

STATE OF CALIFORNIA – DEPARTMENT OF CONSUMER AFFAIRS

CONTRACTORS STATE LICENSE BOARD

INITIAL STATEMENT OF REASONS

HEARING DATE: No hearing has been scheduled for the proposed action.

SUBJECT MATTER OF PROPOSED REGULATION(S): C-47 – General
Manufactured Housing Contractor Initial Installer Training Requirement

SECTION(S) AFFECTED: Title 16, California Code of Regulations, Section 825.5

1. BACKGROUND AND STATEMENT OF THE PROBLEM:

The Contractors State License Board’s (CSLB or Board) mission is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction. CSLB fulfills its mandate to protect the public, in part, by ensuring that only those individuals who meet the qualifications for licensure are granted contractor licenses in California. CSLB licenses more than 346,000 contractors (active, inactive, and expired but renewable) in 44 different license classifications, covering the broad range of construction trades performed by contractors. Licenses are issued to sole ownerships (65.4% of the license population), corporations (30.4%), partnerships (2.6%), limited liability companies (1.4%), and joint ventures (0.2%).

Business and Professions Code (BPC) section 7008 authorizes CSLB to adopt rules and regulations that are reasonably necessary to carry out the provisions of the Contractors State License Law in accordance with the Administrative Procedure Act. Section 7026.11 requires the General Manufactured Housing contractor (C-47) license’s scope of work include manufactured homes, mobilehomes, and multifamily manufactured homes as defined in the Health and Safety Code. Section 7058 establishes a specialty contractor license classification and defines “specialty contractor” as “a contractor whose operations involve the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.” Section 7059 authorizes the Board to adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure found in the construction business. Section 7065 authorizes the CSLB registrar to investigate, classify, and qualify applicants for licensure by written examination and sets forth the circumstances under which no examination shall be required. Section 7068 establishes required knowledge and experience qualifications for licensure applicants.

Consistent with the above authority, CSLB has adopted a regulation under California Code of Regulations, title 16 (16 CCR), section 825 that establishes the experience

requirements for applicants for licensure and a regulation under 16 CCR section 832.47 that defines the scope of the C-47 – General Manufactured Housing contractor classification. As of July 1, 2020, there are currently 417 active C-47 – General Manufactured Housing contractor licenses. This overall C-47 license population has remained fairly steady for the last five years, increasing or decreasing by less than three percent from year to year. Since July 1, 2015, CSLB has received an average of 40 applications annually for the C-47 – General Manufactured Housing classification.

The United States Department of Housing and Urban Development (HUD) establishes federal standards for the design and construction of manufactured homes to ensure quality, durability, safety, and affordability under the authority of the National Manufactured Housing Construction and Safety Standards Act of 1974 (the Act). HUD's Manufactured Home Installation Program was established in the Code of Federal Regulations, title 24 (24 CFR), subtitle B, chapter XX, part 3286 in 2008 to ensure that states have minimum installation standards and an operating installation program in place for the initial installation of new manufactured homes that covers work done to stabilize, support, anchor, and close up a manufactured home and to join sections of a multi-section manufactured home.

The installation programs for some states are administered by HUD and others are administered by agencies in the individual state through a “qualifying installation program” that meets the requirements of the Act and operates in lieu of the HUD-administered installation program for initial manufactured home installations. Pursuant to 24 CFR, subpart A, section 3286.2(d)(3), the federal program excludes manufactured homes after the initial installation following the first purchase. However, state installation programs may regulate subsequent installations of manufactured homes, such as when an existing manufactured home is moved to a different location.

The federal installation program regulations require all state programs to train and license installers working in each state and administer an installation inspection program that meets the federal requirements. Pursuant to 24 CFR, subpart I, section 3286.803(b), a state program must include the following minimum elements to be accepted by HUD as a fully qualifying installation program:

- (1) Installation standards that meet or exceed the requirements of § 3286.107(a) and that apply to every initial installation of a new manufactured home within the state;
- (2) The training of manufactured home installers;
- (3) The licensing of, or other method of certifying or approving, manufactured home installers to perform the initial installations of new manufactured homes in the state;

- (4) A method for inspecting the initial installations of new manufactured homes in the state that is implemented and used to hold installers responsible for the work they perform; and
- (5) Provision of adequate funding and personnel to administer the state installation program.

HUD may grant conditional acceptance of a state's installation program under 24 CFR, subpart I, section 3286.803(c), which provides in relevant part:

- (1) A state installation program that meets the minimum requirements set forth under paragraphs (b)(1), (4), and (5) of this section may be conditionally accepted by the Secretary if the state provides assurances deemed adequate by the Secretary that the state is moving to meet all of the requirements for full acceptance. If the Secretary conditionally accepts a state's installation program, the Secretary will provide to the state an explanation of what is necessary to obtain full acceptance.
- (2) A conditionally accepted state will be permitted to implement its own installation program in lieu of the HUD-administered program for a period of not more than 3 years. The Secretary may for good cause grant an extension of conditional approval upon petition by the state.

The California Department of Housing and Community Development (HCD) oversees the Manufactured Home Installation Program in California, which includes issuance and approval of permits for the installation and renovation of manufactured homes. This program meets the initial installation standards and inspections and adequate funding and personnel elements set forth under paragraphs (b)(1), (4), and (5) of 24 CFR, subpart I, section 3286.803.

CSLB oversees licensing requirements relating to manufactured homes in California by licensing C-47 – General Manufactured Housing contractors, thus meeting the licensure requirement for installers mandated under paragraph (b)(3) of 24 CFR, subpart I, section 3286.803.

The remaining element of a fully qualifying installation program in California under paragraph (b)(2) of 24 CFR, subpart I, section 3286.803 is the requirement to train installers, which is the subject of this regulatory proposal. While HCD's installation program and CSLB's licensing requirements substantially comply with HUD's requirements, neither agency operates a federally approved manufactured home initial installer training program, as required under 24 CFR, subpart I, section 3286.803(b)(2).

Since the federal Manufactured Home Installation Program began in 2008, HUD has been granting California conditional acceptance of the state's installation program under 24 CFR, subpart I, section 3286.803(c). According to a letter from HUD to HCD, dated

August 20, 2018, the Secretary of HUD found good cause to grant an extension of the conditional approval of California's program for three years, ending July 13, 2021. The letter indicated the following three remaining issues for California to resolve to be fully accepted by HUD:

1. Standards that meet or exceed those in 24 CFR part 3285,
2. Training of installers, and
3. The licensing or other method of certifying or approving manufactured home installers.

HCD informed CSLB that items 1 and 3 have been resolved through HCD's installation program laws and CSLB's C-47 – General Manufactured Housing contractor licensing, respectively. Therefore, only item 2 remains outstanding for completion before California's Manufactured Home Installation Program will be fully accepted by HUD as a qualifying installation program.

HUD requested that California implement a training program for its manufactured home installers prior to July 13, 2021, to obtain full acceptance of California's installation program. Failure to comply with HUD's request for initial installer training may result in HUD withdrawing its conditional acceptance and taking action to administer its own installation program in California, including the training and licensure of installers, in accordance with 24 CFR sections 3286.5(a), 3286.803(a), and 3286.809(b).

According to 24 CFR, subpart A, section 3286.5(a), "HUD will administer the installation program, as established and set forth in subparts A through H of this part, in a state unless that state administers its own qualifying installation program."

According to 24 CFR, subpart I, section 3286.803(a), "[t]he HUD-administered installation program will not be implemented in any state that is identified as fully or conditionally accepted under the requirements and procedures of this subpart I or in accordance with part 3282 of this chapter."

In addition, 24 CFR, subpart I, section 3286.809(b) states:

Involuntary withdrawal. Whenever the Secretary finds, after affording notice and an opportunity for a hearing in accordance with subpart D of part 3282 of this chapter, that a state installation program fails to comply substantially with any provision of the installation program requirements or that the state program has become inadequate, the Secretary will notify the state of withdrawal of acceptance or conditional acceptance of the state installation program. The HUD-administered installation program will begin to operate in such state at such time as the Secretary establishes in issuing the finding.

While the initial installer training requirement in this proposed regulation falls under CSLB's purview, the entirety of HCD's Manufactured Home Installation Program would be affected if the training requirement is not adopted and implemented in California. HUD would have the authority, as discussed above, to withdraw its conditional acceptance of California's program and to begin administering its own installation program within the state if the HUD Secretary finds the need to do so and takes action, as provided by law.

This proposal addresses the need for training of manufactured home installers to facilitate HUD's full acceptance of the state's Manufactured Home Installation Program. CSLB proposes to adopt a new regulation establishing an initial installer training requirement for applicants for new C-47 – General Manufactured Housing contractor licenses, in compliance with the requirements contained in the federal Manufactured Home Installation Program regulations. This new requirement will apply only to 1) applicants for new C-47 – General Manufactured Housing licenses, 2) existing licensed contractors that hold other classifications who apply to add the C-47 – General Manufactured Housing classification to their license, and 3) existing C-47 – General Manufactured Housing contractors who apply to replace the qualifying individual for the C-47 classification on their existing license, including examination and waiver applicants for all three categories. Existing C-47 – General Manufactured Housing licensees who do not apply for a new license or to replace their qualifying individual will not be impacted by the new initial installer training requirement.

2. ANTICIPATED BENEFITS FROM THIS REGULATORY ACTION:

The proposed regulation will ensure the qualifications of applicants for licensure as C-47 – General Manufactured Housing contractors and establish compliance with HUD requirements, by establishing an initial installer training prerequisite for C-47 licensees.

BPC section 101.6 relates to minimum qualifications and competency and requisite skills for regulated professionals in California, stating, in part:

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

To this end, they establish minimum qualifications and levels of competency and license persons desiring to engage in the occupations they regulate upon determining that such persons possess the requisite skills and qualifications necessary to provide safe and effective services to the public, or register or otherwise

certify persons in order to identify practitioners and ensure performance according to set and accepted professional standards.

BPC section 7068(a) provides, in part, that CSLB “shall require an applicant to show the degree of knowledge and experience in the classification applied for, and the general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business that the board deems necessary for the safety and protection of the public.”

HUD’s Manufactured Home Installation Program ensures all states have a minimum installation standard and an operating installation program in place for the installation of new manufactured homes and requires all state programs to train and license installers working in each state. These federal requirements align directly with CSLB’s mission and purpose of public protection under BPC sections 101.6 and 7000.6 and CSLB’s minimum qualification requirements for licensure of C-47 – General Manufactured Housing contractors under BPC section 7068(a). The federal mandate for initial installer training in all states for the purpose of public protection has been a national industry standard for licensed manufactured home installers.

By requiring applicants for the C-47 – General Manufactured Housing contractor license to meet the initial installer training requirements established by HUD, CSLB is ensuring it has complied with its mandate under BPC sections 101.6, 7000.6, and 7068(a) to protect the health, safety, and welfare of the public and consumers, particularly those Californians who hire C-47 – General Manufactured Housing contractors.

Regulatory action is needed because, without the proposed regulation, C-47 – General Manufactured Housing licensees may not have sufficient training in the installation of manufactured homes, and California’s installation program would not be fully compliant with HUD’s requirements, which could result in HUD withdrawing its conditional acceptance of the program and beginning to operate its own program in California, including the training and licensing of manufactured home installers.

3. FACTUAL BASIS/RATIONALE:

At its July 24, 2020, meeting, the Board reviewed and discussed this regulatory proposal to implement a training requirement for new C-47 – General Manufactured Housing contractors. The Board approved a motion to undergo the rulemaking process to adopt 16 CCR section 825.5 to establish an initial installer training requirement for applicants for new C-47 – General Manufactured Housing licenses, as outlined below.

Specifically, the regulatory changes are proposed for the following reasons:

Adopt Section 825.5. – General Manufactured Housing Contractor Initial Installer Training Requirement.

Specific Purpose

There is no existing regulation relating to a training requirement for C-47 – General Manufactured Housing contractors. Therefore, to address the manufactured home initial installer training requirement mandated by HUD, CSLB proposes to add a new regulation to establish the requirement for initial installer training as a prerequisite for a C-47 – General Manufactured Housing contractor license.

- **Add new section and title**

There is no existing regulatory language relating to manufactured home initial installer training in California, as required by HUD. This proposal would add a new section and title to establish the requirement for initial installer training as a prerequisite for a C-47 – General Manufactured Housing contractor license.

CSLB selected number “825.5” for the proposed new regulation because the subject matter of the new regulation, as a requirement that must be met by applicants when they submit their application for licensure, falls under article 2. Application for License. The new regulation immediately follows 16 CCR section 825 in CSLB’s regulations, which relates to the experience and training requirements of an applicant for licensure. Therefore, 16 CCR section 825.5 is an appropriate location for the new regulation that also relates to experience and training requirements of applicants.

- **Add new subdivision (a)**

This proposal would add a new subdivision (a) to establish the requirement for initial installer training, consistent with HUD’s training curriculum, as a prerequisite for a C-47 – General Manufactured Housing contractor license, effective July 1, 2021.

All applicants for licensure must meet the 16 CCR section 825 requirement for four (4) years of journey-level or higher experience within the last 10 years in the classification within which the applicant intends to seek licensure. In addition, pursuant to BPC section 7071.6, all applicants must have on file with CSLB a \$15,000 contractor’s bond as a condition precedent to the issuance of a license.

The July 1, 2021, effective date aligns with the end of HUD’s conditional acceptance period of California’s installation program, as discussed in HUD’s August 20, 2018, letter to HCD. This effective date will allow for a seamless transition from conditional acceptance to full acceptance by HUD of California’s Manufactured Home Installation Program.

Pursuant to 24 CFR, subpart I, section 3286.801, the purpose of the state programs aspect of the law is to “establish the requirements that must be met by a state to implement and administer its own installation program, either as part of its approved state plan or under this subpart, in such a way that the state would not be covered by the HUD-administered installation program.” It also “establishes the procedure for determining whether a state installation program meets the requirements of the Act for a qualifying installation program that will operate in lieu of the HUD-administered installation program.” Therefore, to ensure compliance with HUD requirements and full acceptance by HUD as a qualifying installation program, CSLB’s initial installer training program will require the same training required by HUD for a HUD-administered installation program.

- **Add new subdivision (b)**

This proposal would add a new subdivision (b) to establish the procedures by which an applicant must submit proof of compliance with the training requirement to the Board.

Consistent with the requirements for installers who complete training for the HUD-administered installation program, the Board proposes to require applicants for the C-47 – General Manufactured Housing contractor license to submit proof of compliance with the initial installer training requirement in the form of a Certificate of Completion of Training, which is listed as one of the responsibilities of a qualified trainer in 24 CFR, subpart D, section 3286.303(c). This federal regulation states, “Qualified trainers must provide certificates of completion to course attendees that indicate the level of compliance with the applicable curriculum and time requirements under subparts C and D of this part.”

Since the initial installer training will be a prerequisite to licensure as a C-47 – General Manufactured Housing contractor, subdivision (b) is also necessary to clarify that without the required proof of compliance with the training requirement, an application for a C-47 license is not complete, as required by the Contractors License Law, thereby precluding issuance of a license by the registrar. A complete application is required before a license can be issued by the Board.

- **Add new subdivision (c)**

This proposal would add a new subdivision (c) to establish through whom such training shall be obtained.

As with the other provisions of the C-47 – General Manufactured Housing contractor initial installer training requirement, CSLB is mirroring requirements for the HUD-administered installation program in relation to who is acceptable to provide the required training to ensure consistency with federal requirements. Part 3286 of 24 CFR, subpart D contains provisions for “qualified trainers.” Pursuant to 24 CFR section 3286.301, “The purpose of this subpart D is to establish the requirements for a person to qualify to provide the training required under subpart C of this part. This training is required for

manufactured home installers who want to be licensed in accordance with the HUD-administered installation program.” Therefore, CSLB is requiring that the initial installer training for C-47 – General Manufactured Housing contractors be obtained through one or more qualified trainers whose qualifications have been confirmed by HUD.

UNDERLYING DATA:

CSLB relies upon the following technical, theoretical, or empirical studies, reports, and/or documents for this proposal:

- August 20, 2018, Letter from Teresa B. Payne, Acting Administrator of Office of Manufactured Housing Programs at HUD, to Richard Weinert, Deputy Director of Department of Housing and Community Development, Division of Codes and Standards, at HCD
- HCD Information Bulletin 2020-08
- Excerpt from CSLB July 24, 2020, Board Meeting Minutes (Pages 29-32 of September 9, 2020, Board Meeting Packet)

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS:

This regulation may have an economic impact on businesses, specifically, those that apply for a C-47 – General Manufactured Housing contractor license. In recent years, an average of approximately 40 applicants apply for the C-47 – General Manufactured Housing license annually.

This new requirement will apply only to 1) applicants for new C-47 – General Manufactured Housing licenses, 2) existing licensed contractors that hold other classifications that apply to add the C-47 – General Manufactured Housing classification to their license, and 3) existing C-47 – General Manufactured Housing contractors who apply to replace the qualifying individual for the C-47 classification on their existing license, including both examination and waiver applicants for all three categories. Existing C-47 – General Manufactured Housing licensees that do not apply for a new license or to replace their qualifying individual will not be impacted by the new initial installer training requirement.

The regulation would require such applicants to complete initial installer training before the issuance of their C-47 – General Manufactured Housing license. Although the regulation has an economic impact, the impact is not anticipated to be significant because the one-time cost for such training is considered to be very minor compared to the income of most licensees.

This initial determination is based on the fact that the average one-time cost for an initial installer training course is approximately \$255, which would need to be paid directly to the training provider by each applicant for a C-47 – General Manufactured Housing license before the issuance of a license upon implementation of this regulation. The \$255 cost is an average of the costs for two online training courses offered by qualified trainers whose qualifications have been confirmed by HUD. Builders License Training Institute offers an online video course for \$239. The 12-hour HUD-approved pre-licensure course provides installers with an understanding of the rules for installing manufactured housing and outlines the important procedural and safety standards that must be followed, installation instructions, federal requirements, and more. The Manufactured Housing Institute offers online training for installers of manufactured homes for \$270. The installation course is approved for installers of manufactured homes to meet training requirements for initial installer licensing. The total statewide costs for applicants to meet the requirements of this regulatory proposal are discussed below:

- The approximate one-time cost for each applicant for a C-47 – General Manufactured Housing contractor license to comply with the initial installer training requirement of this regulatory proposal is \$255.
- The Board anticipates the annual number of applicants for the C-47 – General Manufactured Housing contractor license will be 40.
- With the one-time cost of \$255 per applicant and 40 applications being received each year, the annual total statewide costs for applicants' compliance with this regulation is \$10,200.
- Therefore, the total ten-year statewide costs for affected applicants to comply with this regulatory proposal will be \$102,000.

In addition, as required by the HUD training curriculum under 24 CFR, subpart D, section 3286.308(a), the time investment for the initial installer training is just 12 hours per applicant for a C-47 – General Manufactured Housing contractor license. This amounts to less than two days, potentially accomplished outside of business hours, which does not arise to the level of requiring a comprehensive apprenticeship training or a multi-month or year commitment on top of CSLB's experience requirements under 16 CCR section 825.

New applicants for the C-47 – General Manufactured Housing contractor license will have no increase in their application fees. They will pay the same application and licensure fees they would have paid under the existing rules (\$330 application fee and \$200 initial license fee that are both paid to CSLB, plus the costs they must pay directly to a third party to obtain bonds and insurance, as required). Such applicants will also pay the additional approximate \$255 one-time cost for the initial installer training directly to the training provider. Therefore, there is minimal adverse economic impact on applicants.

By requiring applicants for the C-47 – General Manufactured Housing contractor license to meet the initial installer training requirements established by HUD, CSLB is ensuring it has complied with its mandate under BPC sections 101.6, 7000.6, and 7068(a) to protect the health, safety, and welfare of the public and consumers, particularly those Californians who hire C-47 – General Manufactured Housing contractors.

ECONOMIC IMPACT ASSESSMENT:

The new regulation will establish an initial installer training requirement for applicants for new C-47 – General Manufactured Housing contractor licenses as part of their licensure process, in compliance with the requirements contained in the federal Manufactured Home Installation Program regulations.

As previously mentioned, the C-47 – General Manufactured Housing contractor license population has remained steady for the last five years, increasing or decreasing by less than three percent from year to year. There is no reason to believe that this regulatory proposal would compel more people to start or to cease applying for the C-47 – General Manufactured Housing contractor license in a manner that would change that rate of fluctuation. Since July 1, 2015, an average of 40 applications have been received annually for the C-47 – General Manufactured Housing classification.

This new requirement will apply only to 1) applicants for new C-47 – General Manufactured Housing licenses, 2) existing licensed contractors that hold other classifications that apply to add the C-47 – General Manufactured Housing classification to their license, and 3) existing C-47 – General Manufactured Housing contractors that apply to replace the qualifying individual for the C-47 classification on their existing license, including both examination and waiver applicants for all three categories. Existing C-47 – General Manufactured Housing licensees that do not apply for a new license or to replace their qualifying individual will not be impacted by the new initial installer training requirement.

This regulatory proposal will have the following effects:

- It will not result in the creation of new jobs or elimination of jobs within the state of California because the training requirement is anticipated to have minimal impact on businesses. CSLB has been issuing C-47 – General Manufactured Housing licenses since 1983 and will continue to do so. This proposed regulation will simply add an initial installer training prerequisite to the licensure of C-47 – General Manufactured Housing contractors.
- It will not result in the creation of new businesses or elimination of existing businesses within the state of California because the training requirement is anticipated to have minimal impact on businesses. CSLB has been issuing C-47 – General Manufactured Housing licenses since 1983 and will continue to do so.

This proposed regulation will simply add an initial installer training prerequisite to the licensure of C-47 – General Manufactured Housing contractors.

- It will not affect the expansion of businesses currently doing business within the state of California because the training requirement is anticipated to have minimal impact on businesses. CSLB has been issuing C-47 – General Manufactured Housing licenses since 1983 and will continue to do so. This proposed regulation will simply add an initial installer training prerequisite to the licensure of C-47 – General Manufactured Housing contractors.
- It will benefit the health and welfare of California residents because the proposal will add a requirement for initial installer training for C-47 – General Manufactured Housing contractors to help ensure that only those contractors who are qualified to do so are licensed and authorized to perform manufactured housing work, which is a significant health and welfare issue.
- It will benefit worker safety because the proposal adds a requirement for initial installer training for C-47 – General Manufactured Housing contractors to help ensure that only those contractors who are qualified to do so are licensed and authorized to perform manufactured housing work, which is a significant worker safety issue.
- It will benefit the state’s environment because the proposal adds a requirement for initial installer training for C-47 – General Manufactured Housing contractors to help ensure that only those contractors who are qualified to do so are licensed and authorized to perform manufactured housing work, which is a significant environmental issue.

REQUIREMENTS FOR SPECIFIC TECHNOLOGIES OR EQUIPMENT:

These regulations do not mandate the use of specific technologies or equipment.

CONSIDERATION OF ALTERNATIVES:

No reasonable alternative to the regulatory proposal would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective or less burdensome to affected private persons than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Set forth below is the alternative that was considered and the reason it was rejected.

CSLB considered the possibility of remaining with the status quo, in which C-47 – General Manufactured Housing contractors are licensed without any specific prerequisite for initial installer training. This alternative was rejected because, if California does not meet the initial installer training requirement established by HUD,

their conditional acceptance of the California's installation program under 24 CFR, subpart I, section 3286.803(c) may be withdrawn and HUD may take action to administer its own program in California, including the training and licensure of installers. This would also impact the entirety of HCD's Manufactured Home Installation Program. Such action would take the licensing of C-47 – General Manufactured Housing contractors out of CSLB's jurisdiction and into HUD's jurisdiction. This is not an acceptable alternative for CSLB because it would be a failure of CSLB's mission and mandate of public protection if it lost its authority to regulate this area of California construction and would not ensure that applicants for a C-47 license have met the minimum standards, as required under BPC section 7068(a).

Only the proposed regulatory action will allow the continued licensure of contractors for manufactured housing installation by CSLB in a manner that protects the health, safety, and welfare of workers, consumers, and the public and that fully addresses the minimum qualification requirements for such licensees.