

JUNE 3, 2021  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Board Meeting







## **NOTICE OF PUBLIC TELECONFERENCE BOARD MEETING**

Thursday, June 3, 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=e94c743a5823fd555b713d28dcc3e13>

Call-In Number: (415) 655-0001 or (844) 621-3956

Access Code: 182 705 0386

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
- 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 March 25, 2021 Meeting Minutes
  2. Registrar’s Report
    - a. Tentative Board Meeting Schedule
    - b. Update on B-2 Residential Remodeling Classification
  3. Registrar Status Update on Contract with Consultant to Study Which CSLB License Classifications Should Install Battery Energy Storage Systems

4. Strategic Planning Process Overview
5. Budget Update and Statistical Summary
6. Administration Update Regarding Personnel and Facilities
  - a. Review, Discussion, and Possible Action on the Administration 2019-21 Strategic Plan
7. Information Technology Update
  - a. Review, Discussion, and Possible Action on the Information Technology 2019-21 Strategic Plan
8. Election of 2021-22 Board Officers

E. Public Affairs

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

F. Enforcement

1. Enforcement Program Update and Statistical Summary
  - a. Review, Discussion, and Possible Action on the Enforcement 2019-21 Strategic Plan
2. Intake Mediation Center Overview and Highlights
3. Solar Taskforce Update and Statistics
  - a. Update Regarding Solar Investigations
  - b. Update on the Public Utilities Commission (PUC) Net Energy Metering Solar Consumer Protection Investor Owned Utility Audit Requirement
  - c. Update on the PUC Establishment of a Recovery Fund for Net Energy Metering Solar Consumers

G. Licensing and Testing

1. Licensing and Testing Program Update and Statistical Summary
  - a. Review, Discussion, and Possible Action on the Licensing and Testing 2019-21 Strategic Plan
2. Update on Outsourcing Exam Administration
3. Advisory Committee Update on Women in Construction

## H. Legislation

1. Review, Discussion, and Possible Action on the Legislation 2019-21 Strategic Plan
2. Update on CSLB-Sponsored Bills
  - a. AB 246 (Quirk) Contractors: disciplinary actions
  - b. AB 569 (Grayson) Contractors: civil penalties: letters of admonishment
  - c. SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage
3. Update on Previously Considered Pending 2021-22 Legislation
  - a. AB 484 (Medina) Alarm company operators: advertisements
  - b. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
  - c. AB 899 (Cunningham) Contractors: unlicensed work: inflation adjustment
  - d. AB 1026 (Smith) Business licenses: veterans
  - e. AB 1124 (Friedman) Solar energy systems
  - f. AB 1129 (Frazier) Home Inspectors License Law
  - g. AB 1136 (Rivas) Property Assessed Clean Energy Program: enforcement: ancillary relief
  - h. AB 1386 (Cunningham) License fees: military partners and spouses
  - i. SB 304 (Archuleta) Contractors: exemptions
  - j. SB 430 (Borgeas) Small business: reduction or waiver of civil penalties for violation of regulations or statutes.
  - k. SB 772 (Ochoa Bogh) Professions and vocations: citations: minor violations
4. Review, Discussion, and Possible Action on 2021-22 Pending Legislation
  - a. AB 830 (Flora) Business: Department of Consumer Affairs: Alarm Company Act: Real Estate Law
  - b. SB 607 (Roth) Professions and vocations
  - c. SB 727 (Leyva) Labor-related liabilities: direct contractor
  - d. SB 757 (Limon) Solar energy system improvements: consumer protection.
  - e. SB 826 (Committee on Business, Professions and Economic Development) Business and Professions

## 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/>. 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](mailto: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

Registration is required to join this event. If you have not registered, please do so now.

[Event](#) [San Francisco, CA](#)

**Event status:** Not started [Register](#)

**Date and time:** Wednesday, September 9, 2020 9:00 am  
Pacific Daylight Time (San Francisco, GMT-07:00)  
[Change time zone](#)

**Duration:** 3 hours

**Description:** This is a quarterly meeting of the California Contractors State License Board (CSLB).  
[https://cslb.ca.gov/Media\\_Room/Board\\_and\\_Committee\\_meetings/](https://cslb.ca.gov/Media_Room/Board_and_Committee_meetings/)

 **DEPARTMENT OF CONSUMER AFFAIRS  
CONTRACTORS  
STATE LICENSE BOARD**

Join Event Now

You cannot join the event now because it has not started.

First name:

Last name:

Email address:

Event password:

**NEW!**

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

[Register](#)

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.

Register for CSLB Quarterly Board Meeting

Please complete this form to register for the event. An asterisk (\*) indicates required information.

Please answer the following questions:

\* First name:

\* Last name:

\* Email address:

\* Confirm email address:

Company:

Title:

City:

State/province:

Country/region:

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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.

Registration Confirmed

Thank you for registering.

You are now registered for the event. **CSLB Quarterly Board Meeting**

You will receive a confirmation email message that contains detailed information about joining the event.

The event will start at 9:00 am San Francisco Time on September 9, 2020.  
Please join the event on time.

Invite a Friend

To invite a friend to this event, enter your friend's email address.

**Set Up Webex Events**

To participate in fully interactive events, please click [here](#) for setting up Webex Events on this computer.

To view system requirements, go to [www.webex.com](http://www.webex.com)

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4. If you have a calendar application on your computer, you also should receive a 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.



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:

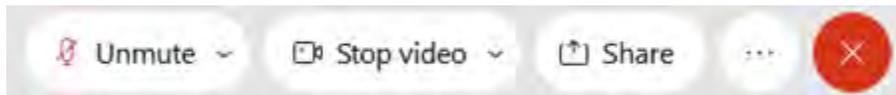
**“I would like to make a comment on this item.”**

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**  
<https://help.webex.com/en-us/WBX9000018881/Troubleshooting-Meetings>
- **WebEx Guide for Setting Up Your Audio**  
<https://help.webex.com/en-us/nt2ig0y/Choose-Your-Audio-and-Video-Settings-Before-You-Join-a-Webex-Meeting-or-Event-Slow-Channel>

Thank you for your interest in participating in a CSLB teleconference meeting.



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## AGENDA ITEM A

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

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

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

### Board Member Roster

KEVIN J. ALBANESE	SUSAN GRANZELLA
FRANK ALTAMURA, JR.	DIANA LOVE
AUGIE BELTRAN	MICHAEL MARK
RODNEY COBOS	JAMES RUANE
DAVID DE LA TORRE	JOHNNY SIMPSON
MIGUEL GALARZA	NANCY SPRINGER
DONALD GIARRATANO	MARY TEICHERT





## AGENDA ITEM B

# Public Comment Session - Items Not on the Agenda

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

### BOARD AND COMMITTEE MEETING PROCEDURES

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

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





## AGENDA ITEM C

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





# AGENDA ITEM D

## Executive





## AGENDA ITEM D-1

# Review and Possible Approval of March 25, 2021 Meeting Minutes







**Board Meeting Minutes**

**A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR'S INTRODUCTION AND APPOINTMENT OF NOMINATION COMMITTEE MEMBERS**

Board Chair David De La Torre called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Thursday, March 25, 2021, via teleconference.

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  
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  
Mike Melliza, Chief of Administration  
Justin Paddock, Chief of Licensing  
Stacey Paul, Budget Manager  
Jason Perez, Chief of Information Technology

Department of Consumer Affairs (DCA)

Staff Present

Jason Hurtado, Legal Counsel  
Shelly Jones, WebEx Host



Chair De La Torre explained that the new fiscal year for the Board Officer Nomination Committee will begin on July 1, 2021, as will the terms for CSLB's new Board Secretary, Vice Chair, and Chair. Kevin Albanese and Johnny Simpson were appointed to the Nomination Committee and will recommend a slate of officers for Board member consideration. The Board will elect new officers at the June 2021 Board meeting.

Chair De La Torre advised Board members that they will be surveyed in April for their interest in serving as a Board officer, committee chair, and committee assignments for the next fiscal year, July 2021 through June 2022. The new Board Chair elected at the June 2021 Board meeting will make the committee appointments.

**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 BOARD MEMBER ACHIEVEMENTS AND SERVICE OF CSLB STAFF**

Marlo Richardson

Chair De La Torre recognized former Board Member Marlo Richardson, who chaired the Public Affairs, Enforcement, and Licensing Committees during her tenure and served as all three Board officers, including serving as Chair during CSLB's last Sunset Hearing.

Board Member and Staff Comments:

Board Member Kevin Albanese thanked Ms. Richardson for her work on the Board and expressed that he enjoyed serving with her.

Board Member Johnny Simpson also thanked Ms. Richardson for everything she has done and that it was a pleasure serving with her.

Registrar David Fogt thanked Ms. Richardson for going above and beyond in support of CSLB staff. She attended and participated in many staff trainings, and she provided training recommendations for CSLB staff. Registrar Fogt thanked Ms. Richardson on behalf of CSLB staff for all that she did during her tenure as a Board member.

Chair De La Torre thanked Ms. Richardson for her service. Ms. Richardson was not available for comment at this time, but she spoke later in the meeting.



**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**

**MOTION:** To approve the December 10, 2020 Board Meeting Minutes. Augie Beltran moved; Nancy Springer seconded. The motion carried, 14–0.

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

**NAY:** None

**MOTION:** To approve the February 4, 2021 Board Meeting Minutes. Augie Beltran moved; Mary Teichert seconded. The motion carried unanimously, 14–0.

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

**NAY:** None

**MOTION:** To approve the February 4, 2021 Enforcement Committee Meeting Summary Report. Nancy Springer moved; Miguel Galarza seconded. The motion carried unanimously, 14–0.

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

**NAY:** None

**MOTION:** To approve the February 4, 2021 Legislative Committee Meeting Summary Report. Augie Beltran moved; Nancy Springer seconded. The motion carried unanimously, 14–0.

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

**NAY:** None



## **2. Registrar's Report**

Chair De La Torre acknowledged the many noteworthy accomplishments throughout CSLB's divisions reflected in the 2020 Accomplishments and Activities Report.

### **a. Tentative Board Meeting Schedule**

Registrar Fogt said that the Board has had a joint meeting with the Nevada Contractors Board every June for the last 11 years and is anticipating a September meeting with Nevada in person.

Chief Deputy Registrar Tonya Corcoran will survey Board members about their availability for the June, September, and December Board meetings.

### **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 University of California at Berkeley with whom CSLB contracted in December 2020. He said that the contract requires UC Berkeley to consider the BESS risk, hazard, size, and complexity, as well as potential harm to the public that may occur in the future and whether regulatory action is necessary to amend the existing classifications that can do the work or if it should be restricted in some way. They will also be looking at the applicability of state and national standards and codes that will apply to the installation of the batteries, as well as what economic impact a restriction on the solar classification's ability or any class's ability to install BESS. Finally, UC Berkeley will be looking at the knowledge, skills, and training as they relate to safely installing BESS.

Registrar Fogt said that he and Chief of Legislation Mike Jamnetski met with UC Berkeley on March 12, 2021 to check on the status of the study, and they were very pleased that the study is well underway. In April, UC Berkeley will be reaching out to stakeholders, including the electrical industry, solar industry, and California building officials, as well as the Division of Labor Standards Enforcement (as it relates to any applicable training requirements).

### **c. Annual Accomplishments Report**

Registrar Fogt thanked the Board for playing an active role and developing objectives that helped CSLB achieve quite a few consumer protection measures in the last year, which was somewhat challenging given the health pandemic. CSLB had a successful transition to a telework environment by working quickly to provide the equipment that



staff needed to work from home while continuing to provide a high level of service to consumers and to industry. CSLB implemented new license process changes by automating the sole owner license renewals and anticipates expanding that to other types of licenses soon to simplify the renewal process. The applicant workshops have been very helpful in explaining the licensing requirements to those who would benefit by obtaining a license and have helped qualified persons get licensed. The Enforcement program continued to perform investigations and take legal actions when necessary, even though much of the field work was curtailed for a considerable length of time in 2020. Regarding Legislation, the Board sponsored four bills that significantly benefit the public, and all four bills were signed and chaptered.

### **3. Budgets**

#### **a. CSLB Budget Update**

Budget Manager Stacey Paul provided an update on the Board's budget. For expenditures through January of fiscal year (FY) 2020-21, the Board is continuing to meet its goal of reducing expenses to ensure that the Board has enough cash flow to ensure operations until the fee increase is secured. To date, the Board has spent approximately 53 percent of the budget authority, projecting to spend about the same amount as last year, \$66 million, on Board expenses. Revenue through January is up about 14.5 percent from the prior year; this is largely due to the emergency fee increase on renewals implemented in February 2020; however, there is also a steady increase in licensees paying delinquent fees. The final budget with adjustments for this fiscal year shows a decrease of \$3.3 million, mainly due to the employee pay cut of roughly nine percent.

Ms. Paul reported that the Board recently did a budget drill to achieve a budget cut for next year for \$550,000. This cut in funding was easily identified with the passing of AB 3087 (outsourcing of exam administration), which allowed for the closing of two test facilities along with their vacant positions over the next 18 months.

The Board approved \$7.1 million in expense reductions. Through January, the Board has saved \$6 million and is on target to meet or exceed the approved savings in remainder of the fiscal year.

The fund condition contained in the Board meeting packet projects out to budget year 2021-22. The projected revenue for this fiscal year is \$72 million. The total projected expenses are \$71 million, which includes the \$7.1 million in reductions from staffs' expense reduction plan. Without any of the reductions that have already occurred, the expenditures would significantly outpace the revenues and leave the Board, with a structural budget imbalance, in need of a loan, and in desperate need of a fee increase by next year end.



Ms. Paul reported that the Department of Finance has approved the budget change proposal for the Construction Management Education Account, and it is currently going through the Legislative budget hearing process for consideration in next year's budget. If approved, it would give CSLB the flexibility to increase or decrease the grant awards to the educational institutions based on the contributions received annually. CSLB is receiving more money than it is authorized to disperse from the account, which is why the budget change proposal was sought.

**b. Statistics Summary**

Ms. Paul reported that there is still a decline in license applications and licenses issued, likely due to the pandemic that also required closing of exam administration sites. However, renewals have remained consistent with an eight percent increase over two years and a 16 percent increase over last year.

**4. Administration and Information Technology Services Overview**

Chief Deputy Registrar Tonya Corcoran explained that the overview is a new document that was created to provide the Board with a detailed summary of roles, responsibilities, and activities by division. She provided the Board a detailed overview of the Administrative and Information Technology Services Divisions roles and responsibilities.

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

Chief Deputy Registrar Corcoran noted that the IT Strategic Plan objectives are not in the Board packet, but they will be reviewed with the IT Advisory Committee, consisting of Board members Frank Altamura and Susan Granzella April 2021. A strategic plan update will be provided to the full Board at the June 2021 Board meeting.

Chief of Administration Mike Melliza reported updates on the Administrative Strategic Plan objectives, reporting that all but objectives 5.7 and 5.8 are complete.

**5. Administration Update Regarding Personnel and Facilities**

Chief of Administration Melliza reported that 37 personnel transactions were completed in the second quarter of FY 2020-21 and that the Board has averaged 49 vacancies in the second quarter of this fiscal year. Staff participated in CSLB's "Career Development... Live!" event in February 2021, which was the first in a series of online events launched by CSLB's Career Development and Mentoring Program Steering Committee. The events will be continued and will highlight other divisions in the near future. A new location was identified for the Valencia Office and approved by DCA,



CSLB, and the Department of General Services. Staff moved to the new building in Santa Clarita on December 18, 2020.

## **6. Information Technology Update**

Board Member Susan Granzella said that she and fellow Committee and Board Member Frank Altamura held an IT Advisory Committee meeting to discuss what was on the agenda for the Board meeting, as well as a few other issues. The Committee reviewed current technology and made comments about the need to include other relevant Board points for consideration in the future. Updates for the Board are planned in the future.

IT Chief Jason Perez highlighted a few changes to CSLB's website, including moving the Google Translate feature from the bottom of the website to the top to better assist California constituents by increasing the visibility of this feature and demonstrating the website's accessibility to a broader audience. A new "Alerts" section was added to CSLB's homepage where important information is posted as requested by the department, other departments, and the administration. The messaging is currently centered around increasing awareness for COVID-19 testing and vaccination information. CSLB's website now has a new link at the bottom of the homepage to the California Grants Portal where contractors can review available California business grants to support their companies.

Online renewals continue to be successful with approximately 40% of all sole owner renewals being processed through CSLB's website. In addition, since January, CSLB has processed over \$80,000 in citation payments, which came about through a successful collaboration between the Enforcement Division and IT.

Chief Perez added that IT also implemented retroactive renewals for the licensing system in January, and CSLB is now able to automatically update the record of an expired license up to 90 days after expiration. If renewal fees are paid and the renewal completed, the license history will not reflect a break in licensure.

Chief Perez reported that IT completed its biennial assessment by the United States military this month and had a technical closeout summary meeting at the completion of the assessment. The final debrief will be held in May 2021 and will be summarized at the June 2021 Board meeting.

### Board Member Comment:

Board Member Rodney Cobos thanked Chief Perez for assisting when he experienced IT issues.



## **E. ENFORCEMENT**

### **1. Enforcement Overview**

Enforcement Committee Chair Kevin Albanese said that the recruitment bulletin to fill the vacant Chief of Enforcement position was released on Tuesday, March 23, 2021.

Chair Albanese provided an overview of the Enforcement Division roles and responsibilities and highlighted CSLB statistics. CSLB opens approximately 20,000 complaints each year, which decreased 17 percent in 2020. An average of 20 percent of the complaints are proactive or filed against unlicensed contractors. The Enforcement staff makes up more than half of all CSLB's staff.

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

Chair Albanese reviewed the nine Enforcement objectives in the 2019-21 Strategic Plan, three of which are complete and six are ongoing, and provided the following updates on two of the objectives.

Item 2.4 is ongoing in the effort to identify workers' compensation violations and unlicensed contracting through social media activities and advertisements. Chair Albanese is optimistic that the Board-sponsored legislation to mandate such workers' compensation coverage will be successful, and he thanked staff for their continued focus on protecting consumers from unlicensed and uninsured practice.

Item 2.6 has a target date of December 2021 for the creation of online licensee education in collaboration with the Public Affairs Office and Licensing Division. To date, they have developed a building permit compliance video and are currently working on an educational tool for home improvement salesperson registration and home improvement contract requirements.

### **2. Enforcement Program Update**

#### **a. Staff Vacancy Update**

Chair Albanese presented the Enforcement Program Update, including a vacancy update and summary of the implementation of expense reduction strategies. In November 2020, 26 positions were vacant, and 15 Enforcement staff were being



redirected to assist with COVID-19 contact tracing. CSLB would not ordinarily postpone filling vacant positions but doing so has been necessary to achieve the Board's expense reduction plan.

### **b. Expense Reduction Strategy Update**

Chair Albanese indicated that, between January 1, 2020 and January 31, 2021, Attorney General (AG) expenses are currently averaging \$540,000 a month, below the \$580,000 goal. The arbitration billings are averaging \$48,000 a month; slightly above the goal of \$45,000. Industry Expert expenses average just \$15,000 a month, well below the goal of under \$50,000.

Chair Albanese explained that Enforcement staff expense reduction strategies have been mostly successful. They have implemented several strategies to improve legal action effectiveness and reduce costs, including increasing the utilization of Letters of Admonishment and informal office conferences with licensees for less serious stand-alone offenses that do not include a financial injury, rather than incurring the costs of AG representation for a formal citation and a possible appeal hearing before an administrative law judge.

Enforcement staff also began implementing a Board-approved Alternate Dispute Resolution program in June 2020 (as an additional expense reduction measure), which includes referral of consumers to small claims court and the license surety bond, rather than field investigation, for less egregious consumer complaints when CSLB mediation attempts have not been successful. However, due to fewer incoming complaints received in 2020, the unpopularity of the program, and other successful expense reduction strategies, Enforcement suspended the Alternate Dispute Resolution program in February 2021

### **c. Investigation Highlights**

Chair Albanese reviewed two examples of successful mediations that led to satisfied consumers and contractors, including one that resulted in more than \$21 million in restitution to financially injured parties last calendar year. The Board packet contained an example of a license revocation case that resulted from the investigation of three consumer complaints. In another case, CSLB was instrumental in assisting the Los Angeles City Attorney's Office in a complex, unfair business practices case that involved a license contractor associated with an unlicensed contractor to obtain solar contracts, and involved 16 CSLB-investigative complaints, many of which alleged false email accounts to obtain Property Assessed Clean Energy (PACE) loans that were secured by liens on the consumers' property. Chair Albanese thanked CSLB staff and leadership for their efforts in assisting the Los Angeles City Attorney's Office.

**d. General Complaint-Handling Statistics**

Chair Albanese reviewed Enforcement statistics from January 2020 through January 2021 when CSLB initiated 16,660 investigations (down more than 3,400 from 2019) and received an average of 949 consumer filed complaints per month (down about 17% from the prior year).

Chair Albanese said that complaint negotiation efforts for non-egregious consumer complaints resulted in more than \$25 million in restitution to financially injured parties, and of the 1,629 legal action investigations, 30 percent were referred for criminal prosecution. In addition, 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, 784 of which resulted in an administrative or criminal legal action, as well as the issuance of 1,431 advisory notices for minor violations. Additional SWIFT activities were included in the Board packet. The Labor Enforcement Task Force (LETF) information contained in the packet was the same as previously reported in December 2020 because LETF inspections were suspended in March 2020 due to COVID-19.

**3. Two Proposed Rulemaking Decisions from the Public Utilities Commissions (PUC) for Board Member Review, Discussion, and Possible Support**

Chair Albanese presented two proposed rulemaking decisions that highlight the continued partnership between CSLB and the PUC in combatting unlawful practice in the residential solar industry and provided background on these efforts. PUC Commissioner Martha Guzman Aceves is a founding member of the Joint Solar Taskforce along with CSLB Registrar David Fogt and Department of Financial Protection and Innovation Commissioner Manny Ramirez. The Taskforce has met quarterly since November 2018 to discuss and develop consumer protection strategies. These meetings have proven to be very successful and have resulted in a PUC proposed rulemaking decision to require investor-owned utilities (IOUs) to perform audits of interconnection packets that include solar contracts to confirm that contractors are licensed, among other things, and to make this information available to CSLB. These three agencies are involved because they each regulated different aspects of the residential solar marketplace.

Chair Albanese commented that Commissioner Guzman Aceves, who was a featured guest at the February 4, 2021 Enforcement Committee Meeting, explained at that meeting that PUC has been especially concerned about consumers who participate in NEM and find themselves in solar contracts that cost more than expected and/or with systems that produce less energy than expected and/or that were never connected to the electrical grid.



Seeking input and support from CSLB, Commissioner Guzman Aceves presented proposals to address these two concerns to the Enforcement Committee at its February 4<sup>th</sup> meeting.

**a. PUC Net Energy Metering Solar Consumer Protection Requirement that Investor-Owned Utilities Provide CSLB with Consumer Contract Information**

The first proposal is for IOUs to more thoroughly review the documents uploaded by contractors to the interconnection portals for customers participating in NEM. Interconnection portals are online databases implemented by IOUs that contain certain information CSLB would not ordinarily have unless the particular transaction was the subject of a CSLB consumer complaint. The information could be provided to CSLB upon request pursuant to existing memorandums of understanding ensuring confidentiality with the IOUs. CSLB would review the information received and initiate investigations as resources provide. Staff resources permitting, the Enforcement manager is prepared to implement the following strategies to achieve the consumer protection goals:

- Review 600 interconnection packets annually to ensure compliance with home improvement salesperson registration requirements and inclusion of CSLB solar disclosure document, project approximate start and completion dates, and appropriate down payment and progress payment information.
- For packets that are not in compliance, review the contractor's complaint history and take appropriate action to bring them into compliance or to seek corrective or disciplinary action against the licensee as appropriate.

At its February 4, 2021 meeting, the Enforcement Committee unanimously approved a motion that made the following recommendation:

**MOTION:** To approve the fully formed Enforcement Committee motion that the full Board support PUC's Enhanced Auditing proposal and Solar Transaction Record proposal. The motion carried unanimously, 14–0.

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

**NAY:** None

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



Chair Albanese indicated that the second proposal Commissioner Guzman Aceves presented at the February 2021 Enforcement Committee meeting relates to a residential solar recovery fund to assist homeowners and would involve the collection of an approximate \$12-\$20 additional surcharge at the time of interconnection to the electrical grid to establish a restitution fund. If the fund is created, CSLB will implement protocols to refer solar cases to the recovery fund for payout, including when the license is subject to a final administrative or legal action that includes an order of correction and the solar contractor has not satisfied the financial injury. Even if the license is already revoked or no longer renewable, CSLB will continue to identify all complaints received against that contractor to determine whether a probable violation has occurred and whether the complaint involves allegations that, if proven, would present a risk of harm to the public. CSLB will share the estimated consumer financial injury with the recovery fund.

Chair Albanese said that it is important to note that legislation will be required to compel contractors to reimburse the fund if the financial injury was not established through a formal disciplinary action/proceeding. CSLB's existing practice is to not re-license a person unless rehabilitation is shown by resolving all construction-related outstanding financial liabilities.

At its February 4, 2021 meeting, the Enforcement Committee unanimously approved a motion that made the recommendation below. Chair Albanese said that while he supports a restitution account, he thinks there could be better opportunities for the Board and/or PUC, such as considering a surety bond to better address the harm caused by the contractor.

**MOTION:** To approve the fully formed Enforcement Committee motion 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. The motion carried unanimously, 14–0.

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

**NAY:** None

## F. LICENSING AND TESTING

### 1. Licensing Overview

Board Member Jim Ruane had Chief of Licensing Justin Paddock provided an overview of the Licensing Division's functions and an update on the Division's Strategic Plan.



Chief Paddock provided an overview of the different functions of the programs within the Licensing Division and Testing Division. Mr. Paddock noted that the License Information Center currently has a call wait time below the goal of five minutes at 4:45 minutes, and that within the Testing Division, examinations are currently being administered in seven locations throughout the state, and CSLB is working with DCA to outsource that function.

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

Chief Paddock said that a lot of the Licensing Division's Strategic Plan items have been met, and he provided updates on a few of the outstanding items, including items 1.4, 1.5, 1.7, and 1.12.

**2. Licensing Program Update**

Licensing Committee Chair Jim Ruane highlighted a few items for the Board.

**a. Application Processing Statistics**

Chair Ruane reported that the application units' staffing issues have greatly improved, with only one vacancy remaining. Therefore, processing times are starting to come down. Most notably, original exam applications that were at 8.8 weeks are now at 7 weeks. The goal is to be at 6 weeks in 30 days and at 4 weeks in 60 days. The exam waiver applications were at 7.1 weeks and are now at 5.8 weeks. The goal is to be under 5 weeks in the next month and at 3 weeks in 60 days. All other applications are processed within two to three weeks, which is the Board's ongoing goal for all licensing transactions.

**b. Renewal Processing Statistics**

Regarding CSLB license renewal and modification units, Chair Ruane said that the longstanding manager retired, and a new manager started this month. During the transition, there was an increased backlog; but as of this morning, CSLB is processing renewals received in the last 3 weeks, workers' compensation policies and exemptions received in the last 2 weeks, and license modification requests, such as address or business name changes, received within 4 weeks. Staff continues to utilize staff from other units to assist with processing renewals timely.

**c. Fingerprinting/Criminal Background Unit Statistics**

**d. Experience Verification Statistics**

**e. Licensing Information Center Statistics**

Chair Ruane indicated that call center wait times from April through December 2020 were excessively high. Since the call center staff received the necessary equipment to answer calls remotely in November 2020, call wait times began returning to our internal goal of under six minutes. In February 2021, the average wait time was 4:45 minutes, and in March it is currently hovering just below five minutes.

**f. Judgment Unit Statistics**

Chair Ruane indicated that the Board packet contains statistics confirming staff's continued success in assisting the public in collecting outstanding civil judgments and other state agencies in collecting wage, tax, and administrative penalties. CSLB's administrative license suspension program collected more than \$48 million in outstanding liabilities in 2020.

**g. Examination Administration Unit****h. Examination Development Unit****3. Testing Program Update****a. Examination Administration Unit**

Chair Ruane indicated that testing centers closed in December 2020 and reopened on February 1, 2021 (as a result of the COVID-19 pandemic). During normal operations, staff expects a pending exam count of approximately 4,500; but when the test centers were reopened, the pending exam count was over 11,000. In the first few weeks, candidates were hesitant to sit for exams because they wanted additional time to study. After about a month of being reopened, most test centers were scheduling to capacity and began scheduling evening sessions to reduce the backlog. CSLB currently has approximately 10,600 pending exams. With the extended hours at capacity, approximately 1,200 exams can be administered per week. The goal is to reduce pending exams to below 7,000 in the next three months.

**b. Examination Development Unit**

Chair Ruane reported that the Exam Development Unit has held numerous item writing (test question) workshops by using a two-facility approach (one at CSLB headquarters in Sacramento and one in Norwalk) to minimize lodging and air travel expenses. After working out a few issues, it is working well.



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

Chair Ruane provided an update at each meeting on the new B-2 Residential Remodeling Contractor classification exam development. This fall, the Legislature and the Governor authorized the creation of this new classification (via Senate Bill 1189) and staff have been working to develop the necessary trade examination for this new classification. Even with the December and January exam administration closures, staff remain on track to provide this brand-new examination by August 1, 2021.

#### **5. Advisory Committee Update on Women in Construction**

Chair Ruane explained that in Fall 2020, Board Chair De La Torre appointed him and Board Secretary Mary Teichert to oversee staff outreach efforts to promote women participation in the construction industry. They recently sent a letter of support for a California Senate resolution that established March 7-13, 2021 as California's Women in Construction Week. This resolution was part of a national effort by the National Association of Women in Construction. Chair Ruane and Secretary Teichert have also had several meetings with the California Capital Women's Business Center and the North State Building Industry Association to develop a three-part seminar designed to assist women and minorities to pursue a construction industry career. Chair Ruane thanked current Board member and building official Nancy Springer for volunteering to be a panelist for this effort and indicated that Secretary Teichert has been instrumental in getting industry participation for the event.

Secretary Teichert said that there is widespread support for this mission and a lot of interest in having a larger portion of the workforce being interested in construction and particularly becoming licensed contractors.

Chair Ruane also highlighted another effort by Carpenters Local 1977 union to encourage women participation in the construction industry as shown on the brief video played at the Board meeting. He was pleased to see these types of efforts and encouraged the Board and the public to make CSLB aware of any other efforts they are aware of that the Board can promote or help support.

#### Board Member Comment:

Board Member Michael Mark said he appreciates all the hard work done by the Advisory Committee and it is a culture change that the trades are working diligently to do. He said that the carpenters have done well and noted that the organization Trades Women Inc., does well in providing more opportunities for women in the trades. Board Member Mark said that it would be great to have more women-owned licenses.



**6. Review, Discussion, and Possible Action to Approve Construction Management Education Account Advisory Board Membership for July 2021-June 2024 Term**

Chair Ruane reported on the Construction Management Education Account where CSLB annually provides grants to construction management programs through voluntary proceeds it collects from licensees and applicants. As part of the grant process each year, an advisory committee reviews CSLB staff recommendations on how to disburse the grants based on CSLB’s authority and which organizations applied for a grant that year. By statute, committee members serve three-year terms, and the current terms are set to expire this June. CSLB staff contacted the organizations enumerated in statute that must have a participant on the committee, and all the organizations responded and proposed the candidates shown in the Board packet.

**MOTION:** To appoint the members found on page 154 of the Board meeting packet to serve as the Construction Management Education Account Advisory Committee for the July 2021 to June 2024 term. Augie Beltran moved; Kevin Albanese seconded. The motion carried unanimously, 14–0.

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

**NAY:** None

**Public Comment:**

Phil Vermeulen said that he represents Tokio Marine HCC, American Contractors Indemnity, and Suretec, that combined write approximately 65 percent of the license bonds in California. He said that he wanted to make the Board aware of an appellate court decision (Karton v. Ari Design and Construction)

Former Board Member Marlo Richardson provided a farewell and thanked everyone, especially the staff for doing an outstanding job and her co-Board members for all their support over the years. On behalf of Board staff, Registrar Fogt thanked Ms. Richardson for all she did as a Board member. Board Member Albanese said that he really enjoyed serving with Ms. Richardson, and he has a lot of respect for her and wishes her nothing but the best. Ms. Richardson thanked Registrar Fogt and Board Member Albanese.

**G. PUBLIC AFFAIRS**

**1. Public Affairs Overview**



Public Affairs Committee Chair Diana Love reported that she is one of the Board’s public members and represents a statewide senior citizen organization. She reported that Chief Deputy Registrar Corcoran is temporarily overseeing the Public Affairs Office because the Public Affairs Chief and manager positions are both vacant. Recruitment efforts are underway to fill the Public Affairs manager vacancy, with interviews scheduled for the following week. The Public Affairs Chief position is anticipated to be filled in the months to come.

Chair Love explained that the overview provides a snapshot of the roles and responsibilities of the Public Affairs Office, including media relations, outreach, disaster response, social media, video production, and designing and editing publications.

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

Chair Love provided an update on Objective 4.6 on expanded website content to keep industry and licensees up to date on relevant information and an update on item 4.9 on updating the web content to ensure information presented to the public is accurate and accessible.

**2. Public Affairs Program Update**

Chair Love said that the Board packet contained activities that were captured from January 2020 through January 2021, many of which were previously in written or bulleted format that are now in charts for easier readability and reference. These new charts will be utilized in future Board and committee meeting packet materials.

**a. Disaster Response**

Chair Love reported that CSLB continues to participate on two multi-agency task forces established by the Office of Emergency Services – one focused on debris removal and one focused on housing. On February 25, 2021, Public Affairs staff presented information at the housing taskforce that included members from affected counties. The presentation included information for disaster survivors as well as an invitation to partner with CSLB on disaster rebuilding workshops.

**b. Online Highlights**

**c. Video/Digital Services**

Chair Love indicated that the Public Affairs Office created 16 videos, one of which was shown at the Board meeting – the “Get Licensed to Build” workshop video.

**d. Social Media Highlights**

Chair Love discussed social media highlights included in the Board packet, including daily posts on a variety of topics from getting licensed to build, using a licensed contractor, and reporting unlicensed activity to general messages from the Administration, such as COVID-related public information.

**e. Media Relations Highlights****f. Publications/Graphic Design Highlights**

Chair Love reported on the updated listing of publications included in the Board packet, five of which were updated in English and Spanish.

**g. Industry/Licensee Outreach Highlights**

Chair Love reported that CSLB issued 27 industry bulletins over the past year.

**h. Consumer/Community Outreach Highlights**

Chair Love provided an update on the senior scam stopper seminars. A total of 24 senior scam stoppers were held and/or scheduled, and staff transitioned formats from in-person to virtual in May 2020, both of which have been very successful.

**i. Intranet/Employee Relations**

Chair Love reported that a total of 42 stories have been posted to the Intranet. Staff continue to update CSLB's employee intranet site with stories, photos, and informational updates. With most staff working remotely, the intranet is a good resource for staff to stay connected.

Chair Love also said that the updated "Get Licensed to Build" publication that was included with the Board packet is a 51-page comprehensive publication that covers the seven steps to becoming a licensed contractor, provides classification information, and provides answers to frequently asked questions throughout. The Spanish version is expected to be available in early May 2021. This is a source document for CSLB's "Get Licensed to Build" workshops. In addition, staff recently created a public service announcement to advertise the monthly workshops that CSLB offers – the video was played at the Board meeting.

**H. LEGISLATION**



## 1. Legislative Overview

Legislative Committee Chair Augie Beltran explained that CSLB's Chief of Legislation Mike Jamnetski works with two manager specialists – one who handles CSLB regulations and one who handles CSLB budgets and invited Chief Jamnetski to provide an overview of the Legislative Division, which he did.

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

Chief Jamnetski provided an update on the Legislative Division's Strategic Plan, saying that a number of the items are complete, and there are several ideas for developing some of the other items that will be discussed at the next Legislative Committee meeting. He provided a brief update on Item 3.4, explaining that he is working with the Senate committee consultant to determine if and when language involving an increase to the CSLB license bond will be introduced.

Chief Jamnetski explained that Item 3.8 relates to the structural budget imbalance that the Board has been experiencing and the consultant obtained to study CSLB's fees. The item relates to the possibility of a graduated fee increase for larger contractors, and the fee study does include that recommendation. CSLB staff have not been successful in obtaining a stand-alone author to carry the fee increase language after reaching out to more than two dozen legislators, which is not surprising given the current political climate, the pandemic, and struggling businesses. However, there are still many options for getting that language into a bill. The Assembly Business and Professions Committee has committed to helping the Board ensure that it gets the increase this year, and DCA is very optimistic that it will get done. It is a matter of dealing with all the moving parts on this mission critical issue, including the Legislature and the other boards that need fee increases, some of which are in sunset and others are not.

#### Board Member Comment:

Board Member Granzella said that she understands that it is difficult to give a date or an estimated timeframe for this item, but the study recommended fee increase implementation effective July 2021, so she asked when it would likely be effective through the means just discussed. She asked if it could be effective in September 2021. Chief Jamnetski said that if the fee increase language gets into a committee bill or a budget trailer bill, the fee increases should become effective January 1, 2022, and it would apply to the March 2022 license renewals. In the event CSLB is unable to get the fee increases approved this year, attempts would be made next year for implementation with the March 2023 license renewals. Chief Jamnetski said that CSLB's IT Division would need some time to make necessary system changes necessary for implementing the fee increases as well.



Board Member Granzella asked about the previously discussed possibility of bundling CSLB's fee increase with those of other DCA boards. Chief Jamnetski said that he anticipates that CSLB's fee increase language will be included in a bill that involves other boards, but it likely will not be with boards that are undergoing sunset review this year.

Chair Beltran said that he attended a Transportations Commission's meeting the day prior and understood that ample money may be available from the federal government and suggested to Registrar Fogt that the Board may want to consider getting some funds for Enforcement.

## **2. Update on Previously Approved Legislative Proposals**

### **a. SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage**

Chair Beltran indicated that SB 216 is a CSLB-sponsored bill that would require C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors to have a certificate of a workers' compensation insurance policy on file with CSLB effective in the first year after the bill is passed and for all contractors by 2025. Because the bill was set to be heard in the Legislature prior to the March 25, 2021 Board Meeting, on February 10, 2021, as the Chair of the Legislative Committee and with Board Chair approval, Chair Beltran authorized staff to submit a letter of support of this measure to the Legislature.

Chief Jamnetski thanked Chair Beltran and Board Chair De La Torre for the letter. On March 11, 2021, this CSLB-sponsored bill moved unanimously through the Business and Professions Committee. On March 22, 2021, it was placed on suspense in Appropriations. Chief Jamnetski is optimistic that this bill will move forward.

#### Board Member Comment:

Board Member Albanese thanked staff and everyone for their efforts to put AB 216 through. He thinks that this will be very helpful to the consumer.

### **b. AB 246 (Quirk) Contractors: disciplinary actions**

Chair Beltran said that CSLB-sponsored AB 246 would make a licensed contractor's unlawful dumping of construction debris a cause of disciplinary action against the contractor. Because CSLB learned after the Committee meeting that the bill was set to be heard in the Legislature prior to the March 25, 2021 Board meeting, with Board Chair approval, Chair Beltran authorized staff to submit a letter of support of this measure to the Legislature on February 23, 2021.



Chief Jamnetski again thanked Chair Beltran and Board Chair De La Torre for their help with the letter. Many of the legislative items are time sensitive, and they come up with the need for CSLB's involvement before everyone can weigh in. On March 23, 2021, this CSLB-sponsored bill moved unanimously through the Business and Professions Committee. It is currently on its way to Appropriations.

Chair Beltran added that legislation can either move very fast or very slow, so having the Chair's and Board's help putting the letters out in a timely manner allows CSLB to have some influence on the legislation. He thanked everyone for their help.

**c. AB 569 (Grayson) Contractors: civil penalties: letters of admonishment**

Chair Beltran explained that CSLB-sponsored AB 569 increases the maximum civil penalty CSLB can assess against a contractor for most violations to \$8,000 and to \$30,000 for specified violations that include licensees contracting with an unlicensed contractor. It also authorizes CSLB to issue a Letter of Admonishment for more than one violation at a time. As with other bills, AB 569 was set to be heard in the Legislature prior to the March 25, 2021 Board meeting; therefore, on February 23, 2021, with Board Chair approval, Chair Beltran authorized staff to submit a letter of support of this measure to the Legislature.

On March 23, 2021, this CSLB-sponsored bill moved unanimously through the Business and Professions Committee. It is currently on its way to Appropriations.

**3. Review, Discussion, and Possible Action on 2021-22 Pending Legislation**

Chair Beltran said that there are several bills on the Board's agenda, but staff is only recommending votes on two of them – AB 484 relating to alarm companies' advertising requirements and AB 1124 relating to solar energy systems. Chair Beltran reminded the Board members that this is the time that members of the Board can make motions to change its position on any of the bills.

**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**

Chair Beltran explained that there are currently two bills that relate to CSLB's \$500 minor work exemption, and staff recommends that the Board remain neutral on both measures.



AB 899 and SB 304 relate to the minor work exemption in the California License Law (CSLL).

Chief Jamnetski explained that each proposal operates somewhat differently, and CSLB is not involved at all with either proposal. AB 899 would allow CSLB to raise the \$500 threshold on its own by regulation using an appropriate economic price measure, such as the cost of living or consumer price index. SB 304 would change the \$500 minor work exemption to \$1,000. This bill was just heard on Monday, March 22, 2021, so staff wanted to update the Board on some recent developments. This bill is sponsored by the California Association of Realtors. It was discussed for about an hour in committee, but CSLB was not involved, and concerns were raised by members of the Legislature, including if there had been any thought about defining “minor and inconsequential” work because it is not defined in the statute. Another member of the Legislature mentioned that the majority of CSLB’s consumer-filed complaints involve thousands and thousands of dollars; however, approximately 26 percent of complaints have a cost value for consumers in the range of \$500 to \$5,000, so there is still a need for consumer protection at the lower levels. In addition, CSLB was mentioned during the hearing as having supported an increase in 2019. While that is true, that did not project the whole story because the measure that CSLB sought an author for increasing the threshold from \$500 to \$1,000 in 2019 was really done as a back up to the B-2 residential remodeling license bill that was going through the Legislature at the same time and that ultimately passed. When the Board sought the exemption amount increase, some of the same issues brought up recently by members of the Legislature were also brought up at that time by the construction trades. Chief Jamnetski said that he wanted to be clear to the Board that there was opposition to this bill, primarily from trades and trade unions. The bill did get through the Business and Professions Committee and it is on its way to Appropriations, but a number of members did not vote on the bill.

Chair Beltran said that he was present at the Business and Professions Committee hearing on a different bill, and he overheard some of the testimony on this bill. He urged the Board to keep in mind that they are a group that is dedicated to consumer advocacy. One of the troubling things Chair Beltran heard was from a Senator asking the author if someone were to hire someone under this bill and they had some issues, how would the person resolve the issues, and the author’s reply was “small claims court.” He said that the Board is charged with consumer advocacy, and he feels that the Board would not be able to protect the consumer if this bill were to get through.

Board Member Comment:

Board Member Mark said that he appreciates the insight provided by Chief Jamnetski and Chair Beltran. While he was not part of the Board when the previous decision was



made about raising the exemption amount, from a consumer base, he is very concerned that if the exemption amount is increased to \$1,000, it would not be good for the consumers. There is an underground economy, and as these unlicensed individuals do work on consumers' homes, it will increase the amount of consumer complaints and they will have no one to go to.

Board Member Albanese said that he appreciates the analysis and the importance of the B-2 license and how it might interact with this. CSLB is a consumer protection board, and the Board agreed in 2019 to increase the exemption amount to \$1,000 from the existing \$500 that has been part of the CSLL since at least 1998. He said that he thinks CSLB's focus is on bigger issues, and he would not oppose either of the bills because he thinks it is an appropriate adjustment.

Board Member Altamura said that he would still support raising the exemption amount from \$500 to some higher amount.

#### Public Comment

Gabriel Hernandez said that he started in the industry doing really small jobs because he did not have the experience to get the license. He said that he cannot think of any jobs that cost just \$1,000 that would be consequential for the consumer; they would be very basic jobs. Mr. Hernandez said that increasing the exemption amount from \$500 to \$1,000 would open the opportunity for more people to get experience, not in the trade, but experience learning how to do contracts, estimates, and negotiating with the client. He thinks that would be very helpful for those who would like to work in this industry.

Richard Markuson, who represents the Plumbing, Heating, and Cooling Contractors of California (PHCC), said that they appreciate the Board's desire to be actively involved in consumer protection, but from PHCC's perspective, this is a choice for the consumer who could choose to continue to use licensed contractors, depending on the scope of the project and the availability of a contractor who is willing and able to do projects in the \$500 to \$1,000 range. In the contracting environment right now, there can be extreme delays when trying to find a contractor who is willing and able to do small jobs. Mr. Markuson thinks it is always something that is in the hands of the consumer to decide whether they want to use a licensed contractor with the protections that would come with a license or use an unlicensed handyperson who would be able to do the minor repairs. He said that the Board could consider something like a "consumer reminder" that, in the event a consumer hired a handyperson to do minor jobs, would remind the consumer that unlicensed individuals are not subject to the purview of CSLB, and a consumer would have to pursue any claims against an unlicensed person through small claims court or some other adjudication.



**MOTION:** To oppose AB 899 (Cunningham) and SB 304 (Archuleta) relating to raising the minor work exemption amount. Michael Mark moved; Johnny Simpson seconded. The motion carried, 8–5.

**YEA:** David De La Torre, Augie Beltran, Rodney Cobos, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Nancy Springer

**NAY:** Kevin Albanese, Frank Altamura, Miguel Galarza, Jim Ruane, Mary Teichert

**ABSENT:** Johnny Simpson

**b. Bills Related to Reducing Barriers to Licensure**

Chair Beltran said that there are currently three bills (AB 646, AB 1026, and AB 1386) that relate generally to removing barriers to licensure as it relates to veterans, military partners and spouses, and those with criminal convictions. Staff recommendation on AB 1026 and AB 1386 is to simply stay “neutral,” i.e., not take a position on the bills at this time. A motion is not required unless a Board member would like to make one.

**i. AB 646 (Low) Department of Consumer Affairs: board: expunged convictions**

Chief Jamnetski said that this is a “removing barriers to licensure” bill which allows CSLB to collect a fee to remove from the CSLB website convictions that have resulted in an expungement.

The measure, co-authored by the Chairs of Assembly and Senate Business and Professions Committees, has bipartisan support in the Legislature and is in line with CSLB’s Licensing Strategic Plan item to identify ways to remove barriers to licensure for those with criminal convictions. The staff recommendation in the packet is to “support” the bill; however, staff learned the week before the March 25, 2021 Board meeting that the bill was up for hearing on March 23. As a result, staff requested on March 18 that Chair Beltran use the authority provided in the Board Procedure Manual to authorize staff to send a support letter for the bill, with Board Chair approval. The letter was sent on March 19, 2021.

Board Member Comment

Board Member Altamura said that he thinks it is odd to charge a fee just to maintain CSLB’s records. He wonders if that is consistent with other recordkeeping activities for the Board. Board Member Altamura said that he was just opening it up for discussion if anyone else had any comments. Chief Jamnetski said that he believes the fee is there as a way to make the prospect more palatable for affected agencies, as opposed to just doing it because they were asked to. Board Chair De La Torre said that part of this



legislation is to remove barriers to licensure, so if the crime is not so egregious that it is able to be expunged, he has no problem with it. Chief Deputy Registrar Corcoran explained that for any additional services that require staff work such as license document processing it is typical for the state entity to charge a fee for the work.

- ii. **AB 1026 (Smith) Business licenses: veterans AND**
- iii. **AB 1386 (Cunningham) License fees: military partners and spouses**

Chief Jamnetski said that AB 1026 and AB 1386 are similar, both relating to easing barriers to licensure, which is a familiar topic to the Board. They relate to veterans of the armed forces and their families, and they would reduce or waive license or application fees under appropriate circumstances. The bills are included in the packet for two reasons – from a policy standpoint, for the Board to be aware of these bills and of the direction the Legislature is moving on this issue and, more importantly, because there is a fiscal impact on CSLB at a time when the Board has fiscal matters in mind, but the fiscal impact is extremely minimal.

#### **c. Bills Related to Other Construction Related Issues**

Chair Beltran indicated that there are six bills on this section of the agenda, on two of which staff are recommending a particular position. These bills relate to a number of different issues which might affect CSLB.

- i. **AB 484 (Medina) Alarm company operators: advertisements**

Chair Beltran said that this bill 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.

Chief Jamnetski said that there is a typographical error in the Board meeting packet – CSLB is not the sponsor of this bill. The sponsor is the California Cable and Telecommunication Association. The bill is included to alert the Board to possible confusion with the bill as written. The problem with this bill is that it mentions the CSLB by stating, “notwithstanding 7030.5,” which is CSLB’s advertising section of law. There are a number of contractors who perform the construction side of the alarm systems over which CSLB has jurisdiction, and the advertising requirements for contractors is different from those for alarm company operators. Contractors are required to include their license number in all their advertisements, and Bureau of Security and Investigative Services (BSIS) statutes cannot supersede CSLB statutory requirements.



Unless the bill is amended it will be confusing to Alarm companies that require a BSIS and CSLB license.

. CSLB's discussions with the bill's author have revolved around the need to strike the reference to Section 7030.5 to prevent the confusion, and the author has been receptive to the discussions. Until that change is made in the bill's language, staff's recommendation is to "watch" the bill, but to potentially "oppose" later if the change is not made.

**MOTION:** To Watch AB 484 (Medina) and to Oppose if not amended. David De La Torre moved; Jim Ruane seconded. The motion carried unanimously, 13–0.

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

**NAY:** None

**ABSENT:** Johnny Simpson

**ii. AB 1124 (Friedman) Solar energy systems**

Chair Beltran indicated that staff recommends taking action on AB 1124, which 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.

Chief Jamnetski said that according to the sponsors, the California Solar Storage Association, this bill is intended to just deal with a double building permit fee issue with regards to installing solar. In some jurisdictions, there is a way that there could be a double charge for permit fees, which is not intended by other legislation that is meant to cap permit fees. The sponsor said that this is occurring because of how "solar energy system" is defined in the Solar Rights Act, which is in the Civil Code, not in the CSLL. The bill takes the definition of "solar energy system" from a somewhat vague structural design feature to include a number of different works such as solar carports, solar awnings, solar canopies, etc. providing that all would be "solar energy systems" for the purposes of the Solar Rights Act. While this does not affect the CSLL, staff thinks there could be potential concern or confusion among applicants, licensees, and others about whether solar now includes these other structures which will likely require a general building contractors license or multiple specialty contractors to install. CSLB staff is in contact with the bill sponsors about this issue. As with the previous bill, until that change is made in the bill's language, staff's recommendation is to "watch" the bill, but to potentially "oppose" later if the change is not done.



**Board Member Comment**

Board Member Springer clarified that, while she agrees with making the amendment, regarding building permits, when solar is being installed on a roof, the building departments will require structural permits because the contractor will need to change the roof to be able to carry the extra load of the solar system, and that typically requires a general contractor to do that type of work. There can be confusion about what licenses need to do what work. The same could be for carports, where the solar contractor will do some work that is integral to the carport, but a general contractor will need to do other work, whether they are modifying an existing carport or building a new one. The building departments may give discounts for the permit relating to solar, but they have to look at the whole picture as well. Board Member Springer agrees that the bill language needs to change regarding the license requirements.

**MOTION:** To Watch AB 1124 (Friedman) and to Oppose if not amended. Jim Ruane moved; Nancy Springer seconded. The motion carried unanimously, 13–0.

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

**NAY:** None

**ABSENT:** Johnny Simpson

- 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**

Chair Beltran indicated that staff recommends simply staying “neutral,” i.e., not taking a position at this time, for the remainder of the bills in this section of the agenda. They are included in the meeting packet for the Board’s information and any discussion if needed. A motion is not required unless a Board member would like to make one.

Chief Jamnetski said that these four bills are only for informational updates and briefly summarized AB 1129, involving the licensing of home inspectors, which as written, would put a home inspector licensing program at the Department of Consumer Affairs.



Regarding AB 1136, Chief Jamnetski explained that it is about PACE and the Board should be aware because, as discussed earlier under the Enforcement update, PACE remains a consumer protection issue. CSLB does not regulate the PACE assessment contracts that homeowners get into that are sold by people who sell solar systems. The Department of Financial Protection and Innovation (DFPI) identifies PACE solicitors and their agents who sell the assessment contracts and requires that they hold a contractor's license or home improvement salesperson registration with CSLB. This bill allows DFPI to require that PACE solicitors or their agents pay restitution to homeowners who are harmed by the sale of the PACE assessment contracts. CSLB staff thinks it would be helpful for the Board to be made aware of any action or restitution order issued against a PACE solicitor agent that is also a CSLB home improvement salesperson (HIS). Staff.I recommends telling the author that if DFPI takes action against a CSLB registered HIS that it notify CSLB of this action so that CSLB may consider taking action against the registration

Regarding SB 430 and SB 772, Chief Jamnetski said that the bills are similar to each other and would reduce civil penalty fees for small businesses that are subject to an enforcement complaint. SB 772 has not been heard yet, but SB 430 made its way to Appropriations. The Board is being told about these bills because they are doing the exact opposite of what CSLB is seeking to do under one of its sponsored bills, which is to increase the civil penalty fees. Versions of these two bills have come out in the last couple of years, and they have all died in Appropriations. These bills would require CSLB and other agencies to reevaluate how they issue civil penalties.

#### Public Comment

David Pace, Legislative Chair of the California Real Estate Inspection Association (CREIA), said CREIA is oldest and largest non-profit state inspector association in the country and in California for education and consumer outreach. He said that CREIA strives to enhance consumer protection and promote public awareness, and they are not opposed to licensing in concept. They are reviewing AB 1129 with their vision to protect lives, health, and investments; their mission of promoting excellence in real estate inspection professions; and their core values of integrity, competence, belonging, and passion. In CREIA's view, there are several essential components for any statutory scheme for the licensure of home inspectors, including mandatory passing of an examination for licensure, requirements for specific education necessary to obtain a license, criminal background checks in order to protect homeowners, reasonable licensure fees, errors and omissions insurance requirement, a specific renewal period or cycle, standards of practice (those of CREIA and the American Society of Home Inspectors are both recognized by the State of California), requirement of at least 30 hours of continuing education on an annual basis provided by state-approved education providers, grandfathering exemption provision for those who have obtained a level of experience prior to the effective date of the requirements, and no exemptions for licensed building contractors, pest control operators, architects, or professional



engineers, who have expertise in their area of specialty, but may lack knowledge and experience outside of their specialty. Finally, there should be a state regulating body to establish and implement policies and procedures. Mr. Pace thanked the Board for their time.

Mr. Vermeulen, speaking on behalf of working 40 years with trade associations and the Board, said that he agrees with much of what Mr. Pace said, but he thinks it makes absolutely no sense to reinvent the wheel and create a whole new bureaucracy with the expense and the need to obtain the expertise when CSLB is already in existence. He said that every one of these inspectors should have at a minimum a B – General Building contractor license and a background in construction, as well as possibly some other certification, or create a license classification that would contain other things, such as appliances, etc. Mr. Vermeulen urged the Board to get on board with the bill and support home inspectors becoming part of CSLB.

**I. ADJOURNMENT**

Board Chair David De La Torre adjourned the meeting at approximately 11:52 a.m.

\_\_\_\_\_  
David De La Torre, Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Fogt, Registrar

\_\_\_\_\_  
Date



## AGENDA ITEM D-2

# Registrar's Report

- a. Tentative Board Meeting Schedule
- b. Update on B-2 Residential Remodeling Classification







# CONTRACTORS STATE LICENSE BOARD

## RESIDENTIAL REMODELING & HOME IMPROVEMENT LICENSE

### Residential Remodeling & Home Improvement License

In October 2020, Governor Newsom signed into law Senate Bill 1189 (McGuire), which created the B-2 classification that provides a pathway to licensure for those engaged in residential remodeling and home improvement work.

**CSLB remains on track to have B-2 license classification examination and other requirements in-place to begin issuing licenses by August 1, 2021.**

Below is a production schedule for developing the exam.

Date	Division(s)	Activity	Status
Oct-20	Testing	Recruit Subject Matter Experts	Complete – 161 Participants
Oct-20	Testing	Conduct Job Audits	Complete
Oct-20	IT	Create B-2 Item Bank and Transfer specified existing classification material to bank	Complete
Nov-20	Testing	Remote Occupational Analysis Workshops and Pilot Survey	Complete
Dec-20	Testing	Item Writing Workshop 1 and Final Survey Released	Complete
Jan-21	Testing	Final Occupational Analysis	Complete
Mar-21	Testing	Item Writing Workshop 2	Complete
March-21	Licensing, PAO, IT, & Enforcement	Start implementation/outreach, release industry bulletin and social media posts	Complete (See next page)
Apr-21	Testing	Item Writing Workshop 3 & 4	Complete
Apr-21	IT	Updates to SCORE must be complete	In Progress
May-21	Testing	Item Writing/Review Workshop 5	Scheduled May 6 & 7
May-21	PAO & Licensing	Outreach begins (licensing workshops, website updates, industry bulletin, etc.)	Complete
Jun-21	Licensing	Begin accepting B-2 applications	Not Begun
Jun-21	Testing	Pass Point Setting Workshop 6 and finalize exam booklet	Not Begun
Jul-21	IT	Post B-2 Study Guide	Not Begun
Jul-21	Testing	Finalize pass point and deliver booklets	Not Begun
Aug-21	Testing	Release Exam	Not Begun

CSLB was able to recruit 161 subject matter experts, mainly in the general building classification to develop this initial examination. Due to staff diligence and the ability to use a large number of experts and schedule workshops close together, CSLB will be able to release this exam in record time.

## Outreach

An industry bulletin announcing the B-2 license classification was distributed on April 29, 2021. Language in the bulletin will be used for other outreach efforts, such as educational materials, updates to the CSLB website, training sessions and/or webcasts, and for CSLB's *Get Licensed to Build* workshop. A second applicant workshop and/or video is planned to assist B-2 license applicants in understanding the minimum experience requirements and how to complete the application process.



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

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

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

April 29, 2021

CSLB #21-06

## CSLB Makes New B-2 License Available, First Classification in Over a Decade

**SACRAMENTO** – On June 1, the Contractors State License Board ([CSLB](http://www.cslb.ca.gov)) will begin accepting applications for the **new** B-2 Residential Remodeling Classification. This classification is available to licensees and applicants whose principal contracting business involves working on existing homes with residential wood frame structures which require at least three unrelated trades or crafts for a single contract ([SB 1189](http://leginfo.ca.gov/pub/07_01_2013_bill_0000_1100_0000_bill_1189_bill_0000.html)).

The B-2 classification provides a pathway to licensure for many unlicensed people who are currently working on remodeling and small home improvement projects that don't qualify for a B-General Building License because the contracted work does not include framing or rough carpentry. "Consumers employing a licensed contractor have reduced liability and greater consumer protection. Licensees benefit from licensure as they have opportunities to lawfully advertise, and compete on a level playing field for jobs," said Dave Fogt, CSLB Registrar.

To qualify for the B-2 Residential Remodeling Classification, contractors and applicants must have at least four years of experience working in three or more trades or crafts for residential remodeling projects. Applicants can substitute up to three years of the experience requirement with qualifying education.

Please note that the B-2 license classification has the following restrictions:

- Limited to working on existing residential wood frame structures
- Cannot make structural alterations to load-bearing partitions and walls

- Cannot install or extend electrical or plumbing systems but can make modifications to existing systems (e.g., install recessed lighting or alter plumbing for two shower heads)
- Cannot install or replace an HVAC system

Also, applicants will need to take and pass the B-2 exam as well as comply with other licensure requirements such as maintaining a license bond and complying with workers compensation insurance requirements.

**Helpful Links:**

[Application for Original Contractor License](#)

[Get Licensed to Build Workshop](#)

###



## AGENDA ITEM D-3

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





## AGENDA ITEM D-4

# Strategic Planning Process Overview







# CONTRACTORS STATE LICENSE BOARD

## 2022-25 Strategic Plan

CSLB will be utilizing the Department of Consumer Affairs (DCA) SOLID Training and Planning Solutions office to provide strategic planning services to develop the Boards' 2022-2025 Strategic Plan.

Prior to the September 2021 Board meeting, representatives from SOLID will meet with the Registrar and Chief Deputy Registrar to discuss the planning method, strategic planning goal areas, and target dates. Following this meeting, an electronic survey will be conducted to gather input from Board members, staff, and stakeholders.

As part of the strategic planning process, SOLID will conduct one-on-one interviews with Board members to identify strengths, weaknesses, internal and external threats, and opportunities. SOLID will also conduct one-on-one interviews with the Registrar and Chief Deputy Registrar and hold a focus group discussion with CSLB's senior management team.

SOLID then prepares an environmental scan, which involves a compilation and analysis of the data from the interviews, focus group discussion, and electronic survey results.

At the September 2021 Board meeting, SOLID will lead a strategic planning session where Board members and senior staff review the environmental scan and develop strategic objectives in the areas of: Administration, Enforcement, Information Technology, Legislation, Licensing & Testing, and Public Affairs. CSLB's vision, mission, values, and goals will also be reviewed.

SOLID will use the information gathered at the strategic planning session to develop the Board's draft 2022-25 Strategic Plan.



## AGENDA ITEM D-5

# Budget Update and Statistical Summary







# CONTRACTORS STATE LICENSE BOARD

## CSLB BUDGET

### 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 March 31, 2021, CSLB spent or encumbered almost \$49 million, roughly 69 percent of its FY 2020-21 budget:

EXPENDITURE DESCRIPTION	FY 2020-21 FINAL BUDGET	MARCH 2021 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>PERSONNEL SERVICES</b>				
Salary & Wages (Staff)	26,633,000	17,601,613	9,031,387	33.9%
Board Members	16,000	6,400	9,600	60.0%
Temp Help	800,000	532,044	267,956	33.5%
Exam Proctor	101,000	168,987	-67,987	-67.3%
Overtime	146,000	123,144	22,856	15.7%
Staff Benefits	14,371,000	9,761,607	4,609,393	32.1%
<b>TOTALS, PERSONNEL</b>	<b>42,067,000</b>	<b>28,193,795</b>	<b>13,873,205</b>	<b>33.0%</b>
<b>OPERATING EXPENSES AND EQUIPMENT (OE&amp;E)</b>				
Operating Expenses	17,008,000	14,106,772	2,901,228	17.1%
Exams – Subject Matter Experts	436,000	5,700	430,300	98.7%
Enforcement	11,175,000	6,877,011	4,297,989	38.5%
<b>TOTALS, OE&amp;E</b>	<b>28,619,000</b>	<b>20,989,483</b>	<b>7,629,517</b>	<b>26.7%</b>
<b>TOTALS</b>	<b>70,686,000</b>	<b>49,183,278</b>	<b>21,502,722</b>	<b>30.4%</b>
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-96,064	-256,936	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-419,678	419,678	
<b>GRAND TOTALS</b>	<b>70,333,000</b>	<b>48,667,536</b>	<b>21,665,464</b>	<b>30.8%</b>

#### Revenue

CSLB received the following revenue through March 31, 2021:

Revenue Category	Through 03/31/2021	Percentage of Revenue	Change from prior year (03/31/2020)
Duplicate License/Wall Certificate Fees	\$89,931	0.2%	0.7%
New License and Application Fees	\$10,245,556	17.8%	-6.9%
License and Registration Renewal Fees	\$41,104,854	71.6%	16.0%
Delinquent Renewal Fees	\$4,600,617	8.0%	153.8%
Citation Penalty Assessments	\$1,275,100	2.2%	-10.9%
Misc. Revenue	\$111,271	0.2%	0.0%
<b>Total</b>	<b>\$57,427,329</b>	<b>100.00%</b>	<b>14.8%</b>



**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).

<i>(Dollars in thousands)</i>	<b>Final FY 2019-20</b>	<b>Projected CY 2020-21</b>	<b>Projected BY 2021-22</b>
<b>Beginning Balance</b> <i>(Fund/Savings Account)</i>	<b>\$7,884</b>	<b>\$ 627</b>	<b>\$1,741</b>
<b>Revenues and Transfers</b>			
Revenue	\$64,524	\$72,180	\$73,488
<b>Total Resources</b> <i>(Revenue + Fund/Savings Acct.)</i>	<b>\$72,408</b>	<b>\$72,807</b>	<b>\$75,229</b>
<b>Expenditures</b>			
Board Expenditures	\$66,330	\$66,000	\$73,259
External Costs	\$5,451	\$5,066	\$5,728
			<b>-\$5,000</b>
<b>Total Expenditures</b>	<b>\$71,781</b>	<b>\$71,066</b>	<b>\$73,987</b>
<b>Ending Balance</b> <i>(Fund/Savings Account)</i>	<b>\$ 627</b>	<b>\$1,741</b>	<b>\$1,242</b>
<b>Months in Reserve</b>	0.1	0.3	0.2
<b>Dollars in Reserve</b>	\$627 K	\$1.7 M	\$1.2 M

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, and reflects proposed \$5M in expenditure reductions.



**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 current fiscal year expenditure reduction plan, along with identified savings through March 2021:

**Licensing and Testing**

<b>ACTION</b>	<b>ANNUAL SAVINGS</b>	<b>THRU MAR SAVINGS</b>
<ul style="list-style-type: none"> <li>Conduct subject matter expert workshops via WebEx or other technology platform to reduce travel costs</li> </ul>	\$250,000	\$300,000

**Executive and Administrative**

<b>ACTION</b>	<b>ANNUAL SAVINGS</b>	<b>THRU MAR SAVINGS</b>
<ul style="list-style-type: none"> <li>Maintain 20 vacant positions (\$2 million)</li> <li>Savings due to the 9.23 percent reduction in pay to full-time employees (\$2.5 million)</li> </ul>	\$4.5 million	\$5.5 million
<ul style="list-style-type: none"> <li>Delay replacing three vehicles in Enforcement</li> </ul>	\$100,000	\$100,000

**Information Technology**

<b>ACTION</b>	<b>ANNUAL SAVINGS</b>	<b>THRU MAR SAVINGS</b>
Reduce ADA compliance contract from \$250,000 to \$50,000, and have CSLB staff assume more ADA remediation functions	\$200,000	\$200,000
<ul style="list-style-type: none"> <li>IT contract and purchases savings</li> </ul>	\$250,000	\$200,000

**Enforcement**

<b>ACTION</b>	<b>ANNUAL SAVINGS</b>	<b>THRU MAR SAVINGS</b>
<ul style="list-style-type: none"> <li>Hold Attorney General’s Office at \$7 million for the year (roughly \$580,000 monthly)</li> </ul>	\$1.0 million	\$750,000
<ul style="list-style-type: none"> <li>Hold the Office of Administrative Hearings at \$1.2 million (roughly \$100,000 monthly)</li> </ul>	\$300,000	\$0
<ul style="list-style-type: none"> <li>Modify processes to reduce arbitration costs by 40% (from \$900,000 to \$550,000)</li> </ul>	\$350,000	\$100,000
<ul style="list-style-type: none"> <li>Modify procedures to reduce expenditures for industry expert consultants by 20% (from \$750,000 to \$600,000)</li> </ul>	\$150,000	\$350,000
<b>TOTAL SAVINGS</b>	<b>\$7.1 million</b>	<b>\$7.5 million</b>



**FY 2021-22 Expenditure Reduction Plan**

**Executive (All CSLB)**

<b>ACTION</b>	<b>SAVINGS</b>
<ul style="list-style-type: none"> <li>Delay filling positions – maintaining 35 vacant positions</li> </ul>	\$3.5 million

**Licensing and Testing**

<b>ACTION</b>	<b>SAVINGS</b>
<ul style="list-style-type: none"> <li>Conduct subject matter expert workshops via Webex or other technology platform to reduce travel costs</li> </ul>	\$100,000
<ul style="list-style-type: none"> <li>5% Reduction Drill (<i>Budget Letter 20-37</i>) already identified cost savings due to outsourcing of exam administration. These savings include closing of 2 exam facilities (i.e., Berkeley and San Jose, and eliminating 5 vacant positions at those locations. <i>Pending DOF approval</i></li> </ul>	\$550,000

**Enforcement**

<b>ACTION</b>	<b>SAVINGS</b>
<ul style="list-style-type: none"> <li>Hold Attorney General’s Office at \$7.5 million annually (or \$625,000 monthly) <i>Current monthly average in FY 20/21 is \$580,000</i></li> </ul>	\$550,000
<ul style="list-style-type: none"> <li>Modify processes to reduce arbitration costs by 20% (roughly \$58k monthly) <i>Current monthly average in FY 20/21 is \$47,000</i></li> </ul>	\$200,000
<ul style="list-style-type: none"> <li>Modify procedures to reduce expenditures for industry expert consultants by 13% (roughly \$54k monthly) <i>Current monthly average in FY 20/21 is \$20,000</i></li> </ul>	\$100,000
<b>TOTAL SAVINGS</b>	<b>\$5 million</b>

**Staff Recommendation:**

- 1) That the board approve the FY 2021-22 expenditure reduction plan outlining \$5 million in savings (similar to last fiscal year’s board approved \$7.1 million expenditure reduction plan). This recommendation projects that the fund would be solvent at the end of FY 2021-22, with \$1.2 million in the reserve.



# CONTRACTORS STATE LICENSE BOARD

## STATISTICS SUMMARY

### Statistics Summary

#### Applications Received

Month	2017-18	2018-19	2019-20	2020-21
July	2,624	3,478	4,511	3,323
August	3,141	3,761	4,733	3,863
September	3,254	3,418	4,366	3,441
October	3,188	4,550	4,166	4,324
November	2,669	3,736	3,854	3,168
December	2,903	3,682	3,320	2,681
January	3,714	4,232	4,132	3,112
February	3,598	4,428	4,068	3,178
March	4,223	5,157	3,649	3,585
<b>Total</b>	<b>29,314</b>	<b>36,442</b>	<b>36,799</b>	<b>30,675</b>

*% Change from Prior FY* -16.6%

#### Original Applications Received (includes exam and waivers)

Month	2017-18	2018-19	2019-20	2020-21
July	1,197	1,454	1,935	1,311
August	1,141	1,815	1,967	1,226
September	1,624	1,595	1,820	1,122
October	1,429	2,182	1,616	1,834
November	1,306	1,763	1,440	1,218
December	1,522	1,697	1,245	926
January	1,990	1,972	1,829	1,099
February	1,766	2,047	1,697	1,083
March	1,885	2,211	1,594	901
<b>Total</b>	<b>13,860</b>	<b>16,736</b>	<b>15,143</b>	<b>10,720</b>

*% Change from Prior FY* -29.2%

*% of Apps Rcvd are Original Apps* 35.0%

#### Original Licenses Issued

Month	2017-18	2018-19	2019-20	2020-21
July	1,150	1,394	1,426	1,032
August	1,355	1,616	1,331	1,084
September	1,095	1,377	1,293	1,171
October	986	1,580	1,383	1,257
November	1,334	1,250	1,195	1,119
December	1,170	1,244	1,181	1,115
January	1,170	1,441	1,263	880
February	1,065	1,374	1,118	657
March	1,446	1,342	1,102	918
<b>Total</b>	<b>10,771</b>	<b>12,618</b>	<b>11,292</b>	<b>9,233</b>

*% Change from Prior FY* -18.2%

*% Licenses Issued of Original Apps Rcvd* 86.0%



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

Month	2017-18	2018-19	2019-20	2020-21
July	8,153	8,307	11,234	12,460
August	9,283	10,544	9,631	10,396
September	9,534	8,173	9,409	11,507
October	8,805	13,154	7,901	9,252
November	5,651	7,563	6,003	6,843
December	9,651	7,362	7,846	11,087
January	7,593	11,000	9,582	10,271
February	11,586	9,698	7,163	7,174
March	9,760	11,700	12,059	11,923
<b>Total</b>	<b>80,016</b>	<b>87,501</b>	<b>80,828</b>	<b>90,913</b>
			% Change from Peak FY 2018-19	3.9%
			% Change from Prior FY	12.5%

**Original HIS Registrations Issued**

Month	2017-18	2018-19	2019-20	2020-21
July	302	476	677	596
August	420	422	526	487
September	405	442	634	570
October	495	549	579	594
November	419	415	594	513
December	385	437	519	444
January	468	570	429	523
February	396	400	457	396
March	433	590	350	554
<b>Total</b>	<b>3,723</b>	<b>4,301</b>	<b>4,765</b>	<b>4,677</b>
			% Change from Prior FY	-1.8%

**HIS Registrations Renewed**

Month	2017-18	2018-19	2019-20	2020-21
July	213	328	408	646
August	402	435	497	714
September	302	354	421	646
October	280	461	387	548
November	203	342	212	385
December	434	302	534	385
January	110	381	319	464
February	424	321	294	477
March	266	432	571	656
<b>Total</b>	<b>2,634</b>	<b>3,356</b>	<b>3,643</b>	<b>4,921</b>
			% Change from Prior FY	35.1%



**License Population by Status**

Status	Apr. 1, 2018	Apr. 1, 2019	Apr. 1, 2020	Apr. 1, 2021
Active	226,233	230,581	230,040	228,213
Inactive	56,070	55,162	53,639	52,047
<b>Total</b>	<b>282,303</b>	<b>285,743</b>	<b>283,679</b>	<b>280,260</b>

*% Change from Prior FY -1.2%*

**HIS Registration Population by Status**

Status	Apr. 1, 2018	Apr. 1, 2019	Apr. 1, 2020	Apr. 1, 2021
Active	17,359	18,704	20,964	22,265

*% Change from Prior FY 6.2%*

**Complaints By Fiscal Year**

Complaints	2016-17	2017-18	2018-19	2019-20
Received	18,875	20,674	20,474	18,190
Reopened	971	969	1,124	1,133
Closed	19,390	21,584	21,644	20,272
Pending (As of June 30)	4,734	4,796	4,807	3,898



## AGENDA ITEM D-6

# Administration Update Regarding Personnel and Facilities

- a. Review, Discussion, and Possible Action on the Administration 2019-21 Strategic Plan







### ADMINISTRATION UPDATE

#### PERSONNEL UNIT

#### TRANSACTIONS

During the third quarter of fiscal year 2020-21 (January 1-March 31, 2021), CSLB Personnel staff completed 35 personnel transactions. This included the addition of ten new employees from other state agencies and seven employees new to state service. Within CSLB, eight employees were promoted and ten transferred to different positions.

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

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	4	5	10	---
New to State Service	1	2	7	---
Student Assistants	0	1	0	---
Retired Annuitants	0	0	0	---
Promotions	119	21	8	---
Transfers within CSLB	17	8	10	---
Training and Development	4	0	0	---
Examination Proctors	0	0	0	---
<b>Total Per Quarter</b>	<b>145</b>	<b>37</b>	<b>35</b>	<b>---</b>

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

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	8	2	5	2
New to State Service	2	7	8	1
Student Assistants	2	0	0	1
Retired Annuitants	0	0	0	0
Promotions	15	31	4	5
Transfers within CSLB	3	5	5	2
Training and Development	1	0	1	0
Examination Proctors	3	0	1	2
<b>Total Per Quarter</b>	<b>34</b>	<b>45</b>	<b>24</b>	<b>13</b>



**VACANCIES**

During the third quarter of FY 2020-21, CSLB averaged 51 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**

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2020-21	43	50	51	50	47	51	55	50	47	49	---	---
2019-20	21	25	31	35	34	34	23	22	24	22	36	40
2018-19	29	33	30	24	22	21	23	22	24	22	22	19
2017-18	44	41	36	33	39	41	36	29	30	31	29	29

**EXAMINATIONS**

The majority of examinations are now done online through CalHR at <https://jobs.ca.gov/>. Listed below are the classifications with examinations administered by DCA.

ADMINISTERED BY DCA	STATUS	DATE
Consumer Services Representative	Last exam date:	November 2020
	Tentative exam date:	May 2021
Office Services Supervisor II	Last exam date:	April 2021
	Tentative exam date:	TBD
Supervising Special Investigator I	Last exam date:	January 2021
	Tentative exam date:	August 2021
Supervising Special Investigator II	Last exam date:	November 2020
	Tentative exam date:	TBD
Staff Service Analyst Transfer Exam	N/A	March/June September/December



## **BUSINESS SERVICES UNIT**

### **FACILITIES**

- **West Covina** – Staff completed and submitted all appropriate forms to renew the lease for CSLB’s West Covina field office. The current lease expires November 30, 2022.
- **Bakersfield** – Staff completed and submitted all appropriate forms to renew the lease for CSLB’s Bakersfield field office. The current lease expires December 31, 2022.

## **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.
- Arbitration contract to support CSLB’s arbitration program.
- Fire suppression maintenance for CSLB’s headquarters.
- Maintenance contract for CSLB’s trifold machine.

### **Procurements in Process:**

In consideration of current budget constraints, all purchases continue to be carefully assessed and only mission critical items are processed.

### **Executed Contracts/Procurement:**

- 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.
- 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.
- Maintenance contract for CSLB’s binding machine.



**TRAINING**

**Mandatory Sexual Harassment Prevention Training**

Staff tracked the completion of the mandatory Sexual Harassment Prevention training. This mandatory training is required for all CSLB employees and must be completed biennially.

**CSLB Training Interest Survey and Results**

CSLB Executive staff commissioned a survey of employees’ regarding their training needs in mid-April 2021. The purpose was to determine what areas employees are interested in learning more about and give employees an opportunity to identify other areas of interest that management may not have thought of.

The survey was distributed to CSLB employees on April 20, 2021 with a due date of April 26. Of CSLB’s 430 employees statewide, 92 completed the survey, a response rate of 21%. The respondents included 44 people from the Northern California region, 47 from the Southern California region, none from Central California, and one person who declined to answer that question.

The top three employee training requests were for accessing information from CSLB’s internal databases (TEALE) is, solarcode requirements, and how federal OSHA and Cal/OSHA regulations impact California contractors. The entire list of training topics from the survey and the response rates are in the table below.

<b>Topic of Training</b>	<b>Number of respondents</b>
Teale (CSLB internal database)	67
Code requirements for solar	66
How federal OSHA and Cal/OSHA are used by contractors	61
Public works process for contractors	58
California Green Building Codes	57
Code requirements for plumbing and electrical	55
IWAS	53
Fictitious Business Names and DBAs	52
How the California Building Codes/Title 24 are developed	52
What is the difference between licensure and certifications	51
Secretary of State (SOS) Portal	47
What is a certified electrician (how to get certification, why it is needed, etc.)	46
How a licensing exam is developed and updated	38
Code requirements for fire sprinklers	38



### D2019-21 Strategic Plan – Administration Objectives

#### 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.



2019-21 Strategic Plan – Administration Objectives

**Item 5.5**

**Description:** Research a special investigator series

**Target Date:** December 2019

**Current Status:** 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.

**Item 5.6**

**Description:** Pursue salary differentials in regions with higher living costs

**Target Date:** December 2019

**Current Status:** 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.

**Item 5.7**

**Description:** Standardize human resource processes to increase efficiency in regard to personnel matters.

**Target Date:** July 2021

**Current Status:** 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.

**Item 5.8**

**Description:** Enhance onboarding and orientation program for new staff, managers and Board members.

*(See Public Affairs objective 4.8)*

**Target Date:** February 2021

**Current Status:** Completed in April 2021.



**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



# Information Technology Update

- a. Review, Discussion, and Possible Action on the Information Technology 2019-21 Strategic Plan







### Information Technology Update

#### Online Renewal Statistics

Online Renewal Transactions					
	Sole Owner	eKiosk	HIS	Total Renewals	% of Online Transactions
April	1,798	1,498	*	13,234	24.9%
May	3,230	1,510	*	10,905	43.5%
June	3,812	1,570	*	9,889	54.4%
July	3,429	1,485	107	12,582	39.9%
August	2,875	1,252	296	10,505	42.1%
September	2,890	1,214	333	11,620	35.6%
October	2,971	1,071	344	9,366	46.8%
November	2,544	750	271	6,926	51.4%
December	2,891	809	247	11,177	35.3%
January	3,025	1,073	304	10,359	42.5%
February	2,984	1,159	331	7,276	61.5%
March	3,285	1,075	405	12,048	39.6%
<b>Totals</b>	<b>32,449</b>	<b>13,392</b>	<b>2,233</b>	<b>125,887</b>	<b>38.2%</b>

#### Unlicensed Activity Website Update

The Information Technology (IT) unit, 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 a PDF along with pictures and documents directly to the SWIFT unit. Enhancement to the CSLB website will be available May 2021.

#### Online Citation Payment

IT, along with the Enforcement Division, released the online citation payment program in January 2021. This allowed licensees and non-licensees to pay penalty assessments online through the CSLB website. All payments are processed in real-time and the CSLB database is updated immediately with the new payment information.

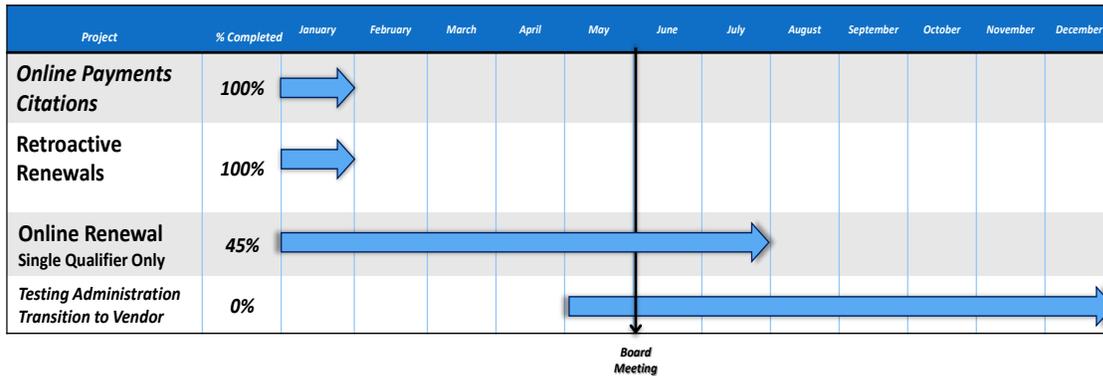
Citation Payments			
	Online Payments	Total Payments	% of Online Payments
January	\$19,950	\$126,204	15.8%
February	\$30,140	\$123,359	24.4%
March	\$62,965	\$146,147	43.0%



**2021 IT Projects**

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

## Information Technology 2021 Projects



**CSLB Website Statistics**

CSLB Website Views		
	2019	2020
CSLB Website Visits	54,302,341	56,559,016
Online License Checks	15,074,568	16,793,362
Find My Licensed Contractor	4,451,014	5,297,942

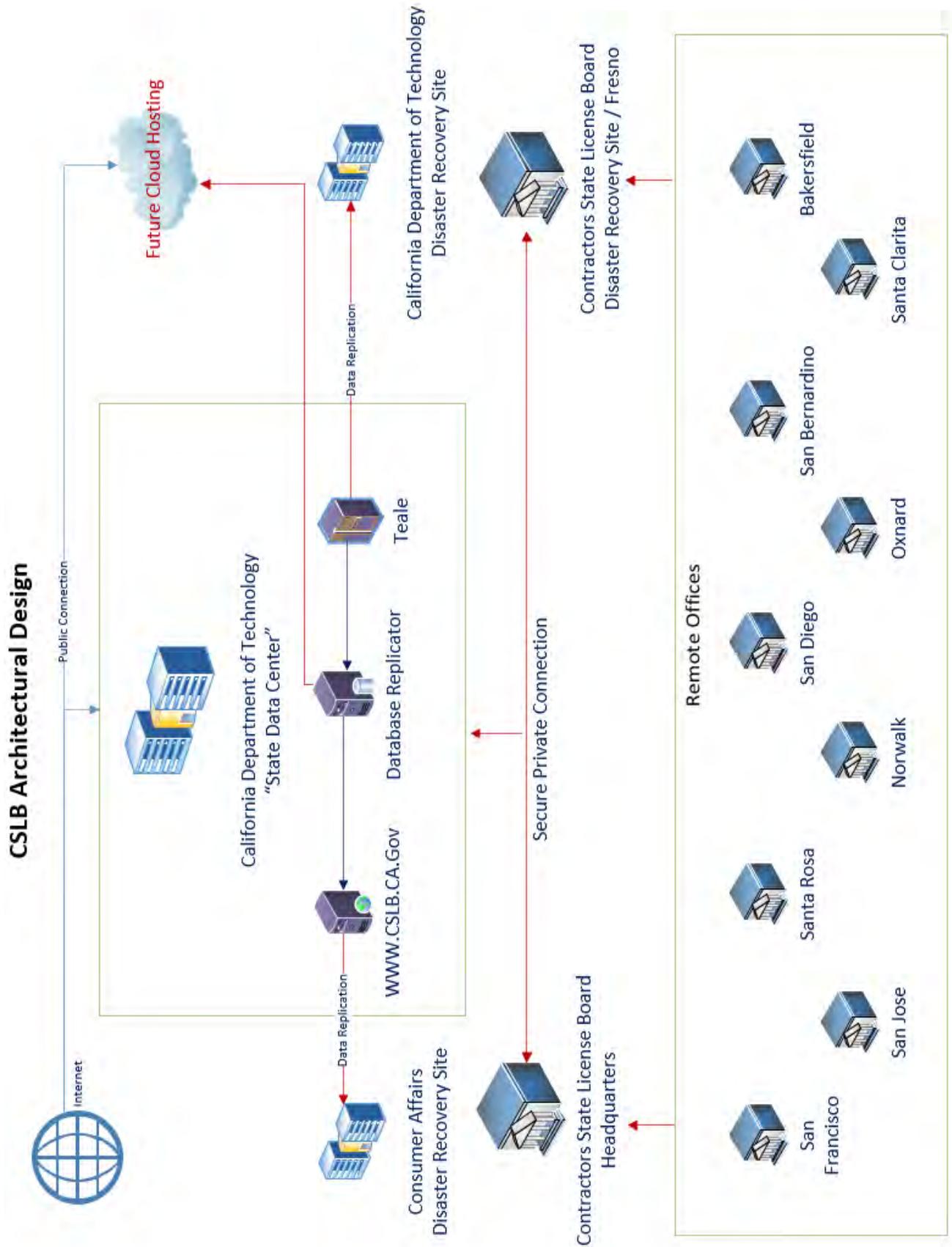
**CSLB Architectural Design**

The IT infrastructure is a critical part of CSLB’s initiatives, and the increasing use of technology has created a great need to increase efficiency of IT operating components. Infrastructure enhancements are required to help CSLB recover or restore data in the event of data loss, or if it were to become corrupted, or otherwise compromised.

CSLB IT has been managing and monitoring the IT Infrastructure and making changes to help create a better experience for end-users, and keep productivity flowing while being mindful of costs. The new IT Infrastructure helps limit harmful setbacks by reducing problematic occurrences and most importantly minimizes damages.

Below are items CSLB has accomplished with its new infrastructure changes followed by CSLB’s Architectural Design diagram.

- Implementation of virtualization for efficiency.
- Backup data to multiple locations to prevent major data loss due to infrastructure failures.
- Cost Benefits: After implementation of the Database Replicator CSLB achieved an average of \$58,000 in monthly savings.





### 2019-21 Strategic Plan – Information Technology Objectives

#### Item 5.11

**Description:** Establish online process to automate public sales requests in order to reduce costs

**Target Date:** December 2019

**Current Status:** Completed. Soft Launch Date: 6/15/19. News Bulletin Release: 7/1/19. Go-Live Date: 7/1/19

#### Item 5.12

**Description:** Update the website to offer e-payments (e.g. citations, renewals, and other fees) to improve convenience and reduce staff paperwork.

**Target Date:** December 2020

**Current Status:**

**Renewals:** Sole Owner Online Renewal – Completed April 2020  
Home Improvement Salesperson Renewal – Completed July 2020

**Citations:** Completed January 2021

**Original Application:** Design document is complete. Staff and subject matter experts met with a Cloud vendor for a product demonstration in July 2020. Further product demos will be scheduled.

#### Item 5.13

**Description:** Create an on-line e-signature feature to improve convenience.

**Target Date:** December 2021

**Current Status:** DCA OIS provided e-signature requirements for all Boards and Bureaus. CSLB will align this objective with 5.14.



2019-21 Strategic Plan – Information Technology Objectives

**Item 5.14**

**Description:** Create an online account option for licensees to update their own license records and offer online payment options to improve licensee service and reduce processing time.

**Target Date:** December 2021

**Current Status:** IT staff continue to evaluate products that will provide authentication, authorization, user management, and directory services.

**Item 5.15**

**Description:** In partnership with the Licensing division and Public Affairs office develop online original contractor applications to reduce application return rates.

(See Licensing objective 1.7 and Public Affairs objective 4.7)

**Target Date:** Begin December 2021

**Current Status:** IT staff made modifications to e-processing letters to improve guidance during the application process

**Item 5.16**

**Description:** In partnership with Public Affairs, review and update web content to ensure information presented to the public is accurate and accessible.

(See Public Affairs objective 4.9)

**Target Date:** Ongoing

**Current Status:** CSLB IT remediated 5,100 historical PDF documents and made them available through the CSLB website.

**Item 5.17**

**Description:** Identify mobile technology to enhance efficiencies for field staff.

**Target Date:** June 2020

**Current Status:** Completed. On July 10, 2019 supervisors and managers were surveyed: laptops, cellphones and portable printers meet business needs. No additional mobile technologies were requested.



2019-21 Strategic Plan – Information Technology Objectives

**Item 5.18**

**Description:** Create a mobile app of available services, including more efficient means to report unlicensed activity.

**Target Date:** July 2022

**Current Status:** Not Yet Started

**Item 5.19**

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

*(See Licensing objective 1.10)*

**Target Date:** Ongoing

**Current Status:** CSLB IT made license data available through the Public Data Portal in accordance with appropriate regulations.

**Item 5.20**

**Description:** Conduct needs assessment to determine requirements for new licensing/enforcement computer system.

**Target Date:** Completed

**Current Status:** CSLB, in consultation with DCA, has completed the needs assessment and is layering technology on the current system of record for core licensing and enforcement business needs. CSLB will continue to map all business processes and augment functionality to improve services.

**Item 5.21**

**Description:** Implement SCORE 2.0 programming.

**Target Date:** Ongoing

**Current Status:** CSLB Development team continues to make incremental enhancements to Licensing Division's Testing application. This application manages Testing administration and exam question development for potential contractors.

## AGENDA ITEM D-8

# Election of 2021-22 Board Officers







## CONTRACTORS STATE LICENSE BOARD

### Election of 2020-21 Board Officers

Under Chapter 4 of the Board Member Administrative Procedure Manual, Board officers are elected at the last meeting of the fiscal year. The Board officer positions include that of Chair, Vice Chair and Secretary. Officers shall serve a one-year term beginning July 1, 2021. An officer may be re-elected and serve for more than one term.

At the March 25, 2021 Board meeting, Chair David De La Torre appointed Kevin Albanese and Johnny Simpson to the Nominations Committee to recommend a slate of officers. The Nomination Committee will present their recommendations at the meeting. The Board Chair will lead the election of Board officers. Notwithstanding the Nominations Committee's recommendations, Board members may be nominated from the floor at the meeting.



# AGENDA ITEM E

## Public Affairs





# AGENDA ITEM E-1

## Public Affairs Update

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







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<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> 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

PAO is paying close attention to news and updates and preparing for the next wildfire season, which may be a busy one as Governor Newsom already declared drought restrictions for two California counties.

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 (LAC), Disaster Recovery Centers (DRC), 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.

In addition to responding to last year's wildfires, CSLB also participated in a Local Assistance Center in March 2021 to serve residents who suffered damage to their homes due to a nearby home explosion which occurred on March 16, 2021.



Marco Valadez, a Special Investigator from CSLB's West Covina office volunteered to attend the LAC to aid victims with their questions. Sixty-five primarily Spanish-speaking households attended the LAC looking for help.



Between July 2020 through March 2021, CSLB participated in 23 Local Assistance Centers or Disaster Recovery Centers. Due to COVID-19 health and safety, many were provided with materials only.

<b>Disaster</b>	<b>LAC Location</b>	<b>Resources Provided</b>
August Complex Fire	Mendocino County	Materials Only
August Complex Fire	Trinity County	Materials Only
Bobcat Fire	Palmdale (Los Angeles County)	In-Person Staffing and Virtual
Carmel/Dolan/River Fires	Monterey (Monterey County)	Materials Only
Creek Fire	Clovis (Fresno County)	In-Person Staffing Special Phone Line
CZU Lightning Complex	Santa Cruz (Santa Cruz County)	In-Person Staffing Special Phone Line
CZU Complex Fire	Pescadero (San Mateo County)	Materials Only
El Dorado Fire	San Bernardino County	Materials Only
Glass Fire	Santa Rosa (Sonoma County)	In-Person Staffing
Glass Fire	Napa (Napa County)	In-Person Staffing
LNU Complex Fire	Vacaville (Solano County)	Materials Only
LNU Complex Fire	Napa (Napa County)	Materials Only
LNU Complex Fire	Healdsburg (Sonoma County)	Materials Only
LNU Complex Fire	Guerneville (Sonoma County)	Materials Only
North Complex Fire	Oroville (Butte County)	In-Person Staffing
SCU Lightning Complex	(Santa Clara County)	Materials Only
Slater/Devil Fire	Yreka (Siskiyou County)	Materials Only
Slater/Devil Fire	Happy Camp (Siskiyou County)	In-Person Staffing
SQF Fire	Tulare County	Materials Only
Valley Fire	El Cajon (San Diego County)	In-Person Staffing
Willow Fire	Yuba County	Materials and Virtual
Zogg Fire	Shasta County	In-Person Staffing
Ontario Home Explosion	San Bernardino County	In-Person Staffing



**Disaster-Related Social Media Posts**

From July 2020 through March 2021 CSLB published 24 disaster-related posts with Facebook, Twitter, Instagram, LinkedIn and Nextdoor.

They gained more than 470,000 impressions (the number of times a posts was seen).

**Task Force Participation and Rebuilding Workshops**

CSLB staff continue to participate on two multi-agency task forces established by the 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.

**SOCIAL MEDIA**

PAO continued to use social media to inform licensees and consumers about the changing availability of CSLB services because of COVID-19. Over the past year, posts have been 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.

**Followers on CSLB’s Social Media**

Date	Facebook	Twitter	Twitter (@CSLBNews)	YouTube	LinkedIn	Instagram	Flickr
July 2020	5,313	2,743	23	1,212	409	867	13
October 2020	5,452	2,792	27	1,484	449	933	12
January 2021	5,509	2,804	29	1,884	492	1,038	12
February 2021	5,518	2,806	30	2,090	504	1,045	12
March 2021	5,557	2,816	30	2,188	509	1,079	12



**Social Media Highlights**



In partnership with the CPUC, PAO created a social media message to inform homeowners impacted by a Renovate America/HERO program PACE Assessment placed on their property. Two consumer workshops about the Renovate America bankruptcy claims process were also promoted.



PAO shared a social media post from Cal OES regarding FEMA’s COVID-19 Funeral Assistance Helpline.

**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 2020 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).

As of March 31, 2021, there are 1,188,810 verified residents in CSLB’s reachable NextDoor network.

**Facebook**

Between July 1, 2020 and March 31, 2021 CSLB reached more than 190,362 people on its Facebook page.

- Most viewed posts:
- After a Disaster – Check the License –reached 16,573 people
- Workers’ Compensation Requirements–reached 5,762 people



From July 1, 2020, to March 31, 2021, CSLB gained 292 likes, bringing the total number to 4,862.

**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 34 followers on the media Twitter account, it earned more than 17,000 impressions (the number of times a post is seen) between July 2020 and March 31, 2021. Press releases related to sting operations typically earn more than 1,000 impressions per tweet.

On CSLB’s main Twitter account, between July 1, 2020 and March 31, 2021, CSLB had more than 177,000 impressions. In total, as of March 31, 2021, CSLB has 2,816 Twitter followers.

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

Top tweet:

- CSLB Test Centers will reopen its seven test centers– 2,515 impressions



**YouTube Channel**

CSLB’s YouTube channel continues to grow with approximately 4,100 more hours of watch time and 41,143 more views since July 2020.

The channel has a total of 539,247 views (32,600 hours watched) and 2,253 subscribers since the page was created in 2009.



### **Instagram**

CSLB has 1,079 Instagram followers, an increase of more than 212 from July 2020 to March 2021. 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 March 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 33,595 contacts.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This database now consists of addresses for 115,197 licensees, which brings the combined database contacts to 148,792 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).

<b>Date</b>	<b>Industry Bulletin</b>	<b>Meeting Notices</b>	<b>CLC Newsletter</b>	<b>News Releases</b>	<b>Surveys</b>	<b>Job Openings</b>	<b>Podcasts</b>	<b>HIS</b>
<b>August 2020</b>	8,378	5,111	8,704	7,378	1,197	972	-	-
<b>November 2020</b>	7,579	5,283	8,869	7,505	1,288	1,081	336	-
<b>January 2021</b>	7,769	5,511	9,065	7,652	1,396	1,217	547	20,032
<b>April 30, 2021</b>	7,848	5,589	9,140	7,707	1,435	1,259	617	20,030

**MEDIA RELATIONS**

**Media Calls**

Between July 1, 2020 and March 31, 2021, PAO staff responded to 19 media inquiries, providing information and/or interviews to a variety of media outlets.

**Press Releases**

Between July 1, 2020 – April 1, 2021, PAO distributed two press releases. On March 4, 2021 CSLB distributed a press release regarding felony charges being pressed on licensees after the death of a worker – the release includes a warning to consumers on the importance of hiring licensed contractors for big jobs.

On March 16 and 17 CSLB’s Statewide Investigative Fraud Team conducted a sting operation in Bakersfield, CA. PAO distributed a press release to statewide media in partnership with the Kern County District Attorney’s Office. A copy of the press release is included in the enforcement update.

Following is the March 4, 2021 press release:



CONTRACTORS STATE LICENSE BOARD

## News Release

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

March 4, 2021

CSLB #21-01

### **Contractors State License Board Warns Consumers About the Dangerous Risks of Hiring Unlicensed Contractors**

*Contra Costa Co. District Attorney Files Felony Charges Against Unlicensed Contractor*

**SACRAMENTO** – The Contractors State License Board ([CSLB](http://www.cslb.ca.gov)) is warning consumers about the dangers of hiring unlicensed contractors after felony charges were filed this week against an unlicensed contractor after the death of an employee. The [Contra Costa County District Attorney's Office](#) filed two felony charges against Segundo Collazos, the owner of Amazon's Landscaping Company based out of Concord.

The [charges](#) relate to the death of Manuel Peralta, then 68, of Antioch, who died while operating a tree stump grinder in 2018. At the time of the incident, Collazos had a suspended CSLB license. The license was suspended in August 2017 for [bond violations](#). Also, Collazos did not have a workers compensation insurance policy on file with CSLB.

CSLB wants to remind consumers to check the status of a contractor's license before hiring them. "Many tragedies like this one in Concord can be prevented if consumers hire properly trained and CSLB licensed contractors, said CSLB Registrar David Fogt. "A simple check on the CSLB website can show whether a contractor is properly licensed and has workers compensation for employees."

Consumers can perform a "[License Check](#)" on the CSLB website with a search by a contractor's name, business name, or license number. In a matter of seconds, a contractor's individual license information is provided, which shows whether or not a license is active with CSLB. The license page also shows if a contractor has up-to-date workers compensation insurance for their workers. Workers' compensation insurance is required if the contractor has any employees. Homeowners can also use CSLB's "[Find My Licensed Contractor](#)" feature to build and download a list of qualified licensed contractors in their area.

In California, it's illegal for an unlicensed person to bid for or perform any home improvement valued at \$500 or more in combined labor and material costs. When hiring a contractor, consumers should also remember:

- Watch your down payment. The legal limit for a down payment is 10 percent of the contract price or \$1,000, whichever is lower.
- Avoid cash payments and keep copies of checks used to make payments.
- You should always get three bids from licensed contractors before hiring anyone to perform home improvement work.



**CSLB**

## PUBLIC AFFAIRS PROGRAM UPDATE

The Contractors State License Board operates under the umbrella of the [California Department of Consumer Affairs](#). CSLB licenses and regulates almost 290,000 contractors in California and is regarded as one of the leading consumer protection agencies. In fiscal year 2019-2020, CSLB helped recover over \$58 million in ordered restitution for consumers.

You can now follow [@CSLBnews](#) on Twitter to receive all official press releases from Contractors State License Board.

### **CSLB Media Contacts**

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###



**OUTREACH**

PAO is currently spearheading a number of specific 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 underrepresented communities
4. Ongoing Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars

**Industry Bulletins**

Between July 1, 2020 and March 31, 2021, CSLB issued 24 industry bulletins and sent email updates 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.

Date	Industry Bulletins
3/18/2020	Contractors State License Board Closing its Test Centers Statewide in Response to COVID-19 Health Emergency
3/24/2020	CSLB Encourages COVID-19 Donations to Hospitals Health Providers
3/24/2020	CSLB Provides COVID-19 Service Update Answers to Frequently Asked Questions
3/25/2020	CSLB Updates Licensees on Building Permits Requirements During COVID-19 Outbreak
4/08/2020	Contractors State License Board Launches New Online License/Registration Renewal Options
5/08/2020	Contractors State License Board Cautions Licensees to Watch for Online Scams Related to Economic Impact Payments
6/09/2020	Contractors State License Board Elects Officers for 2020-21
6/12/2020	Contractors State License Board Ready to Reopen Test Centers
6/29/2020	Contractors State License Board Reopening Public Counters July 1 <sup>st</sup>
7/2/2020	New Law Changes How the Contractors State License Board Reviews License Applicants’ Criminal History



7/23/2020	Contractors State License Board Launches Online Renewal Option for Home Improvement Salespersons (HIS)
8/11/2020	Contractors State License Board Encourages Contractors to Take Advantage of Earthquake Brace Bolt Program
8/18/2020	Contractors State License Board Calls on Contractors to Conserve Electricity as Heatwave Increases Demand Statewide
9/3/2020	CSLB Releases Latest List of Revoked Licenses
9/14/2020	Contractors State License Board Encourages Contractors to Take Special Care of Vehicles During Wildfire Season
9/21/2020	Contractors State License Board Reminds Contractors to Include License Number on Vehicles and Advertisements
11/25/2020	Contractors State License Board Reminds Licensees about the Importance of Following Home Improvement Contract Requirements for Solar Jobs
12/07/2020	Contractors State License Board Closing Test Centers and Public Counters Statewide in Response to COVID-19 Health Emergency
12/10/2020	Brush-Up on New Contracting Laws that Come into Play January 1, 2021
12/17/2020	Governor Newsom Announces COVID-19 Tax Relief, Grants, and Loans for Business Owners
1/11/2021	Expedited 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 1 <sup>st</sup>
2/02/2021	2021 Edition of California Contractors License Law & Reference Book Now Available
4/29/2021	New B-2 Residential Remodeling Classification

### **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. On April 29, 2021, an industry bulletin was distributed promoting the new classification. The bulletin can be viewed under the Executive section of the board packet.



**“Get Licensed to Build” Online Workshop**



PAO staff have continued to produce the online version of CSLB’s licensing workshop, which launched successfully in May 2020, for those interested in learning about how to get their contractor license. The online version of the workshop was titled “Get Licensed to Build.” To date, 13 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.

**Workshop Registrations and Attendance**

Date	Workshops	Registrations	Attendance
8/07/2020	<i>Get Licensed to Build Workshop #4</i>	513	326
9/04/2020	<i>Get Licensed to Build Workshop #5</i>	471	264
10/02/2020	<i>Get Licensed to Build Workshop #6</i>	463	273
11/06/2020	<i>Get Licensed to Build Workshop #7</i>	450	221
12/04/2020	<i>Get Licensed to Build Workshop #8</i>	418	171
2/05/2021	<i>Get Licensed to Build Workshop #9</i>	509	199
3/05/2021	<i>Get Licensed to Build Workshop #10</i>	493	149

**Underrepresented Communities**

A number of communities are underrepresented in California's construction industry. In response, CSLB's Registrar has selected and temporarily reassigned Geraldine Middleton, an Enforcement division Special Investigator (SI), fulltime to explore what CSLB can and should do to help encourage people in these communities to get a contractor license. Geraldine will provide insight on long-term outreach goals and strategies. To date, Geraldine's participation and contribution to this outreach effort are as follows:

- During the months of January and February 2021, Geraldine coordinated and worked with the director of the Los Angeles Urban League Construction Career Academy/JTM Academy, to develop an online three-part series of informational workshops about CSLB and the licensing process.
- January 16, 2021, Geraldine presented the 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, Geraldine participated in the 2<sup>nd</sup> workshop with the Los Angeles Urban League Construction Career Academy/JTM Academy where licensed contractors offered detailed insight about the profession and shared their experiences with being a licensed contractor was held to the students.
- On March 20, 2021 Geraldine participated in the 3<sup>rd</sup> workshop where Licensing Chief Justin Paddock and Application Unit Manager, Foad Gharahgozlou, provided detailed information on the licensing process to students of the Los Angeles Urban League Construction Career Academy/JTM Academy.
- Geraldine has met with management of the Employment Development Department's Santa Ana America's Job Center Workforce Services Branch and is in the planning stages of developing a three-part workshop series similar to the one with the Los Angeles Urban League.



**Senior Scam Stopper Seminars<sup>SM</sup>**

The Senior Scam Stoppers<sup>SM</sup> continue to be successful, with attendance averaging 25-50 people per seminar.



CSLB will resume offering in-person SSS seminars as soon as health concerns subside. PAO conducted 12 SSS seminars between August 1, 2020 through March 2021. The chart below depicts dates, virtual platform used, and legislative partnerships obtained for conducting the events.

Date	Location	Legislative/Community Partner(s)
August 5, 2020	Zoom	Realtor Dayna Wilson
August 14, 2020	Zoom/Facebook/YouTube	Asm. Cottie Petrie Norris
August 21, 2020	Phone	Asm. Al Muratsuchi
September 24, 2020	Zoom	Asm. Adrin Nazarian
November 10, 2020	Zoom	Riverside County CARE Team
November 17, 2020	Zoom	Asm. Timothy Grayson
November 19, 2020	Zoom	Sen. Richard Roth
January 14, 2021	Zoom	Asm. Shirley Weber
February 9, 2021	Zoom	Asm. Tasha Boerner Horvath
February 23, 2021	Zoom	Asm. Richard Bloom
March 5, 2021	Zoom	Asm. Sharon Quirk-Silva
March 12, 2021	Zoom	Asm. Joaquin Arambula



**VIDEO/DIGITAL SERVICES**

**Consumer and Licensee Tips and Applicant Videos**

Public Affairs staff continue to develop a series of consumer and licensee educational videos for promotion on social media and the CSLB website. Topics have ranged from how to hire a landscaper and tips to avoid getting scammed, to information on exam study guides and how to report unlicensed activity.

Staff also continue 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. A public service announcement was released in March to promote the workshops and encourage those interested in getting their contractor license to participate online.



**Webcasts Produced July 2020-March 2021**

<b>Date Aired</b>	<b>Live/Recorded Webcasts Produced</b>
<b>7/24/2020</b>	CSLB Quarterly Board Meeting
<b>8/07/2020</b>	<i>Get Licensed to Build</i> Workshop
<b>9/04/2020</b>	<i>Get Licensed to Build</i> Workshop
<b>9/09/2020</b>	CSLB Quarterly Board Meeting
<b>9/29/2020</b>	CSLB Public Regulatory Hearing
<b>10/02/2020</b>	<i>Get Licensed to Build</i> Workshop
<b>11/04/2020</b>	CSLB Executive, Enforcement, Public Affairs, Licensing and Legislative Committee Meetings
<b>11/06/2020</b>	<i>Get Licensed to Build</i> Workshop



<b>12/04/2020</b>	<i>Get Licensed to Build Workshop</i>
<b>12/10/2020</b>	CSLB Quarterly Board Meeting
<b>2/04/2021</b>	CSLB Quarterly Board Meeting
<b>2/04/2021</b>	CSLB Enforcement and Legislative Committee Meetings
<b>2/05/2021</b>	<i>Get Licensed to Build Workshop</i>
<b>3/05/2021</b>	Get Licensed to Build Workshop
<b>3/25/2021</b>	CSLB Quarterly Board Meeting

**Videos Created/Posted Online Between July 2020-March 2021**

<b>Date Posted</b>	<b>Videos Created/Posted Online</b>
<b>7/02/2020</b>	Rebuilding After a Disaster
<b>8/28/2020</b>	Watch CSLB Videos and Subscribe PSA
<b>8/28/2020</b>	Contractor Advertising Guidelines
<b>9/01/2020</b>	Senior Scam Stopper
<b>9/24/2020</b>	Segment for Assembly Speaker Anthony Rendon's Public Service Announcement
<b>11/04/2020</b>	CSLB Quick Tips: Find My Licensed Contractor
<b>12/07/2020</b>	CSLB Quick Tips: Disaster Survivors – Risks of Unlicensed Contracting
<b>12/07/2020</b>	CSLB Quick Tips: Check the License
<b>12/14/2020</b>	Building Permit Requirements During COVID-19
<b>12/17/2020</b>	CSLB Quick Tips: How to Report Unlicensed Contracting
<b>1/20/2021</b>	CSLB Quick Tips: Complaint Forms
<b>2/18/2021</b>	Spring Home Projects Tips
<b>2/25/2021</b>	How to File a Complaint
<b>3/09/2021</b>	Watch CSLB's <i>Get Licensed to Build Workshop</i> PSA



**PUBLICATION/GRAPHIC DESIGN SERVICES**

Between July 1, 2020 and March 31, 2021, PAO’s Graphic Design unit completed the following projects.

**Posters & Flyers**

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

CSLB Visitor Protocol Poster

CSLB Public Counter Closure & Remote Services Poster

Unavailable Payment Kiosks & Available Payment Options Poster

**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

**Publications**

**Publications & Reports**

2020 Accomplishments & Activities Report

2020 Board Member Administrative Procedures Manual

Get Licensed to Build: A Guide to Becoming a California Licensed Contractor (English & Spanish)

Terms of Agreement: Consumer’s Guide to Home Improvement

What Seniors Should Know Before Hiring a Contractor

What You Should Know Before Hiring a Contractor (English & Spanish)

10 Tips: Make Sure Your Contractor Measures Up (English & Spanish)

Description of Classifications (English & Spanish)

July 24, 2020 Quarterly Board Meeting Packet (Teleconference)

September 9, 2020 Quarterly Board Meeting Packet (Teleconference)

November 4, 2020 Committee Meeting Packet (Teleconference)

December 10, 2020 Quarterly Board Meeting Packet (Teleconference)

February 4, 2021 Board Meeting and Enforcement & Legislative Committee Meetings Packet (Teleconference)

March 25, 2021 Quarterly Board Meeting Packet (Teleconference)



### **Graphic Design Projects (Misc.)**

#### **Graphic Design Projects (Misc.)**

Get Licensed to Build Workshop Logo

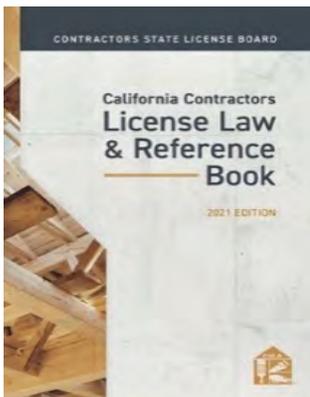
Virtual Backgrounds for CSLB WebEx Meetings/Events

Executive Staff and Board Member Contact Cards

Certificates of Recognition (various)

Forms (various)

### **2021 California Contractor License Law & Reference Book**



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

### **California Licensed Contractor Newsletter**

Public Affairs published the *California Licensed Contractor (CLC)* newsletter (winter edition) in February 2021. The CLC newsletter contained 17 articles which covered important topics on matters such as requirements for building in disaster areas, advertising rules for all licensees, online tools available for contractors to help maintain their license, and new laws that may impact licensed contractors' businesses – to name a few.

The CLC was made available on CSLB's website and was distributed via email to 8,834 newsletter subscribers and was also promoted on CSLB's social media channels. CSLB maintains 145,000 licensee email addresses, but many have not opted-in to receive the newsletter.



**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 July 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	
7/1/2020	CSLB Reopens Public Counters with COVID-19 Precautions
7/14/2020	CSLB Recognizes Employee with 33 Years of Outstanding Service
7/23/2020	Watch a Live Stream of CSLB's July Board Meeting
7/24/2020	CSLB Welcomes New Board Member and Celebrates Reappointment of Another
8/19/2020	New Licensee Member Joins Board
8/21/2020	CSLB Staff Reminders for Wildfire Season
9/08/2020	CSLB Staff Steps-Up to Help Residents in Wildfire Areas
9/08/2020	Northern SWIFT Shares Images from LNU Complex Fire Burn Area
9/08/2020	CSLB's Virtual Quarterly Board Meeting Announcement
9/18/2020	Business Services Employees Work Hard to Provide Vital Services
9/24/2020	CSLB Welcomes New Board Member, Rodney Cobos
10/5/2020	Welcome CSLB's Newest Board Member, Michael Mark
10/5/2020	Making Changes to Your Health Coverage? Here's What You Need to Know
10/7/2020	Help Us Help You with Career Development!
10/8/2020	Virtual Backgrounds Now Available to Staff
10/28/2020	Halloween Costume Photo Submission!
11/3/2020	Tune-In Tomorrow to CSLB's Committee Meetings!



11/9/2020	Staff Shares Halloween Photos of their Family and Decorations!
12/2/2020	Demetria Poole Retires after 27 years with CSLB
12/9/2020	Tune-In Tomorrow to our Quarterly Board Meeting
12/18/2020	A Special Holiday Message from CSLB's Registrar
12/18/2020	Career Development and Mentoring Program Update
1/14/2021	Chief of Enforcement and Longtime CSLB Employee Retires after 35 Years of State Service
1/28/2021	Test Center & Front Counter Staff Preparing for February 1st Re-Opening
2/2/2021	Quarterly Board Meeting and Enforcement and Legislative Committee Meetings (announcement)
2/9/2021	Latest CSLB California Licensed Contractor Newsletter Available
2/19/2021	"Career Development...Live!" Join us Next Week for CSLB's First Online Career Opportunity Event!
3/18/2021	Quarterly Board Meeting Coming Up (announcement)
3/24/2021	Help Us Congratulate CSLB's New Licensing Supervisors!
3/30/2021	CSLB's Accomplishments & Activities Report Now Available
4/15/2021	CSLB Special Investigator Attends Local Assistance Center in Ontario



### 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:** Two new suspects added to Most Wanted list; both have been arrested. Continue to work with Enforcement to identify new outreach opportunities. Since January 2021, two press releases issued on unlicensed contracting.



2019-21 Strategic Plan – Public Affairs Objectives

**Item 4.5**

**Description:** Research the feasibility of creating a text alert program to communicate with licensees and consumers and implement if possible.

**Target Date:** Feasibility: June 2019, Implement: December 2020

**Current Status:** Mobile phone numbers are being voluntarily collected through online renewal and HIS registration. IT is researching Identity Management Systems (IMS) for licensees to update their licensing records. The IMS functionality will also provide for sending licensees notifications and reminders.

**Item 4.6**

**Description:** Expand website content to keep industry and licensees up-to-date on relevant information.

**Target Date:** September 2019 and ongoing

**Current Status:** CSLB homepage was updated adding colored banners, new alert section and improving layout of information. A webpage was created for posting and viewing videos. PAO is currently working with IT to develop a News webpage to post articles that can be easily accessed.

**Item 4.7**

**Description:** 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)*

**Target Date:** Begin December 2021

**Current Status:** E-processing letters were updated to improve guidance during the application process. The design document is complete. Staff and subject matter experts met with a vendor for a product demonstration in July 2020. IT continues to research solutions.

**Item 4.8**

**Description:** Develop orientation videos for new staff, managers, and Board members

*(See Administrative objective 5.8)*

**Target Date:** February 2021

**Current Status:** May 2021 staff orientation video 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. Work to review and update website content for accuracy and ease of use is ongoing. Since January 2021: Updated the homepage, clarified information on senior scam stoppers and consumer complaint webpages, and added new webpage for licensing refugees.

**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:** Helped develop an online building permit compliance training course for licensees who fail to comply with local building department permit requirements. The training course was posted in May 2020 on CSLB's YouTube channel and promoted through social media. In 2020/2021 created 6 industry bulletins to educate licensees (i.e, building permit requirements, advertisements, home improvement contract requirements for solar jobs, new laws).



# AGENDA ITEM F

## Enforcement





## AGENDA ITEM F-1

# Enforcement Program Update and Statistical Summary

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







### **INVESTIGATION HIGHLIGHTS**

More than 200 employees in 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 licensee 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 performs a thorough investigation and determines if an enforcement legal action is necessary. Additionally, investigators in the division's three Statewide Investigation Fraud Teams (SWIFT) proactively enforce Contractor State 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.

#### **Felony Charges for Fraudulent Contractor**

On March 6, 2021, the San Francisco District Attorney charged unlicensed contractor Tommy Min Jue with multiple felonies after it was determined Jue installed and maintained faulty fire alarms in numerous San Francisco buildings. In 2015, fire alarms installed by Jue in a Mission Street apartment building failed to sound as the building went up in flames (see photo at right). Many occupants only learned of the fire when fire engines arrived outside, and one occupant died in the blaze.



*Fatal fire in San Francisco*

The investigation of Jue's misconduct was jointly conducted by the District Attorney's office, a CSLB peace officer, and assistance from CSLB's proactive enforcement unit. The investigation focused on 15 properties with alarms installed and/or serviced by Jue. It was determined that Jue did business as "Tom Jue & Company" from 2015 to 2018, using several contractor's license numbers that were not his own. Jue also submitted signed forms to the San Francisco Department of Building Inspection misrepresenting himself as a licensed contractor. Jue has been charged with grand theft, using a contractor's license with intent to defraud, forgery, and insurance fraud.

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#### **Expensive Yard Remodel Left Undone**

An El Dorado Hills homeowner filed a complaint with CSLB in July 2018 stating that the licensed contractor he hired for his extensive pool and landscape project had abandoned the job and left it incomplete. The homeowner had signed a contract with the contractor for \$388,438 in early 2017, and work started that May. The contractor estimated the project would be done in five months. Seven months later, the



homeowner had paid the contractor \$358,438, but the project was still incomplete, and the rate of progress slowed even further. By March 2018, the contractor had stopped all work on the project, and stopped answering calls from the homeowner.

The homeowner filed a complaint with CSLB regarding the job abandonment and work quality. Due to the complexity of the project, the assigned CSLB investigator hired both pool and landscape Industry Experts (IE) to inspect the project. Both IEs found work that was below trade standard and deviated from plans and specifications. The total cost to correct and complete the project was estimated to be \$126,590.

The investigation established violations of contract abandonment, departure from accepted trade standards, willful departure from plans and specifications, disregard of building codes, failure to complete the project for the contract price, failure to comply with home improvement contract requirements, and requiring an excessive down payment. An accusation for revocation was served on the contractor in June 2020, and he filed a Notice of Defense contesting the Accusation. In March 2021, the Registrar approved a Stipulated Settlement with the contractor that provided for a stay of the license revocation if the contractor, successfully completes three years' probation. The terms of probation included full restitution to the homeowner of \$81,590 (adjusted for a \$15,000 surety bond payout), restitution to CSLB for investigative costs of \$15,159, and posting of a \$30,000 disciplinary bond.

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### **Additional Charges for Solar Violator**

Unlicensed contractor George Safanov has been on CSLB's enforcement radar since 2017. Safanov has done business as Hybrid Homes LLC and other company names. He typically targets Central Valley homeowners who often speak little English and convinces them to sign complex contracts for residential solar systems they are likely unable to afford. Dozens of complaints regarding Safanov's tactics began pouring in from victimized residents.

Homeowners complained of abandoned projects, misrepresentation, and fraud. The misconduct was so severe that CSLB representatives and partner agencies traveled to the town of Huron to meet with 75 community members who sought assistance regarding the predatory solar contracts.

Additionally, multiple investigations in Southern California of Safanov ultimately led to the filing of 22 criminal counts in February 2020. The charges included theft by false pretense, diversion of construction funds, identity theft, and elder financial abuse.



Unfortunately, Safanov was not incarcerated due to pandemic-related restrictions on custodial populations, and he continued with his predatory sales tactics. It is now alleged that Safanov has/is engaging in solar loan fraud.

Safanov is scheduled to appear for arraignment on new felony charges May 17, 2021. CSLB is assisting multiple District Attorney's Offices with their arguments to remand Safanov into custody to protect the community from his continued unlawful behavior.

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### Restitution with Special Delivery



A 92-year-old World War II veteran in Southern California hired a licensed roofing contractor to make some roof repairs for an agreed-upon amount of \$1,800. The repairs were completed in one day and the contract amount was paid in full. However, during a windy day in February 2021, the repair failed, and shingles were blown into the consumer's yard. Calls to the licensee went unanswered, so the consumer called CSLB.

Norwalk Investigative Center's Enforcement Representative (ER) **Melissa Trinh** contacted the consumer on March 17 within a few hours after receiving the case. The consumer said he did not want the licensee back on his property to make repairs – he wanted a refund. ER Trinh immediately contacted the licensee to see if she could resolve the matter quickly before the next rainstorm. ER Trinh explained to the licensee the problem with the repairs, and she encouraged him to address the consumer's complaint. The licensee said he would explore his options and get back to her within an hour. The licensee called back 10 minutes later and said a cashier's check for \$1,800 – a full refund – would arrive at the Norwalk office in two days.

The check arrived as promised, and ER Trinh decided to surprise the consumer by delivering the check in person. Keeping social distance guidelines in mind, ER Trinh wedged the check in the door jamb and rang the bell. The surprised and delighted consumer posed with his check, and thanked ER Trinh for going above and beyond in resolving his complaint.



## **Statistical Overview**

### **Fiscal Year (FY) Complaint Handling Statistics (July 2020 - March 2021)**

#### **Investigations Initiated & Complaints Received**

- CSLB initiated 11,479 investigations during FY July 2020- March 2021: 2,587 fewer than the same timeframe in FY 2019-2020.

#### **Pending Investigations**

- With current staffing levels, the optimum maximum Enforcement Division caseload is 3,945 pending complaints. As of April 2021, the pending caseload was 3,535.

#### **Special Investigator Production Goals**

- For FY July 2020 - March 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 April 2021, 100 of the 3,535 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. FY July 2020- March 2021 complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$14 million in restitution to financially injured parties.

#### **Investigative Center Legal Actions**

- From FY July 2020- March 2021 the Investigative Centers referred 32 percent, or 435, of the 1,343 legal action investigations for criminal prosecution.

**Case Management Activities (FY July 2020- March 2021)**

- **Arbitration**
  - 406 cases initiated, resulting in over \$2 million in restitution to injured parties.
  - 41 licenses revoked for non-compliance.
  
- **Citations**
  - 920 citations issued (439 licensee, 481 non-licensed)
  - 386 citations appealed (224 licensee, 162 non-licensed)
  - 649 citations complied with (384 licensee, 265 non-licensed)
  
- **Civil Penalties Collected**
  - Licensee Citation Civil Penalties
    - Informal settlement conferences conducted - 135
    - Civil penalties collected - \$866,891
    - Restitution - \$820,578
  
  - Non-Licensee Citation Civil Penalties
    - Informal settlement conferences conducted – 128
    - Civil penalties collected - \$323,220
  
- **Accusations**
  - Accusations filed - 138
  - License revocations - 183
  - License probations - 91
  - Restitution paid to injured parties - \$161,750
  - Cost recovery collected - \$438,843

**STATEWIDE INVESTIGATIVE FRAUD TEAM**

CSLB's Statewide Investigative Fraud Team (SWIFT) is comprised of Special Investigators who enforce license and workers' compensation insurance requirements at active jobsites, respond to leads, and conduct enforcement sweeps and undercover sting operations targeting unlicensed persons.

From July 1, 2020 to March 31, 2021, SWIFT conducted one sting operation, participated in six sweep days, and responded to 482 leads. SWIFT closed 1,465 cases because of stings, sweeps, and leads, of which 399 resulted in an administrative or criminal legal action, as well as the issuance of 555 advisory notices for minor violations.



**District Attorney Referrals**

From July 1, 2020 to March 31, 2021, SWIFT referred 59 cases to local district attorneys’ offices for criminal prosecution – 47 for contracting without a license and 12 against licensees, primarily for failure to secure workers’ compensation insurance.

**Administrative Actions**

From July 1, 2020 to March 31, 2021, SWIFT issued 298 licensee and non-licensee citations, issued 39 Letters of Admonishment, filed five accusations, and assessed \$262,400 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 a construction site due to workers’ compensation insurance violations, until an appropriate policy is obtained. Failure of a contractor to comply with a stop order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to \$10,000. From July 1, 2020 to March 31, 2021 SWIFT issued 36 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 specified 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**

	2018	2019	2020 (through March 31)	2021
CSLB	\$138,182	\$114,880	\$139,775	\$17,642
EDD	\$12,912,299	\$15,091,585	\$10,372,682	\$402,609
DIR-Cal/OSHA	\$2,085,120	\$3,270,360	\$1,031,736	\$83,503
DIR-DLSE	\$1,315,519	\$1,423,337	\$2,726,391	\$149,658
FTB	\$7,491,602	\$6,490,225	\$4,211,003	\$724,469
<b>Totals</b>	<b>\$23,942,722</b>	<b>\$26,390,386</b>	<b>\$18,481,587</b>	<b>\$1,377,881</b>

**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.

Due to Covid-19 restrictions, no LETf inspections took place between July 1, 2020 and March 31, 2021.

**Future Operations**

The SWIFT unit is anxiously awaiting the return of 11 Special Investigators (out of a total of 27) who were re-assigned to contact tracing last year soon after the COVID-19 outbreak. All 11 Investigators are slated to return to their SWIFT duties on July 1, 2021.

On March 16-17, 2021, SWIFT conducted the first undercover sting operation since March 2020. The operation, in partnership with the Kern County District Attorney's Office, took place in Bakersfield. On the following page is the joint press release distributed to statewide media; 14 individuals were cited.

## California Contractors State License Board & Kern County District Attorney's Office



April 1, 2021

CSLB #21-02

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### **CSLB Partners with Kern County District Attorney's Office for Undercover Sting Operation**

*Fourteen individuals cited for illegal contracting violations, including 12 who did not carry the proper workers' compensation insurance coverage*

**SACRAMENTO** – On March 16-17 the Contractors State License Board ([CSLB](#)) partnered with the [Kern County District Attorney's Office \(DA\)](#) and the [California Department of Insurance](#) to conduct an undercover sting operation for combating unlicensed contracting in Bakersfield. As a result, fourteen individuals were cited for allegedly placing illegal bids on home improvement projects and some did not carry the proper workers' compensation insurance for their employees. This is why CSLB is stressing that homeowners always "[check-a-license](#)" before hiring someone to do contracting work on their property.

To plan this operation, CSLB's Statewide Investigative Fraud Team ([SWIFT](#)) did some simple online searches and reached out to alleged unlicensed contractors through their advertisements soliciting for construction work. SWIFT agents then posed as homeowners and invited suspects to place bids at a single-family home near Meadows Field Airport.

Of the individuals contacted, fourteen came to place bids on fencing, flooring, landscaping, electrical, and painting. Bids ranged from \$1,200 to \$17,500.

Twelve of those suspects are now facing illegal contracting charges for placing bids well over the legal \$500 threshold that requires a contractor license ([Business and Professions Code \(BPC\) Sections \(§\) 7028](#)) and two were referred to the Kern County DA for further action. First-conviction penalties for contracting without a license in California include up to six months in jail and/or up to \$5,000 in fines.



“Those who operate without a California state-issued contractor license can potentially harm the public, tarnish the respectability of the construction industry, and take work from law-abiding licensed contractors by operating in the underground economy,” said CSLB Registrar David Fogt. “Additionally, unlicensed contractors likely don’t carry workers’ compensation insurance which could leave homeowners liable for workers injured on their property.”

Commenting on the operation, District Attorney Cynthia Zimmer stated “Legitimate contractors who follow the rules should not have to compete with unlicensed contractors who refuse to abide by even the most basic and fundamental consumer protection laws. Ensuring that licensing rules are enforced helps ensure the integrity of all contracting industries as well as protect the consumers who rely on contractors’ specialized knowledge.”

All 14 individuals are facing an additional misdemeanor charge for their illegal advertisements. Licensed contractors must display their license number in all advertisements; unlicensed contractors must state in all ads for work valued at less than \$500 that they do not have a license ([BPC § 7027.1](#)). The penalty for violating the advertising rules for unlicensed contractors is a fine of \$700 to \$1,000.

Twelve of the suspects who did not have the proper workers’ compensation insurance policies to cover those working for them are facing additional charges ([Labor Code § 3700.5](#)). As a reminder, contractors must carry workers’ compensation insurance if they have employees.

If contractors don’t have employees, they must file a workers’ compensation exemption with CSLB, which is noted on the license record.

Eleven of the suspects violating workers’ compensation regulations were also issued a Stop Order – a legal demand to cease all employee labor at a job site due to violation of state workers compensation insurance requirements ([BPC § 7127](#)).

Consumers are being urged to check a contractor’s license status by conducting an “[Instant License Check](#)” which takes a matter of seconds on CSLB’s website by typing in the contractor’s license number, name, or business name. The search results reveal whether the contractor’s license is active and/or in good standing.

Homeowners can also use CSLB’s [Find My Licensed Contractor](#) feature to build and download a list of qualified licensed contractors in their area.

All suspects were ordered to appear at the [Kern](#) County Superior Court on a future date and time.

The Contractors State License Board operates under the umbrella of the [California Department of Consumer Affairs](#). CSLB licenses and regulates more than 281,000 contractors in California and is regarded as one of the leading consumer protection agencies in the United States. In 2020, CSLB helped recover \$26 million in ordered restitution.

###



A second sting operation was conducted on April 27 and 28, 2021 in the Central Valley city of Clovis (Fresno county). Law enforcement back up was provided by the California Department of Insurance, the Fresno County District Attorney's office, and Clovis Police Department. A total of 25 suspects were caught, of which 12 were referred to the District Attorney, 1 was issued an administrative citation, 3 were issued stop orders for utilizing employee labor without workers compensation insurance, and 3 were issued advisory notices for minor violations. Six of the cases will require further investigation and may result in additional legal actions. The highest bid received was \$5,000 for concrete work. Undercover Investigators reported that they had a difficult time getting suspects to provide a bid, because they were too busy working on other projects. Many of the suspects were contacted from illegal advertisements which they had placed on Craigslist, Facebook, and Yelp.



Except for a brief complete shutdown of proactive field enforcement at the very onset of the COVID-19 outbreak, SWIFT continued to respond to as many leads as possible. Once the Investigators assigned to Contact Tracing return, weekly sweep operations will resume. Northern SWIFT has recently been contacted by District Attorney Investigators from multiple Bay Area counties, including Sonoma, Santa Clara, and San Mateo, eager to resume joint sweep operations. While joint monthly sweep operations with LETF (Labor Enforcement Task

Force) have been halted since the COVID-19 outbreak, they are scheduled to resume on a limited basis in July.

SWIFT staff are actively seeking available sting properties and law enforcement back-up to resume regular sting operations across the state.



### 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 will continue to collaborate with the Public Affairs Office (PAO) as needed, to distribute 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 PAO, to develop and implement a plan for identifying 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. Relunched 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.



**Item 2.5**

**Description:** Develop a program to improve complaint response by setting priorities and recognizing staff achievements

**Target Date:** January 2020

**Current Status:** In May 2019, developed updated complaint prioritization guidelines. At the beginning of the pandemic (**April 2020**), supervisors began submitting weekly reports highlighting staff achievements. CSLB will continue to recognize staff on the Intranet and the board chair has acknowledged enforcement staff for their exceptional contributions.

**Item 2.6**

**Description:** In collaboration with the Public Affairs Office and Licensing division, create online courses and content to educate licensees. (*See Public Affairs objective 4.10 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.

**Item 2.7**

**Description:** Provide training opportunities to improve morale and staff knowledge.

**Target Date:** Ongoing

**Current Status:** 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.

**Item 2.8**

**Description:** Prioritize proactive investigation of license requirements to protect the public and licensed contractors by removing unlicensed contractors from the marketplace.

**Target Date:** Ongoing

**Current Status:** 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 conducting undercover sting operations.



**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 Pre-Apprenticeship 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.

JTM Pre-Apprenticeship Academy trains adults for employment readiness in the construction trades and utility sector careers.

The original project was designed by our co-founder Mr. James T. Mitchell in 1967; it was called the Labor Education Advancement Program (LEAP). LEAP was a collaborative effort between the Los Angeles Urban League (LAUL) and multiple construction and building trade local union halls. The goal of LEAP was to prepare members of the African American community to pass the union entrance exams. Mr. Mitchell and the LAUL continued LEAP into the early 1980's, and they were able to help change the lives of a few thousand Black Angelinos.



## AGENDA ITEM F-2

# Intake Mediation Center Overview and Highlights







### **Intake & Mediation Center (IMC) Overview and Highlights**

CSLB's two IMC's provides public protection by assisting parties in resolving construction related disputes and enforcing Contractor License Law requirements.

Approximately 12,000 consumer complaints are received annually at CSLB's Norwalk or Sacramento IMC,

#### **Duties include:**

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

#### **Assigned Staff:**

- There are fifty-two positions allocated to the Norwalk and Sacramento IMC's.
- IMC staff include a statewide manager, two office supervisors, two program technician supervisors, two special investigators, four analysts, nine program technicians (PT), and 32 consumer services representatives (CSRs).

#### **Production:**

The nine PT and 32 CSRs are a critical component to the success of the enforcement program. On average CSRs settle and or appropriately disposition 20 complaints per month and prepare for field investigation 10 complaints per month.

Overall, the combined work by program technicians and CSRs results in the appropriate disposition of approximately 600 of the 1,000 consumer complaints received monthly – with the majority resolved within 60 days.

Throughout the difficult COVID-19 pandemic, highly motivated IMC staff not only met board established goals but exceeded them. The goal of mediating a settlement of 30% of licensee complaints was exceeded with a current 50% fiscal year settlement average. Consumer restitution achieved from staff mediation exceeded \$20 million during the past 12 months. In addition, CSRs have consistently achieved the board



goal of appropriately dispositioning 70% of the licensee complaints so that the Investigative Centers can focus on the more serious complaint investigations.

### **Complaint-Handling Overview**

The complaint process starts with a complaint form. The most popular form is the Consumer Complaint Form that is also used by unpaid subcontractors and suppliers, and even general contractors who have poorly performing subcontractors. Additional methods for the public to file a formal complaint include Advertising, Permit, Building Department, and Solar complaint forms.

Staff use these forms to gather general information about the type of construction and nature of complaint. CSRs review the complaint and investigate the licensee's history to determine the best course of action. Most complaints are from homeowners alleging poor workmanship or incomplete work.

The CSR will call the consumer first to gather all the facts and determine how to settle the complaint. The CSR then calls the contractor to explain the items of complaint, point out potential violations, and attempt to mediate a resolution. The settlement may be restitution paid to the consumer so he or she can hire other contractors to complete or correct the project, or for the contractor to return and perform the necessary work.

Once a settlement is agreed upon, the CSR will address any violations with the contractor with an Advisory Notice or Letter of Admonishment. CSRS are also empowered to cancel false workers compensation exemptions, require a contractor to obtain a workers compensation policy within 45 days (statutory waiting period) or be subject to license suspension.

### **Settlement Highlights**

The following are examples of the types of cases and settlements mediated in the IMC:

#### **Consumer Reimbursed \$21,000 to Cost to Correct and Complete Project**

In August of 2020, an elderly Yucca Valley consumer entered a contract to build a patio, fire pit, install a driveway, run electrical and plumbing for \$37,600.00. The contractor abandoned the project after receiving payment in full leaving behind incomplete and defective work.

The consumer had the contracted work corrected and completed by other contractors at the cost of \$21,000. Through effective mediation by the CSR, the contractor provided the consumer \$21,000 in restitution.



### **\$15,000 Refunded for Failure to Following Contract Specifications**

A Manhattan Beach homeowner entered a written contract with a flooring contractor to demo and replace their flooring with plywood and new solid walnut hardwood for \$38,500.

The contractor performed the job; however, the homeowner complained the plywood was never installed per contract and the floor had hollow spots. Further, numerous wood planks were not secure when stepped on the floor began to buckle. The contractor returned and applied another finish coat; however, the problems persisted, and the contractor did not respond to further requests for corrective work.

The CSR worked hard to mediate between the two parties. After extensive negotiation, the contractor and homeowner agreed on a refund of \$15,500 and the case was closed as settled.

### **Consumer Satisfaction Survey Consumer Appreciation**

Consumers that provide an email address when filing a complaint are sent a survey. Recent survey comments received demonstrate consumer appreciation with CSR mediation as follows:

1. **Florencia (Francisco)** was wonderful. I had a family emergency & had to travel...With my mom contracting Covid & my dad breaking both his leg & his hip, this was the last thing I was thinking about.
2. **Ms. Kourtney Black** demonstrated outstanding customer service skills in that she followed-up appropriately and in a timely manner. She kept me informed throughout the entire process. In addition, as a consumer, I felt understood. She took the time to listen and understand the problem I was having. She never "took sides," was fair and just laid out the facts. In addition, she prepared me for what might happen if I was not able to come to a settlement with my contractor. This settled any anxiety of not knowing what to expect. Ms. Black is an exceptional example of customer service at its finest.
3. Pretty good job overall, thank you for being there to protect consumers. I also am a licensed professional, the last thing I want is to hear from my licensing authority, you definitely got their attention. **Mr. (Sean) MC Colley** provided great service!!
4. I was especially pleased with the service provided by **Elizabeth Reeves**. She always seemed to be on top of matters and explained things clearly.



5. I can't speak highly enough of the CSLB representative assigned to my case, **Louie Moreno**. We only spoke two or three times. But in those short conversations, he thoroughly explained my situation, what he could and could not do, and gave great advice. I couldn't be happier with the service Louie provided.
6. **Jeff King** was informative, responsive, and engaged throughout my complaint process. I very much appreciate his assistance in helping me resolve my complaint.
7. **Frances (Ferhman)** made the process for us very easy. We really appreciate her help and information she gave us.

## AGENDA ITEM F-3

# Solar Taskforce Update and Statistics

- a. Update Regarding Solar Investigations
- b. Update on the Public Utilities Commission (PUC)  
Net Energy Metering Solar Consumer Protection  
Investor Owned Utility Audit Requirement
- c. Update on the PUC Establishment of a Recovery  
Fund for Net Energy Metering Solar Consumers







**Solar Task Force Update and Statistics**

**Solar Investigations**

The Solar Task Force was created in 2015 to address a sudden influx of complaints related to the installation of residential-solar systems. Over the last three calendar years (2018 – 2020), dedicated solar task force members have had many noteworthy accomplishments including:

- 440 complaints referred to administrative legal action.
- 75 complaints referred to local District Attorneys for criminal prosecution.
- Over \$6.5 million in restitution to injured parties through mediation.

However, the volume of incoming complaints involving residential solar installations has continued to encreaseas noted in the chart below:

**Total Complaints Received – Prior Calendar Years**

	CY 2018	CY 2019	CY2020
Annual Total	892	802	1170
Monthly Average	74	67	98

An analysis of the complaints received calendar year to date (January 1, 2021 – March 31, 2021) revealed that CSLB had received 255 residential solar complaints, averaging 85 per month.

In response to the steady volume of incoming solar-related complaints and need for solar specific complaint information, April 2021 a Solar Complaint Form (see below) was designed and available for consumers to use when reporting problems related to contracts for solar installations. The Solar Complaint Form aims to improve the efficiency that these complaints are processed and handled, provides for focused enforcement, and identifies marketplace trends.

Additionally, the following solar-specific information is collected that is valuable to tracking and internal processes:

- Identifies primary reason for filing the complaint. This information is necessary for CSLB to meet the annual reporting requirements mandated by Business and Professions Code (BPC) 7170. BPC 7170 requires CSLB to compile a report documenting consumer complaints relating to solar contractors. The report must contain the number and types of complaints, the ZIP code where the consumer complaint originated, and the disposition of all complaints received against a solar contractor.



- Specifies how the consumer financed the installation. This information is helpful for making a referral to the Department of Financial Protection and Innovation (DFPI) when the complaint involves alleged PACE financing misrepresentation or fraud.
- Requests that the homeowner indicate whether a battery backup system was installed as part of the residential solar system.
- Requests permission from the homeowner to acquire utility documents for the purposes of an investigation easing privacy violation concerns.



CSLB

SOLAR TASKFORCE UPDATE AND STATISTICS



CONTRACTORS STATE LICENSE BOARD

STATE OF CALIFORNIA

Mail Complaint Form and Documents to: Sacramento Intake & Mediation Center P.O. Box 269116, Sacramento, California 95826-9116 (916) 843-6515

www.cslb.ca.gov | CheckTheLicenseFirst.com

Solar Complaint Form

PLEASE COMPLETE ALL SECTIONS OF THIS FORM. A CSLB REPRESENTATIVE WILL CONTACT YOU TO REVIEW ALL INFORMATION PROVIDED. DO NOT SEND ORIGINALS—DOCUMENTS RECEIVED WILL NOT BE COPIED OR RETURNED. Please attach COPIES of all pages of the solar contract and change orders (front and back), finance documents or canceled checks (front and back), invoices, advertisements, business cards, or other relevant documents.

PLEASE COMPLETE BOTH SIDES OF THIS FORM

1. YOUR NAME last first middle 2. CONTRACTOR BUSINESS NAME (as shown on contract/invoice) ADDRESS number street CONTRACTOR NAME CONTRACTOR LICENSE NO. USED, IF ANY city county state ZIP code CONTRACTOR ADDRESS number street city state ZIP code PHONE WHERE YOU CAN BE REACHED 8 am-5 pm OTHER PHONE EMAIL ADDRESS WHO PRESENTED, NEGOTIATED, OR EXPLAINED THE CONTRACT (List Name of Person?) 1a. I AM 65 YEARS OF AGE OR OLDER (optional) 1b. I AUTHORIZE THE FOLLOWING PERSON TO ASSIST WITH THE COMPLAINT: NAME last first relationship WHERE WAS THE CONTRACT NEGOTIATED? HOW DID YOU FIND THE CONTRACTOR? DOOR TO DOOR SALES PHONE SALES WEBSITE OTHER 3. OWNER OF CONSTRUCTION SITE I AM THE OWNER Owner Name: number street city state ZIP PHONE 4. CONSTRUCTION SITE ADDRESS number street SAME AS MY ADDRESS city state ZIP PHONE 5. WHAT IS YOUR PRIMARY COMPLAINT? (CHOOSE ONLY ONE) A CSLB REPRESENTATIVE WILL DISCUSS ALL ITEMS OF COMPLAINT WHEN WE CONTACT YOU. Workmanship Abandonment Uncensored Activity Unregistered Salesperson Misrepresentation Other 6. CONTRACT DATE 7. AMOUNT OF CONTRACT 8. AMOUNT PAID AS DEPOSITE 9. DATE WORK STARTED 10. DATE WORK STOPPED 11. HOW DID YOU PAY FOR THE SYSTEM (CHOOSE ONE): Cash/Check/Credit Card Lease Power Purchase agreement (PPA) Finance IF FINANCED, WHAT TYPE: Property Assessed Clean Energy (PACE) What PACE Provider did you use: Other "green" financing Other Financing 12. REMEDY SOUGHT

FOR OFFICE USE ONLY Table with columns: COMPLAINT NUMBER, TYPE, IN V, OR G, PRTY, DATE RECEIVED, SPECIAL PROJECT, DT STAT EXP, CSR INIT, ASSIGNED TO CSR, ER INIT, ASSIGNED TO ER, LICENSE NUMBER, CLOSURE LETTER, DISPOSITION, DATE CLOSED, STATUS CHANGE, STP, SECTIONS VIOLATED



- 13. Have you filed a civil complaint in court to recover damages?  Yes (If so, provide documentation with this form.)  No

---

- 14. Is this project a:  Residence  Commercial Building  Other \_\_\_\_\_

---

- 15. Was a Battery Backup part of the contract?  Yes  No

---

- 16. How did you sign the contract?  Wet Signature  Digital Signature  I did not sign the contract.

---

- 17. Were there any change orders?  Yes  No If yes, were they:  Verbal  Written  Both

---

- 18. Did you receive a Solar Disclosure Notice? (Please refer to the first page of your Home Improvement contract)  Yes  No

---

- 19. Building permit obtained by:  Contractor  You  Do Not Know

---

- 20. Did the contractor have employees?  Yes  No If yes, how many? \_\_\_\_\_  
Names of employees, if known: \_\_\_\_\_

---

- 21. Does CSLB have your authorization to obtain your utility documents to be used in this investigation?  Yes  No

---

- 22. Do you have a reverse mortgage?  Yes  No

---

- 23. What attempts have you made to contact the contractor?  Unable to locate  Personal contact  Telephone  Letter (Provide copies)

---

- 24. Was the contractor paid in full?  Yes  No How much was the contractor paid, if known \_\_\_\_\_

---

- 25. Have you obtained an estimate from another contractor to correct and/or complete the project?  Yes  No  
(If yes, provide copies.) Amount \$ \_\_\_\_\_

---

- 26. Have you had the job corrected or completed?  Yes  No  
(If yes, provide copies of the contract and proof of payment.) Amount \$ \_\_\_\_\_

NOTICE ON COLLECTION OF PERSONAL INFORMATION

Collection and Use of Personal Information. The Department of Consumer Affairs and the Contractors State License Board (CSLB) collects the information requested on this form to investigate the allegations of your complaint. Your complaint may lead to CSLB taking disciplinary action against a contractor, if warranted.

Providing Personal Information is Voluntary. You do not have to provide the personal information requested. If you do not wish to provide personal information, such as your name, home address, or home telephone number, you may remain anonymous. In that case, however, CSLB may not be able to properly investigate or help you resolve your complaint.

Access to Your Information. You may review the records maintained by the CSLB that contain your personal information, as permitted by the Information Practices Act. See below for contact information.

Possible Disclosure of Personal Information. We make every effort to protect the personal information you provide us. In order to follow upon your complaint, however, we may need to share the information you

give us with the contractor you complained about or with other government agencies, as authorized. This may include sharing any personal information you gave us.

The information you provide may also be disclosed in the following circumstances:

- In response to a Public Records Act request, as allowed by the Information Practices Act,
- To another government agency as required by state or federal law, or
- In response to a court or administrative order, a subpoena, or a search warrant.

Contact Information. For questions about the Department of Consumer Affairs' privacy policy or the Information Practices Act, contact the Office of Information Security and Privacy Protection, 1325 J Street, Suite 1650, Sacramento, CA 95814, or email privacy@ospp.ca.gov.

I declare under penalty of perjury that the information contained on this Complaint Form is true and correct to the best of my knowledge, and that this declaration was signed at (city) \_\_\_\_\_, (state) \_\_\_\_\_ on (date) \_\_\_\_\_. I agree that I will assist in CSLB's investigation or prosecution of the contractor or other responsible parties, and will, if necessary, attend hearings and testify to facts as alleged in this form.

27. SIGN HERE \_\_\_\_\_ DATE \_\_\_\_\_

**Update on the PUC Net Energy Metering Solar Consumer Protection Investor-Owned Utility Audit Requirement.**

As was described at the March 25 board meeting, there is a proposal before the Public Utilities Commission (PUC) for enhanced audits of the interconnection packets submitted to investor-owned utilities (IOU) to connect residential solar systems, and for development by the IOUs of solar transaction record databases.

The proposal would help proactively identify marketplace practices that may result in consumer harm and allow CSLB to collaborate with PUC and DFPI to develop coordinated outreach and enforcement. CSLB has identified enforcement staff to perform the review of the interconnection packets to confirm compliance with license, home improvement registration, and home improvement contract requirements, in accordance with the plan outlined in the March 2021 board packet. The Board voted to support the PUC's Enhanced Auditing Proposal and Solar Transaction Record proposal at its March meeting.

An update will be provided at the meeting regarding IOU consumer protection audit results received for the period 10/01/20 – 3/31/21.

The PUC's statutory deadline for the proceeding is in July. The proposed decision was mailed to stakeholders for consideration in mid-May and the decision will be presented for possible adoption at PUC's June meeting.

No action is required of the Board at this time.

**Update on the PUC Establishment of a Recovery Fund for Net Energy Metering (NEM) Solar Consumers**

As was described at the March 25 board meeting, there is a proposal before the PUC for a residential solar recovery fund. The name of the fund in the pending proposed decision has been changed to "Assistance Fund" (as opposed to recovery fund). The fund would assist homeowners who are customers of electric investor-owned utilities who have legacy cases or ongoing matters where they are left financially injured without available recourse. This can occur when a contractor is subject to license revocation, files for bankruptcy, or is unlicensed, leaving homeowners with no financial redress.

Leading up to the PUC's recovery fund proposal, CSLB staff conducted an in-depth data analysis of residential solar complaints that were investigated between January 2018 and July 2020, to assist in determining the number of complaints that may meet the requirements of the recovery fund. CSLB has identified enforcement staff to review and refer recovery-fund eligible cases according to the plan outlined in the March 2021 board packet. At its March 2021 meeting, the Board voted to support the PUC's proposal for a Recovery Fund for NEM Solar Consumers with the modified protocol for contractors subject to complaints when other remedies have been exhausted.



This PUC proposal is part of a larger PUC proceeding assigned to Commissioner Martha Guzman Aceves. The PUC's statutory deadline for the proceeding is in July. The proposed decision was mailed to stakeholders for consideration in mid-May and the decision will be presented for possible adoption at PUC's June meeting.

Any updates available will be provided at the June 3, 2021 meeting.

No action is required of the Board at this time.

## AGENDA ITEM G

# Licensing and Testing





## AGENDA ITEM G-1

# Licensing and Testing Program Update and Statistical Summary

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







**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**

	2020						2021					
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Original Exam	609	572	908	808	764	659	1,236	815	520	736	697	576
Original Waiver	451	438	460	503	462	463	598	403	406	363	386	325
Add Class	257	261	287	257	294	311	290	265	255	252	252	264
Qualifier Replacer	183	186	167	171	193	126	188	174	217	145	164	150
Home Improvement	352	455	804	886	1,135	923	962	852	610	739	896	1,411
<b>Total Per Month</b>	<b>1,852</b>	<b>1,912</b>	<b>2,626</b>	<b>2,625</b>	<b>2,848</b>	<b>2,482</b>	<b>3,274</b>	<b>2,509</b>	<b>2,008</b>	<b>2,235</b>	<b>2,395</b>	<b>2,726</b>
<b>3 – Month Totals</b>	<b>Apr - Jun: 6,390</b>			<b>Jul - Sep: 7,955</b>			<b>Oct - Dec: 7,791</b>			<b>Jan - Feb: 7,356</b>		

**Total Applications Received – Prior Calendar Years**

	CY 2016	CY 2017	CY 2018	CY 2019	CY2020
Original Exam	13,471	13,642	15,500	15,244	13,193
Original Waiver	8,603	8,462	9,327	8,796	7,456
Add Class	4,064	3,974	4,220	4,526	4,231
Qualifier Replacer	2,374	2,488	2,706	2,792	2,620
Home Improvement	10,373	9,522	9,720	11,122	9,694
<b>Total Received</b>	<b>38,885</b>	<b>38,088</b>	<b>41,473</b>	<b>42,480</b>	<b>37,194</b>



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.

	2020 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021 Jan	Feb	Mar
Original Exam	4.6	2.7	3.0	4.3	5.8	7.6	8.7	7.3	7.6	8.8	9.3	7.6
Original Waiver	5.5	4.2	2.7	3.3	4.4	4.7	4.9	5.3	6.8	7.1	7.7	5.8
Add Class	4.1	2.9	2.4	2.4	3.1	3.4	4.1	3.2	2.9	2.1	2.4	2.9
Qualifier Replacer (Exams & Waiver)	3.1	2.8	2.8	2.8	3.3	4.0	4.4	3.3	2.9	2.2	2.5	3.1
Home Improvement	4.1	1.1	1.4	1.8	2.0	3.4	4.4	4.3	3.4	2.5	2.6	3.4
Renewal	2.4	2.6	3.1	3.8	3.1	3.0	2.8	4.1	4.9	2.6	2.5	3.6
Add New Officer	2.6	1.8	2.0	3.6	3.4	2.6	1.4	0.6	1.7	2.7	3.3	4.8
Address/ Name Change	3.0	1.6	1.8	3.8	3.4	2.2	1.3	1.0	1.8	2.5	3.3	4.9
Bond / Bond Exemption	0.5	1.5	0.5	0.6	0.6	0.6	0.6	0.7	1.0	0.9	0.6	0.6
Workers' Comp / Exempt	2.5	2.1	1.9	2.7	2.0	1.8	1.7	2.0	2.0	2.3	3.0	2.5
Certified License History	4.5	3.5	4.0	5.0	5.0	5.0	6.0	6.0	6.0	7.0	7.0	7.0
Copies of Documents	1.1	1.0	1.0	0.9	0.4	0.4	0.0	0.3	0.0	0.4	0.4	0.2
Criminal Offender Record Information (CORI) Review*	1.4	1.6	1.7	2.2	2.5	1.8	2.5	3.0	2.9	3.5	2.2	1.8

\*Outside CSLB Control—DOJ /FBI timeframe



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

**Disposition of Applications by Fiscal Year**

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

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

- The applicant does not pass the exam but is still within the 18-month window during which they may retest.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background unit.
- The applicant has not submitted final issuance requirements (proof of bond, workers’ compensation insurance, asbestos open book examination results, and/or fees).



RENEWAL PROCESSING STATISTICS

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

Total Number of Renewals Received Per Month

	2020									2021		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Reactivation	68	86	86	122	112	114	115	83	90	88	102	125
Active	10,278	8,538	7,628	9,702	8,064	8,817	7,242	5,059	8,677	7,920	5,355	9,355
Inactive	1,405	1,155	906	1,171	992	1,130	818	808	1,048	1,059	691	1,158
Delinquent Active	1,236	948	1,080	1,364	1,160	1,327	1,027	843	1,165	1,074	965	1,230
Delinquent Inactive	247	178	189	223	177	232	164	133	197	218	163	180
<b>Received Per Month</b>	<b>13,234</b>	<b>10,905</b>	<b>9,889</b>	<b>12,582</b>	<b>10,505</b>	<b>11,620</b>	<b>9,366</b>	<b>6,926</b>	<b>11,177</b>	<b>10,359</b>	<b>7,276</b>	<b>12,048</b>
<b>3 – Month Totals</b>	<b>Apr- Jun: 34,028</b>			<b>Jul - Sep: 34,707</b>			<b>Oct - Dec: 27,469</b>			<b>Jan - Mar: 29,683</b>		

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

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Reactivation	1,846	1,558	1,421	1,358	1,164
Active	103,659	97,884	104,330	98,901	97,037
Inactive	16,064	14,280	13,757	13,007	12,379
Delinquent Active	11,853	11,211	11,091	10,721	12,636
Delinquent Inactive	2,195	1,945	1,892	1,734	2,071
<b>Total Received</b>	<b>135,617</b>	<b>126,878</b>	<b>132,491</b>	<b>125,721</b>	<b>125,287</b>

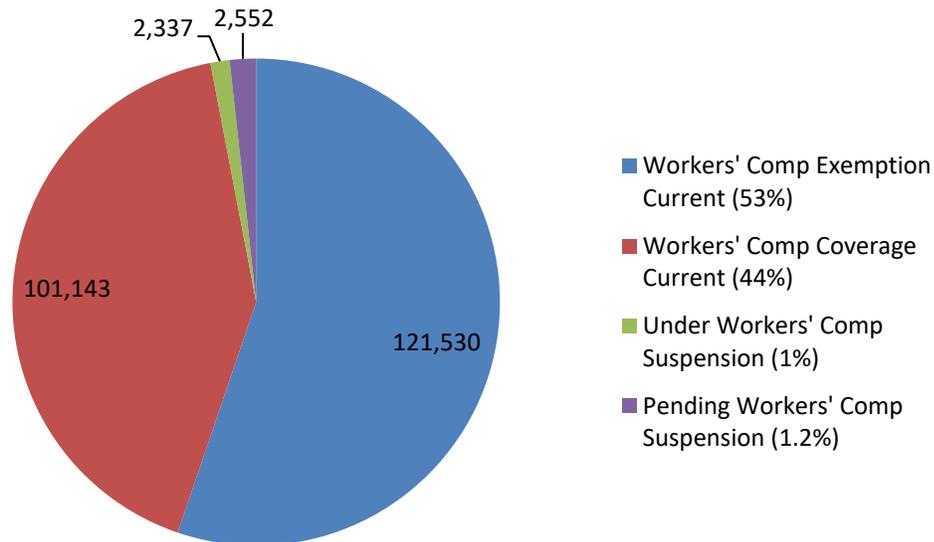


### WORKERS' COMPENSATION RECERTIFICATION STATISTICS

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 - March 31, 2021



**Total Number of Active Licenses: 228,211**

The following chart shows the workers' compensation coverage (policies and exemptions) on file as of March 31, 2021, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status – As of March 31, 2021**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,223	9,138	14,361	36%
B General Building	60,587	40,125	100,712	60%
C-2 Insulation and Acoustical	271	886	1,157	23%
C-4 Boiler Hot Water	191	564	755	25%
C-5 Framing / Rough Carp	466	395	861	55%
C-6 Cabinet-Millwork	2,596	1,956	4,552	57%
C-7 Low Voltage Systems	1,975	2,797	4,772	41%
C-8 Concrete	2,465	3,633	6,098	40%
C-9 Drywall	1,186	1,772	2,958	40%
C10 Electrical	13,668	11,559	25,227	54%
C11 Elevator	42	173	215	20%
C12 Earthwork & Paving	974	1,395	2,369	41%
C13 Fencing	673	930	1,603	42%
C15 Flooring	3,566	3,377	6,943	51%
C16 Fire Protection	730	1,407	2,137	34%
C17 Glazing	1,039	1,810	2,849	36%
C20 HVAC	6,591	5,504	12,095	54%
C21 Building Moving Demo	499	1,183	1,682	30%
C22 Asbestos Abatement	1	283	284	0.3%
C23 Ornamental Metal	427	605	1,032	41%
C27 Landscaping	4,676	6,623	11,299	41%
C28 Lock & Security Equipment	143	224	367	39%
C29 Masonry	973	1,342	2,315	42%
C31 Construction Zone	45	274	319	14%
C32 Parking Highway	180	306	486	37%
C33 Painting	8,471	6,834	15,305	55%
C34 Pipeline	150	352	502	30%
C35 Lath & Plaster	567	1,201	1,768	32%
C36 Plumbing	8,675	6,898	15,573	56%
C38 Refrigeration	897	931	1,828	49%
C39 Roofing	0	4,521	4,521	0%
C42 Sanitation	389	575	964	40%
C43 Sheet Metal	385	1,027	1,412	27%
C45 Signs	358	501	859	42%
C46 Solar	476	769	1,245	38%
C47 Gen Manufactured House	215	210	425	51%
C50 Reinforcing Steel	62	198	260	24%
C51 Structural Steel	384	1,053	1,437	27%
C53 Swimming Pool	1,120	1,419	2,539	44%
C54 Tile	3,551	2,782	6,333	56%
C55 Water Conditioning	125	176	301	42%
C57 Well Drilling	301	489	790	38%
C60 Welding	508	460	968	52%
C61 Limited Specialty	7,692	10,359	18,051	43%
ASB Asbestos Cert	278	672	950	29%
HAZ Hazardous Cert	542	1,312	1,854	29%



**FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS**

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

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

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

**CRIMINAL BACKGROUND UNIT STATISTICS**

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	TOTALS
DOJ Records Received	32,470	29,189	34,664	33,553	27,172	<b>157,048</b>
CORI Information Received	6,764	5,900	6,729	6,657	5,375	<b>31,425</b>
Denials	49	63	65	63	16	<b>256</b>
Appeals	26	39	42	31	11	<b>149</b>
Probationary Licenses Issued (conditional license; requires periodic review)	89	83	61	86	101	<b>420</b>



**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 3,687 applications.

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

	2020									2021		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Withdrawn	4	2	1	1	3	0	3	4	0	2	1	0
Verified	3	5	10	9	8	3	5	4	3	4	11	4
Denied	0	1	5	0	1	0	4	0	1	0	2	2
Appealed	0	0	0	0	0	0	0	0	1	0	0	0

The chart below provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification for the past 24 months.



### Experience Verification by Classification March 1, 2019 – March 31, 2021

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	3	11	20	5	39
B General Building	1	106	152	51	310
C2 Insulation and Acoustical	0	0	0	2	2
C4 Boiler Hot Water	0	2	1	0	3
C5 Framing / Rough Carp	0	2	2	0	4
C6 Cabinet-Millwork	0	0	9	1	10
C7 Low Voltage Systems	0	2	7	1	10
C8 Concrete	1	3	13	4	21
C9 Drywall	0	2	4	1	7
C10 Electrical	0	13	38	5	56
C11 Elevator	0	0	0	0	0
C12 Earthwork & Paving	0	3	4	2	9
C13 Fencing	0	3	2	1	6
C15 Flooring	0	3	16	2	21
C16 Fire Protection	0	0	1	3	4
C17 Glazing	0	4	7	0	11
C20 HVAC	1	8	25	7	41
C21 Building Moving Demo	0	3	1	4	8
C22 Asbestos Abatement	1	1	0	0	2
C23 Ornamental Metal	0	1	0	0	1
C27 Landscaping	0	13	14	0	27
C28 Lock & Security Equipment	0	0	0	1	1
C29 Masonry	0	1	2	0	3
C31 Construction Zone	0	0	1	0	1
C32 Parking Highway	0	0	0	0	0
C33 Painting	0	19	35	7	61
C34 Pipeline	0	0	0	0	0
C35 Lath & Plaster	0	2	2	1	5
C36 Plumbing	2	7	28	2	39
C38 Refrigeration	0	2	1	0	3
C39 Roofing	1	8	15	2	26
C42 Sanitation	0	2	4	0	6
C43 Sheet Metal	0	0	0	0	0
C45 Signs	0	0	0	0	0
C46 Solar	0	1	3	1	5
C47 Gen Manufactured House	0	0	0	0	0
C50 Reinforcing Steel	0	0	0	0	0
C51 Structural Steel	0	1	2	1	4
C53 Swimming Pool	0	2	1	5	8
C54 Tile	0	3	13	4	20
C55 Water Conditioning	0	0	0	0	0
C57 Well Drilling	0	0	2	0	2
C60 Welding	2	0	4	0	6
C61 Limited Specialty	2	14	24	6	46
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>242</b>	<b>453</b>	<b>119</b>	<b>828</b>



LICENSING INFORMATION CENTER STATISTICS

Licensing Information Center Support Services

CSLB's Licensing Information Center (LIC) 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 licensing transaction processes in order to assist callers with correct and complete information, or transfer the caller to the appropriate person.

Table with 13 columns: Inbound Activity, 2020 (Apr-Dec), 2021 (Jan-Mar). Rows include Calls Received, Calls Answered, Caller Abandoned, Longest Wait Time, Shortest Wait Time, and Avg. Wait Time.

Licensing Information Center Call Data - Prior Calendar Years

Table with 6 columns: Inbound Activity, CY 2016, CY 2017, CY 2018, CY 2019, CY 2020. Rows include Calls Received, Calls Answered, Caller Abandoned, Average Longest Wait Time, Average Shortest Wait Time, and Average Wait Time.

\*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.



### Judgment Unit

#### Number of Reimbursements to State Agencies and Public

	2020 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021 Jan	Feb	Mar
<b>OUTSTANDING LIABILITES (FROM CALIFORNIA STATE AGENCIES)</b>												
Initial	13	12	6	7	11	15	27	9	30	21	21	25
Suspend	83	63	12	10	6	6	10	13	22	8	22	26
Reinstate	29	46	30	28	8	17	19	8	16	6	14	23
<b>Total</b>	<b>125</b>	<b>121</b>	<b>48</b>	<b>45</b>	<b>25</b>	<b>38</b>	<b>56</b>	<b>30</b>	<b>68</b>	<b>35</b>	<b>57</b>	<b>74</b>
<b>FINAL JUDGMENTS (FROM COURT ACTIONS)</b>												
Initial	59	24	53	55	56	41	70	51	32	51	81	50
Suspend	25	17	44	29	18	23	21	22	15	20	8	13
Reinstate	38	37	44	59	42	48	53	41	36	41	49	50
<b>Total</b>	<b>122</b>	<b>78</b>	<b>141</b>	<b>143</b>	<b>116</b>	<b>112</b>	<b>144</b>	<b>114</b>	<b>83</b>	<b>112</b>	<b>138</b>	<b>113</b>
<b>PAYMENT OF CLAIMS (FROM BOND SURETY COMPANIES)</b>												
Initial	112	132	137	118	134	115	104	67	145	100	98	135
Suspend	101	64	95	52	69	76	68	77	59	42	37	64
Reinstate	76	124	116	98	98	103	122	63	120	86	102	119
<b>Total</b>	<b>289</b>	<b>320</b>	<b>348</b>	<b>268</b>	<b>301</b>	<b>294</b>	<b>294</b>	<b>207</b>	<b>324</b>	<b>228</b>	<b>237</b>	<b>318</b>

#### Reimbursement Amounts to State Agencies and Public Prior Calendar Years

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Outstanding Liabilities	\$21,294,139	\$23,282,397	\$23,899,670	\$26,277,077	\$18,342,630
Final Judgments	\$21,075,805	\$20,175,529	\$12,167,435	\$16,514,073	\$20,586,833
Payment of Claims	\$8,852,480	\$8,850,173	\$9,580,600	\$11,080,053	\$9,921,280
<b>Total Monetary Savings</b>	<b>\$51,222,424</b>	<b>\$52,308,099</b>	<b>\$45,647,705</b>	<b>\$53,871,203</b>	<b>\$48,850,913</b>



### State Agency Outstanding Liabilities Collected

	Employment Dev. Department (EDD)	Franchise Tax Board (FTB)	Department of Industrial Relations (DIR)  Division of Labor Standards Enforcement (DLSE) Division of Occupational Safety & Health (DOSH) Office of the Director – Legal Unit (ODL)	Total Liabilities Collected
April 2020	\$793,586	\$79,769	\$342,183	<b>\$1,215,538</b>
May	\$1,082,441	\$194,609	\$182,472	<b>\$1,459,522</b>
June	\$220,128	\$391,568	\$390,242	<b>\$1,001,938</b>
July	\$1,416,771	\$114,413	\$363,269	<b>\$1,894,453</b>
August	\$91,008	\$103,108	\$108,023	<b>\$302,139</b>
September	\$128,302	\$257,635	\$143,082	<b>\$529,019</b>
October	\$358,622	\$223,674	\$285,119	<b>\$867,415</b>
November	\$39,764	\$146,183	\$45,505	<b>\$231,452</b>
December	\$442,254	\$1,646,285	\$58,241	<b>\$2,146,780</b>
January 2021	\$103,718	\$61,651	\$8,075	<b>\$173,444</b>
February	\$168,273	\$59,908	\$176,049	<b>\$404,230</b>
March	\$156,981	\$602,909	\$49,038	<b>\$808,928</b>
<b>TOTALS</b>	<b>\$5,001,848</b>	<b>\$3,881,712</b>	<b>\$2,151,298</b>	<b>\$11,034,858</b>



# CONTRACTORS STATE LICENSE BOARD

## TESTING PROGRAM UPDATE

### 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 April 2020 – March 2021

Apr 2020	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec*	Jan 2021	Feb	Mar	Total
0	0	2,635	4,683	4,358	3,781	4,088	3,418	699	0	3,211	5,361	32,234

\*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:

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

Berkeley permanently closed January 31, 2021.

### Number of Examinations Scheduled by Test Center April 2020 – March 2021

Test Center	Number of Examinations Scheduled
Berkeley	2
Fresno	2,018
Norwalk	8,197
Oxnard	3,102
Sacramento	8,215
San Bernardino	4,892
San Diego	3,433
San Jose	2,375
<b>Total</b>	<b>32,234</b>



## **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 Analyst I/II.

The A – General Engineering exam was released on May 26, 2021.



**Examination Programs in Progress as of June 1, 2021**

Occupational Analysis	Item Bank Development
C-2 Insulation & Acoustical	Law and Business
C-4 Boiler, Hot Water Heating, & Steam-fitting	Asbestos Certification
C-7 Low Voltage	B-2 Residential Remodeling
	C-6 Cabinet, Millwork & Finish Carpentry
	C-8 Concrete
	C-9 Drywall
	C-11 Elevator
	C-15 Flooring & Floor Covering
	C-16 Fire Protection
	C-17 Glazing
	C-20 Warm-Air Heating, Ventilating & Air Conditioning
	C-23 Ornamental Metal
	C-27 Landscaping
	C-28 Lock & Security Equipment
	C-29 Masonry
	C-31 Construction Zone Traffic Control
	C-32 Parking & Highway Improvement
	C-33 Painting & Decorating
	C-36 Plumbing
	C-39 Roofing
	C-43 Sheet Metal
	C-53 Swimming Pool
	C-54 Ceramic & Mosaic Tile



### **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. Fiscal year results of both surveys will be made available at the September 2021 Board meeting.



### 2019-21 Strategic Plan – Licensing & Testing Objectives

#### Item 1.1

**Description:** Create an interactive online asbestos training to replace the open book asbestos exam

**Target Date:** January 2019

**Current Status:** Complete and available on CSLB website.

#### Item 1.2

**Description:** Review the licensing classification determinations for consistency and develop classification industry bulletins

**Target Date:** January 2019 and ongoing

**Current Status:** Work is ongoing; most recently CSLB has released updated guidance on service station equipment and the appropriate classification to remove wildfire debris and other declared disaster area work.

#### Item 1.3

**Description:** Meet with stakeholders and develop a proposal for a new remodeling/home improvement license classification.

**Target Date:** March 2019 (to meet with stakeholders)

**Current Status:** Testing Division finalizing initial test and CSLB anticipates testing applicants for this new classification by August 1, 2021.

#### Item 1.4

**Description:** Review barriers to licensure regarding criminal background information and make changes where possible to encourage licensure.

**Target Date:** July 2019 (to review process and identify possible changes)

**Current Status:** Assembly Bill (AB) 2138 regulations effective May 3, 2021.



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. SB 607, introduced this year, would raise all bonds to \$25,000.

**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.

## AGENDA ITEM G-2

# Update on Outsourcing Exam Administration







### **Background**

In June 2018, the board approved a 2019-2021 Strategic Plan, which included a Licensing and Testing objective to “[r]esearch the feasibility of outsourcing test administration to reduce costs, reallocate resources, and expand testing options for licensees.”

In December 2019, the Board reviewed a detailed cost benefit analysis on outsourcing examination administration and directed staff to seek enabling legislation then prepare to transition examination administration to an outside vendor.

CSLB sponsored AB 3087 (Brough, Ch. 295, Statutes of 2020), signed in late 2020, which enables the board to use an outside vendor to administer examinations. Once the legislation was signed, CSLB staff worked with the Department of Consumer Affairs’ Office of Professional Examination Services (OPES) to assess whether CSLB could join the department’s master contract with PSI Exams. In early 2021, the assessment was completed and CSLB approved to work with OPES to transition exam administration to PSI Exams.

<b>Implementation Plan</b>	
<b>Objective</b>	<b>Status</b>
Pursue legislative change to grant CSLB authority to outsource exam administration	Complete
Execute contract with outside vendor through DCA	Finalizing
Establish IT connection with outside vendor to securely transmit applicant and testing data	Not Started
Coordinate with DCA and employee unions on long-term placement options for 18 personnel	Not Started
Phase out testing facility leases (approximately 2.5 years to vacate all leases)	In Progress Berkley closed Feb. 2021 In Process Canceling San Jose

### **Next Steps**

CSLB and OPES will continue the transition plan and expect to incrementally transition applicants from CSLB test centers to PSI Exam facilities. We anticipate the first transition (Bay Area locations) in December 2021.



## AGENDA ITEM G-3

# Advisory Committee Update on Women in Construction







### **Background**

In November 2020, board members Mary Teichert and Jim Ruane were appointed by Board Chair David De La Torre 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.

### **2021 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 that commenced April 2021 to help women and minorities enter the trades by getting information on obtaining a license as well as creating or buying a business.

The first session, held on April 14, 2021, focused on the benefits of having a contractor's license and on how to qualify for one.

The second session, held on May 12, 2021, focused on how to successfully start a successful construction business.

The third session, scheduled for June 2, 2021, will focus on how to run a successful business, specifically on day-to-day operations and best practices.

### **Other Efforts**

The working group that developed out of this three-part event is exploring funding opportunities for future development and outreach efforts.

### **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](mailto:justin.paddock@cslb.ca.gov).



# AGENDA ITEM H

## Legislation





## AGENDA ITEM H-1

# Review, Discussion, and Possible Action on the Legislation 2019-21 Strategic Plan







### 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. Additional stakeholder meeting tentatively planned for late summer 2021 to discuss legislative proposals that are new or in development.

#### 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. Legislative bill introduced with new bond requirements, SB 607 (Roth) on April 13, 2021. Conversations are ongoing with industry about legislative changes to clarify qualifier responsibility requirements for possible inclusion in a 2021 legislative bill.

**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. Staff will provide an update regarding efforts to secure a fee increase bill in the Legislature.



# Update on CSLB-Sponsored Bills

- a. AB 246 (Quirk) Contractors: Disciplinary Actions
- b. AB 569 (Grayson) Contractors: Civil Penalties:  
Letters of Admonishment
- c. SB 216 (Dodd) Contractors: Workers' Compensation  
Insurance: Mandatory Coverage







# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 246 (Quirk and Mathis) (Coauthors Bauer-Kahan and Lee)  
[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB246](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB246)

**STATUS/LOCATION (as of 4.28.2021):** Referred to Senate Rules for assignment. A Senate Committee hearing has not yet been set.

**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.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 569 (Grayson)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB569](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB569)

**STATUS/LOCATION (as of 4.28.2021):** Referred to Senate Rules for assignment

**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.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 216 (Dodd)

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB216](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB216)

**STATUS/LOCATION (as of 4.28.2021):** Sen. Appropriations Suspense File 3/22/21

**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:** Precludes 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 the law is in effect 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. However, 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 with the C-39 Roofing contractor as license classifications that must have a Certificate of Workers' Compensation Insurance on file with CSLB to hold an active contractors license. 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.

The bill is in suspense. No action required of the board.

## AGENDA ITEM H-3

# Update on Previously Considered Pending 2021-22 Legislation

- a. AB 484 (Medina) Alarm Company Operators:  
Advertisements
- b. AB 646 (Low) Department of Consumer Affairs: Boards:  
Expunged Convictions
- c. AB 899 (Cunningham) Contractors: Unlicensed Work:  
Inflation Adjustment
- d. AB 1026 (Smith) Business Licenses: Veterans
- e. AB 1124 (Friedman) Solar Energy Systems
- f. AB 1129 (Frazier) Home Inspectors License Law
- g. AB 1136 (Rivas) Property Assessed Clean Energy Program:  
Enforcement: Ancillary Relief
- h. AB 1386 (Cunningham) License Fees: Military Partners  
and Spouses
- i. SB 304 (Archuleta) Contractors: Exemptions
- j. SB 430 (Borgeas) Small Business: Reduction or Waiver of  
Civil Penalties for Violation of Regulations or Statutes.
- k. SB 772 (Ochoa Bogh) Professions and Vocations:  
Citations: Minor Violations







# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 484 (Medina)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220AB484](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB484)

**STATUS/LOCATION (as of 4.28.2021):** Asm. Appropriations hearing on April 28, 2021

**SPONSOR:** California Cable & Telecommunications Association

**SUBJECT:** Alarm company operators: advertisements

**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 for work within their CSLB license classification.

### **STAFF RECOMMENDATION: UPDATE ONLY:**

At its March 25, 2021 Board Meeting, staff explained the concern about the bill's reference to the Contractors State License Law. The Board then approved a motion to **WATCH** with a concurrent grant of authority for staff to later communicate an oppose position if the bill is not amended.

On April 5, 2021, the bill was amended to remove the language to the Contractors State License Law. As a result, there is no further action requested from the Board.



**BILL NUMBER:** AB 646 (Low, Cunningham, Gipson) (Coauthor Sen. Roth)  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB646](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB646)

**STATUS/LOCATION (as of 4.29.21):** Asm. Appropriations Suspense File 4/21/21

**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:** Minimal fiscal impact. 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: UPDATE ONLY.** At the March 25, 2021 Board Meeting, the Legislative Division Chair informed the Board of the support position taken on this bill pursuant to the authority provided in the Board Procedure Manual. **Update:** the bill was amended on April 14 to limit a Board to charging no more than the reasonable cost of removing the expungement information, as opposed to a maximum of \$50.00.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 899 (Cunningham)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB899](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB899)

**STATUS/LOCATION (as of 4.29.2021):** 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: UPDATE ONLY**

At its March 25, 2021 meeting, the Board voted to oppose this bill. On April 1, 2021, CSLB staff submitted an opposition letter on behalf of the Board to the State Legislature.

On April 23, 2021, CSLB staff learned that the author has pulled the bill from consideration by the legislature.



**BILL NUMBER:** AB 1026 (Smith)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1026](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1026)

**STATUS/LOCATION (as of 4.28.2021):** Referred to Appropriations on April 20, 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: UPDATE ONLY.** The Board did not take a position on this measure at its March 25, 2021 meeting but was provided the following information.

- 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.

The bill appears to be moving forward.



**BILL NUMBER:** AB 1124 (Friedman)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1124](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1124)

**STATUS/LOCATION (as of 4.29.2021):** Local Gov. Cmte. Hearing May 5, 2021

**SUBJECT:** Solar energy systems

**SPONSOR:** California Solar & Storage Association

**CODE SECTION:** Amends § 801.5 of the Civil Code (California Solar Rights Act); Amends § 66015 of the Government Code (Permit Fees for Solar Energy Systems).

**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: UPDATE ONLY.**

At its March 25, 2021, staff explained the concern about the bill’s expansion of the definition of “solar energy system” creating confusion among licensees and consumers about the license classifications required to install the different works described in the bill. The Board then approved a motion to **WATCH** with a concurrent grant of authority for staff to later communicate an oppose position if the bill is not amended.

On April 27, 2021, the bill was amended to clarify that it is not intended to affect the license classifications required by CSLB to install different works involving solar. As a result, there is no further need for the Board to review this bill.



**BILL NUMBER:** AB 1129 (Frazier)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1129](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1129)

**STATUS/LOCATION (as of 4.29.2021):** 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: UPDATE ONLY**

Staff understands that this is now a “two-year” bill. It will therefore remain in the Assembly Business & Professions Committee and will not move forward this year. Staff will continue to keep the board apprised on any developments to home inspection licensing legislation in California.



**BILL NUMBER:** AB 1136 (Rivas)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1136](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1136)

**STATUS/LOCATION (as of 4.29.2021):** Assembly Appropriations file, April 28, 2021

**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: UPDATE ONLY.**

The Board did not take a position on this measure at its March 25, 2021 meeting. But staff did inform the Board that it would recommend technical amendments to the bill that would allow DFPI to refer to CSLB any action it takes against a PACE solicitor or solicitor agent who is a CSLB licensee or registrant. Staff understands the author is currently considering amendments to do so.



**BILL NUMBER:** AB 1386 (Cunningham)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1386](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1386)

**STATUS/LOCATION (as of 4.29.2021):** Referred to Appropriations on April 28, 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: UPDATE ONLY.**

The Board did not take a position on this measure at its March 25, 2021 meeting but was provided the following information.

- 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.

The bill appears to be moving forward.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 304 (Archuleta)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB304](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB304)

**STATUS/LOCATION (as of 4.29.2021):** Referred to Appropriations

**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 board meeting, 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.

### **STAFF RECOMMENDATION: UPDATE ONLY**

At its March 25, 2021 meeting, the Board voted to oppose this bill. On April 1, 2021, CSLB staff submitted an opposition letter on behalf of the Board to the State Legislature.

On April 5, 2021, the bill was amended to make technical changes to the law regarding the \$500 to \$1,000. The bill was also amended to preclude anyone who hires a worker from benefiting from the minor work exemption. Finally, the bill was amended to increase the Service and Repair contract threshold from \$750 to \$1,500.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 430 (Borgeas) (Coauthors Bates, Jones, and Ochoa Bogh)  
[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220SB430](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB430)

**STATUS/LOCATION (as of 4.29.2021):** Appropriations Suspense File April 19, 2021

**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: UPDATE ONLY.** The Board did not take a position on this measure at its March 25, 2021 meeting but was provided the following information.

- 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.



- If AB 569 is chaptered, CSLB will need to perform regulatory rulemaking to amend the disciplinary guidelines in order to implement the bill.



**BILL NUMBER:** SB 772 (Ochoa Bogh) (Coauthor Borgeas)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220SB772](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 have 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 H-4

# Review, Discussion, and Possible Action on 2021-22 Pending Legislation

- a. AB 830 (Flora) Business: Department of Consumer Affairs: Alarm Company Act: Real Estate Law
- b. SB 607 (Roth) Professions and Vocations
- c. SB 727 (Leyva) Labor-Related Liabilities: Direct Contractor
- d. SB 757 (Limon) Solar Energy System Improvements: Consumer Protection.
- e. SB 826 (Committee on Business, Professions and Economic Development) Business and Professions







# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** AB 830 (Flora)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB830](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB830)

**STATUS/LOCATION (as of 4.29.2021):** Appropriations hearing date May 5, 2021

**SPONSOR:** Author

**SUBJECT:** Department of Consumer Affairs: Alarm Company Act: Real Estate Law.

**CODE SECTION:** Amends multiple sections within the Business and Professions Code

**SUMMARY:** Makes various technical changes and noncontroversial reforms to laws governing professions regulated by boards and bureaus under the Department of Consumer Affairs (DCA)

**COMMENT/ANALYSIS:** This bill, as written, does not affect CSLB. However, it may be amended later to include substantive changes to the Contractors State License Law.

**STAFF RECOMMENDATION: PENDING.** This bill may be amended between the date of this writing and the CSLB June 2021 Board meeting. Any changes to the bill will be discussed at the June 2021 Board meeting.



**BILL NUMBER:** SB 607 (Roth)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB607](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB607)

**STATUS/LOCATION (as of 5.18.2021):** Appropriations Suspense Hearing: 5/20/21

**SPONSOR:** Author

**SUBJECT:** Professions and vocations

**CODE SECTION:** Amend several sections of the Business and Professions Code. This analysis will review only the changes in the bill that relate to CSLB.

**SUMMARY:** Makes technical and substantive changes to the operations of various boards and bureaus within the Department of Consumer Affairs (DCA) jurisdiction.

**EXISTING LAW:**

- Provides that a contractor shall maintain a \$15,000 bond as a condition of licensure.
- Provides that CSLB and other boards expedite the licensure process for applicants who are family members of active-duty members of the armed forces who hold a similar license in another state and meet other specified criteria.
- Provides that certain “exterior elevated elements” meeting certain criteria at buildings with multifamily units be inspected by licensed architects, engineers or building contractors meeting specified criteria and prohibits a licensed contractor who performs the inspection from repairing the exterior elevated element.
- Authorizes the board to set fees by regulation, including various application, examination scheduling, and license and registration fees, according to a prescribed schedule with minimum and maximum fee ranges.
- Provides within the Bagley-Keene Open Meeting Act that all meetings of a state body be open and public, and all persons be permitted to attend and requires any meetings held by teleconference to also be open and accessible to the public at a physical location specified in the notice of the meeting.

**THIS BILL:** As it relates to the existing law above, this bill will:

- Increase the \$15,000 contractor license bond to \$25,000.
- Require boards and bureaus to waive application and license fees for the military family members described above.
- Remove the prohibition in existing law that prohibits licensed contractors from repairing exterior elevated elements they have inspected.
- This bill includes the CSLB fee range increases as recommended at the December 2020 board meeting by the fee study consultants.
- This bill would allow a DCA board and bureau to hold an open or closed meetings by teleconference and not require a physical location for observing and hearing the teleconference if hearing and observing can be provided remotely.



**COMMENT/ANALYSIS:**

- Pursuant to Senate Bill 610 (2019) CSLB completed a License Bond study which concluded that an increase to the bond may be necessary.
- There is minimal fiscal impact to CSLB for the waiver of fees for military family members, as CSLB has received less than 5 such applications in the last six years.
- The change that allows licensed contractors to perform repairs on work they have inspected does not present consumer protection concerns as contractors routinely perform repairs to work they inspect. In addition, similar provisions already exist in other areas of the law (for example certain contractors may perform a home inspection and then repair the associated work). The contractor must still comply with all applicable CSLB laws in performing such repairs.
- If the recommended fee changes in this bill are authorized, the fee study consultant projects it will provide CSLB's flexibility to maintain fund solvency should revenues be less or expenses more than forecasted over the next five years. It will also restore the current less-than-one-month reserve in CSLB's imbalanced fund to four- or five-months reserve by Fiscal Year 2025-26.

**STAFF RECOMMENDATION: SUPPORT.** The Board should vote to support this bill, as its passage will ensure the continued financial support and solvency of the CSLB.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 727 (Leyva)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220SB727](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB727)

**STATUS/LOCATION (as of 4.29.2021):** Referred to Appropriations April 29, 2021

**SPONSOR:** California Conference of Carpenters

**SUBJECT:** Labor-related liabilities: direct contractor

**CODE SECTION:** Amends § 218.7 and adds § 218.8 to the Labor Code.

**SUMMARY:** Extends the joint liability of a direct contractor on a private construction project to include civil penalties and liquidated damages associated with unpaid wages, fringe benefits, or contributions to labor trust funds.

**EXISTING LAW:** Limits the direct (or “prime”) contractor’s joint liability to unpaid wages only.

**COMMENT/ANALYSIS:** This bill is designed to extend liability to a prime contractor for a subcontractor’s failure to pay wages, fringe benefits, or labor trust fund contributions of its workers. The intent is to address incidents of wage theft and related labor violations in the private construction sector, as they are harmful to workers and unfair to subcontractors, including many union shops, who obey the law.

**STAFF RECOMMENDATION:** Open for discussion.

There remains a question with the interested stakeholders for this bill whether direct contractors should be punished only for violations they were aware of or if there should be an opportunity to avoid liability if proof is provided that the violation has been cured.

Between April 21 and April 29, 2021, this bill would have included CSLB in the process of monitoring whether a contractor had cured the violation or otherwise complied with the law. Following this analysis is a neutral letter signed by Board Chair David De La Torre, which describes some technical concerns with CSLB’s inclusion in the bill. CSLB staff sent the letter on April 21, 2021. The CSLB was removed from the bill on April 29, 2021.

. Now that CSLB has been removed from the bill, the Board may wish to discuss whether a support position is appropriate at this time.



**CONTRACTORS STATE LICENSE BOARD**

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STATE OF CALIFORNIA  
Governor Gavin Newsom

April 20, 2021

The Honorable Thomas J. Umberg, Chair  
Senate Standing Committee on Judiciary  
State Capitol - Room 2187  
Sacramento, CA 95814

Re: SB 727 (Leyva) Labor-related liabilities: direct contractor  
**TECHNICAL ASSISTANCE ONLY** - Senate Judiciary Hearing April 27, 2021

Dear Senator Umberg and Voting Members:

The Contractors State License Board (CSLB) is concerned regarding recent amendments to Senate Bill (SB) 727 that may be pending, which among other things, provide that CSLB receive notice from the Labor Commissioner, certain third parties, and joint labor-management cooperation committees of claims that a contractor has failed to pay wages, and provides that CSLB “note the failure to pay wages or benefits on the original employers’ license.” Specific concerns with these amendments include the following:

- (1) **Complaint Disclosure:** CSLB is concerned that the “notification on the original employers’ license” could conflict with Business and Professions Code section 7124.6, which restricts licensee complaint disclosure to letters of admonishment, citations, accusations, or probable violations, that if proven warrant a criminal referral, license suspension, or revocation.
- (2) **Workload Concerns:** CSLB has not had an opportunity to assess the potential additional workload of this bill. CSLB will need to establish how this workload will be funded and what resources it needs for posting, responding to licensee inquiries, and tracking compliance.
- (3) **Jurisdiction:** CSLB’s primary jurisdiction relates to construction contracts and/or contractors, and not employee wage issues. It is our understanding the Department of Industrial Relations’ Division of Labor Standards Enforcement has primary jurisdiction regarding wage claims.

Sincerely,

David De La Torre, Chair  
Contractors State License Board

CC: Honorable Senator Connie Leyva



**BILL NUMBER:** SB 757 (Limon)

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220SB757](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB757)

**STATUS/LOCATION (as of 4.23.2021):** Senate Appropriations hearing May 3, 2021.

**SPONSOR:** Dolores Huerta Foundation

**SUBJECT:** Solar energy system improvements: consumer protection

**CODE SECTION:** Amends various sections of the Contractors State License Law

**SUMMARY:** Adds additional protections for solar energy system consumers in the Home Improvement Business sections of the Contractors Law

**EXISTING LAW:** Defines “home improvement” as the type of construction that occurs in and around a residential home and requires all home improvement work and the sale of home improvement goods and services installed by a contractor to be subject to the home improvement contract requirements, such as the three-day right to cancel, down payment limit, and the prohibition on requesting or receiving progress payments in advance of completed work and materials delivered. Defines home improvement salespersons as persons who sell home improvement goods and services and requires them to be registered by CSLB and employed by an identified licensed contractor.

**THIS BILL:** This bill clarifies the following existing law as it relates to home improvement contracts:

- A contract for a residential solar energy system is considered “home improvement.”
- Home improvement salespersons must be registered to the contractor they are soliciting, negotiating, or executing contractors for.
- The restriction on contractors accepting payment for work not performed or materials not delivered on a home improvement contract extends to such payments received from lenders or financiers.

**COMMENT/ANALYSIS:** According to the author, the bill “seeks to address issues around fraud in residential home solar installation.” This bill will ensure that a residential solar energy contract is subject to all home improvement contract consumer protections. It also clarifies a contractor may not request or receive payment from third parties for work not completed or materials not delivered. And by requiring that anyone selling a residential solar system be registered with whoever they are working for and identify the contractor doing the installation, it ensures the consumer can evaluate the contractor who may be installing the system in order to make an informed choice. CSLB staff believe this bill will enhance and clarify existing consumer protection requirements.”

**STAFF RECOMMENDATION: SUPPORT.** CSLB staff believes the bill has useful protections for consumers who contract for the installation of solar energy systems.



# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE BILL ANALYSIS

**BILL NUMBER:** SB 826 (Committee on Business, Professions and Economic Development)

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB826](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB826)

**STATUS/LOCATION (as of 4.29.2021):** Appropriations hearing date May 10, 2021

**SPONSOR:** Not applicable.

**SUBJECT:** Business and Professions

**CODE SECTION:** Amends several sections of the Business and Professions Code

**SUMMARY:** Makes numerous technical and clarifying provisions related to programs within the Department of Consumer Affairs.

**COMMENT/ANALYSIS:** SB 826 is the Senate Business, Professions, and Economic Development Committee's annual "omnibus" bill for technical, nonsubstantive changes to the law. The CSLB was fortunate to advance four "omnibus" proposals for inclusion in this bill. On December 10, 2020, the Board approved the four omnibus proposals, as follows:

1. **Clean-Up Business and Professions Code Sections 7011.4 and 7017.3:** Clarifies that CSLB now employs "investigators and special investigators," not "enforcement representatives."
2. **Clean-Up Business and Professions Code Section 7058.5:** Clarifies in state law that the C-22 Asbestos Abatement Contractor License, currently only in regulation, is an appropriate license classification to engage in asbestos-related work.
3. **Clean-Up Business and Professions Code Section 7124.6:** Fixes a "typo" in the law involving a statutory reference to CSLB's Letter of Admonishment
4. **Clean-Up Business and Professions Code Section 7169:** Clarifies that the "right to cancel" period in the CSLB solar disclosure document is five days for senior citizens and three days for all others.

All four proposals are included in SB 826.

**STAFF RECOMMENDATION: SUPPORT.** The Board should consider supporting the bill that carries its omnibus proposals.



# AGENDA ITEM I

Adjournment

