

MARCH 13-14, 2017
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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Contractors State License Board
9821 Business Park Drive, Sacramento, CA 95827**

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CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800-321-CSLB (2752)
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STATE OF CALIFORNIA
Governor Edmund G. Brown Jr.

NOTICE OF PUBLIC BOARD MEETING

Day 1 - Monday, March 13, 2017, 1:30 p.m. – 5:00 p.m. (or upon adjournment)

Day 2 – Tuesday, March 14, 2017, 9:00 a.m. – 3:00 p.m.

Contractors State License Board, 9821 Business Park Drive, Sacramento, CA 95827

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 CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

MEETING AGENDA – DAY 1 Monday, March 13, 2017 – 1:30 p.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(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)).
- C. Discussion and Possible Action Regarding Options for Increasing the Exempt Pay Level for the CSLB Registrar
- D. Legislation
 - 1. Review and Possible Approval of February 17, 2017, Legislation Committee Meeting Summary Report
 - 2. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Legislative Objectives
 - 3. Update on Implementation of SB 1039 (Hill, 2016) – Fee Increase
 - 4. Update on Implementation of SB 465 (Hill, 2016) – Study and Report Requirement
 - 5. Update on Implementation of SB 66 (Leyva, 2016) – Information Sharing
 - 6. Review, Discussion and Possible Action on 2017 Legislation:
 - a. AB 349 (McCarty) Department of Consumer Affairs: Licensure Applicants
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 - d. AB 1005 (Calderon) Department of Consumer Affairs

- e. AB 1053 (Calderon) Professions and Vocations: Education and Licensure
- f. AB 1070 (Gonzalez) Contractors
- g. AB 1190 (Obernolte) Department of Consumer Affairs: BreEZe System
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- i. SB 247 (Morrell) Professions and Vocations: Licenses: Military Service
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 - b. Workers' Compensation Recertification Statistics
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 - a. Examination Administration Unit Update
 - b. Examination Development Unit Update
 - c. Consumer Satisfaction Survey Interim Report

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6. Discussion Regarding CSLB License Classifications and Regulations that Authorize Contractors to Install Energy Storage Systems

G. Enforcement

1. Review and Possible Approval of February 10, 2017, Enforcement Committee Meeting Summary Report
2. Enforcement Program Update
 - a. Consumer Investigation Highlights
 - b. General Complaint-Handling Statistics
 - c. Staff Training Update
3. Update on Workers' Compensation Enforcement Strategies, Resources and Accomplishments
4. CSLB's Solar Task Force Update Regarding Consumer Complaints and Enforcement Objectives
5. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Enforcement Objectives

H. Executive

1. Review and Possible Approval of December 8, 2016, Board Meeting Minutes
2. Registrar's Report
 - a. Tentative 2017 Board Meeting Schedule
 - b. Report on 2016-2018 Strategic Plan
3. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Administration Objectives
4. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Information Technology Objectives
5. Administration Update Regarding Personnel and Facilities
6. Information Technology Update
7. Budget Update

8. Appointment of Board Officer Nomination Committee

Recess

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Open Session

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Return to Open Session

D. Adjournment

The Board intends to only provide a live webcast of Day 1 of the meeting. On that day, a link to the webcast will be at www.cslb.ca.gov. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. For verification of the meeting, call (916) 255-4000 or access the CSLB website at www.cslb.ca.gov.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Aaron Schultz at (916) 255-4000 or Aaron.Schultz@cslb.ca.gov or send a written request to Aaron Schultz, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

MARCH 13, 2017
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

DAY 1



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

ED LANG

AGUSTIN BELTRAN

MIKE LAYTON

LINDA CLIFFORD

MARLO RICHARDSON

DAVID DE LA TORRE

FRANK SCHETTER

DAVID DIAS

PAUL SCHIFINO

SUSAN GRANZELLA

JOHNNY SIMPSON

JOAN HANCOCK

NANCY SPRINGER

PASTOR HERRERA JR.



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Discussion and Possible Action Regarding Options for Increasing the Exempt Pay Level for the CSLB Registrar



AGENDA ITEM D

Legislation



AGENDA ITEM D-1

Review and Possible Approval of February 17, 2017, Legislation Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE SUMMARY REPORT

A. Call to Order

Legislative Committee Chair Nancy Springer called the Contractors State License Board (CSLB) Legislative Committee meeting to order on Friday, February 17, 2017, at approximately 10:17 a.m. in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

CSLB Staff Present

Cindi Christenson, Registrar
Amy Cox O'Farrell, Chief Deputy Registrar
Rick Lopes, Chief of Public Affairs
Laura Zuniga, Chief of Legislation
Betsy Figueria, Legislation Manager
Kristy Schieldge, DCA Counsel
Claire Goldstene, Public Affairs
Ashley Caldwell, Public Affairs
Mike Jamnetski, Licensing Manager
Brie Brewer, Executive Analyst

Committee Members Present

Nancy Springer
David Dias
Joan Hancock
Johnny Simpson

Committee Members Excused

Mike Layton
Paul Schifino

Board Members Present

Ed Lang

Public Present

Richard Markuson, Pacific Advocacy Group
Joanthan Burke, Department of Consumer Affairs
Nick Cammorata, California Building Industry Association
Lee Howard, North Coast Builders Exchange

Committee Chair Nancy Springer welcomed everyone and provided an update on the Oroville Dam evacuation area.

B. Public Comment Session

No public comment received.

C. Review, Discussion and Possible Action to Recommend to the Board Initiation of a Rulemaking to Amend Title 16, CA Code of Regulations Sections 853, 858.1, 858.2, 869, 869.9 and 872

Nancy Springer announced this item and then informed the Committee it will be presented at a later meeting in order to address comments from legal counsel.



MOTION: To table agenda item C. Joan Hancock moved; David Dias seconded. The motion carried, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Nancy Springer	X				
David Dias	X				
Joan Hancock	X				
Michael Layton				X	
Paul Schifino				X	
Johnny Simpson	X				

D. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2016-18 Legislative Objectives

Nancy Springer summarized the staff recommendation to drop objectives 3.5 (research alternative fee structures) and 3.8 (track and update Board on any legislation seeking to modify Business & Professions Code section 7031).

Joan Hancock stated she would like to retain objective 3.8, relating to Business & Professions Code (BPC) section 7031. She noted that the Board has had significant discussions regarding this topic over the last year, and while there were some legislative changes last year, they were not major. She expressed her preference that the Board continue to work on this topic, and elevate its priority from “beneficial” to “essential.”

Chief of Legislation Laura Zuniga explained the staff recommendation to drop these two items: Objective 3.5 – because the Enforcement division is pursuing other alternatives to reduce attorney general costs; and objective 3.8 – because the Governor signed the legislation that prompted inclusion of the item. She also noted that she considers monitoring proposed changes to BPC 7031 an essential and regular function of the Legislative division.



Nancy Springer then presented each objective on the Strategic Plan, and Laura Zuniga provided updates for each item.

Richard Markuson, of the Pacific Advocacy Group, asked about electrical certification penalties, in relation to objective 3.2 (research increased penalties for predatory business practices) and stated that contractors will pay what they consider a minor fine for violating those provisions. Laura Zuniga responded that staff will consider that penalty during its research. Joan Hancock asked if staff needed more time to conduct that research. Ms. Zuniga replied that work had begun, but staff could also take the opportunity to do more work. Johnny Simpson requested that the current target date be retained, in order to maintain focus on this issue.

Joan Hancock again requested that strategic plan objective 3.8 be retained, for potential future changes to BPC 7031. Cindi Christenson suggested that it remain as a “beneficial” objective, to which Ms. Hancock agreed.

MOTION: That the target date for Strategic Plan objective 3.1 be changed to May 2017; objective 3.2 to May 2017; and objective 3.4 to February 2018; and that objective 3.5 be dropped. Johnny Simpson moved, and Joan Hancock seconded. The motion carried, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Nancy Springer	X				
David Dias	X				
Joan Hancock	X				
Michael Layton				X	
Paul Schifino				X	
Johnny Simpson	X				

**E. Update on CSLB's Legislative Proposal for Authority to Issue a Letter of Admonishment**

Nancy Springer informed the Committee that Senator Monning has agreed to author this bill, which was introduced as SB 486. She also thanked Senator Monning for his continued support of CSLB.

Lee Howard, representing the North Coast Builders Exchange, stated that he believed most contractors will support the legislation, as the current citation process can be cumbersome for all parties. He then asked what types of violations CSLB would use this authority to address and expressed concern that it might be used for violations of BPC 7110 (disregard of statutes).

Joan Hancock asked Mr. Howard if he was suggesting that CSLB apply the authority to some violations and not to others, to which he answered yes.

Chief of Legislation Laura Zuniga explained that staff intends that this new authority, if granted, be used to address minor violations that do not involve financial harm to consumers.

Cindi Christenson clarified that this proposal will provide CSLB an additional disciplinary tool.

Legal Counsel Kristy Schieldge stated that the proposal would not eliminate or remove any existing disciplinary authority, but will provide staff flexibility to determine the appropriate penalty. She suggested, if necessary, sending a letter to the bill author clarifying the intent.

F. Update on Implementation of SB 1039 (Hill) – Fee Increase

Nancy Springer summarized the chart in the Committee packet detailing the fee increases, noting they will take effect July 1, 2017. She thanked the CSLB IT division for its work on this item.

G. Update on Implementation of SB 465 (Hill) – Study and Report Requirement

Nancy Springer introduced CSLB Executive Analyst Brie Brewer who presented an update to the Committee.

Ms. Brewer summarized the statute and the goal of the required study about reporting settlement information. She explained that staff plans to conduct mini-stakeholder meetings with both supporters and opponents of SB 465, and will identify three-to-four counties to review any available settlement information. Staff



also will consult with insurance companies and other licensing boards that have an existing reporting requirement. In addition, staff will summarize potential costs to CSLB to implement a reporting requirement as well as detail the costs CSLB has incurred to investigate the Berkeley balcony collapse. Lastly, Ms. Brewer informed the Committee that she will provide a timeline at the March 2017 Board meeting.

Joan Hancock expressed her support for the planned stakeholder meetings, and mentioned that the Board Chair had designated her and Nancy Springer as the two Board members to assist with the report.

H. Update on Implementation of SB 66 (Leyva) – Information Sharing

Chief of Legislation Laura Zuniga asked Richard Markuson, representing the American Society of Civil Engineers, to describe legislation it is sponsoring to revise the reporting requirement to California community colleges.

Mr. Markuson summarized AB 1053 (Calderon), which would restrict data sharing to the last four digits of the Social Security number, and provide that any costs related to the reporting would be borne by the California Community Colleges. He stated that the bill sponsor was reviewing options other than the last four digits of the SSN, and invited the Board’s participation.

I. ADJOURNMENT

MOTION: To adjourn the February 17, 2017, Legislative Committee Meeting. Johnny Simpson moved; David Dias seconded. The motion carried, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Nancy Springer	X				
David Dias	X				
Joan Hancock	X				
Michael Layton				X	
Paul Schifino				X	
Johnny Simpson	X			X	

The Legislation Committee adjourned at approximately 10:58 a.m.

AGENDA ITEM D-2

2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Legislative Objectives





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – UPDATE

Background

The Legislative Committee approved the changes to the Strategic Plan highlighted in yellow at its February 17, 2017, meeting.

(E) “Essential”

(I) “Important”

(B) “Beneficial”

LEGISLATIVE	TARGET	DESCRIPTION	STATUS
3.1 Present Draft Proposal to Reorganize Contractors’ State License Law (I)	March 2017	Closely examine and reorganize current law to create a more logical flow and make it more user-friendly; cleaning up and clarifying language as needed	Under review by staff New target date of May 2017
3.2 Research Increased Penalties for Predatory Business Practices, Misrepresentation of Services, or Need of Services (I)	March 2017	In conjunction with Enforcement division, examine appropriateness of existing penalties in statute and regulation and if there is a need for changes	Under review by Enforcement division staff New target date of May 2017
3.3 Develop and Implement Regulatory Proposal to Formalize Experience Requirement Criteria (E)	June 2017	In conjunction with Licensing division, clarify the accepted verifiable experience requirements necessary for licensure to help ensure that qualified applicants are able to test for a license	Plan to initiate rulemaking in June 2017; will convene a working group with Licensing division staff later in 2017
3.4 Further Define Examination Waiver Criteria (I)	January 2018	In conjunction with Licensing division, thoroughly review statutory waiver authority and develop regulations to clarify examination waiver criteria, possible including methods to prevent fraudulent submissions (see Licensing & Testing Objective 3)	Researching statutory and regulatory authority in relation to waivers; will bring to the Legislative Committee in 2017 New target date of May 2018
3.5 Research Alternative Fee Structures (B)	January 2018	In conjunction with Enforcement division, conduct cost/benefit analyses of Enforcement activities and Enforcement-based fees, including citations; consider need for statutory and/or regulatory revisions	As an alternative cost savings measure, CSLB is sponsoring legislation to create a Letter of Admonishment Remove



3.6 Review Home Improvement Contract Provisions (I)	June 2018	Identify ways to simplify and improve clarity of provisions in Business and Professions Code section 7159	In process; will present any recommended changes with 2018 legislative proposals
3.7 Increase Fees (E)	July 2018	Increase statutory authority and limits; follow-up with regulations for future increases within statutory limits	Implementation on July 1, 2017
3.8 Track and Update Board on Any Legislation Seeking to Modify Business and Professions Code section 7031 (B)	Ongoing	Keep Board members and interested stakeholders updated on potential changes to code section related to court actions for recovery of compensation in relation to unlicensed contractors	The governor signed AB 1793; no other pending legislation on this subject.

AGENDA ITEM D-3

Update on Implementation of SB 1039 (Hill, 2016) – Fee Increase





CONTRACTORS STATE LICENSE BOARD

UPDATE ON IMPLEMENTATION OF SB 1039 – FEE INCREASE

On September 29, 2016, Governor Brown signed CSLB’s fee increase bill (Senate Bill 1039). The new license fee structure becomes effective July 1, 2017, and will apply to license renewals, certificates, and all fees associated with applications for the purpose of licensing.

2017 CSLB FEE INCREASES				
FEE	CURRENT	NEW	INCREAS	PERCENT
Application for Original Contractor License	\$300.00	\$330.00	\$30.00	10%
Additional Classification with Waiver Application	\$75.00	\$75.00	\$0.00	0%
Additional Supplemental Classification or Replace the Responsible Managing Officer or Employee on an Existing License	\$75.00	\$150.00	\$75.00	100%
Personnel or Officer Change	\$0.00	\$100.00	\$100.00	0%
Rescheduling an Examination	\$60.00	\$60.00	\$0.00	0%
Initial License Fee	\$180.00	\$200.00	\$20.00	11%
Renewal – Contractor License (Biennial)	\$360.00	\$400.00	\$40.00	11%
Renewal – 4-Year Inactive License	\$180.00	\$200.00	\$20.00	11%
Reactivate Contractor License	\$360.00	\$400.00	\$40.00	11%
Home Improvement Salesperson (HIS) Registration	\$75.00	\$83.00	\$8.00	11%
Renewal – HIS Registration (Biennial)	\$75.00	\$83.00	\$8.00	11%
Asbestos Certification Fee	\$75.00	\$83.00	\$8.00	11%
Hazardous Substance Removal Certificate	\$75.00	\$83.00	\$8.00	11%
Delinquent – Renewal Contractor License	\$180.00	\$200.00	\$20.00	11%
Delinquent – Renewal 4-Year Inactive License	\$90.00	\$100.00	\$10.00	11%
Delinquent – Renewal HIS Registration	\$25.00	\$41.50	\$16.50	66%

AGENDA ITEM D-4

Update on Implementation of SB 465 (Hill, 2016) – Study and Report Requirement





SB 465 (Hill, Chapter 372. Statutes of 2016) Settlement Reporting

Senate Bill (SB) 465 requires CSLB to report to the Legislature, by January 1, 2018, the results of a study to determine if regulations requiring licensees to report judgments, arbitration awards against them, or settlement payments of claims for construction defects they have made in excess of a certain amount to be determined by CSLB, would enhance its ability to protect the public.

Timeline for SB 465 Settlement Reporting Study

- **March 2017 – May 2017**
 - Research/collect available settlement data
 - Review the process of boards/bureaus with similar reporting requirements and evaluate the statistical data of cases that originated from settlement reporting
 - Study criteria used by insurers or others to differentiate between settlements that are for nuisance value and those that are not
 - **June 2017 - August 2017**
 - Conduct mini-stakeholder meetings with main supporters and main opponents of SB 465
 - **September 2017**
 - Examine the fiscal impact to CSLB (staff costs, industry expert costs, attorney general's office costs, etc.)
 - **October 2017 - November 2017**
 - Compile study findings and prepare initial draft of report
 - **December 2017**
 - Present study findings at December 2017 CSLB Board meeting (date TBD)
 - Prepare final draft of report
 - **January 2018**
 - Submit report of study to Legislature on or by January 1, 2018
- ❖ **A subcommittee appointed to work on this study consists of CSLB Board members Joan Hancock and Nancy Springer**

AGENDA ITEM D-5

Update on Implementation of SB 66 (Leyva, 2016) – Information Sharing



AGENDA ITEM D-6

Review, Discussion and Possible Action on 2017 Legislation:

- a. AB 349 (McCarty) Department of Consumer Affairs:
Licensure Applicants
- b. AB 703 (Flora) Professions and Vocations: Licenses: Fee Waivers
- c. AB 996 (Cunningham) Contractors Licensing Board
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- j. SB 486 (Monning) Contractors State License Law:
Letter of Admonishment
- k. SB 496 (DeLeon) Department of Consumer Affairs: Regulatory Boards
- l. SB 721 (Hill) Contractors: decks and balconies: inspection





CONTRACTORS STATE LICENSE BOARD

2017 LEGISLATION

2017 Significant Legislation

CA AB 349	AUTHOR: TITLE: INTRODUCED: DISPOSITION: LOCATION: SUMMARY:	McCarty [D] Department of Consumer Affairs: Licensure Applicants 02/08/2017 Pending Assembly Business and Professions Committee
	SUMMARY:	Requires a board within the Department of Consumer Affairs to expedite the licensure process for an applicant who supplies evidence that the applicant was issued a specified special immigrant visa.
	STATUS:	02/21/2017 To ASSEMBLY Committee on BUSINESS AND PROFESSIONS.
CA AB 703	AUTHOR: TITLE: INTRODUCED: DISPOSITION: LOCATION: SUMMARY:	Flora [R] Professions and Vocations: Licenses: Fee Waivers 02/15/2017 Pending ASSEMBLY
	SUMMARY:	Requires every board within the Department of Consumer Affairs to grant a fee waiver for application and issuance of an initial license for an applicant who is married to an active duty member of the Armed Forces of the United States if the applicant holds a current license in the same profession or vocation in another state, district, or territory.
	STATUS:	02/15/2017 INTRODUCED.
CA AB 996	AUTHOR: TITLE: INTRODUCED: DISPOSITION: LOCATION: SUMMARY:	Cunningham [R] Contractors Licensing Board Web Site: Search Function 02/16/2017 Pending ASSEMBLY
	SUMMARY:	Requires the Contractors' State License Board to adopt an enhancement to the current contractor license check function on its Internet Web site to permit consumers and licensees to monitor the status and progress of a licensee's application for, or renewal of, a certificate of workers' compensation insurance or certification of self-insurance that is pending before the board.
	STATUS:	02/16/2017 INTRODUCED.
CA AB 1005	AUTHOR: TITLE: INTRODUCED: DISPOSITION: LOCATION: SUMMARY:	Calderon I [D] Department of Consumer Affairs 02/16/2017 Pending ASSEMBLY
	SUMMARY:	Requires the Office of Professional Examination Services to conduct an



occupational analysis of every professions and vocations license subject to examination in the state to determine the licenses with a need for the examination to be offered in languages other than English.

STATUS:

02/16/2017 INTRODUCED.

CA AB 1053

AUTHOR: Calderon I [D]
TITLE: Professions and Vocations: Education and Licensure
INTRODUCED: 02/16/2017
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Relates to various career technical education programs. Includes regional occupational centers and programs, specialized secondary programs, partnership academics, and agricultural career technical education programs. Provides for licensure and regulation of various professions and vocations. Provides that the requirement to furnish specified information does not require the department to collect additional information that it does not already maintain.

STATUS:

02/16/2017 INTRODUCED.

CA AB 1190

AUTHOR: Obernolte [R]
TITLE: Department of Consumer Affairs: BreEZe System
INTRODUCED: 02/17/2017
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Requires the Department of Consumer Affairs to submit an annual report to the Legislature that includes the department's plans for implementing the BreEZe system at specified regulatory entities included in the department's 3rd phase of the BreEZe implementation project a timeline for the implementation.

STATUS:

02/17/2017 INTRODUCED.

CA AB 1357

AUTHOR: Chu [D]
TITLE: Home Inspectors: Roofing Contractors: Roof Inspections
INTRODUCED: 02/17/2017
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Amends an existing law which regulates a person who performs certain home inspections for a fee and which provides that it is an unfair business practice for an inspector or company that employs the inspector to do various acts, including performing or offering to perform certain repairs. Exempts from those provisions a roofing contractor that performs repairs pursuant to his or her inspection of a roof.

STATUS:

02/17/2017 INTRODUCED.

CA SB 27

AUTHOR: Morrell [R]



TITLE: Professions and Vocations: Licenses: Military Service
INTRODUCED: 12/05/2016
DISPOSITION: Pending
LOCATION: Senate Business, Professions & Economic Development Committee

SUMMARY:

Requires every board within the Department of Consumer Affairs to grant a fee waiver for the application for and the issuance of an initial license to an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the California National Guard or the United States Armed Forces and was honorably discharged.

STATUS:

01/12/2017 To SENATE Committees on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT and VETERANS AFFAIRS.

CA SB 486

AUTHOR: Monning [D]
TITLE: Contractors State License Law: Letter of Admonishment
INTRODUCED: 02/16/2017
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Relates to the Contractors State License Law, which provides for the issuance of certain letters of admonishment to an applicant, licensee, or registrant instead of issuing a citation. Distinguishes such letters from certain complaints and requires the disclosure of such letters for a specified period.

STATUS:

02/16/2017 INTRODUCED.

CA SB 496

AUTHOR: de Leon [D]
TITLE:
INTRODUCED: 02/16/2017
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Amends an existing law which provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Includes the failure to attend meetings of a board as an example of continued neglect of duties required by law that the Governor can use as a reason to remove a member from a board.

STATUS:

02/16/2017 INTRODUCED.

CA SB 721

AUTHOR: Hill [D]
TITLE: Contractors: Decks and Balconies: Inspection
INTRODUCED: 02/17/2017
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Requires the inspection of decks, balconies, and elevated walkways more than a specified number of feet above ground level in a building containing a certain



number of multi-family units by a person licensed to perform these inspections by the Department of Consumer Affairs. Provides for completion and subsequent inspections.

STATUS:

02/17/2017 INTRODUCED.

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ASSEMBLY BILL

No. 1053

Introduced by Assembly Member Calderon

February 16, 2017

An act to amend Section 30 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1053, as introduced, Calderon. Professions and vocations: career technical education: licensee information.

Existing law establishes various career technical education programs, including regional occupational centers and programs, specialized secondary programs, partnership academies, and agricultural career technical education programs. Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law requires the department to furnish, upon request by the Office of the Chancellor of the California Community Colleges, and only to the extent specified, to the chancellor's office specified information with respect to every licensee for the sole purpose of enabling the office of the chancellor to measure employment outcomes of students who participate in career technical education programs offered by the California Community Colleges and recommend how these programs may be improved.

This bill would provide that the requirement to furnish specified information does not require the department to collect additional information that it does not already maintain. The bill, instead of requiring the department to furnish for every licensee a federal employer identification number, individual taxpayer identification number, or social security number, would provide that only the last 4 digits of those

numbers be furnished. The bill also would require the chancellor's office to reimburse the department for the department's costs to comply with these provisions.

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

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

1 SECTION 1. Section 30 of the Business and Professions Code
2 is amended to read:

3 30. (a) (1) Notwithstanding any other law, any board, as
4 defined in Section 22, and the State Bar and the Bureau of Real
5 Estate shall, at the time of issuance of the license, require that the
6 applicant provide its federal employer identification number, if
7 the applicant is a partnership, or the applicant's social security
8 number for all other applicants.

9 (2) No later than January 1, 2016, in accordance with Section
10 135.5, a board, as defined in Section 22, and the State Bar and the
11 Bureau of Real Estate shall require either the individual taxpayer
12 identification number or social security number if the applicant is
13 an individual for purposes of this subdivision.

14 (b) A licensee failing to provide the federal employer
15 identification number, or the individual taxpayer identification
16 number or social security number shall be reported by the licensing
17 board to the Franchise Tax Board. If the licensee fails to provide
18 that information after notification pursuant to paragraph (1) of
19 subdivision (b) of Section 19528 of the Revenue and Taxation
20 Code, the licensee shall be subject to the penalty provided in
21 paragraph (2) of subdivision (b) of Section 19528 of the Revenue
22 and Taxation Code.

23 (c) In addition to the penalty specified in subdivision (b), a
24 licensing board shall not process an application for an initial license
25 unless the applicant provides its federal employer identification
26 number, or individual taxpayer identification number or social
27 security number where requested on the application.

28 (d) A licensing board shall, upon request of the Franchise Tax
29 Board or the Employment Development Department, furnish to
30 the board or the department, as applicable, the following
31 information with respect to every licensee:

32 (1) Name.

- 1 (2) Address or addresses of record.
- 2 (3) Federal employer identification number if the licensee is a
3 partnership, or the licensee's individual taxpayer identification
4 number or social security number for all other licensees.
- 5 (4) Type of license.
- 6 (5) Effective date of license or a renewal.
- 7 (6) Expiration date of license.
- 8 (7) Whether license is active or inactive, if known.
- 9 (8) Whether license is new or a renewal.
- 10 (e) For the purposes of this section:
- 11 (1) "Licensee" means a person or entity, other than a
12 corporation, authorized by a license, certificate, registration, or
13 other means to engage in a business or profession regulated by
14 this code or referred to in Section 1000 or 3600.
- 15 (2) "License" includes a certificate, registration, or any other
16 authorization needed to engage in a business or profession
17 regulated by this code or referred to in Section 1000 or 3600.
- 18 (3) "Licensing board" means any board, as defined in Section
19 22, the State Bar, and the Bureau of Real Estate.
- 20 (f) The reports required under this section shall be filed on
21 magnetic media or in other machine-readable form, according to
22 standards furnished by the Franchise Tax Board or the Employment
23 Development Department, as applicable.
- 24 (g) Licensing boards shall provide to the Franchise Tax Board
25 or the Employment Development Department the information
26 required by this section at a time that the board or the department,
27 as applicable, may require.
- 28 (h) Notwithstanding Chapter 3.5 (commencing with Section
29 6250) of Division 7 of Title 1 of the Government Code, a federal
30 employer identification number, individual taxpayer identification
31 number, or social security number furnished pursuant to this section
32 shall not be deemed to be a public record and shall not be open to
33 the public for inspection.
- 34 (i) A deputy, agent, clerk, officer, or employee of a licensing
35 board described in subdivision (a), or any former officer or
36 employee or other individual who, in the course of his or her
37 employment or duty, has or has had access to the information
38 required to be furnished under this section, shall not disclose or
39 make known in any manner that information, except as provided
40 pursuant to this section to the Franchise Tax Board, the

1 Employment Development Department, or the Office of the
2 Chancellor of the California Community Colleges, or as provided
3 in subdivision (k).

4 (j) It is the intent of the Legislature in enacting this section to
5 utilize the federal employer identification number, individual
6 taxpayer identification number, or social security number for the
7 purpose of establishing the identification of persons affected by
8 state tax laws, for purposes of compliance with Section 17520 of
9 the Family Code, and for purposes of measuring employment
10 outcomes of students who participate in career technical education
11 programs offered by the California Community Colleges and, to
12 that end, the information furnished pursuant to this section shall
13 be used exclusively for those purposes.

14 (k) If the board utilizes a national examination to issue a license,
15 and if a reciprocity agreement or comity exists between the State
16 of California and the state requesting release of the individual
17 taxpayer identification number or social security number, any
18 deputy, agent, clerk, officer, or employee of any licensing board
19 described in subdivision (a) may release an individual taxpayer
20 identification number or social security number to an examination
21 or licensing entity, only for the purpose of verification of licensure
22 or examination status.

23 (l) For the purposes of enforcement of Section 17520 of the
24 Family Code, and notwithstanding any other law, a board, as
25 defined in Section 22, and the State Bar and the Bureau of Real
26 Estate shall at the time of issuance of the license require that each
27 licensee provide the individual taxpayer identification number or
28 social security number of each individual listed on the license and
29 any person who qualifies for the license. For the purposes of this
30 subdivision, "licensee" means an entity that is issued a license by
31 any board, as defined in Section 22, the State Bar, the Bureau of
32 Real Estate, and the Department of Motor Vehicles.

33 (m) The department shall, upon request by the Office of the
34 Chancellor of the California Community Colleges, furnish to the
35 chancellor's office, as applicable, the following information with
36 respect to every ~~licensee~~: licensee. *This subdivision does not*
37 *require the department to collect additional information that the*
38 *department does not already maintain.*

39 (1) Name.

1 (2) ~~Federal~~ *The last four digits of the federal* employer
2 identification number if the licensee is a partnership, or the
3 licensee's individual taxpayer identification number or social
4 security number for all other licensees.

5 (3) Date of birth.

6 (4) Type of license.

7 (5) Effective date of license or a renewal.

8 (6) Expiration date of license.

9 (n) The department shall make available information pursuant
10 to subdivision (m) only to allow the chancellor's office to measure
11 employment outcomes of students who participate in career
12 technical education programs offered by the California Community
13 Colleges and recommend how these programs may be improved.
14 Licensure information made available by the department pursuant
15 to this section shall not be used for any other purpose.

16 (o) The department may make available information pursuant
17 to subdivision (m) only to the extent that making the information
18 available complies with state and federal privacy laws.

19 (p) The department may, by agreement, condition or limit the
20 availability of licensure information pursuant to subdivision (m)
21 in order to ensure the security of the information and to protect
22 the privacy rights of the individuals to whom the information
23 pertains.

24 (q) All of the following apply to the licensure information made
25 available pursuant to subdivision (m):

26 (1) It shall be limited to only the information necessary to
27 accomplish the purpose authorized in subdivision (n).

28 (2) It shall not be used in a manner that permits third parties to
29 personally identify the individual or individuals to whom the
30 information pertains.

31 (3) Except as provided in subdivision (n), it shall not be shared
32 with or transmitted to any other party or entity without the consent
33 of the individual or individuals to whom the information pertains.

34 (4) It shall be protected by reasonable security procedures and
35 practices appropriate to the nature of the information to protect
36 that information from unauthorized access, destruction, use,
37 modification, or disclosure.

38 (5) It shall be immediately and securely destroyed when no
39 longer needed for the purpose authorized in subdivision (n).

1 (r)The department or the chancellor's office may share licensure
2 information with a third party who contracts to perform the function
3 described in subdivision (n), if the third party is required by
4 contract to follow the requirements of this section.

5 (s) *The chancellor's office shall reimburse the department for*
6 *the department's costs to comply with this section.*

**Introduced by Senator Monning
(Coauthors: Senators Berryhill, Hill, and Moorlach)**

February 16, 2017

An act to amend Sections 7099.2 and 7124.6 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 486, as introduced, Monning. Contractors' State License Law: letter of admonishment.

(1) Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law also provides for the registration and regulation of home improvement salespersons by the board. Existing law requires the board to appoint a registrar of contractors who is the executive officer and secretary of the board and is responsible for carrying out specified administrative duties. If, upon investigation, the registrar has probable cause to believe that a licensee, or an applicant for a license under this chapter, has committed any acts or omissions that are grounds for denial, revocation, or suspension of license, he or she may, in lieu of a specified proceeding, issue a citation to the licensee or applicant.

If, upon investigation, the registrar has probable cause to believe that a licensee, registrant, or applicant has committed acts or omissions that are grounds for denial, suspension, or revocation of a license or registration, this bill would authorize the registrar to issue a written and detailed letter of admonishment to an applicant, licensee, or registrant instead of issuing a citation. The bill would require the letter to inform the applicant, licensee, or registrant that he or she may submit a written request for an office conference to contest the letter of admonishment,

subject to specified procedures, including a process to appeal a decision, or comply with the letter, as provided.

Under existing law, complaints resolved in favor of the contractor are not subject to disclosure.

The bill would distinguish a letter of admonishment from such a complaint and disclose these letters for a year.

(2) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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

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

1 SECTION 1. Section 7099.2 of the Business and Professions
2 Code is amended to read:

3 7099.2. (a) The board shall promulgate regulations covering
4 the assessment of civil penalties under this article that give due
5 consideration to the appropriateness of the penalty with respect to
6 the following factors:

- 7 (1) The gravity of the violation.
- 8 (2) The good faith of the licensee or applicant for licensure
9 being charged.
- 10 (3) The history of previous violations.

11 (b) Except as otherwise provided by this chapter, no civil penalty
12 shall be assessed in an amount greater than five thousand dollars
13 (\$5,000). Notwithstanding Section 125.9, a civil penalty not to
14 exceed fifteen thousand dollars (\$15,000) may be assessed for a
15 violation of Section 7114 or 7118.

16 (c) *If, upon investigation, the registrar has probable cause to*
17 *believe that a licensee, registrant, or applicant has committed acts*
18 *or omissions that are grounds for denial, suspension or revocation*
19 *of a license or registration, the registrar, or his or her designee,*
20 *may issue a letter of admonishment to an applicant, licensee, or*
21 *registrant in lieu of issuing a citation. Nothing in this article shall*
22 *in any way limit the registrar's discretionary authority or ability*
23 *to issue a letter of admonishment as prescribed by this subdivision.*

1 (1) *The letter of admonishment shall be in writing and shall*
2 *describe in detail the nature and facts of the violation, including*
3 *a reference to the statutes or regulations violated. The letter of*
4 *admonishment shall inform the licensee, registrant, or applicant*
5 *that within 30 days of service of the letter of admonishment the*
6 *licensee, registrant, or applicant may do either of the following:*

7 (A) *Submit a written request for an office conference to the*
8 *registrar to contest the letter of admonishment. Upon a timely*
9 *request, the registrar, or his or her designee, shall hold an office*
10 *conference with the licensee, registrant, or applicant and, if*
11 *applicable, his or her legal counsel or authorized representative.*

12 (i) *No individual other than the legal counsel or authorized*
13 *representative of the licensee, registrant, or applicant may*
14 *accompany the licensee, registrant, or applicant to the office*
15 *conference.*

16 (ii) *Prior to or at the office conference, the licensee, registrant,*
17 *or applicant may submit to the registrar declarations and*
18 *documents pertinent to the subject matter of the letter of*
19 *admonishment.*

20 (iii) *The office conference is intended to be informal and shall*
21 *not be subject to the Administrative Procedure Act Chapter 4.5*
22 *(commencing with Section 11400) or Chapter 5 (commencing with*
23 *Section 11500 of Part 1 of Division 3 of Title 2 of the Government*
24 *Code).*

25 (iv) *After the office conference, the registrar, or his or her*
26 *designee, may affirm, modify, or withdraw the letter of*
27 *admonishment. Within 14 calendar days from the date of the office*
28 *conference, the registrar, or his or her designee, shall personally*
29 *serve or send the written decision by certified mail to the licensee's,*
30 *registrant's, or applicant's address of record. This decision shall*
31 *be deemed the final administrative decision concerning the letter*
32 *of admonishment.*

33 (v) *Judicial review of the decision may be had by filing a petition*
34 *for a writ of mandate in accordance with the provisions of Section*
35 *1094.5 of the Code of Civil Procedure within 30 days after the*
36 *date the decision was personally served or sent by certified mail.*
37 *The judicial review shall extend to the question of whether or not*
38 *there was a prejudicial abuse of discretion in the issuance of the*
39 *letter of admonishment or in the decision after the office*
40 *conference.*

1 (B) Comply with the letter of admonishment and, if required,
2 submit a written corrective action plan to the registrar
3 documenting compliance. If an office conference is not requested
4 pursuant to this section, compliance with the letter of
5 admonishment shall not constitute an admission of the violation
6 noted in the letter of admonishment.

7 (2) The letter of admonishment shall be served upon the licensee,
8 registrant, or applicant personally or by certified mail at his or
9 her address of record with the board. If the licensee, registrant,
10 or applicant is served by certified mail, service shall be effective
11 upon deposit in the United States mail.

12 (3) The licensee, registrant, or applicant shall maintain and
13 have readily available a copy of the letter of admonishment and
14 corrective action plan, if any, for at least one year from the date
15 of issuance of the letter of admonishment.

16 (4) Nothing in this subdivision shall in any way limit the board's
17 authority or ability to do either of the following:

18 (A) Issue a citation pursuant to Section 125.9, 148, or 7099.

19 (B) Institute disciplinary proceedings pursuant to this article.

20 (5) The issuance of a letter of admonishment shall not be
21 construed as a disciplinary action or discipline for purposes of
22 licensure or the reporting of discipline for licensure.

23 SEC. 2. Section 7124.6 of the Business and Professions Code
24 is amended to read:

25 7124.6. (a) The registrar shall make available to members of
26 the public the date, nature, and status of all complaints on file
27 against a licensee that do either of the following:

28 (1) Have been referred for accusation.

29 (2) Have been referred for investigation after a determination
30 by board enforcement staff that a probable violation has occurred,
31 and have been reviewed by a supervisor, and regard allegations
32 that if proven would present a risk of harm to the public and would
33 be appropriate for suspension or revocation of the contractor's
34 license or criminal prosecution.

35 (b) The board shall create a disclaimer that shall accompany
36 the disclosure of a complaint that shall state that the complaint is
37 an allegation. The disclaimer may also contain any other
38 information the board determines would be relevant to a person
39 evaluating the complaint.

1 (c) (1) A complaint resolved in favor of the contractor shall not
2 be subject to disclosure.

3 (2) *A complaint resolved by issuance of a letter of admonishment*
4 *pursuant to Section 7099.2 shall not be deemed resolved in favor*
5 *of the contractor for the purposes of this section. A letter of*
6 *admonishment issued to a licensee shall be disclosed for a period*
7 *of one year from the date described in paragraph (2) of subdivision*
8 *(c) of Section 7099.2.*

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

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

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

21 (B) Any disclosure pursuant to this paragraph shall also appear
22 on the license record of any other license identified as a qualifier
23 as defined in Section 7025 who is listed in the members of the
24 personnel of record as defined in Section 7025 of the license that
25 was issued the citation.

26 (C) The disclosure described in subparagraph (B) shall be for
27 the period of disclosure of the citation.

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

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

1 SEC. 3. The Legislature finds and declares that Section 2 of
2 this act, which amends Section 7124.6 of the Business and
3 Professions Code, imposes a limitation on the public's right of
4 access to the meetings of public bodies or the writings of public
5 officials and agencies within the meaning of Section 3 of Article
6 I of the California Constitution. Pursuant to that constitutional
7 provision, the Legislature makes the following findings to
8 demonstrate the interest protected by this limitation and the need
9 for protecting that interest:

10 In order to allow the Contractors' State License Board to fully
11 accomplish its regulatory and disciplinary goals for minor
12 violations, it is necessary to limit access to the letters of
13 admonishment.

AGENDA ITEM E

Public Affairs



AGENDA ITEM E-1

Review and Possible Approval of February 17, 2017, Public Affairs Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS COMMITTEE MEETING SUMMARY REPORT

A. Call to Order, Roll Call, and Establishment of Quorum

David Dias, Committee Chair, called the Contractors State License Board (CSLB) Public Affairs Committee meeting to order at 11:20 a.m. on Friday, February 17, 2017, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA, 95827. There was a video conference location in Norwalk and a telephone conference in San Jose. A quorum was established.

Committee Members Present

David Dias, Chair
Kevin J. Albanese (telephone conference)
David De La Torre
Pastor Herrera Jr. (video conference)
Nancy Springer

Board Members Present

Ed Lang

CSLB Staff Present

Cindi Christenson, Registrar	Rick Lopes, Chief of Public Affairs
Laura Zuniga, Chief of Licensing	Amber Foreman, Public Affairs Staff
Amy Cox-O'Farrell, Chief Deputy Registrar	Ashley Cadwell, Public Affairs Staff
Claire Goldstene, Public Affairs Staff	Brianna Brewer, CSLB Staff
Missy Vickrey, Enforcement Staff	Kristy Schieldge, DCA Legal Counsel
Michael Jamnetski, Licensing Staff	

Visitors Present

Jonathon Burke, DCA

After welcoming the audience, Mr. Dias expressed the Committee's hope that the potential danger had passed regarding the emergency spillway of the Oroville dam had passed and noted that Committee member Nancy Springer serves as Butte County's Chief Building Official.

Committee Chair Dias, taking note of Cindi Christenson's upcoming retirement, thanked her for her work as Registrar and Committee member Nancy Spring also thanked Ms. Christenson for her leadership. Registrar Christenson thanked the Committee members for their comments and also expressed her appreciation for the contractors and engineers who have worked so diligently to identify and resolve the problems with the Oroville dam spillway.

B. Public Comment

There was no public comment.



C. Public Affairs Program Update

Public Affairs Chief Rick Lopes updated the Committee on the unit's activities since the December 2016 Board meeting. Mr. Lopes explained how the CSLB website is accessed by various devices and reviewed media events, the issuance of press releases, and his participation in a press conference in Los Angeles about potential scams in the aftermath of heavy rains. He also reviewed social media statistics, and updated the Committee about the status of various publications and the ongoing Senior and Consumer Scam Stopper seminars.

Nancy Springer asked if the most viewed pages on the website vary or remain largely unchanged. Mr. Lopes responded that they generally remain consistent, as a number of them act as "gateway" pages to other areas of the website and offered to create a new comparison chart for future reports.

Pastor Herrera Jr. asked if more people file complaints with CSLB online or via the mail. Mr. Lopes responded that he did not have that information at hand, but would provide it in the next Public Affairs program update. Mr. Herrera Jr. also asked if it is possible to apply for a contractor's license online. Mr. Lopes explained that currently applicants must submit their paperwork either through the mail or in person. Committee member Herrera Jr. asked as well about social media relations and if messages are coordinated across platforms, which Mr. Lopes assured him was the case.

Committee member Herrera Jr. also commended Mr. Lopes on his participation in the press conference in Los Angeles related to roofing scams following the recent heavy rain, and noted that he heard reports from the press conference on various media outlets.

D. Review and Discussion Regarding Consumer Outreach Materials for Purchasing or Leasing a Solar Energy System

Rick Lopes presented draft outreach material designed for consumers considering purchasing or leasing a solar system. Draft language, which has not undergone legal review, was presented intended for the CSLB website, as well as a draft brochure from the National Association of State Contractor Licensing Agencies (NASCLA), for which the Public Affairs Office has offered assistance. Mr. Lopes requested any responses or suggestions from Committee members.

Nancy Springer suggested adding language to both documents about the need for building permits and inspections to occur before consumers sign a solar contract. Pastor Herrera Jr. suggested including a link to the tip sheet on the Federal Trade Commission website, clarifying the language about payments being released from financial institutions ahead of work being completed, and adding information about how to submit a complaint to CSLB if a problem arises. Mr. Lopes agreed to make



these changes.

E. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Public Affairs Objectives

Mr. Lopes provided the Committee with an update on the status of the Public Affairs strategic plan objectives and requested that the Committee consider revising the target dates for items 4.1 (consumer flagship publication), 4.2 (contractor flagship publication), 4.5 (CSLB orientation video for Board members and staff); remove item 4.3 (communications plan) since it is complete; add a second contractor publication focused on those seeking a license; and add the creation of a new video to guide people through the process of completing a license application to correspond to the new applications.

Nancy Springer asked about the completion date of item 4.6 (develop schedule for opt-in feature to add a “find a contractor” feature to the website) and the legislatively mandated completion date. Mr. Lopes responded that the feature must be in place by January 2019.

MOTION: Update the 2016-18 Public Affairs Strategic Plan as follows: item 4.1, change target date to June 2017; item 4.2, change target date to November 2017; item 4.3, remove; item 4.5, change target date to June 2018; add item 4.8, create contractor guide for licensees with a target date of September 2017; add item 4.9, create video guide to completing an application with a target date of December 2017. Kevin Albanese moved; Pastor Herrera Jr. seconded. The motion carried unanimously, 5–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
David De La Torre	X				
David Dias	X				
Pastor Herrera, Jr.	X				
Nancy Springer	X				

F. Adjournment

MOTION: Adjourn the February 17, 2017, Public Affairs Committee meeting. David De La Torre moved; Pastor Herrera Jr. seconded. The motion carried unanimously, 5–0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
David De La Torre	X				



David Dias	X				
Pastor Herrera, Jr.	X				
Nancy Springer	X				

Committee Chair Dias adjourned the Public Affairs Committee meeting at approximately 11:55 a.m.

AGENDA ITEM E-2

Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Media Relations Highlights
- d. Industry and Licensee Highlights
- e. Publication/Graphic Design Highlights
- f. Community Outreach Highlights
- g. Employee Relations, Development and Intranet (CSLBin)





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

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

STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant. The office is currently fully staffed, though the Student Assistant is scheduled to graduate this spring, and that position will become vacant.

ONLINE HIGHLIGHTS

Follow-Up Item from February 17, 2017 Public Affairs Committee Meeting

As noted in the Public Affairs Committee summary report presented earlier, at the February 17, 2017 Committee meeting, Board member Pastor Herrera Jr. asked if more people file complaints with CSLB online or via the mail.

CSLB's Intake-Mediation Center compiled the following information:

Year	Complaints Filed Online	Percentage of Total	Complaints Filed By Mail / In-Person	Percentage of Total
FY 15-16	6,538	35%	12,278	65%
FY 16-17 (partial)	3,480	38%	5,763	62%

CSLB Website Statistics

Month	Sessions	Users	Pageviews	Pages / Session	Ave. Session Duration	Bounce Rate	% New Sessions
February 2016	672,362	276,742	4,652,017	6.92	5:55	20.73%	22.83%
March	734,731	294,308	5,031,414	6.85	5:56	20.97%	22.54%
April	694,979	288,071	4,711,573	6.78	5:46	21.39%	23.99%
May	701,317	311,272	4,790,258	6.83	5:50	21.48%	31.66%
June	713,305	312,912	4,881,141	6.84	5:52	21.42%	31.32%
July	665,958	299,745	4,506,949	6.77	5:47	21.96%	31.92%
August	757,710	333,115	5,124,500	6.76	5:49	21.92%	31.72%
September	691,649	312,887	4,634,443	6.70	5:42	23.04%	32.30%



October	667,049	312,201	4,564,788	6.84	5:45	22.54%	34.15%
November	655,047	306,479	4,365,059	6.66	5:37	25.92%	33.87%
December	598,416	268,380	4,091,057	6.84	5:52	22.80%	31.45%
January 2017	740,028	333,487	5,059,165	6.84	5:52	22.83%	33.05%
12-Month Average	691,046	304,133	4,701,030	6.80	5:48	22.25%	30.07%
12-Month Total	8,292,551	3,649,599	56,412,364	Not	Not	Not	Not

Types of Devices – By Percentage

Month	All Users			New Users Only		
	Desktop	Mobile	Tablet	Desktop	Mobile	Tablet
February 2016	75.63%	20.38%	3.99%	64.32%	29.50%	6.18%
March	75.77%	20.45%	3.78%	64.33%	29.82%	5.85%
April	75.04%	21.13%	3.83%	64.30%	30.00%	5.69%
May	74.98%	21.23%	3.80%	65.47%	28.88%	5.64%
June	75.32%	21.11%	3.57%	66.09%	28.46%	5.45%
July	74.16%	21.98%	3.87%	64.88%	29.37%	5.75%
August	75.01%	21.39%	3.60%	65.61%	28.98%	5.41%
September	74.70%	21.73%	3.58%	65.83%	28.92%	5.25%
October	74.52%	21.93%	3.55%	66.35%	28.59%	5.07%
November	76.56%	20.22%	3.22%	70.13%	25.53%	4.34%
December	74.75%	22.00%	3.25%	64.78%	30.24%	4.98%
January 2017	74.92%	21.66%	3.41%	66.30%	28.73	4.97%
12 Month Avg.	75.11%	21.27%	3.62%	65.70%	28.92%	5.38%

Location of Users – January 1, 2017 to February 22, 2017

Country	% of Sessions
United States	98.12%
India	0.55%
Philippines	0.28%
Mexico	0.13%
Canada	0.13%
United Kingdom	0.05%
Pakistan	0.04%
China	0.03%
South Africa	0.03%
Australia	0.02%

State	% of Sessions
California	85.15%
Texas	1.80%
New York	1.62%
Colorado	1.60%
Arizona	0.92%
Illinois	0.77%
Nevada	0.76%
Florida	0.75%
Washington	0.50%
Oregon	0.45%



The 25 Most Viewed Pages on CSLB Website – Ranked by Pageviews
(Does Not Include Home Page, or Online Services Pages, including Instant License Check)

Page Title	Nov. 2016 – Jan. 2017	Aug. - Oct. 2016
Forms and Applications	1	1
Mechanics Lien Release Forms	2	2
Contact CSLB	3	3
B General Building Contractor	4	4
Contractor Home Page	5	5
Before Applying for a License	6	6
Consumer Home Page	7	7
C-61 Limited Specialty	8	8
Mechanics Lien Industry Bulletin	9	9
A General Engineering Contractor	10	11
C-10 Electrical Contractor	11	10
Tips to Reach Call Center	12	12
Application Experience	13	13
Journeyman Experience FAQs	14	15
C-27 Landscape Contractor	15	-
CSLB Fees	16	17
How Complaint Process Works	17	14
Applying for a License	18	16
Application Video	19	18
Check Waiver Application Status	20	22
License Renewal Info	21	20
2016 Revoked Licenses List	22	21
C-36 Plumbing Contractor	23	24
Studying for License Exam	24	23
C-33 Painting Contractor	25	19
Change of Address	-	25

VIDEO/DIGITAL SERVICES

Public Meetings

- *Committee Meetings – Webcasts*

PAO provided live webcasts for four committee meetings held during February 2017, at CSLB Headquarters in Sacramento.

- February 10, 2017: Licensing Committee Meeting
- February 10, 2017: Enforcement Committee Meeting

- February 17, 2017: Legislative Committee Meeting
- February 17, 2017: Public Affairs Committee Meeting

Live Viewers for Recent Meeting Webcasts

9/19/16 Board Meeting	9/20/16 Board Meeting	10/28/16 Committee Meetings	11/03/16 Committee Meetings	12/8/16 Board Meeting	2/10/17 Committee Meetings	2/17/17 Committee Meetings
115	66	78	34	88	24	16

Social Media

Followers on CSLB’s Social Media Channels

Date	Facebook	Twitter	YouTube	Periscope	Linkedin	Instagram	Flickr
Nov. 2010	86	50	2	-	-	-	-
Nov. 2011	731	638	20	-	-	-	-
Nov. 2012	1,139	1,040	282	-	-	-	-
Nov. 2013	1,457	1,349	343	-	-	-	-
Nov. 2014	1,796	1,622	352	-	-	-	-
Nov. 2015	2,228	1,824	434	10	14	-	-
Nov. 2016	2,909	2,123	600	62	59	12	7
Feb. 23, 2017	3,032	2,227	637	46	81	46	7

CSLB continues to use a variety of infographics to post information and engage with various audiences via social media. Below are examples of infographics recently posted on Facebook, Twitter, Instagram, and LinkedIn.



The use of infographics has increased CSLB’s social media engagement by 67.5 percent, in comparison to posts without graphics.



Instagram Growth

CSLB continues to use Instagram as a visual tool to connect with followers, as the significance of images on the Internet grows in conjunction with the use of smartphones. CSLB’s followers on Instagram have doubled since the December 2016 Board meeting.

Facebook Growth

Between January 2, 2017 and January 30, 2017, CSLB “reached” 26,321 people on its Facebook page.

- 68 percent of those who “react” to CSLB on Facebook are male; 31 percent female
- 56 percent of CSLB’s Facebook fans are between the ages of 35 and 54
- Most viewed posts:
 - Sting Properties Industry Bulletin - 3.3K reach

01/26/2017
12:24 pm



CSLB is encouraging licensees to consider attending free state busi

- Follow CSLB on Instagram - 1.9K reach

01/11/2017
4:48 pm



Don't miss an update! Stay plugg ed into all of our social media cha

- KCRA interview with Rick Lopes - 1.8K reach

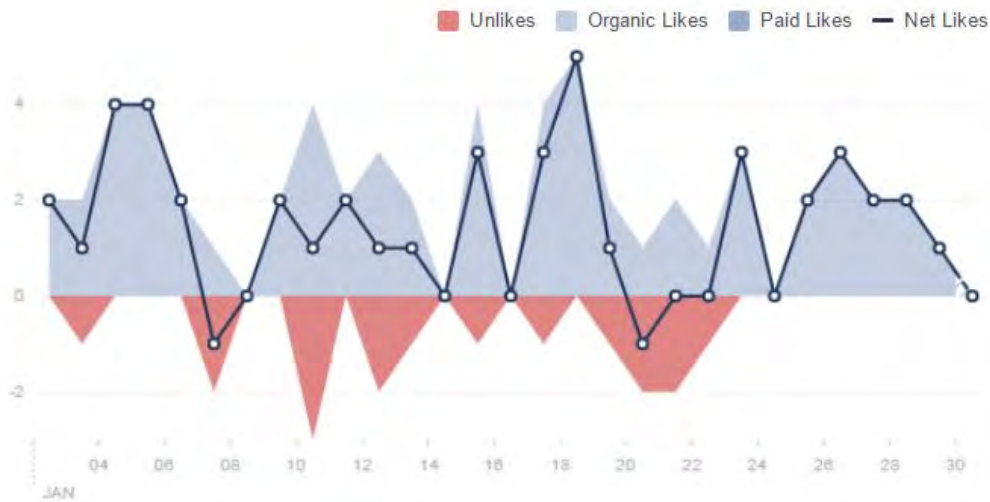
01/13/2017
3:11 pm



Check out CSLB's Chief of Publi c Affairs, Rick Lopes, discussing



The following chart shows the net growth per day from January 2, 2017 to January 30, 2017, for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas represent individuals who have “liked” CSLB at one point, but subsequently “un-liked” CSLB.



Twitter Growth

Between January 2, 2017 and January 30, 2017, CSLB gained 30 followers on Twitter, growing from 2,164 to 2,194.

- 67 percent of CSLB’s followers are male; 33 percent female
 - The number of female followers increased 2 percent since the December 2016 Board meeting.
- Tweets receive an average of 25.2K impressions (views) per month
- Top tweets:

New 2017 Laws – 1.3K impressions



CA Contractors Board @CSLB
 Here's an overview of new construction laws for 2017. Details>>> http://hq-stage-web01/Media_Room/Industry_Bulletins/2016/December_30.aspx
pic.twitter.com/cn9HAnAFUF

CSLB LinkedIn – 1.14K impressions



CA Contractors Board @CSLB

There are plenty of new job opportunities in 2017! Follow CSLB on LinkedIn for the latest job announcements.

<https://www.linkedin.com/company/contractors-state-license-board> ...
pic.twitter.com/jGLNbUixIQ

Periscope Use

CSLB currently uses Periscope to stream live videos before Board meetings and during outreach events. A link to the live stream can be sent out via social media and is available for viewers for 24 hours. Periscope allows viewers to send “hearts” (likes) to the broadcaster by tapping on the mobile screen as a form of appreciation. Viewers can also send comments and questions during the broadcast. CSLB has a total of 455 likes on its Periscope channel.

YouTube Growth

CSLB’s YouTube Channel received 4,531 views between January 1, 2017 and January 28, 2017, an average of 161 visitors per day. Viewers watched a combined total of 13,270 minutes of video. CSLB gained 29 followers on YouTube, growing from 600 to 629 since the December 2016 Board meeting.

- CSLB has a total of 386,278 views since the page was created in 2009
- 85 percent of CSLB YouTube viewers are male; 15 percent female
 - The number of male followers has increased by 5 percent since the December 2016 Board meeting.
- 46 percent of viewers find CSLB videos through “suggested videos” on YouTube; 20 percent from external links; 13 percent from YouTube search; and 21 percent use other methods

Flickr Growth

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

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

As of January 30, 2017, CSLB had 250 photos available for download on Flickr.



LinkedIn Growth

PAO regularly 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

In May 2010, PAO launched a website feature that allows people to subscribe to their choice of four types of CSLB email alerts:

- *California Licensed Contractor* newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

PAO added a CSLB Job Openings category in May 2016, and an email containing all current CSLB job openings is sent out on a weekly basis.

The total subscriber database currently stands at 26,444, which includes 506 new accounts since the Board’s December 2016 meeting.

Date	Industry Bulletins	Meeting Notices	CLC Newsletter	News Releases	Job Openings
May 2010	185	187	103	277	-
May 2011	2,390	1,531	3,141	2,361	-
May 2012	4,387	2,879	5,212	4,015	-
May 2013	5,089	3,341	5,975	4,660	-
May 2014	6,027	4,017	6,947	5,538	-
May 2015	6,459	4,273	7,293	5,852	-
May 2016	6,866	4,479	7,575	6,096	17
February 23, 2017	7,315	4,654	7,814	6,411	250

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. That database now consists of addresses for 146,403 licensees, which brings the combined database to 172,847 addresses.

MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between November 1, 2016 and February 23, 2017, PAO staff responded to 72 media inquiries. PAO provided interviews to a variety of online, newspaper, radio, magazine, and television outlets. The following chart breaks down these calls by month:

Date	# of Media Inquiries
November 2016	24
December 2016	6
January 2017	15



February 1-23, 2017	27
Total	72

Media Events

On Friday, February 24, 2017, PAO Chief Rick Lopes participated in an outreach event in San Jose sponsored by San Francisco-based KGO-TV. The event, which included on-air interviews, was set up to provide information to victims of flooding in San Jose, as well as to homeowners who have suffered other types of damage as a result of severe storms in January and February.



On Thursday, February 2, 2017, PAO Chief Rick Lopes participated in a news conference held by Los Angeles City Attorney Mike Feuer to warn homeowners about falling victim to roofing scams after damaging storms hit southern California. More than a dozen news outlets, including many foreign language media, were at the news conference, earning widespread coverage of CSLB’s consumer protection message.



As part of both media events, Mr. Lopes demonstrated a scam commonly used by unlicensed contractors who go door-to-door offering homeowners, often elderly, a free attic and roof inspection. Mr. Lopes highlighted how easily homeowners can be led to believe there is a serious problem with their roof when, in fact, no problem exists.



News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between November 15, 2016 and February 23, 2017, PAO distributed eight news releases.

Release Date	Release Title
November 28, 2016	For Some Unlicensed Contractors Caught in Fresno Undercover Sting It Was Like Déjà Vu All Over Again
November 30, 2016	Contractors State License Board Files Accusation to Suspend or Revoke License of General Contractor in Berkeley Balcony Collapse Case
December 14, 2016	CSLB Cites 12 Unlicensed Operators in a San Fernando Sting
January 13, 2017	Contractors State License Board Offers Advice for Consumers Ready to Make Flood Repairs
January 26, 2017	CSLB Warns Homeowners to Do Their Homework Before Undertaking Storm Repairs
February 2, 2017	CSLB Finds Contractors Lacking Licenses and Workers' Comp Insurance in Merced County
February 15, 2017	Rainy Weather Doesn't Deter Flood of Those Illegally Trying to Contract for Home Improvement Jobs in Santa Clara County
February 17, 2017	CSLB Investigators Find Repeat Offenders During Undercover Sting

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

No newsletters have been issued since the December 2016 Board meeting.

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins, which are sent out via email on an as-needed basis to almost 7,300 people and interested parties. Distribution includes those who signed-up to receive the bulletins through CSLB's Email Alert System. Between November 15, 2016 and February 23, 2017, PAO distributed four industry bulletins.

Release Date	Bulletin Title
November 29, 2016	Registrar of Contractors Announces Upcoming Retirement
December 30, 2016	CSLB Outlines New 2017 Laws Affecting California's Construction Industry



January 24, 2017	California Construction Industry Urged to Help CSLB Conduct its Highly Successful Undercover Sting Operations
January 25, 2017	Free Workshops Available to Help Contractors Do Business with the State of California

PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS

The following is an update of publication (print and online) and graphic design projects either completed or in progress since the December 2016 Board meeting.

Completed

- Law & Reference Book (2017 Edition)
- Asbestos: A Contractor’s Guide and Open Book Exam
- Tips for Hiring a Roofing Contractor Brochure
- Choosing the Right Landscaper Brochure
- What is a Stop Order? Brochure
- February 10, 2017 Committee Meetings Packet
- February 17, 2017 Committee Meetings Packet

In Production

- Mandatory Arbitration Program Guide
- Voluntary Arbitration Program Guide
- What Seniors Should Know before Hiring a Contractor
- 2016 Accomplishments & Activities Report

In Development

- Consumer Publication
- Contractor Publication
- Applicant Publication
- Building Official Information Guide

COMMUNITY OUTREACH HIGHLIGHTS

Disaster Outreach

At the time of this packet printing, PAO is working with the Enforcement division to coordinate outreach in the San Jose area for victims of flooding that occurred during the week of February 20th. CSLB will staff a Local Assistance Center that is scheduled to open February 25 and remain open daily through March 4.

Licensing Workshop

At the request of the Pasadena Community Job Center, CSLB conducted a Spanish-language licensing workshop on February 22, 2017. Board member Pastor Herrera Jr. offered opening remarks and CSLB staff member Ana Rodriguez presented general



information about the application and exam processes and answered questions from the approximately 40 participants. Registrar Cindi Christenson and Public Affairs Supervisor Claire Goldstene also attended.

Senior Scam StopperSM Seminars

CSLB’s Senior Scam StopperSM seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction-related scams and how seniors can protect themselves when hiring a contractor. Seniors are a vulnerable audience, often preyed upon by unlicensed or unscrupulous contractors.

Sessions feature expert speakers from many local, state, and federal agencies, who present broader topics, including identity theft, auto repair fraud, Medicare fraud, foreign lotteries, and mail fraud. In 2016, PAO conducted 98 Senior Scam StopperSM seminars; 568 since the program’s inception.

The following seminars have been conducted and/or scheduled for February 2017 through June 2017:

Date	Location	Legislative/Community Partner(s)
February 10	Port Hueneme	Asm. Jacqui Irwin
February 17	Laguna Beach	Asm. Matthew Harper
February 23	Vacaville	Asm. Jim Frazier
March 3	Santa Ana	Asm. Tom Daly
March 10	Mission Viejo	Sen. Pat Bates / OC County Senior Day
March 17 (tentative)	Orange County – TBA	Asm. Travis Allen
March 22	Claremont	Asm. Chris Holden
March 24	Anaheim	Asm. Tom Daly
March 29	Clovis	Millennium Housing
April 20	Union City	Sen. Bob Wieckowski / Asm. Bill Quirk
April 27	Castro Valley	Sen. Bob Wieckowski / Asm. Bill Quirk
April 28	San Jose	Asm. Evan Low
June 16	Fremont	Sen. Wieckowski/Asm. Quirk

Consumer Scam StopperSM Seminars

In 2016, PAO conducted 72 Consumer Scam StopperSM seminars and speakers bureau or other outreach events.



Between February 2017 and June 2017, CSLB staff has been scheduled to speak/staff booths for the following nine organizations/events, as well as conducting Consumer Scam StopperSM seminars:

Date	Location	Organization/Event
February 4, 2017	Long Beach	PHCC Flow Expo
February 21, 2017	Dublin	East Bay Uniform Code Committee
February 21, 2017	Seal Beach	Mary Chapman
February 24, 2017	San Marino	Fraud Event – Asm. Ed Chau
March 7, 2017	Rossmoor	Sons in Retirement
March 8, 2017	Redding	Fraud Prevention Fair – Shasta Co. District Attorney’s Office
April 5, 2017	Moraga	Sons in Retirement
April 13, 2017	Sacramento	Sacramento Co. Adult Protective Services Resource Fair
June 14, 2017	Richmond	Sons in Retirement

Industry Outreach

CSLB is an active member of the National Association of State Contractors Licensing Agencies (NASCLA). Currently, Registrar Cindi Christenson leads NASCLA’s ad hoc Solar Energy Committee, which is charged with creating a brochure targeted to homeowners considering solar energy systems. PAO assisted in the development of the brochure, which is currently undergoing final review.

EMPLOYEE RELATIONS

Intranet (CSLBin)

CSLBin, the employee-only Intranet site, was launched in November 2013. Stories and photos highlight employee and organizational accomplishments. In addition to employee news, the site also is kept current with the latest forms, policies, reports, and other information used by CSLB staff around the state.



Recent articles include CSLB staff participation in Enforcement’s Employee Development Class, updates on the Registrar’s and Chief Deputy Registrar’s retirement, highlights from the HQ Holiday Luncheon, and the new leadership in the Licensing division. PAO also used the Intranet to recognize the 55th anniversary of the appointment of the Board’s first public member and to emphasize the importance of data security.



In addition to these articles, new documents were added as resources for staff. The link to the 2017 Law & Reference Book and training guides for the new VOIP telephone system were made available in the "Employees" section.

Registrar Retirement

12.19.16

Here is an update on the pending retirements of both our Registrar and Chief Deputy Registrar. As was first announced last week, **Cindi Christenson** and **Cindy Kanemoto** are both retiring within the next six months.

Ms. Kanemoto's last day at CSLB will be December 30, 2016; Registrar Christenson's retirement will take effect on May 1, 2017.

The process of selecting and hiring a new Registrar, which is the responsibility of the Board, will begin



New Leadership in Licensing

01.04.17

Batman and Robin, Penn and Teller, peanut butter and jelly, milk and cookies... another dynamic duo is added to the list as **Laura Zuniga** and **Michael Jammetski** join Licensing Managers **Charlotte Allison** and **Nicole Newman** in leading CSLB's Licensing division.



As of January 3, Laura has officially stepped in as Licensing Chief. Laura served as Chief of Legislation for nearly six years, using her expertise to tighten-up contracting laws. Before she joined CSLB, she oversaw 38 boards and bureaus at DCA, and then 15 legislative programs at the State and Consumer Services

Agency. At CSLB, Laura was able to put her full focus into managing one outstanding program and earned a reputation for excellence while leading the

All Was Merry and Bright at the HQ Holiday Luncheon

12.22.16

The more, the merrier! CSLB employees gathered last Wednesday to celebrate the holiday season during the Annual Employee Appreciation Holiday Luncheon at Headquarters. Co-workers who have become Friends feasted on a delicious meal prepared by Board member **Augie Beltran**, **Tim Litton**, **Mike Leong**, **Doyle Smith**, **Curtis Kelly**, **Antoli Gavriluk**, **Chris Pedroza** and **Gary Woodworth**.



The hearing room was transformed into a winter wonderland with snowflakes hanging from the ceiling and tiny Christmas trees and poinsettias decking the tables. Registrar **Cindi Christenson**, Chief Deputy Registrar **Cindy**

CSLB Makes an Investment in Employees' Future

12.30.16

As the new year approaches, many of you might be thinking about resolutions aimed toward personal growth. The road to self-improvement began early for almost 70 Enforcement division employees last week as they attended a "Career Class." The class focused on career development and discussed ways employees can utilize their skills and resources to become successful on the road to retirement.

Board member **Marlo Richardson** welcomed the three classes; two at Sacramento headquarters and one in Norwalk, stating her goal was not just to meet the staff, but to do what she could to help them grow professionally.

Enforcement representative, **Doug Galbraith**, coordinated the training.



AGENDA ITEM E-3

Review and Discussion Regarding Consumer Outreach Materials for Purchasing or Leasing a Solar Energy System



AGENDA ITEM E-4

2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Public Affairs Objectives





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – UPDATE

Background

The Public Affairs Committee approved the changes to the Strategic Plan highlighted in yellow at its February 17, 2017, meeting.

(E) “Essential”

(I) “Important”

(B) “Beneficial”

PUBLIC AFFAIRS	TARGET	DESCRIPTION	STATUS
4.1 Complete Flagship Consumer Publication (E)	September 2016	Update of <i>What You Should Know Before You Hire a Licensed Contractor</i> booklet	Delayed pending hiring of new publications coordinator New target: June 2017
4.2 Complete Flagship Contractor Publication – for Licensees (E)	November 2016	Creation of new publication targeted toward journeymen, applicants, and licensees	Delayed pending hiring of new publications coordinator New target: November 2017
4.3 Update Communications Plan for 2017-2019 (E)	December 2016	Formal guideline that provides overview of Public Affairs objectives, goals, audiences, tools, and timetables to reach those audiences, and plans to evaluate results	Completed Approved by full Board on December 8, 2016
4.4 Develop Solar Outreach Material (I)	March 2017	Create CSLB website page to link consumers to most reliable solar-related information, supplemented by newly created CSLB material	On-Target other information Discussed on Agenda Item D
4.5 Develop Orientation Videos for New Staff/Board Members (I)	December 2017	Produce series of videos to be used as part of efforts to introduce staff and Board members to CSLB (see Administrative Objective 5)	Not yet started New target: June 2018
4.6 Develop Schedule for Opt-In, “Find a Contractor” Website Feature (E)	June 2018	Web-based feature that enables consumers to obtain a list of available licensed contractors in specific license classifications for specific geographic locations	Not yet started AB 2486 was enrolled on August 22, 2016
4.7 Expand Consumer Scam Stopper Outreach Program (B)	June 2018	Look for opportunities to expand CSLB’s face-to-face outreach to groups other than seniors	Currently developing possible options
4.8 Complete Flagship Contractor Publication – for Journeymen/Applicants (E)	September 2017	Creation of new publication targeted toward licensees	PROPOSED



4.9 Develop New License Application Video (E)	December 2017	Update website video reviewing how to complete license application	PROPOSED
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AGENDA ITEM F

Licensing



AGENDA ITEM F-1

Review and Possible Approval of February 10, 2017, Licensing Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

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

Licensing Committee Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order at 9:05 a.m. on Friday, February 10, 2017, in the John C. Hall Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California 95827. Ms. Granzella welcomed Committee members and asked for introductions.

Ms. Granzella congratulated Laura Zuniga for assuming the position of Chief of Licensing, and recognized her efforts in transitioning into the position.

Ms. Granzella noted a correction to the Committee meeting packet. In the Strategic Plan, objective 1.5 should have a target date of December 2017.

Committee Members Present

Susan Granzella, Chair
Linda Clifford
David De La Torre
Ed Lang
Frank Schetter
Johnny Simpson

Committee Members Absent

Michael A. Layton

Board Members Present

Marlo Richardson
Joan Hancock
Pastor Herrera Jr.

CSLB Staff Present

Cindi Christenson, Registrar
Amy Cox, Interim Chief Deputy Registrar
Laura Zuniga, Licensing Chief
Mike Jamnetski, Licensing Manager
Rick Lopes, Public Affairs Chief
David Fogt, Enforcement Chief
Kristy Schieldge, Legal Counsel

Claire Goldstene, Public Affairs Staff
Brianna Brewer, CSLB Staff
Stacey Paul, CSLB Budget Analyst
Ashley Caldwell, Public Affairs Staff
Wendi Balvanz, Testing Chief
Debbie Steffan, CSLB Staff

Others Present

Beverly Carr

Richard Markuson



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

B. Public Comment Session for Items not on the Agenda and Future Agenda Item Request

No public comments were presented.

C. Licensing Program Update

Laura Zuniga presented the Licensing program update for the Application and Transaction units, Experience Verification unit, Judgment unit, Record Certification unit, and the Criminal Background unit. She also reported on call volumes in the call center.

Committee member Frank Schetter asked about workers' compensation related license suspensions. Ms. Zuniga explained that licenses suspended because the workers' compensation certificate has not been processed may be retroactively renewed without a break in licensure once a valid certificate is processed.

Committee member Johnny Simpson expressed concern about the number of licensees with a workers' compensation exemption, and asked if the workers' compensation exemption rate is aligned historically. Ms. Zuniga explained that CSLB began requiring recertification of workers' compensation insurance coverage or the filing of an exemption at the time of license renewal in 2012. Historically, workers' compensation exemption rates have been around 60 percent, which is aligned with the current workers' compensation exemption rate.

D. Testing Program Update

Testing Chief Wendy Balvanz provided updates on exam administration and exam development within the Testing division. She also presented the Consumer Satisfaction Survey Interim Report.

Committee member Linda Clifford asked about the consumer satisfaction rate in the survey, and if CSLB has anticipated percentages for the question responses. Ms. Balvanz explained that the percentage stays fairly consistent, with minor variation, and is not expected to vary significantly from the current rating.

E. Strategic Plan Update; Discussion and Possible Action on 2017-18 Licensing and Examination Objectives

Licensing Chief Laura Zuniga provided an update on the Strategic Plan, and revised the target dates for objectives 1.1 (revising the application and related outreach material) and 1.3 (identify specific criteria for exam waiver and application review). Staff recommended removing objective 1.7 (researching a handyman exemption) because of past concerns raised by Board members and stakeholders.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

MOTION: To remove objective 1.7 (researching a handyman exemption) from the 2016-18 Licensing and Testing Strategic Plan. Linda Clifford moved; Ed Lang seconded. The motion carried unanimously, 6-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Susan Granzella	X				
Linda Clifford	X				
David De La Torre	X				
Ed Lang	X				
Michael A. Layton				X	
Frank Schetter	X				
Johnny Simpson	X				

Chair Granzella asked if the Committee could receive an update at the March 2017 Board meeting on the status of IT objectives. Registrar Cindi Christenson responded that an update will be provided at the next Board meeting agenda.

Ms. Clifford requested that a review of the \$500 threshold for licensure be placed on a future Licensing committee agenda.

F. Discussion and Possible Action Regarding the Little Hoover Commission Report: *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*

Licensing Chief Laura Zuniga presented this item and noted the staff recommendation that the Committee direct staff to further review items 3 and 5 in the summary provided in the packet.

Registrar Cindi Christenson explained that item 3 addresses reciprocity for licensees from other states and recommended that staff conduct additional research relating to CSLB’s current reciprocity agreements as well as how other states handle California licensees.

Legal Counsel Kristy Schiedge commented that such a review would better prepare CSLB to respond to any future legislation on this issue that might result from the Little Hoover Commission report and recommendations.

Ms. Zuniga added that a bill about licensee reciprocity has been introduced.

Committee member Linda Clifford believes CSLB should consider expanding beyond its current reciprocity agreements.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

Committee member Frank Schetter asked if CSLB would still require reciprocity applicants to pass an exam on California laws. Ms. Zuniga responded that licensees from other states would still be required to take the California law exam.

Ms. Christenson suggested that the Committee consider adding this item as a Strategic Plan objective.

MOTION: Add review of CSLB’s reciprocity agreements and how other states handle California licensees to the 2016-18 Licensing and Testing Strategic Plan. Linda Clifford moved; Ed Lang seconded. The motion carried unanimously, 6-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Susan Granzella	X				
Linda Clifford	X				
David De La Torre	X				
Ed Lang	X				
Michael A. Layton				X	
Frank Schetter	X				
Johnny Simpson	X				

Ms. Christenson then presented recommendation 5, which involves taking specified steps to make it easier for former offenders to gain employment. Ms. Schieldge spoke about the recommendation to establish an informal appeals process between initial license denial and an administrative law hearing, like the Bureau of Security and Investigative Services (BSIS). She noted that BSIS has a statutory committee that holds open meetings two-to-six times a year, and that BSIS has a higher rate of denials and fewer license types than CSLB. Ms. Schieldge suggested that staff research the financial and institutional feasibility of creating something similar for CSLB.

Committee member Ed Lang asked about the current treatment of former offenders in the licensing process. Ms. Zuniga responded that CSLB does have guidelines in place for the treatment of convictions.

Committee member Frank Schetter commented that he believed this recommendation from the Little Hoover Commission is targeted to professions other than contracting.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

MOTION: To add review of the feasibility of developing an informal process for review of license denials to the 2016-18 Licensing and Testing Strategic Plan. Linda Clifford moved; Ed Lang seconded. The motion carried unanimously, 6-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Susan Granzella	X				
Linda Clifford	X				
David De La Torre	X				
Ed Lang	X				
Michael A. Layton				X	
Frank Schetter	X				
Johnny Simpson	X				

G. Discussion Regarding CSLB License Classifications and Regulations that Authorize Contractors to Install Energy Storage Systems.

Chair Granzella stated that at the December 2016 Board meeting, Committee member Frank Schetter requested this item be placed on a future agenda, but since then he has indicated that the issue has been resolved, and is expected to make a motion to table the item.

Mr. Schetter confirmed that he did not want to pursue the item at this time. Legal Counsel Kristy Schiedge stated that no motion was needed

H. Adjournment

MOTION: To adjourn the February 10, 2017, meeting of the CSLB Licensing Committee. David De La Torre moved; Ed Lang seconded. The motion carried unanimously, 6-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Susan Granzella	X				
Linda Clifford	X				
David De La Torre	X				
Ed Lang	X				
Michael A. Layton				X	
Frank Schetter	X				
Johnny Simpson	X				

Licensing Committee Chair Susan Granzella adjourned the meeting at 9:45 a.m.

AGENDA ITEM F-2

Licensing Program Update

- a. Application Processing Statistics
- b. Workers' Compensation Recertification Statistics
- c. Fingerprinting/Criminal Background Unit Statistics
- d. Experience Verification Statistics
- e. Licensing Information Center Statistics
- f. Judgments Statistics





CONTRACTORS STATE LICENSE BOARD

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 fiscal year. This information is obtained from CSLB's internal Teale database.

Total Number of Applications Received Per Month

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Original Exam	1,233	1,255	1,232	1,191	922	1,077	1,162	1,096	1,189	1,049	1,021	1,109
Original Waiver	802	786	709	765	538	541	649	596	653	325	432	475
Add Class	367	360	430	359	269	290	327	315	331	306	313	390
Qualifier Replacer	235	224	229	206	133	173	200	207	218	165	194	191
Home Improvement	1,142	958	1,047	802	793	818	867	808	785	726	703	651
Received Per Month	3,779	3,583	3,647	3,323	2,655	2,899	3,205	3,022	3,176	2,571	2,663	2,816
3-Month Totals			11,009			8,877			9,403			8,050

Total Applications Received – Prior Fiscal Years

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Original Exam	10,542	10,005	10,185	11,098	12,702
Original Waiver	7,124	6,791	7,719	7,858	8,383
Add Class	4,609	4,158	3,854	3,880	4,068
Qualifier Replacer	2,191	2,295	2,259	2,279	2,399
Home Improvement	6,279	7,525	9,522	12,557	12,421
Total Received	30,745	30,774	33,539	37,672	39,973



The charts below provide the total number of applications processed by the Application units each month and fiscal year. This information is obtained from CSLB’s internal Teale database.

Total Number of Applications Processed Per Month

	Feb 2016	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017
Original Exam	1,122	1,078	954	1,593	2,045	1,627	1,328	1,003	1,051	1,040	863	835
Original Waiver	659	649	671	778	956	806	959	716	701	448	494	662
Add Class	335	411	320	323	329	308	326	303	292	221	287	242
Qualifier Replacer	212	272	229	223	276	239	179	258	267	342	207	185
Home Improvement	614	587	733	564	555	350	581	391	552	428	359	377
Total Per Month	2,942	2,997	2,907	3,481	4,161	3,330	3,373	2,671	2,863	2,479	2,210	2,301

Total Applications Processed – Prior Fiscal Years

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Original Exam	9,883	8,304	12,563	16,571	12,622
Original Waiver	6,603	7,714	8,487	9,595	8,536
Add Class	4,620	4,227	4,378	4,134	4,149
Qualifier Replacer	2,168	2,216	2,334	2,544	2,732
Home Improvement	3,725	4,018	3,990	6,880	7,437
Total Processed	26,999	26,479	31,752	39,724	35,476

Applications are “processed” whenever any of the following actions occur:

- Application review is completed; application is accepted or “posted” and examination(s) are scheduled.
- Application review is completed; bond and fee notification letter requesting issuance requirement(s) sent.
- Application review is completed; all issuance requirements met and license issued.
- Enforcement division flags a member of the application personnel; application is referred to Case Management.
- Application is referred to Judgment unit; application personnel are matched with an outstanding liability, judgment, or payment of claim on an existing license.
- Application is referred to Family Support unit; member of application personnel is out of compliance with child or family support judgment or order.



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 transaction, and public information unit documents 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.

The time-to-process for applications and renewals includes an approximate two-day backlog that accounts for the required cashing and image-scanning tasks that must be completed before an application or document can be processed.

Average Weeks to Initial Processing By Month

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017
Original Exam	9.0	7.1	9.0	7.3	3.5	2.5	3.0	3.5	4.0	4.5	5.0	5.0
Original Waiver	2.3	2.3	3.1	3.5	4.0	4.5	2.6	1.6	2.0	2.4	4.1	3.3
Add Class	4.0	3.1	3.0	3.1	4.0	3.0	3.0	1.5	2.0	2.0	1.5	2.0
Qualifier Replacer	3.0	3.5	3.5	5.0	5.5	1.0	2.5	1.5	1.5	2.0	1.0	1.5
Home Improvement	4.0	2.5	3.0	2.0	1.5	1.5	1.0	0.5	1.5	3.0	1.5	2.0
Renewal	1.3	0.1	2.6	2.1	2.5	2.0	2.5	3.5	2.0	3.3	3.0	3.0
Add New Officer	1.7	0.1	2.0	1.6	4.0	2.5	1.0	2.0	1.0	1.5	2.5	2.0
Address/ Name Change	1.9	0.5	2.3	2.1	4.0	2.5	1.0	1.5	1.0	1.3	2.5	2.0
Bond / Bond Exemption	0.6	0.5	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Workers Comp / Exempt	0.7	1.0	0.6	1.0	0.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Certified License History	4.5	4.7	2.0	0.7	1.2	1.2	1.2	2.0	0.8	0.5	2.1	0.7
Copies of Documents	1.8	1.9	1.1	0.9	0.6	0.5	0.0	0.2	0.3	1.2	0.2	0.0
CORI Review*	3.0	2.0	2.5	2.5	3.5	4.0	4.5	4.4	4.3	1.1	1.4	1.2

*Outside CSLB Control-DOJ/FBI
tir

Disposition of Applications by Fiscal Year - As of Feb. 1, 2017

Fiscal Year	Number of	Processed	Void	Pending
2015-16	39,973	24,638	12,098	3,237*

The Application Disposition chart shown above illustrates the number of applications received in the last fiscal year 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 replacer, and home improvement salesperson applications. This report allows staff to monitor the disposition of applications and to identify any applications that require special attention. This information is obtained from CSLB’s internal Teale database.

In fiscal year 2015-16, the Licensing division received a combined total of 39,973 applications. As of February 1, 2017, 24,638 applications were processed and licenses issued; 12,098 applications were processed and voided; and 3,237 applications remain pending.

*The reasons an application may be classified as pending include:

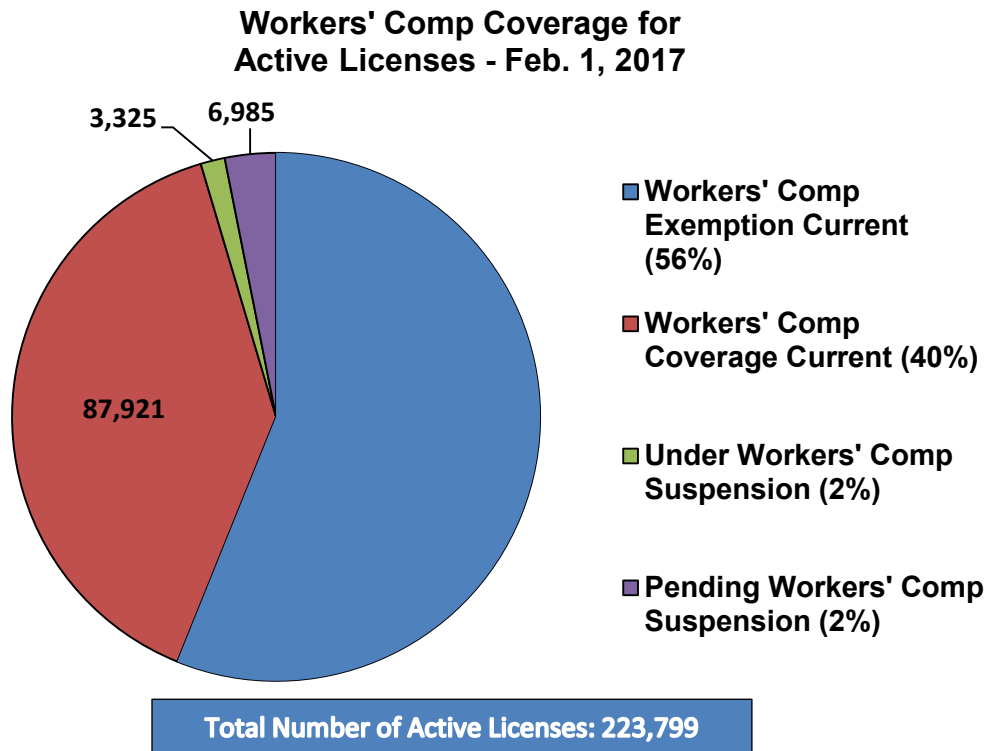
- The applicant does not pass the exam, but is still within the 18-month window during which he or she must pass the examination.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background unit.
- The applicant has not submitted final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



WORKERS' COMPENSATION RECERTIFICATION

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 recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.

This chart provides a snapshot of workers' compensation coverage for active licenses. This information is obtained from CSLB's internal Teale database.



The chart shown on the following page provides the current workers' compensation coverage (policies and exemptions) on file for active licenses by classification and the percentage of exemptions per classification. This information is obtained from CSLB's internal Teale database.



Active License Classifications Workers' Comp Status – As of Feb. 1, 2017

	Classification	Exemptions	WC Policies	Total Policies	% of Total with
A	General Engineering	5,695	8,388	14,083	40%
B	General Building	63,324	35,390	98,714	64%
C-2	Insulation and Acoustical	309	815	1,124	27%
C-4	Boiler Hot Water	214	583	797	27%
C-5	Framing / Rough Carp	495	270	765	65%
C-6	Cabinet-Millwork	2,795	1,724	3,519	62%
C-7	Low Voltage Systems	2,109	2,554	4,663	45%
C-8	Concrete	2,523	3,172	5,695	44%
C-9	Drywall	1,291	1,600	2,891	45%
C10	Electrical	13,859	10,022	23,881	58%
C11	Elevator	39	156	195	20%
C12	Earthwork & Paving	1,035	1,227	2,262	46%
C13	Fencing	684	752	1,436	48%
C15	Flooring	3,796	3,090	6,886	55%
C16	Fire Protection	751	1,279	2,030	37%
C17	Glazing	1,077	1,537	2,614	41%
C20	HVAC	6,275	4,847	11,122	56%
C21	Building Moving Demo	484	1,010	1,494	32%
C22	Asbestos Abatement	3	236	239	1%
C23	Ornamental Metal	434	545	979	44%
C27	Landscaping	4,783	6,018	10,801	44%
C28	Lock & Security Equipment	163	187	350	47%
C29	Masonry	1,096	1,303	2,399	46%
C31	Construction Zone	46	198	244	19%
C32	Parking Highway	196	294	490	40%
C33	Painting	8,843	6,186	15,029	59%
C34	Pipeline	171	304	475	36%
C35	Lath & Plaster	654	1,053	1,707	38%
C36	Plumbing	8,776	5,935	14,711	60%
C38	Refrigeration	961	904	1,865	52%
C39	Roofing	0	3,962	3,962	0%
C42	Sanitation	386	531	917	42%
C43	Sheet Metal	451	998	1,449	31%
C45	Signs	401	434	835	48%
C46	Solar	465	641	1,106	42%
C47	Gen Manufactured House	226	193	419	54%
C50	Reinforcing Steel	64	164	228	28%
C51	Structural Steel	420	926	1,346	31%
C53	Swimming Pool	1,079	1,199	2,278	47%
C54	Tile	3,572	2,493	6,065	59%
C55	Water Conditioning	136	155	291	47%
C57	Well Drilling	356	495	851	42%
C60	Welding	567	387	954	59%
C61	Limited Specialty	7,564	8,699	16,263	47%
ASB	Asbestos Cert	328	718	1,046	31%
HAZ	Hazardous Cert	571	1,238	1,809	32%



FINGERPRINTING/CRIMINAL BACKGROUND UNIT

As mandated in January 2005, CSLB continues to fingerprint all applicants for licensure. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide Criminal Offender Record Information (CORI) to CSLB for in-state convictions and for out-of-state and federal convictions, respectively.

From fiscal year 2005-06 through fiscal year 2010-11, CSLB received 240,907 transmittals from DOJ that included clear records and conviction information. During that time, the Criminal Background Unit (CBU) staff received CORI files for 40,608 applicants, an indication that DOJ and/or the FBI had a criminal conviction(s) on record for that individual. As a result, CBU denied 1,015 applications and issued 668 probationary licenses; 497 applicants appealed their denials.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the results are delayed. 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 60 or 90 days, or more. Since DOJ and FBI are independent agencies, CSLB has no control over these delays and must wait for the fingerprint results before issuing a license.

Below is a breakdown of CBU statistics for the past five fiscal years, as well as the current fiscal year. This information is obtained from CSLB's internal Teale database.

Criminal Background Unit Statistics

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17*	TOTALS
DOJ Records F	18,805	18,270	20,395	28,434	32,323	22,290	140,517
CORI RAPP F	3,997	3,663	3,768	4,686	6,268	3,950	26,332
Denials	70	67	37	40	52	33	299
Appeals	39	36	23	21	27	14	160
Probationary L	146	71	76	97	72	57	519

*as of January 31, 2017



EXPERIENCE VERIFICATION UNIT

Business and Professions Code section 7068(g) and California Code of Regulations 824 requires CSLB to investigate a minimum of 3 percent of applications received to review applicants' claimed work experience.

Since implementation in September 2014, the Experience Verification Unit staff has been assigned and completed 1,837 applications for experience verification.

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

	Feb 2016	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017
Withdrawn	3	8	6	2	5	2	1	5	15	11	12	9
Verified	24	28	26	33	34	38	42	44	41	4	18	22
Denied	14	15	22	26	20	25	44	34	30	13	11	14
Appealed	1	1	1	1	3	3	1	2	5	4	0	1
Pending	86	95	106	103	154	132	129	116	75	77	85	71

The chart on the next page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification as of January 31, 2017.

**Experience Verification By Classification – As of Jan. 31, 2017**

Classification	Appealed	Withdrawn	Verified	Denied	Pending	Total
A General Engineering	15	27	37	22	5	106
B General Building	67	206	330	290	29	922
C-2 Insulation/Acoustic	0	1	2	0	0	3
C-4 Boiler Hot Water	0	0	2	0	1	3
C-5 Framing/Rough Carp	0	1	3	2	1	7
C-6 Cabinet-Millwork	0	2	7	2	0	11
C-7 Low Voltage	0	2	15	2	1	20
C-8 Concrete	0	6	17	8	1	32
C-9 Drywall	2	0	2	9	0	13
C-10 Electrical	3	13	84	31	10	141
C-12 Earthwork/Paving	0	3	8	5	0	16
C-13 Fencing	0	0	2	5	0	7
C-15 Flooring	1	1	11	6	2	21
C-16 Fire Protection	0	2	4	0	0	6
C-17 Glazing	0	2	3	3	1	9
C-20 HVAC	5	7	42	18	5	77
C-21 Bldg.Moving/Demo	0	1	3	4	1	9
C-22 Asbestos	0	2	3	1	0	6
C-23 Ornamental Metal	0	2	1	0	0	3
C-27 Landscaping	3	7	29	21	7	67
C-28 Lock/Security Equip	0	0	3	0	0	3
C-29 Masonry	0	1	3	2	0	6
C-31 Construction Zone	0	0	0	1	0	1
C-32 Parking Highway	0	2	2	0	0	4
C-33 Painting	1	4	40	15	6	66
C-34 Pipeline	1	0	0	0	0	1
C-35 Lath-Plaster	1	0	2	4	1	8
C-36 Plumbing	4	7	59	14	5	89
C-38 Refrigeration	0	0	0	1	0	1
C-39 Roofing	2	3	7	6	4	22
C-42 Sanitation	0	2	1	1	1	5
C-43 Sheet Metal	0	1	1	0	0	5
C-45 Sign	0	0	8	3	0	13
C-46 Solar	1	1	8	3	0	13
C-47 Manufact. Housing	0	0	1	1	0	2
C-50 Reinforcing Steel	0	0	1	0	0	1
C-51 Structural Steel	1	0	3	0	0	4
C-53 Swimming Pool	1	2	2	5	0	10
C-54 Tile	0	7	17	7	2	33
C-57 Well Drilling	0	2	5	4	0	11
C-60 Welding	0	1	6	1	1	9
C-61 Limited Specialty	1	7	46	11	3	65
Total	109	325	811	505	57	1,837



LICENSING INFORMATION CENTER (LIC)

LIC Support Services

CSLB’s Licensing Information Center is the first point of contact for applicants, consumers, licensees, and governmental agencies needing information relative to licensing laws, hiring a contractor, licensing application information, and the status of an application. The LIC receives, on average, 13,000 calls monthly. Staff that respond to calls must have knowledge of all licensing transaction processes in order to assist callers with correct and complete information.

Licensing Information Center Call Data by Month

Inbound	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan
Calls	13,988	13,864	13,496	12,997	13,797	13,504	15,578	13,324	13,689	13,034	12,395	16,283
Calls	13,710	13,600	12,659	12,571	13,395	13,172	15,247	13,042	13,421	12,754	11,916	14,673
Caller	273	260	770	409	401	331	331	192	267	279	460	1,575
Longest	04:34	04:50	11:41	07:22	02:58	04:15	03:40	03:18	03:17	03:37	11:25	13:13
Shortest	00:15	00:16	00:41	00:44	00:12	00:24	00:15	00:26	00:15	00:19	00:20	01:15
Avg. Wait	04:04	04:08	04:10	04:10	04:02	01:36	01:19	01:04	01:10	01:29	01:42	06:12

Licensing Information Center Call Data - Prior Fiscal Years

Inbound Activity	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Calls Received	155,956	148,650	148,639	158,096	160,996	155,774
Calls Answered	135,932	122,507	137,027	153,417	153,316	151,852
Caller Abandoned	19,924	26,114	11,581	4,300	7,558	3,815
Longest Wait Time	16:10	22:04	15:06	04:33	09:54	05:33
Shortest Wait Time	01:23	03:32	01:15	00:19	00:31	00:17
Average Wait Time	06:00	09:49	04:49	01:48	04:35	04:07



JUDGMENT UNIT

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

The chart on the following page provides the number of notifications mailed to licensees relating 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 - SAVINGS TO PUBLIC

	Feb-16	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-17
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Outstanding Liabilities (From California State Agencies)

Initial	51	71	63	81	63	46	60	72	70	73	72	56
Suspend	84	46	44	60	55	69	58	38	52	60	53	67
Reinstate	52	49	42	40	39	36	38	31	36	41	43	36
Monetary Savings to Public	1,830,785	2,811,436	1,764,268	1,257,418	1,195,547	1,624,304	1,497,293	2,114,873	1,416,055	2,914,450	1,540,364	1,136,471

Final Judgments (From Court Actions)

Initial	55	50	74	65	68	71	76	103	72	66	76	70
Suspend	3	19	12	12	16	27	27	33	27	42	38	34
Reinstate	72	73	88	69	64	60	72	49	88	77	64	74
Monetary Savings to Public	1,898,807	1,298,985	1,637,140	894,366	2,862,405	2,080,931	1,936,473	1,922,000	1,865,559	2,174,668	1,356,191	2,695,465

Payment of Claims (From Bonding [Surety] Companies)

Initial	167	137	140	129	151	134	142	153	144	129	167	146
Suspend	59	53	34	82	62	66	73	63	54	72	80	80
Reinstate	137	139	134	113	117	115	124	97	109	96	112	107
Monetary Savings to Public	863,309	840,258	796,034	764,460	710,483	726,172	714,448	665,705	634,256	575,262	742,107	705,706
Combined Monetary Savings	4,581,805	4,950,487	4,197,194	2,915,852	4,768,062	4,431,407	4,148,214	4,702,578	3,915,870	5,664,380	3,638,662	4,537,642



AGENDA ITEM F-3

Testing Program Update

- a. Examination Administration Unit Update
- b. Examination Development Unit Update
- c. Consumer Satisfaction Survey Interim Report





CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

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

Number of Examinations Scheduled Per Month February 2016 - January 2017

Feb 2016	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017	Total
2,808	3,566	3,448	3,464	3,659	3,804	4,305	4,542	3,821	3,949	3,751	3,960	45,077

Test Center Status

CSLB maintains test centers in the following locations:

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

Examination Administration Unit Staffing

EAU is fully staffed.

Number of Examinations Scheduled by Test Center February 2016 – January 2017

Test Center	Number of Examinations Scheduled
Berkeley	5,284
Fresno	2,553
Norwalk	10,943
Oxnard	5,612
Sacramento	5,448
San Bernardino	6,758
San Diego	4,700
San Jose	3,779
Total	45,077



EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

Licensure examinations involve two ongoing phases: occupational analysis and examination development. This cycle must be completed every five to seven years for each of CSLB’s examinations.

The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The cycle starts with interviews of a sample of active California licensees statewide. EDU staff then conducts two workshops with these subject matter experts, along with online surveys about job tasks and relevant knowledge. The result is a validation report that includes an examination outline, which serves as a blueprint for constructing examination versions/forms.

The examination development phase involves numerous workshops to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.

EDU released a new examination in February 2017: C-27 Landscaping.

EXAMINATION PROGRAMS IN PROGRESS AS OF MARCH 1, 2017	
Occupational Analysis	Examination Development
C-46 Solar	C-2 Insulation and Acoustical
C-21 Building Moving and Demolition	C-4 Boiler, Hot Water Heating and Steam Fitting
C-57 Well Drilling	C-7 Low Voltage Systems
HAZ Hazardous Substance Removal	C-12 Earthwork and Paving
	C-16 Fire Protection
	C-32 Parking and Highway Improvement
	C-53 Swimming Pool
	C-54 Ceramic and Mosaic Tile
	Law and Business

New Code Regulations

All 46 examination programs are currently compliant with the 2016 California Building Codes that became effective January 1, 2017.



Examination Development Unit Staffing

EDU has one vacancy, a Personnel Selection Consultant I.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process.

Consumers receive the survey in the first or second month after their complaint is closed.

To improve the survey's response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email one month after the initial request is sent.

An annual Consumer Satisfaction Survey Report is produced each spring. A partial-year report for 2016 appears on the following page.



JANUARY 2016–NOVEMBER 2016 INTERIM REPORT ON THE CONSUMER SATISFACTION SURVEY

The Consumer Satisfaction Survey Report is based on surveys of individuals who have filed complaints with the Contractors State License Board's (CSLB's) Enforcement division against licensed or unlicensed contractors. These surveys assess the public's satisfaction with CSLB's handling of their complaints. The original benchmark survey began with complaints that were closed in 1993, and assessment of consumer satisfaction has continued since that time.

The present report assesses consumer satisfaction for complaints closed January 2016 through November 2016. Of those closed complaints, 7,364 complainants provided CSLB with email addresses. Duplicate complainants and clearly incorrect email addresses were removed, leaving a total sample of 7,192. A total of 1,509 complainants, 21 percent of those contacted, responded to the survey. Historically, the response rate for the Consumer Satisfaction Survey has ranged from 17 percent to 31 percent, which is considered standard for this type of survey.

The results from surveying consumers with complaints closed between January 2016 and November 2016 are summarized in Table 1 below. This table also includes the annual ratings on the eight consumer satisfaction questions for the last five years. These questions are virtually identical to those used since 1994.

History

From 1993 to 2009, a total of 4,800 complainants (400 per month) were randomly selected to receive surveys. In 2010, the survey's format and sampling method were changed and the survey was emailed to all consumers with closed complaints who provided email addresses to CSLB.

Project Design

Questionnaire Description

The nine-item questionnaire was developed in SurveyMonkey, eight of which assessed customer service. Seven questions related to specific aspects of the complaint process, and one question addressed overall satisfaction with service. The complainants were asked to rate the questions on a seven-point agreement scale. The rating scale provided three levels of agreement with a question (Strongly Agree, Agree, and Mildly Agree), and three levels of disagreement (Strongly Disagree, Disagree, and Mildly Disagree). The rating scale also included a "Neutral" point. The final question addressed whether or not consumers inquired with CSLB about their contractor's license status prior to hiring, and used a forced choice (Yes/No) rating scale. The questionnaire also provided space for written comments.

Sampling Procedure

Between January 2016 and November 2016, CSLB completed the investigation or mediation process for 18,508 complaints filed by consumers against licensed and



unlicensed contractors. The total number for calendar year 2015 was 19,343. Surveys were sent, via email, to 7,192 of those consumers through SurveyMonkey in individual monthly batches.

Analysis Procedure

The level of agreement with each service category question was determined by combining the three "Agreement" points, and then dividing this number by the total number of respondents. This procedure provides the proportion of respondents who agreed with the question.

Table 1: Historical Results of the Consumer Satisfaction Survey (2011 – Jan-Nov 2016)

Questionnaire Statements	Percent Agreement by Calendar Year					
	2011	2012	2013	2014	2015	Jan - Nov 2016
1. The CSLB contacted me promptly after I filed my complaint.	81%	81%	77%	80%	77%	78%
2. The procedures for investigating my complaint were clearly explained to me.	74%	75%	72%	75%	74%	76%
3. The CSLB kept me informed of my case's progress during the investigation.	66%	69%	63%	66%	66%	68%
4. I was treated courteously by the CSLB's representative(s).	83%	85%	82%	83%	84%	87%
5. My complaint was processed in a timely manner.	68%	67%	61%	65%	66%	65%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	67%	69%	67%	69%	70%	70%
7. The action taken in my case was appropriate.	52%	57%	54%	58%	56%	58%
8. I am satisfied with the service provided by the CSLB.	58%	61%	58%	63%	62%	62%

AGENDA ITEM F-4

2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Licensing and Examination Objectives





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – UPDATE

Background

The Licensing Committee approved the changes to the Strategic Plan highlighted in yellow at its February 10, 2017, meeting.

(E) “Essential”

(I) “Important”

(B) “Beneficial”

LICENSING & TESTING OBJECTIVES	TARGET	DESCRIPTION	STATUS
1.1 Revise Application Package and Related Outreach Material (E)	January 2016	In conjunction with Public Affairs, update package of application materials to decrease confusion, increase	Completed update of application materials; awaiting IT programming New target date of March 2017
1.2 Create Exam Development Presentation for Future Board Meetings (I)	September 2016	Help current and future Board members, as well as the public, better understand CSLB’s computerized license testing process	Completed
1.3 Identify Specific Criteria for Examination Waiver and Application Review (B)	September 2016	In conjunction with Enforcement division, develop criteria to review waiver applications that better identifies potentially fraudulent submissions (see Legislative Objective 4)	Requires statutory or regulatory change New target date of March 2017
1.4 Research and Implement Measures to Reduce Initial Application Processing Times (E)	December 2016	In connection with Objective 1, examine current processes, procedures, staffing levels, and other issues to identify ways to speed up the time it takes to issue new licenses	Partially completed; awaiting IT programming
1.5 Conduct Comparative Study of Pass/Fail Rates of Contractor License Exams in Other States (I)	March 2017	Educate and inform Board members and the public about how California pass/fail rates compare with other states	Partially completed; awaiting IT programming
1.6 Develop Online Smart Application Content to Reduce Application Return for Correction	January 2017	In conjunction with Information Technology division, develop and implement online application to ensure applicants provide accurate and all necessary information	In process, working with IT staff to complete



1.7 Research Handyman Exemption (B)	January 2018	Determine if current handyman exemption should be modified, or if a new license type should be developed to better protect consumers	Staff recommends dropping this objective, due to past concerns raised by board members and stakeholders Remove
1.8 Review CSLB license reciprocity agreements		In response to Little Hoover Commission report on barriers to occupational licensing, review existing CSLB license reciprocity agreements and how other states handle CSLB licensees	Proposed
1.9 Review feasibility of process to review license denials		In response to Little Hoover Commission report on barriers to occupational licensing, review possibility of establishing an informal process to review license denials	Proposed

AGENDA ITEM F-5

Discussion and Possible Action
Regarding the Little Hoover
Commission Report:
*Jobs for Californians: Strategies to
Ease Occupational Licensing Barriers*

AGENDA ITEM F-6

Discussion Regarding CSLB License Classifications and Regulations that Authorize Contractors to Install Energy Storage Systems

AGENDA ITEM G

Enforcement

AGENDA ITEM G-1

Review and Possible Approval of
February 10, 2017,
Enforcement Committee
Meeting Summary Report



CONTRACTORS STATE LICENSE BOARD

Enforcement Committee Meeting Summary Report

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

Enforcement Committee Chair Marlo Richardson called the meeting of the Contractors State License Board (CSLB) Enforcement Committee to order on February 10, 2017, at 10:00 a.m. in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California. A quorum was established.

Committee Members Present

Marlo Richardson, Chair
Susan Granzella
Joan Hancock
Pastor Herrera Jr.
Ed Lang
Frank Schetter

Committee Members Excused

Kevin Albanese

CSLB Staff Present

Cindi Christenson, Registrar
Amy Cox-O'Farrell, Chief Deputy Registrar
David Fogt, Chief of Enforcement
Kristy Schieldge, DCA Legal Counsel
Jessie Flores, Deputy Chief of Enforcement
Rick Lopes, Chief of Public Affairs
Claire Goldstene, Public Affairs Staff

Steve Grove, Enforcement Supervisor
Doug Galbraith, Enforcement Staff
Cynthia Moore, Enforcement Supervisor
Kate Howard, Enforcement Staff
Rebecca Lyke, Enforcement Staff
Heather Young, Enforcement Staff
Ashley Caldwell, Public Affairs Staff

California Solar Energy Industry Association

Bernadette Del Chiaro, Executive Director

Members of the Public

Richard Markuson, Pacific Advocacy Group
John Upshaw, Independent Roofers Association
Johnny Zamrzla, Roofing Contractors Association of California
Ed Murray, Aztec Solar

Committee Chair Marlo Richardson began the meeting by highlighting the new Career Advancement Training recently offered by the Enforcement division and commended the division for providing quality training to staff to help encourage career growth. She also recognized Consumer Services Representative Kate Howard for her outstanding performance in the Sacramento Intake and Mediation Center.

**B. Public Comment Session**

Richard Markuson, Pacific Advocacy Group, thanked Enforcement staff for their continued work with the Division of Labor Standards Enforcement (DLSE) regarding electrician certification enforcement and expressed his gratitude for the opportunity to meet with CSLB staff to discuss various enforcement options. Mr. Markuson also thanked Registrar Cindi Christensen for attending and answering questions at a recent Plumbing Heating Cooling Contractors Association meeting.

C. Enforcement Program Update

Deputy Chief of Enforcement Jessie Flores presented the Enforcement Program Update and highlighted consumer investigations and complaint-handling statistics that demonstrated staff's continued commitment to consumer protection.

Committee member Joan Hancock expressed her appreciation for the continued focus on the enforcement of heating and air conditioning permit requirements. (An example of consumer restitution resulting from an HVAC complaint investigation was included in the Committee packet.) Ms. Hancock asked for more information about how CSLB works with building departments to enforce permit requirements. Chief of Enforcement David Fogt replied that the Enforcement division developed a special complaint form to allow building department staff to report violators, and two Enforcement Representatives are assigned to handle building department referrals. Ms. Hancock suggested that CSLB may want to pursue a *requirement* that building officials report violators to CSLB. Chief Fogt said that he will discuss her suggestion with Board member Nancy Springer, who is the Butte County building official. In addition, Chief Fogt will ask to speak at the next California Building Officials (CALBO) annual meeting regarding the benefit of CSLB and CALBO working together to ensure permit compliance.

Committee member Joan Hancock expressed concern about the high number of complaints related to unlicensed practice and noted that in 2016, non-licensee investigations resulted in 791 criminal referrals and 820 administrative citations. She requested that additional research be conducted to determine if the complaints involved low dollar amounts. If so, she suggested that CSLB may want to review the minor work exemption and/or pursue consumer outreach. Chief Fogt confirmed that staff will research reactive and proactive non-licensee investigations to determine the average contract amount.

Committee member Pastor Herrera Jr. expressed his appreciation for including in the Committee packet a story regarding staff's presentation to the Los Angeles Painting and Finishing Contractors Association and encouraged staff to perform additional industry outreach.



Training coordinator Doug Galbraith provided a summary of the Enforcement division training conducted in 2016, and training scheduled for 2017. Committee chair Marlo Richardson voiced her support for continued staff training and development.

D. Update on Workers' Compensation Enforcement Strategies, Resources and Accomplishments

Chief of Enforcement David Fogt provided the Committee an update regarding 2016 workers' compensation (WC) insurance enforcement strategies, and discussed new strategies planned for 2017.

Committee member Joan Hancock expressed concern that the WC exemption statistics included in the Committee packet need clarification to avoid negatively depicting licensed contractors. While approximately 50 percent of licensees have an exemption on file, smaller contractors working in isolation without employees may be unnecessarily targeted for violating WC reporting laws. Committee member Pastor Herrera Jr. said that he had requested inclusion of the WC exemption statistics. Ms. Hancock commented that people have contacted her regarding CSLB's aggressive WC enforcement and, further, a requirement that all licensees have a WC policy may result in an unnecessary expense for contractors without employees. Chief Fogt clarified that WC premiums generally do not need to be paid for officers on the license (who would not be insured) and that WC premiums are based on employee payroll. He also confirmed that, under current law, only the C-39 roofing classification requires a WC policy for an active license.

Mr. Fogt noted that the 2017 Strategic Plan includes researching classifications to determine if licensees within a specific industry routinely conduct their business without employees, which would explain the high percentage of licenses with a WC exemption. The study is to determine if consumer protection goals are being met by allowing licensees of specific classifications to file an exemption from WC insurance. The anticipated completion date for this study is June 2017.

As part of this research, Chief Fogt will meet with the Roofing Contractors Association of California to determine if the requirement for all roofing contractors to have WC is effective. In addition, Enforcement staff will review complaints filed against licensees with a WC exemption to determine the average dollar amount of the contract involved.

E. CSLB's Solar Task Force Update Regarding Consumer Complaints and Enforcement Objectives

Committee chair Marlo Richardson recognized and thanked Bernadette Del Chiaro, Executive Director of the California Solar Energy Industry Association (CalSEIA), for attending the Committee meeting and assisting CSLB develop consumer protection strategies.



Chief Fogt updated the Committee on the 2016 accomplishments of the Solar Task Force and informed members that the Enforcement division now tracks solar complaints by the type of financial contract involved: 1) power purchase agreement; 2) “green” financing, or 3) solar lease.

Chief Fogt also summarized the Solar Task Force goals for 2017, and discussed the planned February 22, 2017, meeting with CalSEIA, which includes the following agenda items:

- Home Improvement Contracts

- Home Improvement Salesperson Requirements

- Industry Outreach Opportunities

- Consumer Outreach Opportunities

Mr. Fogt thanked Ed Murray of Aztec Solar for participating in the Committee meeting and for serving as an Industry Expert on egregious complaints. He also thanked Mr. Murray for helping to develop the strong working relationship that now exists between CSLB and CalSEIA.

CalSEIA Executive Director Del Chiaro addressed the Committee and thanked members for allowing her to participate in the meeting. She emphasized the need for CSLB’s continued enforcement against problem contractors to make solar a solid industry.

Committee member Pastor Herrera Jr. expressed appreciation for CalSEIA’s participation in the Committee meeting, and suggested that CSLB partner with CalSEIA to address workers’ compensation violations by solar contractors. Ms. Del Chiaro said that CalSEIA will continue to support industry education and awareness, and help CSLB in any way that is appropriate.

John Upshaw, Independent Roofers Association, recommended that the Board further review license classifications pertaining to solar and support a proper solar training program.

F. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Enforcement Objectives

Chief Fogt reviewed the Enforcement division’s 2016-2018 Strategic Plan, provided an update on existing objectives, and introduced two new objectives for the Committee’s review:

- Implement a protocol team for high-profile cases

- Increase C-10 Electrical license renewals by \$20 to fund electrician certification enforcement



The Committee recommended that the Enforcement division develop a contingency plan for responding to high profile incidents, rather than create a dedicated protocol team. Committee Chair Marlo Richardson suggested that incident command training would help participants better identify their roles in complex investigations, and offered to assist with providing that training.

MOTION: To recommend for consideration by the full Board a fee increase of \$20 in C-10 electrical license renewals to fund certification enforcement. Moved by Frank Schetter; seconded by Ed Lang. The motion passed, 6-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese				X	
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera	X				
Ed Lang	X				
Marlo Richardson	X				
Frank Schetter	X				

G. Adjournment

The Enforcement Committee adjourned at approximately 11:30 a.m.

AGENDA ITEM G-2

Enforcement Program Update

- a. Consumer Investigation Highlights
- b. General Complaint-Handling Statistics
- c. Staff Training Update



CONSUMER INVESTIGATION HIGHLIGHTS

INTAKE AND MEDIATION CENTERS

HVAC Contractor Makes Consumer Whole

An elderly homeowner entered into an \$18,000 contract with a licensee for a new HVAC system installation. Shortly after the project failed a building department inspection, the contractor abandoned the incomplete job. The homeowner filed a complaint with CSLB, and spoke with a Consumer Services Representative (CSR) in the Norwalk Intake Mediation Center (IMC). The CSR contacted the contractor regarding the incomplete work and inspection results, and convinced the contractor to remedy the situation. The contractor agreed to complete the HVAC installation, refund \$7,308 to the homeowner, arrange for a Home Energy Rating System (HERS) test, and obtain final inspection approval from the building department. The homeowner has reported that the contractor delivered on all his promises, and even installed smoke detectors as requested by the building department.

Elderly Homeowner Compensated For Shoddy Work

An elderly homeowner contracted with a licensee to have her floors and baseboards replaced for \$8,900. When the job was completed, the homeowner's son inspected the work and found multiple problems. The son immediately contacted the contractor to make repairs. The contractor sent a manager to review the work, who agreed that corrections were needed. The contractor then promised several times to fix the work, but never took any action. The son finally contacted CSLB, and filed a complaint on behalf of his mother. The Sacramento IMC handled the complaint, and the assigned CSR contacted the contractor. As a result of the CSR's mediation, the contractor refunded the entire \$8,900 to the homeowner, and threw in 11 boxes of new flooring material for the homeowner's use.

INVESTIGATIVE CENTERS

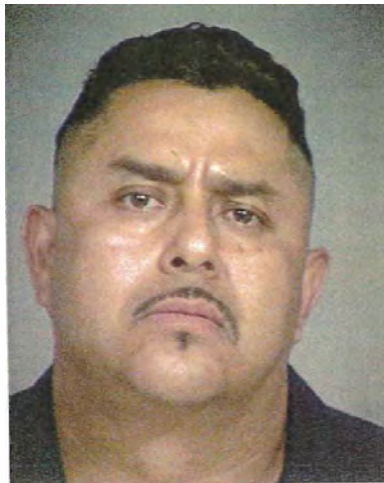
"Dr. Drain" Guilty of 31 Felonies – Gets 10 Years in Prison

The egregious misconduct of contractor Albert Solano has ended, thanks to the efforts of the Oxnard Investigative Center and the Ventura County District Attorney's office. Although Solano was not licensed, he paid a licensee to serve as his Responsible Managing Officer (RMO) and went into business as "Dr. Drain Sewer Repair" in the Ventura County area. In his large Yellow Page ads and on his trucks he advertised that he would unclog any drain for \$49.95 – and senior citizens were offered a 20 percent discount. The consumers who called Dr. Drain quickly found that the \$49.95 price was just the starting point: Solano and his crew would usually find major "problems" that would cost thousands of dollars to repair. Using phony video footage, Solano sometimes showed customers their "collapsed" sewer lines that needed complete replacement. On at least two occasions, he and his crew *intentionally* damaged pipes and showed the now-leaking holes to customers. Repairs often involved jackhammering



into concrete slab foundations, and repair estimates ranged from \$4,500 to over \$17,000. Solano assured customers, many of whom were elderly, he would facilitate reimbursement from their homeowners' insurance – but that they needed to pay up front to start the repairs. When insurance coverage did not come through and a homeowner balked at payment, Solano would file a mechanic's lien and/or lawsuit against them.

Complaints began to arrive at CSLB, and 16 separate cases against Dr. Drain were investigated. CSLB's Industry Experts determined that Solano's repairs were usually unnecessary, often fraudulently obtained, and poorly executed. CSLB's investigator sought both administrative and criminal sanctions against Dr. Drain. The license of Dr. Drain and his RMO were revoked in 2014; but the criminal cases moved more slowly through the justice system. Solano was arrested in May 2016, and held on \$1,000,000 bail. He was charged with over 70 felony counts, including grand theft, elder abuse, residential burglary, and contracting without a license. Solano was scheduled to begin his jury trial on January 30, 2017. However, facing a possible prison sentence of 66 years, on January 26, 2017, Solano pled guilty to 31 felony counts and accepted a 10-year sentence in State prison.



Albert Solano, aka "Dr. Drain"

Contractor Abandons Project, Diverts Funds, and Causes over \$3 million in Damage

In January 2015, Congregation Beth David (CBD) of Saratoga entered into a \$5 million contract with a large San Jose commercial contracting firm for construction of an addition and remodeling work at their temple. Fifteen subsequent change orders increased the contact price to \$7,090,430. Work began in January 2015, and continued for over 16 months, with CBD paying the contractor a total of \$5,395,000. However, all work on the project stopped on in May 2016, when the contractor abandoned the project and filed for Chapter 7 bankruptcy. The firm's two corporate officers later blamed the bankruptcy on large losses in 2014.



Congregation Beth David filed a complaint with CSLB, which was investigated by an Enforcement Representative (ER) in the San Francisco Investigative Center (IC). Evidence shows that CBD made all payments to the contractor on a timely basis, while the contractor failed to pay subcontractors and suppliers in the amount of \$1,137,800. To complete the project, CBD paid the outstanding debts and hired another contractor, eventually paying \$3,198,550 in excess of the original contract price. The CSLB investigator recommended an accusation to revoke the license for abandonment, diversion of funds, failure to pay subcontractors, and failure to complete the project for the contract price. CSLB also referred the case to the Santa Clara County District Attorney's office for the filing of felony charges against the company's officers for diversion of funds and grand theft. In addition, the bankruptcy case trustee has subpoenaed the firm's financial records and is conducting a review to determine if the filing was legitimate.

Repeat Offender Never Learns

Repeat unlicensed offender Carl William Bailey has 16 prior administrative citations and two criminal referrals dating back to 1988. In April 2015, Bailey entered into a \$10,346 kitchen remodeling contract with a Covina resident, using a false contractor's license number on the paperwork. He collected a deposit of \$3,000, and began work using his two sons as workers without obtaining workers' compensation insurance. Over the course of one month, Bailey received \$9,625 in payment and then abandoned the project after completing minimal work, compelling the homeowner to pay \$5,000 to another contractor to complete the job. The homeowner filed a complaint with CSLB, which was investigated by an ER in the West Covina IC. The ER recommended that Bailey be criminally prosecuted for contracting without a license, misrepresentation of a license number, and failure to secure workers' compensation insurance. At his arraignment, Bailey pled nolo contendere to contracting without a license, and was sentenced to summary probation for a period of three years, payment of fees and penalties of \$875, and 10 days of community labor. (Unfortunately, the complainant refused to appear in court to obtain any restitution.)

Unlicensed Contractor Pleads Guilty

In May 2014, an Encinitas homeowner entered into a \$61,035 contract with Michael C. Bradley of Apple Valley for a major home remodeling project. Bradley had represented himself as a contractor, but was not licensed and did not have workers' compensation insurance, although he used several workers on the project. The homeowners paid a total of \$56,029 on the contract, but encountered numerous workmanship and completion issues, which led them to file a complaint with CSLB. Based on the investigation of an ER in the San Diego IC, the complaint was referred to the San Diego District Attorney's office for criminal prosecution of grand theft, contracting without a license, and failure to secure workers' compensation insurance. Bradley pled guilty to the unlicensed contracting charge, and was ordered to pay \$15,000 restitution to the homeowners.



Plumbing Leaks = New Waterfalls Near Yosemite

The owner of a bed and breakfast near Yosemite National Park hired a licensed general contractor to expand the inn through a combination of remodeling and new construction. The contract stipulated \$192,000 for labor, with the property owner supplying all materials. The contractor decided to do the plumbing himself, even though he was unfamiliar with the products being used. When the project was completed in 2015, the owner advertised his new five-bedroom building as available for rent, and took reservations from potential tenants. Shortly after guests began staying at the inn, a series of plumbing leaks erupted throughout the building. The guests found no need to travel to nearby Yosemite to see impressive waterfalls: leaks from improperly joined supply lines and sewer pipes bonded with the wrong cement created streams of water and sewage. The owner filed a complaint with CSLB, and the investigation was handled by the South Sacramento Investigative Center. A CSLB Industry Expert estimated correction would require complete re-piping of the home, which was eventually done at a cost of \$50,000. (The owner also lost significant income as he could not rent the property for an entire season.) An accusation to revoke the respondent’s license is currently pending.

Norwalk Staff Speaks to Trade Organization

As part of its ongoing outreach efforts, Enforcement division staff speak to trade organizations and industry groups. Recently, the Los Angeles Painting and Finishing Contractors Association invited CSLB staff to attend one of their meetings to speak about the underground economy and CSLB’s enforcement efforts. The Norwalk IC supervisor and an ER volunteered to attend the meeting, and made a well-received presentation to approximately 40 attendees on January 10, 2017. After the meeting, the group’s Executive Director, Don Vulich, sent CSLB a note commending the “wonderful job” and “complete professionalism” of the presenters. Mr. Vulich added that he “look[s] forward to a continuing positive relationship with our State License Board.”



Norwalk IC staff (left ER Ubaldo Sanchez and center Supervisor Adriana Marin) with Don Vulich



GENERAL COMPLAINT-HANDLING STATISTICS (CY 2016)

Enforcement division management recently compiled statistical data regarding the division’s performance and activity during calendar year 2016, which confirm that it was another busy year for Enforcement staff. Noteworthy statistics include:

- 18,261 – Complaints received by CSLB
- 19,991 – Complaints closed (including complaints from prior years)
- 3,712 – Legal actions against violators
- 1,497 – Cases referred for criminal prosecution (total)
- \$18 M – Cost savings to the public through mediation
- 66% – Percentage of total complaints closed within 90 days
- 27 – “Aged” cases at end of year (an historic low)

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 3,480. As of December 2016, the pending caseload was 3,036.

To ensure timely mediation and screening of complaints, the optimal caseload for all Consumer Services Representatives (CSRs) is 1,380. As of December 2016, 1,119 complaints were assigned to CSRs.

To ensure timely handling of complaints that warrant formal investigation, the optimal working caseload for Enforcement Representatives (ERs) assigned to the Board’s eight Investigative Centers (ICs) is 35 cases per ER. CSLB has 60 ERs in its eight ICs, with an optimal capacity for 2,100 open complaints. As of December 2016, there were 1,917 cases assigned to ERs. The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER/CSR	Maximum Number of Cases per Classification
ERs	60	10	4	35	2,100
CSRs	23	20	2	60	1,380
TOTAL					3,480



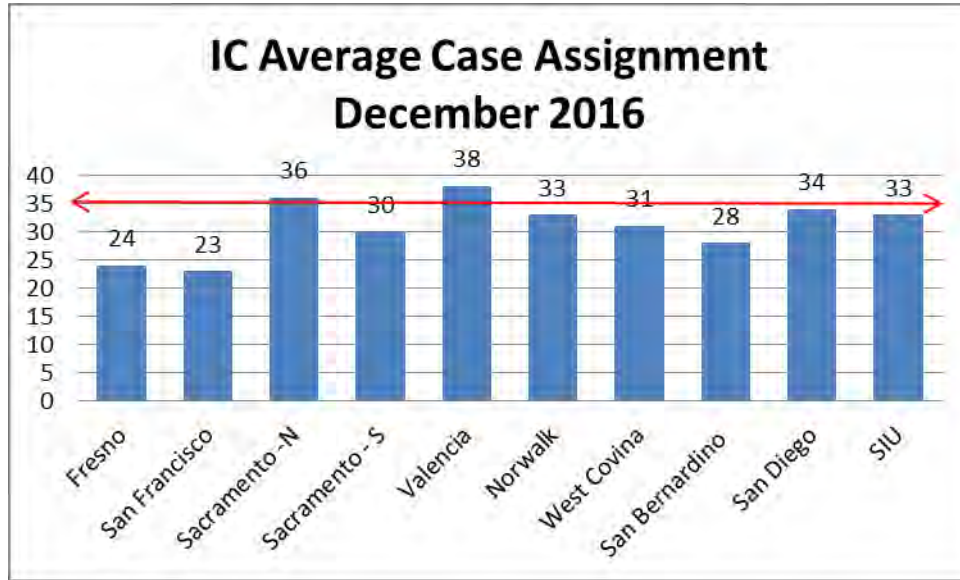
Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. In calendar year (CY) 2016, Enforcement staff's settlement efforts resulted in over \$18 million in restitution to financially-injured parties as depicted in the following chart:

IC Financial Settlement Amount (CY 2016)	\$ 7,014,817.71
IMC Financial Settlement Amount (CY 2016)	\$ 11,191,070.70

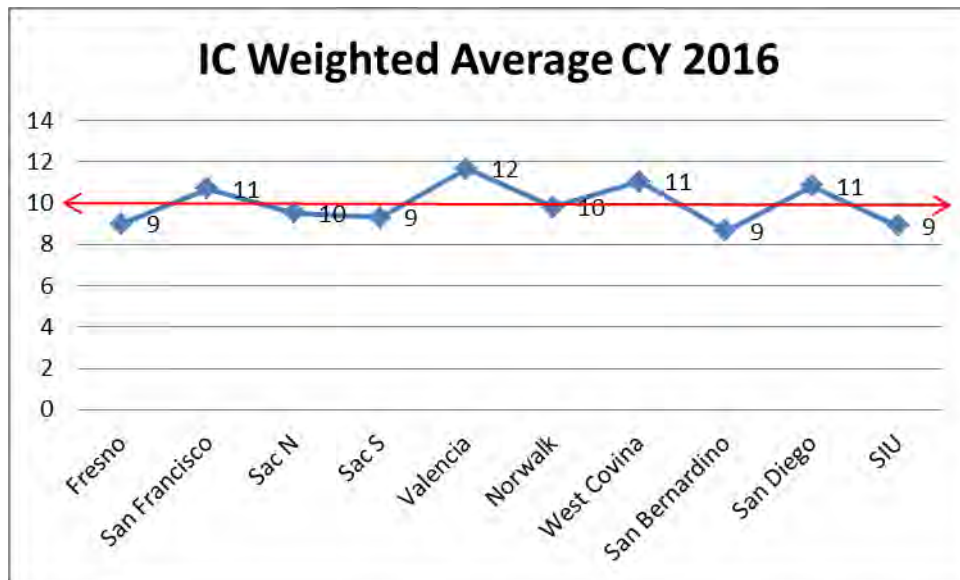
Investigation of Consumer Complaints

To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending caseloads, and investigation-closing disposition. For CY 2016, Investigative Center ERs have consistently achieved the Board's goal of 10 complaint closures per month, and effective case distribution among the eight ICs and the Special Investigations Unit (SIU) has resulted in a manageable, ongoing caseload of approximately 35 cases per ER. Of the 2,065 legal actions during this time, 30 percent were referred to local prosecutors.

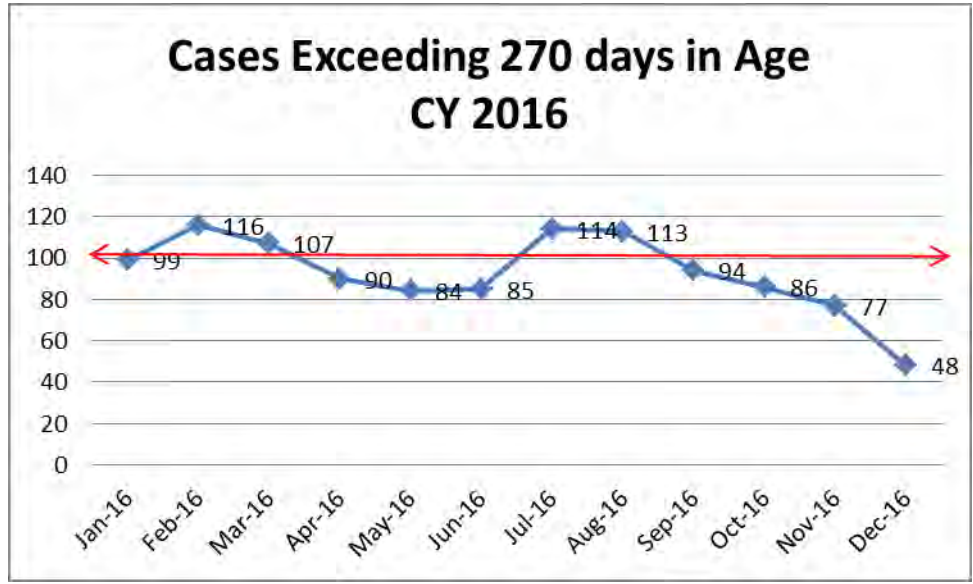
The following chart tracks open IC investigations. The goal is for each ER in the ICs to carry between 30 and 40 pending cases. At the beginning of December 2016, the statewide average was 31 cases.



The following chart tracks the Board’s target of each IC ER maintaining a weighted closing average of 10 cases per month.



Historically, the Enforcement division has more than 3,000 consumer complaints under investigation at any given time. The Board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. The effective management of pending complaints by division staff has resulted in regularly meeting this goal.



For CY 2016, the Enforcement division Investigative Centers referred 30 percent, or 616 legal action investigations, to district attorneys for criminal prosecution. The following chart depicts the percentage of completed investigations that resulted in an administrative or criminal legal action.



Statewide Investigative Fraud Team

CSLB’s Statewide Investigative Fraud Team (SWIFT) is comprised of Enforcement Representatives (ERs) who enforce license and workers’ compensation insurance requirements at active jobsites and who conduct enforcement sweeps and undercover sting operations targeting unlicensed persons. In 2016, SWIFT conducted 84 sting

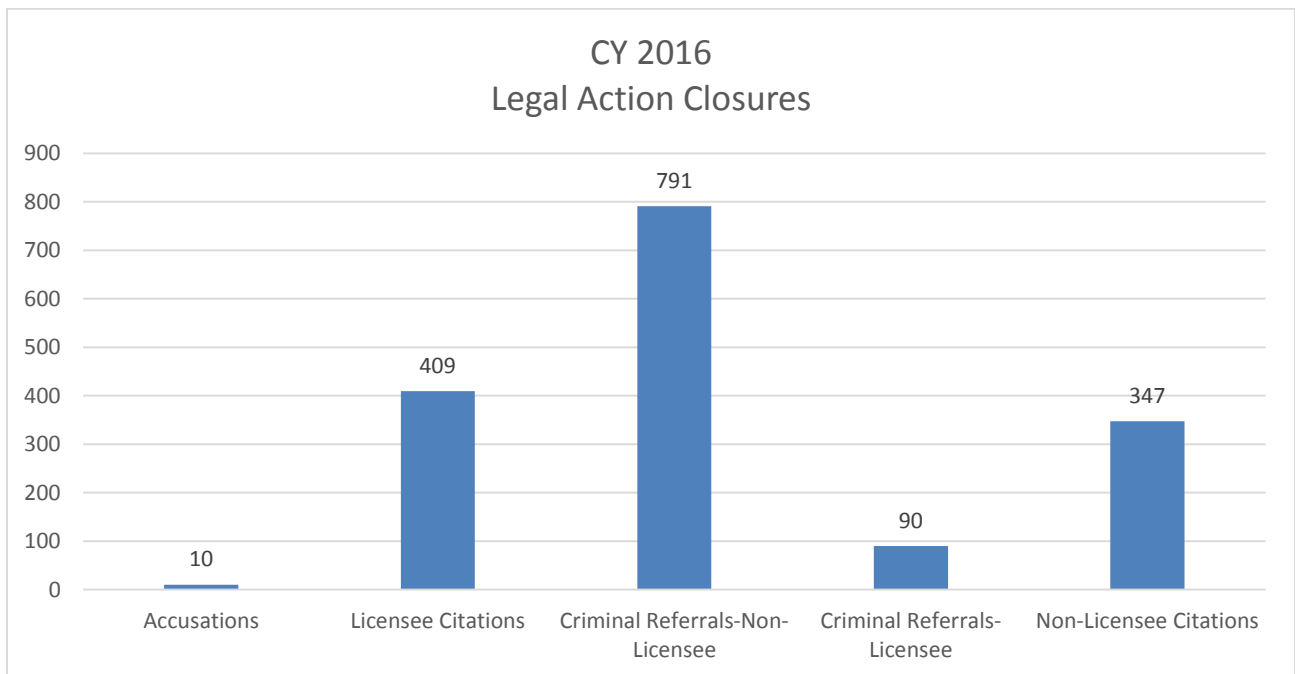


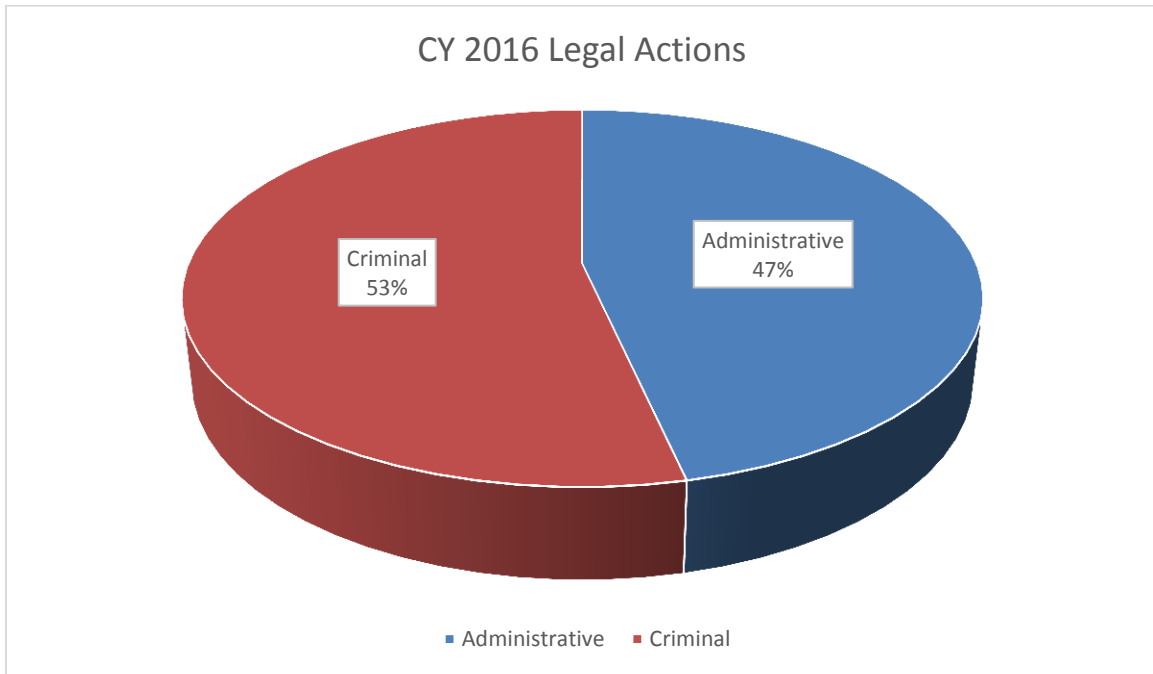
operations in partnership with other state agencies, law enforcement, district attorneys, building departments, and code enforcement officials. Also, in partnership with other state and local agencies, SWIFT conducted 243 sweep days in various counties this calendar year.

Legal Action Closures

From January 1 2016 to December 31, 2016, SWIFT closed 3,443 cases as a result of stings, sweeps, and leads, of which 1,637 resulted in an administrative or criminal legal action.

Below is a breakdown of legal action closures. In calendar year 2016, SWIFT referred 881 cases to local district attorney offices for criminal prosecution, a 13 percent increase from 2015.







Citations

In, 2016, SWIFT issued 756 licensee and non-licensee citations and assessed \$607,930 in citation civil penalties.

Citation Amounts Assessed - CY 2016

2016 Citation				
	Northern SWIFT	Fresno SWIFT	Southern SWIFT	Totals
January	\$14,430	\$8,000	\$24,250	\$46,680
February	\$38,750	\$7,250	\$37,500	\$83,500
March	\$13,550	\$4,500	\$25,500	\$43,550
April	\$24,000	\$8,750	\$27,500	\$60,250
May	\$19,550	\$17,250	\$25,750	\$62,550
June	\$18,600	\$12,750	\$13,500	\$44,850
July	\$19,750	\$12,500	\$14,500	\$46,750
August	\$34,300	\$1,500	\$13,700	\$49,500
September	\$30,300	\$7,750	\$17,750	\$55,800
October	\$2,250	\$18,200	\$13,000	\$33,450
November	\$19,900	\$8,500	\$3,750	\$32,150
December	\$24,150	\$24,000	\$750	\$48,900
Totals	\$259,530	\$130,950	\$217,450	\$607,930

Stop Orders

A Stop Order is a legal demand to cease all employee labor at a jobsite due to workers' compensation insurance violations until an appropriate policy is received. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offence, punishable by up to 60 days in county jail or by a fine of up to \$10,000, or both. Between January 1, 2016 and December 31, 2016, SWIFT issued 439 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers' compensation policy.

Labor Enforcement Strike Force (LETF)

Created in 2012, the Labor Enforcement Task Force (LETF) is comprised of investigators from CSLB, the Department of Industrial Relations (DIR) Division of Labor Standards and Enforcement, the DIR Division of Occupational Health and Safety, and



the Employment Development Department. LETF combats the underground economy in California and strives to create an environment where legitimate businesses can thrive. LETF aims to:

- Ensure that workers receive proper payment of wages and are provided a safe work environment;
- Ensure that California receives all employment taxes, fees, and penalties due from employers;
- Eliminate unfair business competition by leveling the playing field; and
- Make efficient use of state resources in carrying out LETF's mission.

Below are LETF statistics for calendar year 2016:

CATEGORY	RESULT
Number of Contractors Inspected	356
Number of Contractors Out of Compliance	265
Percentage of Contractors Out of Compliance	74%
Total Initial Assessments	\$1,431,313
Inspections that Resulted in CSLB Investigations	119
CSLB-Issued Stop Orders	55

The results reflect joint LETF inspections. LETF partners include Cal/OSHA, CSLB, DLSE & EDD.

**CASE MANAGEMENT CY 2016**

CITATIONS ISSUED		
	Licensee	Non-Licensee¹
Citations Issued	1,308	820
Citations Appealed	531	347
Citation Compliance	1,193	530
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	369	
Settled	211	
Civil Penalties Collected	\$1,789,044	
Legal Fee Savings	\$3,291,561	
ARBITRATION		
Arbitration Cases Initiated	784	
Arbitration Decisions Received	585	
Licenses Revoked for Non-Compliance	42	
Arbitration Savings to the Public – Restitution	\$2,585,827	
ACCUSATIONS/STATEMENT OF ISSUES		
Revocations by Accusation	311	
Accusation Restitution Paid to Injured Persons	\$399,524	
Statement of Issues (Applicants Denied)	73	
Cost Recovery Received	\$347,988	
Number of Cases Opened	311	
Number of Accusations/Statement of Issues Filed	277	
Number of Proposed Decisions Received	93	
Number of Stipulations Received	78	
Number of Defaults Received	85	
Number of Decisions Mailed	317	

¹ Note: At the February 10, 2017, Enforcement Committee meeting, members requested information regarding the typical dollar amount of contracts involved in complaints against unlicensed contractors. Enforcement division staff reviewed all complaints against non-licensees for a representative three-month period (October 1, 2016 through January 5, 2017). Of the 321 complaints received during this period, the average cost of the contracts was \$16,612.



STAFF TRAINING UPDATE

In response to identified needs and staff requests, the Enforcement division continues to expand the offerings in its highly successful training program. The Enforcement division's training coordinator has partnered with subject matter experts from within and outside CSLB to offer courses that have received uniformly positive reviews from attending staff.

SWIFT Training

Sting training (Southern SWIFT, January 11, 12, 2016)

- Miranda
- Presentation by Orange County DA
- Rights to Privacy
- Mock sting/unit critique

Vehicle Surveillance (Northern SWIFT, October 10, 2016)

- ER responsibilities
- Objectives
- Techniques

IC Training

Advanced Course II: Case organization, authenticating documents, financial injury, abandonment, and contract violations.

- San Diego (March 3, 2016)
- Norwalk (March 4, 2016)
- San Bernardino (March 4, 2016)
- San Francisco (April 21, 2016)
- Sacramento (April 21, 2016)
- Fresno (April 21, 2016)

CSLB Enforcement Academy

CSLB's 5th Academy held in Norwalk (April 25-29, 2016)

Safety and Security Training

- Sacramento (February 1, 2, 2016)
- Norwalk (February 4, 5, 2016)



Sting Training (Northern SWIFT, November 16, 17, 2016)

- Miranda
- Presentation by Yolo County DA
- Rights to Privacy
- Mock sting/unit critique

Career Advancement Training

In December 2016, the Enforcement division offered a new class to assist staff with developing and meeting career objectives. Utilizing instructors from CSLB's Personnel unit and Enforcement division, the training was designed to encourage and enable the upward mobility of Enforcement division personnel. Suggested by Board member Marlo Richardson, she opened sessions of the class in both Norwalk and Sacramento.

Employee Safety Training

The Enforcement division will offer its second annual Security and Safety Awareness Training to all interested staff during the first quarter of 2017. First offered to CSLB staff in 2016, this training received outstanding reviews. CSLB is fortunate to again have Mr. Jim Williams present the upcoming classes. Jim is a retired Sergeant with the California Highway Patrol (CHP), and has a long history as an Academy trainer in security and safety related fields. Additionally, Jim served as the commander of the CHP SWAT Team while assigned to the State Capitol.

This training will cover personal and office security issues, workplace violence, emergency preparedness, active shooter incidents, and effective ways to react to threats. Although the 2017 sessions will review some of material from the previous course, Jim has added new information to make the class beneficial for returning students.



Sacramento session of Security and Safety Awareness training in 2016

AGENDA ITEM G-3

Update on Workers' Compensation Enforcement Strategies, Resources and Accomplishments



Background of 2016 Workers' Compensation Pilot Program

Prior to issuance of a California contractor's license, applicants are required to have on file with the Contractors State License Board (CSLB) either a Certificate of Workers' Compensation Insurance or a Certificate of Self-Insurance (issued by the Department of Industrial Relations). If the contractor does not employ anyone in the manner subject to the workers' compensation laws of California, they may file an exemption request with CSLB, wherein they certify that they are not required to carry the insurance.

At its December 2015 meeting, the Board unanimously approved five strategies intended to address the high number of exemptions from workers' compensation insurance requirements on file for CSLB licensees. The five strategies were: 1) prioritize consumer complaints involving workers' compensation insurance compliance; 2) verify workers' compensation insurance for those licensed in specific classifications most likely to need such insurance; 3) perform an analysis and conduct outreach regarding public works contractors registered with the Department of Industrial Relations; 4) research the construction monitor database for permit activities on large projects; and 5) and pursue state agency partnerships regarding workers' compensation insurance compliance.

Enforcement discovered that 57 percent of all licensees had exemptions from workers' compensation (WC) insurance on file, including 53 percent of licensees in the six classifications most likely to require employees:

- "A" General Engineering – 39 percent with exemptions
- C-8 Concrete – 44 percent with exemptions
- C-10 Electrical – 58 percent with exemptions
- C-20 HVAC – 56 percent with exemptions
- C-36 plumbing – 59 percent with exemptions
- C-46 Solar – 39 percent with exemptions

At its February 10, 2017 meeting, Enforcement Committee members requested additional information regarding the typical dollar amount of contracts involved in complaints against contractors with a WC exemption on file. Enforcement division staff reviewed all complaints against exempt contractors for a representative three-month period (October 1, 2016 through January 5, 2017). Of the approximately 2,100 complaints received during this period, 750 – or 36 percent – were against contractors with a WC exemption on file. Of these 750 complaints, the average cost of the contracts involved was \$47,693, which signifies that the work being performed was relatively extensive.



Pilot Program Implementation in 2016

Utilizing the Board-approved strategies the Enforcement division identified 143 contractors with a WC exemption on file and evidence of employee labor on their webpages. The contractors were identified through research of public works contractors and analysis of incoming complaints in Intake and Mediation, the six classifications listed above, and the construction monitor database.

Following this, the Enforcement division sent an “educational compliance” letter to contractors with WC exemptions that were identified as likely to have employee labor. The letter informed these contractors that CSLB planned to increase enforcement of workers’ compensation compliance and encouraged them, if they did have employees, to comply with the law by obtaining a workers’ compensation insurance policy.

The compliance rate of the letter was about 10 percent, with 12 contractors obtaining a WC policy or sending in proof of an existing WC policy, and 15 contractors filing new WC exemptions. The Enforcement division will continue to use the educational compliance letter in selected cases.

Research and Revised Targeting for 2017

In a further effort to address the problem of false WC exemptions, the Enforcement division will conduct a proactive enforcement pilot project during the first quarter of 2017. Northern Statewide Investigative Fraud Team (SWIFT) will conduct the pilot project in Sacramento County. The targeted classifications in Sacramento County and their corresponding WC insurance exemption rates are shown in the chart below:

Sacramento County Licensees			
License Classification	# Entities	# With WC Exemption	% With WC Exemption
A (General Engineering)	491	198	40%
C-8 (Concrete)	252	118	47%
C-12 (Earthwork and Paving)	46	26	57%
C-27 (Landscaping)	512	238	46%
C-46 (Solar)	38	16	42%
C-61/D-49 (Tree Service)	107	41	38%
C-20 (HVAC)	Pending	Pending	Pending

**2017 Pilot Project Strategies**

SWIFT will utilize the following strategies to conduct the WC targeted enforcement program in 2017:

- Research CSLB and public databases to acquire information on contractors in the targeted classifications with a Sacramento business address who claim a WC exemption.
- Call, visit, or observe the work locations of those contractors claiming a WC exemption to determine if they are using employee labor. Work location may be a business address or active construction site.
- Take appropriate enforcement actions to address those contractors who have filed a false WC exemption
- Assign a CSLB peace officer to augment the project team and conduct field observations and site visits. Additionally, the peace officer will perform follow-up investigation, as needed.
- Assess the pilot project's effectiveness; and, if successful, duplicate this enforcement strategy in other counties experiencing a high number of WC exemptions in targeted classifications.
- Provide data to interested parties, including legislators who may sponsor a bill to address the high number of false exemptions in classifications that require workers.

In addition to these strategies, the CSLB Intake and Mediation Centers will continue to send out suspension notification letters arising out of consumer complaints when the licensed contractor is found in violation of WC insurance laws (via admission to the investigator).

AGENDA ITEM G-4

CSLB's Solar Task Force Update Regarding Consumer Complaints and Enforcement Objectives



CSLB created the Solar Task Force in 2015 in order to address the increasing number of complaints involving solar power installations. In 2016, CSLB received 449 solar complaints – a 61 percent increase over 2015 – and closed 567 solar complaints (including some received in prior years). Of these, 94 cases were settled and \$642,461 in restitution paid to injured persons. Solar complaint investigations led to 72 legal actions (a 41 percent increase from 2015), including 17 cases referred for criminal prosecution.

The Solar Task Force is presently comprised of a Consumer Services Representative and three Enforcement Representatives. Solar complaints are referred to the Task Force based on the severity of allegations. If a complaint involves a respondent who has received three or more complaints with defined criteria within a 12-month period, it is assigned to the Task Force for investigation. During 2016, 161 of the 449 solar-related complaints received by CSLB were assigned to the Solar Task Force for investigation.

Although solar complaints from consumers often involve traditional issues of workmanship and/or project completion, many of these complaints include allegations related to the unique financing programs used within the industry, or to cost savings and equipment operations that fall short of promises. Consequently, the Enforcement division also tracks solar cases based on the type of financial contract involved: 1) Power Purchase Agreement; 2) “green” financing; or 3) solar lease.

Power Purchase Agreement (PPA)

A PPA is a contract where the buyer agrees to pay the solar company for the electricity generated by the solar system at a set rate per kilowatt hour (kWh). The task force is currently investigating 20 PPA consumer complaints filed against three contractors that operate statewide.

The most common Business and Professions Code (BPC) violations in PPA complaints have been:

- §7154 Salesperson not registered
- §7159 Home Improvement Contract (HIC) violations, including:
 - Contracts do not provide a clear description of the system to be installed
 - Consumers allege signing an electronic document and not understanding the contract or receiving a hard copy
 - General HIC violations, e.g. notice requirements



§7116 Willful or fraudulent injury or misrepresentation – Consumer is originally told that he or she will only be billed for all energy used, when the contract states that the consumer is liable (and is billed) for all energy produced

§7161(b) Misrepresentation, e.g., the consumer was falsely told that the solar power generated would be cheaper than energy provided by a public utility

Green Financing

Broadly, green financing refers to financial investments in projects, initiatives, environmental products, and policies that encourage the development of a more sustainable economy. However, for the purpose of this discussion, green financing pertains to government-backed funding programs for solar installation. The Task Force is currently investigating 20 consumer filed complaints that involve green financing. Typical BPC violations alleged in these complaints include:

§7154 Salesperson not registered

§7159 HIC violations, including:

- Contracts not specific to work performed
- Contracts do not identify prime contractor

- Consumers allege signing an electronic document and not understanding the contract or receiving a hard copy
- General HIC violations, e.g., notice requirements

§7161(a) False or deceptive advertising – the salesperson falsely states funding is a government program and will be paid back by property taxes, but does not explain that property taxes will increase substantially of that interest rates exceed that of a standard lender (e.g., bank or credit union)

§7159.5(a)(3) Contractor receives funds directly from the local government-backed funding program in advance of work performed

§7107 Contracted work is abandoned

§7113 Contractor fails to complete the project for the agreed upon price

Lease Agreements

Many consumers obtain a solar system through a lease agreement, attracted by the promise of “no money down.” However, many consumers find that they still must pay a



public utility for power, and the combined cost with the solar lease payment exceeds what they previously paid to the public utility alone. The task force is currently

investigating 29 solar lease complaints. The typical BPC violations alleged in these complaints include:

§7154 Salesperson not registered

§7159 HIC violations, including:

- Clearly explaining the ability of the contractor to place a “lien” upon any failure to cure any breach of the lease agreement
- The “total cost” of the contract is not always clearly explained up front

§7161(b) Misrepresentation – the consumer was told a solar lease would save them money on energy, but their total costs under the lease agreement can be higher than the total costs from their local public utility

Solar Energy Industry Association (SEIA) Partnering

Staff has continued to work with SEIA to explore information sharing and partnering opportunities. In addition, SEIA has recently notified staff that it has adopted a new policy that will require their members, as a condition of membership, to have a CSLB contractor’s license appropriate for solar projects. CSLB greatly appreciates SEIA’s actions and the new policy to require the licensure of their members will help protect both consumers and honest solar contractors.

CSLB staff will meet again with SEIA on February 22, 2017. It is expected that the following items will be discussed:

- Home Improvement Contract requirements
- Home Improvement Salesperson requirements
- Industry outreach opportunities
- Consumer outreach opportunities

Goals

The Enforcement division has been encouraged by the cooperation of the solar industry, and by the progress that has been made. The Solar Task Force, industry outreach, and other efforts will continue, with a focus on the following specific objectives:

- Increasing compliance with Home Improvement Salesperson requirements



- Industry adoption of clear, easy-to-understand contracts that comply with BCP section 7159 (see attached example from CSLB's publication *Contracting for Success*)
- Providing consumers with accurate information regarding the relative costs of a kWh purchased from the local public utility versus the solar contract
- Ensuring consumers have appropriate control over contractor payment (versus disbursements made by other entities, as happens with some green financing programs)

AGENDA ITEM G-5

2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Enforcement Objectives





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – UPDATE

Background

The Enforcement Committee approved the changes to the Strategic Plan highlighted in yellow at its February 10, 2017, meeting.

(E) “Essential”

(I) “Important”

(B) “Beneficial”

ENFORCEMENT OBJECTIVES	TARGET	DESCRIPTION	STATUS
2.1 Implement Memorandum of Understanding with Labor Commissioner’s Office (B)	July 2016	Create partnership to engage and inform Labor Commissioner’s Office staff about provisions and process for directing referrals to CSLB	June 13 and 15, 2016, staff met with the Labor Commissioner’s office to review the MOU and to provide training; partnering efforts are ongoing.
2.2 Update Civil Penalties Assessments (E)	September 2016	Review penalty guidelines to determine if they have kept up with inflation and consumer protection requirements	Increasing civil penalties was included in the AG cost reduction expenditure plan adopted by the Board on June 23, 2016.
2.3 Develop Strategies to Reduce Solar Industry Fraud (E)	December 2016	Develop outreach, education, and enforcement tactics to address deceptive tactics in solar industry	A consumer fact sheet and enforcement strategies have been developed; a solar enforcement strategy is included as Agenda Item E of the Enforcement Committee meeting.
2.4 Formalize Strategy to Identify Licensee Misuse of Workers’ Compensation Insurance Requirement Exemption (E)	March 2017	In conjunction with Public Affairs Office, develop education and enforcement program targeted at licensees who employ workers while having workers’ compensation exemption on-file with CSLB	An update regarding the planning and implementation of workers’ compensation enforcement strategies is included as Agenda Item D of the Enforcement Committee meeting.
2.5 Reduce Legal Action Expenditures While not Compromising Consumer Protection (E)	July 2017	Develop partnerships with prosecutors and other government agencies to leverage resources, as well as a strike force to achieve greater legal action settlements	A legal action expenditure reduction plan was reviewed, discussed, and adopted by the Board on June 23, 2016.



2.6 Expand Proactive Enforcement Targets (B)	July 2017	Develop strategies and partnerships to include public work projects and larger contractors in proactive enforcement efforts	SWIFT staff have increased the targeting of unlicensed contractors on larger projects; Peace Officers now assist with the identification of high profile targets.
2.7 Increase C-10 Electrical License Renewals by \$20 to fund Electrician Certification Enforcement	January 2019	Conduct regulatory hearings and IT programming to provide for a \$20 increase on all C-10 Electrical license renewals	PROPOSED

AGENDA ITEM H

Executive

AGENDA ITEM H-1

Review and Possible Approval of
December 8, 2016,
Board Meeting Minutes



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

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

Board Chair Agustin Beltran called the meeting of the Contractors State License Board (CSLB) to order at 1 p.m. on Thursday, December 8, 2016, at the Hilton San Jose, 300 S Almaden Blvd., San Jose, CA 95110.

Board member Kevin Albanese led the Board in the Pledge of Allegiance. Aaron Schultz performed roll call, and a quorum was established.

Board Members Present

Agustin Beltran, Chair
Kevin Albanese, Vice Chair
Linda Clifford
David Dias
Susan Granzella
Joan Hancock

Ed Lang
Michael Layton
Frank Schetter
Nancy Springer

Board Members Excused

David De La Torre
Pastor Herrera Jr.
Marlo Richardson, Secretary
Paul Schifino
Johnny Simpson

CSLB Staff Present

Cindi Christenson, Registrar
Cindy Kanemoto, Chief Deputy Registrar
Ashley Caldwell, Information Officer
Jessie Flores, Deputy Chief of Enforcement
David Fogt, Chief of Enforcement
Claire Goldstene, CSLB Public Affairs

Laura Zuniga, Chief of Legislation
Kristy Schieldge, DCA Legal Counsel
Aaron Schultz, CSLB Staff
Ricardo De La Cruz, DCA Personnel
Nicole Le, DCA Personnel

Public Visitors

Kenneth Grossbart
Richard Markuson
LJC

Board Chair Augie Beltran congratulated CSLB's Chief Deputy Registrar, Cindy Kanemoto, on her upcoming retirement and thanked her for her state service and time with the Board. Mr. Beltran presented a certificate of appreciation to Mrs. Kanemoto, commemorating her time with the Board. Other Board members also extended their thanks to Ms. Kanemoto.



B. Public Comment

There was no public comment.

Board Chair Augie Beltran asked if any Board members have an item to place on the next Board meeting agenda.

Board member Frank Schetter requested that an item on solar classification and energy storage systems be placed on the next Licensing Committee meeting agenda, to which Mr. Beltran agreed.

Board member Joan Hancock noted that the previous day marked the 75th anniversary of the bombing of Pearl Harbor, recognized those who served, and thanked Augie Beltran and other members of the audience who are or have been a part of the armed service.

C. Registrar Recruitment and Selection Process

1. Presentation from the Department of Consumer Affairs' Office of Human Resources Regarding the Selection Process of a Registrar

Ricardo De La Cruz, Personnel Officer for the Department of Consumer Affairs, introduced Nicole Le, Personnel Assistant for the Department of Consumer Affairs, and reviewed the recruitment process for the replacement of the Contractors State License Board's Registrar. Mr. De La Cruz provided a handout that outlined the selection process and actions that the Board must take in order to select a new Registrar.

2. Discussion of Registrar Recruitment and Selection Process, Possible Appointment of a Search Committee, and Review of Registrar's Duty Statement

Mr. De La Cruz explained the purpose and role of the Selection Advisory Committee, advertising guidelines for the position, candidate screening criteria, and interview process. Additionally, Mr. De La Cruz explained that once a candidate is selected, he or she must be fingerprinted, approved by the Director of DCA, and take an oath prior to assuming the responsibilities and duties of Registrar.

Board members requested clarification about the purpose of the Selection Advisory Committee, and DCA staff noted that the Committee's objective would be to narrow the candidate pool, so the Board could select interview candidates from among the most qualified applicants. Staff also noted that all applications would be available for review by all Board members.

Registrar Cindi Christenson commented that the salary base for the Registrar has not increased in eight years, and urged the Board to consider a salary increase for the



position in order to recruit the most qualified candidates. Augie Beltran requested that an item on the Registrar salary be placed on the next Board meeting agenda.

MOTION: To authorize the delegation of an Advisory Selection Committee by the Board Chair as part of the Registrar recruitment process. Dave Dias moved; Ed Lang seconded. The motion carried unanimously, 10–0.

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

Board Chair Augie Beltran appointed Kevin Albanese and Susan Granzella to the Selection Advisory Committee.

The Board discussed the Registrar duty statement contained in the Board materials.

Board members offered the following suggestions:

1. Clarify what constitutes an “error” in judgment, or “conduct” that misrepresents the Board
2. Replace “incumbent” with “Registrar”
3. Frequency and type of travel the Registrar can expect
4. When Registrar candidate fingerprint clearance occurs

Legal Counsel Kristy Schieldge noted that if the Board was required to release the Registrar from employment, the flexible language in the duty statement would be beneficial for that process. She also offered typographic and substantive changes to the duty statement:

1. Add “State” to “Contractors License Board,” to read “Contractors State License Board” throughout the duty statement



- 2. Remove “maintaining responsibility for enforcing the completion of required continuing education,” as this is not a Registrar duty
- 3. Within the “Specific Activities” section of the duty statement, “Administrative Procedures Act” should read “Administrative Procedure Act”
- 4. Under “10% E” within the Specific Activities section, “verification of reported continuing education, and the evaluation of course providers” should be removed; and “licensees” in “Has overall responsibility for the issuance and renewal of all licensees” should be replaced with “registrants.”

In response to a Board member question, Cindi Christenson confirmed that the Registrar is not responsible for overseeing a continuing education requirement.

Board member Linda Clifford asked about the time base of “40 hours per week,” and the Board agreed that it was sufficient, as it refers to “full-time.”

Cindi Christenson also recommended adding “Business Consumer Services and Housing Agency” under item E, before “the Department of Consumer Affairs.”

During Public Comment Richard Markuson noted his confusion with item F in the duty statement (Action and Consequences), and suggested that the Board update the description to clarify that an error in judgment which reflects poorly on the Board is grounds for termination.

MOTION: To approve the Registrar duty, with amendments. Linda Clifford moved; Dave Dias seconded. The motion carried unanimously, 10–0.

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

D. Legislation

1. Review and Possible Approval of November 3, 2016, Legislative Committee Meeting Summary Report

Chair of the Licensing Committee Nancy Springer reviewed the two legislative proposals approved by the Legislative Committee at its November 3, 2016, meeting:

1. Amendments to Business and Professions Code (BPC) sections 7058.5 and 7058.6 and Labor Code section 6501.5 (Asbestos Certification); BPC section 7075.1 (Transferability of License); BPC section 7085 (Referral to Arbitration); and BPC section 7145.5 (Final Liabilities)

2. Amendments to BPC sections 7099.2 and 7124.6—Letter of Admonishment

MOTION: To approve the November 3, 2016, Legislative Committee Meeting Summary Report. Dave Dias moved; Ed Lang seconded. The motion carried unanimously, 10–0.

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

2. Update on 2016 Legislation

Nancy Springer informed the Board that the Governor signed 11 bills that relate to CSLB, and that no further action is required.

- AB 1793 (Holden) – License Requirements: Recovery Actions
- AB 2486 (Baker) – License Search



- AB 2693 (Dababneh) – Financing Requirements: Property Improvements
- AB 2859 (Low) – Retired License
- SB 66 (Leyva) – Information Sharing
- SB 465 (Hill) – Contractors: Discipline: Reporting
- SB 661 (Hill) – Protection of Subsurface Installations
- SB 1039 (Hill) – CSLB Fees
- SB 1209 (Morrell) – Contractors: Discipline
- SB 1348 (Canella) – Licensure Applications: Military Experience
- SB 1479 (BPED) – Test Scheduling

Linda Clifford requested an update on the action the Board took regarding SB 66 (Leyva). Augie Beltran and Cindi Christenson noted the Governor signed the bill soon after the September 2016 Board meeting and that CSLB was unable to submit a letter raising concerns about data privacy.

3. Review, Discussion and Possible Action on Potential 2017 Legislative Proposals

- a. Amendments to Business and Professions Code (BPC) sections 7058.5, 7058.6; Labor Code section 6501.5 (Asbestos Certification); BPC section 7075.1 (Transferability of License); BPC section 7085 (Referral to Arbitration); BPC section 7109.5 (Safety Violation), BPC section 7145.5 (Final Liabilities)**

Chief of Legislation Laura Zuniga explained that the comprehensive proposal makes five different changes, all of which are considered technical and non-controversial:

1. Asbestos certification—amendment to BPC and Labor Code to reflect the new C-22 Asbestos Certification
2. Transferability of licenses—allows a license to be acquired through an asset sale, however the provision cannot be implemented as a license is not an asset that can be acquired through a sale
3. Referral of Arbitration—the Registrar retains discretion on whether or not to refer a complaint to arbitration
4. Labor Code Violations—incorporates Cal OSHA’s regulations related to safety provisions so that CSLB has the authority to discipline a contractor for a violation of regulations
5. Final Liabilities—updates the provision that provides for license suspension for failure to resolve any outstanding liability to reflect that licensees may use a taxpayer identification number



MOTION: To adopt the Legislative Committee’s recommendation to sponsor legislation to amend BPC sections 7058.5, 7058.6; Labor Code section 6501.5, and BPC sections 7075.1, 7085, 7109.5, and 7145.5. The motion carried unanimously, 10–0.

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

b. Amendments to Business and Professions Code sections 7028.1, 7058.8, 7099.11, and 7118.5: Health and Safety Code section 25914.1; and Labor Code section 9021.5 (Asbestos Certification)

Laura Zuniga explained that after the Legislative Committee approved the proposal, staff identified additional code sections that need to be amended to reflect the creation of the new C-22 Asbestos classification.

MOTION: To sponsor legislation to amend Business and Professions Code sections 7028.1, 7058.8, 7099.11, and 7118.5: Health and Safety Code section 25914.1; and Labor Code section 9021.5 (Asbestos Certification). Kevin Albanese moved; Linda Clifford seconded. The motion carried unanimously, 10–0.

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



Eddie Lang	X				
Michael Layton	X				
Marlo Richardson				X	
Frank Schetter	X				
Paul Schifino				X	
Johnny Simpson				X	
Nancy Springer	X				

c. Amendments to Business and Professions Code Sections 7099.2 and 7124.6—Letter of Admonishment

Legislative Committee Chair Nancy Springer explained that the proposal would allow for a letter of admonishment, which could be issued to licensees and that would serve as an intermediate form of discipline between the current advisory notice and administrative citation.

Dave Dias asked if the letter of admonishment could be used for future discipline. Laura Zuniga responded that the Board could issue an admonishment letter to a licensee, and then pursue further action if another violation occurs.

Joan Hancock requested clarification regarding the purpose of all three notices. Chief of Enforcement Dave Fogt explained the three, noted here from least to most serious:

- Advisory Notice: Used as an educational notice to contractors with minor violation(s), once disciplinary case has been settled. Not disclosable to the public.
- Letter of Admonishment (Proposed): Formal discipline, with public disclosure for one year. Appeals are handled internally, reducing CSLB costs.
- Administrative Citation: Formal discipline, with public disclosure for five years. Appeals are heard before an Administrative Law Judge.

MOTION: To sponsor legislation to amend Business and Professions Code sections 7099.2 and 7124.6. Kevin Albanese moved; Dave Dias seconded. The motion carried unanimously, 10–0.

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



Joan Hancock	X				
Pastor Herrera Jr.				X	
Eddie Lang	X				
Michael Layton	X				
Marlo Richardson				X	
Frank Schetter	X				
Paul Schifino				X	
Johnny Simpson				X	
Nancy Springer	X				

4. 2016–18 Strategic Plan Update

Nancy Springer reviewed the Legislative strategic plan, noting that the target date for objective 3.1 (present draft proposal to recommend the reorganization of Contractors State License Law) had been moved to March 2017. Linda Clifford requested that copies of the proposed draft be sent to Board members for review before it moves forward.

E. Public Affairs

1. Review and Possible Approval of November 3, 2016, Public Affairs Committee Meeting Summary Report

Public Affairs Committee Chair David Dias reviewed the October 28, 2016, Licensing Committee Meeting Summary Report.

MOTION: To approve the November 3, 2016, Public Affairs Committee Meeting Summary Report. Joan Hancock moved; Linda Clifford seconded. The motion carried unanimously, 10–0.

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

Paul Schifino				X	
Johnny Simpson				X	
Nancy Springer	X				

2. Public Affairs Program Update

Claire Goldstene, Public Affairs Supervisor, updated the Board on the units activities since the September 2016 Board meeting, and noted one staff vacancy, increasing CSLB website traffic and social media channels, and provided updates on various outreach activities and publications, including the 2017 *California Contractor’s License Law & Reference Book*, which is on schedule and expected to be released in January 2017.

Ms. Goldstene also noted the release of several industry bulletins after the production of the December 2016 Board packet, including one intended to assist contractors in securing contracts with the State and one announcing the retirement of the Registrar and Chief Deputy Registrar. Senior Scam StopperSM seminars continue to be a very successful and popular outreach program.

Linda Clifford asked when the Senior Scam StopperSM schedule will be posted so that Board members can plan ahead to attend. Ms. Goldstene assured Board members that they will be notified once the schedule is established.

3. Review, Discussion and Possible Approval of 2017-2019 CSLB Communications Plan

Claire Goldstene presented the 2017-2019 CSLB Communication Plan, highlighting internal and external communications; utilization of staff collective experience and skills to support Board members and staff; and maintaining PAO’s priority of advocating consumer protection.

MOTION: To adopt the Public Affairs Committee recommendation to approve the 2017-19 CSLB Communications Plan. The motion carried unanimously, 10–0.

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



Michael Layton	X				
Marlo Richardson				X	
Frank Schetter	X				
Paul Schifino				X	
Johnny Simpson				X	
Nancy Springer	X				

4. 2016–2018 Strategic Plan Update

Ms. Goldstene updated the Board regarding the Public Affairs 2016-18 Strategic Plan, and noted the revised target dates for the consumer and contractor guides

F. Licensing

1. Review and Possible Approval of October 28, 2016 Licensing Committee Meeting Summary Report

Licensing Committee Chair Susan Granzella reviewed the October 28, 2016, Licensing Committee Meeting Summary Report.

MOTION: To approve the October 28, 2016, Licensing Committee Meeting Summary Report. Nancy Springer moved; David Dias seconded. The motion carried unanimously, 10–0.

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

2. Licensing Program Update



Susan Granzella presented the Licensing program update and informed the Board members about application workloads, workers' compensation recertification, fingerprint/criminal background unit, experience verification unit, licensing information center, and the judgement unit.

Board member Frank Schetter suggested adding a "pending" column to the "Experience Verification by Classification" chart.

3. Testing Program Update

Laura Zuniga presented the Testing program update and informed the Board about the number of tests taken per month at each testing site, occupational analyses in progress, recently introduced tests currently under revision, and the interim report on the Consumer Satisfaction Survey. She noted that, to date, 2016 ratings are higher than previous years.

4. Review and Discussion of Little Hoover Commission Report: *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*

Legal Counsel Kristy Schieldge summarized the eight recommendations contained in the Little Hoover Commission report that address concerns about barriers to occupational licensure. The Board agreed to send the report to the Licensing Committee for further review.

5. 2016–2018 Strategic Plan Update

Susan Granzella reviewed the Licensing Strategic Plan objectives and noted that objective 1.2 (create exam development presentation for future board meetings) was completed in September 2016, and that the Licensing portion of objectives 1.1 (revise application package), 1.4 (research and implement measure to reduce initial processing times), 1.5 (conduct comparative study of pass/fail rates of contract exams in other states), and 1.6 (develop online application) are finished and will be complete upon IT programming.

G. Enforcement

1. Review and Possible Approval of October 28, 2016, Enforcement Committee Meeting Summary Report

Chief of Enforcement David Fogt introduced the Enforcement Committee's October 28, 2016, meeting summary report.



Board Member Frank Schetter requested the following edits:

Page 129, “Dan’s” last name is Conee; “Dennis” last name is “Morin”.

Chief Fogt requested the following edits:

Page 130 – strike “home improvement” in the second paragraph from the top. The sentence should read:

“Counsel Schiedge suggested that the Enforcement division consider the criminal prosecution of licensees who employ unregistered salespersons, pursuant to Business and Professions Code section 125, Misdemeanor Offenses by Licensees, as a means to address concerns around predatory contractors”.

MOTION: To approve, as amended, the October 28, 2016, Enforcement Committee Meeting Summary Report. Linda Clifford moved; Kevin Albanese seconded. The motion carried unanimously, 10–0.

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

2. Enforcement Program Update

CSLB Deputy Chief of Enforcement Jessie Flores discussed investigation highlights, general investigation statistics, and proactive enforcement.



With reference to the highlight “Enforcement Representative Lands Criminal Case from Jailhouse Interview,” Board member Frank Schetter requested clarification regarding the ability of sex offenders to obtain and/or renew their license.

Counsel Schiedge explained that CSLB did not have statutory authority for a blanket prohibition against sex offenders obtaining or renewing a license and that criminal convictions must be considered on a case-by-case basis. Board Chair Augie Beltran suggested that the Board refer this issue to the Legislative Committee, which will consider it at a future meeting.

Deputy Chief of Enforcement Flores also reviewed the Enforcement training update, highlighting upcoming career development training for Enforcement staff with active involvement from Enforcement Committee Chair Marlo Richardson.

3. Update regarding the November 3, 2016 Committee Meeting Presentation by the California Air Resources Board (CARB) Regarding Partnership Opportunities Utilizing the CARB Off-Road Mobile Sources Emission Reduction Program

Chief of Enforcement David noted that the CSLB meeting with CARB occurred October 28, 2016, not November 3, 2016.

Mr. Fogt summarized the presentation by the California Air Resource Board regarding contractors in violation of the off-road mobile sources emission reduction program reporting requirements, and who may also be in violation of CSLB licensing and insurance requirements. Subsequent to the meeting with CARB, Enforcement staff has identified road and highway contractors who may be in violation of CARB registration, and CSLB license or insurance requirements, thus warranting field inspection by CSLB, CARB, and Labor Commissioner staff.

Richard Markuson voiced concern about non-compliant contractors present on CalTrans projects. Chief Fogt responded clarified that the majority of these violators were not prime contractors to Caltrans, but first or second tier subcontractors.

4. Review and Discussion Regarding Outreach, Education and Enforcement Strategies to Address Deceptive Tactics by Solar Energy Contractors

Mr. Fogt discussed the increase in solar-related consumer complaints between 2010 and 2016, and updated the Board on the Enforcement division’s partnership with solar industry stakeholders to reduce solar industry fraud. He also informed the Board that 53 percent of the complaints CSLB received were “business” related, and 27 percent “workmanship”.



Board member Frank Schetter commented on the Enforcement staff meeting with the solar industry, noting the 8 percent utility increase to justify solar prices conflicts with the national average of less than 0.3 percent, and suggested clarification as to what qualifies as “misrepresenting” facts to consumers.

Richard Markuson commended Enforcement staff for their outreach efforts with the solar industry and other state agencies.

5. Review and Discussion Regarding Enforcement Strategies and Possible Legislation to Reduce Service and Repair Contractor Deceptive Practices

Dave Fogt thanked the Law Offices of Abdulaziz, Grossbart & Rudman for assisting Enforcement staff in scheduling an October 20, 2016, meeting in northern California with service and repair contractors, which has resulted in a 19 percent reduction in service and repair consumer complaints. Chief Fogt discussed the typical violations that staff see in the investigation of consumer complaints and confirmed that a similar meeting in southern California is scheduled for January 2017.

6. 2016 – 2018 Strategic Plan Update

Deputy Chief of Enforcement Flores provided the Board an update on the Enforcement division’s 2016-18 Strategic Plan, and confirmed that all target dates are being met.

H. Executive

1. Review and Possible Approval of September 19–20, 2016, Board Meeting Minutes

Registrar Cindi Christenson noted a change of one word in a comment made by Kristy Schieldge, CSLB’s legal counsel, on Agenda item C1a (page 171 of meeting packet). The word “regulation” should be changed to “law.”

MOTION: To approve, as amended, the September 19-20, 2016, Board meeting minutes. David Dias moved; Joan Hancock seconded. The motion carried unanimously, 10–0.

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



David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.				X	
Eddie Lang	X				
Michael Layton	X				
Marlo Richardson				X	
Frank Schetter	X				
Paul Schifino				X	
Johnny Simpson				X	
Nancy Springer	X				

2. Registrar’s Report

a. Implementation of SB 66 (Leyva) – Information Sharing

Ms. Christenson informed the Board that CSLB will closely monitor DCA’s Information Technology and Legislative shops as they begin to implement the information sharing requirements of SB 66, to ensure that CSLB licensee information is protected when shared with community colleges.

b. Recruitment for a New Chief Deputy Registrar

Cindi Christenson reviewed the process for recruitment of a new Chief Deputy Registrar, and explained that CSLB division chiefs will collectively assist until the position is permanently filled, and that a retired annuitant also will help with Chief Deputy Registrar duties in the interim.

c. Tentative Board Meeting Schedule

1. March 13-14, 2017—two-day Board meeting in Sacramento for recruitment of new Registrar
2. June (TBD)—Joint California-Nevada Board meeting to be held in southern California.

3. Administration Update Regarding Personnel and Business Services

Chief Deputy Registrar Cindy Kanemoto presented the Administrative update for Personnel and Business Services, noting 29 successful recruitment transactions. Additionally, CSLB’s Personnel unit has assisted the Enforcement division by developing career advancement courses, and continually works with CSLB staff and DCA to manage and reduce Enforcement vacancies by holding bi-weekly meetings and administering



Enforcement classification examinations. Recruitment to fill vacant Enforcement staff positions is currently underway.

She also reviewed the status of lease renewals for the Sacramento headquarters office, along with Norwalk building modifications completed in October, 2016, and fleet acquisitions.

a. 2016 – 2018 Strategic Plan Update

Ms. Kanemoto reported that all Administrative strategic plan objectives are on track for timely completion.

4. Information Technology Update

Cindy Kanemoto presented the IT update, noting that new interactive forms are available on CSLB's website, and that CSLB entered into a contract with Vision Integrated Services to map CSLB processes for an online application.

Ms. Kanemoto explained that a Governance Board has been established within CSLB to prioritize IT projects, addressing the high volume of requests for changes to the TEALE system, as well as making licenses, applications, and letters sent to applicants available on CSLB's Intranet site for processing purposes.

b. 2016 – 2018 Strategic Plan Update

Ms. Kanemoto reported that all IT strategic plan items are on track for timely completion.

5. Budget Update

Chief Deputy Registrar Cindy Kanemoto reviewed the Board's current financial situation, noting that current expenditures for fiscal year 2016-17 are on-track, with 27 percent of the allotted budget spent. Revenue for the fiscal year is also up in all areas except license renewals. Ms. Kanemoto explained that the discrepancy is likely due to the state's new accounting system, and that CSLB is working with DCA and other affected Boards to make sure the new system accurately reflects revenues. In response to a question from Board member Susan Granzella, Ms. Kanemoto said that she believes revenues are actually higher and on-target with projections, since CSLB has its own cashiering unit, and she expects the figures to be updated by the next Board meeting.

Ms. Kanemoto also spoke about the Board's fund condition, which projects out to fiscal year 2018-19. She noted that with the combination of a fee increase, effective July 1, 2017, and an historical annual reversion of approximately \$3 million, CSLB's reserves



should increase from 1.6 months to 3.5 months, which she called a very healthy fund condition.

Board member Linda Clifford asked if CSLB is raising its fees to the highest amount allowed by new legislation. Legislative Chief Laura Zuniga explained that legislation set the July 1, 2017 fees at 10 percent above current fees, and enables CSLB to later pass regulations to raise fees by up to an additional 15 percent.

Finally, Ms. Kanemoto briefly noted the statistical update information available in the meeting packet, which provides a snapshot of various CSLB activities on a monthly basis from 2013 to present.

H. Adjournment

MOTION: To adjourn the December 8, 2016, CSLB Board Meeting. Ed Lang moved; Linda Clifford seconded. The motion carried unanimously, 10–0.

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

Board Chair Augie Beltran adjourned the Board meeting at 4:57 p.m.

Augie Beltran, Chair

Date

Cindi Christenson, Registrar

Date

AGENDA ITEM H-2

Registrar's Report

- a. Tentative 2017 Board Meeting Schedule
 - June 15-16, 2017
Garden Grove
- b. Report on 2016-2018 Strategic Plan



AGENDA ITEM H-3

2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Administration Objectives





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – UPDATE

Background

The proposed changes to the Administration Strategic Plan highlighted in yellow are for review and consideration by the full Board.

(E) “Essential”

(I) “Important”

(B) “Beneficial”

ADMINISTRATION OBJECTIVES	TARGET	DESCRIPTION	STATUS
6.1 Partner with DCA to Implement Live Captioning Contract (E)	December 2016	Increase accessibility to public meetings and compliance with the Americans with Disabilities Act	Completed – using DCA-wide contract for live captioning service. Remove
6.2 Develop Succession Planning, Mentoring, and Upward Mobility Program for Staff (E)	June 2017	Assess job requirements and skills of existing employees and seek to fill the gaps between needs and skills with targeted training and development activities	On track. Currently redesigning and preparing for a re-launch of an expanded version of the previously successful CSLB Career Counseling Program. Upward mobility training class to be offered to all CSLB employees.
6.3 Assess/Enhance Security and Safety Procedures for All CSLB Facilities (I)	June 2017	Examine the security and safety of all CSLB facilities to identify and enhance areas that require improvements	On track. Currently focusing on locations with upcoming lease renewals and determining physical security needs so that modifications can be included in the lease renewal agreements.
6.4 Evaluate Enforcement Division Staffing Levels (B)	September 2017	Determine if additional personnel are needed to meet CSLB Enforcement division goals	On track. Personnel Office Manager meeting with Enforcement division management to identify staffing issues and recruitment efforts on a bi-weekly basis.
6.5 Enhance Onboarding and Orientation Program for New Staff, Managers, and Board	December 2017	Increase communication and foster cohesive mission-oriented work culture	On track. Currently modeling best practices of other organizations and tailoring them to CSLB needs.
6.6 Research and Implement a Special Investigator Classification Series (E)	June 2018	Examine feasibility of establishing new classification to improve recruitment and retention of Enforcement staff	On track. Working closely with DCA Office of Human Resources to identify the feasibility and complexity of this issue. Issue paper being drafted.
6.7 Pursue Salary Differentials in Regions with Higher Living Costs (E)	June 2018	Define and pursue opportunities to pay competitive wages in high cost of living sections of the state to improve recruitment and reduce employee vacancies in these areas	On track. Working closely with DCA Office of Human Resources to identify the feasibility and mechanism to address this issue. Issue paper being drafted.



<p>6.8 Determine Requirements and Procure Equipment for Full Service Broadcast Studio (I)</p>	<p>June 2018</p>	<p>In conjunction with Public Affairs Office, identify and purchase necessary equipment needed for video/audio production (timing is dependent on CSLB)</p>	<p>On track. Building specifications added to the lease negotiations for CSLB Headquarters. CSLB will contract with consultant to assist in identifying hardware/software requirements.</p>
<p>6.9 Review Consumer Service Representative Job Classification (B)</p>	<p>June 2018</p>	<p>Expand the qualifying degrees and required courses to increase the applicant pool for recruitment (may have to be coordinated with CalHR modernization project)</p>	<p>On track. Plans to enhance outreach to potential applications via Internet, PAO blasts, social media outreach, etc.; in addition, CSLB recently offered the CSR exam, which created an ample hiring pool; recruitment is in process.</p>

AGENDA ITEM H-4

2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Information Technology Objectives





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – UPDATE

Background

The proposed changes to the Information Technology Strategic Plan highlighted in yellow are for review and consideration by the full Board.

(E) “Essential”

(I) “Important”

(B) “Beneficial”

INFORMATION TECHNOLOGY OBJECTIVES	TARGET	DESCRIPTION	STATUS
5.1 Implement Internal Group to Prioritize and Execute IT Projects (E)	August	Develop executive team to review and prioritize all IT project requests, ensuring that resources are directed to meet the business needs and priorities of CSLB division chiefs	Completed. Remove
5.2 Conduct Needs Assessment to Determine Requirements for New Licensing/ Enforcement Computer System	September	Work with various CSLB units, including Cashiering, Testing, Licensing, and Enforcement to ensure current and future computer needs are met (may be affected by Department of Consumer Affairs' BreZE Project)	Business Analysts meeting with various CSLB units, including Licensing, Cashiering, Testing, and Enforcement to capture existing business processes and creating swim lanes. New target date of February 2018
5.3 Upgrade Investigator Cell Phones and Acquire Tablets (I)	Cell Phones: December 2016; Tablets: December 2017	Provide investigators working in field with equipment that improves usability, increases their use of electronic documentation, and offers more effective access to information (may be affected by cell phone refresh date)	Enforcement cell phones have been implemented; discussing tablet purchase with DCA
5.4 Implement Online Application for Home Improvement Salesperson (I)	February	Applicants could submit applications online, associate-disassociate, and submit online registration renewals (may be affected by Teale)	HIS Online association and cessation tasks were placed on hold until the SB 1039 mandated fee increase is complete July 1, 2017. New target date of June 2018



5.5 Implement ePayment Expansion to San Bernardino Office (E)	September	Will take place after completion of building improvements	San Bernardino construction has begun. Implementation of new ePayment kiosk will begin following completion of San Bernardino construction. New target date of May 2017
5.6 Research Options to Replace Current Imaging and Workflow Automated System (IWAS) (I)	September	Examine available solutions to replace system currently used to scan all incoming license-related paperwork into CSLB's computer system (may integrate into objective 5.2)	Not yet started Remove and combine with objective 5.2
5.7 Implement Online ePayment System (E)	September	Expand ePayment system, currently only available in CSLB offices, by allowing 16 payment types to be made by credit card online	Not yet started New target date of September 2018
5.8 Implement SCORE	September	Allow exam development and	Performing a cost benefit to determine the best options. New target date of December 2018

AGENDA ITEM H-5

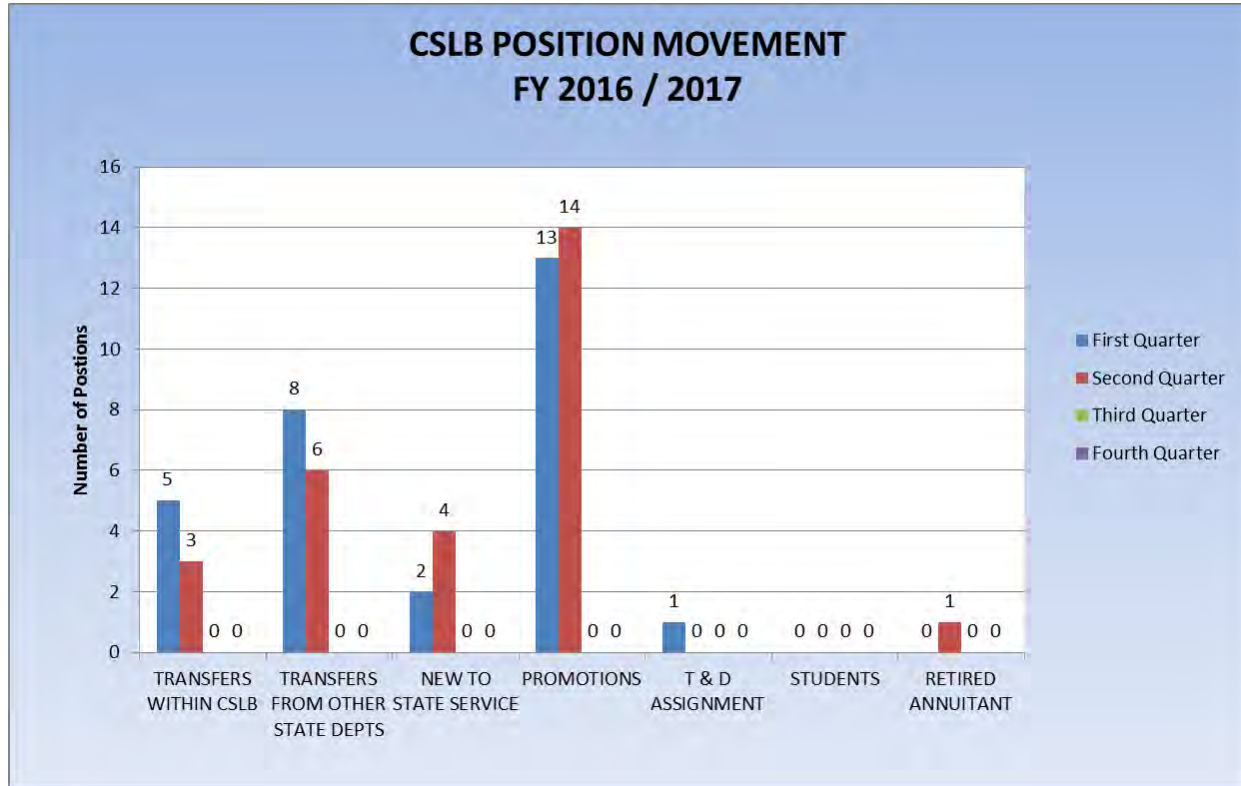
Administration Update Regarding Personnel and Facilities





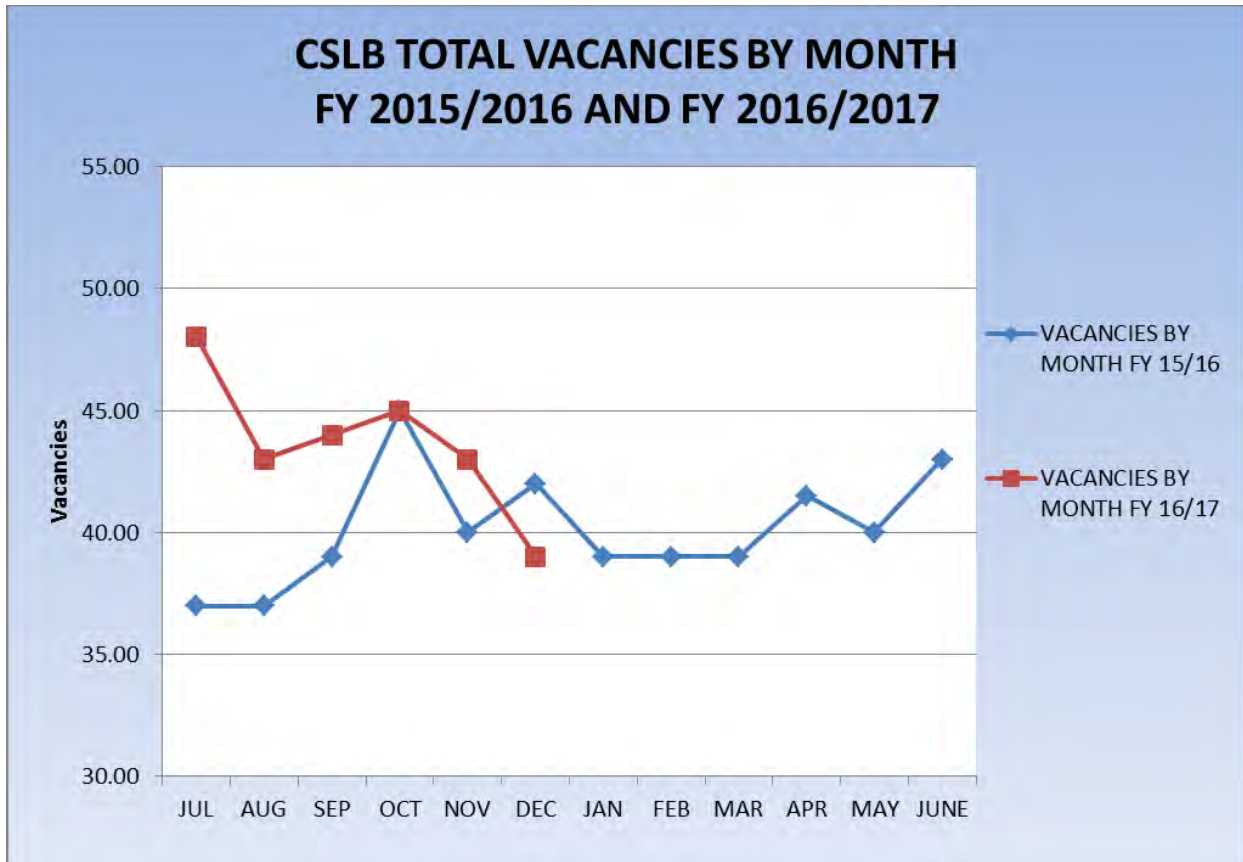
Personnel Update

During the second quarter of fiscal year 2016-17, CSLB personnel staff completed 28 recruitment transactions, which included the addition of six new employees from other state agencies, four employees new to state service, and one retired annuitant. Within CSLB, 14 employees were promoted and three transferred units.



The Personnel unit completed its first year working with the State’s new examination and certification online system (ECOS), which employment applicants use to apply for state civil service examinations and vacant positions. The Personnel unit also completed its first six months participating in DCA’s “Job Posting Pilot Program,” in which CSLB was delegated responsibility for creating job controls and posting vacancies in ECOS to help streamline the recruitment effort for CSLB.

Members of the Personnel unit collaborated with the Enforcement division to develop a “Career Class” for Enforcement staff focused on career advancement, which was offered twice in Sacramento and once in Norwalk. Approximately 70 staff participated in the three classes, and Board member Marlo Richardson made opening remarks at each session. Because of the popularity of the class, Personnel staff is considering it for the remainder of CSLB staff.



As illustrated in the graph above, second-quarter vacancies in fiscal year 2016-17 have declined in comparison to first-quarter FY 2016-17 vacancies, as Personnel staff continue to work closely with DCA and CSLB management to minimize delays in recruitment efforts. In addition, recent exams for the Enforcement Supervisor I/II, Enforcement Representative II, and Consumer Services Representative have contributed to the decrease in vacancies. In the spring, members of the Enforcement division will act as Subject Matter Experts in the development of the Enforcement Representative I examination. Recruitment efforts to fill all vacant positions are ongoing.

Examinations

DCA and CalHR offer several examinations throughout the year as shown in the table on the following page.



Consumer Services Representative	Last exam administered in:	August 2016
	Tentative exam date:	TBD
Enforcement Representative I	Last exam administered in:	June 2016
	Tentative exam date:	June 2017
Enforcement Representative II	Last exam administered in:	June 2016
	Tentative exam date:	April 2017
Enforcement Supervisor I/II	Last exam administered in:	August 2016
	Tentative exam date:	TBD
INFORMATION TECHNOLOGY		
Assistant/Associate/Staff Information Systems Analyst (CalHR)		Continuous
Systems Software Specialist I/II/III (CalHR)		Continuous
LICENSING		
Supervising Program Technician III (CalHR)		Continuous
TESTING		
Personnel Selection Consultant I/II	Last exam administered in:	November 2015
	Tentative exam date:	TBD
Test Validation & Development Specialist I/II	Last exam administered in:	August 2015
	Tentative exam date:	TBD
ALL CSLB		
Information Officer I, <i>Specialist</i> (CalHR)		Continuous
Management Services Technician (CalHR)		Continuous
Office Services Supervisor (CalHR)		TBD
Office Technician (CalHR)	Last exam administered in:	November 2015
	Tentative exam date:	Continuous
Office Assistant (CalHR)	Last exam administered in:	December 2015
	Tentative exam date:	March 2017
Program Technician I/II/III (CalHR)	Last exam administered in:	October 2015
	Tentative exam date:	TBD
Associate Governmental Program Analyst/ Staff Services Analyst (CalHR)		Continuous
Staff Services Analyst Transfer Exam	Tentative exam dates:	March/June Sept./December
Staff Services Manager I/II/III (CalHR)		Continuous



Business Services

Facilities

San Bernardino – CSLB received signature approval for the plans for the Testing and Enforcement offices from the State Fire Marshal (SFM). The Testing division's suite has been completed, which includes new paint, carpet, and security glass in the reception room. The data room has been modified so that access to this room is now through the lobby to ensure that testing candidates will not be disrupted when staff needs to access the data room.

Projected Completion Date: **April 2017**

San Diego – The DGS space planner is preparing new floor plans for CSLB approval. Also, CSLB submitted revised cabling specifications to DGS for inclusion in the lease renewal.

Projected Completion Date: **January 2018**

Sacramento Headquarters – The DGS space planner completed the final proposed plans that will be presented to the current lessor to begin lease renewal negotiations. The proposed upgrades/modifications for inclusion in the lease renewal will include a new security kiosk in the front lobby, a new card reader system, replacement of all current projectors, a new media room, a new secured cage in the warehouse for modular furniture, and new paint and carpet.

Projected Completion Date: **December 2018**

Oxnard – The DGS space planner is preparing new floor plans for approval by CSLB, which will include new carpet and paint in the Enforcement and Testing suites. The Testing suite will receive new key card access along with twelve storage cubes.

Projected Completion Date: **May 2017**

San Francisco – The DGS space planner completed the final plans, which CSLB approved. Upgrades/modifications include paint touch-up, a new sink and garbage disposal, new cabinets, and an electrical vehicle charging station.

Projected Completion Date: **September 2018**

Valencia – The DGS space planner is preparing new floor plans for CSLB approval, which will include a second exit door, new paint and carpet, an addition of state



seal/DCA signage to the front door, an addition of corner guards to the walls, cleaning and waxing of the flooring, and a request for five state vehicle parking stalls.

Projected Completion Date: **January 2018**

Fresno – The DGS space planner is preparing new floor plans for CSLB approval. The Leasing Officer will negotiate the lease and request a few minor changes, which include touch-up paint, installation of plates on all doors, corner guards throughout the office, an exhaust fan in the break room, and installation of storage cubes to hold testing candidates' personal items during examinations.

Projected Completion Date: **September 2018**

San Jose – This is a state building, and DGS has delegated this project to DCA/CSLB. An air-conditioning unit will be installed in the server/telecom room of the office, for which CSLB will send out competitive bids.

Projected Completion Date: **March 2017**

Contracts and Procurement

Contracts in Process:

- A new Request for Proposal will be issued for a three-year contract for statewide arbitration services;
- Amendment of California Highway Patrol contract for additional funds to provide security services for various meetings, sting operations, and testing offices;
- Debt collection services for the citation program;
- Locksmith for Headquarters;
- Maintenance for inserter machine and;
- Purchase of a printer/fax machine for headquarters.

Procurements in Process:

- Forklift for the Sacramento headquarters warehouse.

Executed Contracts/Procurement:

- Printing services for *California Contractors License & Law Reference Book*;
- June 2017 Board meeting site;
- Field vests for Enforcement division staff; and
- Camera equipment for the Public Affairs Office



Fleet

Vehicle Purchases:

- All vehicles purchased for fiscal year 2015-16 fiscal year have been received:
 - (4) Ford Fusions – (1-San Diego IC, 2-Valencia IC, 1-West Covina IC)
 - (5) Chevrolet Impalas – (1-Fresno SWIFT, 2-Norwalk SWIFT, 2-Sacramento SWIFT)
 - (1) Chevrolet Silverado – Sacramento IC
 - (1) Nissan Leaf (all electric) – Sacramento IC

- CSLB submitted the fiscal year 2016-17 Fleet Acquisition Plan to the Department of Consumer Affairs, which included nine replacement vehicles.
 - (6) Chevrolet Impalas (1-Fresno SWIFT, 2-Norwalk SWIFT, 2-Sacramento IC, 1-San Bernardino IC)
 - (3) Ford Fusions (1-West Covina IC, 2-Norwalk IC)

Emergency Preparedness

CSLB's Emergency Response Team coordinated a fire drill on December 21, 2016, and held its mandatory first quarter training on January 11, 2017.

AGENDA ITEM H-6

Information Technology Update





Licensing ADA Compliant and Interactive Online Smart Forms and Home Improvement Salesperson Online Smart Forms

CSLB launched a series of interactive smart forms in Fall of 2016 to improve the registration process for Home Improvement Salespersons (HIS) applicants and licensed contractors who employ HIS. Since then, CSLB has seen a gradual increase in the use of the three new smart forms: HIS interactive application, HIS interactive employment notification form, and HIS interactive employment cessation notification form. These forms help registrants and contractors avoid common mistakes, such as leaving a form incomplete or skipping any required fields. They have also helped to reduce the number of forms returned for correction since entries are no longer hand-written and mistakes are caught earlier in the process.

IT and Licensing staff have been working together to update CSLB forms and on February 16, 2017, CSLB released ten interactive smart forms that are fully ADA compliant. Among these are: original license application, licensing application waivers, joint venture reissues, licensing number reissue, add class application, and several others. These online interactive forms overlap with Licensing and Testing strategic plan objectives 1.1 (revise application package), 1.4 (research and implement measure to reduce application processing times), and 1.6 (develop online smart application). These interactive forms will help reduce the number of incomplete forms CSLB returns to applicants for correction. An additional six online interactive forms are scheduled for implementation the first week of March 2017, and another three interactive forms are scheduled for an April 2017 release.

Fee Increase Project – SB 1039

CSLB IT and Licensing staff have been modifying all Licensing Intranet/Internet forms, e-Payment kiosk programs, and CSLB webpages to reflect the new fees that take effect July 1, 2017. License applications, as well as all other fee-based forms, are being updated and developed into online interactive smart forms that reflect the new fees. In addition, CSLB's TEALE system is being modified to accept the new fee amounts.

Implementation of Home Improvement Salesperson (HIS) Online Presence

Following completion of the online interactive forms project and the fee increase project, CSLB IT resources will be redirected back to the HIS Online Project to continue the development of CSLB's online processing functionality. The HIS online project will allow Home Improvement Salespersons and Home Improvement Sales contractors to associate and disassociate via a secure CSLB online portal. The goal is to provide Registrants with the ability to pay registration fees online and to create an infrastructure that advances CSLB's online processing capabilities.



Future CSLB Online Licensing System Project

In an effort to meet its strategic plan objective to determine the requirements for a new licensing/enforcement computer system, CSLB is preparing “as-is” and “to-be” business processes, conducting business requirements gathering sessions, and preparing business requirements documentation for a potential online licensing application, whether BreEZe or another online licensing solution.

To implement this project, CSLB Business Consultant unit staff continues to work with programs to document and map CSLB’s current “as-is” and “to-be” business processes, conduct meetings with CSLB end-users to verify mapping, and complete gap/fit analysis. The “as-is” process documentation of Licensing activities is in the final development stage, and Enforcement and Testing processing activities are scheduled for completion over the next several months.

New Digital Phone System Update - Voice Over Internet Protocol (VOIP)

In December 2016, CSLB’s IT division began the roll-out of a new desk phone system Voice Over Internet Protocol (VoIP), and completed the project in February 2017. All CSLB offices around the state now use VOIP.

Interactive Voice Response (IVR) System

CSLB’s IVR is an interactive, self-directed telephone system that provides valuable information to consumers, contractors, and others. It allows callers to request forms or pamphlets that are sent to them immediately, check a license status and history, and check the status of an application. The IVR also provides consumers with information about how to file complaints, as well as how to become a licensed contractor. In addition, the IVR gives callers the option to speak to call center agents in Sacramento or Norwalk. From November 2016 through January 2017, CSLB’s IVR handled 102,307 calls, an average of 34,102 calls per month. The system is available 24-hours a day, seven days a week.

The IVR system offers dozens of possible menu options. Following is a list of the top 20 IVR requests from November 2016 through January 2017.

**Top 20 IVR Requests - Nov '16 - Jan '17**

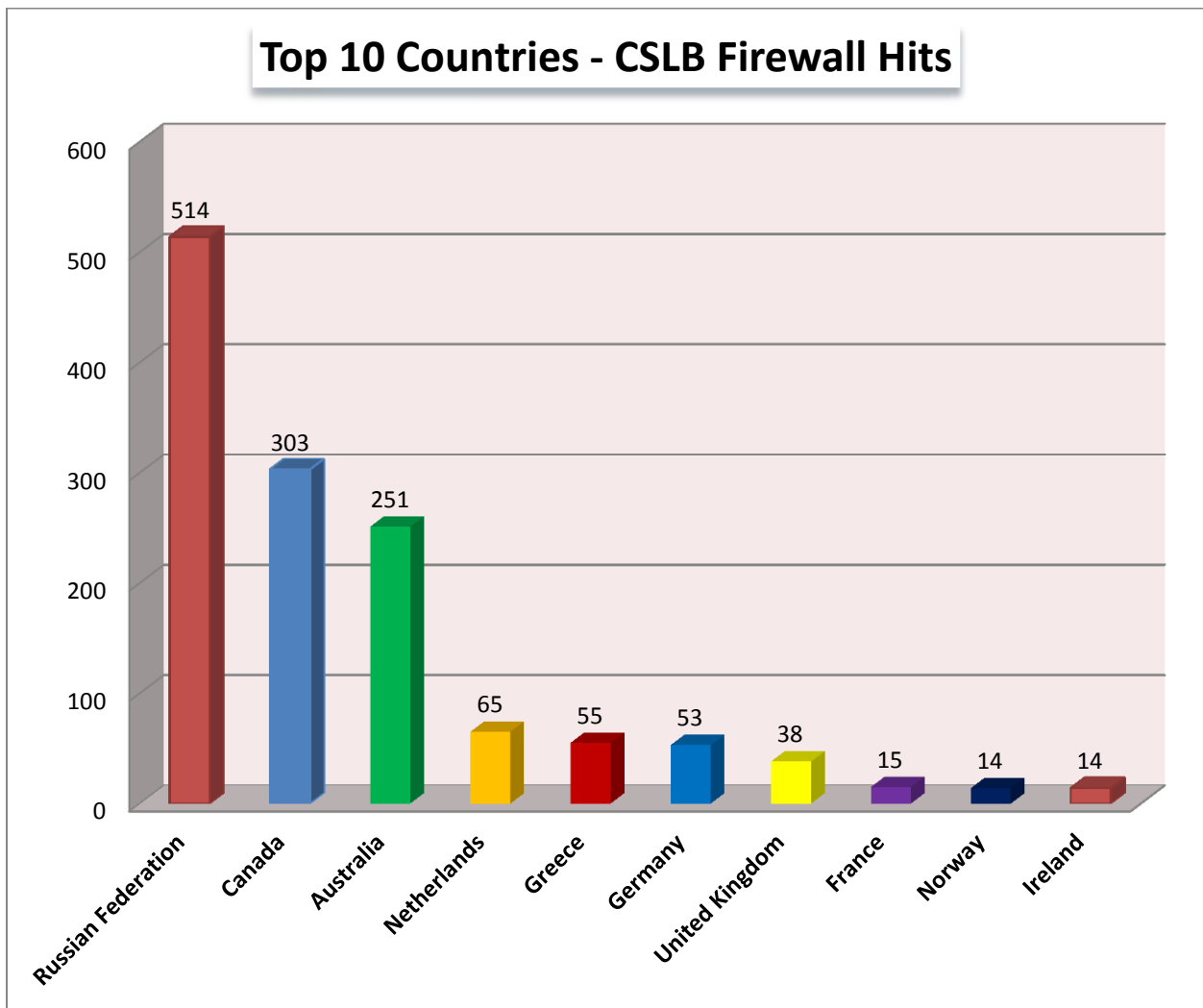
IVR Statistics	Nov 2016	Dec 2016	Jan 2017	Total
IVR calls received	33,328	29,097	39882	102,307
Monthly average				34,102
Top 20 IVR Requests	Nov 2016	Dec 2016	Jan 2017	3 Month Totals
Contact or Want to Become Contractor	15,376	14,240	20,095	49,669
Info on Maintaining or Changing License	9,727	9,046	12,638	31,097
Contractor's License Check	8,582	7,517	10,452	26,753
License Number Not Known	3,835	3,462	4,571	12,283
Contractor License Application	3,624	3,450	4,905	12,124
About Making Changes to License	3,104	2,859	4,125	10,221
About License Renewal	3,073	3,006	3,965	10,034
Hire or Problem with Contractor	2,852	2,550	3,474	9,692
About Continuing Requirements	2,499	2,243	3,277	7,690
For Changes to Existing Licenses	1,978	1,793	2,491	6,248
Reschedule Exam Date	1,730	1,787	2,177	5,923
License Requirements	1,605	1,590	2,236	5,454
Info about Bond or Workers' Comp Requirements	1,403	1,092	1,777	4,639
Info on Problems with Contractor	1,307	1,264	1,679	4,356
General Application & Examination Info	1,219	1,166	1,675	3,797
Info about Workers' Comp Requirements	1,055	772	1,438	3,463
For Changing the Business Structure of an Existing	951	947	1,444	3,174
To Fax Forms, or To Order Forms by Mail	937	912	1297	2,713
License Complaint Information	667	589	794	2,063
For Adding Classifications, Certifications or Chan	654	590	785	1,930



Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security on the Board’s information technology networks, systems, and applications. Using various technologies, CSLB proactively blocks/denies unauthorized attempts to breach its systems from all sources, including those emanating from foreign countries.

The chart below shows the top 10 foreign countries from which users have attempted to access CSLB systems and applications between January 1, 2016 and December 31, 2016, all of which were successfully denied. CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have succeeded.



AGENDA ITEM H-7

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2016-17 CSLB Budget and Expenditures

Through January 31, 2017, CSLB spent or encumbered \$34.8 million, roughly 55 percent of its FY 2016-17 budget. This chart details the CSLB FY 2016-17 budget, including expenditures through January 31, 2017:

EXPENDITURE DESCRIPTION	FY 2016-17 APPROVED BUDGET	JANUARY 2017 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	23,870,000	12,639,023	11,230,977	47.1%
Board Members	16,000	5,000	11,000	68.8%
Temp Help	860,000	338,520	521,480	60.6%
Exam Proctor	41,000	81,808	-40,808	-99.5%
Overtime	146,000	65,181	80,819	55.4%
Staff Benefits	11,520,000	6,318,249	5,201,751	45.2%
TOTALS, PERSONNEL	36,453,000	19,447,781	17,005,219	46.6%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	17,790,000	12,471,736	5,318,264	29.9%
Exams	436,000	139,243	296,757	68.1%
Enforcement	8,540,000	3,023,353	5,516,647	64.6%
TOTALS, OE&E	26,766,000	15,634,332	11,131,668	41.6%
TOTALS	63,219,000	35,082,113	28,136,887	44.5%
Scheduled Reimbursements	-353,000	-97,046	-255,954	
Unscheduled Reimbursements		-216,122	216,122	
TOTALS, NET REIMBURSEMENTS	62,866,000	34,768,945	28,097,055	44.7%

❖ Revenue

CSLB received the following revenue amounts through January 31, 2017:

Revenue Category	Through 01/31/2017	Percentage of Revenue	Change from prior year (01/31/2016)*
Duplicate License/Wall Certificate Fees	\$58,243	0.2%	5.4%
New License and Application Fees	\$6,815,591	18.2%	11.2%
License and Registration Renewal Fees	\$27,799,637	74.1%	0.0%
Delinquent Renewal Fees	\$1,399,962	3.7%	0.9%
Interest	\$65,469	0.2%	0.0%
Penalty Assessments	\$1,286,977	3.4%	17.8%
Misc. Revenue	\$70,412	0.2%	12.5%
Total	\$37,496,291	100.00%	2.6%

* License & Registrations Renewals Fees are based on 2-year cycle (comparative data is from FY 2014-15, a peak renewal year).



❖ Fiscal Year (FY) 2016-17 CSLB Revised Final Budget and Adjustments

- The CSLB revised final FY 2016-17 budget increased by \$1.3 million from \$64.7 to \$66.0 million (this includes the \$3.1 million for statewide pro rata moved mid-year for transparency purposes into the fund as a direct charge under disbursements). This budget includes the following one-time adjustments and reductions: reconciling of salaries and wages with projected operating expenditures (7A), adjustments to employee retirement contribution rates, adjustments to employee compensation and health rates, and the removal and redirection of the statewide pro rata budget line item directly to disbursements in the fund condition.
- The following chart shows the approved original FY 2016-17 budget (2016 Budget Bill) and the overall budgetary impact of the reductions and adjustments to the revised final FY 2016-17 CSLB budget:

EXPENDITURE DESCRIPTION	FY 2016-17 APPROVED BUDGET	7A ADJ & Statewide Pro Rata Removal	RETIREMENT ADJ	EMPLOYEE COMP & HLTH ADJ	FY 2016-17 REVISED BUDGET
PERSONNEL SERVICES					
Salary & Wages (Staff)	23,076,000			794,000	23,870,000
Board Members	16,000				16,000
Temp Help	860,000				860,000
Exam Proctor	41,000				41,000
Overtime	146,000				146,000
Staff Benefits	11,114,000		308,000	98,000	11,520,000
TOTALS, PERSONNEL	35,253,000	0	308,000	892,000	36,453,000
OPERATING EXPENSES & EQUIPMENT					
Operating Expenses	20,837,000	-3,124,000	57,000	20,000	17,790,000
Exams	436,000				436,000
Enforcement	8,535,000	-6,000	2,000	9,000	8,540,000
TOTALS, OE&E	29,808,000	-3,130,000	59,000	29,000	26,766,000
TOTALS	65,061,000	-3,130,000	367,000	921,000	63,219,000
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
TOTALS, NET REIMBURSEMENTS	64,708,000	-3,130,000	367,000	921,000	62,866,000



❖ **CSLB Fund Condition**

Below is the fund condition for the Contractors' License Fund, which shows the final FY 2015-16 reserve (\$19 million – approximately 3.5 months' reserve), along with the projected reversion amounts for current year (CY) 2016-17 through budget year (BY) 2018-19. This chart includes the projected additional revenue resulting from the passage of SB 1039 starting in BY 2017-18, which raises almost all CSLB fees by 10 percent effective July 1, 2017:

	Final FY 2015-16	Projected CY 2016-17	Projected BY 2017-18	Projected BY+1 2018-19
Beginning Balance	\$23,799	\$19,040	\$14,614	\$13,403
Prior Year Adjustment	\$252	\$0	\$0	\$0
Adjusted Beginning Balance	\$24,051	\$19,040	\$14,614	\$13,403
Revenues and Transfers				
Revenue	\$56,030	\$58,279	\$56,742	\$58,849
Statutory Fee Increase, effective July 1, 2017			\$6,530	\$6,762
Totals, Resources	\$80,081	\$77,319	\$77,886	\$79,014
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$60,929	\$59,500	\$60,690	\$61,904
Leg BCP (Staffing & Attorney General Aug)			\$510	\$494
Financial Info System Charges	\$112	\$81	\$83	\$83
Statewide Pro Rata (State Operations)		\$3,124	\$3,200	\$3,200
Total Expenditures	\$61,041	\$62,705	\$64,483	\$65,681
Fund Balance				
Reserve for economic uncertainties	\$19,040	\$14,614	\$13,403	\$13,333
Months in Reserve	3.5	2.7	2.4	2.4

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% renewal license fee growth, based on prior 2-year cycle.
- 3) Assumes expenditures in CY 2016-17 based on budgeted authority and then assumes growth projected at 2% starting in BY 2017-18, and then ongoing.



❖ **CSLB FY 2017-18 Proposed Budget Change Proposal (BCP)**

The Board successfully submitted a Budget Change Proposal (BCP) for the Enforcement division to fulfill the mandates prescribed in Senate Bill 465, Chapter 372. The BCP approves a staff augmentation of 2.0 permanent positions and \$190,000 beginning in FY 2017-18, along with an Attorney General (AG) augmentation of \$320,000 to support the increased costs of cases referred to the AG. The Department of Finance approved the proposal, and it is currently going through Legislative Budget hearings for inclusion in the FY 2017-18 Budget Act.

❖ **Construction Management Education Account (CMEA) Fund Condition**

CMEA grant awards have been suspended since July 2014 for insufficient funds. Since then donations to the fund have steadily increased. Assuming this trend continues, it is anticipated that the fund will be sufficiently healthy in FY 2018-19 to begin disbursement of the annual minimum of \$150,000 in grant awards.

Below is the CMEA fund condition, which shows the final FY 2015-16 reserve (\$161,000 – approximately 12 months’ reserve), along with the projected reversion amounts for current year (CY) 2016-17 through budget year (BY) 2018-19:

	Final FY 2015-16	Projected CY 2016-17	Projected BY 2017-18	Projected BY+1 2018-19
Beginning Balance	\$ 85	\$ 161	\$ 246	\$ 339
Prior Year Adjustment	-\$1	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 84	\$ 161	\$ 246	\$ 339
Revenues and Transfers				
Revenue	\$77	\$85	\$93	\$99
Totals, Resources	\$ 161	\$ 246	\$ 339	\$ 438
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$0	\$0	\$0	\$10
Local Assistance Grant Disbursements	\$0			\$150
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 160
Fund Balance				
Reserve for economic uncertainties	\$ 161	\$ 246	\$ 339	\$ 278
Months in Reserve	12.1	18.5	25.4	20.9

Notes:

1) All dollars in thousands.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2013-14	2014-15	2015-16	2016-17
July	2,850	2,805	3,398	3,513
August	3,084	3,004	3,419	3,749
September	2,682	3,207	2,955	3,668
October	2,719	3,177	3,484	3,844
November	2,435	2,542	3,143	3,080
December	2,315	2,944	3,058	3,260
January	2,832	2,958	2,862	3,282
Total	18,917	20,637	22,319	24,396
			<i>% Change from Prior FY</i>	9.3%

Original Applications Received

	2013-14	2014-15	2015-16	2016-17
July	1,546	1,450	1,593	1,618
August	1,505	1,399	1,631	1,811
September	1,424	1,562	1,351	1,692
October	1,420	1,588	1,596	1,842
November	1,276	1,204	1,490	1,374
December	1,224	1,441	1,400	1,453
January	1,497	1,479	1,297	1,584
Total	9,892	10,123	10,358	11,374
			<i>% Change from Prior FY</i>	9.8%
			<i>% of Apps Rcvd are Original Apps</i>	47.0%

Original Licenses Issued

	2013-14	2014-15	2015-16	2016-17
July	1,008	1,248	1,155	1,245
August	845	1,275	1,098	1,334
September	1,023	1,036	1,030	1,329
October	970	1,247	954	1,403
November	759	724	866	1,407
December	812	887	965	1,036
January	971	1,225	904	1,241
Total	6,388	7,642	6,972	8,995
			<i>% Change from Prior FY</i>	29.0%
			<i>% Licenses Issued of Original Apps Rcvd</i>	79.0%



Licenses Renewed	<i>PEAK</i>			<i>PEAK</i>
	2013-14	2014-15	2015-16	2016-17
July	11,751	10,079	11,584	10,394
August	9,313	11,505	8,611	11,069
September	8,016	11,584	10,292	9,215
October	8,481	8,448	8,501	9,842
November	8,674	6,467	6,881	7,618
December	8,672	11,886	11,885	9,147
January	10,279	9,847	7,206	8,958
Total	65,186	69,816	64,960	66,243
		<i>% Change from Peak FY 2014-15</i>		<i>-5.1%</i>

Original HIS Registrations Issued				
	2013-14	2014-15	2015-16	2016-17
July	328	520	894	350
August	323	605	658	581
September	300	497	624	391
October	287	635	533	552
November	280	583	580	428
December	274	476	596	359
January	287	410	499	377
Total	2,079	3,726	4,384	3,038
		<i>% Change from Prior FY</i>		<i>-30.7%</i>

HIS Registrations Renewed				
	2013-14	2014-15	2015-16	2016-17
July	150	158	167	188
August	150	147	140	271
September	101	187	133	252
October	152	158	152	257
November	143	117	111	168
December	124	143	175	285
January	140	179	89	235
Total	960	1,089	967	1,656
		<i>% Change from Prior FY</i>		<i>71.3%</i>



License Population by Status

	January 2015	January 2016	January 2017
Active	222,523	223,114	223,799
Inactive	62,242	60,193	58,318
Subtotal	284,765	283,307	282,117
Other*	476,290	487,860	501,447
Expired	407,846	416,754	427,371
Expired % of Other	85.6%	85.4%	85.2%
Grand Total	761,055	771,167	783,564

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

HIS Registration Population by Status

	January 2015	January 2016	January 2017
Active	11,291	13,968	16,608
Other*	90,770	95,571	71,438
Total	102,061	109,539	88,046

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

Complaints By Fiscal Year

	2012-13	2013-14	2014-15	2015-16
Received	18,101	18,203	19,722	18,685
Reopened	844	786	820	821
Closed	19,118	18,875	20,016	19,736
Pending (As of June 30)	3,762	3,893	4,458	4,258

CSLB Position Vacancies

	January 2016	January 2017
Administration	2.0	1.0
Executive/Public Affairs	1.0	3.5
IT	2.0	2.0
Licensing/Testing	8.5	11.0
Enforcement	22.0	27.0
Total	35.5	44.5

AGENDA ITEM H-8

Appointment of Board Officer Nomination Committee



MARCH 14, 2017
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

DAY 2



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

ED LANG

AGUSTIN BELTRAN

MIKE LAYTON

LINDA CLIFFORD

MARLO RICHARDSON

DAVID DE LA TORRE

FRANK SCHETTER

DAVID DIAS

PAUL SCHIFINO

SUSAN GRANZELLA

JOHNNY SIMPSON

JOAN HANCOCK

NANCY SPRINGER

PASTOR HERRERA JR.



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Closed Session:

Pursuant to Section 11126 (a)(1) of the Government Code, the Board will Meet in Closed Session to Consider the Possible Selection, Appointment or Employment of a Registrar, Including the Appointment or Employment of an Interim Registrar or Acting Registrar



AGENDA ITEM D

Adjournment

