
Jim Ruane

Committee Members Absent
Mary Teichert

CSLB Staff Present
David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Michael Jamnestskei, Chief of Legislation
Phyliz Jones, Executive Staff

Public Visitors
Ernesto Macias, West Coast Arborists

B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS

There were no comments from the public.

C. UPDATE ON PREVIOUSLY APPROVED LEGISLATIVE PROPOSALS

Committee Chair Beltran said that this agenda item is an introduction to legislative proposals CSLB is sponsoring this year that were approved by the Board at various public meetings between 2019 and 2020.
Legislative Chief Jamnetski said that the proposals relate to three previously approved measures that will be covered by two legislative bills. He said that the first bill will address the increase in civil penalties and the additional violations that can go into letters of admonishment because the measures deal with similar issues and are located numerically close to each other in statute. Legislative Chief Jamnetski said that the civil penalty portion will increase civil penalty fees to be consistent with modern day expenses; these fees have not been increased since the 1990s and early 2000s. He also said that the letter of admonishment is an opportunity to provide informational and educational tools to contractors, as opposed to only fining them. Legislative Chief Jamnetski further said that he has gotten confirmation that Assembly Member Grayson, a former contractor, will be introducing the bill for these measures this year.

The second bill Legislative Chief Jamnetski discussed involves the important statutory fee increase. He said that the Department of Consumer Affairs (DCA) Division of Legislative Affairs will be taking the lead on this measure because there are several other boards that need statutory fee increases at this time. Legislative Chief Jamnetski said that there have been discussions about the appropriate legislative vehicle for the fee bill, whether it will be a budget trailer bill or a policy bill, and he will keep the Committee updated about what that vehicle will be when he learns. He said that he is confident that the measure will be introduced given its significance for CSLB and the other boards.

**Board Member Comment**

Board Member Susan Granzella said that it is good to hear that this matter will be part of a DCA effort, but when it was previously discussed and approved, there was discussion about an end date or optimum date for when this should be completed. She asked if the DCA involvement will impact that end date for this effort.

**Staff Comment**

Legislative Chief Jamnetski said that that is an excellent question, but it does not impact the end date because whether a budget trailer bill is used or a policy bill, it will still happen within the same legislative session and will be introduced during this year's session.

**Board Member Comment**

Board Member Susan Granzella said that that is good news, and she congratulated Legislative Chief Jamnetski on getting an author for a bill on the first two measures.
D. REVIEW, DISCUSSION, AND POSSIBLE ACTION ON 2021-22 PENDING LEGISLATION

a. Assembly Bill (AB) 246 (Quirk) Contractors: Disciplinary Actions

Committee Chair Beltran said that AB 246 would make it a cause for license discipline for a contractor to violate local or state law related to illegal dumping of construction materials, and the Board voted to sponsor this measure at its December 2020 Board meeting.

Board Member Comment

Board Member Granzella asked about the existing law language in the meeting packet and whether the change to include specific language in Business and Professions Code (BPC) section 7110 was happening because CSLB was having difficulty in enforcing the violations without that requirement being specifically named.

Staff Comment

Legislative Chief Jamnetski agreed and said that the statute being amended by this measure is a catch-all statute that incorporates violations of laws outside of the Contractors License Law for which CSLB can take action against a contractor for violating. He said that CSLB usually relies upon other agencies to take action for violations that fall outside of CSLB’s jurisdiction, but the measure would be adding violations of illegal dumping laws to that statutory section and would give the Registrar authority to act for such violations.

**MOTION:** That the Legislative Committee recommend to the full Board that it adopt a Support position on AB 246.

Rodney Cobos moved; Susan Granzella seconded. The motion carried unanimously, 6-0.

**YEA:** Augie Beltran; Frank Altamura, Jr.; Rodney Cobos; Miguel Galarza; Susan Granzella; Jim Ruane.

**NAY:** None

**ABSENT:** Mary Teichert

b. SB 216 (Dodd) Contractors: Workers’ Compensation Insurance: Mandatory Coverage

Committee Chair Beltran said that AB 216 would preclude CSLB from accepting certificates of exemption from workers’ compensation insurance from licensed C-8 –
Concrete, C-20 – HVAC, and D-49 – Tree Service contractors in its first year and from all contractors in three years, with the result that all contractors would be required to have a certificate of workers’ compensation insurance on file with CSLB by 2025. He said that this concept began as a new issue in CSLB’s 2019 Sunset Review Report to the Legislature.

Committee Chair Beltran explained that CSLB staff and the Board’s Workers’ Compensation Insurance Advisory Committee had multiple meetings with industry and insurance representatives to identify the license classes subject to the requirement in the first year. He said that staff then prepared and presented a research study and a draft legislative proposal for the Board’s review that identified three classifications for mandatory insurance in the first year and requiring it for all other classifications by 2025.

Committee Chair Beltran said that the Board approved the proposal at its September 2020 Board Meeting and authorized staff to seek legislative authorship, which was obtained when Senator Dodd introduced SB 216.

Public Comment
Ernesto Macias, Vice President for Risk Management and Labor Relations for West Coast Arborists, said that they fully support this item and would love for CSLB to approve and pass the proposal, which will tighten up the requirements for contractors who are not providing workers’ compensation for their employees and will, in turn, help employees and their families when those employees get hurt.

MOTION: That the Legislative Committee recommend to the full Board that it adopt a Support position on AB 216.

Jim Ruane moved; Susan Granzella seconded. The motion carried unanimously, 6-0.

YEA: Augie Beltran; Frank Altamura, Jr.; Rodney Cobos; Miguel Galarza; Susan Granzella; Jim Ruane.

NAY: None

ABSENT: Mary Teichert

E. UPDATE AND DISCUSSION ON 2019-21 LEGISLATIVE STRATEGIC PLAN

Committee Chair Beltran asked Legislative Chief Jamnetski to update the Committee on the Legislative Division’s Strategic Plan Objectives.

Legislative Chief Jamnetski shared the good news that some of the items are nearly wrapping up, including Objective 3.2 that is being introduced in the workers’
compensation insurance bill discussed previously. Regarding Objective 3.4 and the sufficiency of the qualifier bond, he said that this issue was included in the bond study was submitted to the Legislature in December of last year where CSLB asked the Legislature to review the significant issue of whether qualifiers on contractor licenses are executing their responsibilities over the licenses appropriately and whether the qualifier bond amount is sufficient. Legislative Chief Jamnetski said that Objective 3.8 regarding a graduated fee increase for different contractor entities is being addressed in the proposed fee bill discussed previously. He said that he is working on the other objectives and will probably have more updates the next time the Committee meets.

Legislative Chief Jamnetski returned to the question Board Member Granzella had asked earlier in the meeting about the fee increase proposal (graduated fee bill from Objective 3.8), saying that the fee increase could be effective in July 2021 (for license renewals later in 2021) if the measure is part of a budget trailer bill, or it could be effective in January 2022 (for renewal notices for licenses that expire in March 2022) if it is part of a policy bill. He said that the effective date is still very unsure, and implementation would also need to include time for CSLB’s Information Technology Division to develop the technology to make the fees effective. Legislative Chief Jamnetski said that the most important part will be getting the bill through the Legislature.

Board Member Comment

Board Member Granzella said that Legislative Chief Jamnetski’s explanation about the effective date of the fee bill was helpful, and it sounds like it is still flexible enough to work.

Board Member Granzella asked about the workers’ compensation requirements and whether only the C-39 – Roofing contractors were required to carry workers’ compensation. She said that she thought that there was more than just one classification.

Staff Comment

Legislative Chief Jamnetski said that under existing law, of the 44 license classifications, only the C-39 – Roofing contractor is required to have a certificate of workers’ compensation insurance on file with CSLB. He said this proposal would expand the requirement to three more classifications and then to all contractors by 2025.

Board Member Comment

Board Member Granzella said that that makes it even more important, and she thanked Legislative Chief Jamnetski for his explanation.
F. ADJOURNMENT

Committee Chair Beltran thanked Legislative Chief Jamnetski for his great presentation and adjourned the Legislative Committee meeting at 10:48 a.m.
Registrar’s Report

a. Tentative Board Meeting Schedule

b. Status Update on Contract with Consultant to Study Which CSLB License Classifications Should Install Battery Energy Storage Systems

c. Annual Accomplishments Report
AGENDA ITEM D-3

Budgets

a. CSLB Budget Update

b. Statistics Summary
CSLB Budget Update

Fiscal Year (FY) 2020-21 CSLB Budget, Expenditures, and Revenue

CSLB’s FY 2020-21 authorized final Governor’s Budget is $70 million (plus an additional $5 million in mandatory external costs = $75 million).

At year-end CSLB projects to spend $66 million in board expenditures, plus the additional $5 million in mandatory external costs, for a total of $71 million in total expenditures; revenue is projected at $72 million.

Expenditures

Through January 31, 2021, CSLB spent or encumbered almost $37 million, roughly 53 percent of its FY 2020-21 budget:

<table>
<thead>
<tr>
<th>EXPENDITURE DESCRIPTION</th>
<th>FY 2020-21 FINAL BUDGET</th>
<th>JANUARY 2021 EXPENSES</th>
<th>BALANCE</th>
<th>% OF BUDGET REMAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONNEL SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Wages (Staff)</td>
<td>26,633,000</td>
<td>13,650,208</td>
<td>12,982,792</td>
<td>48.7%</td>
</tr>
<tr>
<td>Board Members</td>
<td>16,000</td>
<td>4,400</td>
<td>11,600</td>
<td>72.5%</td>
</tr>
<tr>
<td>Temp Help</td>
<td>800,000</td>
<td>433,458</td>
<td>366,542</td>
<td>45.8%</td>
</tr>
<tr>
<td>Exam Proctor</td>
<td>101,000</td>
<td>128,810</td>
<td>-27,810</td>
<td>-27.5%</td>
</tr>
<tr>
<td>Overtime</td>
<td>146,000</td>
<td>81,759</td>
<td>64,241</td>
<td>44.0%</td>
</tr>
<tr>
<td>Staff Benefits</td>
<td>14,371,000</td>
<td>7,584,264</td>
<td>6,786,736</td>
<td>47.2%</td>
</tr>
<tr>
<td>TOTALS, PERSONNEL</td>
<td>42,067,000</td>
<td>21,882,899</td>
<td>20,184,101</td>
<td>48.0%</td>
</tr>
<tr>
<td>OPERATING EXPENSES AND EQUIPMENT (OE&amp;E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>17,008,000</td>
<td>10,368,924</td>
<td>6,639,076</td>
<td>39.0%</td>
</tr>
<tr>
<td>Exams – Subject Matter Experts</td>
<td>436,000</td>
<td>2,925</td>
<td>433,075</td>
<td>99.3%</td>
</tr>
<tr>
<td>Enforcement</td>
<td>11,175,000</td>
<td>5,069,208</td>
<td>6,105,792</td>
<td>54.6%</td>
</tr>
<tr>
<td>TOTALS, OE&amp;E</td>
<td>28,619,000</td>
<td>15,441,057</td>
<td>13,177,943</td>
<td>46.0%</td>
</tr>
<tr>
<td>TOTALS</td>
<td>70,686,000</td>
<td>37,323,956</td>
<td>33,362,044</td>
<td>47.2%</td>
</tr>
<tr>
<td>Scheduled Reimbursements (i.e., fingerprint, public sales)</td>
<td>-353,000</td>
<td>-74,342</td>
<td>-278,658</td>
<td></td>
</tr>
<tr>
<td>Unscheduled Reimbursements (i.e., invest. cost recovery)</td>
<td>-312,336</td>
<td>-312,336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRAND TOTALS</td>
<td>70,333,000</td>
<td>36,937,278</td>
<td>33,395,722</td>
<td>47.5%</td>
</tr>
</tbody>
</table>

Revenue

CSLB received the following revenue through January 31, 2021:

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Through 01/31/2021</th>
<th>Percentage of Revenue</th>
<th>Change from prior year (01/31/2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duplicate License/Wall Certificate Fees</td>
<td>$67,931</td>
<td>0.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>New License and Application Fees</td>
<td>$7,855,061</td>
<td>17.7%</td>
<td>-6.7%</td>
</tr>
<tr>
<td>License and Registration Renewal Fees</td>
<td>$32,110,071</td>
<td>72.3%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Delinquent Renewal Fees</td>
<td>$3,381,299</td>
<td>7.6%</td>
<td>139.4%</td>
</tr>
<tr>
<td>Penalty Assessments</td>
<td>$902,081</td>
<td>2.0%</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Misc. Revenue</td>
<td>$76,131</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$44,392,574</td>
<td>100.00%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>
Fiscal Year (FY) 2020-21 CSLB Final Budget and Adjustments

- CSLB’s FY 2020-21 budget decreased by $3.3 million, from $73.6 to $70.3 million based on one-time adjustments and reductions: adjustments to salaries and wages, benefits, and operating expenditures. Wages and benefits decreased because of the 9.23% employee pay reduction.

- The following chart shows the approved original FY 2020-21 budget (2020 Budget Bill) and the overall budgetary impact of the reductions and adjustments to CSLB’s final FY 2020-21 budget:

<table>
<thead>
<tr>
<th>EXPENDITURE DESCRIPTION</th>
<th>FY 2020-21 BUDGET ACT</th>
<th>EMPLOYEE REDUCTION (PLP ADJ)</th>
<th>RETIREMENT ADJ</th>
<th>EMPLOYEE COMP &amp; BUDGET POS ADJ</th>
<th>FY 2020-21 FINAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONNEL SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Wages (Staff)</td>
<td>28,268,000</td>
<td>-2,690,000</td>
<td>1,055,000</td>
<td>26,633,000</td>
<td></td>
</tr>
<tr>
<td>Board Members</td>
<td>16,000</td>
<td></td>
<td></td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td>Temp Help</td>
<td>800,000</td>
<td></td>
<td></td>
<td>800,000</td>
<td></td>
</tr>
<tr>
<td>Exam Proctor</td>
<td>101,000</td>
<td></td>
<td></td>
<td>101,000</td>
<td></td>
</tr>
<tr>
<td>Overtime</td>
<td>146,000</td>
<td></td>
<td></td>
<td>146,000</td>
<td></td>
</tr>
<tr>
<td>Staff Benefits</td>
<td>15,620,000</td>
<td>-925,000</td>
<td>-631,000</td>
<td>307,000</td>
<td>14,371,000</td>
</tr>
<tr>
<td>TOTALS, PERSONNEL</td>
<td>44,951,000</td>
<td>-3,615,000</td>
<td>-631,000</td>
<td>1,362,000</td>
<td>42,067,000</td>
</tr>
<tr>
<td>OPERATING EXPENSES &amp; EQUIPMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>17,604,000</td>
<td>-815,000</td>
<td>-102,000</td>
<td>321,000</td>
<td>17,008,000</td>
</tr>
<tr>
<td>Exams</td>
<td>436,000</td>
<td></td>
<td></td>
<td>436,000</td>
<td></td>
</tr>
<tr>
<td>Enforcement</td>
<td>11,011,000</td>
<td></td>
<td></td>
<td>164,000</td>
<td>11,175,000</td>
</tr>
<tr>
<td>TOTALS, OE&amp;E</td>
<td>29,051,000</td>
<td>-815,000</td>
<td>-102,000</td>
<td>485,000</td>
<td>28,619,000</td>
</tr>
<tr>
<td>TOTALS</td>
<td>74,002,000</td>
<td>-4,430,000</td>
<td>-733,000</td>
<td>1,847,000</td>
<td>70,686,000</td>
</tr>
<tr>
<td>Scheduled Reimbursements</td>
<td>-353,000</td>
<td></td>
<td></td>
<td></td>
<td>-353,000</td>
</tr>
<tr>
<td>Unscheduled Reimbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS, NET REIMBURSEMENTS</td>
<td></td>
<td>-4,430,000</td>
<td>-733,000</td>
<td>1,847,000</td>
<td>70,333,000</td>
</tr>
</tbody>
</table>

Budget Letter 20-37 Release and Permanent 5% Budget Reduction for Budget Year 2021-22

In December 2020, Department of Finance (DOF) released Budget Letter (BL) 20-37 which required each Department to recognize savings by taking a five percent (5%) permanent budget reduction scheduled to begin in budget year (BY) 2021-22. This 5% cut is in addition to the employee compensation savings already in effect.

At that time, the Board was notified by DCA of the need to identify approximately $1 million in savings. The Board was subsequently notified on January 20, 2021 that after further deliberations between DCA and DOF, the target 5% reduction was being reduced due to several exclusions related to the Board’s Budget: Attorney General, Office of Administrative Hearings, and DCA pro rata costs.
Due to these additional exclusions, the Board’s target reduction was revised to $550,000. Staff revised the plan and identified the target reduction obtainable through staffing and facilities cost savings already identified within AB 3087. With the passage of AB 3087 last year, the Board is now authorized to begin outsourcing exam administrative statewide to a third-party vendor. The targeted reduction was met by eliminating five (5) vacant exam administration positions and the permanent closing of two (2) exam facilities (i.e., Berkeley and San Jose). Currently, the plan is pending at DOF and if approved would reduce our proposed Governor’s Budget for 2021-22.

CSLB FY 2020-21 Expenditure Reduction Plan - Modified

To remain solvent until the fee study concludes and revenues increase, the board adopted the following modified expenditure reduction plan at its September 9, 2020 meeting for FY 2020-21. The chart below outlines the approved $7.1 million annual reduction plan, along with identified savings through January 2021:

### Licensing and Testing

<table>
<thead>
<tr>
<th>ACTION</th>
<th>ANNUAL SAVINGS</th>
<th>THRU JAN SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Conduct subject matter expert workshops via WebEx or other technology platform to reduce travel costs</td>
<td>$250,000</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

### Executive and Administrative

<table>
<thead>
<tr>
<th>ACTION</th>
<th>ANNUAL SAVINGS</th>
<th>THRU JAN SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maintain 20 vacant positions ($2 million)</td>
<td>$4.5 million</td>
<td>$4.3 million</td>
</tr>
<tr>
<td>• Savings due to the 9.23 percent reduction in pay to full-time employees ($2.5 million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Delay replacing three vehicles in Enforcement</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

### Information Technology

<table>
<thead>
<tr>
<th>ACTION</th>
<th>ANNUAL SAVINGS</th>
<th>THRU JAN SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce ADA compliance contract from $250,000 to $50,000, and have CSLB staff assume more ADA remediation functions</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>• IT contract and purchases savings</td>
<td>$250,000</td>
<td>$90,000</td>
</tr>
</tbody>
</table>

### Enforcement

<table>
<thead>
<tr>
<th>ACTION</th>
<th>ANNUAL SAVINGS</th>
<th>THRU JAN SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hold Attorney General's Office at $7 million for the year (roughly $580,000 monthly)</td>
<td>$1.0 million</td>
<td>$850,000</td>
</tr>
<tr>
<td>• Hold the Office of Administrative Hearings at $1.2 million (roughly $100,000 monthly)</td>
<td>$300,000</td>
<td>$0</td>
</tr>
<tr>
<td>• Modify processes to reduce arbitration costs by 40% (from $900,000 to $550,000)</td>
<td>$350,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>• Modify procedures to reduce industry expert costs by 20% (from $750,000 to $600,000)</td>
<td>$150,000</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

**TOTAL SAVINGS**

$7.1 million | $6.0 million
CSLB Fund Condition

Below is the fund condition for the Contractors’ License Fund, which shows the final FY 2019-20 reserve ($627 thousand, substantially less than 1.0 month reserve), along with the projected reversion amounts for current year (CY) 2020-21 (includes approved reduction in expenditures) through BY 2021-22:

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>Final FY 2019-20</th>
<th>Projected CY 2020-21</th>
<th>Projected BY 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance (Fund/Savings Account)</td>
<td>$7,884</td>
<td>$ 627</td>
<td>$1,741</td>
</tr>
<tr>
<td>Revenues and Transfers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$64,524</td>
<td>$72,180</td>
<td>$73,488</td>
</tr>
<tr>
<td>Total Resources (Revenue + Fund/Savings Acct.)</td>
<td>$72,408</td>
<td>$72,807</td>
<td>$75,229</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Expenditures</td>
<td>$66,330</td>
<td>$66,000</td>
<td>$73,259</td>
</tr>
<tr>
<td>5% Reduction Drill</td>
<td></td>
<td></td>
<td>-$552</td>
</tr>
<tr>
<td>External Costs</td>
<td>$5,451</td>
<td>$5,066</td>
<td>$5,728</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$71,781</td>
<td>$71,066</td>
<td>$78,435</td>
</tr>
<tr>
<td>Ending Balance (Fund/Savings Account)</td>
<td>$ 627</td>
<td>$1,741</td>
<td>-$3,206</td>
</tr>
<tr>
<td>Months in Reserve</td>
<td>0.1</td>
<td>0.3</td>
<td>-0.5</td>
</tr>
<tr>
<td>Dollars in Reserve</td>
<td>$627 K</td>
<td>$1.7 M</td>
<td>-$3.2 M</td>
</tr>
</tbody>
</table>

Notes:
1) Board Expenditures include staff pay, benefits, and operating expenses
2) External Costs include statewide pro rata
3) Revenue assumes no growth in new applications or renewals, and only includes increased renewal fees
4) CY Expenditures based on projections which includes $7.1M reduction, and BY 2021-22 expenditures is Governor’s Budget, with $552K 5% reduction plan.
Construction Management Education Account (CMEA) Account Update

CMEA FY 2021-22 Proposed Budget Change Proposal (BCP)

CSLB submitted a budget change proposal (BCP) for the Construction Management Education Account (CMEA) to provide CSLB the flexibility to increase or decrease the grants awarded from the fund based on the contributions received. The Department of Finance approved the proposal and it is currently going through the Legislative budget hearings for consideration as part of the FY 2021-22 Budget Act. This annual augmentation allows CSLB to maximize the amount of grants awarded to educational institutions.

Construction Management Education Account (CMEA) Fund Condition

Below is the CMEA fund condition, which shows the final FY 2019-20 reserve ($420,000), along with the projected reversion amounts for current year (CY) 2020-21 through BY 2021-22:

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>Final FY 2019-20</th>
<th>Projected CY 2020-21</th>
<th>Projected BY 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 374</td>
<td>$ 420</td>
<td>$ 478</td>
</tr>
<tr>
<td>Prior Year Adjustment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Adjusted Beginning Balance</td>
<td>$ 374</td>
<td>$ 420</td>
<td>$ 478</td>
</tr>
<tr>
<td>Revenues and Transfers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$143</td>
<td>$168</td>
<td>$168</td>
</tr>
<tr>
<td>Totals, Resources</td>
<td>$ 517</td>
<td>$ 588</td>
<td>$ 646</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Expenditures (State Operations)</td>
<td>$6</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Local Assistance Grant Disbursements</td>
<td>$92</td>
<td>$100</td>
<td>$150</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 98</td>
<td>$ 110</td>
<td>$ 160</td>
</tr>
<tr>
<td>Fund Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for economic uncertainties</td>
<td>$ 420</td>
<td>$ 478</td>
<td>$ 486</td>
</tr>
<tr>
<td>Months in Reserve</td>
<td>45.8</td>
<td>35.9</td>
<td>36.5</td>
</tr>
</tbody>
</table>

Notes:
1) Projected BY 2021-22 includes increasing grants based on assumed approved CMEA BCP.
Statistics Summary

Applications Received

<table>
<thead>
<tr>
<th>Month</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>2,624</td>
<td>3,478</td>
<td>4,511</td>
<td>3,323</td>
</tr>
<tr>
<td>August</td>
<td>3,141</td>
<td>3,761</td>
<td>4,733</td>
<td>3,863</td>
</tr>
<tr>
<td>September</td>
<td>3,254</td>
<td>3,418</td>
<td>4,366</td>
<td>3,441</td>
</tr>
<tr>
<td>October</td>
<td>3,188</td>
<td>4,550</td>
<td>4,166</td>
<td>4,324</td>
</tr>
<tr>
<td>November</td>
<td>2,669</td>
<td>3,736</td>
<td>3,854</td>
<td>3,168</td>
</tr>
<tr>
<td>December</td>
<td>2,903</td>
<td>3,682</td>
<td>3,320</td>
<td>2,681</td>
</tr>
<tr>
<td>January</td>
<td>3,714</td>
<td>4,232</td>
<td>4,132</td>
<td>3,112</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,493</strong></td>
<td><strong>26,857</strong></td>
<td><strong>29,082</strong></td>
<td><strong>23,912</strong></td>
</tr>
</tbody>
</table>

% Change from Prior FY -17.8%

Original Applications Received (includes exam and waivers)

<table>
<thead>
<tr>
<th>Month</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>1,197</td>
<td>1,454</td>
<td>1,935</td>
<td>1,311</td>
</tr>
<tr>
<td>August</td>
<td>1,141</td>
<td>1,815</td>
<td>1,967</td>
<td>1,226</td>
</tr>
<tr>
<td>September</td>
<td>1,624</td>
<td>1,595</td>
<td>1,820</td>
<td>1,122</td>
</tr>
<tr>
<td>October</td>
<td>1,429</td>
<td>2,182</td>
<td>1,616</td>
<td>1,834</td>
</tr>
<tr>
<td>November</td>
<td>1,306</td>
<td>1,763</td>
<td>1,440</td>
<td>1,218</td>
</tr>
<tr>
<td>December</td>
<td>1,522</td>
<td>1,697</td>
<td>1,245</td>
<td>926</td>
</tr>
<tr>
<td>January</td>
<td>1,990</td>
<td>1,972</td>
<td>1,829</td>
<td>1,099</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,209</strong></td>
<td><strong>12,478</strong></td>
<td><strong>11,852</strong></td>
<td><strong>8,736</strong></td>
</tr>
</tbody>
</table>

% Change from Prior FY -26.3%

% Licenses Issued of Original Apps Rcvd 37.0%

Original Licenses Issued

<table>
<thead>
<tr>
<th>Month</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>1,150</td>
<td>1,394</td>
<td>1,426</td>
<td>1,032</td>
</tr>
<tr>
<td>August</td>
<td>1,355</td>
<td>1,616</td>
<td>1,331</td>
<td>1,084</td>
</tr>
<tr>
<td>September</td>
<td>1,095</td>
<td>1,377</td>
<td>1,293</td>
<td>1,171</td>
</tr>
<tr>
<td>October</td>
<td>986</td>
<td>1,580</td>
<td>1,383</td>
<td>1,257</td>
</tr>
<tr>
<td>November</td>
<td>1,334</td>
<td>1,250</td>
<td>1,195</td>
<td>1,119</td>
</tr>
<tr>
<td>December</td>
<td>1,170</td>
<td>1,244</td>
<td>1,181</td>
<td>1,115</td>
</tr>
<tr>
<td>January</td>
<td>1,170</td>
<td>1,441</td>
<td>1,263</td>
<td>880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,260</strong></td>
<td><strong>9,902</strong></td>
<td><strong>9,072</strong></td>
<td><strong>7,658</strong></td>
</tr>
</tbody>
</table>

% Change from Prior FY -15.6%

% Licenses Issued of Original Apps Rcvd 88.0%
## Statistics Summary

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

<table>
<thead>
<tr>
<th>Month</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>8,153</td>
<td>8,307</td>
<td>11,234</td>
<td>12,460</td>
</tr>
<tr>
<td>August</td>
<td>9,283</td>
<td>10,544</td>
<td>9,631</td>
<td>10,396</td>
</tr>
<tr>
<td>September</td>
<td>9,534</td>
<td>8,173</td>
<td>9,409</td>
<td>11,507</td>
</tr>
<tr>
<td>October</td>
<td>8,805</td>
<td>13,154</td>
<td>7,901</td>
<td>9,252</td>
</tr>
<tr>
<td>November</td>
<td>5,651</td>
<td>7,563</td>
<td>6,003</td>
<td>6,843</td>
</tr>
<tr>
<td>December</td>
<td>9,651</td>
<td>7,362</td>
<td>7,846</td>
<td>11,087</td>
</tr>
<tr>
<td>January</td>
<td>7,593</td>
<td>11,000</td>
<td>9,582</td>
<td>10,271</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>58,670</strong></td>
<td><strong>66,103</strong></td>
<td><strong>61,606</strong></td>
<td><strong>71,816</strong></td>
</tr>
</tbody>
</table>

- % Change from Peak FY 2018-19: 8.6%
- % Change from non-Peak Prior FY: 16.6%

### Original HIS Registrations Issued

<table>
<thead>
<tr>
<th>Month</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>302</td>
<td>476</td>
<td>677</td>
<td>596</td>
</tr>
<tr>
<td>August</td>
<td>420</td>
<td>422</td>
<td>526</td>
<td>487</td>
</tr>
<tr>
<td>September</td>
<td>405</td>
<td>442</td>
<td>634</td>
<td>570</td>
</tr>
<tr>
<td>October</td>
<td>495</td>
<td>549</td>
<td>579</td>
<td>594</td>
</tr>
<tr>
<td>November</td>
<td>419</td>
<td>415</td>
<td>594</td>
<td>513</td>
</tr>
<tr>
<td>December</td>
<td>385</td>
<td>437</td>
<td>519</td>
<td>444</td>
</tr>
<tr>
<td>January</td>
<td>468</td>
<td>570</td>
<td>429</td>
<td>523</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,894</strong></td>
<td><strong>3,311</strong></td>
<td><strong>3,958</strong></td>
<td><strong>3,727</strong></td>
</tr>
</tbody>
</table>

- % Change from Prior FY: -5.8%

### HIS Registrations Renewed

<table>
<thead>
<tr>
<th>Month</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>213</td>
<td>328</td>
<td>408</td>
<td>646</td>
</tr>
<tr>
<td>August</td>
<td>402</td>
<td>435</td>
<td>497</td>
<td>714</td>
</tr>
<tr>
<td>September</td>
<td>302</td>
<td>354</td>
<td>421</td>
<td>646</td>
</tr>
<tr>
<td>October</td>
<td>280</td>
<td>461</td>
<td>387</td>
<td>548</td>
</tr>
<tr>
<td>November</td>
<td>203</td>
<td>342</td>
<td>212</td>
<td>385</td>
</tr>
<tr>
<td>December</td>
<td>434</td>
<td>302</td>
<td>534</td>
<td>385</td>
</tr>
<tr>
<td>January</td>
<td>110</td>
<td>381</td>
<td>319</td>
<td>464</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,944</strong></td>
<td><strong>2,603</strong></td>
<td><strong>2,778</strong></td>
<td><strong>3,788</strong></td>
</tr>
</tbody>
</table>

- % Change from Prior FY: 36.4%
## License Population by Status

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>225,143</td>
<td>229,938</td>
<td>231,139</td>
<td>229,654</td>
</tr>
<tr>
<td>Inactive</td>
<td>56,280</td>
<td>55,310</td>
<td>54,107</td>
<td>52,681</td>
</tr>
<tr>
<td>Total</td>
<td>281,423</td>
<td>285,248</td>
<td>285,246</td>
<td>282,335</td>
</tr>
</tbody>
</table>

% Change from Prior FY: -1.0%

## HIS Registration Population by Status

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>17,443</td>
<td>18,446</td>
<td>20,809</td>
<td>22,087</td>
</tr>
</tbody>
</table>

% Change from Prior FY: 6.1%

## Complaints By Fiscal Year

<table>
<thead>
<tr>
<th>Complaints</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>18,875</td>
<td>20,674</td>
<td>20,474</td>
<td>18,190</td>
</tr>
<tr>
<td>Reopened</td>
<td>971</td>
<td>969</td>
<td>1,124</td>
<td>1,133</td>
</tr>
<tr>
<td>Closed</td>
<td>19,390</td>
<td>21,584</td>
<td>21,644</td>
<td>20,272</td>
</tr>
<tr>
<td>Pending (As of June 30)</td>
<td>4,734</td>
<td>4,796</td>
<td>4,807</td>
<td>3,898</td>
</tr>
</tbody>
</table>
Administration and Information Technology Services Overview

a. Review and Discussion on the Administration and Information Technology 2019-21 Strategic Plan
Administration Overview

The Administration Division at CSLB encompasses a range of duties which are integral to the efficient operation of the board’s facilities. Administration activities include budgets, personnel matters, business services, and information technology.

**BUDGETS**
- Monitor board expenses, revenue, and appropriation balances
- Reconcile year-end financial statements
- Invoice approval
- Contract expenditures approval
- Quarterly enforcement performance measures reports
- Legislative bill fiscal analysis
- Budget drills
- Budget change proposal concept papers
- Budget year workload and revenue
- Budget year equipment schedule
- DCA annual reporting
- IT and testing cost reports
- Performance based budgeting
- Annual enforcement report to the legislature
- Fee studies
- Sunset review statistics

**PERSONNEL**
- Recruitment and Hiring
- Verification and distribution of pay warrants
- Processing timesheets and leave balances
- Coordination of employee benefit changes
- Consultation on employee performance and discipline
- Coordination of Health and Safety Programs
  - State Disability Insurance and Non-Industrial Insurance
  - Catastrophic Leave requests
  - Employee Assistance Program
  - Family Medical Leave Act/California Family Rights Act
  - Injury Illness Prevention Program
  - Reasonable Accommodation
  - Worker’s Compensation
  - Ergonomic Evaluations
- Policies
  - Workplace Guidelines
  - Supervisor Guidelines
 ADMINISTRATION OVERVIEW

- Telework agreements
- Annual DCA policy acknowledgement forms
  - Personnel-related and career development training
  - Position Control
  - COVID-19 and contact tracing reporting

BUSINESS SERVICES

- Payables
  - Procurement of Non-Information Technology related items and services
    - Prepare bids and process procurements for all goods including equipment and service requests in compliance with the Department of General Services (DGS), Purchasing Authority Manual, the Department of Consumer Affairs (DCA) and other state rules and regulations.
    - Ensure that Small Businesses and Disabled Veteran Business Enterprises percentage goals are met
    - Prepare justifications for procurement requests
    - Prepare annual Schedule 9 documentation to request equipment
  - Contracts
    - Develop, prepare, and execute a variety of service contract requests including:
      - Interagency Agreements
      - Standard Agreements
      - Master Service Agreements
      - California Multiple Award Schedules
      - Request for Bid
      - Request for Proposal
      - Invitation for Bid
  - CalCard
    - Ensure all CalCard holders are in compliance with CalCard usage rules and regulations
  - Invoices
    - Review, reconcile and process all incoming invoices
  - Training
    - Monitor and track mandatory CSLB trainings
    - Act as the liaison between CSLB and DCA/SOLID
  - Travel
    - Process, monitor and track all travel advancements and reimbursements
Emergency Preparedness and Planning
- Produce Emergency Preparedness and Evacuation Plan for CSLB
- Maintain, update and implement CSLB’s annual Business Continuity Plan
- Identify and coordinate emergency trainings (i.e. CPR) for staff to participate in
- Maintain an accurate emergency team roster
- Direct the activities of the building occupancy during an emergency
- Conduct quarterly emergency preparedness meetings

Facilities Management
- Oversee CSLB’s Field Offices and Suite locations
  - Work with DCA and DGS when renewing, canceling or modifying lease agreements
  - Work with DCA and DGS to identify other locations as needed for CSLB field offices
  - Work with property managers at each CSLB location to resolve property issues
  - Administer security badges to CSLB Staff
  - Monitor CSLB’s alarm systems
  - Monitor equipment and furniture at each site and request for replacement items when necessary

Inventory
- Monitor, track and report CSLB’s property and equipment
- Work with CSLB staff to replace equipment
- Survey surplus equipment according to state rules and regulations

Records Management
- Maintain physical files in CSLB’s file room
- Maintain and update CSLB’s record retention schedule
- Coordinate confidential destruction of records
- Process file requests from State Records Center and State Archives

Fleet Management
- Maintain CSLB’s fleet of state-owned vehicles
- Ensure safety compliance of vehicles and employees
- Ensure all employees have taken their defensive driver course and have a valid driver’s license on record
- Monitor vehicles that are due for registration, smog and vehicle maintenance
- Ensure CSLB is in compliance with DGS standards when a vehicle accident/incident takes place
- Prepare contracts for vehicle repair and ensure repairs are properly made
- Track vehicle repair invoices
- Prepare contracts for new vehicles to replace existing fleet
- Prepare necessary paperwork to survey vehicles that have been replaced

- **Mailroom Services**
  - Mail Processing
    - Process different categories of incoming and outgoing mail via the following methods
      - USPS
      - Priority overnight
      - Certified mail
      - FedEx
      - Global Logistics Services (GLS)
    - Mail licensee renewal notices
    - Mail licensee pocket identification cards and wall certificates

- **Cashiering Services**
  - Process all payments submitted to CSLB
    - Securely process all payments received
    - Resolve any issues with payments
    - Securely prepare monies for daily pick-up by DCA
  - Logs
    - Maintain daily report of collection logs
    - Enter all payment activities into TEALE database

- **Warehouse Services**
  - Prepare and receive shipments via (USPS, GLS, and FedEx)
  - Inventory
    - Maintain an adequate stock of supplies, forms, and brochures
    - Request supplies, forms, and brochures when stock needs to be replenished
  - Deliveries
    - Deliver supplies to various CSLB units located within headquarters
  - Recycle
    - Collect paper for recycle
    - Destroy confidential documents

- **Electronic document conversion services (imaging workflow automation system)**
Upload documents into CSLB’s Imaging Workflow Automation System (IWAS) database
  ▪ Create images by scanning original paper documents into CSLB’s workflow for other CSLB units to work from
  ▪ Upon request, locate archived files in CSLB’s records and scan and upload the file into IWAS

Risk Management
  ▪ Develop and submit CSLB’s State Leadership Accountability Act (SLAA) bi-annual report to the Department of Finance for approval
  ▪ Conduct quarterly hazard reports for all CSLB facilities

INFORMATION TECHNOLOGY (IT)

IT roadmap and strategy development
Process IT-related equipment purchases
Network and Infrastructure Services
  ▪ Technical Services
    ▪ Support and set-up computers, mobile devices, and peripherals
    ▪ Software configuration
    ▪ Computer hardware issues
  ▪ Cloud-Based Services
    ▪ E-mail
    ▪ File sharing
  ▪ Supports mobile workforce deployment
  ▪ Support landlines and communication lines
  ▪ Maintenance and operation of various systems
    ▪ Changes to applications/business logic for Testing Administration/Development
    ▪ Interactive Voice Response (IVR)
    ▪ Imaging Workflow Automation System (IWAS)
  ▪ Website support

IT Security
  ▪ Virus protection
  ▪ Data Security
  ▪ Access Control
  ▪ Cloud access security broker

Network Support
  ▪ Firewalls
  ▪ Routers
  ▪ Fiber Optics
  ▪ VPN
Programming/Business Analytics
  - Business process management
    - Requirements gathering for system enhancements
    - Technical writer for IT system documentation
  - Licensing and Enforcement System (TEALE) Operations
    - Maintaining database
    - Development/Programming of business modernization efforts
    - Reports for Licensing, Enforcement and Cashiering
  - Production Processing
    - License renewals
    - Contractor License Certificates
    - Licensee Data cards

Process Public Records Act and Public Data Portal requests
### Item 5.1

**Description:** Evaluate the use of in-house legal counsel to supplement current Board counsel  
**Target Date:** January 2019  
**Current Status:** Completed. In June 2018, Department of Consumer Affairs assigned a second part-time legal counsel to assist CSLB with Public Record Act requests and subpoena workload.

### Item 5.2

**Description:** Execute a Memorandum of Understanding (MOU) with the Workers’ Compensation Insurance Rating Bureau to provide a program to the Contractors State License Board to track workers’ compensation policies  
**Target Date:** March 2019  
**Current Status:** Completed. Staff met with Workers’ Compensation Insurance Rating Bureau of California (WCIRB) in April and May 2019; process has been developed to share public workers’ compensation information regarding C-39 Roofing Contractors. Information pertaining to other classifications is now shared as necessary; a formal MOU is not necessary at this time.

### Item 5.3

**Description:** Provide training on progressive discipline process to assist managers and supervisors in addressing performance issues  
**Target Date:** May 2019  
**Current Status:** Completed. CSLB managers and supervisors attended a two-day performance management training provided by DCA in October 2019.

### Item 5.4

**Description:** Provide team building and leadership training for managers and supervisors to make the management team more effective  
**Target Date:** September 2019  
**Current Status:** Completed. On January 23-24, 2019 CSLB managers and supervisors participated in a two-day leadership training class.
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Target Date</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5</td>
<td>Research a special investigator series</td>
<td>December 2019</td>
<td>Completed. A classification study performed by CPS HR Consulting resulted in the re-classification of existing non-sworn Enforcement Representative I/II to the Special Investigator classification; sworn Enforcement Representative I/II to Investigator; and the Enforcement Supervisor I/II to the Supervising Special Investigator classification to oversee both sworn and non-sworn staff.</td>
</tr>
<tr>
<td>5.6</td>
<td>Pursue salary differentials in regions with higher living costs</td>
<td>December 2019</td>
<td>Completed. The CPS HR Consulting Classification study recommends moving to Special Investigator/Investigator (see objective 5.5) and to not seek salary differentials. Based on CPS’s recommendation CSLB will not pursue salary differentials at this time.</td>
</tr>
<tr>
<td>5.7</td>
<td>Standardize human resource processes to increase efficiency in regard to personnel matters.</td>
<td>July 2021</td>
<td>On-schedule. Staff are in the process of creating a supervisory section for CSLB’s Intranet. Tools such as FAQs and checklists will be uploaded to this section for supervisors to reference.</td>
</tr>
<tr>
<td>5.8</td>
<td>Enhance onboarding and orientation program for new staff, managers and Board members.</td>
<td>February 2021</td>
<td>Onboarding video and online resources on the CSLB Intranet will be completed in April 2021.</td>
</tr>
</tbody>
</table>

*(See Public Affairs objective 4.8)*
## 2019-21 Strategic Plan – Administration Objectives

### Item 5.9

**Description:** Develop benchmarks for the hiring process in order to extend job offers and onboard new employees more quickly to avoid losing qualified candidates.

**Target Date:** March 2020

**Current Status:** Completed. Staff mapped and documented the workflow of the current recruitment process to identify processing times and areas for more efficiency.

### Item 5.10

**Description:** Review the budget quarterly to guide the Board on resource allocation.

**Target Date:** Ongoing

**Current Status:** Ongoing
AGENDA ITEM D-5

Administration Update Regarding Personnel and Facilities
PERSONNEL UNIT

TRANSACTIONS

During the second quarter of fiscal year 2020-21 (October 1-December 31, 2020), CSLB Personnel staff completed 37 personnel transactions. This included the addition of five new employees from other state agencies and two employees new to state service. Within CSLB, 21 employees were promoted and eight transferred to different units or designations. One student assistant also joined CSLB.

Total Number of Personnel Transactions Per Quarter – FY 2020-21

<table>
<thead>
<tr>
<th>Recruitment Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July-Sept</td>
<td>Oct-Dec</td>
<td>Jan-March</td>
<td>April-June</td>
</tr>
<tr>
<td>From other State Agencies</td>
<td>4</td>
<td>5</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>New to State Service</td>
<td>1</td>
<td>2</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Student Assistants</td>
<td>0</td>
<td>1</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Retired Annuitants</td>
<td>0</td>
<td>0</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Promotions</td>
<td>119</td>
<td>21</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Transfers within CSLB</td>
<td>17</td>
<td>8</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Training and Development</td>
<td>4</td>
<td>0</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Examination Proctors</td>
<td>0</td>
<td>0</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Total Per Quarter</td>
<td>145</td>
<td>37</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

Total Number of Personnel Transactions Per Quarter – FY 2019-20

<table>
<thead>
<tr>
<th>Recruitment Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July-Sept</td>
<td>Oct-Dec</td>
<td>Jan-March</td>
<td>April-June</td>
</tr>
<tr>
<td>From other State Agencies</td>
<td>8</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>New to State Service</td>
<td>2</td>
<td>7</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Student Assistants</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Retired Annuitants</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Promotions</td>
<td>15</td>
<td>31</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Transfers within CSLB</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Training and Development</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Examination Proctors</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total Per Quarter</td>
<td>34</td>
<td>45</td>
<td>24</td>
<td>13</td>
</tr>
</tbody>
</table>
VACANCIES
During the second quarter of FY 2020-21, CSLB averaged 49 vacancies. The Personnel unit continuously works with CSLB hiring managers and Department of Consumer Affairs’ (DCA) Office of Human Resources to identify and minimize any delays in recruitment for key positions.

**Average Monthly Vacancies by Fiscal Year**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>43</td>
<td>50</td>
<td>51</td>
<td>50</td>
<td>47</td>
<td>51</td>
<td>55</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>2019-20</td>
<td>21</td>
<td>25</td>
<td>31</td>
<td>35</td>
<td>34</td>
<td>34</td>
<td>23</td>
<td>22</td>
<td>24</td>
<td>22</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>2018-19</td>
<td>29</td>
<td>33</td>
<td>30</td>
<td>24</td>
<td>22</td>
<td>21</td>
<td>23</td>
<td>22</td>
<td>24</td>
<td>22</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>2017-18</td>
<td>44</td>
<td>41</td>
<td>36</td>
<td>33</td>
<td>39</td>
<td>41</td>
<td>36</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>29</td>
<td>29</td>
</tr>
</tbody>
</table>

CAREER DEVELOPMENT
Personnel staff participated in CSLB’s “Career Development…Live!” event held in February 2021. The event was the first in a series of online events launched by the CSLB Career Development and Mentoring Program Steering Committee. The events are an opportunity for staff to learn about each of CSLB Divisions such as the role and function of the division, the types of classifications utilized in the division, potential career paths, and training opportunities.

During this event, Personnel staff spoke about the types of duties it performs on a regular basis such as working on recruitments, duty statements, employee benefits, leave balances, onboarding of new hires, and health and safety issues. The Business Services units of the Administration Division also spoke of their roles and day to day duties and career opportunities.

ANNUAL POLICIES AND LEAVE MANAGEMENT
Personnel staff worked with managers and employees in December 2020 on distributing and collecting the Annual Statement of Leave (ASL) notices. The ASL notices provide employees an opportunity to review leave balances and request corrections if needed. In January 2021, Personnel staff worked with employees on management of their leave balances. Under the DCA Leave Management Policy, employees who have vacation or annual leave balances above 640 hours, are encouraged to develop plans to reduce those balances. Personnel staff also worked with program managers in February 2021 to ensure compliance with the annual policy requirements for all employees.

EXAMINATIONS
The majority of examinations are now done online through CalHR at [https://jobs.ca.gov/](https://jobs.ca.gov/). Listed below are the classifications with examinations administered by DCA.
<table>
<thead>
<tr>
<th>ADMINISTERED BY DCA</th>
<th>STATUS</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Services Representative</td>
<td>Last exam date: November 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tentative exam date: May 2021</td>
<td></td>
</tr>
<tr>
<td>Office Services Supervisor II</td>
<td>Last exam date: December 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tentative exam date: TBD</td>
<td></td>
</tr>
<tr>
<td>Supervising Special Investigator I</td>
<td>Last exam date: January 2021</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tentative exam date: July 2021</td>
<td></td>
</tr>
<tr>
<td>Supervising Special Investigator II</td>
<td>Last exam date: November 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tentative exam date: May 2021</td>
<td></td>
</tr>
<tr>
<td>Staff Service Analyst Transfer Exam</td>
<td>N/A</td>
<td>March/June</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September/December</td>
</tr>
</tbody>
</table>
ADMINISTRATION UPDATE

BUSINESS SERVICES UNIT

FACILITIES

- **Valencia Office** – CSLB, DCA, and the Department of General Services identified a new location for the Valencia office. Construction in the new suite began in June 2020. Movers arrived on December 17, 2020 to re-locate all office items, furniture, and equipment to the new Santa Clarita location. The Valencia staff officially moved into the new suite located at 25360 Magic Mountain Parkway, Suite 250, Santa Clarita, CA 91355 on December 18, 2020.
  
  **Project Completed:** December 2020

- **Berkeley Office** – CSLB submitted notification to the Department of Toxic Substances Control that the lease for Fiscal Year (FY) 2020-2021 will not be extended. CSLB officially vacated the office on January 28, 2021.

CONTRACTS AND PROCUREMENTS

Contracts in Process:

- The California Department of Human Resources (CalHR) contract to conduct psychological screening services for Peace Officer applicants.
- The California Highway Patrol contract to provide services to CSLB.
- Contract to provide maintenance for CSLB’s seven (7) Uninterrupted Power Supply (UPS) machines which supplies emergency power in the event of a power failure.
- Arbitration contract to support CSLB’s arbitration program.
- Translation services to be used by CSLB staff.
- Shredding services for CSLB’s Fresno and Bakersfield field offices.
- Forklift and pallet jack maintenance for CSLB’s warehouse.
- Fire suppression maintenance for CSLB’s headquarters.
- Renewal of West Publishing Corporation, DBA West, A Thomson Reuters Business (CLEAR) contract for CSLB’s Enforcement and Legislation staff.
- Maintenance contract for CSLB’s trifold and binding machines.
Procurements in Process:
In light of budget constraints, all purchases continue to be carefully assessed and only mission critical items are processed.

Executed Contracts/Procurement:
- Lexis Nexis contract for legislative bill tracking and printing the annual California Contractors License Law & Reference Book. The contract term will run through December 31, 2022.
- Postage meter for CSLB’s Mailroom was replaced on February 22, 2021.
- Moving company contracts to assist with the Valencia and Berkeley moves.

Training:
Staff developed detailed instructions for employees to enroll and complete a self-paced Implicit Bias webinar training offered by CalHR.
Information Technology Update
Online Renewal Statistics

<table>
<thead>
<tr>
<th></th>
<th>Sole Owner</th>
<th>eKiosk</th>
<th>HIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>1,798</td>
<td>1,498</td>
<td>*</td>
</tr>
<tr>
<td>May</td>
<td>3,230</td>
<td>1,510</td>
<td>*</td>
</tr>
<tr>
<td>June</td>
<td>3,812</td>
<td>1,570</td>
<td>*</td>
</tr>
<tr>
<td>July</td>
<td>3,429</td>
<td>1,485</td>
<td>107</td>
</tr>
<tr>
<td>August</td>
<td>2,875</td>
<td>1,252</td>
<td>296</td>
</tr>
<tr>
<td>September</td>
<td>2,890</td>
<td>1,214</td>
<td>333</td>
</tr>
<tr>
<td>October</td>
<td>2,971</td>
<td>1,071</td>
<td>344</td>
</tr>
<tr>
<td>November</td>
<td>2,544</td>
<td>750</td>
<td>271</td>
</tr>
<tr>
<td>December</td>
<td>2,891</td>
<td>809</td>
<td>247</td>
</tr>
<tr>
<td>January</td>
<td>3,025</td>
<td>1,073</td>
<td>304</td>
</tr>
<tr>
<td>February</td>
<td>2,984</td>
<td>1,159</td>
<td>331</td>
</tr>
<tr>
<td>Totals</td>
<td>32,449</td>
<td>13,392</td>
<td>2,233</td>
</tr>
</tbody>
</table>

Online Citation Payment

The Information Technology (IT) unit, in conjunction with Enforcement, released the online citation payment program in January 2021. This allowed licensees and non-licensees to make penalty assessments online through the CSLB’s website. All payments are processed in real-time and CSLB’s Licensing and Enforcement application (Teale) is updated immediately with the new payment information.

Retroactive Renewal

As per AB 2232, effective January 2021, the registrar is required to retroactively reinstate an expired contractor’s license if a completed license renewal application is received with appropriate fees within 90 days of the license expiration date. IT implemented the required changes effective with January 31, 2021 expirations to the Teale Licensing system to allow for automatic reinstatement.

Unlicensed Activity Website Update

CSLB IT in collaboration with the Enforcement Division, is enhancing the functionality on how to report unlicensed activity through CSLB’s website using a computer or mobile device. The new enhancement will include the capability of reporting unlicensed activity leads directly from CSLB’s home page and will allow consumers and contractors to submit the PDF along with pictures and documents directly to the SWIFT unit. These
enhancements will be available through directly to the SWIFT unit. Enhancement to the CSLB website will be available April/May 2021.

**Information Security and Risk**

As required by California Government Code section 11549.3, the State Office of Information Security (OIS) and the California Military Department (CMD) conducted a Military assessment of CSLB’s IT Infrastructure in March 2021. IT staff will be debriefed on the results of the assessment findings in May 2021.

CSLB management and staff will continue to work with DCA, California Department of Technology, and other state agencies to address all findings. Below is an overview of the current security efforts, along with the percentage completed.

**Security Updates**

<table>
<thead>
<tr>
<th>Remediation Effort</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network access control (NAC)</td>
<td>93%</td>
</tr>
<tr>
<td>Phishing awareness (DCA solution in progress)</td>
<td>65%</td>
</tr>
<tr>
<td>Intelligent logging</td>
<td>12%</td>
</tr>
<tr>
<td>Operating system and software security enhancements</td>
<td>100%</td>
</tr>
<tr>
<td>Vulnerability scanning enhancements and integration with intelligent logging</td>
<td>89%</td>
</tr>
<tr>
<td>Major firewall software upgrades and security policy enhancements</td>
<td>100%</td>
</tr>
<tr>
<td>Remote access-multifactor authentication (DCA solution in progress)</td>
<td>30%</td>
</tr>
<tr>
<td>Working group to identify the data processed within its business units and correlate that data to an accepted level of risk</td>
<td>0%</td>
</tr>
<tr>
<td>Firewall security policies reconciliation and tuning</td>
<td>90%</td>
</tr>
<tr>
<td>External website assessment</td>
<td>90%</td>
</tr>
<tr>
<td>Social media and internet investigation for CSLB data</td>
<td>3%</td>
</tr>
<tr>
<td>Internal network vulnerability scanning and remediation, including patching and services</td>
<td>100%</td>
</tr>
<tr>
<td>Website security vulnerability remediation</td>
<td>100%</td>
</tr>
<tr>
<td>Major endpoint software upgrades and security policy enhancements</td>
<td>85%</td>
</tr>
<tr>
<td>Access control-privileged access management (PAM) for system administrators</td>
<td>50%</td>
</tr>
<tr>
<td>Cloud/Office365 security enhancements</td>
<td>70%</td>
</tr>
</tbody>
</table>

**2021 IT System Enhancements**

| Created Business Processes                                                                 | January 2021 |
| As-Is Processes: Car Purchases; Citation Cost Recovery; Statement of Issues; Probation Monitoring; Sacramento Intake and Case Management |

| Updated e-Process Forms                                                                 | January 2021 |
| Updated Reciprocity Updates Immigrant;                                               |              |
Security

Implemented Multi-Factor Authentication (MFA) for CSLB IT staff to access Microsoft 365

January 2021

Remote Workforce

Deployed an additional 93 new laptops for CSLB staff to work remotely.

March 2021

Remote Workforce

Implementation of Cisco Jabber, a unified communication for remote workers. Allows remote staff to make and receive phone calls.

March 2021

2021 IT Projects

Below is a roadmap and timeline for the IT unit’s 2021 modernization efforts.
Enforcement
Enforcement Overview

a. Review, Discussion, and Possible Action on the Enforcement 2019-21 Strategic Plan
Enforcement Division Overview

The Enforcement Division provides public protection by enforcing Contractor License Law requirements. The division provides methods for receiving and processing consumer complaints, investigating contractors, and providing avenues for consumers harmed by contractor misconduct to pursue financial redress.

INTAKE AND MEDIATION CENTERS
- Receive and review consumer filed complaints.
- Contact complainants and attempt to mediate and settle qualifying complaints.
- Prepare all initial documentation for complaint processing, including correspondence.
- Issue Advisory Notices when appropriate.
- Enter information for all complaints received into CSLB database/tracking system (Teale).
- Identify and forward complaints to an investigative center that require formal investigation.

INVESTIGATION CENTERS AND SPECIAL INVESTIGATIONS UNIT
- Investigate complaints referred for formal investigation, including conducting interviews and site visits.
- Schedule and supervise Industry Expert evaluations of subject construction sites as necessary.
- Prepare and execute search warrants.
- Prepare formal reports documenting investigation findings and recommend closing actions.
- Prepare and issue Advisory Notices for respondents who have committed minor violations.
- Prepare preliminary documents for issuance of Letters of Admonishment, administrative citations, and accusations, as appropriate.
- Refer egregious cases consisting of alleged criminal violations to local prosecutors for prosecution.
- Testify regarding complaint investigations at formal hearings.

STATEWIDE INVESTIGATIVE FRAUD TEAM
- Conduct random inspection “sweeps” of construction sites, targeting unlicensed activity.
ENFORCEMENT DIVISION OVERVIEW

- Schedule and conduct undercover “sting” operations at staged construction sites.
- Investigate reported leads regarding unlicensed construction activity.
- Canvas disaster sites and post “unlicensed activity” warning signs.
- Prepare formal reports documenting investigation findings and recommend closing actions.
- Prepare and issue Advisory Notices, Stop Orders, and/or administrative citations to respondents who have committed violations.
- Refer cases to local prosecutors for criminal prosecution, when appropriate.
- Testify regarding complaint investigations at formal hearings, as required.
- Partner with allied agencies in the Joint Enforcement Strike Force and the Labor Enforcement Task Force.

DISCIPLINARY/ENFORCEMENT SERVICES
- Review all complaints referred for formal disciplinary action.
- Prepare documentation required for imposing formal disciplinary action, including accusations and administrative citations.
- Conduct Informal Citation Conferences, upon request, for contested citations.
- Coordinate administrative hearings and Attorney General representation for appealed accusations and citations.
- Coordinate the collection of citation administrative civil penalty assessments and victim restitution and take follow-up action for non-payment.
- Manage CSLB’s Mandatory and Voluntary Arbitration Programs.
- Investigate subsequent arrest reports involving licensees received from the Department of Justice and take appropriate corrective action.

QUALITY ASSURANCE UNIT
- Prepare division-specific documents and reports for the Chief of Enforcement.
- Prepare Letters of Admonishment for qualifying violations identified through field investigation.
- Conduct forensic financial audits and field case reviews.
- Coordinate solar enforcement program and assist Joint Agency Solar Task Force.
- Coordinate/track CSLB disaster response activities.
- Conduct peace officer background investigations.
2019-21 Strategic Plan – Enforcement Objectives

Item 2.1
Description: Formalize a disaster response program for greater efficiencies and to improve response time. (See Public Affairs objective 4.2)
Target Date: June 2019
Current Status: Completed. Enforcement continues to collaborate with PAO, distributing materials while staffing Local Assistance Centers (LACs) and placing signs throughout wildfire disasters areas.

Item 2.2
Description: Educate the public about the complaint and investigative processes, as well as available resources for financial redress.
Target Date: June 2019
Current Status: Ongoing. The automated contact letter sent to consumers immediately upon the filing of a complaint was updated in June 2019. Currently partnering with PAO to develop a video aimed to educate consumers on how to file a complaint.

Item 2.3
Description: In partnership with Public Affairs, develop and implement a plan to identify opportunities to increase publicity concerning enforcement actions, including relaunch of CSLB’s Most Wanted feature. (See Public Affairs objective 4.4)
Target Date: Develop: June 2019, Implement: January 2020
Current Status: In partnership with PAO, developed a plan to identify investigative highlights for publicity efforts. Relaunched CSLB’s Most Wanted feature and added two new suspects; both suspects have been arrested. As an additional outreach measure, enforcement supervisors are encouraged to share complaint handling highlights with PAO for potential distribution as a press release.

Item 2.4
Description: Leverage social media to identify potential workers’ compensation violations and unlicensed contracting.
Target Date: Ongoing
Current Status: During the pandemic stay at home order, SWIFT staff increased utilization of Craigslist, Facebook and NextDoor to identify individuals advertising as unlicensed contractors as well as contractors that had a workers’ compensation exemption on file but appeared to have employees.
<table>
<thead>
<tr>
<th>Item 2.5</th>
<th>Description: Develop a program to improve complaint response by setting priorities and recognizing staff achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Target Date:</strong> January 2020</td>
</tr>
<tr>
<td></td>
<td><strong>Current Status:</strong> In May 2019, developed updated complaint prioritization guidelines. At the beginning of the pandemic, supervisors began submitting weekly reports highlighting staff achievements. The board chair will be acknowledging enforcement staff at future board meetings for their exceptional contributions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item 2.6</th>
<th>Description: In collaboration with the Public Affairs Office and Licensing division, create online courses and content to educate licensees. <em>(See Public Affairs objective 4.10 and Licensing objective 1.9)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Target Date:</strong> December 2021</td>
</tr>
<tr>
<td></td>
<td><strong>Current Status:</strong> Developed an online building permit compliance video for licensees who fail to comply with local building department permit requirements. In the planning stages of development of a webinar or video to educate contractors and home improvement salespersons about registration and home improvement contract requirements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item 2.7</th>
<th>Description: Provide training opportunities to improve morale and staff knowledge.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Target Date:</strong> Ongoing</td>
</tr>
<tr>
<td></td>
<td><strong>Current Status:</strong> Conducted leadership training for all Enforcement supervisors. Conducted training for Special Investigators about administrative and criminal evidence requirements and due process appeal rights. Conducted training for supervisors specific to supporting violations for aiding and abetting unlicensed practice, contracting with an unlicensed person, and acting as a contractor under unlicensed name or personnel. CalOSHA provided field staff Covid-19 safety training. CSLB’s attorney general liaisons led training on how to conduct a virtual interview that will be admissible in court.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item 2.8</th>
<th>Description: Prioritize proactive investigation of license requirements to protect the public and licensed contractors by removing unlicensed contractors from the marketplace.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Target Date:</strong> Ongoing</td>
</tr>
<tr>
<td></td>
<td><strong>Current Status:</strong> Staff continue to have an active presence in declared disaster areas posting consumer awareness signs, and with the reopening of CSLB offices SWIFT staff have resumed responding to leads, partnering with local law enforcement and other state agencies, and undercover sting operations have been scheduled.</td>
</tr>
</tbody>
</table>
## 2019-21 Strategic Plan – Enforcement Objectives

### Item 2.9

**Description:** Attend job fairs to promote employment opportunities at CSLB.

**Target Date:** Ongoing

**Current Status:** CSLB staff attended a two-day job fair at Sacramento State University in September 2019 and February 2020 to promote both open CSLB vacancies as well as the path to licensure. CSLB is now partnering with the Los Angeles Urban League and the JTM Academy to provide information about the contracting field, the licensing process, and CSLB to members of underserved communities. Workshops were held on January 16 and February 27, 2021; and additional workshops will be conducted in the future.
Enforcement Program Update

a. Staff Vacancy Update
b. Expense Reduction Strategy Update
c. Investigation Highlights
d. General Complaint-Handling Statistics
VACANCY UPDATE

As of November 1, 2020, 26 Enforcement positions were vacant out of the 228 authorized. The vacancies have resulted from staff retirements and separations, and the need to delay hiring to comply with the June 5, 2020 board-adopted expense reduction plan. In addition, 15 Enforcement staff continue to be redirected to assist counties with COVID-19 contact tracing.

EXPENSE REDUCTION STRATEGY UPDATE

Expenditure Cost Reductions Overview

At its June 5, 2020 meeting, the board voted to approve expenditure cost reductions of $7.1 million during the fiscal year 2020-2021. The following is a list of proposals and status updates on Enforcement expenditure cost reductions from July 1, 2020 through January 31, 2021

- Holding Attorney General’s Office (AG) expenses to $7 million (roughly $580,000 monthly). AG expenditures are currently averaging $540,000 per month.
- Holding Office of Administrative Hearings (OAH) to $1.2 million (roughly $100,000 monthly). OAH expenditures are currently averaging $120,000 per month.
- Modifying processes to reduce arbitration costs by 40 percent (from $900,000 to $550,000). The goal is to spend $45,000 per month. Arbitration billings are currently averaging $48,000 per month.
- Modifying procedures to reduce expenditures for industry expert consultants by 20 percent annually (from $750,000 to $600,000). The goal is to keep Industry Expert expenses at less than $50,000 per month. Industry Expert expenditures are currently averaging $15,000 per month.

Enforcement Staff have implemented the following strategies to improve legal action effectiveness and reduce costs.

Attorney General and Office of Administrative Hearing Cost Reduction

As noted above, in compliance with the expense reduction plan, monthly AG expenses have been reduced to approximately $580,000 per month.

To work within budget, the Enforcement Division continues to increase the issuance of letters of admonishment (LOA) to reduce administrative citations for less serious standalone offenses that do not include a financial injury. Between January 1, 2020 and January 31, 2021, CSLB issued 410 LOAs, and 264 fewer administrative citations compared to January 2019 through January 31, 2021.
Issuing LOAs allows CSLB to hold informal office conferences with licensees, rather than incurring the costs of AG representation for a formal citation and possible appeal hearing before an administrative law judge. Informal office conferences can also be held more quickly than a formal appeal hearing as they are scheduled and conducted by CSLB enforcement staff.

The Citation Enforcement Section conducted 336 informal citation conferences between January 1, 2020 and January 31, 2021. Of the 336 conducted conferences, 286 ended with a successful settlement.

Referral of Non-egregious Complaints to Alternate Dispute Resolution Update

In 2020, CSLB received nearly 2,200 (~16%) fewer consumer-filed complaints than in 2019 Consumer Services Representatives (CSRs) assigned to one of two Intake and Mediation Centers attempt to mediate licensee complaint resolutions within 60-90 days of receipt. However, not every licensee complaint can be successfully mediated, and some complaints are primarily civil/financial and do not include repeated acts or possible violations of contractors’ state license law.

At the June 5, 2020 board meeting, a process change was adopted to refer consumers to small claims court and the license surety bond when the licensee does not have a history of repeated offenses. This process change is hereafter referred to as “Alternate Dispute Resolution.”

Consumer Service Representatives in both Intake and Mediation Centers (IMC) began implementing this procedure on August 17, 2020. However, Enforcement suspended the Alternative Dispute Resolution program February 2021, because of consumer dissatisfaction with being referred to small claims court and a nearly 16% decrease in incoming consumer-filed complaints deemed it to not be necessary.

INVESTIGATION HIGHLIGHTS

The over 200 employees of CSLB’s Enforcement division process, settle, and investigate construction-related complaints received by CSLB. Consumer Services Representatives (CSRs) from both Intake and Mediation Centers receive, process, and attempt to settle most incoming complaints when appropriate. If settlement efforts are unsuccessful, or if a violation of state contractors’ license law is suspected, the complaints are routed to one of the division’s 10 Investigative Centers. A CSLB investigator then begins a full investigation and decides if any enforcement action is necessary. Additionally, investigators in the division’s three Statewide Investigation Fraud Teams (SWIFT) proactively enforce Contractors License Law through undercover stings and enforcement sweeps in the field. A few of the recent activities and investigations by the employees of these units are highlighted below.
Successful Mediation Leads to Satisfied Consumers and Contractors

IMC staff take great pride in their ability to mediate a resolution to consumer-filed complaints. January 1, 2020 through January 31, 2021, CSRs were able to recover over $21 million in savings to the public. The following are two examples of successful complaint mediation.

- A CSR in the Sacramento IMC was able to mediate a complaint involving a Scotts Valley consumer who hired a contractor to build a private showroom for collectable cars in the amount of $1,500,000.00.
  - The consumer stated that there were extensive delays and plans were not followed creating problems with the roof access, and insulation and electrical work was not performed to code requirements. Initially the consumer was hesitant to allow the contractor to return to correct the work. The CSR was able to mediate a resolution in which the contractor was permitted to return to correct and complete the project. The contractor agreed to pay the consumer $184,901.00, should the work not be satisfactory completed.

- In 2020, a Los Angeles homeowner entered into a written contract with a contractor to remodel their patio deck and replace their roof for $10,000. The work was completed but not without issues. The roof leaked due to an inadequate slope and reuse of old fasteners, and the paint began peeling. As a result, the homeowner filed a complaint with CSLB. A CSR in the Norwalk IMC successfully negotiated a full refund to the consumer. The case was closed as settled with an Advisory Notice for contract violations that included an excessive down payment.

License Revocation Upheld for 20 Reasons

On November 9, 2020, an Administrative Law Judge (ALJ) upheld the license revocation of James Sims, dba Orion Remodeling, based on three separate consumer complaints investigated by CSLB’s Special Investigations Unit:

1) In October 2017, an unregistered salesman for Orion sold an elderly Sunnyvale couple a $1,000 inspection of their above-ground pool. The inspection “found” problems, and the salesperson eventually talked the victims into a new in-ground pool, a rebuilt sunroom, and other home improvement projects. The total contract price rose to $164,372, and the homeowners eventually paid Orion $230,100. Orion did not have the required swimming pool classification and did not obtain the necessary permits. Moreover, much of the work was substandard, and the cost to correct the work was estimated at $50,395.

2) In September 2017, the same unregistered salesman executed a contract between Orion and two elderly homeowners in Santa Clara for $115,000 to remodel their kitchen. The victims were subsequently talked into additional work, for a total contract price of
$248,250; and they paid $206,704, before stopping the project due to poor workmanship. The homeowners hired a different contractor to complete and correct the work at a cost of $33,976.

3) In May 2018, an 89-year-old Campbell resident hired Orion to complete $17,500 of landscaping improvements. The homeowner filed a complaint with CSLB for poor workmanship, and the investigation estimated the cost to correct Orion’s work was $10,500.

Based on CSLB’s investigations, the ALJ agreed with all 20 causes for discipline against Sims and Orion. The ALJ’ proposed decision was to stay the revocation of the license if Sims paid $157,401 in restitution to the victims, and an additional $21,728 to CSLB for reimbursement of the investigation costs. Criminal charges against both Sims and the salesman have been filed by the Santa Clara County District Attorney, and the criminal cases are pending.

Civil Justice Brought Against an Uncivil Solar Contractor

On January 20, 2021, CSLB was acknowledged as an invaluable partner by the Los Angeles City Attorney’s Office for their “amazing and tireless” work on an unfair business practice case (Business and Professions Code 17200 & 17500) against Eco Solar Home Improvement, an unlicensed entity. Through the course of the investigation, it was determined Max Hernandez, a licensee, was involved in aiding and abetting Eco Solar Home Improvement and unregistered salespersons, resulting in extreme financial harm to consumers.

A settlement in the amount of $150,000 was obtained against Hernandez, a now revoked licensee, and the LA City Attorney’s Office prevailed on their Motion for Summary Judgement against defendants Jose Nelson Solis, Henry Solis, and Edduy Mercedes Pena.

Jose Nelson Solis was never a licensed contractor, but utilized the license issued to Hernandez to enter into residential solar contracts and become registered with Property Assed Clean Energy (PACE) lenders. Among other violations, Solis was found to have diverted funds and published misleading advertisements leading consumers to believe that there was no down payment to contract with Eco Solar Home Improvement.

Both Henry Solis and Edduy Pena were unregistered Home Improvement Salespeople (HIS) that were found to have misrepresented the terms of the residential solar contracts and fraudulently obtained PACE funding on behalf of the homeowner. Solis and Pena employed tactics to obtain PACE funding on behalf of an unsuspecting homeowner including creating false email accounts and utilizing consumers personal information to apply for funding without the consumers knowledge that resulted in property liens.
The motion further requests that restitution in the amount of $3,054,996.63 be ordered to restore any person in interest any money or property which may have been acquired through the unfair dealings of Eco Solar Home Improvement. Additionally, the LA City Attorney’s Office is seeking $4,500,000 in civil penalties. While the hearing to address the above remedies will not be conducted until January 5, 2022, the LA City Attorney’s Office was able to procure a temporary restraining order, a preliminary injunction, and froze financial assets.

**Statistical Overview—Enforcement**

**General Fiscal Year Complaint Handling Statistics (January 2020 - January 2021)**

**Investigations Initiated & Complaints Received**
- CSLB initiated 16,660 investigations during CY 2020: 3,455 fewer than the same timeframe in 2019.
- For January 2020-January 2021, CSLB’s Intake and Mediation Centers received an average of 949 complaints per month. This is down from a monthly average of 1142 (~17%) in comparison to January 2019 – January 2020.

**Pending Investigations**
- With current staffing levels, the optimum maximum Enforcement division caseload is 4,445 pending complaints. As of January 2021, the pending caseload was 3,257.

**Special Investigator Production Goals**
- For January 2020- January 2021 the weighted monthly Investigative Center closing average has been reduced from 10 completed investigations to eight because of the 16 hours of leave each employee was granted in exchange for reduction in salary. During this reporting period Special Investigators (SI) are achieving the closing average of eight.

**Complaint-Handling Cycle Time**

The board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of February 2021, 105 of the 3,257 open complaints (3%) exceeded 270 days in age.

**Restitution to Financially Injured Persons**
- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. January 2020- January 2021 complaint negotiation efforts by the IMC and Investigative Centers resulted in more than $25 million in restitution to financially injured parties.
Investigative Center Legal Actions

- From January 2020 - January 2021, the Investigative Centers referred 30 percent, or 495, of the 1,629 legal action investigations for criminal prosecution.

Case Management Activities (January 2020 - January 2021)

- Arbitration
  - 725 cases initiated, resulting in over $2.7 million in restitution to injured parties.
  - 55 licenses revoked for non-compliance.

- Citations
  - 1,269 citations issued (706 licensee, 563 non-licensed)
  - 558 citations appealed (357 licensee, 201 non-licensed)
  - 914 citations complied with (593 licensee, 321 non-licensed)

- Civil Penalties Collected
  - Licensee Citation Civil Penalties
    - Informal settlement conferences conducted - 189
    - Civil penalties collected - $1,225,903
    - Restitution - $1,045,710
  - Non-Licensee Citation Civil Penalties
    - Informal settlement conferences conducted - 147
    - Civil penalties collected - $399,427

- Accusations
  - Accusations filed - 255
  - License revocations - 266
  - License probations - 119
  - Restitution paid to injured parties - $361,756.
  - Cost recovery collected - $571,403

STATEWIDE INVESTIGATIVE FRAUD TEAM

CSLB’s Statewide Investigative Fraud Team (SWIFT) is comprised of Special Investigators (SI's) who enforce license and workers’ compensation insurance requirements at active jobsites, respond to leads, and conduct enforcement sweeps and undercover sting operations targeting unlicensed persons.
From January 1, 2020 to January 31, 2021, SWIFT conducted 16 sting operations, participated in 63 sweep days, and responded to 740 leads. SWIFT closed 3,201 cases because of undercover stings, sweeps, and leads; of those cases, 784 resulted in an administrative or criminal legal action as well as the issuance of 1,431 advisory notices for minor violations.

District Attorney Referrals
From January 1, 2020 to January 31, 2021, SWIFT referred 297 cases to local district attorneys’ offices for criminal prosecution – 256 for contracting without a license and 41 against licensees, primarily for failure to secure workers’ compensation insurance.

Administrative Actions
From January 1, 2020 to January 31, 2021, SWIFT issued 398 licensee and non-licensee citations, issued 84 Letters of Admonishment, filed five accusations, and assessed $324,550 in non-licensee citation civil penalties. Administrative violations include working out of classification, working under a suspended or expired license, failing to obtain permits, and other license law violations that do not warrant a criminal referral.

Stop Orders
A Stop Order is a legal demand to cease all employee labor at any jobsite due to failure to secure workers’ compensation insurance for workers until an appropriate policy is obtained. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to $10,000. From January 1, 2020 to January 31, 2021, SWIFT issued 95 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers’ compensation policy.

Outstanding Tax and State Agency Liability Suspensions
CSLB can suspend a license if the licensee is delinquent in paying outstanding liabilities owed to CSLB or other state agencies. The table below summarizes liabilities owed to state agencies that were collected or resolved to avoid a license suspension or to reinstate a suspended license.
**Amounts Collected or Resolved**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSLB</td>
<td>$138,182</td>
<td>$114,880</td>
<td>$139,775</td>
<td>$4,800</td>
</tr>
<tr>
<td>EDD</td>
<td>$12,912,299</td>
<td>$15,091,585</td>
<td>$10,372,682</td>
<td>$103,718</td>
</tr>
<tr>
<td>DIR-Cal/OSHA</td>
<td>$2,085,120</td>
<td>$3,270,360</td>
<td>$1,031,736</td>
<td>$8,075</td>
</tr>
<tr>
<td>DIR-DLSE</td>
<td>$1,315,519</td>
<td>$1,423,337</td>
<td>$2,726,391</td>
<td>$0</td>
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<tr>
<td>FTB</td>
<td>$7,491,602</td>
<td>$6,490,225</td>
<td>$4,211,003</td>
<td>$61,651</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$23,942,722</strong></td>
<td><strong>$26,390,386</strong></td>
<td><strong>$18,481,587</strong></td>
<td><strong>$178,244</strong></td>
</tr>
</tbody>
</table>

**Labor Enforcement Task Force**

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

Below are LETF statistics for January 1, 2020 - January 31, 2021:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Contractors Inspected</td>
<td>54</td>
</tr>
<tr>
<td>Number of Contractors Out of Compliance</td>
<td>51</td>
</tr>
<tr>
<td>Percentage of Contractors Out of Compliance</td>
<td>94%</td>
</tr>
<tr>
<td>Total Initial Assessments</td>
<td>$260,146</td>
</tr>
</tbody>
</table>

Note: No LETF inspections were suspended due to COVID March 2020 and therefore results are the same as previously reported in December 2020. Additionally, the results reflect joint LETF inspections with Cal/OSHA, CSLB, DLSE & EDD. Total initial assessments reflect the amount assessed by Cal/OSHA and DLSE at the time of the inspection. These amounts are subject to change.
Two Proposed Rulemaking Decisions from the Public Utilities Commission (PUC) for Board Member Review, Discussion, and Possible Support


b. PUC Establishment of a Recovery Fund for Net Energy Metering Solar Consumers
Background

At the February 4, 2021 Enforcement Committee Meeting, the Committee was joined by California Public Utility Commission (CPUC) Commissioner, Martha Guzman-Aceves. As background, Commissioner Guzman-Aceves provided a comprehensive overview of the timeline of events, dating back to 2016-2017 when the current Net Energy Metering (NEM) program that allows solar customers to earn utility bill credit for the unused electricity generated by their systems and returned to the electrical grid, went into effect.

As discussed at the February 4th meeting, the CPUC has been especially concerned about consumers who participate in NEM who find themselves committed to solar contracts that cost more than they expected, do not produce energy as expected, and/or the systems were never interconnected to the electrical grid.

In the 2020 decision, PUC Commissioners stated, “in this proceeding, we have grappled with how to protect solar consumers who are participants in the NEM program, from solar providers and their agents who use unscrupulous tactics to evade detection and enforcement action by various regulatory agencies. Such actions have resulted in substantial transaction costs to some consumers, risk of property foreclosure from associated financing, and in some instances losses from abandoned solar units.”

To address these concerns, the PUC 2020 decision included the following two findings:

1. That the IOUs “need to implement changes to their interconnection portals to improve the quality and accuracy of information collected on solar providers and their agents.”

2. That there is “a need to fund restitution for customers who have been defrauded when attempting to go solar.”

Seeking input and support from CSLB, Commissioner Martha Guzman Aceves presented proposals to address these two concerns to the Enforcement Committee.

The Enforcement Committee members voted to pass two motions based on Staff Recommendations to support the PUC proposals that are summarized below.

Proposed Requirement that Investor-Owned Utilities Provide CSLB with Contract Information for Consumers Participating in Net Energy Metering

On January 5, 2021, PUC Commissioner Guzman Aceves issued a proposal for IOUs to more thoroughly review the documents uploaded by contractors to the interconnection portals for customers participating in net energy metering. The proposal also calls for the development by the IOUs of “solar transaction record” databases.

The solar transaction record would require that IOUs create a record of every interconnection application to connect to the grid. The interconnection portals would allow for the downloading of information about these agreements, such as utility name,
CSLB license/HIS number, solar equipment information, PUC solar consumer guide, CSLB solar disclosure document, solar purchase/installation contract, and solar transaction financial disclosures. This information would be sent to CSLB pursuant to existing memorandums of understanding assuring confidentiality with the IOUs.

The proposal further provides that PUC develop a contractor “watch list” to identify contractors who violate the Consumer Protection Guide requirements or against whom PUC or CSLB have received complaints. It also provides for the IOUs to conduct targeted and random audits of 1,000 interconnection applications semi-annually. Depending on the information found during these audits, appropriate enforcement would be taken.

**CSLB Handling of Solar Contract Information**

The solar transaction record proposal described above would expand and formalize a process that CSLB and PUC have already engaged in with the IOUs. Any concerns regarding strain on staffing resources if the process is formalized were addressed at the February 4th Enforcement Committee Meeting.

If the Commissioner is successful in an order directing IOUs to comply with the rulemaking, CSLB Enforcement management is prepared to implement the following strategies to achieve consumer protection goals while limiting the redirection of Enforcement resources:

1. Review 600 interconnection packets annually. (CSLB would receive and review 300 interconnection packets—100 from each of the three IOUs—every six months.)

2. The interconnection packets will be reviewed to confirm the following:
   - The Home Improvement Salesperson is appropriately registered.
   - Inclusion of the CSLB solar disclosure document.
   - Inclusion of approximate start and completion dates in the solar installation contract.
   - Inclusion of a payment schedule in the solar installation contract that restricts a down payment to no more than 10% of the contract price or $1,000, and that subsequent payments do not exceed the value of work performed or materials supplied.

3. Upon discovery of one or more of the violations above, staff will review the contractor’s complaint history to determine if there is a pending complaint or a history of repeated acts and take the following action:
   - If the solar contractor does not have a history of repeated violations and there is no open investigation, staff will send a custom letter to the licensee, along with educational material, and advise them to bring their contract, business

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practices, and/or personnel of record into compliance within 30 days and to demonstrate compliance.

- If there is an open investigation against the contractor, staff assigned to that investigation will be advised about the results of the audit and required to notify the contractor about the need to come into compliance as described above. The name of the interconnection packet solar customer will not be disclosed.

- If there is not an open complaint but the contractor has a history of repeated violations, staff will contact the interconnection packet solar consumer identified in the interconnection packet and asked permission for CSLB to use their contract for corrective/disciplinary action that may include, an advisory notice, letter of admonishment, citation, or accusation, as appropriate.

**Enforcement Committee Recommendation:** That the full board support PUC’s Enhanced Auditing Proposal and Solar Transaction Record.

**PUC Establishment of a Recovery Fund for Net Energy Metering Solar Consumers**

Commissioner Guzman-Aceves also presented a proposal for a residential solar recovery fund to assist homeowners who have legacy cases or ongoing matters where they are left financially injured without available recourse. This proposal outlined that PUC would collect an approximate $12-$20 additional surcharge at the time of interconnection to the electrical grid to generate the necessary revenue to meet the needs to establish an estimated $1.6 million annual restitution fund.

During the Commissioner’s presentation she noted that while CSLB will not be the administrator of the recovery fund, CSLB does employ the expertise to investigate violations of contractor law including defective and incomplete work, misrepresentation and fraud, determine consumer harm, and discern when the proposed fund should pay restitution to a financially injured consumer.

If the Commissioner is successful in issuing an order to create a residential solar recovery fund with the rulemaking, CSLB will implement the determined protocols to refer solar cases to the recovery fund for payout as follows:

**CSLB Recovery Fund Referral Protocol**

**Contractors Subject to Disciplinary Action by CSLB**

- A recovery fund payout would be triggered when the license is subject to a final administrative or legal action (arbitration, citation, accusation, or criminal referral)
that includes an order of correction and the solar contractor has not satisfied the financial injury.

Contractors Subject to Complaints when Other Remedies Exhausted

- For all cases against a contractor when CSLB’s administrative options are exhausted (license revoked or no longer renewable), CSLB will continue to identify all complaints received against that contractor, whether the complaint is known during the preparation of the legal action or received after the legal action is final. In all such cases, Enforcement staff will determine, following review by a supervisor, whether a probable violation has occurred and if the complaint involves allegations, that if proven, would present a risk of harm to the public and where the license is subject to suspension or revocation or criminal prosecution.

- For any such complaints, CSLB will share by formal document with the recovery fund the estimated financial injury to the consumer.

- Legislation will be required to compel the contractor to reimburse the fund if the financial injury was not established through a formal disciplinary action/proceeding. However, CSLB’s existing practice is to not re-license a person unless rehabilitation is shown by resolving all construction related outstanding financial liability.

Enforcement Committee Recommendation: That the full board support PUC’s Recovery Fund for Net Energy Metering Solar Consumers proposal, with the modified protocol for contractors subject to complaints when other remedies have been exhausted.
Licensing and Testing
Licensing Overview

a. Review, Discussion, and Possible Action on the Licensing & Testing 2019-21 Strategic Plan
Licensing Division Overview

The Licensing Division reviews and processes all applications for contractor licenses and home improvement salesperson registrations; maintains and updates licensee information; provides support to consumers, stakeholders, and licensees; and assists government entities, licensees, and the public with classification concerns.

REVIEW AND PROCESS APPLICATIONS

- Conduct initial reviews of all application types (original, waiver, replacing a qualifier, additional classification, and home improvement salesperson registration)
- Review criminal background information
- Audit application experience certifications
- Confirm applicants are properly bonded and insured
- Review and process license reciprocity requests with other licensing entities

MAINTAIN AND UPDATE LICENSE INFORMATION

- Review and process biennial license renewals
- Process changes to license business name and contact information
- Process changes to license personnel and conduct criminal history review when applicable
- Process changes in liability or workers compensation insurance

PROVIDE CONSUMER, STAKEHOLDER, AND LICENSEE SUPPORT

- Provide monthly licensing workshops
- Maintain a call center for any interested party to contact CSLB toll free
- Review civil judgements and administrative orders to ensure licensees comply with orders related to liability or restitution
- Provide records in response to Public Records Act requests or requests for certified records for legal proceedings
- Provide grant awards for construction management training to academic institutions through the Construction Management Education Advisory account
- Provide expedited assistance to veterans and refugees for any application or license-related transactions

ASSIST GOVERNMENT ENTITIES AND LICENSEES WITH CLASSIFICATION CONCERNS

- Provide classification assistance to government entities and awarding agencies
- Advise building departments on the appropriate classification for specified projects in their jurisdiction

CSLB also must test exam applicants for their knowledge of business law, as well as specific trades. CSLB accomplishes this through two units: The Examination Development unit and the Examination Administration unit. Combined, these units create, maintain, and administer 46 exams at seven computer-based test centers throughout California.
EXAMINATION DEVELOPMENT

- Create and periodically maintain all 46 CSLB examinations in accordance with state laws and national testing industry standards by conducting occupational analyses and developing specific new test questions for all trades and certifications
- Partner with subject matter experts to ensure test items and examination plans remain current with trade requirements and practices
- Ensure all exams remain current with the California Building Standards Commission’s triennial updates
- Conduct surveys and statistical analyses for CSLB’s Enforcement and Licensing divisions
- Conduct classification studies to determine when CSLB regulations need to be updated in accordance with changing industry standards

EXAMINATION ADMINISTRATION

- Conduct all contractor examinations
- Provide translators and other reasonable accommodations to applicants when needed
- Investigate all irregularities in the testing environment to prevent cheating
- Work with Enforcement Division to penalize candidates for compromising exam integrity
### 2019-21 Strategic Plan – Licensing & Testing Objectives

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Target Date</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Create an interactive online asbestos training to replace the open book asbestos exam</td>
<td>January 2019</td>
<td>Complete and available on CSLB website.</td>
</tr>
<tr>
<td>1.2</td>
<td>Review the licensing classification determinations for consistency and develop classification industry bulletins</td>
<td>January 2019 and ongoing</td>
<td>Work is ongoing; most recently CSLB released updated guidance on service station equipment.</td>
</tr>
<tr>
<td>1.3</td>
<td>Meet with stakeholders and develop a proposal for a new remodeling/home improvement license classification.</td>
<td>March 2019 (to meet with stakeholders)</td>
<td>Signed by the Governor on September 30, 2020, Testing Division currently recruiting subject matter experts for test development and CSLB anticipates testing applicants for this new classification by August 1, 2021.</td>
</tr>
<tr>
<td>1.4</td>
<td>Review barriers to licensure regarding criminal background information and make changes where possible to encourage licensure.</td>
<td>July 2019 (to review process and identify possible changes)</td>
<td>Assembly Bill (AB) 2138 regulations approved by the board and are under review with the California Department of Finance.</td>
</tr>
</tbody>
</table>
## 2019-21 Strategic Plan – Licensing & Testing Objectives

### Item 1.5

**Description:** In conjunction with the Legislation Division, review multiple qualifier responsibilities and bonding requirements to determine if regulatory or legislative changes will improve consumer protection.

*(See Legislative objective 3.4)*

**Target Date:** January 2021

**Current Status:** Bond study on sufficiency of $15,000 contractor license bond completed, which included an analysis of the qualifier bond concerns; submitted for committee review on November 4, 2020; approved by the full board at its December 2020 meeting; submitted to Legislature December 23, 2020.

### Item 1.6

**Description:** Research the feasibility of outsourcing test administration to reduce costs, reallocate resources, and expand testing options for licensees.

**Target Date:** December 2019

**Current Status:** Implementing legislation signed by the Governor on September 29, 2020; staff working with the Department of Consumer Affairs toward the transition.

### Item 1.7

**Description:** In partnership with Public Affairs and Information Technology, develop online original contractor license applications to reduce application return rates.

*(See Public Affairs objective 4.7 and Information Technology objective 5.15)*

**Target Date:** December 2019

**Proposed Target Date:** Begin December 2021

**Current Status:** Staff met with the board’s IT Advisory Committee and determined that IT priorities should shift to online renewals for existing licensees and then return to the sole owner application. Recently, IT staff made modifications to e-processing letters to improve guidance during the application process.

### Item 1.8

**Description:** Review feasibility of continuing education or online testing for license renewal to keep licensees informed of changes to laws and codes.

**Target Date:** Begin December 2021

**Current Status:** Not yet begun.
## 2019-21 Strategic Plan – Licensing & Testing Objectives

### Item 1.9
**Description:** In partnership with the Public Affairs Office and Enforcement Division, create online courses and content to educate licensees.

*(See Public Affairs objective 4.10 and Enforcement objective 2.6)*

**Target Date:** December 2021

**Current Status:** Public Affairs developed an online building permit compliance video for licensees who fail to comply with local building department permit requirements. In the planning stages of development of a webinar or video to educate contractors and home improvement salespersons about registration and home improvement contract requirements.

### Item 1.10
**Description:** Expand public records and licensing information on the website to increase transparency.

*(See Information Technology objective 5.19)*

**Target Date:** Ongoing

**Current Status:** Workgroup formed with IT, Licensing, and PAO staff.

### Item 1.11
**Description:** Evaluate call center processes and procedures for consistency in communication with licensees, consumers, and other stakeholders to improve customer service.

**Target Date:** Ongoing

**Current Status:** Staff are building a new procedure manual and reviewing call-in phone prompts.

### Item 1.12
**Description:** Review the subject matter expert pool to ensure representation from a cross-section of industry to enhance test development.

**Target Date:** Ongoing

**Current Status:** Staff are conducting surveys to solicit feedback from agencies and associations.
Licensing Program Update

a. Application Processing Statistics
b. Renewal Processing Statistics
c. Fingerprinting/Criminal Background Unit Statistics
d. Experience Verification Statistics
e. Licensing Information Center Statistics
f. Judgment Unit Statistics
g. Examination Administration Unit
h. Examination Development Unit
Licensing Program Update

APPLICATION PROCESSING STATISTICS

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

### Total Number of Applications Received Per Month

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Exam</td>
<td>988</td>
<td>1,080</td>
<td>609</td>
<td>572</td>
<td>908</td>
<td>808</td>
<td>764</td>
<td>659</td>
<td>1,236</td>
<td>815</td>
<td>520</td>
<td>736</td>
</tr>
<tr>
<td>Original Waiver</td>
<td>709</td>
<td>514</td>
<td>451</td>
<td>438</td>
<td>460</td>
<td>503</td>
<td>462</td>
<td>463</td>
<td>598</td>
<td>403</td>
<td>406</td>
<td>363</td>
</tr>
<tr>
<td>Add Class</td>
<td>311</td>
<td>181</td>
<td>257</td>
<td>261</td>
<td>287</td>
<td>257</td>
<td>294</td>
<td>311</td>
<td>290</td>
<td>265</td>
<td>255</td>
<td>252</td>
</tr>
<tr>
<td>Qualifier Replacer</td>
<td>176</td>
<td>129</td>
<td>183</td>
<td>186</td>
<td>167</td>
<td>171</td>
<td>193</td>
<td>126</td>
<td>188</td>
<td>174</td>
<td>217</td>
<td>145</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>892</td>
<td>892</td>
<td>352</td>
<td>455</td>
<td>804</td>
<td>886</td>
<td>1,135</td>
<td>923</td>
<td>962</td>
<td>852</td>
<td>610</td>
<td>739</td>
</tr>
<tr>
<td><strong>Total Per Month</strong></td>
<td><strong>3,076</strong></td>
<td><strong>2,796</strong></td>
<td><strong>1,852</strong></td>
<td><strong>1,912</strong></td>
<td><strong>2,626</strong></td>
<td><strong>2,625</strong></td>
<td><strong>2,848</strong></td>
<td><strong>2,482</strong></td>
<td><strong>3,274</strong></td>
<td><strong>2,509</strong></td>
<td><strong>2,008</strong></td>
<td><strong>2,235</strong></td>
</tr>
</tbody>
</table>

### Total Applications Received – Prior Calendar Years

<table>
<thead>
<tr>
<th>Category</th>
<th>CY 2016</th>
<th>CY 2017</th>
<th>CY 2018</th>
<th>CY 2019</th>
<th>CY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Exam</td>
<td>13,471</td>
<td>13,642</td>
<td>15,500</td>
<td>15,244</td>
<td>13,193</td>
</tr>
<tr>
<td>Original Waiver</td>
<td>8,603</td>
<td>8,462</td>
<td>9,327</td>
<td>8,796</td>
<td>7,456</td>
</tr>
<tr>
<td>Add Class</td>
<td>4,064</td>
<td>3,974</td>
<td>4,220</td>
<td>4,526</td>
<td>4,231</td>
</tr>
<tr>
<td>Qualifier Replacer</td>
<td>2,374</td>
<td>2,488</td>
<td>2,706</td>
<td>2,792</td>
<td>2,620</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>10,373</td>
<td>9,522</td>
<td>9,720</td>
<td>11,122</td>
<td>9,694</td>
</tr>
<tr>
<td><strong>Total Received</strong></td>
<td><strong>38,885</strong></td>
<td><strong>38,088</strong></td>
<td><strong>41,473</strong></td>
<td><strong>42,480</strong></td>
<td><strong>37,194</strong></td>
</tr>
</tbody>
</table>
CSLB management closely monitors processing times for the various licensing units on a weekly and monthly basis.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Exam</td>
<td>4.2</td>
<td>4.4</td>
<td>4.6</td>
<td>2.7</td>
<td>3.0</td>
<td>4.3</td>
<td>5.8</td>
<td>7.6</td>
<td>8.7</td>
<td>7.3</td>
<td>7.6</td>
<td>8.8</td>
</tr>
<tr>
<td>Original Waiver</td>
<td>3.7</td>
<td>4.7</td>
<td>5.5</td>
<td>4.2</td>
<td>2.7</td>
<td>3.3</td>
<td>4.4</td>
<td>4.7</td>
<td>4.9</td>
<td>5.3</td>
<td>6.8</td>
<td>7.1</td>
</tr>
<tr>
<td>Add Class</td>
<td>3.2</td>
<td>4.1</td>
<td>4.1</td>
<td>2.9</td>
<td>2.4</td>
<td>2.4</td>
<td>3.1</td>
<td>3.4</td>
<td>4.1</td>
<td>3.2</td>
<td>2.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Qualifier Replacer (Exams &amp; Waiver)</td>
<td>3.0</td>
<td>3.8</td>
<td>3.1</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>3.3</td>
<td>4.0</td>
<td>4.4</td>
<td>3.3</td>
<td>2.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>2.8</td>
<td>4.0</td>
<td>4.1</td>
<td>1.1</td>
<td>1.4</td>
<td>1.8</td>
<td>2.0</td>
<td>3.4</td>
<td>4.4</td>
<td>4.3</td>
<td>3.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Renewal</td>
<td>2.5</td>
<td>3.1</td>
<td>2.4</td>
<td>2.6</td>
<td>3.1</td>
<td>3.8</td>
<td>3.1</td>
<td>3.0</td>
<td>2.8</td>
<td>4.1</td>
<td>4.9</td>
<td>2.6</td>
</tr>
<tr>
<td>Add New Officer</td>
<td>1.0</td>
<td>2.1</td>
<td>2.6</td>
<td>1.8</td>
<td>2.0</td>
<td>3.6</td>
<td>3.4</td>
<td>2.6</td>
<td>1.4</td>
<td>0.6</td>
<td>1.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Address/ Name Change</td>
<td>1.1</td>
<td>2.2</td>
<td>3.0</td>
<td>1.6</td>
<td>1.8</td>
<td>3.8</td>
<td>3.4</td>
<td>2.2</td>
<td>1.3</td>
<td>1.0</td>
<td>1.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Bond / Bond Exemption</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5</td>
<td>1.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.7</td>
<td>1.0</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Workers’ Comp / Exempt</td>
<td>2.2</td>
<td>1.8</td>
<td>2.5</td>
<td>2.1</td>
<td>1.9</td>
<td>2.7</td>
<td>2.0</td>
<td>1.8</td>
<td>1.7</td>
<td>2.0</td>
<td>2.0</td>
<td>2.3</td>
</tr>
<tr>
<td>Certified License History</td>
<td>9.0</td>
<td>5.0</td>
<td>4.5</td>
<td>3.5</td>
<td>4.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Copies of Documents</td>
<td>0.0</td>
<td>1.5</td>
<td>1.1</td>
<td>1.0</td>
<td>1.0</td>
<td>0.9</td>
<td>0.4</td>
<td>0.4</td>
<td>0.0</td>
<td>0.3</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Criminal Offender Record Information (CORI) Review*</td>
<td>1.8</td>
<td>1.2</td>
<td>1.4</td>
<td>1.6</td>
<td>1.7</td>
<td>2.2</td>
<td>2.5</td>
<td>1.8</td>
<td>2.5</td>
<td>3.0</td>
<td>2.9</td>
<td>3.5</td>
</tr>
</tbody>
</table>

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

### Disposition of Applications by Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Apps Received</th>
<th>Processed &amp; Issued</th>
<th>Voided</th>
<th>Pending*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>38,737</td>
<td>24,598</td>
<td>10,748</td>
<td>3,391</td>
</tr>
<tr>
<td>2017-2018</td>
<td>39,118</td>
<td>20,132</td>
<td>6,562</td>
<td>12,424</td>
</tr>
<tr>
<td>2018-2019</td>
<td>42,344</td>
<td>20,379</td>
<td>6,766</td>
<td>15,199</td>
</tr>
<tr>
<td>2019-2020</td>
<td>38,251</td>
<td>16,415</td>
<td>4,161</td>
<td>17,675</td>
</tr>
</tbody>
</table>

* These are the total number of applications pending at the close of each fiscal year. An application may be classified as pending because:

- The applicant does not pass the exam but is still within the 18-month window during which they must pass the examination. (Note: The closing of CSLB test centers from March to June 2020, resulted in approximately 6,000 applicants being delayed in taking an examination.)
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background unit.
- The applicant has not submitted final issuance requirements (proof of bond, workers’ compensation insurance, asbestos open book examination results, and/or fees).
RENEWAL PROCESSING STATISTICS

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

### Total Number of Renewals Received Per Month

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
<td>Jun</td>
<td>Jul</td>
<td>Aug</td>
<td>Sep</td>
<td>Oct</td>
<td>Nov</td>
<td>Dec</td>
<td>Jan</td>
</tr>
<tr>
<td>Reactivation</td>
<td>81</td>
<td>101</td>
<td>68</td>
<td>86</td>
<td>86</td>
<td>122</td>
<td>112</td>
<td>114</td>
<td>115</td>
<td>83</td>
<td>90</td>
<td>88</td>
</tr>
<tr>
<td>Active</td>
<td>7,376</td>
<td>9,944</td>
<td>10,278</td>
<td>8,538</td>
<td>7,628</td>
<td>9,702</td>
<td>8,064</td>
<td>8,817</td>
<td>7,242</td>
<td>5,059</td>
<td>8,677</td>
<td>7,920</td>
</tr>
<tr>
<td>Inactive</td>
<td>980</td>
<td>1,167</td>
<td>1,405</td>
<td>1,155</td>
<td>906</td>
<td>1,171</td>
<td>992</td>
<td>1,130</td>
<td>818</td>
<td>808</td>
<td>1,048</td>
<td>1,059</td>
</tr>
<tr>
<td>Delinquent Active</td>
<td>525</td>
<td>852</td>
<td>1,236</td>
<td>948</td>
<td>1,080</td>
<td>1,364</td>
<td>1,160</td>
<td>1,327</td>
<td>1,027</td>
<td>843</td>
<td>1,165</td>
<td>1,074</td>
</tr>
<tr>
<td>Delinquent Inactive</td>
<td>76</td>
<td>94</td>
<td>247</td>
<td>178</td>
<td>189</td>
<td>223</td>
<td>177</td>
<td>232</td>
<td>164</td>
<td>133</td>
<td>197</td>
<td>218</td>
</tr>
<tr>
<td>Total Received</td>
<td>9,038</td>
<td>12,158</td>
<td>13,234</td>
<td>10,905</td>
<td>9,889</td>
<td>12,582</td>
<td>10,505</td>
<td>11,620</td>
<td>9,366</td>
<td>6,926</td>
<td>11,177</td>
<td>10,359</td>
</tr>
</tbody>
</table>

Note: Total numbers of renewals received were previously underreported March through June 2020 due to a technical issue with online renewal processes

### Total Renewals Received – Prior Calendar Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactivation</td>
<td>1,846</td>
<td>1,558</td>
<td>1,421</td>
<td>1,358</td>
<td>1,164</td>
</tr>
<tr>
<td>Active</td>
<td>103,659</td>
<td>97,884</td>
<td>104,330</td>
<td>98,901</td>
<td>97,037</td>
</tr>
<tr>
<td>Inactive</td>
<td>16,064</td>
<td>14,280</td>
<td>13,757</td>
<td>13,007</td>
<td>12,379</td>
</tr>
<tr>
<td>Delinquent Active</td>
<td>11,853</td>
<td>11,211</td>
<td>11,091</td>
<td>10,721</td>
<td>12,636</td>
</tr>
<tr>
<td>Delinquent Inactive</td>
<td>2,195</td>
<td>1,945</td>
<td>1,892</td>
<td>1,734</td>
<td>2,071</td>
</tr>
<tr>
<td>Total Received</td>
<td>135,617</td>
<td>126,878</td>
<td>132,491</td>
<td>125,721</td>
<td>125,287</td>
</tr>
</tbody>
</table>
WORKERS’ COMPENSATION RECERTIFICATION STATISTICS

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

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

**Workers' Comp Coverage for Active Licenses - January 31, 2021**

- **Workers' Comp Exemption Current (53%)**
- **Workers' Comp Coverage Current (44%)**
- **Under Workers' Comp Suspension (1%)**
- **Pending Workers' Comp Suspension (1.3%)**

The following chart shows the workers’ compensation coverage (policies and exemptions) on file as of January 31, 2021, for active licenses by classification and the percentage of exemptions per classification.
## Licensing Program Update

### Active License Classifications Workers’ Comp Status – As of January 31, 2021

<table>
<thead>
<tr>
<th>Classification</th>
<th>Exemptions on File</th>
<th>WC Policies on File</th>
<th>Total Policies &amp; Exemptions</th>
<th>% of Total with Exemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A General Engineering</td>
<td>5,273</td>
<td>9,004</td>
<td>14,277</td>
<td>37%</td>
</tr>
<tr>
<td>B General Building</td>
<td>61,016</td>
<td>39,672</td>
<td>100,688</td>
<td>61%</td>
</tr>
<tr>
<td>C-2 Insulation and Acoustical</td>
<td>277</td>
<td>865</td>
<td>1,142</td>
<td>24%</td>
</tr>
<tr>
<td>C-4 Boiler Hot Water</td>
<td>187</td>
<td>555</td>
<td>742</td>
<td>25%</td>
</tr>
<tr>
<td>C-5 Framing / Rough Carp</td>
<td>474</td>
<td>382</td>
<td>856</td>
<td>55%</td>
</tr>
<tr>
<td>C-6 Cabinet-Millwork</td>
<td>2,651</td>
<td>1,871</td>
<td>4,522</td>
<td>59%</td>
</tr>
<tr>
<td>C-7 Low Voltage Systems</td>
<td>1,989</td>
<td>2,709</td>
<td>4,698</td>
<td>42%</td>
</tr>
<tr>
<td>C-8 Concrete</td>
<td>2,499</td>
<td>3,594</td>
<td>6,093</td>
<td>41%</td>
</tr>
<tr>
<td>C-9 Drywall</td>
<td>1,193</td>
<td>1,740</td>
<td>2,933</td>
<td>41%</td>
</tr>
<tr>
<td>C10 Electrical</td>
<td>13,792</td>
<td>11,345</td>
<td>25,137</td>
<td>55%</td>
</tr>
<tr>
<td>C11 Elevator</td>
<td>41</td>
<td>171</td>
<td>212</td>
<td>19%</td>
</tr>
<tr>
<td>C12 Earthwork &amp; Paving</td>
<td>971</td>
<td>1,386</td>
<td>2,357</td>
<td>41%</td>
</tr>
<tr>
<td>C13 Fencing</td>
<td>682</td>
<td>904</td>
<td>1,586</td>
<td>43%</td>
</tr>
<tr>
<td>C15 Flooring</td>
<td>3,584</td>
<td>3,326</td>
<td>6,910</td>
<td>52%</td>
</tr>
<tr>
<td>C16 Fire Protection</td>
<td>742</td>
<td>1,384</td>
<td>2,126</td>
<td>35%</td>
</tr>
<tr>
<td>C17 Glazing</td>
<td>1,066</td>
<td>1,769</td>
<td>2,835</td>
<td>38%</td>
</tr>
<tr>
<td>C20 HVAC</td>
<td>6,597</td>
<td>5,384</td>
<td>11,981</td>
<td>55%</td>
</tr>
<tr>
<td>C21 Building Moving Demo</td>
<td>487</td>
<td>1,180</td>
<td>1,667</td>
<td>29%</td>
</tr>
<tr>
<td>C22 Asbestos Abatement</td>
<td>2</td>
<td>282</td>
<td>284</td>
<td>0.7%</td>
</tr>
<tr>
<td>C23 Ornamental Metal</td>
<td>428</td>
<td>611</td>
<td>1,039</td>
<td>41%</td>
</tr>
<tr>
<td>C27 Landscaping</td>
<td>4,760</td>
<td>6,538</td>
<td>11,298</td>
<td>42%</td>
</tr>
<tr>
<td>C28 Lock &amp; Security Equipment</td>
<td>139</td>
<td>214</td>
<td>353</td>
<td>39%</td>
</tr>
<tr>
<td>C29 Masonry</td>
<td>975</td>
<td>1,332</td>
<td>2,307</td>
<td>42%</td>
</tr>
<tr>
<td>C31 Construction Zone</td>
<td>41</td>
<td>267</td>
<td>308</td>
<td>13%</td>
</tr>
<tr>
<td>C32 Parking Highway</td>
<td>178</td>
<td>306</td>
<td>484</td>
<td>37%</td>
</tr>
<tr>
<td>C33 Painting</td>
<td>8,523</td>
<td>6,785</td>
<td>15,308</td>
<td>56%</td>
</tr>
<tr>
<td>C34 Pipeline</td>
<td>157</td>
<td>338</td>
<td>495</td>
<td>32%</td>
</tr>
<tr>
<td>C35 Lath &amp; Plaster</td>
<td>579</td>
<td>1,183</td>
<td>1,762</td>
<td>33%</td>
</tr>
<tr>
<td>C36 Plumbing</td>
<td>8,696</td>
<td>6,751</td>
<td>15,447</td>
<td>56%</td>
</tr>
<tr>
<td>C38 Refrigeration</td>
<td>911</td>
<td>8,92</td>
<td>1,803</td>
<td>51%</td>
</tr>
<tr>
<td>C39 Roofing</td>
<td>1</td>
<td>4,460</td>
<td>4,461</td>
<td>0%</td>
</tr>
<tr>
<td>C42 Sanitation</td>
<td>377</td>
<td>573</td>
<td>950</td>
<td>40%</td>
</tr>
<tr>
<td>C43 Sheet Metal</td>
<td>384</td>
<td>1,000</td>
<td>1,384</td>
<td>28%</td>
</tr>
<tr>
<td>C45 Signs</td>
<td>367</td>
<td>482</td>
<td>849</td>
<td>43%</td>
</tr>
<tr>
<td>C46 Solar</td>
<td>480</td>
<td>751</td>
<td>1,231</td>
<td>39%</td>
</tr>
<tr>
<td>C47 Gen Manufactured House</td>
<td>224</td>
<td>210</td>
<td>434</td>
<td>52%</td>
</tr>
<tr>
<td>C50 Reinforcing Steel</td>
<td>60</td>
<td>198</td>
<td>258</td>
<td>23%</td>
</tr>
<tr>
<td>C51 Structural Steel</td>
<td>388</td>
<td>1,043</td>
<td>1,431</td>
<td>27%</td>
</tr>
<tr>
<td>C53 Swimming Pool</td>
<td>1,146</td>
<td>1,394</td>
<td>2,540</td>
<td>45%</td>
</tr>
<tr>
<td>C54 Tile</td>
<td>3,601</td>
<td>2,759</td>
<td>6,360</td>
<td>57%</td>
</tr>
<tr>
<td>C55 Water Conditioning</td>
<td>124</td>
<td>175</td>
<td>299</td>
<td>41%</td>
</tr>
<tr>
<td>C57 Well Drilling</td>
<td>300</td>
<td>476</td>
<td>776</td>
<td>39%</td>
</tr>
<tr>
<td>C60 Welding</td>
<td>523</td>
<td>457</td>
<td>980</td>
<td>53%</td>
</tr>
<tr>
<td>C61 Limited Speciality</td>
<td>7,745</td>
<td>10,194</td>
<td>17,939</td>
<td>43%</td>
</tr>
<tr>
<td>ASB Asbestos Cert</td>
<td>273</td>
<td>669</td>
<td>942</td>
<td>29%</td>
</tr>
<tr>
<td>HAZ Hazardous Cert</td>
<td>547</td>
<td>1,304</td>
<td>1,851</td>
<td>30%</td>
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</table>
FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS

As mandated in January 2005, CSLB continues to fingerprint all license applicants. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide criminal offender record information to CSLB for in-state convictions and for out-of-state and federal convictions.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the results are delayed. This does not necessarily indicate a conviction, as sometimes the results reveal a clear record. Most delays are resolved within 30 days; however, some continue for up to 90 days or longer because the DOJ and FBI must obtain court records. Since DOJ and FBI are independent agencies, CSLB has no control over these delays and must wait for the fingerprint results before issuing a license, though staff do follow up with DOJ regarding delayed responses to confirm the review has commenced and DOJ requires no further information.

Below is a breakdown of Criminal Background unit statistics for the past five calendar years.

### CRIMINAL BACKGROUND UNIT STATISTICS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DOJ Records Received</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>32,470</td>
<td>29,189</td>
<td>34,664</td>
<td>33,553</td>
<td>27,172</td>
<td>157,048</td>
</tr>
<tr>
<td>CORI Information Received</td>
<td>6,764</td>
<td>5,900</td>
<td>6,729</td>
<td>6,657</td>
<td>5,375</td>
<td>31,425</td>
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<tr>
<td>Denials</td>
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<td>256</td>
</tr>
<tr>
<td></td>
<td>49</td>
<td>63</td>
<td>65</td>
<td>63</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Appeals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>149</td>
</tr>
<tr>
<td></td>
<td>26</td>
<td>39</td>
<td>42</td>
<td>31</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Probationary Licenses Issued (conditional license; requires periodic review)</td>
<td>89</td>
<td>83</td>
<td>61</td>
<td>86</td>
<td>101</td>
<td>420</td>
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EXPERIENCE VERIFICATION UNIT STATISTICS

Business and Professions Code section 7068(g) and California Code of Regulations 824 require that the CSLB registrar conduct a comprehensive investigation of a minimum of three percent of applications. Such investigations shall include those areas of experience claimed and other areas the registrar deems appropriate for the protection of the public.

Since implementation in September 2014, Experience Verification unit staff have been assigned and have reviewed 3,663 applications.

The following chart provides a monthly breakdown of actions taken for applications referred to the Experience Verification unit for the past 12 months.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawn</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Verified</td>
<td>17</td>
<td>24</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>3</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denied</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>0</td>
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<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appealed</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

The chart below provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification for the past 25 months.
### Experience Verification by Classification

**January 1, 2019 – January 31, 2021**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Appealed</th>
<th>Withdrawn</th>
<th>Verified</th>
<th>Denied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A General Engineering</strong></td>
<td>3</td>
<td>13</td>
<td>23</td>
<td>8</td>
<td>47</td>
</tr>
<tr>
<td><strong>B General Building</strong></td>
<td>1</td>
<td>118</td>
<td>159</td>
<td>50</td>
<td>328</td>
</tr>
<tr>
<td><strong>C2 Insulation and Acoustical</strong></td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>C4 Boiler Hot Water</strong></td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>C5 Framing / Rough Carp</strong></td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>C6 Cabinet-Millwork</strong></td>
<td>0</td>
<td>3</td>
<td>10</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td><strong>C7 Low Voltage Systems</strong></td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td><strong>C8 Concrete</strong></td>
<td>1</td>
<td>3</td>
<td>13</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td><strong>C9 Drywall</strong></td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td><strong>C10 Electrical</strong></td>
<td>0</td>
<td>12</td>
<td>39</td>
<td>7</td>
<td>58</td>
</tr>
<tr>
<td><strong>C11 Elevator</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>C12 Earthwork &amp; Paving</strong></td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td><strong>C13 Fencing</strong></td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>C15 Flooring</strong></td>
<td>0</td>
<td>5</td>
<td>17</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td><strong>C16 Fire Protection</strong></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td><strong>C17 Glazing</strong></td>
<td>0</td>
<td>4</td>
<td>7</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td><strong>C20 HVAC</strong></td>
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<td>9</td>
<td>25</td>
<td>8</td>
<td>44</td>
</tr>
<tr>
<td><strong>C21 Building Moving Demo</strong></td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td><strong>C22 Asbestos Abatement</strong></td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>C23 Ornamental Metal</strong></td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>C27 Landscaping</strong></td>
<td>0</td>
<td>13</td>
<td>14</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td><strong>C28 Lock &amp; Security Equipment</strong></td>
<td>0</td>
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<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>C29 Masonry</strong></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>C31 Construction Zone</strong></td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>C32 Parking Highway</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>C33 Painting</strong></td>
<td>0</td>
<td>20</td>
<td>37</td>
<td>9</td>
<td>66</td>
</tr>
<tr>
<td><strong>C34 Pipeline</strong></td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>C35 Lath &amp; Plaster</strong></td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>C36 Plumbing</strong></td>
<td>3</td>
<td>7</td>
<td>33</td>
<td>3</td>
<td>46</td>
</tr>
<tr>
<td><strong>C38 Refrigeration</strong></td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>C39 Roofing</strong></td>
<td>1</td>
<td>8</td>
<td>16</td>
<td>3</td>
<td>28</td>
</tr>
<tr>
<td><strong>C42 Sanitation</strong></td>
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<td>0</td>
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<td><strong>C45 Signs</strong></td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
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<td>0</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>C47 Gen Manufactured House</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>C50 Reinforcing Steel</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>C51 Structural Steel</strong></td>
<td>0</td>
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<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>C53 Swimming Pool</strong></td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td><strong>C54 Tile</strong></td>
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<td>13</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td><strong>C55 Water Conditioning</strong></td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>C57 Well Drilling</strong></td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>C60 Welding</strong></td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td><strong>C61 Limited Specialty</strong></td>
<td>2</td>
<td>16</td>
<td>25</td>
<td>6</td>
<td>49</td>
</tr>
<tr>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>HAZ Hazardous Cert</strong></td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total** 17 270 480 130 897
LICENSING INFORMATION CENTER (LIC) STATISTICS

LIC Support Services

CSLB’s Licensing Information Center is the first point of contact for applicants, consumers, licensees, and governmental agencies needing information about licensing laws, hiring a contractor, licensing application information, and the status of an application. The LIC receives, on average, 12,000 calls monthly. Staff that respond to calls must have knowledge of all licensing transaction processes in order to assist callers with correct and complete information.

<table>
<thead>
<tr>
<th>Inbound Activity</th>
<th>Calls Received</th>
<th>Calls Answered</th>
<th>Caller Abandoned</th>
<th>Longest Wait Time</th>
<th>Shortest Wait Time</th>
<th>Avg. Wait Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
<td>Jun</td>
<td>Jul</td>
</tr>
<tr>
<td>Calls Received</td>
<td>13,607</td>
<td>13,095</td>
<td>10,393</td>
<td>10,235</td>
<td>11,814</td>
<td>11,307</td>
</tr>
<tr>
<td>Calls Answered</td>
<td>11,684</td>
<td>10,723</td>
<td>5,441</td>
<td>3,953</td>
<td>6,536</td>
<td>10,874</td>
</tr>
<tr>
<td>Caller Abandoned</td>
<td>1,110</td>
<td>1,274</td>
<td>2,736</td>
<td>3,733</td>
<td>4,694</td>
<td>2,408</td>
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<tr>
<td>Shortest Wait Time</td>
<td>01:23</td>
<td>02:33</td>
<td>01:06</td>
<td>01:08</td>
<td>06:08</td>
<td>00:20</td>
</tr>
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</table>

Licensing Information Center Call Data - Prior Calendar Years

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Received</td>
<td>163,076</td>
<td>166,918</td>
<td>152,845</td>
<td>149,462</td>
<td>142,647</td>
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<tr>
<td>Calls Answered</td>
<td>158,778</td>
<td>147,074</td>
<td>137,270</td>
<td>136,776</td>
<td>98,044</td>
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<td>Caller Abandoned</td>
<td>4,178</td>
<td>16,527</td>
<td>9,426</td>
<td>7,859</td>
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<td>Average Longest Wait Time</td>
<td>05:39</td>
<td>01:36</td>
<td>10:48</td>
<td>08:33</td>
<td>0:46:23</td>
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<tr>
<td>Average Shortest Wait Time</td>
<td>00:22</td>
<td>00:12</td>
<td>01:04</td>
<td>00:48</td>
<td>0:04:23</td>
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<tr>
<td>Average Wait Time</td>
<td>02:45</td>
<td>06:46</td>
<td>04:21</td>
<td>03:34</td>
<td>0:25:27</td>
</tr>
</tbody>
</table>

*Abandoned calls were excessive as a result of staff working from home due to the pandemic.
JUDGMENT UNIT STATISTICS

Judgment unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB’s Enforcement division, and other governmental agencies. In addition, the Judgment unit processes all documentation and correspondence related to resolving issues such as satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

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

<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Oct</td>
<td>Nov</td>
<td>Dec</td>
<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
<td>Jun</td>
<td>Jul</td>
<td>Aug</td>
<td>Sep</td>
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<tr>
<td><strong>OUTSTANDING LIABILITIES</strong> (FROM CALIFORNIA STATE AGENCIES)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Initial</td>
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<td>15</td>
<td>27</td>
<td>9</td>
<td>30</td>
<td>21</td>
</tr>
<tr>
<td>Suspend</td>
<td>53</td>
<td>49</td>
<td>83</td>
<td>63</td>
<td>12</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>10</td>
<td>13</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Reinstate</td>
<td>64</td>
<td>52</td>
<td>29</td>
<td>46</td>
<td>30</td>
<td>28</td>
<td>8</td>
<td>17</td>
<td>19</td>
<td>8</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>212</td>
<td>180</td>
<td>125</td>
<td>121</td>
<td>48</td>
<td>25</td>
<td>38</td>
<td>56</td>
<td>30</td>
<td>68</td>
<td>35</td>
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<tr>
<td><strong>FINAL JUDGMENTS (FROM COURT ACTIONS)</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Initial</td>
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<td>41</td>
<td>70</td>
<td>51</td>
<td>32</td>
<td>51</td>
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<tr>
<td>Suspend</td>
<td>6</td>
<td>15</td>
<td>25</td>
<td>17</td>
<td>44</td>
<td>29</td>
<td>18</td>
<td>23</td>
<td>21</td>
<td>22</td>
<td>15</td>
<td>20</td>
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<tr>
<td>Reinstate</td>
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<td>41</td>
<td>38</td>
<td>37</td>
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<td>59</td>
<td>42</td>
<td>48</td>
<td>53</td>
<td>41</td>
<td>36</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>80</td>
<td>134</td>
<td>122</td>
<td>78</td>
<td>141</td>
<td>143</td>
<td>116</td>
<td>112</td>
<td>144</td>
<td>114</td>
<td>83</td>
<td>112</td>
</tr>
<tr>
<td><strong>PAYMENT OF CLAIMS (FROM BOND SURETY COMPANIES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial</td>
<td>153</td>
<td>142</td>
<td>112</td>
<td>132</td>
<td>137</td>
<td>118</td>
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<td>115</td>
<td>104</td>
<td>67</td>
<td>145</td>
<td>100</td>
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<tr>
<td>Suspend</td>
<td>92</td>
<td>98</td>
<td>101</td>
<td>64</td>
<td>95</td>
<td>52</td>
<td>69</td>
<td>76</td>
<td>68</td>
<td>77</td>
<td>59</td>
<td>42</td>
</tr>
<tr>
<td>Reinstate</td>
<td>119</td>
<td>122</td>
<td>76</td>
<td>124</td>
<td>116</td>
<td>98</td>
<td>98</td>
<td>103</td>
<td>122</td>
<td>63</td>
<td>120</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>364</td>
<td>362</td>
<td>289</td>
<td>320</td>
<td>348</td>
<td>268</td>
<td>301</td>
<td>294</td>
<td>294</td>
<td>207</td>
<td>324</td>
<td>228</td>
</tr>
</tbody>
</table>

## Reimbursement Amounts to State Agencies and Public

### Prior Calendar Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Liabilities</td>
<td>$21,294,139</td>
<td>$23,282,397</td>
<td>$23,899,670</td>
<td>$26,277,077</td>
<td>$18,342,630</td>
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<tr>
<td>Final Judgments</td>
<td>$21,075,805</td>
<td>$20,175,529</td>
<td>$12,167,435</td>
<td>$16,514,073</td>
<td>$20,586,833</td>
</tr>
<tr>
<td>Payment of Claims</td>
<td>$8,852,480</td>
<td>$8,850,173</td>
<td>$9,580,600</td>
<td>$11,080,053</td>
<td>$9,921,280</td>
</tr>
<tr>
<td><strong>Total</strong> Monetary Savings</td>
<td><strong>$51,222,424</strong></td>
<td><strong>$52,308,099</strong></td>
<td><strong>$45,647,705</strong></td>
<td><strong>$53,871,203</strong></td>
<td><strong>$48,850,913</strong></td>
</tr>
</tbody>
</table>
# State Agency Outstanding Liabilities Collected

<table>
<thead>
<tr>
<th></th>
<th>Employment Development Department (EDD)</th>
<th>Franchise Tax Board (FTB)</th>
<th>Department of Industrial Relations (DIR)</th>
<th>Total Liabilities Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>February 2020</strong></td>
<td>$1,527,709</td>
<td>$415,563</td>
<td>$260,417</td>
<td>$2,203,689</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>$1,673,255</td>
<td>$475,932</td>
<td>$953,755</td>
<td>$3,102,942</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>$793,586</td>
<td>$79,769</td>
<td>$342,183</td>
<td>$1,215,538</td>
</tr>
<tr>
<td><strong>May</strong></td>
<td>$1,082,441</td>
<td>$194,609</td>
<td>$182,472</td>
<td>$1,459,522</td>
</tr>
<tr>
<td><strong>June</strong></td>
<td>$220,128</td>
<td>$391,568</td>
<td>$390,242</td>
<td>$1,001,938</td>
</tr>
<tr>
<td><strong>July</strong></td>
<td>$1,416,771</td>
<td>$114,413</td>
<td>$363,269</td>
<td>$1,894,453</td>
</tr>
<tr>
<td><strong>August</strong></td>
<td>$91,008</td>
<td>$103,108</td>
<td>$108,023</td>
<td>$302,139</td>
</tr>
<tr>
<td><strong>September</strong></td>
<td>$128,302</td>
<td>$257,635</td>
<td>$143,082</td>
<td>$529,019</td>
</tr>
<tr>
<td><strong>October</strong></td>
<td>$358,622</td>
<td>$223,674</td>
<td>$285,119</td>
<td>$867,415</td>
</tr>
<tr>
<td><strong>November</strong></td>
<td>$39,764</td>
<td>$146,183</td>
<td>$45,505</td>
<td>$231,452</td>
</tr>
<tr>
<td><strong>December</strong></td>
<td>$442,254</td>
<td>$1,646,285</td>
<td>$58,241</td>
<td>$2,146,780</td>
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<tr>
<td><strong>January 2021</strong></td>
<td>$103,718</td>
<td>$61,651</td>
<td>$8,075</td>
<td>$173,444</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>$7,877,558</td>
<td>$4,110,390</td>
<td>$3,140,383</td>
<td>$15,128,331</td>
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AGENDA ITEM F-3

Testing Program Update

a. Examination Administration Unit

b. Examination Development Unit
EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing Division’s EAU administers CSLB’s 46 examinations at seven computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response messages received by CSLB that are related to testing.

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

EAU currently has one vacancy: Office Technician-Limited Term position in San Bernardino.

Number of Examinations Scheduled Per Month February 2020 – January 2021

<table>
<thead>
<tr>
<th>Feb 2020</th>
<th>Mar*</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec*</th>
<th>Jan 2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,816</td>
<td>2,549</td>
<td>0</td>
<td>0</td>
<td>2,635</td>
<td>4,683</td>
<td>4,358</td>
<td>3,781</td>
<td>4,088</td>
<td>3,418</td>
<td>699</td>
<td>0</td>
<td>30,027</td>
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</tbody>
</table>

*Due to the Shelter-in-Place orders during the COVID-19 pandemic, all testing was halted in mid-March and again in December and January. The San Jose and Berkeley Test Centers stopped testing on March 18, and the other six centers stopped testing on March 20, 2020. All test centers, except Berkeley, reopened on June 15, 2020, but closed again December 7, 2020 through February 1, 2021.

CSLB currently maintains test centers in the following locations:

- Sacramento
- Norwalk
- San Jose
- Fresno
- Oxnard
- San Bernardino
- San Diego


Number of Examinations Scheduled by Test Center February 2020 – January 2021

<table>
<thead>
<tr>
<th>Test Center</th>
<th>Number of Examinations Scheduled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkeley</td>
<td>678</td>
</tr>
<tr>
<td>Fresno</td>
<td>1,894</td>
</tr>
<tr>
<td>Norwalk</td>
<td>7,848</td>
</tr>
<tr>
<td>Oxnard</td>
<td>3,007</td>
</tr>
<tr>
<td>Sacramento</td>
<td>6,796</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>4,659</td>
</tr>
<tr>
<td>San Diego</td>
<td>3,086</td>
</tr>
<tr>
<td>San Jose</td>
<td>2,059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,027</strong></td>
</tr>
</tbody>
</table>
EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing Division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards and guidelines, Department of Consumer Affairs policies, and CSLB regulations, as well as federal and California state law.

Examination Development

State law requires that all license examinations be updated at least every five to seven years. All CSLB examination programs meet this standard. The revision process takes approximately one year and is conducted in two phases: 1) occupational analysis and 2) item bank development.

The occupational analysis determines what topics are relevant to each contractor classification and in what proportion they should be tested. This process starts with interviews of a statewide sample of active California licensees in each specific classification. The interviews result in a draft list of the job tasks performed by contractors in that trade and the knowledge needed to work safely and competently. EDU staff then conduct a workshop with licensees who act as subject matter experts to finalize the task and knowledge statements. A large-scale online survey is conducted with a greater number of subject matter experts. A second workshop is then conducted to develop a validation report, which includes an examination outline that serves as a blueprint for constructing examination versions/forms.

The item bank development phase involves numerous workshops with subject matter experts to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.

EDU currently has one vacancy: Research Data Specialist II.
## Examination Programs in Progress as of February 1, 2021

<table>
<thead>
<tr>
<th>Occupational Analysis</th>
<th>Item Bank Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-7 Low Voltage</td>
<td>Law and Business</td>
</tr>
<tr>
<td>C-16 Fire Protection</td>
<td>A - General Engineering</td>
</tr>
<tr>
<td>C-17 Glazing</td>
<td>Asbestos Certification</td>
</tr>
<tr>
<td>C-33 Painting &amp; Decorating</td>
<td>B-2 Residential Remodeling</td>
</tr>
<tr>
<td>C-39 Roofing</td>
<td>C-6 Cabinet, Millwork and Finish Carpentry</td>
</tr>
<tr>
<td>C-53 Swimming Pool</td>
<td>C-8 Concrete</td>
</tr>
<tr>
<td>C-54 Ceramic &amp; Mosaic Tile</td>
<td>C-9 Drywall</td>
</tr>
<tr>
<td></td>
<td>C-11 Elevator</td>
</tr>
<tr>
<td></td>
<td>C-15 Flooring and Floor Covering</td>
</tr>
<tr>
<td></td>
<td>C-20 Warm-Air Heating, Ventilating and Air Conditioning</td>
</tr>
<tr>
<td></td>
<td>C-23 Ornamental Metal</td>
</tr>
<tr>
<td></td>
<td>C-27 Landscaping</td>
</tr>
<tr>
<td></td>
<td>C-28 Lock and Security Equipment</td>
</tr>
<tr>
<td></td>
<td>C-29 Masonry</td>
</tr>
<tr>
<td></td>
<td>C-31 Construction Zone Traffic Control</td>
</tr>
<tr>
<td></td>
<td>C-32 Parking and Highway Improvement</td>
</tr>
<tr>
<td></td>
<td>C-36 Plumbing</td>
</tr>
<tr>
<td></td>
<td>C-43 Sheet Metal</td>
</tr>
</tbody>
</table>

## Ongoing Consumer Satisfaction and Applicant Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement Division’s handling of complaints related to eight customer service topics. This survey is mailed to a sample of complainants who provided CSLB with their email address. Respondent comments are provided to the Enforcement Division each month for review. EDU also conducts an ongoing survey of applicants who complete the application process. The surveys are emailed after license issuance to all applicants who provide CSLB with their email address. Follow up emails are sent a month later to applicants who have not yet responded. Respondent comments are provided to the Licensing Division each month for review. Statistics based on survey responses for both surveys are compiled and presented to the board annually (July).
Update on Test Development for New B-2 Residential Remodeling License Classification
Residential Remodeling & Home Improvement License

In October 2020, Governor Newsom signed into law Senate Bill 1189 (McGuire), which created the B-2 classification and provides a pathway to licensure for those engaged in residential remodeling and home improvement work. CSLB staff are committed to having the B-2 license classification and all requirements in-place to begin licensure by August 1, 2021.

Timeline of Activities for B-2 Implementation

Several CSLB divisions are collaborating to ensure that the B-2 license is issued by August 2021. For this reason, the Executive Office has established a taskforce consisting of Information Technology, Licensing, Public Affairs (PAO), and Testing staff to coordinate activities and maintain the following schedule. The board will receive updates at each meeting in 2021.

Below is a production schedule for developing the exam.

<table>
<thead>
<tr>
<th>Date</th>
<th>Division(s)</th>
<th>Activity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-20</td>
<td>Testing</td>
<td>Recruit Subject Matter Experts</td>
<td>Complete – 161 Participants</td>
</tr>
<tr>
<td>Oct-20</td>
<td>Testing</td>
<td>Conduct Job Audits</td>
<td>Complete</td>
</tr>
<tr>
<td>Oct-20</td>
<td>IT</td>
<td>Create B-2 Item Bank and Transfer specified existing classification material to bank</td>
<td>Complete</td>
</tr>
<tr>
<td>Nov-20</td>
<td>Testing</td>
<td>Remote Occupational Analysis Workshops and Pilot Survey</td>
<td>Complete</td>
</tr>
<tr>
<td>Dec-20</td>
<td>Testing</td>
<td>Item Writing Workshop 1 and Final Survey Released</td>
<td>Complete</td>
</tr>
<tr>
<td>Jan-21</td>
<td>Testing</td>
<td>Final Occupational Analysis</td>
<td>Complete</td>
</tr>
<tr>
<td>Mar-21</td>
<td>Testing</td>
<td>Item Writing Workshop 2</td>
<td>Complete</td>
</tr>
<tr>
<td>March-21</td>
<td>Licensing, PAO, IT, &amp; Enforcement</td>
<td>Start implementation/outreach planning meetings</td>
<td>March 15, 2021 Kick-off Meeting</td>
</tr>
<tr>
<td>Apr-21</td>
<td>Testing</td>
<td>Item Writing Workshop 3 &amp; 4</td>
<td>Not Begun</td>
</tr>
<tr>
<td>Apr-21</td>
<td>IT</td>
<td>Updates to SCORE must be complete</td>
<td>Not Begun</td>
</tr>
<tr>
<td>May-21</td>
<td>Testing</td>
<td>Item Writing/Review Workshop 5</td>
<td>Not Begun</td>
</tr>
<tr>
<td>May-21</td>
<td>PAO &amp; Licensing</td>
<td>Outreach begins (licensing workshops, website updates, industry bulletin, etc.)</td>
<td>Not Begun</td>
</tr>
<tr>
<td>Jun-21</td>
<td>Licensing</td>
<td>Begin accepting B-2 applications</td>
<td>Not Begun</td>
</tr>
<tr>
<td>Jun-21</td>
<td>Testing</td>
<td>Pass Point Setting Workshop 6 and finalize exam booklet</td>
<td>Not Begun</td>
</tr>
<tr>
<td>Jul-21</td>
<td>IT</td>
<td>Post B-2 Study Guide</td>
<td>Not Begun</td>
</tr>
<tr>
<td>Jul-21</td>
<td>Testing</td>
<td>Finalize pass point and deliver booklets</td>
<td>Not Begun</td>
</tr>
<tr>
<td>Aug-21</td>
<td>Testing</td>
<td>Release Exam</td>
<td>Not Begun</td>
</tr>
</tbody>
</table>
Advisory Committee Update on Women in Construction
Background
In November 2020, board members Mary Teichert and Jim Ruane were appointed to an Advisory Committee to lead CSLB’s efforts to increase women’s participation in the construction industry. Staff also proposed and is currently implementing an outreach plan for this effort.

Current Planned Outreach
To date, CSLB has partnered with the North State Building Industry Association and the California Capital Women’s Business Center to conduct a three-part event in Spring 2021 to help women and minorities enter the trades by getting information on obtaining a license as well as creating or buying a business.

Other Efforts
CSLB also wishes to support others seeking to increase women’s participation. For example, each year as part of National Women’s History Month (March), the National Association of Women in Construction promote “Women in Construction Week” – an event to help create a support network for other women in the industry. This year that week was March 7, 2021 through March 13, 2021.

In support of this promotion, the Legislature through Senate Concurrent Resolution 16, proclaimed that March 7 through March 13 was California’s Women in Construction Week. A support letter sent by board members Mary Teichert and Jim Ruane follows.

Future Outreach
Board members Teichert and Ruane along with staff continue to look for other outreach opportunities. Anyone with comments or ideas for opportunities, please contact CSLB’s Licensing Chief, Justin Paddock, at justin.paddock@cslb.ca.gov.
March 4, 2021

The Honorable Anna Caballero, Chair

State Capitol, Room 5052
Sacramento, CA 95814

SUBJECT: SUPPORT - SCR 16 (Caballero): Women in Construction Week Proclamation

Dear Senator Caballero and Coauthors:

The Contractors State License Board (CSLB) is in SUPPORT of Senate Concurrent Resolution (SCR) 16. This resolution establishes March 7, 2021 through March 13, 2021 as California’s Women in Construction Week, supporting The National Association of Women in Construction’s efforts to increase women participation in the construction industry.

As stated in the resolution, “women currently occupy only 10 percent of all apprenticeships and less than 3 percent of construction trade jobs nationally.” As the entity that regulates this trade, CSLB is committed to increasing women participation in the industry.

In November 2020, as CSLB’s general engineering contractor board member, I was selected to participate in a two-person Advisory Committee with a fellow board member, specialty contractor Jim Ruane, to lead CSLB’s efforts to promote outreach to women seeking to enter the construction industry. CSLB is committed to increasing women participation in the industry and therefore support this resolution.

If you have any questions, please contact the Board’s Legislation Chief Mike Jamnetski at (916) 255-2798 or michael.jamnetski@cslb.ca.gov.

Sincerely,

Mary Teicher, Board Secretary
Contractors State License Board

CC: Senate President Pro Tempore Toni Atkins
Resolution Coauthors
Review, Discussion, and Possible Action to Approve Construction Management Education Account Advisory Board Membership for July 2021-June 2021 Term
Background

The Construction Management Education Sponsorship Act (Act) was passed by the California Legislature and signed into law by Governor Pete Wilson in 1991 (Business and Professions Code sections 7139-7139.10). In creating the Act, the Legislature recognized the increasing need to educate and prepare graduates to fill positions in construction management at a variety of companies.

It was the Legislature’s intent that the grants provided through the Act would improve the overall quality of construction by providing industry-specific management training to California licensed contractors and their current and future managers.

Donations

The Act allows contractors to contribute to an account established under the Contractors State License Board (CSLB) for the purposes of construction management education. Originally, contributions were limited to $25; consequently, the fund grew slowly. In 2003, the Legislature removed the contribution limit and contractors may now contribute any amount they wish. Contributions can be submitted with any application for licensure or renewal.

Advisory Committee

The Construction Management Education Account (CMEA) Advisory Account Committee oversees the funds that help improve the quality and availability of education programs for California’s construction industry. Pursuant to California Business and Professions code section 7139.3 the committee is composed of 11 members and serve three-year terms. The law requires a member from each of the following organizations:

- Associated General Contractors of California
- Associated Builders and Contractors
- California Building Industry Association
- National Electrical Contractors Association
- Plumbing-Heating-Cooling Contractors Association
- Southern California Contractors Association
- Associated General Contractors of San Diego
- United Contractors Organization (formerly the Engineering and Utility Contractors Association)
- Engineering Contractors Association
- California Sheet Metal and Air Conditioning Contractors Association
The 11th member represents the California State University and University of California construction management programs accredited by the American Council for Construction Education.

**Nominations for Construction Management Account Advisory Committee**
CSLB staff reached out to each organization identified in the law and asked each for a volunteer to serve as a representative for the July 1, 2021 to June 30, 2024 term.

The proposed representatives are as follows:

<table>
<thead>
<tr>
<th>ASSOCIATION</th>
<th>REPRESENTATIVE</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associated General Contractor of CA (AGC)</td>
<td>Erin Volk</td>
<td>AGC</td>
</tr>
<tr>
<td>Associated General Contractors of San Diego</td>
<td>Dustin Steiner</td>
<td>AGC</td>
</tr>
<tr>
<td>Associated Builders &amp; Contractors (ABC)</td>
<td>Ed Duarte</td>
<td>Aztec Consultants</td>
</tr>
<tr>
<td>California Building Industry Association (CBIA)</td>
<td>Nick Cammarota</td>
<td>CBIA</td>
</tr>
<tr>
<td>National Electrical Contractor Association (NECA)</td>
<td>Vincent Bernacchi</td>
<td>Schetter Electric, Inc.</td>
</tr>
<tr>
<td>Plumbing Heating Cooling Contractor Association (PHCC)</td>
<td>Patrick Wallner</td>
<td>Wallner Plumbing Company Inc.</td>
</tr>
<tr>
<td>Southern California Contractor Association (SCCA)</td>
<td>Paul Von Berg</td>
<td>SCCA</td>
</tr>
<tr>
<td>United Contractors (UCON)</td>
<td>Emily Cohen</td>
<td>UCON</td>
</tr>
<tr>
<td>Engineering Contractors Association (ECA)</td>
<td>Ray Baca</td>
<td>ECA</td>
</tr>
<tr>
<td>Sheet Metal &amp; Air Conditioning Contractors National Association (SMACNA)</td>
<td>Chris Walker</td>
<td>Walker Strategies</td>
</tr>
<tr>
<td>CSU / UC Construction Management Programs</td>
<td>Mikael Anderson*</td>
<td>CSU, Sacramento*</td>
</tr>
</tbody>
</table>

*Please note, CSLB staff did not directly contact CSU or UC programs directly but asked if Mr. Anderson would like to continue to serve in the position.

**Staff Recommendation**
That the board appoint the representatives proposed above to serve on the Construction Management Education Act Committee for the July 2021 to June 2024 term.
Public Affairs
Public Affairs Overview

a. Review, Discussion, and Possible Action on Public Affairs 2019-21 Strategic Plan
Public Affairs Program Overview

CSLB’s Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, as well as outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam Stopper℠ and Consumer Scam Stopper℠ seminars, and seminars for both disaster survivors and contractors; speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and employee Intranet content, including webcasts, video, and audio production.

- Media Relations
  - Respond to Media Inquiries
  - Draft and Distribute Press Releases
  - Daily Media EClips
- Consumer Outreach
  - Senior Scam Stoppers
  - Consumer Scam Stoppers
  - Speakers Bureau
  - Trade Shows
- Applicant/Licensee Outreach
  - Industry Bulletins
    - Draft, edit, distribute
  - California Licensed Contractor Newsletter
    - Develop story ideas
    - Draft, edit, design, distribute
  - Licensing Workshops
  - New B-2 License outreach
  - Underrepresented Groups
    - Women
    - Racial/Ethnic Minorities
- Disaster Response
  - Media Events/Joint Press Conferences
  - Local Assistance Centers
    - Provide outreach material
  - Outreach to local legislators, building departments, chambers of commerce
  - Rebuilding workshops—survivors and contractors
    - Coordinate with local jurisdictions
- Social Media Moderating
  - Facebook
  - Twitter
  - Instagram
• NextDoor
• Flickr

• Video Production
  o Creation of New Videos
    ▪ Develop/write script
    ▪ Film
    ▪ Edit video and audio
  o Livestreaming of Webcasts for Public Meetings, Including Board/Committee Meetings; Licensing Workshops; Solar Taskforce
    ▪ Edit video/audio and post to website

• CSLB Publications, Reports, Law Book. Board/Committee Packets
  o Review Inventory
  o Coordination of Content—Developing new and revising existing
  o Editing and factchecking
  o Design/Layout

• Graphic Design
  o Research, conceptualize, develop concept
  o Coordinate production and posting to website
  o Board Member portraits
  o Certificates of Recognition
  o Staff ID photos
  o Updates/revisions to forms
  o Graphics for website
  o Posters, signs, fliers

• Website
  o Review updates/content changes
  o ADA compliance for historical material
  o Job Postings
  o Monthly Licensing Statistics
  o Most Wanted

• Monitor CSLB Public Email Accounts

• Employee Intranet
  o Develop, draft, factcheck, and post stories
  o Archive content
  o Update board member information
## 2019-21 Strategic Plan – Public Affairs Objectives

### Item 4.1
**Description:** Distribute a calendar of key meetings, events, and activities to board members to increase participation and their ability to advocate on the board’s behalf

**Target Date:** January 2019

**Current Status:** Completed

### Item 4.2
**Description:** In partnership with all divisions, lead effort to formalize CSLB’s disaster response program  
*(See Enforcement objective 2.1)*

**Target Date:** June 2019

**Current Status:** Completed

### Item 4.3
**Description:** Conduct a workload analysis to determine if additional staffing resources are needed

**Target Date:** June 2019

**Current Status:** No Longer Needed

### Item 4.4
**Description:** In partnership with the Enforcement Division, develop and implement a plan to identify opportunities to increase publicity concerning enforcement actions, including relaunch of CSLB’s Most Wanted feature.  
*(See Enforcement objective 2.3)*

**Target Date:** Develop: June 2019, Implement: January 2020

**Current Status:** Completed
### 2019-21 Strategic Plan – Public Affairs Objectives

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Target Date</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item 4.5</strong></td>
<td>Research the feasibility of creating a text alert program to communicate with licensees and consumers and implement if possible.</td>
<td>Feasibility: June 2019</td>
<td>PAO staff has completed its feasibility research. This will be discussed at the IT Advisory committee meeting in March 2021.</td>
</tr>
<tr>
<td><strong>Item 4.6</strong></td>
<td>Expand website content to keep industry and licensees up-to-date on relevant information.</td>
<td>September 2019 and ongoing</td>
<td>Staff working with IT to create dedicated licensee news/updates page on website.</td>
</tr>
</tbody>
</table>
| **Item 4.7** | In partnership with the Licensing Division and Information Technology unit develop online original contractor applications to reduce application return rates.  
*(See Licensing objective 1.7 and Information Technology 5.15)* | December 2019 | December 2021 | Staff met with the board’s IT Advisory Committee and determined that IT priorities should shift to online renewals for existing licensees and then return to the sole owner application. Recently, IT staff made modifications to e-processing letters to improve guidance during the application process. |
| **Item 4.8** | Develop orientation videos for new staff, managers and Board members  
*(See Administrative objective 5.8)* | February 2021 | Script being reworked; shooting will commence after script is completed. |
## 2019-21 Strategic Plan – Public Affairs Objectives

### Item 4.9

**Description:** In partnership with the Information Technology unit, review and update web content to ensure information present to the public is accurate and accessible.

*(See Information Technology objective 5.16)*

**Target Date:** Ongoing

**Current Status:** Compliance with Americans with Disabilities Act (ADA) accessibility requirements completed; PAO staff updating historic items to repost. IT is updating other content.

### Item 4.10

**Description:** In partnership with the Enforcement and Licensing divisions, create online courses and content to educate licensees.

*(See Enforcement objective 2.6 and Licensing objective 1.9)*

**Target Date:** December 2021

**Current Status:** Developed an online building permit compliance video for licensees who fail to comply with local building department permit requirements. In the planning stages of development of a webinar or video to educate contractors and home improvement salespersons about registration and home improvement contract requirements.
Public Affairs Program Update

a. Disaster Response
b. Online Highlights
c. Video/Digital Services
d. Social Media Highlights
e. Media Relations Highlights
f. Publications/Graphic Design Highlights
g. Industry/Licensee Outreach Highlights
h. Consumer/Community Outreach Highlights
i. Intranet/Employee Relations
Public Affairs Program Update

CSLB’s Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, as well as outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam Stopper℠ and Consumer Scam Stopper℠ seminars, and seminars for both disaster survivors and contractors; speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and employee Intranet content, including webcasts, video, and audio production.

DISASTER RESPONSE

CSLB’s post-disaster mission is to help ensure that home and business owners are not harmed by unlicensed or unscrupulous contractors who might try to take advantage of them during the rebuilding process.

During the summer and fall of 2020, California experienced another round of devastating wildfires. Staffs multi-faceted short-term response included staffing and supplying materials to local assistance centers, staffing a disaster hotline, and sending outreach materials to local building departments, chambers of commerce, and local legislative offices. This has been followed by CSLB’s longer-term outreach and continued participation in multi-agency taskforces and enforcement efforts in the affected areas.

Task Force Participation and Rebuilding Workshops

CSLB staff continue to participate on two multi-agency task forces established by Office of Emergency Services – one focused on debris removal and one focused on housing. The task forces include representatives from local, state, and federal agencies, with the goals of coordinating and streamlining the debris clean-up efforts, including the removal of all hazardous waste, and addressing both short-term housing needs for survivors and the longer-term rebuild.

On February 25, 2021, Public Affairs staff presented information at the monthly interagency housing taskforce meeting, which included representatives from the affected counties. The presentation included information for disaster survivors as well as an invitation to partner with CSLB on disaster rebuilding workshops – one for fire survivors and one for contractors who plan to work on the rebuilding effort.

As in past years, the fire survivor workshops will include essential consumer protection tips, information about contractor licensing and other requirements, insurance issues, how to work with an architect, and an update on the local rebuild provided by the local building department.
The contractor workshop will include a building department update on the local rebuild and any special rules established for plan approvals and inspections. Licensing requirements will also be covered, as will bonds and insurance, how to obtain a workers' compensation policy, contract requirements, how to prevent complaints, and how the selection of building materials and the choice of building methods can help prevent future disasters.

**Assistance for Licensees/Applicants**

CSLB has continued its practice of waiving fees for licensees to replace their wall certificate and/or plastic pocket license lost in a disaster. CSLB also has waived delinquent fees for failure to renew a license before it expires for fire survivors. In addition, CSLB has worked to expedite license applications for those planning to work in fire areas.

**VIDEO/DIGITAL SERVICES**

**Consumer and Licensee Tips and Applicant Videos**

Public Affairs staff continue to develop a series of consumer and licensee tips videos for promotion on social media and the CSLB website. Topics have ranged from how to check a contractor’s license status and how to report unlicensed contracting, to building permit requirements and information for applicants on how to access exam study guides.

In addition, staff is also producing an ongoing live webcast of the monthly *Get Licensed to Build* workshop for those interested in obtaining a contractor license. These live webcasts have been well attended via WebEx, Facebook, and YouTube, and are also archived on CSLB’s website.

**Webcasts Produced January 2020-January 2021**

<table>
<thead>
<tr>
<th>Date Aired</th>
<th>Live/Recorded Webcasts Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/07/2020</td>
<td>Paradise (Camp Fire) Community Meeting</td>
</tr>
<tr>
<td>1/31/2020</td>
<td>Paradise (Camp Fire) Undercover Sting Press Conference</td>
</tr>
<tr>
<td>2/20/2020</td>
<td>CSLB Solar Taskforce Meeting</td>
</tr>
<tr>
<td>2/25/2020</td>
<td>Solar Taskforce Press Conference, Parlier</td>
</tr>
<tr>
<td>4/28/2020</td>
<td>CSLB Regulatory Public Hearing</td>
</tr>
<tr>
<td>5/12/2020</td>
<td><em>Get Licensed to Build</em> Workshop</td>
</tr>
<tr>
<td>5/29/2020</td>
<td><em>Get Licensed to Build</em> Workshop</td>
</tr>
<tr>
<td>6/05/2020</td>
<td>CSLB Quarterly Board Meeting</td>
</tr>
<tr>
<td>6/26/2020</td>
<td><em>Get Licensed to Build</em> Workshop</td>
</tr>
<tr>
<td>7/24/2020</td>
<td>CSLB Board Meeting</td>
</tr>
<tr>
<td>8/04/2020</td>
<td>CSLB Solar Taskforce Meeting</td>
</tr>
<tr>
<td>9/09/2020</td>
<td>CSLB Board Meeting</td>
</tr>
</tbody>
</table>
### Videos Created/Posted Online Between January 2020-January 2021

<table>
<thead>
<tr>
<th>Date Posted</th>
<th>Videos Created/Posted Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/31/2020</td>
<td>Paradise (Camp Fire) Undercover Sting Press Conference</td>
</tr>
<tr>
<td>2/25/2020</td>
<td>Solar Taskforce Press Conference, Parlier</td>
</tr>
<tr>
<td>5/06/2020</td>
<td>Building Permit Training Course</td>
</tr>
<tr>
<td>5/12/2020</td>
<td>What Seniors Should Know Before Hiring a Contractor</td>
</tr>
<tr>
<td>5/12/2020</td>
<td>10 Tips for Hiring a Contractor</td>
</tr>
<tr>
<td>6/17/2020</td>
<td>What to Expect on Test Day</td>
</tr>
<tr>
<td>7/02/2020</td>
<td>Rebuilding After a Disaster</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>Watch CSLB Videos and Subscribe (YouTube Channel Trailer)</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>Contractor Advertising Guidelines</td>
</tr>
<tr>
<td>9/24/2020</td>
<td>Segment for Assembly Speaker Anthony Rendon’s Public Service Announcement</td>
</tr>
<tr>
<td>10/01/2020</td>
<td>CSLB Quick Tips: Find My Licensed Contractor</td>
</tr>
<tr>
<td>11/03/2020</td>
<td>CSLB Quick Tips: Disaster Survivors – Risks of Unlicensed Contracting</td>
</tr>
<tr>
<td>12/07/2020</td>
<td>CSLB Quick Tips: Check the License</td>
</tr>
<tr>
<td>12/14/2020</td>
<td>Building Permit Requirements During COVID-19</td>
</tr>
<tr>
<td>12/17/2020</td>
<td>CSLB Quick Tips: How to Report Unlicensed Contracting</td>
</tr>
<tr>
<td>1/11/2021</td>
<td>Get Licensed to Build Workshop</td>
</tr>
</tbody>
</table>
Social Media Highlights

Followers on CSLB’s Social Media

<table>
<thead>
<tr>
<th>Date</th>
<th>Facebook</th>
<th>Twitter</th>
<th>Twitter (@CSLBNews)</th>
<th>YouTube</th>
<th>LinkedIn</th>
<th>Instagram</th>
<th>Flickr</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2010</td>
<td>86</td>
<td>50</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November 2011</td>
<td>731</td>
<td>638</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November 2012</td>
<td>1,139</td>
<td>1,040</td>
<td>-</td>
<td>282</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November 2013</td>
<td>1,457</td>
<td>1,349</td>
<td>-</td>
<td>343</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November 2014</td>
<td>1,796</td>
<td>1,622</td>
<td>-</td>
<td>352</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November 2015</td>
<td>2,228</td>
<td>1,824</td>
<td>-</td>
<td>434</td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November 2016</td>
<td>2,909</td>
<td>2,123</td>
<td>-</td>
<td>600</td>
<td>59</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>November 2017</td>
<td>3,312</td>
<td>2,405</td>
<td>-</td>
<td>702</td>
<td>105</td>
<td>99</td>
<td>10</td>
</tr>
<tr>
<td>November 2018</td>
<td>3,680</td>
<td>2,471</td>
<td>-</td>
<td>832</td>
<td>153</td>
<td>210</td>
<td>12</td>
</tr>
<tr>
<td>August 2019</td>
<td>4,602</td>
<td>2,602</td>
<td>(created)</td>
<td>955</td>
<td>236</td>
<td>399</td>
<td>12</td>
</tr>
<tr>
<td>November 2019</td>
<td>4,714</td>
<td>2,637</td>
<td>11</td>
<td>991</td>
<td>280</td>
<td>521</td>
<td>12</td>
</tr>
<tr>
<td>February 2020</td>
<td>4,900</td>
<td>2,680</td>
<td>20</td>
<td>1,042</td>
<td>324</td>
<td>648</td>
<td>13</td>
</tr>
<tr>
<td>July 2020</td>
<td>5,313</td>
<td>2,743</td>
<td>23</td>
<td>1,212</td>
<td>409</td>
<td>867</td>
<td>13</td>
</tr>
<tr>
<td>October 2020</td>
<td>5,452</td>
<td>2,792</td>
<td>27</td>
<td>1,484</td>
<td>449</td>
<td>933</td>
<td>12</td>
</tr>
<tr>
<td>January 31, 2021</td>
<td>5,509</td>
<td>2,804</td>
<td>29</td>
<td>1,884</td>
<td>492</td>
<td>1,038</td>
<td>12</td>
</tr>
</tbody>
</table>

COVID-19 Social Media Posts

PAO continued to use social media to inform licensees and consumers about the changing availability of CSLB services because of COVID-19. Posts were used to update the public on the reopening of test centers and front counters after several CSLB buildings were closed because of the health emergency. Social media was also used to prepare applicants for the COVID precautions being taken at CSLB test centers.
Disaster-Related Social Media Posts

In response to the series of wildfires across California, CSLB used social media to promote a January 2021 disaster outreach workshop for contractors in Butte County. CSLB Board Member Kevin Albanese introduced the event, which also included representatives from the Department of Insurance, Butte County Development Services, and Valley Contractors Exchange.

Social Media Posts with the Department of Consumer Affairs

CSLB also regularly posts on its social media channels COVID-related public information from the Department of Consumer Affairs (DCA). The number of people reached on each post is tracked and reported to DCA regularly.

Social Media Questions on Status of CSLB Services

CSLB receives an average of 12-25 questions per week through its social media channels. Questions typically relate to licensing, testing, and the status of CSLB services because of COVID-19. CSLB also receives tips on suspected unlicensed activity through social media, which are forwarded to the Enforcement Division.

NextDoor Partnership

NextDoor is a private social network for neighborhoods, which serves over 158,000 neighborhoods across the country and is used as a source of local information.

As a NextDoor public agency partner, CSLB can create targeted messages to reach residents in communities of declared disaster areas. CSLB can currently reach all active neighborhoods in Butte, Lake, Mendocino, Napa, Nevada, Orange, Solano, Sonoma,
and Yuba counties. (Recent efforts to expand CSLB’s posting capacity beyond these counties have not been successful; NextDoor is requiring a paid contract.)

In response to the recent wildfires, CSLB issued disaster-related posts to these neighborhood groups, which resulted in more than 415,000 impressions (the number of times a post was seen).

Between January 1, 2020 and January 31, 2021, nearly 174,000 people joined CSLB’s reachable NextDoor network, bringing the total number of verified residents in CSLB’s network to 1,164,484.

Facebook

Between January 1, 2020, and January 31, 2021 CSLB reached more than 150,000 people on its Facebook page.

- Most viewed posts:
  - Workers’ Compensation Requirements—reached 5,703 people
  - Video: CSLB Quick Tips: Check the License—reached 5,600 people

The following chart shows the daily net growth of CSLB’s Facebook page, from October 31, 2020, to January 31, 2021, during which time CSLB gained 88 likes, bringing the total number to 4,801. The gray line represents those who have “liked” CSLB, and the red line represents individuals who have “liked” CSLB at one point, but subsequently “un-liked” CSLB. (There is no blue line, as CSLB does not pay for Facebook “likes.”)
Twitter

CSLB manages two Twitter pages – a media account that contains only news release information and other items of interest to the media, and a main public account. While at this time there are only 27 followers on the media Twitter account, it has earned more than 45,000 impressions (the number of times a post is seen). Press releases related to sting operations typically earn more than 1,000 impressions per tweet.

On CSLB’s main Twitter account, between January 1, 2020 and January 31, 2021, CSLB had more than 150K impressions. In total, CSLB has 2,804 Twitter followers.

The most popular categories of Twitter posts are COVID-related service updates, disaster recovery, sting operations, and news releases.

Top tweets:

- CSLB Test Centers will be closed due to the COVID-19 stay-at-home order – 1,527 impressions
- CSLB Licensing Workshop (Nov.) – 1,020 impressions

YouTube Channel

CSLB’s YouTube channel continues to grow, with an increase of 875 subscribers, 4,200 hours of watch time, and 43,957 more views since January 2020.

The channel has a total of 528,284 views (31,500 hours watched) and 2,024 subscribers since the page was created in 2009.
CSLB has 1,042 Instagram followers, an increase of more than 400 since January 1, 2020.

- CSLB’s audience is most likely to be on Instagram between 6:00 p.m. and 9:00 p.m.

**Flickr**

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of January 31, 2021, CSLB had 372 photos available for download on Flickr.

**LinkedIn**

PAO actively posts current job vacancies to LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase exposure and act as an effective recruiting tool to attract quality employees for CSLB positions.
Email Alert Feature

CSLB has a website feature that allows people to subscribe to various email alerts. Today, these choices include:

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

The total subscriber database currently stands at 33,166 contacts.

PAO also utilizing a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This database now consists of addresses for 115,260 licensees, which brings the combined database contacts to 148,426 email addresses.

In January 2021, PAO worked with Information Technology (IT) and DCA’s Office of Information Services to update the licensee list and create a new list with email addresses for Home Improvement Salespersons (HIS).
<table>
<thead>
<tr>
<th>Date</th>
<th>Industry Bulletins</th>
<th>Meeting Notices</th>
<th>CLC Newsletter</th>
<th>News Releases</th>
<th>Surveys</th>
<th>Job Openings</th>
<th>Podcasts</th>
<th>HIS</th>
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<tbody>
<tr>
<td>May 2010</td>
<td>185</td>
<td>187</td>
<td>103</td>
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<td>May 2014</td>
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<td>4,017</td>
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<td>May 2015</td>
<td>6,459</td>
<td>4,273</td>
<td>7,293</td>
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<tr>
<td>May 2017</td>
<td>7,410</td>
<td>4,573</td>
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<td>6,468</td>
<td>760</td>
<td>305</td>
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<tr>
<td>May 2018</td>
<td>7,525</td>
<td>4,653</td>
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<td>6,720</td>
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<td>462</td>
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<tr>
<td>May 2019</td>
<td>7,923</td>
<td>4,783</td>
<td>8,210</td>
<td>6,962</td>
<td>976</td>
<td>647</td>
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</tr>
<tr>
<td>May 2020</td>
<td>8,214</td>
<td>5,012</td>
<td>8,601</td>
<td>7,267</td>
<td>1,112</td>
<td>906</td>
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<td></td>
</tr>
<tr>
<td>August 2020</td>
<td>8,378</td>
<td>5,111</td>
<td>8,704</td>
<td>7,378</td>
<td>1,197</td>
<td>972</td>
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<td>November 1, 2020</td>
<td>7,579</td>
<td>5,283</td>
<td>8,869</td>
<td>7,505</td>
<td>1,288</td>
<td>1,081</td>
<td>336</td>
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</tr>
<tr>
<td>January 31, 2021</td>
<td>7,769</td>
<td>5,511</td>
<td>9,065</td>
<td>7,652</td>
<td>1,396</td>
<td>1,217</td>
<td>547</td>
<td>20,032</td>
</tr>
</tbody>
</table>

**MEDIA RELATIONS**

**Media Calls**

Between January 1, 2020 and January 31, 2021, PAO staff responded to 53 media inquiries, providing information and/or interviews to a variety of media outlets. Since the COVID-19 health emergency began in March 2020, PAO has responded to 28 media inquiries.
INDUSTRY/LICENSEE OUTREACH

Industry Bulletins

Between January 2020 and January 31, 2021, CSLB issued 29 industry bulletins and email updates sent out on an as-needed basis to over 7,500 people who signed-up via CSLB’s Email Alert System. Topics included COVID impacts on service, CSLB’s new online license renewals, personal protective equipment (PPE) donations that contractors can make to help medical professionals during COVID, the laws regarding advertisements on commercial vehicles, and CSLB’s new online payment system for citations.

Industry Bulletins Distributed
January 1, 2020 – January 31, 2021

<table>
<thead>
<tr>
<th>Date Distributed</th>
<th>Industry Bulletin Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/03/2020</td>
<td>CSLB Announces New Renewal Fee Schedule</td>
</tr>
<tr>
<td>1/09/2020</td>
<td>Affirming California’s Restrictions on Lead Generation and Solar Broker Services in the Residential Solar Industry</td>
</tr>
<tr>
<td>1/16/2020</td>
<td>CSLB Sting Locations Needed Ahead of Spike in Spring Building and Renovation</td>
</tr>
<tr>
<td>3/18/2020</td>
<td>Contractors State License Board Closing Its Test Centers Statewide in Response to COVID-19 Health Emergency</td>
</tr>
<tr>
<td>3/24/2020</td>
<td>CSLB Encourages COVID-19 Donations to Hospital Health Providers</td>
</tr>
<tr>
<td>3/24/2020</td>
<td>CSLB Provides COVID-19 Service Update Answers to Frequently Asked Questions</td>
</tr>
<tr>
<td>3/25/2020</td>
<td>CSLB Updates Licensees on Building Permit Requirements During COVID-19 Outbreak</td>
</tr>
<tr>
<td>4/08/2020</td>
<td>Contractors State License Board Launches New Online License/Registration Renewal Options</td>
</tr>
<tr>
<td>5/08/2020</td>
<td>Contractors State License Board Cautions Licensees to Watch for Online Scams Related to Economic Impact Payments</td>
</tr>
<tr>
<td>6/09/2020</td>
<td>Contractors State License Board Elects Officers for 2020-21</td>
</tr>
<tr>
<td>6/12/2020</td>
<td>Contractors State License Board Ready to Reopen Test Centers</td>
</tr>
<tr>
<td>6/29/2020</td>
<td>Contractors State License Board Ready to Reopen Test Centers</td>
</tr>
<tr>
<td>7/02/2020</td>
<td>New Law Changes How the Contractors State License Board Reviews License Applicants’ Criminal History</td>
</tr>
<tr>
<td>7/23/2020</td>
<td>Contractors State License Board Launches Online Renewal Option for Home Improvement Salespersons (HIS)</td>
</tr>
<tr>
<td>8/11/2020</td>
<td>Contractors State License Board Encourages Contractors to Take Advantage of Earthquake Brace Bolt Program</td>
</tr>
<tr>
<td>8/18/2020</td>
<td>Contractors State License Board Calls on Contractors to Conserve Electricity as Heatwave Increases Demand Statewide</td>
</tr>
<tr>
<td>9/03/2020</td>
<td>CSLB Releases Latest List of Revoked Licenses</td>
</tr>
<tr>
<td>9/14/2020</td>
<td>Contractors State License Board Encourages Contractors to Take Special Care of Vehicles During Wildfire Season</td>
</tr>
<tr>
<td>9/21/2020</td>
<td>Contractors State License Board Reminds Contractors to Include License Number on Vehicles and Advertisements</td>
</tr>
<tr>
<td>11/25/2020</td>
<td>Contractors State License Board Reminds Licensees about the Importance of Following Home Improvement Contract Requirements for Solar Jobs</td>
</tr>
<tr>
<td>12/07/2020</td>
<td>Contractors State License Board Closing Test Centers and Public Counters Statewide in Response to COVID-19 Health Emergency</td>
</tr>
<tr>
<td>12/10/2020</td>
<td>Brush-Up on New Contracting Laws that Come into Play January 1, 2021</td>
</tr>
</tbody>
</table>
PUBLIC AFFAIRS PROGRAM UPDATE

12/17/2020
Governor Newsom Announces COVID-19 Tax Relief, Grants, and Loans for Business Owners

1/11/2021
Expeditied Review of CSLB Contractor License Applications for Refugees, Asylum Seekers, and Holders of Special Immigrant Visas Under New Law

1/20/2021
CSLB Launches Online Payment for Citations

1/20/2021
CSLB Reopening Test Centers and Public Counters February 1st

PUBLICATION/GRAPHIC DESIGN SERVICES

Between January 1, 2020 and January 31, 2021, PAO’s Graphic Design unit completed the following projects:

Employee ID Photo Shoot

- Photo shoot for new employee identification cards (these sessions are currently on-hold).

Publications

<table>
<thead>
<tr>
<th>Publications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Accomplishments &amp; Activities Report</td>
</tr>
<tr>
<td>2020 Board Member Administrative Procedures Manual</td>
</tr>
<tr>
<td>Get Licensed to Build: A Guide to Becoming a California Licensed Contractor</td>
</tr>
<tr>
<td>Terms of Agreement: Consumer’s Guide to Home Improvement</td>
</tr>
<tr>
<td>What Seniors Should Know Before Hiring A Contractor</td>
</tr>
<tr>
<td>What You Should Know Before Hiring A Contractor (English &amp; Spanish)</td>
</tr>
<tr>
<td>10 Tips: Make Sure Your Contractor Measures Up (English &amp; Spanish)</td>
</tr>
<tr>
<td>Description of Classifications (English &amp; Spanish)</td>
</tr>
<tr>
<td>Mandatory Arbitration Program Guide (English &amp; Spanish)</td>
</tr>
<tr>
<td>Voluntary Arbitration Program Guide (English &amp; Spanish)</td>
</tr>
<tr>
<td>Senior Scam Stopper℠ Mailers</td>
</tr>
<tr>
<td>June 5, 2020 Quarterly Board Meeting Packet (Teleconference)</td>
</tr>
<tr>
<td>July 24, 2020 Quarterly Board Meeting Packet (Teleconference)</td>
</tr>
<tr>
<td>September 9, 2020 Quarterly Board Meeting Packet (Teleconference)</td>
</tr>
<tr>
<td>November 4, 2020 Committee Meeting Packet (Teleconference)</td>
</tr>
<tr>
<td>December 10, 2020 Quarterly Board Meeting Packet (Teleconference)</td>
</tr>
</tbody>
</table>

Posters/Signs/Misc.

- ePayment Kiosk signs (front counter)
- Executive staff and Board member contact cards
- Certificates of Recognition

178
Workshop/Podcast

- Get Licensed to Build workshop and podcast logo

COVID 19/Social Distancing Materials (Testing Center/Front Counter/Field Offices)

- CSLB Visitor Protocol Poster
- CSLB Public Counter Closure & Remote Services Poster
- Examination Day Protocol – COVID-19 Safety Measures Mailer
- Examination Day Protocol – COVID-19 Safety Measures Posters
- Unavailable Payment Kiosks & Available Payment Options Poster
- Testing Candidates Closure Notification Signage
- Directional/Exit Signage

Disaster/Wildfire Materials

- Check A Contractor License flyer
- Find My Licensed Contractor flyer
- CSLB Contact Info flyer/tabletop signs
- “Homeowner Beware” & “Contractor Beware” disaster “H” (stake) signs

2021 California Contractor License Law & Reference Book

Public Affairs coordinated the publishing of the 2021 edition of the *California Contractor License Law & Reference Book*, which became publicly available in January 2021.

California Licensed Contractor Newsletter

- Production of the *California Licensed Contractor* newsletter (winter edition) was on schedule to be published February 2021.
WebEx Backgrounds

• Virtual backgrounds for CSLB WebEx meetings/events

CONSUMER/COMMUNITY OUTREACH

The Public Affairs Office is currently spearheading a number of outreach efforts. These initiatives include:

1. New program to promote the recently-approved B-2 license classification
2. New online “Get Licensed to Build” applicant workshops
3. New program focused on minorities and low-income communities
4. New program focused on women in construction
5. Ongoing Senior Scam Stopper℠ and Consumer Scam Stopper℠ seminars

Creation of New B-2 Licensing Classification

Creation of the new B-2 Residential Remodeling classification is expected to bring a significant number of people into the licensing population, most notably those who may not have the experience to qualify for a B-General Building license because they lack substantial framing or rough carpentry experience.

Since this is a new classification, PAO is working with Licensing and IT division staff to develop an outreach plan and timeline. That plan will include development of educational materials, significant updates to the CSLB website, and training sessions and/or webcasts. It is possible a second applicant workshop could be created dealing solely with the process and requirements to apply for the new B-2 license.
“Get Licensed to Build” Online Workshop

In May 2020, PAO staff created and launched an entirely new online version of its licensing workshop, for those interested in learning about how to get their contractor license. The new version of the workshop was titled “Get Licensed to Build.” To date, 10 online workshops have been conducted, with an average attendance of more than 300.

The workshop, which is conducted on the first Friday of each month, runs two hours and includes time for an extensive question and answer segment. The event takes place on WebEx and also streams live on YouTube and Facebook.

Board Members Johnny Simpson, David De La Torre, and Susan Granzella have participated in past workshops, offering on-camera welcomes to the participants.

CSLB staff have also created a short PSA to promote the workshop on social media.
Underrepresented Communities

A number of communities are underrepresented in California’s construction industry. In response, CSLB’s registrar has assigned staff to begin exploring what CSLB can and should do to help encourage people in these communities to get a contractor license. Staff continues to gather information to identify and contact potential partners with the intent of seeing how CSLB can promote or support outreach programs that already exist.

Minorities and Low-Income

An investigator from the Enforcement division has been selected to participate and contribute to this outreach effort. A series of virtual workshops have been held with the JTM Pre-Apprenticeship Academy and Los Angeles Urban League.

December 12, 2020, staff met virtually with academy students for a brief introduction and to invite students to attend the workshop series.

January 16, 2021, staff hosted a virtual “Who, What, Where and Why” workshop focusing on contracting and CSLB. This event gave students an introduction and overview of CSLB and helped answer basic questions about the licensing process.

January 30, 2021, staff attended a workshop with licensed contractors who offered detailed insight about the profession and shared their experiences with being a licensed contractor. Staff were there to answer questions about CSLB.

Senior Scam Stopper℠ Seminars

In mid-March 2020 CSLB suspended its popular Senior Scam Stopper℠ (SSS) seminars due to continuing concerns about the spreading COVID-19. CSLB has now moved to telephone town halls and virtual seminars via Zoom and Facebook Live. CSLB’s first virtual seminar was held in May.

CSLB will resume offering in-person SSS seminars as soon as health concerns subside.

In the meantime, CSLB has several virtual seminars scheduled through the spring.
The following seminars were conducted or scheduled through May 2021.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Legislative/Community Partner(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 10, 2020</td>
<td>Poway</td>
<td>Asm. Brian Maienschein</td>
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<tr>
<td>January 14, 2020</td>
<td>Walnut Creek (Rossmoor)</td>
<td>Asm. Rebecca Bauer Kahan</td>
</tr>
<tr>
<td>January 16, 2020</td>
<td>Antioch</td>
<td>Asm. Jim Frazier</td>
</tr>
<tr>
<td>January 24, 2020</td>
<td>Lakewood</td>
<td>Asm. Speaker Anthony Rendon</td>
</tr>
<tr>
<td>February 7, 2020</td>
<td>Paramount</td>
<td>Asm. Speaker Anthony Rendon</td>
</tr>
<tr>
<td>February 12, 2020</td>
<td>Lodi</td>
<td>Asm. Jim Cooper</td>
</tr>
<tr>
<td>February 19, 2020</td>
<td>Menifee</td>
<td>Menifee Senior Advisory Committee</td>
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<tr>
<td>February 20, 2020</td>
<td>Menifee</td>
<td>Menifee Senior Advisory Committee</td>
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<tr>
<td>March 11, 2020</td>
<td>Claremont</td>
<td>Asm. Chris Holden</td>
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<tr>
<td>May 27, 2020</td>
<td>Zoom/Facebook Live</td>
<td>Speaker Pro Tem Kevin Mullin</td>
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<tr>
<td>August 5, 2020</td>
<td>Zoom</td>
<td>Realtor Dayna Wilson</td>
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<tr>
<td>August 14, 2020</td>
<td>Zoom/Facebook/YouTube</td>
<td>Asm. Cottie Petrie Norris</td>
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<tr>
<td>August 21, 2020</td>
<td>Phone</td>
<td>Asm. Al Muratsuchi</td>
</tr>
<tr>
<td>September 24, 2020</td>
<td>Zoom</td>
<td>Asm. Adrin Nazarian</td>
</tr>
<tr>
<td>November 10, 2020</td>
<td>Zoom</td>
<td>Riverside County CARE Team</td>
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<tr>
<td>November 17, 2020</td>
<td>Zoom</td>
<td>Asm. Timothy Grayson</td>
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<tr>
<td>November 19, 2020</td>
<td>Zoom</td>
<td>Sen. Richard Roth</td>
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<tr>
<td>January 14, 2021</td>
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<td>Asm. Shirley Weber</td>
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<td>February 9, 2021</td>
<td>Zoom</td>
<td>Asm. Tasha Boerner Horvath</td>
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<td>February 23, 2021</td>
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<td>Asm. Richard Bloom</td>
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<td>March 5, 2021</td>
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<td>Asm. Sharon Quirk-Silva</td>
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<td>March 12, 2021</td>
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<td>Asm. Joaquin Arambula</td>
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<td>April 9, 2021</td>
<td>Zoom</td>
<td>Asm. Brian Maienschein</td>
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<td>May 21, 2021</td>
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<td>Asm. Steven Choi</td>
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<td>Asm. Evan Low</td>
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<tr>
<td>TBA</td>
<td>Zoom</td>
<td>Sen. Tom Umberg</td>
</tr>
</tbody>
</table>
INTRANET/EMPLOYEE RELATIONS

Intranet (CSLBin)

CSLBin is the employee-only Intranet site. Stories and photos highlight employee and organizational accomplishments. In addition to employee news, the site is also kept up-to-date with the latest forms, policies, reports, and other information used by CSLB staff around the state.

Between January 1, 2020 through January 31, 2021, PAO published 42 stories on the employee intranet. These stories and publish dates are as follows:

Employee Intranet Stories Published January 1, 2020 – January 31, 2021

<table>
<thead>
<tr>
<th>Date Published</th>
<th>Story Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/28/2021</td>
<td>Test Center &amp; Front Counter Staff Preparing for February 1st Re-Opening</td>
</tr>
<tr>
<td>1/14/2021</td>
<td>Chief of Enforcement and Longtime CSLB Employee Retires after 35 Years of State Service</td>
</tr>
<tr>
<td>12/18/2020</td>
<td>Career Development and Mentoring Program Update</td>
</tr>
<tr>
<td>12/18/2020</td>
<td>A Special Holiday Message from CSLB’s Registrar</td>
</tr>
<tr>
<td>12/09/2020</td>
<td>Tune-In Tomorrow to our Quarterly Board Meeting</td>
</tr>
<tr>
<td>12/2/2020</td>
<td>Demetria Poole Retires after 27 years with CSLB</td>
</tr>
<tr>
<td>11/09/2020</td>
<td>Staff Shares Halloween Photos of their Family and Decorations!</td>
</tr>
<tr>
<td>11/03/2020</td>
<td>Tune-In Tomorrow to CSLB’s Committee Meetings!</td>
</tr>
<tr>
<td>10/28/2020</td>
<td>Halloween Costume Photo Submission!</td>
</tr>
<tr>
<td>10/08/2020</td>
<td>Virtual Backgrounds Now Available to Staff</td>
</tr>
<tr>
<td>10/07/2020</td>
<td>Help Us Help You with Career Development!</td>
</tr>
<tr>
<td>10/05/2020</td>
<td>Making Changes to Your Health Coverage? Here’s What You Need to Know</td>
</tr>
<tr>
<td>10/05/2020</td>
<td>Welcome CSLB’s Newest Board Member, Michael Mark</td>
</tr>
<tr>
<td>09/24/2020</td>
<td>CSLB Welcomes New Board Member, Rodney Cobos</td>
</tr>
<tr>
<td>09/18/2020</td>
<td>Business Services Employees Work Hard to Provide Vital Services</td>
</tr>
<tr>
<td>09/08/2020</td>
<td>CSLB’s Virtual Quarterly Board Meeting Announcement</td>
</tr>
<tr>
<td>09/08/2020</td>
<td>Northern SWIFT Shares Images from LNU Complex Fire Burn Area</td>
</tr>
<tr>
<td>09/08/2020</td>
<td>CSLB Staff Steps-Up to Help Residents in Wildfire Areas</td>
</tr>
<tr>
<td>08/21/2020</td>
<td>CSLB Staff Reminders for Wildfire Season</td>
</tr>
<tr>
<td>08/19/2020</td>
<td>New Licensee Member Joins Board</td>
</tr>
<tr>
<td>07/24/2020</td>
<td>CSLB Welcomes New Board Member and Celebrates Reappointment of Another</td>
</tr>
<tr>
<td>07/23/2020</td>
<td>Watch a Live Stream of CSLB’s July Board Meeting</td>
</tr>
<tr>
<td>07/14/2020</td>
<td>CSLB Recognizes Employee with 33 Years of Outstanding Service</td>
</tr>
<tr>
<td>07/01/2020</td>
<td>CSLB Reopens Public Counters with COVID-19 Precautions</td>
</tr>
<tr>
<td>06/29/2020</td>
<td>Testing Chief retires after 35 years at CSLB</td>
</tr>
<tr>
<td>06/17/2020</td>
<td>Contractors State License Board Elects 2020-21 Officers</td>
</tr>
<tr>
<td>06/16/2020</td>
<td>CSLB Test Centers Reopen Thanks to Hardworking Staff</td>
</tr>
<tr>
<td>05/18/2020</td>
<td>CSLB Staff Recipes Now Accessible on Employee Intranet</td>
</tr>
<tr>
<td>Date</td>
<td>Title</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>05/01/2020</td>
<td>CSLB Management Thanks Staff: Check Morning Briefing Emails for Important Updates</td>
</tr>
<tr>
<td>03/24/2020</td>
<td>CSLB Does Its Part to Help Hospitals During COVID-19 Emergency</td>
</tr>
<tr>
<td>03/12/2020</td>
<td>CSLB Norwalk Employees Step Up to Help Future Licensees</td>
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Legislation
Legislative Overview

a. Review, Discussion, and Possible Action to Amend Legislative 2019-21 Strategic Plan
LEGISLATION DIVISION OVERVIEW

CSLB’s Legislative division engages in the regulatory and legislative processes to advise the board on relevant legislation, advocate for the board’s approved legislative proposals, and facilitate the board’s administrative rulemaking priorities. In addition, the division sponsors legislation and screens all bills introduced by the Legislature to determine if they will affect the board, consumer protection, or the state’s construction industry. The division also prepares and submits reports or studies that are requested by the Board or required by the Legislature.

LEGISLATION

- Represent CSLB with legislators, legislative committees, and other state agencies.
- Analyze legislation to assess its impact on Board operations.
- Identify the need for legislation, review and approve recommended alternatives, and strategies for potential legislative proposals and legislative language.
- Secure legislative bill authorship and assist with legislative presentations.
- Accept or reject proposed legislative modifications.
- Provide technical input on legislation affecting CSLB’s practice act.
- Negotiate amendments to the satisfaction of the board.
- Meet with sponsors of bills to discuss and resolve issues.
- Coordinate support for CSLB legislation and ensure proactive positions on legislation that affect CSLB.
- Sustain cooperative relationships with industry groups, industry representatives, regulatory agencies, the State Legislature, and the general public.
- Coordinate meetings of stakeholder and industry groups to seek input on legislative issues.
- Respond to legislator constituent inquiries on behalf of CSLB.
- Provide testimony before the Legislature on bills the Board has taken a position on or on budget issues.

REGULATIONS

- Prepare and submit regulatory packages for board approval.
- Ensure proposed regulations meet requirements of the Administrative Procedure Act (Act).
- Following Board approval of a proposed rulemaking, coordinate with the Department of Consumer Affairs to ensure completion of all four stages of the regulatory process (concept, production, initial submission, final submission).
- Preparing hearing and regulatory notices and files for the Office of Administrative Law and set-up hearings in accordance with the Act and related regulations.
RECENT REPORTS AND STUDIES

- Senate Bill 465 (Hill) Settlement Reporting Study
- Sunset Review Report (assistance and review)
- Battery Energy Storage Systems Report
- Mandatory Workers' Compensation for Certain License Classification (A Staff Report)
  https://www.cslb.ca.gov/Resources/BoardPackets/2020/BoardPacket09092020.pdf (page 95)
- Senate Bill 610 (Glazer) License Bond Study
  https://www.cslb.ca.gov/Resources/Reports/SB610STUDY.pdf
## 2019-21 Strategic Plan – Legislative Objectives

### Item 3.1

**Description:** Collaborate annually with industry and consumer leaders to share new legislative ideas.

**Target Date:** January 2019 – November 2019 (annually thereafter)

**Current Status:** Three meetings held in April and May 2019 with industry on legislation or regulation centered on: energy storage systems; workers’ compensation for specified license classifications; and home improvement contract requirements. Additional stakeholder meeting held January 2020 on mandatory workers’ compensation for additional classifications.

### Item 3.2

**Description:** Seek legislation to mandate workers’ compensation insurance for specified license classifications to protect workers and consumers. (Statutory)

**Target Date:** July 2021

**Current Status:** First stakeholder meeting held in April 2019; proposed classifications subject to this requirement revised; additional stakeholder meeting held January 2020 and legislative proposal approved for authorship at September 2020 board meeting. Author secured; Senate Bill 216 introduced in the Legislature on January 13, 2021.

### Item 3.3

**Description:** Review disaster-related consumer protection laws, including the hazardous substances certification requirements.

**Target Date:** October 2021

**Current Status:** Provided technical assistance to author of SB 1189 to extend home improvement contract provisions to disaster rebuilds. Possible additional regulatory or statutory changes will be considered for a future Legislative Committee Meeting.

### Item 3.4

**Description:** In conjunction with the Licensing division, review multiple qualifier responsibilities and bonding requirements to determine if regulatory or legislative changes will improve consumer protection.

*(See Licensing objective 1.5)*

**Target Date:** January 2021

**Current Status:** Bond study on sufficiency of $15,000 contractor license bond completed, which included an analysis of the qualifier bond concerns; submitted for committee review on November 4,
2020; approved by the full board at its December 2020 meeting; submitted to Legislature December 23, 2020.

Item 3.5

Description: Clarify home improvement contract requirements to improve licensee understanding and compliance. (Statutory)

Target Date: October 2021.

Current Status: First of multiple stakeholder meetings held in April 2019. As a result of unanticipated delays in various projects following the COVID-19 pandemic, the project has been delayed. The next stakeholder meeting is tentatively scheduled for May 2021, with a draft proposal for committee review by the summer of 2021.

Item 3.6

Description: Review laws and update penalties as necessary to ensure they are adequate for the violations, to encourage compliance and protect consumers. (Regulatory and Statutory)

Target Date: December 2021.

Current Status: Assembly Bill 569 (Grayson) was introduced this session.

Item 3.7

Description: Clarify in regulation (CCR section 825) the definition of foreperson, supervising employee, and contractor to provide applicants greater clarity about the experience needed to obtain a license. (Statutory)

Target Date: June 2021

Current Status: The board voted at its December 2020 meeting to make this strategic plan item a statutory proposal rather than a regulatory proposal. Staff will present a legislative proposal to the committee in the summer of 2021.

Item 3.8

Description: Research the feasibility of a graduated fee increase for larger licensed contractors to increase enforcement resources and public outreach.

Target Date: September 2021

Current Status: The issue of graduated (or higher) fee increases for larger licensed contractors is comprehensively reviewed in the fee study prepared by Cooperative Personnel Services and approved by the board at the December 2020 meeting.
Update on Previously Approved Legislative Proposals

a. SB 216 (Dodd) Contractors: workers’ compensation insurance: mandatory coverage

b. AB 246 (Quirk) Contractors: disciplinary actions

c. AB 569 (Grayson) Contractors: civil penalties: letters of admonishment
BILL NUMBER: SB 216 (Dodd)
http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB216

STATUS/LOCATION (as of 3.2.2021): Set for hearing in Senate Committee on Business and Professions on March 8, 2021

SPONSOR: Contractors State License Board

SUBJECT: Contractors: workers' compensation insurance: mandatory coverage

CODE SECTION: Amend, repeal, and add §§ 7125 and 7125.4 of the Business and Professions Code

SUMMARY: Would preclude CSLB from accepting certificates of exemption from workers' compensation insurance from licensed C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors in the first year and from all contractors in three years, requiring that all contractors have a certificate of workers' compensation insurance on file by 2025.

EXISTING LAW: Requires every licensed contractor, or applicant for licensure, have on file with CSLB a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. Contractors can file a certificate of exemption, certifying that they have no employees and are not required to obtain or maintain workers' compensation insurance. Existing law requires C-39 Roofing contractors with an active license to have a valid Certificate of Workers' Compensation Insurance at all times, whether or not they have employees.

THIS BILL: Would include the C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractor licenses as those, along with the C-39 Roofing contractor, who must always have a Certificate of Workers' Compensation Insurance on file with CSLB. The bill further provides that by 2025, CSLB would no longer accept a certificate of exemption from workers' compensation insurance, thereby requiring that all contractors with an active license have a certificate of insurance on file by 2025.

COMMENT/ANALYSIS: Despite years of enforcement efforts, the number of workers' compensation exemptions on file with CSLB, and the number of contractors in violation of the workers' compensation laws remains consistent. CSLB research confirms that many of the approximate 50 to 60 percent of licensed contractors who currently claim an exemption, do have employees. There is a demonstrated problem of contractors employing workers without providing workers' compensation insurance coverage. This problem creates an unfair competitive disadvantage for law-abiding contractors who are subject to higher business costs and puts employees and the public at risk for workplace injuries. This bill will eliminate that problem.
STAFF RECOMMENDATION: UPDATE ONLY. This is a CSLB-sponsored measure.

On February 4, 2021, the CSLB Legislative Committee voted to recommend a position of “support” to the full Board. On February 10, 2021 the Chair of the Legislative Committee, with Board Chair approval, authorized staff to submit a letter of “support” of this measure to the Legislature.
BILL NUMBER:  AB 246 (Quirk and Mathis) (Coauthors Bauer-Kahan and Lee)
http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB246

STATUS/LOCATION (as of 3.2.2021): Referred to Asm. B&P on January 28, 2021

SPONSOR: Contractors State License Board

SUBJECT: Contractors: violations: disciplinary actions

CODE SECTION: Amend Business and Professions Code § 7110

SUMMARY: Would make a licensed contractor’s unlawful dumping of construction debris a cause of disciplinary action against the contractor.

EXISTING LAW: Provides in Business and Professions Code (BPC) § 7110 that CSLB can discipline a licensed contractor for several violations of California statutes that are not part of Contractors State License Law.

THIS BILL: Would add to BPC § 7110 a requirement that a contractor’s violation of local or state dumping laws is a cause of discipline under Contractors State License Law.

COMMENT/ANALYSIS: CSLB’s enforcement of this law, should it pass, will require evidence similar to that needed to support an administrative action for a licensed contractor’s failure to comply with building code requirements, i.e., evidence that an existing city, county, or state dumping law has been violated.

FISCAL IMPACT: Minor and absorbable.

STAFF RECOMMENDATION: UPDATE ONLY. This is a CSLB-sponsored measure.

On February 4, 2021, the CSLB Legislative Committee voted to recommend a position of “support” to the full Board. On February 23, 2021 the Chair of the Legislative Committee, with Board Chair approval, authorized staff to submit a letter of “support” of this measure to the Legislature.
BILL NUMBER: AB 569 (Grayson)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB569

STATUS/LOCATION (as of 3.2.2021): Referred to Asm. Comm. on B&P as well as Asm. Comm. on Judiciary on February 18, 2021

SUBJECT: Contractors: civil penalties: letters of admonishment

CODE SECTION: Amend Business and Professions Code §§ 7099.2 and 7099.9.

SUMMARY: Increases to $8,000 the maximum civil penalty CSLB can assess against a contractor for most violations, and to $30,000 for the most serious violations. Authorizes CSLB to issue a Letter of Admonishment for more than one violation at a time.

EXISTING LAW: Provides that CSLB shall not issue a civil penalty greater than $5,000 for most violations, and not greater than $15,000 for serious violations (aiding and abetting an unlicensed contractor and contracting with an unlicensed contractor).

COMMENT/ANALYSIS: The increases in the civil penalties proposed by this bill are based on increases in the Consumer Price Index in the years since these amounts were last increased (2003 for the $5,000 violations and 1992 for the $15,000 violations). These penalties amounts are no longer commensurate with the cost of prosecuting and defending these violations. This bill additionally adds a contractor’s filing with the Board a false certificate of insurance or certificate of exemption among the violations that are assessed the higher civil penalty of $30,000, to reflect the seriousness of this violation.

Finally, the bill also increases the number of violations for which the Board can issue a Letter of Admonishment to a contractor as a non-disciplinary alternative to a citation.

STAFF RECOMMENDATION: UPDATE ONLY. This is a CSLB-sponsored measure.

On February 4, 2021, the CSLB Legislative Committee voted to recommend a position of “support” to the full Board. On February 23, the Chair of the Legislative Committee, with Board Chair approval, authorized staff to submit a letter of “support” of this measure to the Legislature.
Review, Discussion, and Possible Action on 2021-22 Pending Legislation

a. Bills Related to CSLB’s $500 Minor Work Exemption
   i. AB 899 (Cunningham) Contractors: Unlicensed Work: Inflation Adjustment
   ii. SB 304 (Archuleta) Contractors: Exemptions

b. Bills Related to Reducing Barriers to Licensure
   i. AB 646 (Low) Department of Consumer Affairs: Boards: Expunged Convictions
   ii. AB 1026 (Smith) Business Licenses: Veterans
   iii. AB 1386 (Cunningham) License Fees: Military Partners and Spouses

c. Bills Related to Other Construction Related Issues
   i. AB 484 (Medina) Alarm Company Operators: Advertisements
   ii. AB 1124 (Friedman) Solar Energy Systems
   iii. AB 1129 (Frazier) Home Inspectors License Law
   iv. AB 1136 (Rivas) Property Assessed Clean Energy Program: Enforcement: Ancillary Relief
   v. SB 430 (Borgeas) Small Businesses: Reduction or Waiver of Civil Penalties for Violation of Regulations or Statutes
   vi. SB 772 (Ochoa Bogh) Professions and Vocations: Citations: Minor Violations
BILL NUMBER: AB 899 (Cunningham)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB899

STATUS/LOCATION (as of 3.4.2021): Referred to Asm. B&P on February 25, 2021

SUBJECT: Contractors: Unlicensed Work: Inflation Adjustment

CODE SECTION: Amend Business and Professions Code (BPC) § 7027.2

SUMMARY: Authorizes CSLB to annually, by regulation, adjust the $500 “minor work” exemption from the Contractor’s Law according to changes in the CPI or COLA.

EXISTING LAW: A contractor’s license is not required for construction projects that cost less than $500 in labor and materials combined; this is commonly referred to as the “minor work exemption.”

THIS BILL: Requires the board to annually adjust the $500 amount by regulation to reflect the rate of inflation, as measured by the Consumer Price Index or another means of measuring inflation that CSLB determines is “reliable and generally accepted.”

COMMENT/ANALYSIS: The $500 exemption was last increased in 1998. In 2019, CSLB approved a legislative proposal to raise the $500 exemption to $1,000. However, at the June 2020 meeting of the Board, staff updated members about opposition received to the proposal. The concerns focused on raising the threshold for unlicensed practice that may provide an avenue for employers to circumvent tax withholding and workers compensation insurance requirements in the developing “gig” economy. The proposal was tabled at the outset of the pandemic and the Board has not readdressed it since.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues for Board to Consider:

- The legislature recently enacted a Residential Remodeling Contractor’s license to reduce barriers to licensure for applicants who perform multiple residential construction trades but do not have structural framing experience. CSLB plans to accept applications for this license in late summer of 2021. This provides a new avenue to licensure for applicants who perform lower cost projects in the home.

- Currently, the regulatory process requires more than a year to complete. That may be a consideration for any bill requiring CSLB commence an annual rulemaking.
BILL NUMBER: SB 304 (Archuleta)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB304

STATUS/LOCATION (as of 3.4.2021): Hearing in Senate Committee on Business and Professions on March 8, 2021 canceled at the request of the author.

SPONSOR: California Association of Realtors

SUBJECT: Contractors: exemptions

CODE SECTION: Amend § 7048 of the Business and Professions Code

SUMMARY: Increases the “minor work” exemption from $500 to $1,000.

EXISTING LAW: A contractor’s license is not required for construction projects that cost less than $500 in labor and materials combined; this is commonly referred to as the “minor work exemption.”

COMMENT/ANALYSIS: The $500 exemption was last increased in 1998. In 2019, CSLB approved a legislative proposal to raise the $500 exemption to $1,000. However, at the June 2020 meeting of the Board, staff updated members about opposition received to the proposal. The concerns focused on raising the threshold for unlicensed practice that may provide an avenue for employers to circumvent tax withholding and workers compensation insurance requirements in the developing “gig” economy. The proposal was tabled at the outset of the pandemic and the Board has not readdressed it since.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues for Board to Consider:

- The legislature recently enacted CSLB’s legislative proposal creating a Residential Remodeling Contractor’s license to reduce barriers to licensure for applicants who perform multiple residential construction trades but do not have structural framing experience. CSLB plans to accept applications for this license in late summer of 2021. This provides an avenue to licensure for applicants who perform lower cost projects in the home.

- The author’s fact sheet states that the $500 limit “creates severe limitations for unlicensed handypersons as to what construction work they may perform under this exemption, as prices for materials and labor have increased significantly in the last 23 years.”
BILL NUMBER: AB 646 (Low) (Coauthor Sen. Roth)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB646

STATUS/LOCATION (as of 3.3.2021): Referred to Asm. B&P on February 25, 2021

SPONSOR: Author-sponsored

SUBJECT: Department of Consumer Affairs: boards: expunged convictions

CODE SECTION: Add § 493.5 to the Business and Professions Code (BPC)

SUMMARY: Authorizes CSLB to collect a $50 fee for the cost of either removing information about a conviction from its website or posting on a contractor's online license information that a conviction has been expunged.

EXISTING LAW: Authorizes CSLB to disclose on its public website the reason a contractor's license was revoked. In the case of a criminal conviction, CSLB would post that the contractor was disciplined for a violation of BPC § 7123, “conviction of a substantially related crime.”

THIS BILL: For any contractor whose license was revoked for a conviction of a substantially related crime, and who supplies CSLB with proof that the conviction was expunged, this bill would require CSLB do one of two things: (1) post the expungement order on its website if the contractor reapplies for licensure or becomes relicensed; or (2) remove the posting of a revocation for BPC § 7123 if the contractor is not currently licensed and does not reapply for licensure.

COMMENT/ANALYSIS: This bill only applies to contractors whose licenses were revoked due to a construction related conviction and who provide CSLB proof that the conviction was expunged. Expungement tends to be for less serious crimes, as many serious crimes in California do not qualify for expungement under Penal Code section 1203.4.

FISCAL IMPACT: Positive fiscal, but minimal. The bill allows CSLB to charge $50 (or another amount it deems appropriate) for the cost of processing the expungements. In 2019 there were 94 accusations that included a violation of BPC 7123, and there were 50 in 2020. Assuming 25% of these revoked licensees provide their expungement record to CSLB, this could be around $1,000 a year revenue to the CSLB special fund.

STAFF RECOMMENDATION: SUPPORT. This bill is intended to remove barriers to licensure for persons who are rehabilitated, to encourage entry into the workforce and reduce the risk of recidivism. This is consistent with the Licensing Division Strategic Plan objective 1.4 to review barriers to licensure regarding criminal background information.
BILL NUMBER: AB 1026 (Smith)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1026

STATUS/LOCATION (as of 3.4.2021): Introduced February 18, 2021

SPONSOR: Author-sponsored

SUBJECT: Business licenses: veterans

CODE SECTION: Amend Business and Professions Code § 115.4

SUMMARY: Requires CSLB provide a 50% reduction in the initial license fee for honorably discharged active-duty members of the United States Armed Forces or the California National Guard.

EXISTING LAW: Requires DCA boards and bureaus to expedite the initial license process for an applicant who has served as an active-duty member of the Armed Forces of the United States and was honorably discharged.

THIS BILL: Includes those who served in the California National Guard among the individuals described above. Provides for a 50% fee reduction in the initial license fee upon proof of the honorable discharge of any such individuals applying for a license.

COMMENT/ANALYSIS: The author’s fact sheet for the bill states, “Veterans face numerous challenges when transitioning from active duty to the civilian workforce. Initial licensing fees for boards within the Department of Consumer Affairs (DCA) can prove burdensome, especially for lower income veterans.”

FISCAL IMPACT: Preliminary numbers indicate the CSLB receives approximately 100 Armed Forces applicants a year. At current initial license fee levels, if all such applicants received a 50% fee reduction, the impact is approximately $10,000 per year.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues for Board to Consider:

- This bill is presented for the Board’s information because there is a fiscal impact, and so that the Board may be aware of the Legislature’s recent bi-partisan efforts to reduce barriers to licensure for members of the Armed Forces.

- For the Board’s information, two other current measures, AB 107 (Salas) and AB 225 (Gray, Gallagher, Patterson), would both require CSLB to issue a license (after appropriate investigation) to applicants who are honorably discharged, or who are in a relationship with an active-duty member, and hold an active license in another state. AB 107 and AB 225 do not ask CSLB to waive or reduce any fees.
BILL NUMBER: AB 1386 (Cunningham)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1386

STATUS/LOCATION (as of 3.4.2021): Introduced February 19, 2021

SPONSOR: Unknown, fact sheet not provided by author’s office as of this writing

SUBJECT: License fees: military partners and spouses

CODE SECTION: Amend Business and Professions Code § 115.5

SUMMARY: Requires CSLB to waive the initial license fee for an applicant who is in a relationship with an active-duty member of the Armed Forces of the United States and who holds a license in another state.

EXISTING LAW: Provides that a Board within the Department expedite the licensure process for an applicant who is in a domestic partnership or other legal union with an active-duty member of the Armed Forces of the United States, who is assigned to a duty station in California, under official active-duty military orders, and who holds an existing license in another state.

THIS BILL: Provides that for the individuals described above who apply for a license with CSLB, that CSLB waive the initial license fee.

COMMENT/ANALYSIS: The board currently expedites the licensure process for military personnel. This bill would have minimal impact on the expedite processes the Board already engages.

FISCAL IMPACT: In the last three years, CSLB has identified two applications filed by individuals who assert the relationship with an active-duty member of the Armed Forces described in this bill and who hold a license in another state.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.”

Issues for Board to Consider:

- This bill is presented for the Board’s information because there is a possible fiscal impact, and so that the Board may be aware of the Legislature’s recent bi-partisan efforts to reduce barriers to licensure for members of the Armed Forces.

- For example, two other current measures, AB 107 (Salas) and AB 225 (Gray, Gallagher, Patterson), would both require CSLB to issue a license (after appropriate investigation) to applicants who are honorably discharged, or who are in a relationship with an active-duty member, and hold an active license in another state.
BILL NUMBER: AB 484 (Medina)
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB484

STATUS/LOCATION (as of 3.2.2021): Referred to Asm. B&P on February 18, 2021

SPONSOR: Contractors State License Board

SUBJECT: California Cable & Telecommunications Association

CODE SECTION: Amend Business and Professions Code § 7599.44 (Alarm company operators licensed by the DCA Bureau of Security and Investigative Services (BSIS))

SUMMARY: Would permit a licensed alarm company regulated by CSLB to exclude their license number from radio and television ads if that information is included in their online website.

EXISTING LAW: Requires every solicitation or advertisement by a licensed alarm company regulating by CSLB contain the licensee’s name and license number.

THIS BILL: Provides that, notwithstanding the advertising requirements for licensed contractors in Contractor’s State License Law, a licensed alarm company operator may direct customers to a website for license name and information instead of including that information in radio or television broadcast or billboard advertisement.

COMMENT/ANALYSIS: Many licensed alarm company operators hold a CSLB issued license, such as the C-7 Low Voltage Systems, C-10 Electrical, C-28 Lock and Security Equipment and/or D-28 Doors, Gates and Activating Devices or other license. These contractors are subject to the requirement in the Contractors State License Law of placing a license number in all advertisements, regardless of advertising type.

STAFF RECOMMENDATION: OPPOSE UNLESS AMENDED:

Issues for Board to consider:

- CSLB staff believe it is an important consumer protection measure for a license number to be included in all advertisements.

- Reference to the Contractor’s Law in this bill is not clearly binding on CSLB because it is not in CSLB’s practice act and it directly applies only to BSIS-licensed operators. Therefore, even if this bill passes, CSLB could still discipline a licensed contractor for failing to include a license number in their advertisements. As such, the reference to the Contractors’ Law will be ineffective and cause confusion.
BILL NUMBER: AB 1124 (Friedman)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1124

STATUS/LOCATION (as of 3.3.2021): Introduced February 18, 2021

SUBJECT: Solar energy systems

SPONSOR: California Solar & Storage Association


SUMMARY: Redefines a “solar energy system” from a “structural design feature of a building” to a “design feature” of many structures for the purposes of solar permit fees.

EXISTING LAW: For purposes of a “solar easement” in the Solar Rights Act, defines a “solar energy system” as a “structural design feature of a building.” For purposes of permit fees assessed by local authorities for solar energy systems, defines a “residential permit fee” but does not define “commercial permit fee.”

THIS BILL: Redefines “solar energy system” in the Solar Rights Act as a “structural design feature” including “solar racking, solar mounting, solar carports, solar shade structures, solar awnings, solar canopies, and solar patio covers, regardless of whether the feature is on the ground or on a structure.” This bill also creates a “commercial solar energy system” definition for the purposes of permit fees.

COMMENT/ANALYSIS: According to the bill sponsors, existing law caps permit fees for solar installations, but local jurisdictions are “going around” those fees because some solar projects, in addition to providing solar, serve other functions like providing shade (such as a carport with a solar system). The sponsors claim the bill is intended to make shade structures and carports “count” as solar installations for the permitting fee caps.

STAFF RECOMMENDATION: OPPOSE UNLESS AMENDED: Issues to consider:
- The revised definition of “solar energy system” in this bill does not alter CSLB’s exclusive authority to define the scope of a licensed contractor’s operations. However, the revised definition may cause confusion in the construction industry or among consumers because the new “structural design features” defined as a “solar energy system” in the bill require a general building contractors license or multiple contractor’s licenses to perform.
- Consideration should be given to revise the bill to include the following clarifying statement “Nothing in this section is intended to affect the required Contractors State License Board classification or field of scope of operations of a contractor licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.”
BILL NUMBER: AB 1129 (Frazier)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1129

STATUS/LOCATION (as of 3.3.2021): Introduced February 18, 2021

SPONSOR: California Real Estate Inspection Association

SUBJECT: Home Inspectors License Law

CODE SECTION: Add / amend several sections of the Business and Professions Code (BPC)

SUMMARY: Creates within the Department of Consumer Affairs a “Bureau of Home Inspectors” effective January 1, 2023 and enacts the “Home Inspectors License Law.”

EXISTING LAW: There is a Chapter in the BPC that provides civil remedies for those who claim that a home inspector negligently performed a home inspection. No government agency licenses home inspectors.

THIS BILL: By creating a Bureau of Home Inspectors, this bill subjects home inspection activity to the licensing authority of the Department of Consumer Affairs. The bill creates a new special fund within DCA and provides that the Governor appoint, subject to confirmation, a Chief of the new bureau to administer the licensing program. The bill requires home inspectors meet the minimum requirements of the “National Home Inspector Certification Council and California Real Estate Inspection Association.” The bill would provide for financial and continuing education requirements for home inspectors.

COMMENT/ANALYSIS: This bill does not involve CSLB. However, various construction industry stakeholders have recently informed CSLB staff of their belief that home inspectors should be licensed contractors and be licensed by CSLB.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues for Board to Consider:

- Between 1986 and 2019, nine previous legislative measures have unsuccessfully attempted home inspector licensure at CSLB or in California. In 2019 the Board voted to “Watch” a version of this bill that placed home inspector licensing at CSLB (the bill died). CSLB staff has corresponded frequently with the author’s office and Assembly Business & Professions Committee staff about this bill.

- For the Board’s information, there are two additional bills this session about home inspection: SB 484 (Archuleta) (Authorize C-36 Plumbing licensees to both inspect and repair sewer lateral lines if a homeowner consents) and SB 736 (Newman) (Require continuing education for home and building inspectors of residential swimming pools)
BILL NUMBER: AB 1136 (Rivas)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1136

STATUS/LOCATION (as of 3.10.2021): Referred to Comm. on Banking and Finance

SPONSOR: Author

SUBJECT: Property Assessed Clean Energy (PACE) program: enforcement: ancillary relief

CODE SECTION: Amend Section 22690 of the Financial Code

SUMMARY: Authorizes the Department of Financial Protection and Innovation (DFPI, formerly the Department of Business Oversight) to order PACE solicitors and PACE solicitor agents to pay financial relief to persons injured by their actions.

EXISTING LAW: Allows PACE program administrators to enroll “PACE solicitors” and “PACE solicitor agents” in PACE programs that sell PACE assessment contracts to consumers to finance clean energy home improvements through property taxes. PACE solicitors/agents must maintain a license or home improvement registration in good standing with CSLB. Existing law allows program administrators to “disenroll” from a PACE program any PACE solicitors/agents who violate rules related to the sale of PACE assessment contracts. Existing law authorizes the DFPI Commissioner to preclude non-compliant PACE solicitors and PACE solicitor agents from participating in PACE.

THIS BILL: Adds to existing law the authority for DFPI to order PACE solicitors/solicitor agents to pay restitution to harmed consumers.

COMMENT/ANALYSIS: This bill does not affect CSLB or the Contractors State License Law. It relates to the authority of DFPI to take action against persons who sell PACE financing only (CSLB still retains exclusive authority over those who sell and execute Home Improvement Contracts).

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues for Board to Consider:

- PACE solicitors and PACE solicitor agents hold contractors’ licenses and home improvement salesperson registrations issued by CSLB. If a PACE solicitor/agent is disenrolled from a PACE program or ordered to pay restitution to a consumer for violating rules regarding PACE assessment contracts, it may be useful information to CSLB to have for consumer protection purposes.

- Staff recommends the consider a provision that allows CSLB to discipline a contractor or home improvement salesperson who violates PACE laws.
BILL NUMBER: SB 430 (Borgeas) (Coauthors Bates, Jones, and Ochoa Bogh)
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB430

STATUS/LOCATION (as of 3.10.2021): Referred to Bus., Prof. & Econ. Dev. Comm.

SUBJECT: Small businesses: reduction or waiver of civil penalties

CODE SECTION: Adds a Chapter to the Government Code (Part 1, Div. 3 of Title 2).

SUMMARY: Create a process by which state agencies can establish procedures for the reduction of civil penalties imposed on small businesses under certain circumstances.

EXISTING LAW: Requires each state agency which significantly regulates or impacts small businesses to designate at least one person who is required to serve as a small business liaison. (Department of Consumer Affairs has designated the Small Business and Disabled Veteran Business Enterprise (SB/DVBE) as its small business liaison: https://www.dca.ca.gov/publications/sb-liaison.shtml)

THIS BILL: Defines a state agency to include a state board that has jurisdiction over small businesses. Defines a small business as one that is independently owned and operated and has less than 100 employees and less than $15,000,000 gross receipts. Requires a state agency to establish a policy to provide for “the reduction or waiver of civil penalties” for violations that do not involve willful or criminal conduct, or pose serious health, safety, or environmental threat. The bill requires the state agency to post on its website information about businesses that qualified for relief under the bill.

COMMENT/ANALYSIS: According to the author’s fact sheet, the bill “creates an opportunity for regulatory relief for small businesses by allowing state agencies to operate with discretion when enforcing monetary penalties.”

FISCAL: CSLB would first need to develop regulations to identify which of its causes of discipline would qualify for relief under the bill. Depending on that result, many violations for which civil penalties are currently imposed might possibly no longer be imposed.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues to consider:
- CSLB is currently sponsoring a legislative measure to increase its civil penalties in accordance with the Consumer Price Index. (AB 569 (Grayson)). That bill would also allow CSLB to issue more letters of admonishment, in lieu of a civil penalty.
- This bill requires the new policy to consider things like a business’s history of violations, cooperation, and the appropriateness of offering corrective action or education in lieu of fines, all of which CSLB already does.
- The bill passed the Senate Comm. on Governmental Organization on March 9.
BILL NUMBER: SB 772 (Ochoa Bogh) (Coauthor Borgeas)
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB772

STATUS/LOCATION (as of 3.10.2021): Referred to Bus., Prof. & Econ. Dev. Comm.

SPONSOR: Author

SUBJECT: Professions and vocations: citations: minor violations

CODE SECTION: Amends Section 125.9 of the Business and Professions Code

SUMMARY: Precludes a license board from assessing a fine for a minor violation.

EXISTING LAW: Existing law authorizes any board within the Department of Consumer Affairs to issue a citation to a licensee, which may contain an order of abatement or an order to pay an administrative fine assessed by the board.

THIS BILL: Provides that a licensee shall not be assessed an administrative fine for a minor violation. The bill defines a minor violation as one that does not pose serious health or safety threats, was not willful, and the licensee corrects the violation in 30 days, provided the licensee was not on probation or had prior disciplinary history.

COMMENT/ANALYSIS: According to the author’s fact sheet, “overregulation has become a barrier to entry, especially among lower-income households” and “drives current business owners out of business” and “disincentives new businesses from entering the market.” The bill is intended to “provide financial relief to businesses and licensed professionals by allowing them to correct minor violations without being subject to a monetary penalty.”

FISCAL: CSLB would first need to develop regulations to identify which of its causes of discipline would qualify for relief under the bill. Depending on that result, many violations for which civil penalties are currently imposed might possibly no longer be imposed.

STAFF RECOMMENDATION: NEUTRAL OR “WATCH.” Issues for Board to Consider:

- CSLB is currently sponsoring a legislative measure to increase its civil penalties in accordance with the Consumer Price Index. (AB 569 (Grayson)). That bill includes a provision allowing CSLB to issue more letters of admonishment, which do not assess a civil penalty, in lieu of citations.

- This bill requires the new policy to consider things like a business’s history of violations and the appropriateness of offering corrective action in lieu of fines, which CSLB already does.
AGENDA ITEM I

Adjournment