

DECEMBER 8, 2016
SAN JOSE, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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December 8, 2016, 1:00 p.m. – 5:00 p.m.
Hilton San Jose
300 Almaden Blvd., San Jose, CA 95110**

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CONTRACTORS STATE LICENSE BOARD

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800-321-CSLB (2752)
www.cslb.ca.gov • *CheckTheLicenseFirst.com*

STATE OF CALIFORNIA
Governor Edmund G. Brown Jr.

NOTICE OF PUBLIC BOARD MEETING

Thursday, December 8, 2016, 1:00 p.m. – 5:00 pm (or upon adjournment)
Hilton San Jose, 300 Almaden Blvd., San Jose, CA 95110

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

Thursday, December 8, 2016 – 1:00 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. Registrar Recruitment and Selection Process
 - 1. Presentation from the Department of Consumer Affairs’ Office of Human Resources Regarding the Selection Process of a Registrar
 - 2. Discussion of Registrar Recruitment and Selection Process, Possible Appointment of a Search Committee, and Review of Registrar’s Duty Statement

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

 - 2. Update on 2016 Legislation
 - a. AB 1793 (Holden) – License Requirements: Recovery Actions
 - b. AB 2486 (Baker) – License Search
 - c. AB 2693 (Dababneh) – Financing Requirements: Property Improvements
 - d. AB 2859 (Low) – Retired License
 - e. SB 66 (Leyva) – Information Sharing
 - f. SB 465 (Hill) – Contractors: Discipline: Reporting
 - g. SB 661 (Hill) – Protection of Subsurface Installations
 - h. SB 1039 (Hill) – CSLB Fees
 - i. SB 1209 (Morrell) – Contractors: Discipline
 - j. SB 1348 (Canella) – Licensure Applications: Military Experience

k. SB 1479 (BPED) – Test Scheduling

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)
- b. Amendments to Business and Professions Code Sections 7099.2 and 7124.6— Letter of Admonishment
- c. Amendments to Business & Professions Code Section 7028.1, 7058.8, 7099.11 and 7118.5; Health and Safety Code Section 25914.1; Labor Code Section 9021.5 (Asbestos Certification)

4. 2016–18 Strategic Plan Update

E. Public Affairs

- 1. Review and Possible Approval of November 3, 2016, Public Affairs Committee Meeting Summary Report
- 2. Public Affairs Program Update
 - a. Online Highlights
 - b. Video/Digital Services
 - c. Media Relations Highlights
 - d. Industry, Licensee and Community Outreach Highlights
 - e. Employee Relations
- 3. Review, Discussion and Possible Approval of 2017-2019 CSLB Communications Plan
- 4. 2016–18 Strategic Plan Update

F. Licensing

- 1. Review and Possible Approval of October 28, 2016 Licensing Committee Meeting Summary Report
- 2. Licensing Program Update
 - a. Processing Statistics
 - b. Workers' Compensation Recertification Statistics
 - c. Fingerprinting/Criminal Background Unit Statistics
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 - c. Consumer Satisfaction Survey Interim Report
4. Review and Discussion of Little Hoover Commission Report: *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*
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1. Review and Possible Approval of October 28, 2016, Enforcement Committee Meeting Summary Report
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 - a. Consumer Investigation Highlights
 - b. 2016 Staff Training Update
 - c. General Complaint Handling Statistics
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4. Review and Discussion Regarding Outreach, Education and Enforcement Strategies to Address Deceptive Tactics by Solar Energy Contractors
5. Review and Discussion Regarding Enforcement Strategies and Possible Legislation to Reduce Service and Repair Contractor Deceptive Practices
6. 2016–18 Strategic Plan Update

H. Executive

1. Review and Possible Approval of September 19–20, 2016, Board Meeting Minutes
2. Registrar's Report
 - a. Implementation of SB 66 (Leyva) – Information Sharing
 - b. Recruitment for a new Chief Deputy Registrar
 - c. Tentative Board Meeting Schedule
3. Administration Update Regarding Personnel and Business Services
 - a. 2016–18 Strategic Plan Update
4. Information Technology Update
 - a. 2016–18 Strategic Plan Update

5. Budget Update

I. Adjournment

The Board intends to provide a live webcast of the meeting. The webcast can be located 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 <http://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.

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

AUGIE BELTRAN

MICHAEL A. 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 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)).

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 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

Registrar Recruitment and Selection Process

1. Presentation from the Department of Consumer Affairs' Office of Human Resources Regarding the Selection Process of a Registrar
2. Discussion of Registrar Recruitment and Selection Process, Possible Appointment of a Search Committee, and Review of Registrar's Duty Statement





CONTRACTORS STATE LICENSE BOARD

REGISTRAR DUTY STATEMENT

The current and proposed Registrar Duty Statements follow for your review. The proposed duty statement changes are indicated in red text.

BOARD ACTION: The Board will have the opportunity to discuss, review, modify, and vote on the final duty statement.

Department of Consumer Affairs

Position Duty Statement

HR-041 (new 05/04)

CURRENT

Classification Title	Board/Bureau/Division
REGISTRAR, CSLB	CSLB
Working Title	Office/Unit/Section / Geographic Location
Position Number	Effective Date
622-501-8941-001	

Under the general direction and policy guidance of the Board, the Registrar is responsible for the administration and management of the Board's programs, resources, and staff; interpreting and executing the intent of all Board policies; enforcing sound licensing standards; interpreting and executing the Contractors License Law, including prosecuting violations of the California Contractors License Law through an effective Enforcement Program; maintaining responsibility for enforcing the completion of required continuing education; overseeing the disciplinary process and initial discipline of licensees; and educating the consumer public about the construction profession.

A. SPECIFIC ACTIVITIES [Essential (E) / Marginal (M) Functions]

30% Oversees all activities of the Board's Enforcement, Licensure, and Administration Program, including the Board's legislation and regulation activities; recommends modification of proposed legislation for consistency with the Board programs and policies, identifying the need for new legislation, and representing the Board and testifying before the Legislature; oversees the development and implementation of regulations adopted by the Board in compliance with the Administrative Procedures Act and Legislatively-mandated standards. Responsible for the Board's operating budget, and negotiating with high level managerial staff from the Department of Finance, Legislative Analyst, Legislative Budget Committees and the Business, Consumer Services and Housing Agency on fiscal matters



relating to the Board. Reviews and approves Board fiscal reports to the Legislature, and ensures that appropriate action is taken.

- 25% Maintains overall responsibility for the activities of the Board's Enforcement Program, including direct supervision of the Chief Deputy Registrar. Responsible for interpretation and execution of the California Contractors' License Law, relevant sections of the Business and Profession Code, Criminal Records Information Security Policy, and all pertinent provisions of the law. Responsible for all disciplinary decisions and ensuring actions are carried out. Administers the receipt, evaluation, investigation, and action on incoming complaints. Provides oversight and direction in the investigation, evaluation, prosecution, and settlement of cases against licensees.
- 20% Serves as the Board's liaison to a wide array of governmental, professional, and volunteer organizations. Maintains positive working relationships with National Licensing Associations, the construction industry, the news media, and other organizations interested in Board activities. Acts as a Board representative at all meetings and hearing as delegated by the Board; serves as Board's chief spokesperson to the news media. Conducts oversight of and participates in the formulation, implementation, and administration of a comprehensive communications and education program to educate and inform the consumer public about the Board's regulatory role and statutory responsibilities.
- 15% Responsible for directing the preparation of the Board's meeting agendas, schedules and minutes of the Board and committee meetings. Oversees the preparation of statistical reports, surveys, correspondence and special studies.
- 10% Maintains overall responsibility for the Board's administration of the licensing examination; including the evaluation of candidate applications and qualifications, scheduling of examinations, compliance with the Americans with Disabilities Act and ensuring examination security. Has overall responsibility for the issuance and renewal of all licensees, verification of reported continuing education, and the evaluation of course providers.

B. SUPERVISION RECEIVED

C. SUPERVISION EXERCISED

D. ADMINISTRATIVE RESPONSIBILITY

E. PERSONAL CONTACTS

F. ACTIONS AND CONSEQUENCES

G. FUNCTIONAL REQUIREMENTS

No specific physical requirements are present: the incumbent works up to 40 hours per week in an office setting, with artificial light and temperature control.



Daily access to and use of a personal computer and telephone is essential. Sitting and standing requirements are consistent with office work.

H. OTHER INFORMATION

The incumbent has access to the Criminal Offender Record Information (CORI) and is subject to fingerprinting by the Department of Justice and clearance through the Department of Consumer Affairs.

I have read and understand the duties listed above and I can perform these duties with or without reasonable accommodation. (If you believe reasonable accommodation is necessary, discuss your concerns with the hiring supervisor. If unsure of a need for reasonable accommodation, inform the hiring supervisor, who will discuss your concerns with the Health & Safety analyst.)

Employee Signature

Date

Printed Name

I have discussed the duties of this position with and have provided a copy of this duty statement to the employee named above.

Supervisor Signature

Date

Printed Name



Department of Consumer Affairs
Position Duty Statement
HR-041E (new 1/2015)

PROPOSED

Exempt Employee's Name	
Classification Title Registrar of Contractors, Contractors License Board/Department of Consumer Affairs	Board / Bureau / Commission / Committee Contractors State License Board
Exempt Level / Salary Range F- / \$9,923 – \$11,056	Geographic Location Sacramento
Position Number 622-501-8941-001	Effective Date of Appointment

Under the general direction and policy guidance of the Board, the Registrar is responsible for the administration and management of the Board's programs, resources, and staff; interpreting and executing the intent of all Board policies; enforcing sound licensing standards; interpreting and executing the Contractors License Law, including prosecuting violations of the California Contractors License Law through an effective Enforcement Program; maintaining responsibility for enforcing the completion of required continuing education; overseeing the disciplinary process and initial discipline of licensees; and educating the consumer public about the construction profession.

A. SPECIFIC ACTIVITIES [Essential (E) / Marginal (M) Functions]

30%(E) Oversees all activities of the Board's Enforcement, Licensure, and Administration Program, including the Board's legislation and regulation activities; recommends modification of proposed legislation for consistency with the Board programs and policies, identifying the need for new legislation, and representing the Board and testifying before the Legislature; oversees the development and implementation of regulations adopted by the Board in compliance with the Administrative Procedures Act and Legislatively-mandated standards. Responsible for the Board's operating budget, and negotiating with high level managerial staff from the Department of Finance, Legislative Analyst, Legislative Budget Committees and the Business, Consumer Services and Housing Agency on fiscal matters relating to the Board. Reviews and approves Board fiscal reports to the Legislature, and ensures that appropriate action is taken.

25%(E) Maintains overall responsibility for the activities of the Board's Enforcement Program, including direct supervision of the Chief Deputy Registrar. Responsible for interpretation and execution of the California Contractors' License Law, relevant sections of the Business and Profession Code, Criminal Records Information Security Policy, and all pertinent provisions of the law. Responsible for all disciplinary decisions and ensuring actions are carried out.



Administers the receipt, evaluation, investigation, and action on incoming complaints. Provides oversight and direction in the investigation, evaluation, prosecution, and settlement of cases against licensees.

- 20%(E)** Serves as the Board’s liaison to a wide array of governmental, professional, and volunteer organizations. Maintains positive working relationships with National Licensing Associations, the construction industry, the news media, and other organizations interested in Board activities. Acts as a Board representative at all meetings and hearings as delegated by the Board; serves as Board’s chief spokesperson to the news media. Conducts oversight of and participates in the formulation, implementation, and administration of a comprehensive communications and education program to educate and inform the consumer public about the Board’s regulatory role and statutory responsibilities.
- 15%(E)** Responsible for directing the preparation of the Board’s meeting agendas, schedules and minutes of the Board and committee meetings. Oversees the preparation of statistical reports, surveys, correspondence and special studies.
- 10%(E)** Maintains overall responsibility for the Board’s administration of the licensing examination; including the evaluation of candidate applications and qualifications, scheduling of examinations, compliance with the Americans with Disabilities Act and ensuring examination security. Has overall responsibility for the issuance and renewal of all licensees, verification of reported continuing education, and the evaluation of course providers.

B. Supervision Received

The incumbent is exempt from civil service and receives administrative directions from the Contractors State License Board members.

C. Supervision Exercised

The incumbent is responsible for determining and participating in making policy, formulating long-range programs and objectives, and reviewing implementation of programs and conformance with policies and objectives, for the integration and coordination of multiple functions, and for planning, directing, assigning and reviewing the work performed by the staff of the Contractors State License Board.

D. Administrative Responsibility

The incumbent is the chief administrative and operating officer for the Board and is responsible for the interpreting and executing the intent of all board policies to the public and other governmental entities.

E. Personal Contacts

The incumbent represents the Contractors State License Board before the State legislature, building and contractor associations, other State, local or Federal governmental agencies, consumer groups, and other regulatory agencies. In



addition the incumbent interacts with peers, staff, applicants, licensees, consumers, attorneys, expert consultants, board members, various law enforcement agencies, and the Department of Consumer Affairs.

F. Actions and Consequences

Errors in judgment by the incumbent could have significant adverse impact on the California consumers, applicants for licensure, licensees, and on the operations and functions of the Contractors State License Board and the Department of Consumer Affairs.

G. Functional Requirements

No specific physical requirements are present: the incumbent works 40 hours per week in an office setting, with artificial light and temperature control. Daily access to and use of a personal computer and telephone is essential. Sitting and standing requirements are consistent with office work. Frequent travel is an essential function of this position.

H. Other Information

Title 11, section 703(d) California Code of Regulations requires criminal record checks of all personnel who have access to Criminal Offender Record Information (CORI). Pursuant to this requirement, applicants for this position will be required to submit fingerprints to the Department of Justice and be cleared before hiring.

This position is subject to the Department of Consumer Affairs' Conflict of Interest Code (16 CCR § 3830) and the incumbent must file a Statement of Economic Interests Form upon appointment, annually, and upon separation.

I have read and understand the duties listed above and I can perform these duties with or without reasonable accommodation. (If you believe reasonable accommodation is necessary, discuss your concerns with the hiring supervisor. If unsure of a need for reasonable accommodation, inform the hiring supervisor, who will discuss your concerns with the Health & Safety analyst.)

Employee Signature

Date

(Employee Printed Name)



I have discussed the duties of this position with and have provided a copy of this duty statement to the employee named above.

Board President /Chairperson Signature

Date

(Printed Name, Board President)

AGENDA ITEM D

Legislation



AGENDA ITEM D-1

Review and Possible Approval of
November 3, 2016,
Legislative 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 at approximately 1:50 p.m. in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA 95827. There were teleconference locations in Norwalk and Gardena.

CSLB Staff Present

Cindi Christenson, Registrar
Cindy Kanemoto, Chief Deputy Registrar
Rick Lopes, Chief of Public Affairs
Laura Zuniga, Chief of Legislation
Betsy Figueria, Legislation Manager
Jessie Flores, Deputy Chief of Enforcement (Norwalk)
Kristy Schieldge, Counsel
Claire Goldstene, Public Affairs
Amber Foreman, Public Affairs
Ashley Caldwell, Public Affairs
Jane Kriedler, Public Affairs

Committee Members Present

Nancy Springer
David Dias
Mike Layton (teleconference)
Paul Schifino (teleconference)

Committee Members Excused

Joan Hancock
Johnny Simpson

Public Present

Richard Markuson, Pacific Advocacy Group
Fernando Galli, Department of Consumer Affairs
Chris Walker, CalSMACNA
Ted Rieger, Indoor Comfort News

Chief of Legislation Laura Zuniga introduced Betsy Figueria as the Legislation Manager and established a quorum.

Committee Chair Nancy Springer clarified from the September 2016 Board meeting that the Board had previously taken a watch position on SB 661, related to excavation, a position that did not change at the meeting.

B. PUBLIC COMMENT SESSION

Chris Walker discussed SB 66 (Leyva) and his association's concerns with the bill's provision to authorize sharing licensees' personal information. He encouraged CSLB to take every precaution with that information and requested that CSLB ask the Department of Consumer Affairs how they will implement the bill. Legal Counsel Kristy Schieldge suggested that issue be added to the agenda for a future meeting.

C. UPDATE ON 2016 LEGISLATION

Nancy Springer presented the chart updating the status of 2016 legislation and noted the bills with a final disposition that the Board reviewed at the September 2016 meeting. Laura Zuniga summarized the remaining bills that the Governor signed



after that Board meeting. Paul Schifino asked for a summary of AB 2486, and Laura Zuniga explained that it requires CSLB to revise its online license lookup feature to include the ability to search either by zip code or geographic location.

D. REVIEW, DISCUSSION AND POSSIBLE ACTION ON 2017 LEGISLATIVE PROPOSALS

1. Amendment to Business & Professions Code Sections 7058.5, 7058.6, 7075.1, 7085, 7145.5 and Labor Code Section 6501.5.

Nancy Springer presented this item and Laura Zuniga then summarized each of the five components of the proposal. These components should be non-controversial and staff will submit this for consideration for inclusion in an omnibus bill.

- (a) Amendments to both the Business & Professions Code and the Labor Code to reflect CSLB's newest classification: C-22 Asbestos Abatement.
- (b) Eliminates one provision in existing law relating to when a license may be transferred; when the LLC license option was created language was added to allow the acquisition of a license through an asset sale. However, CSLB cannot implement this provision, as a license is not an asset that can be acquired through a sale.
- (c) For CSLB's arbitration program, this proposal clarifies that the Registrar retains discretion on whether or not to refer a complaint to arbitration.
- (d) This amendment incorporates CalOSHA's regulations relating to safety provisions so that CSLB has the authority to discipline a contractor for a violation of these regulations.
- (e) This change updates the provision that provides for license suspension for failure to resolve an outstanding liability to reflect that licensees may use a taxpayer identification number.

Paul Schifino asked for clarification about how the C-22 works in relation to the prior asbestos certification. Betsy Figueroa responded that the certification still exists, and can be used with a license, within the scope of the accompanying license. The C-22 license, however, can be used for abatement in different trades.

MOTION: To recommend for approval by the full Board that CSLB sponsor legislation to make the five changes. David Dias moved; Mike Layton 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	

2. Amendment to Business & Professions Code Sections 7099.2 and 7124.6

Nancy Springer presented this item, which would create a letter of admonishment as an intermediate step between the existing “advisory notice” and citation. The letter of admonishment would constitute a first tier of discipline.

Chris Walker asked if it would appear on a licensee’s online record, like a citation. Laura Zuniga responded that it would, but for only one year.

Kristy Schieldge clarified that the proposal is modeled after similar authority granted to the Board of Pharmacy, and is intended to offer a less formal discipline option, with any appeal conducted through an office conference. She also noted that the proposed term of the disclosure differs from the Board of Pharmacy.

Richard Markuson asked for clarification as to what constitutes an authorized representative of a licensee, other than an attorney, which is already noted. Laura Zuniga stated that a licensee could choose to designate another person to represent him or her at the appeal.

MOTION: To recommend for approval by the full Board that CSLB sponsor legislation to amend Business & Professions Code Sections 7099.2 and 7124.6. David Dias moved; Paul Schifino 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. ADJOURNMENT

Nancy Springer asked for a motion to adjourn. David Dias moved; Paul Schifino 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	

The Legislation Committee adjourned at approximately 2:10 p.m.

AGENDA ITEM D-2

Update on 2016 Legislation

- a. AB 1793 (Holden) – License Requirements: Recovery Actions
- b. AB 2486 (Baker) – License Search
- c. AB 2693 (Dababneh) – Financing Requirements: Property Improvements
- d. AB 2859 (Low) – Retired License
- e. SB 66 (Leyva) – Information Sharing
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- g. SB 661 (Hill) – Protection of Subsurface Installations
- h. SB 1039 (Hill) – CSLB Fees
- i. SB 1209 (Morrell) – Contractors: Discipline
- j. SB 1348 (Canella) – Licensure Applications: Military Experience
- k. SB 1479 (BPED) – Test Scheduling





CONTRACTORS STATE LICENSE BOARD

UPDATE ON 2016 LEGISLATION

Bill # & Author	Topic	Bill Title	Requested Action	Status
AB 1793 (Holden)	BPC 7031	License Requirements: Recovery Actions	None	Signed by the Governor 8/30/16
AB 2486 (Baker)	Online license lookup	License Search	None	Signed by the Governor 9/9/16
AB 2693 (Dababneh)	Solar Projects	Financing Requirements: Property Improvements	None	Signed by the Governor 9/25/16
AB 2859 (Low)	Retired License	Professions and Vocations	None	Signed by the Governor 9/22/16
SB 66 (Leyva)	Information Sharing	Career Technical Education	None	Signed by the Governor 9/28/16
SB 465 (Hill)	Settlement Reporting Study	Contractors: Discipline: Reporting: Building Standards	None	Signed by the Governor 9/15/16
SB 661 (Hill)	Excavation Board	Protection of Subsurface Installations	None	Signed by the Governor 9/28/16
SB 1039 (Hill)	CSLB Fees	Professions and Vocations	None	Signed by the Governor 9/29/16
SB 1209 (Morrell)	Public Disclosure of Citations	Contractors: Discipline	None	Signed by the Governor 8/19/16
SB 1348 (Canella)	Qualifying Military Experience	Licensure Applications: Military Experience	None	Signed by the Governor 8/22/16



SB 1479 (Committee on Business, Professions and Economic Development)	Test Scheduling	Business and Professions	None	Signed by the Governor 9/25/16
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AGENDA ITEM D-3

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

- a. Amendments to Business and Professions Code (BPC) Sections 7028.1, 7058.5, 7058.6, 7058.8, 7099.11, 7118.5; Health and Safety Code Section 25914.1; and Labor Code Sections 6501.5 and 9021.5 (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)
- b. Amendments to Business and Professions Code Sections 7099.2 and 7124.6—Letter of Admonishment
- c. Amendments to Business and Professions Code Sections 7028.1, 7058.8, 7099.11, and 7118.5; Health and Safety Code Section 25914.1; Labor Code Section 9021.5 (Asbestos Certification)





CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: This proposal contains several non-controversial changes to various provisions of Contractors State License Law (CSLL).

1. **Asbestos Certification**

Pursuant to existing language in Business and Professions Code (BPC) sections 7028.1*, 7058.5, 7058.6, 7058.8*, 7099.11*, and 7118.5*; Health and Safety Code (HSC) section 25914.1*; and Labor Code sections 6501.5 and 9021.5*, a contractor must hold the asbestos certification in order to perform asbestos-related work.

** New section identified after November 3, 2016 Legislative Committee approval.*

2. **Transferability of License**

BPC section 7075.1 mandates that contractor licenses are not transferrable. It also sets forth specific circumstances under which a license number may be reissued or reassigned to a different entity.

3. **Referral to Arbitration**

Existing language in BPC section 7085 allows the Registrar the option to refer complaint cases to arbitration under certain circumstances, but requires arbitration under other circumstances.

4. **Labor Code Violations**

Pursuant to BPC section 7109.5, the Contractors State License Board (CSLB) may seek disciplinary action against a contractor who violates safety provisions of the Labor Code when death or serious injury to an employee occurs.

5. **Final Liabilities**

Existing language in BPC section 7145.5 sets forth the parameters and requirements relating to outstanding final liabilities, including the requirement that CSLB must provide licensees' federal employer identification numbers or Social Security numbers to the Franchise Tax Board.

PROPOSED MOTION:

The Legislative Committee recommends that the Board sponsor legislation to amend Business & Professions Code Section 7028.1, 7058.5, 7058.6, 7058.8, 7099.11, 7118.5; Health & Safety Code Section 25914.1; and Labor Code Sections 6501.5 and 9021.5,



CSLB

POTENTIAL CSLB 2017 LEGISLATIVE PROPOSALS

regarding asbestos certification; Business & Professions Code Section 7075.1 regarding transferability of a license; Business & Professions Code Section 7085 regarding arbitration, Business & Professions Code Section 7109.5, regarding safety violations; and Business & Professions Code Section 7145.5 regarding final liabilities.



IDENTIFICATION OF PROBLEM/SUMMARY:

1. Effective January 1, 2015, CSLB adopted regulations that establish a stand-alone specialty classification (C-22) for asbestos abatement, pursuant to Sections 832.22 and 833 of Title 16, Division 8 of the California Code of Regulations (CCR).

Existing language in BPC sections 7028.1*, 7058.5, 7058.6, 7058.8*, 7099.11*, and 7118.5*; Health and Safety Code (HSC) section 25914.1*; and Labor Code sections 6501.5 and 9021.5* does not address the existence of the C-22 asbestos abatement classification and the ability of such license holders to perform asbestos-related work. These statutory changes are necessary in order to recognize the ability of C-22 asbestos abatement licensees to perform asbestos-related work.

** New section identified after November 3, 2016 Legislative Committee approval.*

2. Senate Bill 392 (Statutes of 2010, Chapter 698), which authorized the issuance of contractor licenses to limited liability companies (LLC), added subsection (c)(6) to BPC section 7075.1, allowing the reissuance or reassignment of a contractor license number to a corporation or an LLC when the new entity “acquires a licensee pursuant to an asset sale.”

CSLB staff believe this subsection is ambiguous, problematic, and cannot be implemented because a business cannot “acquire a licensee” through an asset sale. A licensee is not an asset; it is an entity in its own right.

An asset sale is commonly defined as the sale of assets or any property owned by a person or entity and that has monetary value. Therefore, an asset sale involves only the sale of property of the licensee – the business entity survives the sale. (Source: BusinessDictionary.com)

Another area of staff concern is that no other subsection authorizes license number reissuance or reassignment without a connection to the original licensee. All other subsections under BPC 7075.1(c) require a familial link or a continuance of a certain level of personnel or ownership interest between the original licensee and the new company that will share the same license number.

3. Subsection (a) of BPC section 7085 currently sets forth arbitration as an optional tool for the Registrar to utilize in complaint cases where the dollar amount of the contract or of the demand for damages is greater than the contractor’s bond amount (currently \$15,000) but less than \$50,000, and when other criteria have been met.

Subsection (b) makes arbitration a mandatory requirement for complaint cases that involve contract amounts or demand for damages amounts that are equal to or less than the contractor’s bond amount (currently \$15,000).

This is problematic because some of the cases that fall under subsection (b) may be better resolved if the Registrar, instead, had the ability to either close the complaint or refer it for further investigation or for disciplinary action. A change is needed to the statute in order to make arbitration available at the Registrar’s



discretion, as opposed to requiring it in all lesser cases that fall under subsection (b).

4. In regard to CSLB's ability to take disciplinary action as a result of death or serious injury to an employee, existing language in BPC section 7109.5 (added in 1963) cites only violations of the Labor Code as a cause.

But, the Department of Industrial Relations' Division of Occupational Safety and Health (DOSH) utilizes additional sections of law under Title 8 of the California Code of Regulations. In an effort to further support CSLB's legal cases and at the request of deputy attorneys general who work on CSLB cases, changes must be made to this statute to include references to sections of law currently used by DOSH. Without these changes, CSLB may be limited in its ability to take disciplinary action against a contractor who has violated safety provisions that result in the death of or serious injury to an employee.

5. In regard to a failure to resolve outstanding liabilities as grounds for refusal to issue, reinstate, reactivate, or renew a license, subsection (c) of BPC section 7145.5 references BPC section 30, but does not accurately reflect the current language contained in subsection (a) of BPC section 30, which reads as follows:

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

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

Subsection (c) of BPC section 7145.5 incorrectly references the federal "employee" identification number (instead of the federal "employer" identification number) and makes no reference to the individual taxpayer identification number that is allowed under subsection (a)(2) of BPC section 30 as a result of Senate Bill 560 (Statutes of 2015, Chapter 389).

PROPOSED CHANGE:

1. This proposal would revise BPC sections 7028.1*, 7058.5, 7058.6, 7058.8*, 7099.11*, and 7118.5*; Health and Safety Code (HSC) section 25914.1*; and Labor Code sections 6501.5 and 9021.5* for the purpose of incorporating the C-22 asbestos abatement classification into the asbestos-related work requirements.

** New section identified after November 3, 2016 Legislative Committee approval.*



2. This proposal would delete subsection (c)(6) of BPC section 7075.1 and renumber the subsequent subsection.
3. This proposal would revise subsection (b) of BPC section 7085, changing the “shall” to “may,” to make arbitration an optional, rather than mandatory, tool for the Registrar to utilize in lesser cases where the dollar amount of the contract or the demand for damages is equal to or less than the contractor’s bond amount, as it is for larger cases. This proposal would also clarify some other existing language.
4. This proposal would revise BPC section 7109.5 with the addition of several chapters of Title 8, Division 1 of the CCR.
5. This proposal would amend BPC section 7145.5 in order to correctly reference the “federal employer identification number” and to include the individual taxpayer identification number.

IMPACT ON OTHER CSLB DIVISIONS:

It is not believed these proposals would have any impact on other CSLB divisions.

PROPOSED LANGUAGE:

1. Amend BPC section 7028.1* as follows:

It is a misdemeanor for any contractor, whether licensed or unlicensed, to perform or engage in asbestos-related work, as defined in Section 6501.8 of the Labor Code, without certification pursuant to Section 7058.5 of this code or licensure pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations, or to perform or engage in a removal or remedial action, as defined in subdivision (d) of Section 7058.7, or, unless otherwise exempted by this chapter, to bid for the installation or removal of, or to install or remove, an underground storage tank, without certification pursuant to Section 7058.7. A contractor in violation of this section is subject to one of the following penalties:

- (a) Conviction of a first offense is punishable by a fine of not less than one thousand dollars (\$1,000) or more than three thousand dollars (\$3,000), and by possible revocation or suspension of any contractor’s license.
- (b) Conviction of a subsequent offense requires a fine of not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail not exceeding one year, or both the fine and



imprisonment, and a mandatory action to suspend or revoke any contractor's license.

(Amended by Stats. 2004, Ch. 865, Sec. 7. Effective January 1, 2005.)

** New section identified after November 3, 2016 Legislative Committee approval.*

Amend BPC section 7058.5 as follows:

(a) No contractor shall engage in asbestos-related work, as defined in Section 6501.8 of the Labor Code, that involves 100 square feet or more of surface area of asbestos containing materials, unless the qualifier for the license passes an asbestos certification examination or an examination for the C-22 asbestos abatement classification set forth in Section 832.22 of Title 16, Division 8 of the California Code of Regulations, and unless the licensee is issued and actively maintains the asbestos certification or the C-22 asbestos abatement classification.

Additional updated asbestos certification or C-22 asbestos abatement classification examinations may be required based on new health and safety information. The decision on whether to require an updated asbestos certification or C-22 asbestos abatement classification examination shall be made by the Contractors State License Board, in consultation with the Division of Occupational Safety and Health in the Department of Industrial Relations and the Division of Environmental and Occupational Disease Control in the State Department of Public Health.

No asbestos certification or C-22 asbestos abatement classification ~~examination~~ shall be required for contractors involved with the installation, maintenance, and repair of asbestos cement pipe or sheets, vinyl asbestos floor materials, or asbestos bituminous or resinous materials.

"Asbestos," as used in this section, has the same meaning as defined in Section 6501.7 of the Labor Code.

(b) Holders of the asbestos certification shall perform asbestos-related work only in conjunction with other classification(s) held by the licensee. No contractor who holds the asbestos certification shall perform asbestos-related work in a trade for



which the contractor is not licensed, unless the contractor also holds the C-22 asbestos abatement classification.

(c) The Contractors State License Board shall make available to all applicants, either on the board's Internet Web site or, if requested, in hard copy, a booklet containing information relative to handling and disposal of asbestos, together with an open book examination concerning asbestos-related work. All applicants for an initial contractor license shall complete the open book examination and, prior to the issuance of a contractor's license, submit it to the board electronically or by mail if the applicant elects to use the hard-copy format.

(Amended by Stats. 2010, Ch. 415, Sec. 20. Effective January 1, 2011.)

Amend BPC section 7058.6 as follows:

(a) The board shall not issue an asbestos certification, as required by Section 7058.5, unless the contractor is registered with the Division of Occupational Safety and Health of the Department of Industrial Relations pursuant to Section 6501.5 of the Labor Code. ~~The board may issue an asbestos certification to a contractor who is not registered, provided the contractor in a written statement acknowledges that he or she does not perform asbestos-related work.~~ The board shall notify both the division and the contractor, in writing, of the contractor's passage of the certification examination, for the purpose of allowing the contractor to satisfy the requirement of paragraph (1) of subdivision (a) of Section 6501.5 of the Labor Code. The contractor shall register with the division within 90 days from the date the contractor is notified of the passage of the certification examination. The board may require a reexamination if the contractor fails to register within 90 days following issuance of the notification. Applicable test fees shall be paid for any reexamination required under this section. No asbestos-related work shall be performed by a contractor until the contractor holds a current and active asbestos certification and current registration with the division.

(b) Any contractor who is certified to engage in asbestos-related work shall present proof of current registration with the division pursuant to Section 6501.5 of the



Labor Code upon application for renewal of his or her license, ~~if the contractor engages in asbestos-related work, as defined in Section 6501.8 of the Labor Code.~~

(c) A contractor who is not certified pursuant to this section may bid on and contract to perform a project involving asbestos-related work as long as the asbestos-related work is performed by a contractor who is certified and registered pursuant to this section and Section 6501.5 of the Labor Code.

(d) The board shall obtain and periodically update the list of contractors certified to engage in asbestos-related work who are registered pursuant to Section 6501.5 of the Labor Code.

(Amended by Stats. 2011, Ch. 432, Sec. 11. Effective January 1, 2012.)

Amend BPC section 7058.8* as follows:

The board shall make available to the public upon request information about contracting for the removal or encapsulation of asbestos-containing materials in a building including all of the following:

(a) Steps to take when contracting with a company to remove asbestos.

(b) Existing laws and regulations pertaining to asbestos-related work in California.

(c) Basic health information as contained in the United States Environmental Protection Agency publication, "Guidance for Controlling Asbestos-Containing Materials in Buildings."

(d) A current list of contractors who are certified pursuant to Section 7058.5 or licensed pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations to engage in asbestos-related work and who are registered pursuant to Section 6501.5 of the Labor Code.

(Amended by Stats. 2011, Ch. 432, Sec. 12. Effective January 1, 2012.)

** New section identified after November 3, 2016 Legislative Committee approval.*

Amend BPC section 7099.11* as follows:

(a) No person shall advertise, as that term is defined in Section 7027.1, to promote his or her services for the removal of asbestos unless he or she is certified to



engage in asbestos-related work pursuant to Section 7058.5 or licensed pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations, and registered for that purpose pursuant to Section 6501.5 of the Labor Code. Each advertisement shall include that person's certification or license number and registration numbers and shall use the same name under which that person is certified or licensed and registered.

(b) The registrar shall issue a notice to comply with the order of correction provisions of subdivision (a) of Section 7099.10, to any person who is certified or licensed and registered, as described in subdivision (a), and who fails to include in any advertisement his or her certification or license number and registration numbers.

(c) The registrar shall issue a citation pursuant to Section 7099 to any person who fails to comply with the notice required by subdivision (b), or who advertises to promote his or her services for the removal of asbestos but does not possess valid certification or license number and registration numbers as required by subdivision (a), or who fails to use in that advertisement the same name under which he or she is certified or licensed and registered.

Citations shall be issued and conducted pursuant to Sections 7099 to 7099.10, inclusive.

(Amended by Stats. 1992, Ch. 294, Sec. 4. Effective January 1, 1993.)

** New section identified after November 3, 2016 Legislative Committee approval.*



Amend BPC section 7118.5* as follows:

Any contractor, applicant for licensure, or person required to be licensed, who, either knowingly or negligently, or by reason of a failure to inquire, enters into a contract with another person who is required to be, and is not, certified pursuant to Section 7058.5 or licensed pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations to engage in asbestos-related work, as defined in Section 6501.8 of the Labor Code, and registered for that purpose pursuant to Section 6501.5 of the Labor Code, is subject to the following penalties:

- (a) Conviction of a first offense is an infraction punishable by a fine of not less than one thousand dollars (\$1,000) or more than three thousand dollars (\$3,000), and by possible revocation or suspension of any contractor's license.
- (b) Conviction of a subsequent offense is a misdemeanor requiring revocation or suspension of any contractor's license, and a fine of not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail for not more than one year, or both the fine and imprisonment.
(Amended by Stats. 1991, Ch. 1160, Sec. 35.)

** New section identified after November 3, 2016 Legislative Committee approval.*

Amend HSC section 25914.1* as follows:

For purposes of this chapter, the following definitions shall apply:

- (a) "Asbestos" has the same meaning as defined in Section 6501.7 of the Labor Code.
- (b) "Asbestos-related work," is defined in Chapter 6 (commencing with Section 6500) of Part 1 of Division 5 of the Labor Code, including Section 6501.8 of the Labor Code, and involves 100-square feet or more of surface area of asbestos-containing material and is such that it requires that the contractor who performs the work must be certified in accordance with subdivision (a) of Section 7058.5 of the Business and Professions Code or licensed pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations and registered for that purpose pursuant to Section 6501.5 of the Labor Code.



(c) "Hazardous substance removal" has the same meaning as used in Section 7058.7 of the Business and Professions Code.

(Added by Stats. 1991, Ch. 789, Sec. 1.)

** New section identified after November 3, 2016 Legislative Committee approval.*

Amend Labor Code section 6501.5 as follows:

Effective January 1, 1987, any employer or contractor who engages in asbestos-related work, as defined in Section 6501.8, and which involves 100 square feet or more of surface area of asbestos-containing material, shall register with the division.

The division may grant registration based on a determination that the employer has demonstrated evidence that the conditions, practices, means, methods, operations, or processes used, or proposed to be used, will provide a safe and healthful place of employment. This section is not intended to supersede existing laws and regulations under Title 8, California Administrative Code of Regulations, Section 5208.

An application for registration shall contain such information and attachments, given under penalty of perjury, as the division may deem necessary to evaluate the safety and health of the proposed employment or place of employment. It shall include, but not be limited to, all of the following:

(a) Every employer shall meet each of the following criteria:

(1) If the employer is a contractor, the contractor shall be certified pursuant to Section 7058.5 of the Business and Professions Code or licensed pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations.

(2) Provide health insurance coverage to cover the entire cost of medical examinations and monitoring required by law and be insured for workers' compensation, or provide a five hundred dollar (\$500) trust account for each employee engaged in asbestos-related work. The health insurance coverage may be provided through a union, association, or employer.



(3) Train and certify all employees in accordance with all training required by law and Title 8 of the California ~~Administrative Code~~ of Regulations.

(4) Be proficient and have the necessary equipment to safely do asbestos-related work.

(b) Provide written notice to the division of each separate job or phase of work, where the work process used is different or the work is performed at noncontiguous locations, noting all of the following:

(1) The address of the job.

(2) The exact physical location of the job at that address.

(3) The start and projected completion date.

(4) The name of a certified supervisor with sufficient experience and authority who shall be responsible for the asbestos-related work at that job.

(5) The name of a qualified person, who shall be responsible for scheduling any air sampling, laboratory calibration of air sampling equipment, evaluation of sampling results, and conducting respirator fit testing and evaluating the results of those tests.

(6) The type of work to be performed, the work practices that will be utilized, and the potential for exposure.

Should any change be necessary, the employer or contractor shall so inform the division at or before the time of the change. Any oral notification shall be confirmed in writing.

(c) Post the location where any asbestos-related work occurs so as to be readable at 20 feet stating, "Danger—Asbestos. Cancer and Lung Hazard. Keep Out."

(d) A copy of the registration shall be provided before the start of the job to the prime contractor or other employers on the site and shall be posted on the jobsite beside the Cal-OSHA poster.



(e) The division shall obtain the services of three industrial hygienists and one clerical employee to implement and to enforce the requirements of this section unless the director makes a finding that these services are not necessary or that the services are not obtainable due to a lack of qualified hygienists applying for available positions. Funding may, at the director's discretion, be appropriated from the Asbestos Abatement Fund.

(f) Not later than January 1, 1987, the Division of Occupational Safety and Health shall propose to the Occupational Safety and Health Standards Board for review and adoption a regulation concerning asbestos-related work, as defined in Section 6501.8, which involves 100 square feet or more of surface area of asbestos-containing material. The regulation shall protect most effectively the health and safety of employees and shall include specific requirements for certification of employees, supervisors with sufficient experience and authority to be responsible for asbestos-related work, and a qualified person who shall be responsible for scheduling any air sampling, for arranging for calibration of the air sampling equipment and for analysis of the air samples by a NIOSH approved method, for conducting respirator fit testing, and for evaluating the results of the air sampling.

The Division of Occupational Safety and Health shall also propose a regulation to the Occupational Safety and Health Standards Board for review and adoption specifying sampling methodology for use in taking air samples.

(Amended by Stats. 1986, Ch. 1451, Sec. 10. Effective September 30, 1986.)

Amend Labor Code section 9021.5* as follows:

(a) Not later than January 1, 1987, the Division of Occupational Safety and Health shall propose a regulation concerning asbestos-related work, as defined in Section 6501.8, to the Occupational Safety and Health Standards Board for review and adoption so as to protect most effectively the health and safety of employees. The regulation shall also include, but not be limited to, specific work practices and specific requirements for certification of all employees engaged in asbestos-related work.



(b) (1) Not later than July 1, 1991, the Division of Occupational Safety and Health shall propose regulations for the certification of asbestos consultants and site surveillance technicians to the Occupational Safety and Health Standards Board for consideration and action. By January 1, 1992, the board shall adopt regulations regarding certification. The regulations shall address and encompass procedures to determine the requirements for the certification provided for by Article 11 (commencing with Section 7180) of Chapter 9 of Division 3 of the Business and Professions Code. The division shall prepare and administer an examination to determine qualifications for certification pursuant to subdivision (b) of Section 7184 and subdivision (c) of Section 7185 of the Business and Professions Code. The examination shall be administered on a periodic, regularly scheduled basis.

(2) The division may, in lieu of preparing and administering its own certification examination, approve one or more public or private institutions which offer programs in asbestos abatement training to prepare and administer the examination described in subdivision (b) of Section 7184 and subdivision (c) of Section 7185 of the Business and Professions Code. However, the division shall not approve any institution, organization, individual, or other entity for administering a certification examination if that institution, organization, individual or other entity engages, for compensation, in any aspect of asbestos abatement work. For purposes of developing or approving a certification examination pursuant to this section, the division shall consult with an advisory committee of individuals who have academic and professional experience in asbestos abatement work, including a certified industrial hygienist, representatives of asbestos abatement workers, and asbestos abatement contractors.

(c) This section does not exempt any employer from complying with the Hazardous Substances Information and Training Act (Chapter 2.5 (commencing with Section 6360) of Part 1 of Division 5 of this code) and regulations adopted thereunder, nor does it exempt any employer from complying with Section 5208 of Title 8 of the California Administrative Code. For products not requiring contractor certification pursuant to subdivision (a) of Section 7058.5 of the Business and Professions



Code or licensure pursuant to Section 832.22 of Title 16, Division 8 of the California Code of Regulations, training and certification of employees shall be done by the employer.

(Amended by Stats. 1990, Ch. 1255, Sec. 2.)

** New section identified after November 3, 2016 Legislative Committee approval.*

2. Amend BPC section 7075.1 as follows:

(a) No license, regardless of type or classification, shall be transferable to any other person or entity under any circumstances.

(b) A license number may be reissued after cancellation, revocation, suspension, or expiration beyond the renewal period specified in Section 7141, only under the following circumstances:

(1) To an individual upon application.

(2) To a partnership upon application if there is no change in the partners or partnership structure.

(3) To a corporation upon application if there is no change in the status of the corporation as registered with the Secretary of State.

(4) To a limited liability company upon application if there is no change in the status of the company as registered with the Secretary of State.

(c) A license number may be reissued or reassigned to a different entity only under the following conditions:

(1) To a corporation when the parent corporation has merged or created a subsidiary, the subsidiary has merged into the parent corporation, or the corporation has changed its filing status with the Secretary of State from a domestic corporation to a foreign corporation or from a foreign corporation to a domestic corporation, and the new entity is being formed to continue the business of the formerly licensed corporation.



(2) To a limited liability company when the parent limited liability company has merged or created a subsidiary, the subsidiary has merged into the parent limited liability company, or the limited liability company has changed its filing status with the Secretary of State from a domestic limited liability company to a foreign limited liability company or from a foreign limited liability company to a domestic limited liability company, and the new entity is being formed to continue the business of the formerly licensed limited liability company.

(3) To an individual when the individual is an immediate family member of a licensed individual who is deceased or absent and the license is required to continue an existing family contracting business.

(4) To a corporation or limited liability company when created by immediate members of an individual licensee's family to continue an existing deceased or absent individual licensee's contracting business.

(5) To a corporation or limited liability company when the corporation or limited liability company is formed by an individual licensee and the individual licensee maintains ownership directly or indirectly of shares or membership interests evidencing more than 50 percent of the voting power.

~~(6) To a corporation or limited liability company that acquires a licensee pursuant to an asset sale provided that the corporation or limited liability company has a qualifier as required by Section 7068.~~

~~(67)~~ To a limited liability company that is formed by a corporation to continue the business of the corporation subsequent to the cancellation of the corporate entity's license, provided the personnel listed for each entity are the same.

For purposes of this section, an immediate family member of a deceased or absent licensed individual is either a spouse, father, mother, brother, sister, son, daughter, stepson, stepdaughter, grandson, granddaughter, son-in-law, or daughter-in-law.

(Amended by Stats. 2010, Ch. 698, Sec. 21. Effective January 1, 2011.)



3. Amend BPC section 7085 as follows:

(a) After investigating any verified complaint alleging a violation of Section 7107, 7109, 7110, 7113, 7119, or 7120, and any complaint arising from a contract involving works of improvement and finding a possible violation, the registrar may, with the concurrence of both the licensee and the complainant, refer the alleged violation, and any dispute between the licensee and the complainant arising thereunder, to arbitration pursuant to this article, provided the registrar finds that:

(1) There is evidence that the complainant has suffered or is likely to suffer material damages as a result of a violation of Section 7107, 7109, 7110, 7113, 7119, or 7120, and any complaint arising from a contract involving works of improvement.

(2) There are reasonable grounds for the registrar to believe that the public interest would be better served by arbitration than by disciplinary action.

(3) The licensee does not have a history of repeated or similar violations.

(4) The licensee was in good standing at the time of the alleged violation.

(5) The licensee does not have any outstanding disciplinary actions filed against him or her.

(6) The parties have not previously agreed to private arbitration of the dispute pursuant to contract or otherwise.

(7) The parties have been advised of the provisions of Section 2855 of the Civil Code.

For the purposes of paragraph (1), “material damages” means damages greater than the amount of the bond required under subdivision (a) of Section 7071.6, but less than fifty thousand dollars (\$50,000).

(b) After investigating any verified complaint and in ~~in~~ all cases in which a possible violation of the sections set forth in paragraph (1) of subdivision (a) exists and the contract price, or the demand for damages, regardless of the contract price, is equal to or less than the amount of the bond required under Section 7071.6, ~~but~~,



regardless of the contract price, the registrar may refer the complaint shall be referred to arbitration, utilizing the criteria set forth in paragraphs (2) to (6), inclusive, of subdivision (a).

(c) Nothing in this article shall be construed to limit the discretion of the registrar to determine whether any complaint should be acted upon or closed in accordance with Section 129 or referred for mediation, arbitration, investigation, or disciplinary or other enforcement action.

(Amended by Stats. 2005, Ch. 280, Sec. 8. Effective January 1, 2006.)

4. Amend BPC section 7109.5 as follows:

Violation of any safety provision in, or authorized by, Division 5 (commencing with Section 6300) of the Labor Code and Chapters 3.2, 3.5, and 4 under Title 8, Division 1 of the California Code of Regulations resulting in death or serious injury to an employee constitutes a cause for disciplinary action.

(Added by Stats. 1963, Ch. 1083.)

5. Amend BPC section 7145.5 as follows:

(a) The registrar may refuse to issue, reinstate, reactivate, or renew a license or may suspend a license for the failure of a licensee to resolve all outstanding final liabilities, which include taxes, additions to tax, penalties, interest, and any fees that may be assessed by the board, the Department of Industrial Relations, the Employment Development Department, the Franchise Tax Board, or the State Board of Equalization.

(1) Until the debts covered by this section are satisfied, the qualifying person and any other personnel of record named on a license that has been suspended under this section shall be prohibited from serving in any capacity that is subject to licensure under this chapter, but shall be permitted to act in the capacity of a nonsupervising bona fide employee.



(2) The license of any other renewable licensed entity with any of the same personnel of record that have been assessed an outstanding liability covered by this section shall be suspended until the debt has been satisfied or until the same personnel of record disassociate themselves from the renewable licensed entity.

(b) The refusal to issue a license or the suspension of a license as provided by this section shall be applicable only if the registrar has mailed a notice preliminary to the refusal or suspension that indicates that the license will be refused or suspended by a date certain. This preliminary notice shall be mailed to the licensee at least 60 days before the date certain.

(c) In the case of outstanding final liabilities assessed by the Franchise Tax Board, this section shall be operative within 60 days after the Contractors' State License Board has provided the Franchise Tax Board with the information required under Section 30, relating to licensing information that includes the federal ~~employee~~employer identification number, individual taxpayer identification number, or social security number.

(d) All versions of the application for contractors' licenses shall include, as part of the application, an authorization by the applicant, in the form and manner mutually agreeable to the Franchise Tax Board and the board, for the Franchise Tax Board to disclose the tax information that is required for the registrar to administer this section. The Franchise Tax Board may from time to time audit these authorizations.

(e) In the case of outstanding final liabilities assessed by the State Board of Equalization, this section shall not apply to any outstanding final liability if the licensee has entered into an installment payment agreement for that liability with the State Board of Equalization and is in compliance with the terms of that agreement.

(Amended by Stats. 2011, Ch. 734, Sec. 1. Effective January 1, 2012.)



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Contractors State License Board (CSLB) licensee discipline system; legislation to establish an intermediary action –“letter of admonishment” – between an advisory notice and an administrative citation.

IDENTIFICATION OF PROBLEM/SUMMARY: Prior to 1979, the only means available for CSLB to “discipline” licensees was to file accusations to suspend or revoke a license. As individuals have a legal right to work in their chosen occupation, licensees have a right to appeal an accusation and have an evidentiary hearing before such action is taken. Not only is this process costly and time, including travel, attorneys, and witnesses, it left few options for progressive discipline for less serious violations.

In 1979, the licensee citation system was codified to provide an intermediary system to sanction less egregious offenses. Administrative citations allow CSLB to work with licensees to satisfy an aggrieved consumer, provide refunds on contracts, or compensate the injured, while resolving complaints in much less time than accusations.

This system works well; however, as reported at the September 2015 Board meeting, the administrative citation program has become costly to operate. As a citation affords the same right to appeal as an accusation, there is no shortage of appealed citations every year. The average cost to CSLB for an appeal is \$9,860, whether or not the respondent appears at the hearing.

While it is financially viable to litigate a citation appeal to enforce an order of correction (monies owed to an injured party, typically a consumer), many citation appeals are for offenses that do not allege a financial injury or order of correction for consumers, such as failure to obtain a permit or workers’ compensation insurance policy.

As a result, the citation system now adds to the enforcement cost and time constraints it was designed to alleviate.

This proposal will restore a balance by creating an “intermediary” level of enforcement action: the “letter of admonishment.” As a sanction less severe than a citation, but more formal than an “advisory notice,” staff believes the letter of admonishment will increase opportunities to settle offenses before they are appealed, while still providing correction of the offending behavior.

It will also add a tier to the disclosure system of Business and Professions Code (BPC) § 7124.6 for contractors issued an admonishment, affording a disclosure of one year, which is less severe than the five-year citation disclosure that leads to many appeals.

With this proposal, staff believes that more investigations which currently result in citations will be resolved internally, saving millions of dollars in litigation costs between



CSLB and the Attorney General’s Office. It also will improve cycle times, promote the redirection of enforcement resources to more serious violations, and restore the original intent of administrative citations.

PROPOSED MOTION: The Legislative Committee recommends sponsoring legislation to adopt new subsections to BPC § 7099.2 to authorize a system for issuing “letters of admonishment” in lieu of citations, when appropriate. Amend BPC § 7124.6 to accommodate public disclosure of the letter of admonishment.

IMPACT ON OTHER CSLB DIVISIONS: None.

PROPOSED LANGUAGE:

Amend BPC section 7099.2 as follows:

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

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

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

(c) 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, the registrar, or his or her designee, may issue a letter of admonishment to an applicant, licensee, or registrant in lieu of a issuing a citation. Nothing in this article shall in any way limit the registrar’s discretionary authority or ability to issue a letter of admonishment as prescribed by this subsection.

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

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



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

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

(iii) The office conference is intended to be an informal proceeding and shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), or Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

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

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

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

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

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

(5) Nothing in this subsection shall in any way limit the board's authority or ability to do either of the following:

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

(B) Institute disciplinary proceedings pursuant to this article.

(6) The issuance of a letter of admonishment pursuant to subdivision (c) shall not be construed as a disciplinary action or discipline for purposes of licensure or the reporting of discipline for licensure.



Amend BPC section 7124.6 as follows:

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

(1) Have been referred for accusation.

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

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

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

(2) A complaint resolved by issuance of a letter of admonishment pursuant to Section 7099.2 shall not be deemed resolved in favor of the contractor for the purposes of this section. A letter of admonishment issued to a licensee shall be disclosed for a period of one year.

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

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

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

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

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

AGENDA ITEM D-4

2016-18 Strategic Plan Update





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2016-18 OBJECTIVES

(E) “Essential”

(I) “Important”

(B) “Beneficial”

LEGISLATIVE OBJECTIVES	TARGET	DESCRIPTION	STATUS
3.1 Present Draft Proposal to Reorganize Contractors' State License Law (I)	December 2016	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 – postpone target date to March 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	The need for an increase in civil penalties and other enforcement strategies to combat predatory service and repair scams practices will be discussed at the December 8, 2016 Board meeting.
3.3 Develop and Implement Regulatory Proposal to Formalize Experience Requirement Criteria (E)	January 2018	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 January 2018, will convene a working group with Licensing division staff later this year.
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.
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, staff is presenting a legislative proposal to create a Letter of Admonishment.
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 2017 legislative proposals.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

<p>3.7 Increase Fees (E)</p>	<p>July 2018</p>	<p>Increase statutory authority and limits; follow-up with regulations for future increases within statutory limits</p>	<p>Implementation on July 1, 2017</p>
<p>3.8 Track and Update Board on Any Legislation Seeking to Modify Business and Professions Code section 7031 (B)</p>	<p>Ongoing</p>	<p>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</p>	<p>AB 1793 was signed by the Governor; no other pending legislation on this subject.</p>

AGENDA ITEM E

Public Affairs



AGENDA ITEM E-1

Review and Possible Approval of November 3, 2016, 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 1:05 p.m. on Thursday, November 3, 2016, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA, 95827. There were teleconference locations in Norwalk and San Jose. A quorum was established.

Committee Members Present

David Dias, Chair
Kevin J. Albanese (teleconference)
Mike Layton (teleconference)
Nancy Springer

Committee Members Excused

David De La Torre
Pastor Herrera, Jr.

CSLB Staff Present

Cindi Christenson, Registrar	Rick Lopes, Chief of Public Affairs
Laura Zuniga, Chief of Legislation	Amber Foreman, Public Affairs Staff
Cindy Kanemoto, Chief Deputy Registrar	Ashley Cadwell, Public Affairs Staff
Claire Goldstene, Public Affairs Staff	Jane Kreidler, Public Affairs Staff
Missy Vickrey, Enforcement Staff	Kristy Schieldge, DCA Legal Counsel
Jessie Flores, Deputy Chief of Enforcement (teleconference)	

Visitors Present

Richard Markuson, Pacific Advocacy Group
Fernando Galli, Department of Consumer Affairs
Chris Walker, California Association of Sheet Metal and Air Conditioning Contractors

After welcoming the audience, Mr. Dias noted items of interest on the meeting agenda and informed the Committee of Board Chair Augie Beltran's temporary appointment of Mike Layton to the Public Affairs Committee. He also welcomed Claire Goldstene to the Public Affairs staff, informed the Committee about the Information Officer I vacancy, and noted the upcoming November 14, 2016, visit of a government delegation from Guangxi, China to CSLB's Norwalk office.

B. Public Comment

There was no public comment.

C. Public Affairs Program Update

Public Affairs Chief Rick Lopes, along with Public Affairs staff members Ashley Cadwell, Amber Foreman, and Jane Kreidler, updated the Committee on the unit's activities since the September 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 the timeline for release of the Fall 2016 *California Licensed Contractor* newsletter. Ms. Cadwell noted that social media statistics continue to improve and that viewership of live meeting webcasts has increased with the switch to streaming via YouTube live. Amber Foreman updated the Committee about the status of various publications and Ms. Kriedler provided information about ongoing Senior and Consumer Scam Stopper seminars, noting that they continue to provide valuable information to CSLB from consumers who have been targets of various scams.

Nancy Springer requested clarification about the chart outlining website usage, which Mr. Lopes provided.

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

Mr. Lopes presented the Committee the proposed 2017-2019 CSLB Communications Plan, which included a general overview of the purpose and mission of the Public Affairs Office, guiding principles, target audiences, communications messages and channels, short- and long-term goals, timetables, and measures of success.

Mr. Lopes requested approval to change the section entitled “Measurements of Success” to “Tasks to Measure Success.”

Chair Dias raised the question of including language about code compliance in CSLB’s mission statement. Legal Counsel Kristy Schieldge responded that that is encompassed in the language about the enforcement of law.

Ms. Schieldge suggested eliminating the word “trade” from the sentence “. . . contractors meet the minimum trade standards for licensure” in the guiding principles section.

Chris Walker, from the California Association of Sheet Metal and Air Conditioning Contractors, requested inclusion of outreach efforts that emphasize the importance of pulling permits and a third party review as a means to confirm that contractors are performing to trade standards. He also noted the importance of conducting more outreach about the need for consumers to confirm that contractors carry the appropriate workers’ compensation insurance.

Richard Markuson, Pacific Advocacy, suggested separating the categories of journeymen and unlicensed contractors under the target audience section, and making journeymen gender neutral. He also suggested including outreach to homeowners and contractors about the need to call before you dig under the section on communications messages.



Mr. Lopes agreed that all of these suggestions could be incorporated into the plan before it is submitted to the full Board in December 2016.

MOTION: Approve, with amendments, the 2017-2019 CSLB Communications Plan, and forward for consideration by the full Board in December 2016. Nancy Springer moved; Kevin J. Albanese seconded. The motion carried unanimously, 4–0.

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

E. Adjournment

MOTION: Adjourn November 3, 2016, Public Affairs Committee meeting. Nancy Springer moved; Mike Layton seconded. The motion carried unanimously, 4–0.

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

Committee Chair Dias adjourned the Public Affairs Committee meeting at 1:40 p.m.

AGENDA ITEM E-2

Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Media Relations Highlights
- d. Industry, Licensee, and Community Outreach Highlights
- e. Employee Relations





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. There is currently one vacancy, an Information Officer I position.

ONLINE HIGHLIGHTS

CSLB Website Statistics

Month	Sessions	Users	Pageviews	Pages / Session	Ave. Session Duration	Bounce Rate	% New Sessions
November 2015	582,005	247,350	4,687,603	8.05	6:03	20.73%	23.35%
December	570,452	237,484	3,950,059	6.92	5:57	21.21%	22.90%
January 2016	654,662	269,875	4,615,718	7.05	6:02	20.35%	23.43%
February	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%
12-Month Avg.	8,106,179	2,482,851	56,150,463	6.93	5:52	21.50%	27.82%

Average % of New Users

- November 2015 – April 2016 23.07%
- May – October 2016 32.16%

**Types of Devices – By Percentage**

Month	All Users			New Users Only		
	Desktop	Mobile	Tablet	Desktop	Mobile	Tablet
November 2015	76.36%	19.51%	4.13%	67.00%	27.05%	5.96%
December	76.47%	19.59%	3.94%	65.82%	28.32%	5.87%
January 2016	75.76%	20.07%	4.17%	64.74%	28.93%	6.32%
February	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%
12 Month Avg.	75.28%	20.91%	3.81%	65.43	28.92%	5.64%

The Most Viewed Pages on CSLB Website (August 1, 2016 – October 15, 2016)
(Does Not Include Instant License Check or Online Services Pages)

	Page Title	Page Views	Link
1.	Forms and Applications	166,438	www.cslb.ca.gov/about_us/library/forms_and_applications.aspx
2.	Conditional and Unconditional Waiver and Release Forms	79,542	www.cslb.ca.gov/consumers/legal_issues_for_consumers/mechanics_lien/conditional_and_unconditional_waiver_release_form.aspx
3.	Contact CSLB Contact CSLB	63,091	www.cslb.ca.gov/about_us/contact_cslb.aspx
4.	Licensing Classifications	57,798	www.cslb.ca.gov/about_us/library/licensing_classifications/b_-_general_building_contractor.aspx
5.	CSLB Online Services	52,239	www.cslb.ca.gov/onlineservices/default.aspx
6.	Contractors Overview	45,549	www.cslb.ca.gov/contractors/contractors.aspx
7.	Forms Request	44,984	www.cslb.ca.gov/onlineservices/orderform/formrequest.aspx
8.	Before Applying For Exam	38,572	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/before_applying_for_license.aspx
9.	Databases are currently offline	34,400	www.cslb.ca.gov/onlineservices/database_maintenance.aspx
10.	Consumers	31,248	www.cslb.ca.gov/consumers/consumers.aspx
11.	Licensing Classifications	26,015	www.cslb.ca.gov/about_us/library/licensing_classifications/c-61_limited_specialty/default.aspx
12.	CSLB Processing Times	21,179	www.cslb.ca.gov/onlineservices/processingtimes/processingtimes.aspx
13.	Contractors State License Board	19,663	www.cslb.ca.gov/
14.	New Mechanics Lien Release Forms Available on CSLB Website	19,078	www.cslb.ca.gov/media_room/industry_bulletins/2012/july_11.aspx
15.	Licensing Classifications	17,651	www.cslb.ca.gov/about_us/library/licensing_classifications/a_-_general_engineering_contractor.aspx
16.	Licensing Classifications	17,403	www.cslb.ca.gov/about_us/library/licensing_classifications/c-10_-_electrical.aspx



17.	Before Filing a Complaint Online	14,142	www.cslb.ca.gov/onlineservices/constructioncomplaint/beforefilingcomplaint.asp
18.	Licensing Classifications	14,083	www.cslb.ca.gov/about_us/library/licensing_classifications/c-27_-_landscaping.aspx
19.	Tips for Calling CSLB's Licensing Information Center	13,350	www.cslb.ca.gov/about_us/licensing_contact_tips.aspx
20.	Qualifying Experience for the Examination	12,953	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/experience_for_exam.aspx
21.	Frequently Asked Questions About Journey-level Experience	12,824	www.cslb.ca.gov/contractors/journeymen/journeymen_faqs.aspx
22.	List of All CSLB Fees	12,596	www.cslb.ca.gov/about_us/library/fees.aspx
23.	How the Complaint Process Works	12,547	www.cslb.ca.gov/consumers/filing_a_complaint/how_the_complaint_process_works.aspx
24.	Completing a Contractor License Application Video	11,922	www.cslb.ca.gov/contractors/applicants/applicant_video.aspx
25.	Licensing Classifications	11,883	www.cslb.ca.gov/about_us/library/licensing_classifications/c-33_-_painting_and_decorating.aspx
26.	2016 Licenses Revoked	11,724	www.cslb.ca.gov/about_us/library/revoked/2016.aspx
27.	Applying for the Contractors Examination	11,516	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/applying_for_license.aspx
28.	Step 1: General Renewal Information	10,951	www.cslb.ca.gov/contractors/maintain_license/renew_license/general_renewal_information.aspx
29.	Licensing Classifications	10,139	www.cslb.ca.gov/about_us/library/licensing_classifications/c-36_-_plumbing.aspx
30.	Change Your Business Name or Address	10,139	www.cslb.ca.gov/contractors/maintain_license/change_name_or_address.aspx
31.	Check Application Status	10,129	www.cslb.ca.gov/contractors/applicants/contractors_license/waiver_application/check_application_status.aspx
32.	Studying for the Examination	9,940	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/studying_for_exam.aspx
33.	Filing a Complaint Online: Step 3: Project Information	9,930	www.cslb.ca.gov/onlineservices/constructioncomplaint/step3_projectinformation.asp
34.	Filing a Complaint Online: Step 1: Personal Information	9,405	www.cslb.ca.gov/onlineservices/constructioncomplaint/step1_personalinformation.asp
35.	What if a Mechanics Lien is Filed on Your Property?	8,969	www.cslb.ca.gov/consumers/legal_issues_for_consumers/mechanics_lien/if_a_mechanics_lien_is_filed_against_you.aspx
36.	Complaint Process Against Licensed Contractors	8,870	www.cslb.ca.gov/consumers/filing_a_complaint/complaint_against_licensed_contractors.aspx
37.	Licenses for Limited Liability Companies (LLC)	8,721	www.cslb.ca.gov/about_us/lc.aspx
38.	Contractors State License Board Warns Consumers Not to Pay More than 10 Percent Up Front	8,503	www.cslb.ca.gov/media_room/press_releases/2012/august_15.aspx
39.	Workers' Compensation Requirements	8,414	www.cslb.ca.gov/contractors/maintain_license/workers_compensation.aspx
40.	Step 2: Completing Your Renewal Application - Contractors State License Board	8,176	www.cslb.ca.gov/contractors/maintain_license/renew_license/completing_your_renewal_application.aspx



VIDEO/DIGITAL SERVICES

Public Meetings

- *Board Meetings – Webcasts*

A live webcast was provided for the quarterly Board meeting held in Monterey on September 19-20, 2016.

A live webcast was provided for the Licensing and Enforcement Committee meetings held in Sacramento on October 28, 2016.

A live webcast was provided for the Public Affairs and Legislative Committee meetings held in Sacramento on November 3, 2016.



Board Meeting Day 2- 9/20/16



Board Meeting Day 1- 9/19/16



Licensing and Enforcement



Legislative Committee Meeting
November 3, 2016



Public Affairs Committee
Meeting November 3, 2016

PAO added a lower third graphic to display during Board and Committee meeting live streams. The new design displays CSLB’s logo, the meeting date, agenda item, and the name and title of each CSLB official. This element makes it easier for viewers to follow along during the meeting and find content in archived videos.

The quarterly Board meeting in Monterey was streamed via YouTube Live instead of Ustream. YouTube Live sends a notification to YouTube subscribers when the channel is streaming live video. This increased the number of live viewers by approximately 318 percent.

Average # of Ustream Live Viewers	YouTube Live Viewers 9/19/16 Board Meeting	YouTube Live Viewers 9/20/16 Board Meeting	YouTube Live Viewers 10/28/16 Committee Meetings	YouTube Live Viewers 11/03/16 Committee Meetings
23	115	66	78	34

Social Media

CSLB continues to use a variety of infographics to post information and engage with our audience 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.

The following chart details the growth of 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. 16, 2016	2,909	2,123	600	62	59	12	7

Instagram

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 continues to expand the use of social media platforms and communicate with the public in as many ways as possible.

Facebook Growth

Between October 20, 2016 and November 16, 2016, CSLB has “reached” 9,998 people on its Facebook page.

- 68 percent of those who “react” to CSLB on Facebook are male; 30 percent female.



- 57 percent of CSLB’s Facebook fans are between the ages of 35 and 54.
- Most viewed posts:
 - California Blitz - 3.7K reach

09/27/2016
3:11 pm



CSLB conducted a series of simultaneous undercover sting operations

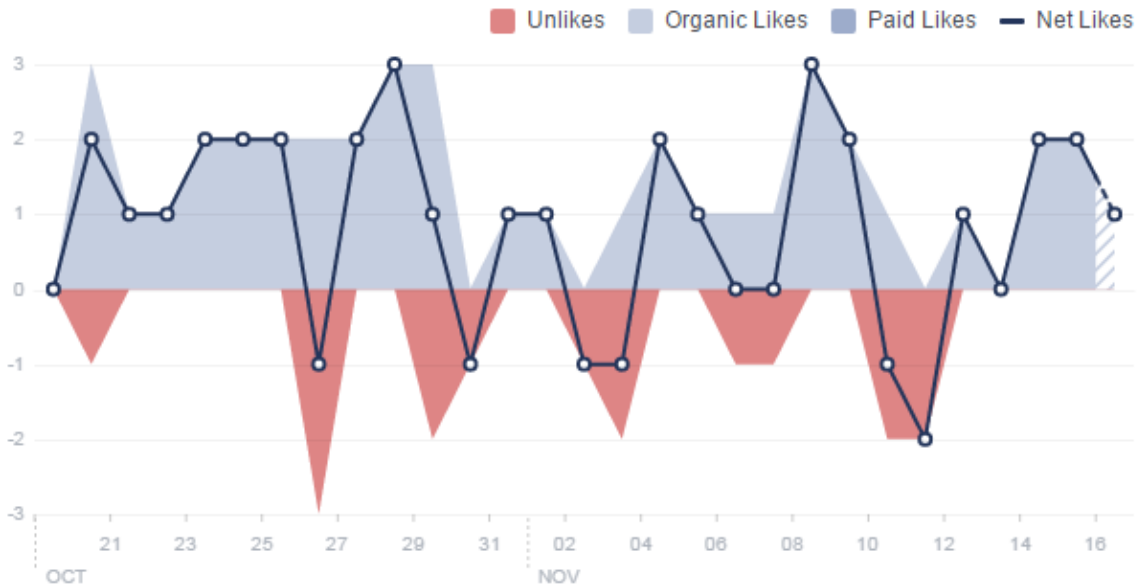
- Enforcement Supervisor Job Post - 1.6K reach

09/29/2016
1:20 pm



The Contractors State License Board is currently recruiting for an Enforcement Supervisor

The following chart shows the net growth per day since the end of October 2016 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 October 18, 2016 and November 16, 2016, CSLB gained 32 followers on Twitter, growing from 2,091 to 2,123.

- 67 percent of our followers are male; 33 percent female.
- Tweets receive an average of 22.6 impressions (views) per month.
- Top tweets:

California Blitz – 2.8K impressions



CA Contractors Board @CSLB
 CSLB conducted several undercover sting operations & sweeps last week across CA. 73 suspects cited, & more. Release: http://www.cslb.ca.gov/Media_Room/Press_Releases/2016/September_27.aspx ... pic.twitter.com/QQwhJ9ksNb

CLC Newsletter – 2.06K impressions



CA Contractors Board @CSLB
 Read the latest issue of the California Licensed Contractor Newsletter: <http://www.cslb.ca.gov/Newsletter/2016-Summer/index.asp> ... pic.twitter.com/9aFVbe6rqE

Periscope Growth

CSLB is currently using 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 3,492 views between October 18, 2016 and November 14, 2016, an average of 124 visitors per day. Viewers watched a combined total of 13,803 minutes of video. CSLB gained 15 followers on YouTube, growing from 585 to 600 since the November 3, 2016, Public Affairs Committee Meeting.

The most recent video, California Blitz-Hayward Highlights, received a total of 182 views.



California Blitz- Hayward Highlights
 by Contractors State License Board · 182 views · 3 weeks ago

- CSLB has a total of 376,432 views since the page was created in 2009.
- 76 percent of CSLB YouTube viewers are male; 24 percent female. The percentage of male followers has decreased by seven percent since the last Board meeting.
- 34 percent of viewers find CSLB videos through “suggested videos” on YouTube; 21 percent from YouTube search; 30 percent from external links; and 15 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 November 16, 2016, CSLB has 248 photos available for download on Flickr.

LinkedIn Growth

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

Email Alert Feature

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

On May 16, 2016, a new category was added:

- CSLB Job Openings

An email containing all current CSLB job openings is sent out on a weekly basis.

The total subscriber database currently stands at 26,776, which includes 838 new accounts since the Board’s September 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
November 15, 2016	7,205	4,614	7,765	6,337	171



PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. CSLB’s Information Technology (IT) Unit recently wrote an extraction program that added more than 68,000 new email addresses to this list, which the first update of the licensee list since its inception. With this program, the email list can be updated on a more regular basis.

CSLB now has email addresses for 146,513 licensees, which brings the combined database to 173,289 addresses.

MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between August 29, 2016 and November 15, 2016, PAO staff responded to 43 media inquiries. PAO provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

Over the past year, PAO responded to 139 media inquiries. The following chart breaks down these calls by month:

Date	# of Media Inquiries
November 2015	12
December 2015	14
January 2016	7
February 2016	7
March 2016	9
April 2016	19
May 2016	11
June 2016	3
July 2016	10
August 2016	9
September 2016	14
October 2016	16
November 1 st – 15 th	8
Total	139

Media Events

No media events have taken place since the September 2016 Board meeting.

News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between August 26, 2016 and November 15, 2016, PAO distributed eight news releases.

Release Date	Release Title
August 31, 2016	CSLB Investigators Find Unlicensed Contractors Online



September 6, 2016	CSLB Catches Six Shady Contractors in Tehama
September 7, 2016	In Napa, Another Kind of Harvest – Unlicensed Contractors
September 14, 2016	CSLB Teams Target Unlicensed Contractors in Marin County
September 27, 2016	CSLB Targets Unlicensed Operators Trying to Take Advantage of California Consumers
October 25, 2016	Contractors State License Board Sting Uncovers Ex-Con, Repeat Offenders, and Loaded Firearm
November 8, 2016	Contractors State License Board Warns Homeowners to be Aware of Unlicensed Tree Companies During Fall Clean-Up Season Two Unlicensed
November 8, 2016	Two Unlicensed Contractors Taken to Jail for Arrest Warrants After Caught in CSLB Undercover Sting Operation

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

PAO released the summer 2016 *California Licensed Contractor* quarterly newsletter online in late August 2016. The fall 2016 edition should be released in November 2016. The publication is targeted to CSLB’s nearly 300,000 licensees. To save considerable mailing and printing costs, each edition is now distributed online.

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to more than 7,100 people and interested parties. Distribution includes those who signed up to receive the bulletins through CSLB’s Email Alert System. Between August 26, 2016 and October 19, 2016, PAO distributed two industry bulletins.

Release Date	Bulletin Title
October 13, 2016	Military Applicants, with Proper Forms, Move to Front of Line for Contractor License Processing
November 14, 2016	Licensed Contractors Encouraged to Participate in Statewide Survey About Issues Affecting Your Business

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 September 2016 Board meeting.



Completed

- Asbestos: A Contractor’s Guide and Open Book Exam
- 10 Tips Cards (English/Spanish)

In Production

- Law & Reference Book (2017 Edition)
- Mandatory Arbitration Program Guide
- Voluntary Arbitration Program Guide
- New Consumer Guide
- A Homeowner’s Guide to Preventing Mechanics Liens
- Tips for Hiring a Roofing Contractor
- Choosing the Right Landscaper
- What is a Stop Order?

In Development

- New Contractor Guide
- Building Official Information Guide

COMMUNITY OUTREACH HIGHLIGHTS

Foreign Outreach

On November 14, 2016, PAO helped coordinate the visit of a 14-member delegation from the Chinese province of Guangxi’s Provincial Housing and Urban-Rural Development Bureau to the CSLB Norwalk. The group was interested in learning how to better regulate their construction industry. Enforcement managers Jessie Flores and Carlos Marquez provide the group with an overview of CSLB’s licensing requirements, as well as legislative and enforcement processes.



Disaster Outreach

PAO provided materials to the Governor’s Office of Emergency Services for distribution at a town hall meeting conducted on October 6, 2016, for victims of the Loma Wildfire in Santa Cruz County.



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, Medicare, foreign lotteries, and mail fraud.

In 2016, a total of 98 Senior Scam StopperSM seminars were conducted; 568 since the program’s inception.

The following seminars have been conducted and/or scheduled from October 2016 through December 2016:

Date	Location	Legislative/Community Partner(s)
October 27, 2016	Upland	Senior Medicare Patrol
November 9, 2016	La Habra Heights	City of La Habra Heights
November 10, 2016	San Marcos	Millennium Housing
November 16, 2016	Los Angeles	Asm. Richard Bloom
November 17, 2016	Los Angeles	Asm. Richard Bloom
November 18, 2016	Agoura Hills	Asm. Richard Bloom

Consumer Scam StopperSM Seminars

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

Between October 2016 and December 2016, CSLB staff has been scheduled to speak/staff booths for the following organizations/events, and also conducted Consumer Scam StopperSM seminars:

Date	Location	Organization/Event
October 4, 2016	Fresno	CPUC Small Business Expo
October 5, 2016	West Sacramento	Better Business Bureau
October 6, 2016	Fair Oaks	Consumer Scam Stopper – Pathway Fellowship
October 6, 2016	Danville	Consumer Scam Stopper – Viet Nam Veterans of Diablo Valley
October 12, 2016	Redding	Consumer Scam Stopper – Redding Senior Center
October 13, 2016	North Highlands	Consumer Scam Stopper – Retired Veterans
October 13, 2016	Woodland	Yolo County District Attorney Fraud Fair



October 14, 2016	Santa Ana	Santa Ana Elks Community Health Fair
October 15, 2016	Alhambra	City of Alhambra Wellness Expo
October 18, 2016	Sacramento	Sacramento County FAST
October 27, 2016	Lake Arrowhead	Lake Arrowhead Building Association
November 2, 2016	Yreka	Siskiyou County Fraud Prevention Fair
November 2, 2016	Santa Ana	Santa Ana Kiwanis Club
November 3, 2016	Santa Rosa	Meet & Greet – local legislators
November 3, 2016	Sacramento	Building Expo
November 4, 2016	Sacramento	Tree Trimming Seminar
November 4-6, 2016	Fresno	Fresno Home Show
November 14, 2016	Santa Ana	Santa Ana Elks Community Health Fair
November 15, 2016	San Dimas	Consumer Scam Stopper – San Dimas Senior Center
November 16, 2016	Pasadena	IHACI Trade Show

Industry Outreach

Santa Rosa Investigative Center staff, J.R. McClung, Brady Leavitt, and Amanda Martinez (pictured), staffed a table at Senator McGuire’s Open House on November 4, 2016, which included job information and the collection of blankets for the homeless. The Senator’s office contacted the media about the event, which bolstered turnout.



On November 16, 2016, SWIFT investigator Eric Stephens participated in a panel discussion sponsored by the North Coast Builders Exchange on the legalization of marijuana in California and the

opportunities the commercial cannabis industry will provide licensed contractors. Topics included licensing, permits, insurance, bonds, banking issues, and what to expect from cannabis operators.

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 the annual HQ chili cook-off, the welcoming of CSLB’s newest Board member, HQ staff getting a close-up look at the Blue Angels air show





practice, a recap of the Statewide Investigative Fraud Team's Fall California Blitz sting operation, and Halloween festivities.

Competition Was Hot at HQ Chili Cookoff

10.7.16



After a year's absence, the Chili Cookoff at HQ returned at full favor. Mark Williams (Enforcement) was awarded first prize and the coronet of



Newest Board Member Gets Crash Course on CSLB

10.4.16

Newest Board member Michael Layton certainly has the first real crash course on CSLB. Only a few days after being appointed to the vacant Board post, Mr. Layton was off to Monterey and attending his first Board meeting. In photos, Mr. Layton, left, is seen in by Board Chair Angie Bellows. Mr. Layton was named by Assembly Speaker Anthony Rendon to take the place of longtime Board member Bob Lamb, who recently stepped down after serving two terms. A credit: Michael Lamb/CSLB

HQ Staff Gets Clear-Up of Blue Angels Team

10.3.16



Headquarters staff were celebrating Monday morning about the great spectacle that took place in the grounds Thursday night here and at the world's premier flight school, the U.S. Navy's Blue Angels flight team's home base. The Blue Angels were a day late to arrive for a special appearance at the California Capital Airshow. The HQ staffing is broken into units or teams from the United States. The command is the Pacific Air Force. The Blue Angels were held in staff here to support the flight ops. Through their participation, the head of the team is the head of the team.

Fall Blitz Uses 1-2 Punch Against Unlicensed Contracting

7.27.16

Staff 7 teams struck in double time against unlicensed contracting during the Fall California Blitz and were making sting operations in their cities up and down the state, and taking those up with high financial examples of unlicensed work in their buildings. The combined use resulted in the arrests of 12 unlicensed contractors in total, and the opening of 50 administrative and enforcement cases being from the teams.



AGENDA ITEM E-3

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





CONTRACTORS STATE LICENSE BOARD

2017-2019 CSLB COMMUNICATIONS PLAN

BACKGROUND

CSLB's Public Affairs Office (PAO) utilizes a two-year communications plan to help direct its outreach and education efforts. The plan is important as it helps guarantee the Board and its staff provides relevant, accurate, and consistent information to its various stakeholders, including consumers, licensees, and the construction industry. The previous CSLB Communications Plan was approved by the Board at its September 23, 2014 meeting.

The following plan was approved by the Public Affairs committee at its November 3, 2016, meeting, and is presented here for your review and possible approval.

RECOMMENDATION TO BOARD

The Public Affairs Committee recommends that the Board approve the 2017-19 CSLB Communications Plan.

CSLB/Public Affairs Office Communications Plan

I. Purpose

The Contractors State License Board's (CSLB) Public Affairs Office (PAO) provides relevant, accurate, and consistent information to various stakeholders and audiences. Communications include all written, spoken, visual, and electronic (including Internet/Intranet) interactions.

This plan supports CSLB's strategic objectives, and provides a framework for the variety of internal and external communications that will be developed and managed from 2017-2019. The plan updates and expands the Board-approved 2015-2017 CSLB Communications Plan.

PAO's range of distribution methods effectively relays the CSLB consumer protection and education messages to help gain support and cooperation from the general public and multiple stakeholder groups, including California's construction industry, licensed contractors, journeypersons, the state legislature, other state and local agencies, consumer advocacy groups, and CSLB employees.

II. CSLB Mission Statement

CSLB protects consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.

CSLB accomplishes this by:

- Ensuring that construction is performed in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;



- Requiring licensure for any person practicing or offering to practice construction contracting;
- Enforcing the laws, regulations, and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so they can make informed choices.

III. Public Affairs Office Mission Statement

PAO’s mission is to provide timely, accurate, and useful information to CSLB’s stakeholders, with a primary goal of protecting California consumers in matters relating to construction.

PAO accomplishes this by:

- Providing information and materials to educate consumers so they can make informed choices when hiring contractors and managing a construction project;
- Building and maintaining a positive, responsive, and professional relationship with news media outlets and reporters;
- Expanding CSLB’s visibility with consumers, licensees, potential licensees, and the construction industry;
- Serving as an information conduit for CSLB’s employees and Board members; and
- Partnering with other state and local government agencies, as well as trade organizations and other interested groups.

IV. Staff and Financial Resources

▪ **Public Affairs Staff**

Position Title	Name	Key Duties
Chief of Public Affairs	Rick Lopes	Lead for Public Affairs Office, Media Relations Director, Video and Digital Production Director, Special Projects Director
Information Officer II	Claire Goldstene	First-Level Supervisor, Contract Manager, PAO Project Manager, Publications Director, Special Projects
Information Officer I	Ashley Caldwell	Video and Digital Production, Social Media Coordinator, Intranet Coordinator, Media Relations



Information Officer I	Vacant	Publications Coordinator, Video and Digital Production, Media Relations
Graphic Designer III	Amber Foreman	Graphic Design and Publication Production
Associate Government Program Analyst	Jane Kreidler	Outreach Coordinator, Senior Scam Stopper SM , Consumer Scam Stopper SM , and Speakers Bureau Coordinator, Publications contributor
Student Assistant	Christopher Cardoso	Office Support – Graduating in 2017

V. Guiding Principles

PAO is committed to using its individual and collective experience, judgment, and talent to provide CSLB Board members and staff with the most effective and creative public relations counsel and services possible. PAO provides Board members with information and facts to assist them when developing Board policy and addressing the public.

PAO’s highest priority is to proactively advocate for the interests of California consumers, based on the belief that the Board serves a critical regulatory role for one of the state’s most important industries, and that educated consumers are in a better position to protect themselves from problems during a construction-related project. It’s also believed that the availability of consumer protection information will reduce the number of disputes between contractors and homeowners and, therefore, the number of complaints that homeowners make to CSLB.

PAO pays special attention to opportunities to offer an increased level of protection for vulnerable California populations, including seniors and non-English speakers.

CSLB is mandated to ensure that contractors meet the minimum standards for licensure; PAO serves as an educational resource for licensees, providing information to help them understand laws and operate a successful business.

PAO promotes CSLB’s belief that everyone qualified to be licensed should get a license. In addition to its highest priority of consumer protection, when promoting the results of proactive enforcement operations, PAO attempts to encourage licensure to help level the playing field for all licensed, law abiding contractors.

PAO strives to use the newest communication channels and technological advances to reach various stakeholders. This includes the Internet, media outreach, and other cost-effective methods that provide the widest audience reach possible.



The contributions of each PAO staff member are honored and the team's success reflects individual and collective efforts.

VI. Target Audiences

- Consumers
 - Vulnerable Populations, especially seniors and non-English speakers
- Licensees
- Unlicensed Contractors
- Journeypersons
- Industry and Trade Groups
- Building Officials/Departments
- State Elected and Appointed Officials and Representatives
- Prosecutorial Agencies
- Other Interested Groups
- CSLB Employees

VII. Communication Messages

- Check The License First before hiring any contractor to work in or around your home
- Consumers take a big risk when they hire an unlicensed contractor
- CSLB is a resource when hiring a contractor and throughout the contracting process
- Know your rights
- It's important that consumers do their homework before committing to any solar project
- Unlicensed or unscrupulous contractors may try to scam you (disaster)
- Benefits of becoming/How to become a licensed contractor
- Make sure contractor pulls all necessary building permits and project passes all inspections
- If contractor has employees, make sure they're covered by workers' compensation insurance
- Call Before You Dig. It's critical that consumers and contractors call 811 before doing any outside project that includes digging to make sure they don't hit any underground utility lines

VIII. Communication Channels

The current message delivery environment is most successful through electronic-driven channels:

- CSLB Website / Online Content / Online Services



- Video (Live, Recorded and Produced)
- Social Media
- Publications (online and print)
- Media Outreach (news releases, industry bulletins, media events)
- Community Outreach (Senior Scam StopperSM and Consumer Scam StopperSM seminars, CSLB Speakers Bureau, and licensing workshops)
- Industry/Trade Publications
- Employee Intranet

IX. Short-Term Goals

- Attract Media Attention to News Releases and Other Outreach
- Respond Quickly and Accurately to Media Inquiries
- Increase Video-Producing Capabilities, Especially Live Web Streaming
- Continue to Build Social Media Presence
- Maintain Current Consumer Outreach Programs
- Utilize Technology to Develop Opportunities to Interact with Various Stakeholders
- Regularly Update CSLB Website & Intranet Content
- Maintain Most Wanted Website Feature
- Work with all CSLB Units to Ensure Employee Intranet Content is Kept Up-to-Date
- Complete Strategic Plan Action Items in Timely Manner

X. Long-Term Goals

- Develop New Opt-In Licensee Search Feature for CSLB Website – Tied to AB 2486
 - AB 2486: January 1, 2019, deadline to permit consumers to search for a licensed contractor by either zip code or geographic location
- Build CSLB Awareness with Consumers
- Develop CSLB Brand as a Leading Consumer Protection Agency
- Expand Graphics Brand Across All Facets of CSLB
- Build Partnerships to Extend Outreach Budget
- Stay on the Leading Edge of Technology for Effective Communication
- Maintain Educational Materials Available to Licensees
- Develop Newsletter Committee (editorial board)
- Expand Partnerships with Other State, Federal, and Local Agencies, as well as Industry/Trade groups



- Provide Expanded Video and Printed Educational Materials
- Increase the Number of Foreign Language Print and Online Materials

XI. Timetable and Priorities

An Action Plan that is set by the Board during its annual strategic planning session determines specific timetables and priorities.

XII. Tasks to Measure Success

- Timely Completion of Strategic Plan Action Items
- Increase in Website License Look-Ups
- Increase in E-Mail Alert Sign-Ups
- Addition of New E-Mail Alert Offerings
- Conducting at Least Four Senior Scam StopperSM Seminars Per Month
- Conducting at Least Two Consumer Scam StopperSM Seminars Per Month
- Number of Press Releases Issued
- Number of Press Events Conducted
- Number of Online Events, including Webcasts Hosted
- Number of Videos Produced
- Increase in Social Media “Likes” and “Followers”
- Number of Stories Posted to Employee Intranet
- Feedback from Periodic Surveys
- Launch of Licensee Education Page
- Number of Foreign Language Materials Available and Distributed

Numeric values that represent progress toward goals and results will be assigned to the criteria above, such as percentage of increase, number of impressions, surveys, and other measurable tracking.

AGENDA ITEM E-4

2016–18 Strategic Plan Update





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2016-18 OBJECTIVES

(E) “Essential”

(I) “Important”

(B) “Beneficial”

PUBLIC AFFAIRS OBJECTIVES	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: March 2017
4.2 Complete Flagship Contractor Publication (E)	November 2016	Creation of new publication targeted toward journeymen, applicants, and licensees	Delayed pending hiring of new publications coordinator New target: June 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	On-Target Approved by Public Affairs Committee on 11/3/16 Pending Full Board Approval
4.4 Develop Solar Outreach Material (I)	March 2017	In conjunction with Enforcement and Information Technology divisions, create portal on CSLB website to link consumers to most reliable solar-related information, supplemented by newly created CSLB material (see Enforcement Objective 2.3)	On-Target Currently developing links and other information
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
4.6 Develop Schedule for Opt-In, “Find a Contractor” Website Feature (E)	June 2018	Web-based feature that enables consumers to get a list of available licensed contractors in specific license classifications for specific geographic locations (may be affected by Assembly Bill 2486)	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

AGENDA ITEM F

Licensing



AGENDA ITEM F-1

Review and Possible Approval of October 28, 2016, 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

Committee Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order at 10:28 a.m. on Friday, October 28, 2016, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California 95827. Ms. Granzella welcomed Committee members and asked for introductions.

Ms. Granzella presented Larry Parrott, former Licensing Chief, with a certificate of appreciation and thanked him for his service during his tenure with the CSLB. Registrar Cindi Christenson praised Mr. Parrott for both his knowledge about and effect on the Administration and Licensing divisions, and thanked him on behalf of staff for all his work for CSLB. Board Member Joan Hancock congratulated Mr. Parrott on a well-deserved retirement and commended his professionalism, presentation, and composure. Licensing Manager Charlotte Allison praised Mr. Parrott on his pivotal role in implementing many positive changes to CSLB, thanked him for being a great mentor and friend, and wished him the best on his retirement.

Committee Members Present

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

Board Members Present

David Dias
Joan Hancock
Pastor Herrera Jr.

CSLB Staff Present

Cindi Christenson, Registrar
Cindy Kanemoto, Chief Deputy Registrar
Charlotte Allison, Licensing Manager
Rick Lopes, Public Affairs Chief
David Fogt, Enforcement Chief
Laura Zuniga, Legislation Chief

Claire Goldstene, CSLB Staff
Nicole Newman, Licensing Staff
Ashley Caldwell, Public Affairs Staff
Wendi Balvanz, Testing Chief
Katie Le, Licensing Staff
Kristy Schieldge, Legal Counsel



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

Others Present

Chris Walker
Michael Johnson
Fernando Galli
Beverly Carr

Jamie Ricketts
Martina Diaz
Todd Sax
Richard Markuson

B. Public Comment Session

Commercial property owner Jamie Ricketts expressed her frustration with CSLB's enforcement process. Registrar Cindi Christenson advised Ms. Ricketts that Enforcement Chief David Fogt will look into her case again.

C. Review and Discussion Regarding Improvements to Licensing and Testing Program Board Meeting Materials

1. Improvements to Licensing Program Board Meeting Materials

Committee Chair Susan Granzella explained that this meeting would provide an opportunity for Committee members to further review and comment upon the newly formatted Licensing program update. She stated that the new format reduced the number of graphs and pages, as well as staff time involved in preparing the material.

Ms. Granzella noted a correction on page 9 of the meeting materials: In the chart, "Total Applications Received – Prior Fiscal Years," the Total Received column for FY 14-15 should be 37,672, instead of 29,814. She then reviewed each chart and graph in the new version of the new Licensing program update.

Committee Member Linda Clifford praised the new format of the Licensing program update and offered the following questions and suggestions:

- On page 14 of the Licensing program update, she asked about the source of the DOJ Records Received total (366,966), since the combined total for fiscal years 2012-13 to fiscal year 2016-17 is not equivalent to 366,966. Licensing Manager Charlotte Allison clarified that the total included FY 2005-06 to FY 2010-11. Ms. Clifford suggested that the DOJ Records Received total only include the five fiscal years shown on the chart to avoid confusion.
- Ms. Clifford commented that the total experience verifications completed in FY 2015-16, listed on page 15 of the report, is not 3 percent of the number of applications received. Ms. Allison explained that CSLB recently implemented a process whereby the computer randomly draws exactly three percent of applications for experience verification.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

- Ms. Clifford requested that the chart on page 16 include a date, to conform with the other charts.
- Ms. Clifford inquired if a chart can be provided to show the average number of days it takes from acceptance to issuance of a license. Ms. Allison explained that tracking such statistics is problematic because it depends on how long the applicant takes to submit documentation and/or pass the examinations. Ms. Clifford agreed.

Board Member Johnny Simpson praised the new format. He raised concerns about the number of licensees with a workers' compensation exemption on file. Registrar Cindi Christenson stated that workers compensation exemption rate will be discussed during the Enforcement Committee meeting.

2. Improvements to Testing Program Board Meeting Materials

Testing Chief Wendy Balvanz provided updates on examination development and administration within the Testing division. Staff is currently working on the occupational analysis of four examinations, with another eight examinations in the exam development phase. Testing recently released three new examinations: C-17 Glazing; C-33 Painting and Decorating; and C39 Roofing.

Committee Member Linda Clifford requested that the Consumer Satisfaction Survey results be placed on the agenda for the December 2016 Board meeting.

D. Adjournment

MOTION: Adjourn October 28, 2016, Licensing Committee meeting. Susan Granzella moved; Linda Clifford 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 of the Licensing Committee at 11:17 a.m.

AGENDA ITEM F-2

Licensing Program Update

- a. 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

LICENSE DIVISION WORKLOAD

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

	Oct 2015	Nov	Dec	Jan 2016	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct 2016
Original Exam	1,014	953	873	936	1,220	1,299	1,272	1,225	1,079	1,077	1,162	1,096	1,189
Original Waiver	620	613	618	678	871	826	752	809	688	541	649	596	653
Add Class	344	265	295	282	368	370	431	361	349	290	327	315	331
Qualifier Replacer	209	195	214	157	238	223	230	208	163	173	200	207	218
Home Improvement	1,204	1,120	1,104	924	1,142	958	1,047	802	793	818	867	808	785
Received Per Month	3,391	3,146	3,104	2,977	3,839	3,676	3,732	3,405	3,072	2,899	3,205	3,022	3,176
Received Quarterly	1 st		9,641	2 nd		10,492	3 rd		10,209	4 th			12,302

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													
	Oct 2015	Nov	Dec	Jan 2016	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct 2016
Original Exam	1,146	664	858	474	1,122	1,078	954	1,593	2,045	1,627	1,328	1,003	1,051
Original Waiver	750	404	529	806	659	649	671	778	956	806	959	716	701
Add Class	343	260	244	325	335	411	320	323	329	308	326	303	292
Qualifier Replacer	211	210	239	224	212	272	229	223	276	239	179	258	267
Home Improvement	533	580	596	499	614	587	733	564	555	350	581	391	552
Total Per Month	2,983	2,118	2,466	2,328	2,942	2,997	2,907	3,481	4,161	3,330	3,373	2,671	2,863

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.
- Member of the application personnel is flagged by the Enforcement division; 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.



Disposition of Applications by Fiscal Year - As of Nov. 1, 2016

Fiscal Year	Number of Apps Received	Processed & Issued	Void	Pending
2015-16	39,973	23,310	11,342	5,321*

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 November 1, 2016, 23,310 applications were processed and licenses issued; 11,342 applications were processed and voided; and 5,321 applications remain pending.

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

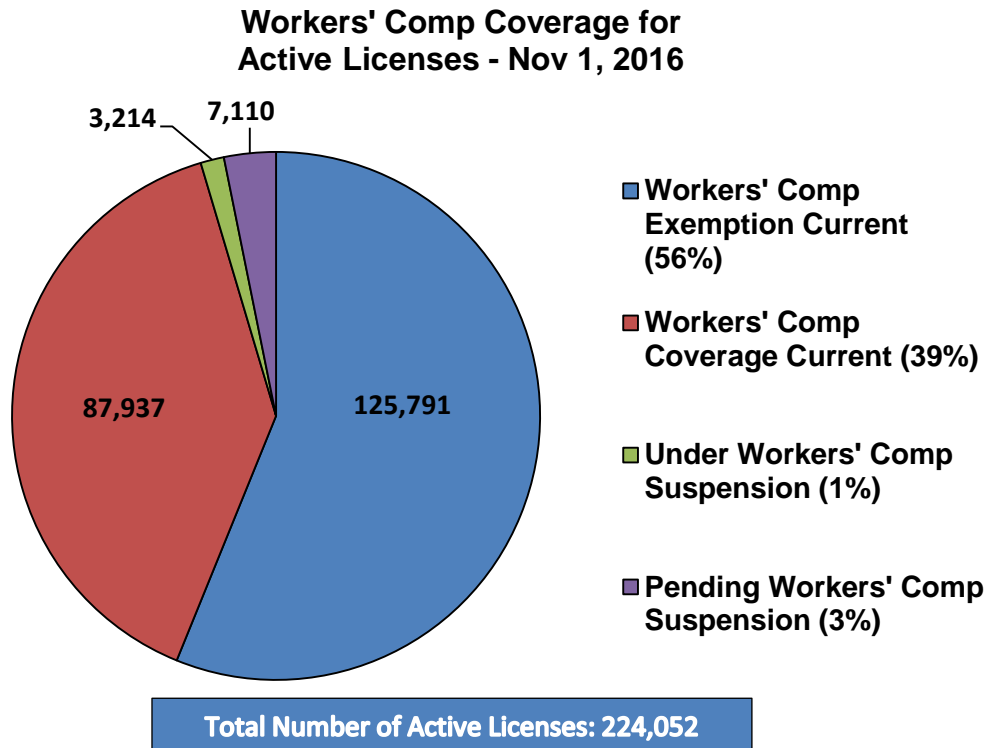
- The applicant does not pass the exam, but is still within the 18-month window during which he or she must pass the examination.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background Unit.
- The applicant has not submitted final 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 Nov. 1, 2016**

	Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A	General Engineering	5,703	8,416	14,119	40%
B	General Building	63,428	35,658	99,086	64%
C-2	Insulation and Acoustical	313	831	1,144	27%
C-4	Boiler Hot Water	217	566	783	28%
C-5	Framing / Rough Carp	477	282	759	63%
C-6	Cabinet-Millwork	2,820	1,738	4,558	62%
C-7	Low Voltage Systems	2,114	2,581	4,695	45%
C-8	Concrete	2,539	3,194	5,733	44%
C-9	Drywall	1,286	1,608	2,894	44%
C10	Electrical	13,892	10,125	24,017	58%
C11	Elevator	38	153	191	20%
C12	Earthwork & Paving	1,016	1,238	2,254	45%
C13	Fencing	672	771	1,443	47%
C15	Flooring	3,808	3,147	6,955	55%
C16	Fire Protection	740	1,273	2,013	37%
C17	Glazing	1,076	1,585	2,661	40%
C20	HVAC	6,261	4,874	11,135	56%
C21	Building Moving Demo	484	1,017	1,501	32%
C22	Asbestos Abatement	0	234	234	0%
C23	Ornamental Metal	436	538	974	45%
C27	Landscaping	4,787	6,014	10,801	44%
C28	Lock & Security Equipment	159	189	348	46%
C29	Masonry	1,105	1,308	2,413	46%
C31	Construction Zone	42	191	233	18%
C32	Parking Highway	199	295	494	40%
C33	Painting	8,868	6,211	15,079	59%
C34	Pipeline	171	297	468	37%
C35	Lath & Plaster	679	1,077	1,756	39%
C36	Plumbing	8,771	5,991	14,762	59%
C38	Refrigeration	971	907	1,878	52%
C39	Roofing	0	4,064	4,064	0%
C42	Sanitation	395	542	937	42%
C43	Sheet Metal	451	984	1,435	31%
C45	Signs	397	431	828	48%
C46	Solar	456	635	1,091	42%
C47	Gen Manufactured House	240	183	423	57%
C50	Reinforcing Steel	62	165	227	27%
C51	Structural Steel	426	924	1,350	32%
C53	Swimming Pool	1,085	1,200	2,285	47%
C54	Tile	3,563	2,516	6,079	59%
C55	Water Conditioning	132	171	303	44%
C57	Well Drilling	365	507	872	42%
C60	Welding	578	379	957	60%
C61	Limited Specialty	7,615	8,745	16,360	47%
ASB	Asbestos Cert	330	730	1,060	31%
HAZ	Hazardous Cert	582	1,250	1,832	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 Received	18,805	18,270	20,395	28,434	32,323	14,174	132,401
CORI RAPP Received	3,997	3,663	3,768	4,686	6,268	2,522	24,904
Denials	70	67	37	40	52	20	286
Appeals	39	36	23	21	27	9	155
Probationary Licenses Issued	146	71	76	97	72	30	492

*as of November 1, 2016



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 a total of 3,553 applications for experience verification.

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

	Nov 2015	Dec	Jan 2016	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct 2016
Withdrawn	11	20	16	3	8	6	2	5	2	1	5	15
Verified	18	25	34	24	28	26	33	34	38	42	44	41
Denied	10	18	13	14	15	22	26	20	25	44	34	30
Appealed	3	2	5	1	1	1	1	3	3	1	2	5

The chart on the next page provides the breakdown for appeals, denials, withdrawals, and experience verifications by classification from September 1, 2014 through October 31, 2016.

**Experience Verification By Classification – As of Oct. 31, 2016**

Classification	Total by Class	Appealed	Withdrawn	Verified	Denied
A General Engineering	124	17	27	33	36
B General Building	1020	59	183	298	347
C-2 Insulation/Acoustic	5	0	1	2	0
C-4 Boiler Hot Water	2	0	0	2	0
C-5 Framing/Rough Carp	7	0	0	3	2
C-6 Cabinet-Millwork	8	0	0	7	1
C-7 Low Voltage	21	0	5	20	2
C-8 Concrete	31	0	5	23	2
C-9 Drywall	15	2	0	2	10
C-10 Electrical	154	2	12	75	31
C-12 Earthwork/Paving	17	0	2	6	6
C-13 Fencing	5	0	0	2	3
C-15 Flooring	21	1	1	10	8
C-16 Fire Protection	7	0	1	4	0
C-17 Glazing	11	0	2	3	3
C-20 HVAC	87	5	6	35	22
C-21 Bldg.Moving/Demo	8	0	1	3	3
C-22 Asbestos	7	0	2	3	1
C-23 Ornamental Metal	5	0	2	1	3
C-27 Landscaping	15	3	6	28	20
C-28 Lock/Security Equip	1	0	0	1	0
C-29 Masonry	7	0	1	2	2
C-31 Construction Zone	1	0	0	0	1
C-32 Parking Highway	9	0	2	2	0
C-33 Painting	77	1	3	34	15
C-34 Pipeline	2	1	0	0	1
C-35 Lath-Plaster	7	1	0	1	3
C-36 Plumbing	97	3	7	57	16
C-38 Refrigeration	1	0	0	0	1
C-39 Roofing	27	1	2	6	5
C-42 Sanitation	4	0	3	0	1
C-43 Sheet Metal	2	0	1	0	0
C-45 Sign	1	0	0	1	0
C-46 Solar	15	1	0	7	4
C-47 Manufact. Housing	1	0	0	1	0
C-50 Reinforcing Steel	2	0	0	1	0
C-51 Structural Steel	6	0	0	2	0
C-53 Swimming Pool	12	1	2	2	5
C-54 Tile	36	0	7	15	3
C-57 Well Drilling	11	0	2	5	4
C-60 Welding	9	0	3	4	1
C-61 Limited Specialty	45	1	5	39	14
Total	1,943	99	294	740	576



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 Activity	Oct 2015	Nov	Dec	Jan 2016	Feb	Mar	Apr*	May	Jun	July	Aug	Sep	Oct 2016
Calls Received	12,889	10,871	11,021	13,500	13,988	13,864	13,496	12,997	13,797	13,504	15,578	13,324	13,689
Calls Answered	12,527	10,646	10,820	13,291	13,710	13,600	12,659	12,571	13,395	13,172	15,247	13,042	13,421
Caller Abandoned	357	223	200	205	273	260	770	409	401	331	331	192	267
Longest Wait Time	04:37	05:14	07:47	03:51	04:34	04:50	11:41	07:22	02:58	04:15	03:40	03:18	03:17
Shortest Wait Time	00:21	00:07	00:06	00:12	00:15	00:16	00:41	00:44	00:12	00:24	00:15	00:26	00:15
Avg. Wait Time	04:02	04:04	04:20	04:08	04:04	04:08	04:10	04:10	04:02	01:36	01:19	01:04	01:10

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

*The longer wait times in April 2016 resulted from five staff vacancies.

**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 BY MONTH

	Oct-15	Nov	Dec	Jan-16	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct-16
Outstanding Liabilities (From California State Agencies)													
Initial	56	40	91	58	51	71	63	81	63	46	60	72	70
Suspend	38	45	48	33	84	46	44	60	55	69	58	38	52
Reinstate	44	31	33	39	52	49	42	40	39	36	38	31	36
Monetary Savings to Public	2,929,522	634,828	785,016	1,400,705	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
Final Judgments (From Court Actions)													
Initial	116	27	69	59	55	50	74	65	68	71	76	103	72
Suspend	73	61	77	46	3	19	12	12	16	27	27	33	27
Reinstate	111	84	83	77	72	73	88	69	64	60	72	49	88
Monetary Savings to Public	2,445,515	1,915,926	1,473,019	361,510	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
Payment of Claims (From Bonding [Surety] Companies)													
Initial	167	129	143	130	167	137	140	129	151	134	142	153	144
Suspend	72	65	100	57	59	53	34	82	62	66	73	63	54
Reinstate	155	107	146	124	137	139	134	113	117	115	124	97	109
Monetary Savings to Public	914,731	634,366	847,617	819,989	863,309	840,258	796,034	764,460	710,483	726,172	714,448	665,705	634,256
Combined Monetary Savings	6,289,352	9,184,921	9,105,354	2,581,966	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



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

	Oct 2015	Nov	Dec	Jan 2016	Feb	Mar	Apr	May	Jun	Jul 2016	Aug	Sep	Oct 2016
Original Exam	5.5	6.5	9.0	9.0	9.0	7.1	9.0	7.3	3.5	2.5	3.0	3.5	4.0
Original Waiver	0.7	0.7	1.0	1.2	1.6	0.7	2.0	3.5	1.5	4.5	2.6	1.6	2.0
Add Class	5.0	6.5	7.5	7.0	4.0	3.1	3.0	3.1	4.0	3.0	3.0	1.5	2.0
Qualifier Replacer	4.0	5.5	3.5	3.0	3.0	3.5	3.5	5.0	5.5	1.0	2.5	1.5	1.5
Home Improvement	3.5	4.5	2.0	2.0	4.0	2.5	3.0	2.0	1.5	1.5	1.0	0.5	1.5
Renewal	2.0	3.0	1.0	2.3	1.3	0.1	2.6	2.1	2.5	2.0	2.5	3.5	2.0
Add New Officer	1.5	3.0	3.5	2.9	1.7	0.1	2.0	1.6	4.0	2.5	1.0	2.0	1.0
Address/ Name Change	2.0	3.0	2.5	1.7	1.9	0.5	2.3	2.1	4.0	2.5	1.0	1.5	1.0
Bond / Bond Exemption	0.5	0.1	0.1	0.1	0.6	0.5	0.2	0.1	0.2	0.1	0.1	0.1	0.1
Workers Comp / Exempt	1.0	1.0	1.0	1.0	0.7	1.0	0.6	1.0	0.6	1.0	1.0	1.0	1.0
Certified License History	1.4	1.5	2.5	3.5	4.5	4.7	2.0	0.7	1.2	1.2	1.2	2.0	0.8
Copies of Documents	1.5	1.9	1.7	2.0	1.8	1.9	1.1	0.9	0.6	0.5	0.0	0.2	0.3
CORI Review*	4.5	5.0	6.5	2.5	3.0	2.0	2.5	2.5	3.5	4.0	4.5	4.4	4.3

*Outside CSLB Control-DOJ/FBI timeframe

AGENDA ITEM F-3

Testing Program Update

- a. Examination Administration Unit Update
- b. Examination Development Unit Highlights
- 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 November 2015–October 2016												
Nov	Dec	Jan 2016	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
2,381	2,345	2,104	2,808	3,566	3,448	3,464	3,659	3,804	4,305	4,542	3,821	40,247

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 has one vacancy, an Associate Governmental Program Analyst.

Number of Examinations Scheduled by Test Center November 2015–October 2016	
Test Center	Number of Examinations Scheduled
Berkeley	4,732
Fresno	2,278
Norwalk	9,476
Oxnard	4,954
Sacramento	5,186
San Bernardino	5,998
San Diego	4,216
San Jose	3,407

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.

Since the September 2016 Board meeting, EDU released three new examinations: C-33 Painting and Decorating (released September 2016), C-17 Glazing (released October 2016), and Asbestos Certification (released November 2016).

EXAMINATION PROGRAMS IN PROGRESS AS OF DECEMBER 1, 2016	
Occupational Analysis	Examination Development
C-2 Insulation and Acoustical	C-7 Low Voltage Systems
C-4 Boiler, Hot Water Heating, and Steam Fitting	C-16 Fire Protection
C-12 Earthwork and Paving	C-27 Landscaping
C-46 Solar	C-32 Parking and Highway Improvement
HAZ Hazardous Substance Removal	C-53 Swimming Pool
	C-54 Ceramic and Mosaic Tile
	Law and Business

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.

TESTING DIVISION

Civil Service Examinations

In addition to licensure examinations, EDU develops, and EAU administers, examinations for civil service classifications used by CSLB. The Enforcement Representative I examination will be offered in January 2017.



JANUARY 2016–SEPTEMBER 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 September 2016. Of those closed complaints, 6,066 complainants provided CSLB with email addresses. Duplicate complainants and clearly incorrect email addresses were removed, leaving a total sample of 5,930. A total of 1,240 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 September of 2016 are summarized in Table 1 below. That 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 1993-2009, 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, and included eight questions assessing 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 September 2016, CSLB completed the investigation or mediation process for 15,153 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 5,930 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-Sep 2016)

Questionnaire Statements	Percent Agreement by Calendar Year					
	2011	2012	2013	2014	2015	Jan - Sep 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%	66%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	67%	69%	67%	69%	70%	71%
7. The action taken in my case was appropriate.	52%	57%	54%	58%	56%	59%
8. I am satisfied with the service provided by the CSLB.	58%	61%	58%	63%	62%	63%

AGENDA ITEM F-4

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





CONTRACTORS STATE LICENSE BOARD

LITTLE HOOVER COMMISSION REPORT

Purpose

This item is intended to provide the Board an overview of the findings and recommendations of the Little Hoover Commission's (Commission) report, "Jobs for Californians: Strategies to Ease Occupational Licensing Barriers." A link to the full report is available on the Board meeting agenda posted on the CSLB website.

Action

No specified action is required at this time. The Licensing Committee will review the Commission's recommendations and consider whether or not to propose any changes to current policies and procedures.

Comments

On October 4, 2016, following three public hearings, the Commission released its report noting that, while occupational licensing provides many health and safety benefits to consumers, licensing requirements can also act as a barrier to prevent some people from practicing.

The report also discusses the effects of occupational licensing on consumer prices, indicating that licensing increases wages in those professions by 5 percent to 15 percent, costing consumers nationwide more than \$200 billion a year. Finally, the 33-page report discusses these impacts in varying depth, including the harm to four groups where licensing requirements often bar entry into their chosen profession:

1. Former offenders, who may not know if their criminal history is disqualifying;
2. Military spouses who move frequently and must oftentimes recomplete California requirements for a profession they have practiced for years in other states;
3. Veterans who may be required to duplicate education and training completed while on active military duty;
4. Foreign-trained workers whose education and training is difficult to apply to California standards.

Recommendations

The report offers the following eight recommendations to address the identified concerns:

1. The Legislature should authorize the mandatory collection of demographic information for license applications across all licensed occupations in California, including those outside of the Department of Consumer Affairs. This demographic information should not be made available to staff members issuing licenses or conducting enforcement actions, but should be studied in the aggregate to determine the impact of licensing requirements on different demographic groups.
2. The State of California should join a consortium of states organizing to attain federal funding to review their licensing requirements and determine whether those requirements are overly broad or burdensome to labor market entry or labor mobility, particularly for individuals who have moved to California from another



state or country, transitioning service members, military spouses and former offenders. As part of this process, the state should consider whether there are alternative regulatory approaches that might be adequate to protect public health and safety including, but not limited to, professional certification.

3. The Legislature should require reciprocity for all professionals licensed in other states as the default, and through the existing sunset review process, require boards to justify why certain licenses should be excluded. Specifically, licensing boards should be required to (1) identify whether licensing requirements are the same or substantially different in other states, and (2) grant partial reciprocity for professionals licensed in states with appropriately comparable testing and education requirements.
4. The Legislature should fund additional resources, in the form of additional staff or outside support, to assist the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions and Economic Development in verifying and evaluating information for sunrise and sunset reviews. The Legislature should request the California State Auditor conduct an audit when warranted.
5. With the Department of Consumer Affairs serving as a clearinghouse of best practices and providing guidance to other departments as needed, all licensing authorities should take the following steps to make it easier for former offenders to gain employment:
 - (a) Post on their website the list of criteria used to evaluate applicants with criminal convictions so that potential applicants can be better informed about the possibility of gaining licensure before investing time and resources into education, training and application fees.
 - (b) When background checks are necessary, follow the Department of Insurance model and require applicants with convictions to provide certified court documents instead of manually listing convictions. This will prevent license denials due to unintentional reporting errors. The State of California also should expedite the fee-waiver process for allowing low-income applicants requesting background checks.
 - (c) Follow the Bureau of Security and Investigative Services model and create an informal appeals process between an initial license denial and an administrative law hearing.
6. The Legislature should authorize a research institute, in conjunction with federal partners as needed, to study the implementation of recent legislation that requires the Department of Consumer Affairs to ease or waive licensing requirements for veterans and military spouses. The review should identify gaps between the intent of the laws and outcomes, and issue recommendations for executive or legislative action to bridge those gaps. The review also should ease the effectiveness of



licensing authorities' outreach campaigns to inform veterans of their eligibility for expedited licensing.

7. The Legislature should require California colleges and training academies to create bridge educational programs for veterans and workers trained outside of California to help them quickly meet missing educational requirements. Specifically:
 - (a) California licensing boards and other departments providing licenses and credentials should identify common educational gaps between the qualifications of returning service members and state licensing requirements.
 - (b) California colleges should create and offer programs to fill these gaps and expedite enrollment – or risk losing authorization for these programs.
8. The State of California should develop interim work and apprenticeship models to provide opportunities for people missing certain qualifications to work while meeting their requirements, and to provide upward mobility within career paths.

AGENDA ITEM F-5

2016-18 Strategic Plan Update





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2016-18 OBJECTIVES

(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 compliance, and reduce the time to issue new licenses	Completed update of application materials; awaiting IT programming
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
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 Rates (E)	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 handyperson exemption should be modified, or if a new license type should be developed to better protect consumers	Delayed pending 2017 update to 2016-18 Strategic Plan Objectives

AGENDA ITEM G

Enforcement



AGENDA ITEM G-1

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





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE 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 October 28, 2016, at 11:30 a.m. in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California 95827. There was a teleconference location in Norwalk. A quorum was established.

Committee Members Present

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

Committee Members Excused

Kevin Albanese

Board Members Present

Linda Clifford
David De La Torre

CSLB Staff Present

Cindi Christenson, Registrar	David Fogt, Chief of Enforcement
Cindy Kanemoto, Chief Deputy Registrar	Laura Zuniga, Chief of Legislation
Jessie Flores, Deputy Chief of Enforcement	Wendi Balvanz, Testing Manager
Rick Lopes, Chief of Public Affairs	Kristy Schieldge, Legal Counsel
Charlotte Allison, Licensing Supervisor	Heather Young, Enforcement Staff
Michael Jamnetski, Enforcement Staff	Georgia Solórzano, Enforcement Staff
Holly Loder, Enforcement Staff	Doug Galbraith, Enforcement Staff
Ashley Caldwell, Public Affairs Staff	Claire Goldstene, Public Affairs Staff

California Air Resources Board Representatives

James Goldstene
Todd Sax
Warren Hawkins
Martina Diaz

Members of the Public

Richard Markuson, Pacific Advocacy Group
Eddie Bernacchi, National Electrical Contractors Association
Dan, Energy Solutions
Mike Johnston, National Contractors Association
Dennis Marin



Committee Chair Marlo Richardson highlighted proactive enforcement accomplishments. She also recognized Enforcement Representative II Georgia Solórzano for her outstanding contributions as an investigator, trainer, and acting supervisor for the Statewide Investigative Fraud Team.

B. Public Comment Session

There was no public comment.

C. Enforcement Program Update

Chief of Enforcement David Fogt presented the Enforcement Program Update and began by highlighting four consumer investigations that demonstrated staff's commitment to protecting elderly consumers.

Retired Annuitant Doug Galbraith updated the Committee about training conducted and scheduled for 2016, and noted a Career Advancement Class scheduled for December 2016. Chair Marlo Richardson praised the Career Advancement Class, and voiced her support for continued staff training and development. Committee member Pastor Herrera Jr. congratulated the Enforcement division on its dedication to staff training.

David Fogt discussed complaint-handling statistics and reported that the Enforcement division continues to meet Board-approved production goals for investigations performed, cycle times, and case resolution. In 2016, investigations referred to arbitration have increased by 20 percent and investigations referred to citation have decreased by 20 percent, which will result in legal action cost savings to CSLB. Committee member Ed Lang commended the Enforcement division staff for their hard work.

Committee member Joan Hancock asked for clarification regarding the citation statistics, and asked how the numbers compare to the last 10 years. David Fogt explained that citations have increased by 70 percent over the last five years because of the Board's adopted policy on workers' compensation and permit compliance.

Committee member Pastor Herrera Jr. complimented staff on their effective work. He also requested further clarification regarding the increase in the number of cases being referred to arbitration, and asked about a potential backlog of arbitration cases and increased costs associated with the program. David Fogt explained the arbitration process, and noted that there is currently no backlog at CSLB or with the arbitration contractor. Deputy Chief of Enforcement Jessie Flores confirmed that the cost savings of a referral to arbitration in lieu of a citation appeal is approximately \$8,000 per case.

Committee member Ed Lang requested clarification regarding cases that exceed 270 days in age, and if the days stay the same or start fresh when a case is transferred to a different unit. David Fogt responded that the number of days starts when the case is received and stops when the case is closed; transferring a case from unit to unit does not change the timeframe.



Committee member Frank Schetter also commended the Enforcement division staff on their successful work.

D. Presentation by the California Air Resources Board (CARB) Regarding Partnership Opportunities Utilizing the CARB Off-Road Mobile Sources Emission Reduction Program

California Air Resources Board's Enforcement Chief Todd Sax addressed the Enforcement Committee to discuss the application of CARB's In-Use Off-Road Diesel Vehicle Regulation and possible opportunities for inter-agency collaboration toward enforcement of its regulations.

Committee member Frank Schetter asked if CSLB staff would be responsible for the CARB tests during sweeps. Todd Sax responded that CARB will be responsible for such testing. David Fogt confirmed that CSLB will assist in the development of enforcement targets who may be in violation of multiple state laws and that CSLB staff will be present for onsite inspections to confirm compliance with license and workers' compensation requirements.

Richard Markuson, with the Pacific Advocacy Group, complimented the Board on their partnership with CARB. Mr. Markuson requested that apprenticeship and other labor code requirements be addressed during state agency partnering sweeps.

E. Workers' Compensation Enforcement Plan Update

Chief Fogt updated the Committee about the status of the Board-approved strategies to address the high number of exemptions from workers' compensation (WC) insurance requirements for the remainder of the 2016-17 fiscal year. Chief Fogt discussed the results of educational/warning letters sent to contractors, the WC insurance license suspension program, industry modeling plans with other state agencies, and partnering opportunities implemented or planned with other state agencies to increase WC enforcement and compliance.

Committee member Ed Lang commented that since contractors are reluctant to carry workers' compensation insurance, it might be helpful to explain WC insurance requirements and when an exemption is applicable on the CSLB website and in CSLB news bulletins.

Chair Marlo Richardson suggested that it might be helpful to provide contractors reasons why they need WC, rather than why they should not have exemptions.

Committee member Pastor Herrera Jr. added that Proposition 51 on the current state ballot would authorize nine billion dollars in bonds for construction of K-12 and public college facilities. Mr. Herrera Jr. reminded attendees that this should be monitored.



F. Review, Discussion, and Possible Action Regarding Strategies to Reduce Solar Energy Contractor Fraud

Chief Fogt reviewed the Enforcement division's 2016-2018 Strategic Plan item on strategies to address deceptive solar tactics, provided an update on education and outreach with other state agencies and the Solar Energy Industries Association, and discussed complaints related to Power Purchase Agreements, leases, and green funding purchase agreements (PACE/HERO/Ygrene).

Committee Member Frank Schetter was asked to comment on deceptive solar tactics. He said that he thinks solar is wonderful; however, he is disappointed by contractors who oversell and misrepresent the energy cost savings.

Chief Fogt discussed a presentation he made to a Public Utilities Commission (PUC) meeting on October 20, 2016, and reported that the PUC is exploring the development of consumer protection measures and possible additional regulations related to solar.

Joan Hancock added that the PUC suggested that CSLB focus on the problem and that they would focus on the solution. She suggested holding a stakeholders meeting to develop enforcement strategies about how best to address deceptive solar contractors.

Registrar Cindi Christenson noted the value of stakeholders meetings, but said that at this point she would recommend a focus on education around solar.

Committee member Pastor Herrera Jr. agreed that education is a high priority for the Board and that he would like to see more educational information regarding deceptive solar tactics. He proposed developing a "white paper" for the legislature to explain the recurring issues seen in complaints CSLB receives, which could then help move forward possible legislation. He also noted that this could help generate interest from the public and partnering agencies.

Enforcement Chief David Fogt confirmed that, pursuant to current administrative interpretations, seven license classifications can install solar systems; however, only two classifications can install microgrids or Electrical Energy Storage (EES) systems. A C-10 Electrical classification is most appropriate to install a microgrid or EES system because these systems store rather than generate electricity. An "A" General Engineering contractor may contract for a microgrid or EES system if the work also includes a plant or facility to house the microgrid or EES system.

Committee member Frank Schetter expressed concern regarding the installation of the EES systems, which he believes requires a high degree of specialized knowledge and expertise, and asked to make a motion to have EES systems added to the C-10 Electrical classification.

Legal Counsel Kristy Schieldge advised that because a possible motion to change a regulation did not appear on the agenda, the motion could not move forward. She



suggested that an item to modify or add a classification be included on the next Board meeting agenda.

Registrar Cindi Christenson recommended that the issue of the appropriate classification for energy storage be considered as an action item at the next Board meeting.

Eddie Bernacchi, from the National Electrical Contractors Association, thanked the Committee for placing this item on the agenda and for clarifying classification descriptions for contractors and consumers. Mr. Bernacchi commended the Board for keeping current on evolving power-generating technologies and ensuring that license classifications provide effective consumer protection.

Member of the public Dan (last name not available), from Energy Solutions, commented that batteries are a key component of the electrical information system that allow utilities to distribute power and have reliable grids. The structures require in-depth knowledge for proper installation and to minimize property damage and life-threatening injuries.

Member of the public Dennis Marin identified himself as a trainer for various utility companies, and noted that his training curriculum includes proper installation of energy storage systems. He said that further clarification regarding safety requirements would benefit the industry.

Mike Johnston, from the National Contractors Association, expressed his support for those trying to clarify the installation, safety, and training requirements for energy storage systems.

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

Enforcement Chief David Fogt summarized the progress of the Enforcement division against deceptive service and repair contractors. Ongoing enforcement concerns include contractors that use multiple name styles, which limits a consumer's ability to make an informed choice when selecting a contractor; false and misleading advertising regarding qualifications and price; high-pressure sales tactics that often violate registration and home improvement contract requirements; failure to provide an appropriate three-day right to cancel; and use of electronic signatures on contracts that do not always result in the consumer receiving a contract prior to the commencement of work.

Committee member Joan Hancock commended the material on this topic presented in the Committee packet. She also suggested a stakeholders meeting to help develop enforcement strategies to address deceptive service and repair contractors, and/or penalties to help deter egregious offenders.



Ed Lang mentioned that he would like an update about educational and enforcement efforts related to service and repair fraud at a future meeting.

Counsel Schieldge 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 home improvement contractors.

Frank Schetter commented on the complicated contracts used by service and repair contractors, and asked if CSLB could present a sample contract that can be more easily understood by consumers.

Joan Hancock mentioned that seniors often are intimidated and confused by electronic signatures. She also said that she would like the Enforcement division to take action against improper service and repair activity, not merely monitor it.

Pastor Herrera Jr. thanked the Committee for the service and repair presentation and shared Joan Hancock’s concern regarding the impact of fraudulent service and repair contractors on seniors. He also proposed some helpful modifications to the priority matrix that appeared in the Committee packet.

Registrar Christenson agreed with Committee member Herrera Jr., and said that she recommends prioritizing the concerns regarding service and repair contractors.

Chair Marlo Richardson recommended that Pastor Herrera Jr. work with David Fogt to evaluate Enforcement priorities to address service and repair fraud, and report back to the Board.

H. Adjournment

Marlo Richardson asked for a motion to adjourn. Ed Lang moved; Frank Schetter seconded. (Note: Committee member Susan Granzella had to leave the meeting prior to adjournment.) The motion carried, 5-0.

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				

The Enforcement Committee adjourned at approximately 1:40 p.m.

AGENDA ITEM G-2

Enforcement Program Update

- a. Consumer Investigation Highlights
- b. 2016 Staff Training Update
- c. General Complaint Handling Statistics





CONSUMER INVESTIGATION HIGHLIGHTS

INTAKE AND MEDIATION CENTERS

Ongoing Scrutiny of the Service and Repair Industry

An Intake and Mediation Consumer Services Representative (CSR) secured an \$800 refund for a consumer in September 2016, on a questionable service and repair contract. While an elderly consumer celebrated her 100th birthday, she discovered a water leak at her home. She contacted a service and repair contractor to fix the problem. When other contractors advised the homeowner's daughter that the market price for the repair was substantially less than the \$2,700 paid to the licensee, she filed a complaint with CSLB. A contract price over \$750 requires a "fixed price" contract with a three-day right to cancel, neither of which the licensee provided. Staff continues to closely review service and repair complaints to ensure compliance with contract requirements, and takes appropriate action against violators. The issue of service and repair fraud continues to be a priority for the Enforcement division.

Senior Homeowner Stands Her Ground on Squeaking Floors

An elderly homeowner contracted to have new hardwood floors installed in conjunction with other structural work, to stop a floor squeak on her stair landing. The homeowner paid \$5,000 for completion of the project; however, the squeak remained. The homeowner filed a complaint with CSLB, and a CSR contacted the contractor. The contractor claimed that the homeowner was originally happy with the work, but has become paranoid since the death of her husband. Nonetheless, after discussion with the CSR, the contractor agreed to refund the homeowner the full \$5,000.

INVESTIGATION CENTERS

Enforcement Representative Helps Broker \$21,745 Settlement for Consumer

A San Bernardino Investigation Center (SBIC) Enforcement Representative (ER) conducted extensive interviews with multiple parties regarding a May 2014 agreement involving a developer, a subcontractor, and a consumer who purchased a \$658,687 home in Southern California. The complaint centered on a nearly \$20,000 flooring upgrade over which the licensee and consumer were deadlocked in a dispute over the quality of the construction, and the materials selected and used. Both parties hired multiple experts to review the work over the next two summers, and the consumers rejected various offers by the contractor to settle. In June 2016, the SBIC dispatched a



long-time CSLB Industry Expert (IE) to weigh in and provide an objective analysis. The IE determined that it would cost the homeowners nearly \$22,000 to realize the true value of their bargain on the flooring work. With the mediation of the SBIC ER, both parties agreed that a payment from the licensee to the consumers in the amount of \$21,745 would resolve the matter. The SBIC received a check and a written settlement agreement on October 21, 2016.

UPDATE: Enforcement Highlight “Contracting Duo Harms Two Elderly Victims”

As reported in the October 28, 2016, Enforcement Committee meeting packet an elderly Petaluma woman and her companion entered into multiple contracts over a number of years with a contractor for unnecessary work. The investigation also revealed other alleged violations of contractor’s law. On October 17, 2016, based on a Sacramento North IC ER’s investigation, the Sonoma County District Attorney (DA) filed multiple felony charges against the two contractors, including conspiracy, theft from an elder (three counts), diversion of construction funds (two counts), and perjury. For each of the felony charges, the DA has added a special allegation of “aggravated white collar crime” for the fraud or embezzlement of more than \$100,000. Also, to clarify, the 11 agreements mentioned in the October 28, 2016, packet were with the contractor; the “associate” was only later implicated after a mechanics lien was filed against the property.

Repeat Unlicensed and Unregistered Salesperson Sentenced to 90 Days in Jail

Since 2000, CSLB has received 21 consumer complaints against Adam Vaismarder of Agoura Hills. To date, the Enforcement division has taken thirteen administrative and legal actions against Vaismarder for unlicensed and unregistered HIS activity, resulting in three criminal convictions, extensive fines, and years of probation for unregistered HIS activity. Nine additional administrative citations for his unlicensed contracting remain outstanding. Most recently, the San Francisco Investigation Center (SFIC) received a complaint from an Alameda County homeowner involving her \$27,530 remodeling contract with Vaismarder. As a result, the SFIC opened two complaints – one against the licensee who did business with Vaismarder, which SFIC has referred for an accusation to suspend or revoke the license, and the other against Vaismader, which was referred to the Alameda County District Attorney. On October 31, 2016, Vaismarder pleaded guilty to acting as an unregistered salesperson. He was sentenced to 90 days in jail and ordered to pay restitution in the amount of \$12,517.50. On November 1, 2016, the SFIC investigator met with the DA and personally presented the restitution check to the victim.

**Licensed Family Members Pledge to Bring Unlicensed Relative to Justice**

A San Bernardino Investigation Center (SBIC) ER recently investigated multiple complaints filed by two homeowners against unlicensed contractor Ruben Concepcion. Mr. Concepcion was known in the area for advertising in the Yellow Pages using, without permission, the valid contractors' licenses of his relatives. One of the complaints involved a \$5,700 contract Concepcion entered into with a homeowner to install a driveway. Concepcion received the entire contract amount, including a nearly 50 percent down payment. The homeowner ended-up paying \$7,780 to fix problems with Concepcion's work. In another complaint, Concepcion contracted with an elderly homeowner to install a \$5,800 landscape project, after accepting \$1,200 as a down payment. He later increased the price and received nearly \$14,000 for the work, which began failing soon after installation, with pieces of the project washing away in the rain. The consumer did not have the funds to obtain new estimates to repair the project. Concepcion's family members have worked with the SBIC to locate Concepcion, and with their help the ER assigned to the case recently obtained sufficient evidence to forward the investigations to the county, and is recommending felony charges of grand theft, burglary, and elder abuse, and misdemeanor violations for contracting and advertising without a license, fraudulent use of a license number, and taking excessive deposits.

Unlicensed Duo Seeks "RMO" in Craigslist Advertisement

In the summer of 2014, a pair of San Francisco business partners hoping to do kitchen and home remodels posted a Craigslist advertisement for licensees to "qualify" their remodeling business as their "Responsible Managing Officer" (RMO). Several contractors responded, and licensee Joseph Mosquera was ultimately selected to "bid projects, line up subcontractors, obtain permits and perform work." The pair paid Mosquera for his services, but he obtained no ownership in the company, which the unlicensed ran. The operators never applied for a contractor's license; rather, they published business cards and a website using Mosquera's license number and their business name. Ultimately, a major remodel of a San Bruno consumer's home resulted in a consumer complaint to CSLB after the pair refused to correct unsatisfactory work. Mosquera had performed the work, along with a series of laborers who were not covered by workers' compensation insurance. An Industry Expert report confirmed that it would cost nearly \$8,000 in corrections to get the project back on track. A San Francisco Investigation Center ER prepared two cases: an order of correction against the license of Mosquera to repay the homeowner, and a criminal referral to the San Mateo County District Attorney against the two business partners for unlicensed contracting and advertising, fraudulent use of a license number, misrepresentation to obtain a contract, and theft by false pretenses.

**Enforcement Representative Lands Criminal Case from Jailhouse Interview**

A Northern Statewide Investigative Fraud Team (SWIFT) Enforcement Representative received a call from the San Mateo building department that unlicensed contractor and repeat offender Marvin Flor was working on a project in Redwood City. The ER reported to the jobsite, approached Flor, and engaged him in an interview. Flor said that he was working for a licensee who would be “unavailable” to speak to the ER anytime soon because the licensee has been “busy” of late. After further investigation, the ER discovered that the licensee was in custody at the Santa Clara County jail. The ER coordinated with the Santa Clara County District Attorney’s office to schedule an interview with the licensee, a registered sex offender in jail on an indecent exposure charge. On October 20, 2016, the ER interviewed the licensee at the jail where he told the investigator that he did not sign a contract with the homeowner at the Redwood City jobsite, or give Flor permission to use his license. The licensee confirmed that the signature on the contract was not his own. The ER is pursuing charges against Flor with the San Mateo DA’s office for contracting without a license, illegal use of a license number, workers’ compensation violations, and charging excessive down payment.

SPECIAL INVESTIGATIONS UNIT**Licensee Pleads Guilty to Elder Abuse**

In early 2013, an 86-year-old woman entered into a \$43,608 contract with John McMinn Jr., a licensed contractor, to build a steel frame gazebo. The homeowner was billed separately for blueprints, permits, and other work, raising the project cost to over \$53,000. Over the next 17 months, the elderly homeowner paid McMinn a total of \$40,866, but saw little progress toward completion of the project and materials for which the homeowner specifically paid were not delivered. The homeowner finally dismissed McMinn in July 2014, and filed a complaint with CSLB. A Special Investigations Unit peace officer investigated the case. A CSLB Industry Expert estimated the value of work performed to be \$12,470, and the cost to complete the project \$37,603. McMinn has not accounted for the \$40,866 that the homeowner paid to him. In May 2015, CSLB referred the case to the San Diego District Attorney’s office for prosecution, and the case was filed in March 2016. On August 2, 2016, McMinn pled guilty to felony elder abuse. The court has agreed to consider reducing the conviction to a misdemeanor if McMinn makes full restitution to the victim. As of this writing, the details of McMinn’s sentence are still pending.

**STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)****Effective Sweep Targeting Results in 61 Enforcement Actions**

During the week of October 10, 2016, SWIFT investigators conducted a total of six sweeps: a two-day Joint Enforcement Strike Force sweep in San Marino (Los Angeles County); a Law Enforcement Strike Force sweep in Marin County; a two-day sweep in Yolo County; and a one-day sweep in Siskiyou County. Investigators visited a total of 43 sites and checked 57 entities. As a result, SWIFT investigators issued eight Stop Orders, will refer seven cases to district attorneys for workers' compensation insurance violations, will issue four citations, and will send three advisory notices. Because of SWIFT's effective target identification, partnering agencies also achieved successful results from the task force sweeps: the Employment Development Department will conduct nine audits (and obtained one new registrant); the Division of Occupational Safety and Health found 25 workplace violations; and the Division of Labor Standards Enforcement issued three citations, two orders to appear, and one Stop Order for Labor Code violations.

35 Legal Actions Issued Over Two-Day Undercover Operation

On October 17-18, 2016, Northern SWIFT conducted a two-day operation at an undercover residence in the City of Folsom, Sacramento County. Twenty-seven criminal Notices to Appear (NTA) were issued to suspected unlicensed contractors. Another nine administrative citations were issued to licensees for various other violations that included aiding and abetting an unlicensed contractor and employment of unregistered salespersons. In total, 35 legal actions were issued over both days. Eleven of the appointments that resulted in NTAs were based on evidence obtained through reactive consumer complaints received at the Intake and Mediation Centers. Bids solicited for the sting were drawn from a variety of trades, including fencing, landscaping, painting, tile, concrete, sheet metal, tree service, flooring, plumbing, sandblasting, and power washing. The highest bid over the two days was a \$15,100 offer to repair stucco.

Among those who received NTAs were one suspect recently released from prison after serving seven years on an attempted murder charge; another suspect who received two NTAs at the sting, the second issued by local law enforcement for being in possession of an unpermitted concealed weapon; unlicensed suspect Victor Alejandre who was invited to the sting based on a magazine article in which he was featured running a successful "handyman" business for 25 years, and in which his advertisement appeared with an invalid license number, alongside the article; and finally, revoked contractor Ryan Murray, a repeat offender also caught in an April 2016 sting and with various other cases pending with CSLB alleging fraudulent use of a license number.

**SWIFT Targets Wanted Felons and Nets 42 Unlicensed Contractors**

During November 2 and 3, 2016, the Central and Southern SWIFT teams conducted two undercover operations over two days in Orange and Madera Counties, issuing a total of 38 Notices to Appear and an administrative licensee citation. Further, multiple follow-up investigations were initiated for additional violations. Among those cited were a wanted felon who provided a \$13,500 bid for a concrete walkway and who was transported to jail for an outstanding assault warrant; a suspect who bid \$10,000 to reroof a home and who was booked into jail for \$25,000 in outstanding warrants; a suspect who joked before submitting his bid (and being arrested) that he hoped this was not a CSLB sting because he was recently arrested at a CSLB sting down the street; and a suspect who had recently been arrested by Department of Justice investigators for illegal modification of weapons, and who is currently under investigation for welfare fraud.

Statewide SWIFT Sweeps Generate 39 Legal Actions

During the week of November 7, 2016, Northern and Southern SWIFT conducted six compliance sweeps in the counties of Lake, Orange, Riverside, Sacramento, and San Bernardino. Partnering agencies included the Employment Development Department (EDD), the Division of Labor Standards and Enforcement (DLSE), and the Division of Occupational Safety and Health (DOSH), as well as local district attorney investigators. Six separate teams visited 42 active construction sites in these counties, and engaged 49 construction entities. Each agency took separate enforcement actions. CSLB issued seven Stop Orders for lack of workers' compensation insurance, and eight related legal actions (five administrative and three criminal); two unlicensed contractors were identified and now face criminal misdemeanor charges. EDD will conduct three audits relating to contractors not registered as employers for tax withholding purposes; and DLSE issued one citation and one Stop Order for Labor Code violations. Finally, DOSH issued citations for 17 safety violations.



GENERAL COMPLAINT-HANDLING STATISTICS

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 3,420. As of November 2016, the pending caseload was 3,322.

To ensure timely mediation and screening of complaints, the optimal caseload for all Consumer Services Representatives (CSRs) is 1,320. As of November 2016, 1,331 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 Investigation 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 November 2016, there were 1,991 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	22	20	2	60	1,320
TOTAL					3,420

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 have resulted in over \$15 million in restitution to financially-injured parties as depicted in the following chart:

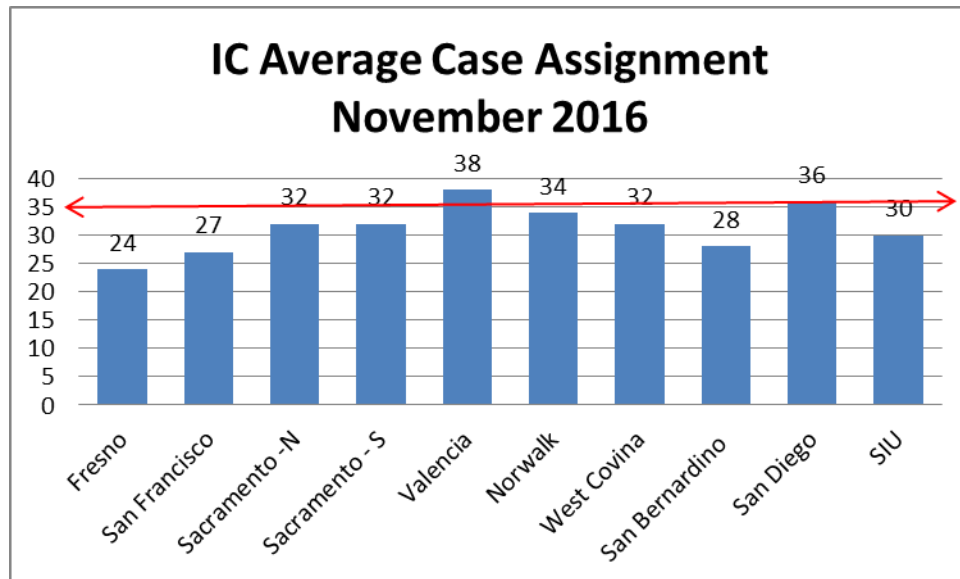
IC Financial Settlement Amount (CY 2016)	\$ 5,243,250.80
IMC Financial Settlement Amount (CY 2016)	\$ 10,228,220.65



Investigation of Consumer Complaints

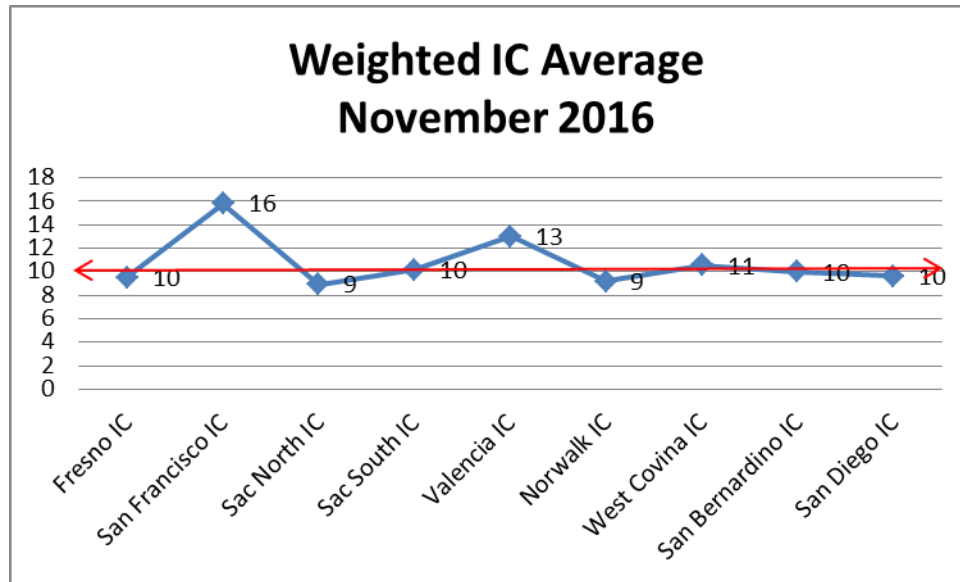
To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending caseloads, and investigation-closing disposition. For CY 2016, Investigation Center (IC) ERs have consistently achieved the Board’s goal of 10 complaint closures 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 1,763 legal actions during this time, 29 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 November 2016, the statewide average was 31 cases.

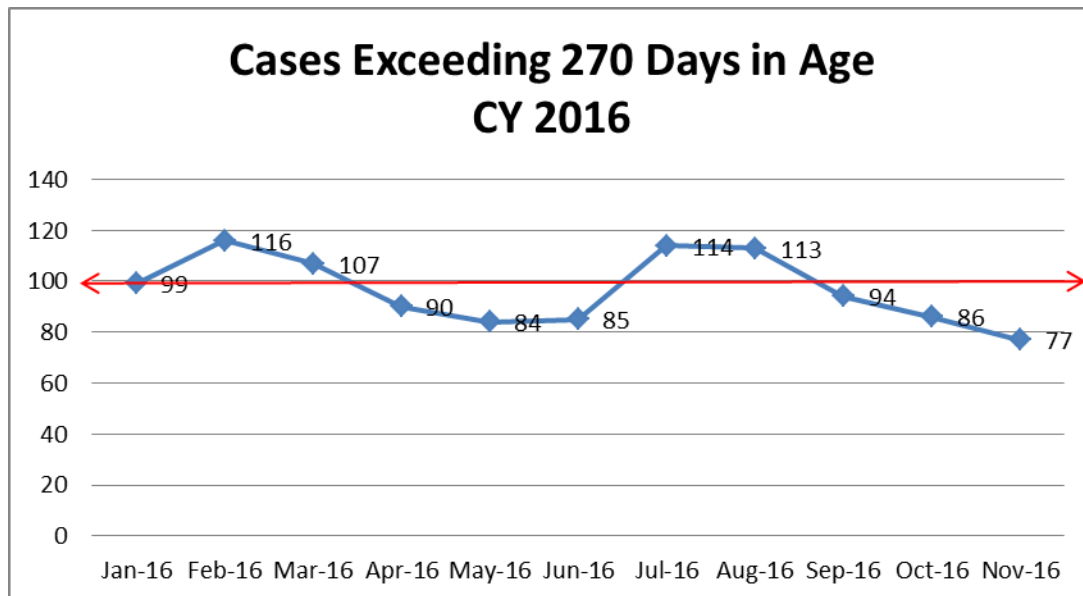




The following chart tracks the Board’s target of each IC ER maintaining a weighted closing average of 10 cases per month.

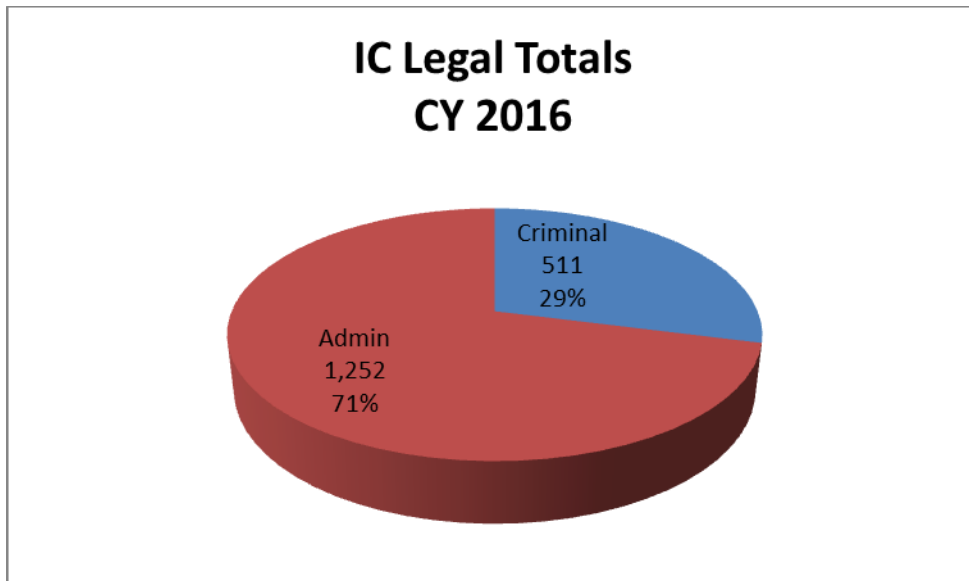


Historically, the Enforcement division has more than 3,000 consumer complaints under investigation at any given time. The Board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. The effective management of pending complaints by division staff has resulted in regularly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





For CY 2016, the Enforcement division has referred 29 percent, or 511 legal action investigations, to district attorneys for criminal prosecution. The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action.



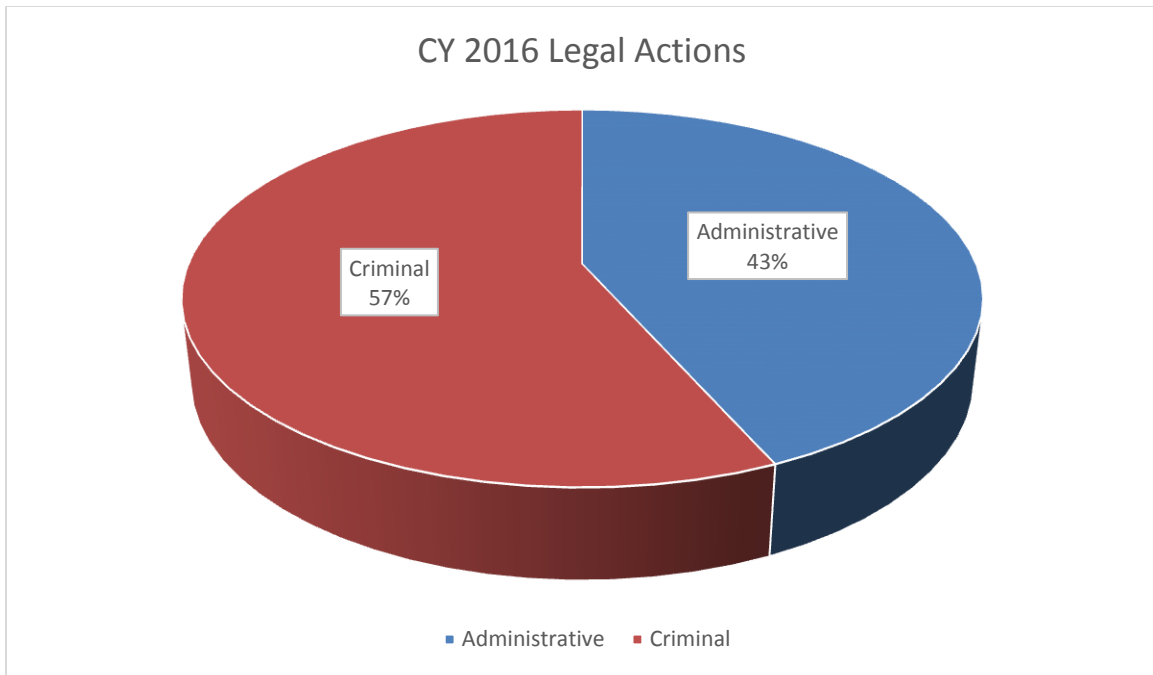
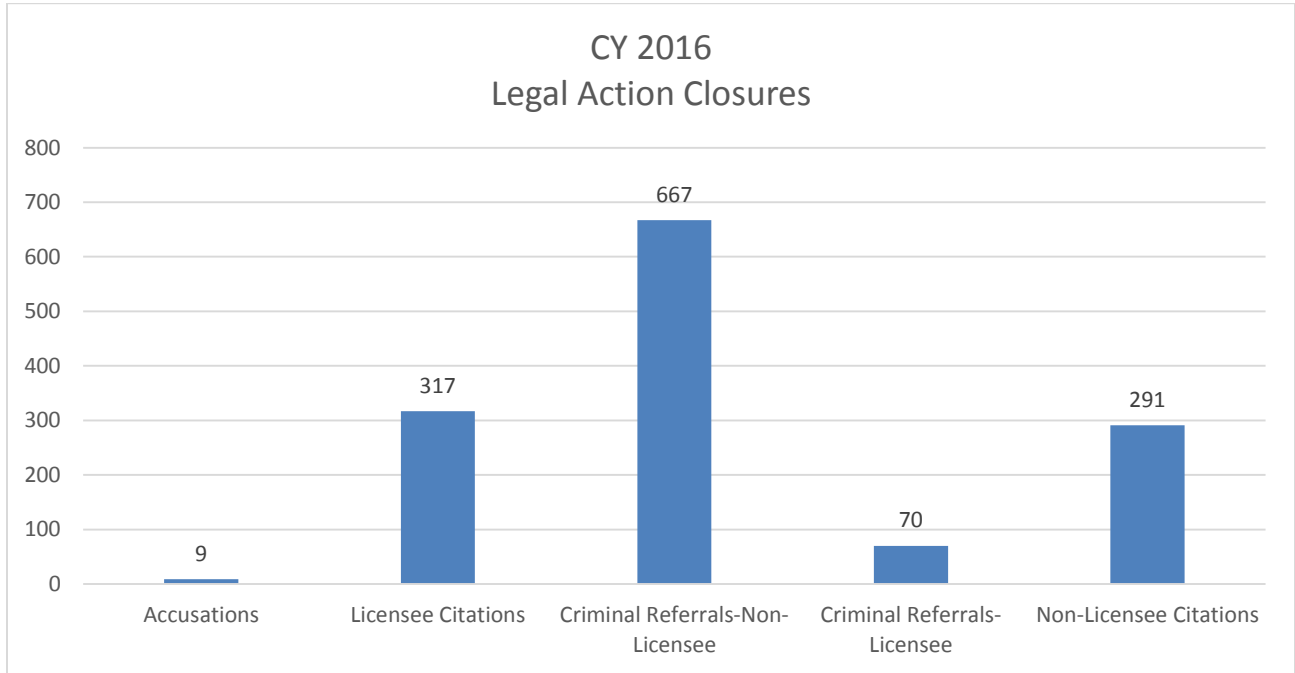
Statewide Investigative Fraud Team

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. From January 1 2016 to October 31, 2016, SWIFT conducted 70 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 has conducted 200 sweep days in various counties this calendar year.

Legal Action Closures

From January 1 2016 to October 31, 2016, SWIFT has closed 2,839 cases as a result of stings, sweeps, and leads, of which 1,354 resulted in an administrative or criminal legal action.

Below is a breakdown of legal action closures. To date, in CY 2016, SWIFT has referred 737 cases to local district attorney offices for criminal prosecution.





Citations

From January 1 2016 to October 31, 2016, SWIFT issued 608 licensee and non-licensee citations and has assessed \$526,880 in citation civil penalties.

Citation Amounts Assessed - CY 2016

	Northern	Central	Southern	Totals
January	\$14,430.00	\$8,000.00	\$24,250.00	\$46,680.00
February	\$38,750.00	\$7,250.00	\$37,500.00	\$83,500.00
March	\$13,550.00	\$4,500.00	\$25,500.00	\$43,550.00
April	\$24,000.00	\$8,750.00	\$27,500.00	\$60,250.00
May	\$19,550.00	\$17,250.00	\$25,750.00	\$62,550.00
June	\$18,600.00	\$12,750.00	\$13,500.00	\$44,850.00
July	\$19,750.00	\$12,500.00	\$14,500.00	\$46,750.00
August	\$34,300.00	\$1,500.00	\$13,700.00	\$49,500.00
September	\$30,300.00	\$7,750.00	\$17,750.00	\$55,800.00
October	\$2,250.00	\$18,200.00	\$13,000.00	\$33,450.00
Totals	\$215,480.00	\$98,450.00	\$212,950.00	\$526,880.00

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 county jail or by a fine of up to \$10,000, or both. Between January 1, 2016 and October 31, 2016, SWIFT issued 383 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers compensation policy.



Labor Enforcement Strike Force (LETF)

Established in January 2012, the Labor Enforcement Task Force (LETF) combats the underground economy in California to create an environment where legitimate businesses can thrive. Members of the Task Force include 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. The Task Force 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 and federal resources in carrying out the mission of the LETF.

Below are FY 2015-16 LETF statistics:

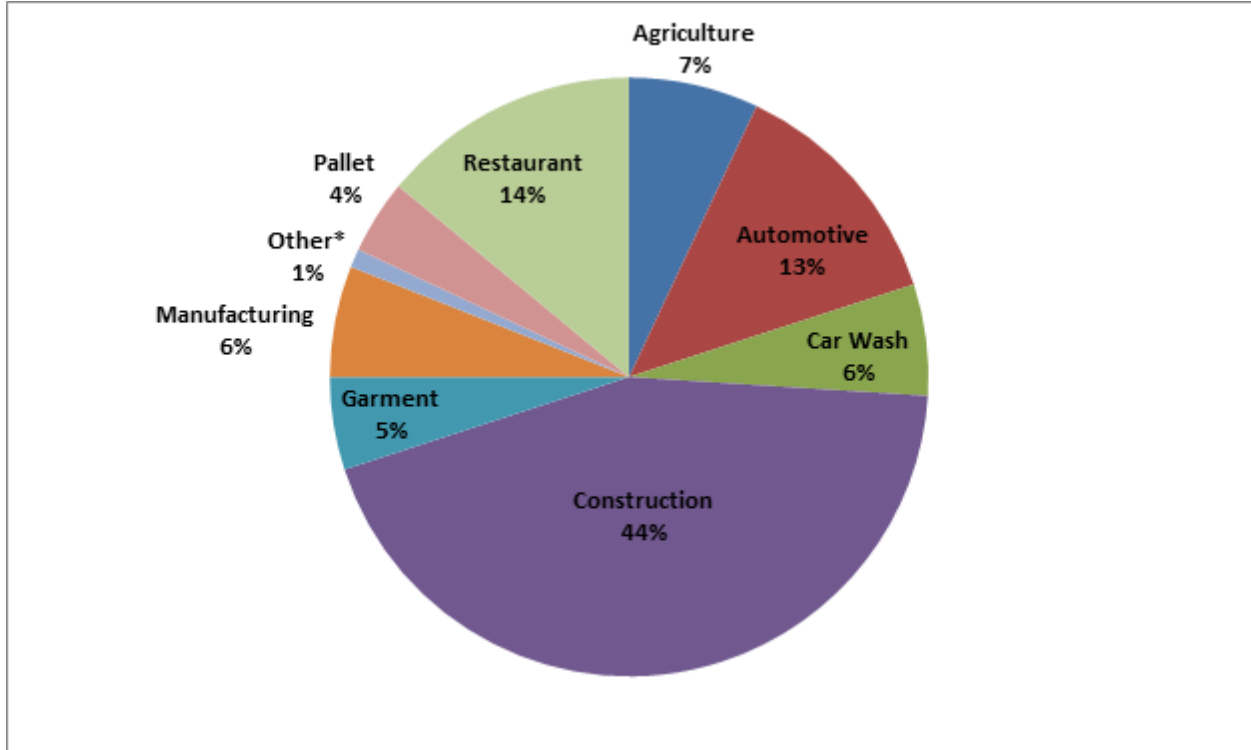
Table 1. LETF Overall Inspection Results, Fiscal Year 2015-16	
Total Number of Businesses Inspected <i>(Includes all industries, not just Construction)</i>	1,083
Percentage of Businesses Out of Compliance	83%
Total Amount of Initial Assessments*	\$8,594,871

**The total amount assessed by Cal/OSHA, DLSE & CSLB at the time of the initial inspection. The amount is subject to change.*



Categories of Businesses Inspected by LETF
Fiscal Year 2015-16

(44% of all LETF inspections were in Construction)



**CASE MANAGEMENT CY 2016**

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,133	713
Citations Appealed	445	289
Citation Compliance	983	439
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	298	
Settled	174	
Civil Penalties Collected	\$1,446,171	
Legal Fee Savings	\$2,419,667	
ARBITRATION		
Arbitration Cases Initiated	614	
Arbitration Decisions Received	450	
Licenses Revoked for Non-Compliance	32	
Arbitration Savings to the Public – Restitution	\$2,036,532	
ACCUSATIONS/STATEMENT OF ISSUES		
Revocations by Accusation	287	
Accusation Restitution Paid to Injured Persons	\$217,632	
Statement of Issues (Applicants Denied)	64	
Cost Recovery Received	\$289,189	
Number of Cases Opened	306	
Number of Accusations/Statement of Issues Filed	242	
Number of Proposed Decisions Received	80	
Number of Stipulations Received	68	
Number of Defaults Received	85	
Number of Decisions Mailed	276	



EDUCATION AND 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

Enforcement Prepares Curriculum for New “Career Development” Class

The Enforcement division is offering a new class to assist staff with developing and meeting career objectives. This class will provide staff with vital keys to become highly competitive candidates when interviewing for new positions or during the promotional process. It will also examine ways to enhance job knowledge and skills within CSLB to assist staff in preparing for future career choices. Managers from CSLB Enforcement, Personnel, and Quality Assurance will teach the class, which be held in Norwalk on December 12, 2016. A Sacramento session is planned for December 19. Over 60 Enforcement division employees have already registered.

AGENDA ITEM G-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





Contractor Compliance with Off-Road Vehicle Emission Laws

In 2007, the California Air Resources Board (CARB) adopted a comprehensive regulation to reduce harmful exhaust emissions from off-road heavy-duty diesel vehicles in the state, which applies to vehicles such as bulldozers, graders, and front-end loaders that are widely used at heavy construction sites. The regulation is being phased in over a 20-year period, with escalating requirements for reporting, vehicle labelling, fleet expansion and replacement, and emission compliance. The regulation will ultimately affect all contractors who use off-road heavy construction equipment in their operations, including many class “A” public works and C-12 Earthwork/Paving contractors.

On September 12, 2016, CSLB Enforcement division staff met with representatives of CARB, the Employment Development Department, and the Department of Industrial Relations to discuss partnering opportunities to enforce the requirements for emission compliance, as well as contractors’ licensing, and tax and workers’ compensation insurance at large-scale construction projects. Meeting participants discussed outreach opportunities, inter-agency memorandums of understanding, and various enforcement strategies.

On October 28, 2016, representatives from the California Air Resources Board addressed the Enforcement Committee to discuss in greater detail the application of CARB’s In-Use Off-Road Diesel Vehicle Regulation and possible opportunities for inter-agency collaboration towards its enforcement.

Staff will update the Board about planned 2017 partnering Enforcement activities.

AGENDA ITEM G-4

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





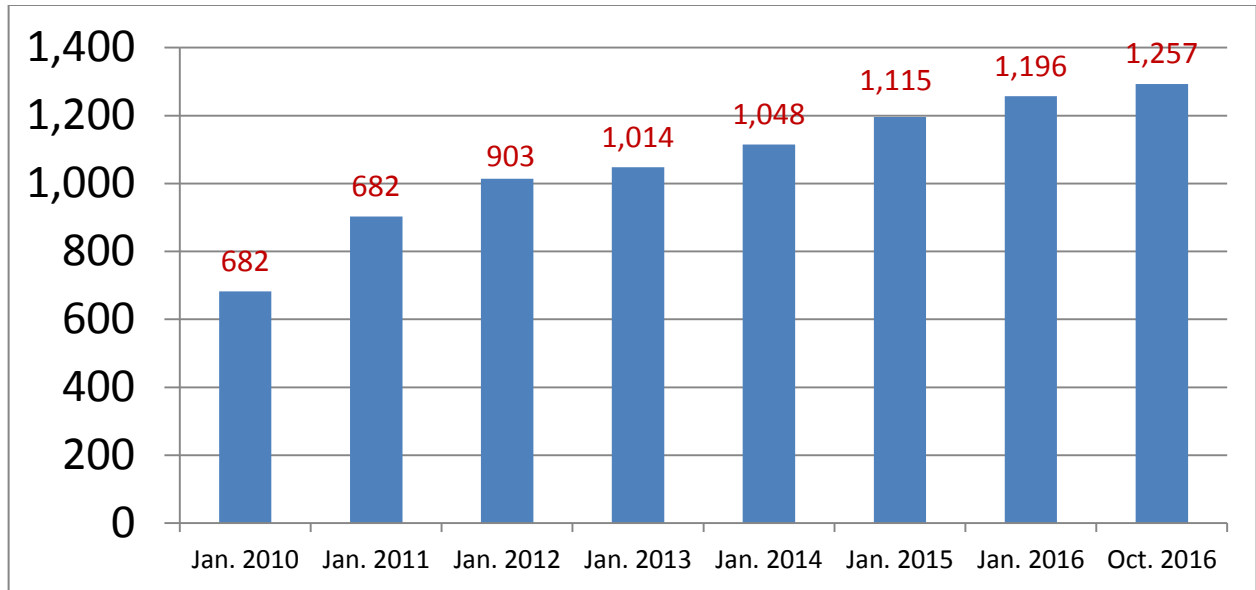
Enforcement of Consumer Protection Laws

The Enforcement division’s 2016-2018 Strategic Plan includes developing strategies to reduce solar industry fraud through (a) Outreach, (b) Education, and (c) Enforcement Strategies. The following describes the Enforcement division’s progress toward the reduction of solar industry fraud in each of these three areas. Also, in response to a September 2016 request from the Board, an update on emerging solar technologies and solar complaint trends is included.

The first of the following charts shows the number of solar complaints received by the Enforcement division. The complaints are tracked by project type (solar) not license type. The second chart shows the number of C-46 licenses issued since 2010.

Complaints Received by Year	Licensee	Non-Licensee	TOTAL	PERCENT INCREASE
2010	59	5	64	
2011	74	6	80	25 %
2012	88	9	97	21 %
2013	138	6	144	48 %
2014	193	29	222	54 %
2015	256	23	279	26 %
2016 (as of July)	177	11	188	
TOTAL			1,074	336 % *

*Increase in total complaints received between 2010 and 2015



Reduction of Solar Industry Fraud

(A) Outreach

• **California Energy Commission**

The Enforcement division first detailed plans for meetings with the California Energy Commission (CEC) in September 2015. Efforts with CEC continue to focus on the need for solar contracts to specify the exact model and manufacturer of the solar panels to be installed and to explicitly address permit requirements.

• **Public Utilities Commission**

The Enforcement division is working closely with the Public Utilities Commission (PUC) to identify educational and enforcement opportunities. The PUC continues to refer to CSLB complaints related to fraudulent or faulty solar projects, and has expressed interest in partnering with the Board on consumer education. On October 20, 2016, CSLB will present to the PUC information regarding solar industry concerns.

• **Solar Energy Industries Association (SEIA)**

CSLB has partnered with SEIA since February 2016, and SEIA has agreed to work with the Board to address fraudulent and predatory solar contracting activity.

• **Multi-State Partnering**

CSLB and other states continue to share information. In one instance, through contacts with Nevada and Arizona, CSLB alerted the Arizona Registrar of Contractors about the illegal activities of Dion Perdikoyiannis, which then revoked his license to operate in that state. In April 2016, using its statute of reciprocity, CSLB used that disciplinary action information from Arizona to file an accusation to revoke Perdikoyiannis' California



license as well. Further investigation led to a pending action against a second license just as Perdikoyiannis was revamping his California business under the name “Greenify.”

Also, in September 2016, Enforcement Chief David Fogt and Public Affairs Chief Rick Lopes made a presentation at the annual meeting of the National Association of State Contractors Licensing Agencies (NASCLA) on issues facing the solar industry.

(B) Education

Enforcement division staff continues to work with SEIA to provide information to consumers and, with the CEC, to educate contractors. These efforts include regular distribution to consumers of an SEIA publication guiding homeowners in the selection of solar and power options for their homes. Staff also directs consumers to the CEC “Go Solar California” website, which features calculators to assist consumers in determining the value of proposed solar systems. Additionally, CSLB publishes and distributes solar fact sheets at its frequent Senior Scam Stopper outreach events. The consumer educational efforts are intended to assist homeowners in understanding how solar power works and how to purchase it wisely. Efforts directed toward contractors focus on educating them about the details of home improvement contract requirements, particularly as they relate to disclosing solar financing details.

(C) Enforcement Strategies

• Trends in Solar Consumer Complaints

The Enforcement division first reported in September 2015 that CSLB had witnessed a 227 percent increase in the number of solar-related complaints received between 2010 and 2014. Updated statistics show that CSLB has now received a total of 1,074 solar-related complaints since 2010, a 335 percent increase in the number of annual solar complaints received.

Three significant patterns emerge from among these complaints.

A majority of the complaints – 53 percent – are contractor or “business” related; i.e., the consumer complains about the unlicensed status of the contractor, contract terms, or misrepresentation. Approximately 27 percent of the complaints are “workmanship” based; i.e., the consumer complains that the solar installation was incomplete or not up to trade standards. The remaining 20 percent of complaints constitute a various violations of contractors’ state license law or the California Penal Code, and represent violations not necessarily unique to solar construction.

Many of the solar industry complaints received by CSLB involve the type of contract and financing arrangement sold to the consumer, such as a power purchase agreement (the kilowatt hour charged often exceeds that charged by the public utility); a lease (many leasing companies are unlicensed, and the monthly payment often exceeds that



charged by the public utility); or long-term financing (financing may include high interest rates and a tax lien on the property).

Review of Solar Energy Storage System CSLB Classifications

CSLB strives to stay current with new technologies and ensure that license classifications both meet the needs of the industry and provide effective consumer protection. Two new solar technologies include microgrids and solar energy storage systems.

Microgrids

A microgrid is any small-scale localized station with its own power resources, generation and loads, and definable boundaries. According to the Department of Energy, “a microgrid is a group of interconnected loads and distributed energy resources (DERs) within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid.”

Electrical Energy Storage Systems

Electrical Energy Storage (EES) systems store electricity obtained when power is not being used, which usually occurs during off-peak times. The stored electricity is used to maintain a constant voltage, and also can be utilized during a power outage.

These stations consist of foundations and transformers set on concrete pads, and battery containers set on helical piers (usually galvanized steel piers driven into the ground to a predetermined depth with a piece of machinery). The systems typically include 40 MWh or 80 MWh of battery energy storage, which captures clipped photovoltaic solar generation during off-peak times. The capacity or size of such systems can range from a small 5KW residential system to a 80(+) MW commercial, industrial, or utility installation.

- **Classification Discussion**

Seven license classifications are appropriate for the installation of solar energy systems; however, only two of these classifications can install microgrids or EES systems as part of a solar energy system:

The C-46 Solar classification cannot install microgrids or Electrical Energy Systems, as this work is not within the scope of the classification since it is a storage system and does not produce electricity. A C-46 Solar contractor may only perform electrical work that will *energize* the solar system being installed. Microgrids and EES systems are not intended to energize a solar energy system; they are designed specifically to capture the electricity generated by the solar energy system.



The C-10 Electrical classification is most appropriate to install EES and microgrid systems in existing structures because they are electrical energy storage systems. The C-10 classification covers placing, installing, erecting, or connecting any electrical wires, fixtures, appliances, or photovoltaic cells.

The “A” General Engineering classification would be appropriate if the work also includes a plant or facility to house the ESS or microgrid system.

The “B” General Building classification would not be appropriate because the installation does not involve two or more unrelated trades in connection with a structure.

The C-4 Boiler, Hot-Water Heating and Steam Fitting classification, the C-36 Plumbing classification, and the C-53 Swimming Pool classification are not appropriate, as the work does not fall within the scope allowed within these classifications.

AGENDA ITEM G-5

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





The October 28, 2016, Enforcement Committee meeting package included the following information regarding deceptive tactics in the service and repair industry. The text included a discussion of the creation, activities, and focus of the Contractors State License Board (CSLB) Service and Repair Taskforce. At the October Committee meeting, some members expressed a desire for additional clarification regarding the enforcement priorities of the Service and Repair Taskforce. The document below repeats the text from the Enforcement Committee package, and, on the final page, includes a newly-formatted and expanded description of the Taskforce enforcement priorities. No Board action is required on this item.

The Service and Repair Industry

The service and repair industry is unique among businesses licensed by the CSLB. This is in part due to the urgency to perform repair work and the ability of a service and repair contractor to “upsell” unnecessary or overpriced construction that exceeds the service and repair \$750 limit and that requires a home improvement contract, salesperson registration, and a three-day right to cancel.

A consumer with a need for a service and repair contractor is more likely than someone seeking other construction services to use the Internet or classified directory to call for service, which results in a greater likelihood of consumer contact with unregistered salespersons, unneeded services, and high-pressure sales tactics.

The Service and Repair Taskforce

To address these concerns, the CSLB Enforcement division established the Service and Repair Taskforce in 2015. Taskforce activities to inform, educate, and enforce existing laws have achieved a 19 percent complaint reduction, i.e. complaints received relating to C-20 (Heating Ventilation and Air Conditioning) and C-36 (Plumbing) contractors have decreased monthly on average from 118 in 2015 to 95 in 2016. However, the following trends within the service and repair industry remain a concern:

- Contractors operating under multiple name styles
- False advertising
- High-pressure sales tactics
- Home improvement contract violations
- Failure to comply with the three-day right to cancel requirements for service and repair contracts that exceed \$750
- Issues with electronic signatures on contracts



A description of service and repair practices that may cause consumer harm and related contractor's license law statutes follow.

Service and Repair Licensee "Franchising"

The Task Force has identified multiple service and repair businesses structured to allow them to operate under multiple names or licenses, despite being formed or financed by the same individual(s) or entity. When consumers obtain multiple bids, they may be unaware that different companies may be owned by the same persons and operating from the same call center. This limits a consumer's ability to make an informed choice when selecting a contractor.

False Advertising

Many service and repair advertisements include false statements, such as claims that the advertised business has the lowest price, that it is professionally "accredited," or that it has been in business for many years.

BPC §7161(a) – False, misleading, or deceptive advertising

"It is a misdemeanor for any person to use false, misleading, or deceptive advertising as an inducement to enter into any contract for a work of improvement, including but not limited to, any home improvement contract, whereby any member of the public may be misled or injured."

High-Pressure Sales Tactics

CSLB does not require home improvement salesperson registration for service and repair calls that do not exceed \$750. However, registration is required if the repair work exceeds \$750. Often an unregistered service and repair technician will use hard-sell or misleading statements to persuade a consumer to enter into a home improvement contract exceeding \$750, even if the additional work is not necessary.

BPC §7153 – Selling without registration

"It is a misdemeanor for any person to engage in the occupation of salesperson for one or more home improvement contractors within this state without having, at the time of the sales transaction, a current and valid home improvement salesperson registration issued by the registrar."

BPC §7154 – Discipline for employment of unregistered salespersons

"A home improvement contractor who employs a person to sell home improvement contracts while such person is not registered by the registrar as a home improvement salesperson is subject to disciplinary action."



BPC §7161(b) – Misrepresentation for procurement of a home improvement contract

“It is a misdemeanor to make a substantial misrepresentation in the procurement of a contract for a home improvement or other work of improvement or making any false promise of a character likely to influence, persuade, or induce any person to enter into the contract.”

Three-Day Right to Rescind Contract Misused

Many consumers enter into a contract and waive the three-day right to cancel under pressure from events that necessitate immediate work by service and repair contractors (e.g., an HVAC system fails in extreme weather, a water or sewer pipe breaks, an electrical problem causes a loss of power). As a result of the emergency, unplanned nature of the work, the following problems can occur:

- Consumers do not receive the “Three-Day Right to Cancel” notice, or they are provided a notice that does not comply with the required font size and language explaining how to cancel the contract;
- Contractors misrepresent the urgency of the needed work and/or use hard-sell tactics to convince consumers to waive their right to the three-day “cooling off” period;
- The criteria for waiving the three-day right to cancel are not met; and
- Emergency repair or service requirements are not met.

Civil Code §1689.5, §1689.6, §1689.7 – Notice of Right to Cancel

- Provides for cancellation by consumer, without any penalty or obligation, within three business days from the date of transaction.
- Requires the contractor return to the consumer within 10 days of contract cancellation any payments made under the contract.

Civil Code §1689.13 – Cancellation Notice Applicability to Emergency Repairs or Services

This section provides that the three-day right to cancel period is not required if *all* of the following conditions are met:

- The contract is initiated by the buyer or his or her agent or insurance representative;



- The contract is executed in connection with making emergency or immediately necessary repairs that are necessary for the immediate protection of persons or real or personal property; and
- The buyer signs a statement that describes the specific nature of the emergency repairs and waives his or her right to cancel the transaction.

Electronic Signatures on Contracts

Many service and repair contractors use software to allow for electronic signatures on contracts using handheld devices. Unfortunately, consumers are not always provided an opportunity to closely review the contract before signing. Additionally, the contract may not include a detailed description of the work to be performed, and the consumer may not receive a copy of the contract until work is completed.

An electronic signature is lawful; however, BPC §7159 - *Home improvement contracts*, states that before any work begins, the contractor shall give the buyer a copy of the contract, signed and dated by both the contractor and the buyer. Additionally, BPC §7159 requires that the contract include the following elements:

- A complete description of the work to be performed
- A description of the materials and equipment to be used (including descriptions of raw materials, quantities, and equipment or appliances)
- The contract price, including a detailed breakdown of all costs and compensation
- The approximate start and completion dates



Task Force Priorities

1. Complaint Prioritization by Violation Type

- a. Contract requirements
- b. Three-day right to rescind
- c. Misrepresentation
- d. False advertising
- e. Multiple name style

2. Staff Assignment

Continue to assign two CSLB Peace Officers to work on service and repair cases and to conduct undercover sting operations

3. Policy and Procedure Development

- a. Clarify home improvement contract requirements for CSLB staff as they relate to “electronic signatures” and the requirement that the customer receive a complete copy of the contract prior to the commencement of work
- b. Expand upon CSLB’s disciplinary guidelines to confirm civil penalty effectiveness

4. Industry Partnering

- a. Develop and distribute an industry bulletin reminding contractors about requirements for both service and repair and home improvement contracts
- b. Schedule a meeting next year with licensed service and repair contractors to discuss contract requirements and business practice expectations

5. Partner with Government Entities

- a. Federal Trade Commission - to address robo- and telemarketing calls that violate the “Do Not Call Registry;” pursue asset forfeiture; obtain injunctive relief; and share information regarding predatory contractors
- b. California District Attorneys – strategy development to provide for effective investigations and prosecutions

AGENDA ITEM G-6

2016-18 Strategic Plan Update





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2016-18 OBJECTIVES

(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; solar enforcement strategies were discussed at the October 28, 2016, 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 was provided at the October 28, 2016, 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

AGENDA ITEM H

Executive



AGENDA ITEM H-1

Review and Possible Approval of September 19-20, 2016, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Monday September 19, 2016

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 1:00 p.m. at the Tides Hotel, 2600 Sand Dunes Drive, Monterey, CA 93940. Mr. Beltran noted that David De La Torre and Johnny Simpson had excused absences. He welcomed Mike Layton, who Assembly Speaker Anthony Rendon appointed to replace Robert Lamb. Mr. Beltran then administered the oath to Mr. Layton.

Board Secretary Marlo Richardson led the Board in the Pledge of Allegiance. A quorum was established.

Board Members Present

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

Pastor Herrera Jr.
Ed Lang
Michael Layton
Frank Schetter
Paul Schifino
Nancy Springer

Board Members Excused

David De La Torre
Johnny Simpson

CSLB Staff Present

Cindi Christenson, Registrar
David Fogt, Chief of Enforcement
Rick Lopes, Chief of Public Affairs
Charlotte Allison, Licensing Manager
Kristy Schieldge, DCA Legal Counsel
Tara Maggi, CSLB Staff

Cindy Kanemoto, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Ashley Caldwell, Public Affairs Staff
Laura Zuniga, Chief of Legislation
Mike Melliza, Chief of Administration
Wendi Balvanz, Chief of Testing

Public Visitors

Phil Vermeulen
Richard Markuson
Michael Paid

Carol Reed
Daniel Cohen
Jim Hodgson



B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests

Michael Paid ,with the Electric Guard Dog of South Carolina, commented on legislation that allows the use of electric security fences in the State of California. He explained that his company is struggling with the continuity of licensure in municipalities throughout the state and requested that CSLB develop continuity among electrical licensure jurisdictions within the state.

Jim Hodgson stated that he had attended the June 2016 Board meeting regarding a pending case against him and requested that the Board investigate his case further. Legal Counsel Kristy Schiedge explained that the Board cannot comment on any issues not listed on the agenda and that Mr. Hodgson was welcome to discuss his concerns with David Fogt, who would report back to the Board. Mr. Hodgson refused that option and Board Chair Beltran thanked him for his comments.

Richard Markuson, Pacific Advocacy Group, suggested that the Board provide the skilled trade workforce a forum to discuss the new laws and regulations that will take effect because of 2016 legislation, particularly the revisions for enforcing these requirements, as well as to publicize this information in a CSLB newsletter. Mr. Markuson also suggested that the Board provide information to C-16 fire sprinkler contractors who, through Title 19, will be required to use certified fire sprinkler fitters.

C. Legislation

1. Review, Discussion, and Possible Action Regarding Positions on 2016 Proposed Legislation:

Legislative Committee Chair Nancy Springer reported that since the June 2016 Board meeting Legislative staff have reviewed around 70 to 75 bills and related amendments that impact the Board, the industry, or government operations, most significantly SB 465 and SB 661. Staff are now beginning to work with other CSLB divisions to develop legislative proposals for next year. They also are continuing work on legislative objectives from the Strategic Plan, including a draft reorganization of the Contractor’s State License Law and formalizing the experience requirement criteria.

a. AB 1793 – Contractors: License Requirements: Recovery Actions (Holden)

The Governor signed this bill, which amends Business & Professions Code (BPC) section 7031 to eliminate one of the four existing criteria a contractor must meet in order to prove substantial compliance with licensing law. The eliminated provision provided that the contractor did not know or reasonably should not have known that he or she was not duly



licensed when the work or contract began. No further action is needed; the bill will take effect on January 1, 2017.

Board Member Comment:

Paul Schifino asked for clarification with regard to the first version and the current version of the bill. Linda Clifford responded that it now provides for judicial discretion in determining whether or not a contractor was in substantial compliance with the licensing requirement.

Kristy Schieldge remarked that the bill only removed the criteria that the contractor did not know or should not have reasonably known that he or she was unlicensed during performance of the contract. This was difficult for a contractor to demonstrate. The new regulation allows contractors to argue that they acted reasonably, which moves toward the balance that the Board is seeking.

b. AB 2486 – Contractors State License Board: License Search (Baker)

This Governor signed this bill, which requires CSLB to update its online license lookup feature to include either a zip code or geographic search function. No further action is needed; this bill will take effect on January 1, 2017.

c. AB 2693 – Financing Requirements: Property Improvements (Dababneh)

This bill enhances consumer disclosures from companies selling solar energy systems; the Board took a support position at the June 2016 meeting. The bill is on the Governor's desk and he will need to take action by September 30, 2016. No further action is needed.

d. AB 2859 – Professions and Vocations: Retired License Category: Licenses (Low)

This bill authorizes boards to create a retired license category; the Board previously took a support position. The bill is on the Governor's desk and he will need to take action by September 30, 2016. No further action is needed.

e. SB 66 – Career Technical Education (Leyva)

The Board had not previously discussed SB 66, as the current language in the bill affecting CSLB was added toward the end of the legislative session. The bill requires DCA to provide specified information on all licensees, including Social Security numbers,



upon request of the California Community Colleges. Since the Legislature has adjourned its session, no action is required.

Legal Counsel Kristy Schieldge commented that since the Governor has not yet signed the bill the Board could still share its views about the bill with the Governor's Office.

Board Member Comment:

Frank Schetter asked for clarification about the motive behind this bill. Chief of Legislation Laura Zuniga stated that community colleges sponsored the bill. Federal law requires that they track the performance and outcomes of students who participate in career technical education programs and they believe this is the most efficient way to do so. They want the Department of Consumer Affairs to send its entire licensee data to community colleges, and they will either review the data themselves or enlist the assistance of a third party to determine if anyone with a DCA-issued license participated as a student in one of their career technical programs.

Kristy Schieldge noted that private schools in California track the same information, but poll their own students to determine if they have found jobs in the field for which they have a degree or other training. She also noted that other agencies expressed concern that many people licensed by DCA entities did not attend community college but that, nonetheless, their data would be shared with the community college district.

Laura Zuniga said that she raised these concerns with the Department of Consumer Affairs, since they negotiated the language in the bill, though noted that most Boards did not share this concern. Ms. Zuniga also stated that DCA expects that, if the bill is signed, it could limit the amount of data they will transfer through a memorandum of understanding with the community colleges.

Richard Markuson expressed concern about potential identity theft because of the requirement that date of birth, address, gender, and tax payer ID be provided to the community college districts. He recommended that the Board send a letter to the Governor outlining these concerns. He also suggested that if the Governor does sign the bill, the Board encourage him to include a signing message instructing community colleges and the Department of Consumer Affairs to pursue follow-up legislation to ensure that there are adequate safeguards to protect the identity of licensees.

Paul Schifino asked why the community college district is requesting this information from the Board rather than monitoring their own data.

Kevin Albanese requested that the Board make a motion to communicate its concerns about and opposition to this bill to the Governor's office.



MOTION: To send a letter to the Governor’s office to oppose SB 66 because of privacy concerns. Kevin Albanese moved; Linda Clifford seconded. The motion carried unanimously, 13-0.

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				

f. SB 465 – Contractors: Discipline: Reporting: Building Standards (Hill)

This bill requires CSLB to study the issue of settlement reporting, and report back to the Legislature. The Governor signed this bill and it go in to effect on January 1, 2017.

g. SB 661 – Protection of Subsurface Installations (Hill)

This bill creates the Safe Excavation Board at the Office of the State Fire Marshall, and amends existing law relating to safe excavation. The Board previously took a watch position. The bill is on the Governor’s desk and he will need to take action by September 30, 2016. No further action is needed.

h. SB 1039 – Professions and Vocations (Hill)

This bill now contains CSLB’s fee increase. It also includes provisions not related to CSLB, including a fee increase for the Board of Registered Nursing, the Court Reporters Board, and the Board of Pharmacy. The Board previously took a support position. The bill is on the Governor’s desk and he will need to take action by September 30, 2016. No further action is needed.

i. SB 1209 – Contractors: Discipline (Morrell)



CSLB sponsored this bill on complaint disclosure, which the Governor signed. No further action is needed.

j. SB 1348 – Licensure Applications: Military Experience (Canella)

The Governor signed this bill, which requires boards to post information on their websites to advise veterans that they may use military experience to help qualify for licensure. This bill will take effect on January 1, 2017. No further action is needed.

k. SB 1479 – Business and Professions (BPED)

This omnibus bill contains a variety of changes, and one sponsored provision for CSLB – to eliminate a provision of existing law that voids an application after an applicant has failed to reschedule an exam within a specified time. This bill is on the Governor’s desk. The Board previously took a support position. No further action is needed.

Kristy Schieldge added that the bill contains a significant change for home improvement contractors. Currently, an individual needs to be licensed for five years to acquire a performance and payment bond; this bill would reduce that to two years. Cindi Christenson stated that staff do not object to that provision of the bill.

2. Review, Discussion and Possible Action to Initiate Rulemaking to Make Technical (“Section 100”) or Regulatory Changes to Amend Title 16, California Code of Regulatory (16 CCR) Sections 816, 817, 832, 832-16, 832.62, 834, 864, 865, 867, 868, 869, 869.1, 869.5, 869.9, and 870.

Chief of Legislation Laura Zuniga provided updates on possible action related to various regulatory codes.

Board Member Comment:

Frank Schetter asked if this would change the scope of the classification for either C-10 or C-45 licensees. Licensing Manager Charlotte Allison explained that the Board only refers to the license as an electrical license and that there is no mention of “general.” Laura Zuniga added that the name changes will not alter what the licensee can or cannot do under the classification. Kristy Schieldge noted that the name changes are intended to make the titles consistent throughout the regulations.

Linda Clifford wondered if section 817 was no longer in place, since it is no longer listed. Laura Zuniga confirmed that the regulation is no longer in effect.



MOTION: To authorize the Registrar to pursue a Section 100 change to amend the regulations as provided in the document prepared by staff that is entitled “Originally Proposed Language” or initiate a rulemaking if the Section 100 action is denied by the Office of Administrative Law. Nancy Springer moved; Linda Clifford seconded. The motion carried unanimously, 13–0.

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				

3. 2016-18 Strategic Plan Update

Chair Nancy Springer requested comment from the Board and the public regarding the Legislative strategic plan update.

Board Member Comment:

Joan Hancock requested that the Legislative Committee meet prior to the December 2016 Board meeting. Chair Beltran assured Ms. Hancock that staff will hold a Legislative Committee meeting before the next Board meeting.

D. Public Affairs

Public Affairs Committee Chair David Dias informed the Board that Claire Goldstene was recently hired as the new supervisor in the Public Affairs Office, and also thanked Board member Pastor Herrera Jr. for attending a Spanish language licensing workshop in August on the Board’s behalf.

Pastor Herrera Jr. commended the PAO and Enforcement staff that coordinated this successful event with the Mexican Consulate, adding that he hopes to see similar events in the future.



Chair Dias noted the Public Affairs Office's involvement with outreach to victims of the wildfires in Lake, Kern, Los Angeles, San Bernardino, and Monterey.

1. Public Affairs Program Update

Public Affairs Chief Rick Lopes updated the Board on the unit's activities since the September 2016 Board meeting. He noted that there is growth in the number of visitors to the website that access it using mobile devices, and that licensees use the site to get forms and application information, and to change addresses, not only for license look-up. Mr. Lopes also noted that PAO, Information Technology, and Licensing staff worked together to add an interactive Home Improvement Salesperson (HIS) link to the CSLB homepage, which provides licensees with a fillable form that can be printed out and mailed to CSLB. Public Affairs also added a new email alert that informs the public about staff vacancies at CSLB.

Board Member Comment:

Marlo Richardson asked if Public Affairs staff cross-post information on various social media outlets. Mr. Lopes responded that information posted to one social media outlet is also linked to others in order to reach the widest possible audience.

Pastor Herrera Jr. asked about PAO's procedures regarding press releases in response to wildfires. Mr. Lopes answered that the CSLB website includes general information for consumers about how to protect themselves after a disaster. Nancy Springer added that local building officials also enter disaster areas to distribute information to the public.

Marlo Richardson commended the Public Affairs staff for the detailed pictures and signage posted in the disaster areas, adding that these could be shared with the public via CSLB social media outlets.

2. 2016-18 Strategic Plan Update

Mr. Lopes reported that Public Affairs will focus on the first three items on the Strategic Plan, which have target completion dates before the end of the calendar year: 1) Flagship Consumer Publication; Flagship Contractor Publication; Updating the Board's 2017-19 Communications Plan.

Recess



E. Licensing

Licensing Manager Charlotte Allison attended the meeting in place of Licensing Chief Larry Parrott. Board Member Susan Granzella presented Ms. Allison an award to recognize her continued work for the Board.

1. Licensing Program Update

Licensing Chair Susan Granzella updated the Board on the changes made to the presentation of statistical data in the Board packet. She also provided updates on application workloads, workers' compensation recertification, Fingerprint/Criminal Background Unit, Experience Verification Unit, Licensing Information Center, and the Judgment Unit.

Board Member Comment:

Paul Schifino noted the high number of applications that are denied through the Experience Verification Unit. Nancy Springer commented that many times contractors struggle to provide proof of work experience. Charlotte Allison added that contractors often reapply once they have met the requirement and have the necessary paperwork.

Kevin Albanese asked if CSLB is meeting the minimum 3 percent for experience verification or is looking to review more applications. Registrar Cindi Christenson responded that CSLB currently pulls the 3 percent randomly. However, if a staff person has reason to believe that the applicant did not provide sufficient substantiation it will be referred to the Experience Verification Unit for further review. Laura Zuniga added that the 3 percent is a minimum and that staff performs a comprehensive review of the work experience of all applicants.

Linda Clifford noted that the statistical information provided in the packet indicates that more than 3 percent of applications are sent to the Experience Verification Unit. Charlotte Allison explained that while the computer randomly pulls 3 percent, if there are questions regarding the work experience during the application review process a supervisor will review the application and may send it to the Experience Verification Unit for further review.

Pastor Herrera Jr. thanked Ms. Granzella for her work revising the new report. He also asked if bilingual staff was available in the Board's Information Center. Charlotte Allison said that CSLB does have bilingual staff at headquarters and field offices.

Marlo Richardson asked if voided applications are the same as denied applications. Ms. Allison explained that they are not; applications are voided if the applicant does not provide information in a timely manner, and denied if the applicant cannot demonstrate four years of journeyman-level experience.



2. Testing Program Update

Chief of Testing Wendi Balvanz provided the Board updates on staffing and examination administration, occupational analysis, and examination development.

3. 2016-18 Strategic Plan Update

[who reported this?] reported that the revision of the application packet is complete, along with the presentation about the exam process for future Board meetings. All other items are on schedule.

Board Member Comments:

Joan Hancock thanked Susan for all the hard work that was put into updating the Licensing report.

F. Enforcement

Enforcement Committee Chair Marlo Richardson updated the Board on the partnership between the Air Resources Board (ARB) and the Joint Enforcement Strike Force, including a possible memorandum of understanding between ARB and CSLB to provide for the sharing of information regarding off-road construction equipment subject to ARB regulations.

1. Enforcement Program Update

Chair Richardson provided highlights from the Intake and Mediation Centers, Investigative Centers, Statewide Investigative Fraud Team (SWIFT), disaster response, and Case Management.

Enforcement Chief David Fogt provided a detailed update on the complaint handling of cases by Enforcement staff, including Stop Orders, citations, and arbitrations.

Board Member Comments:

Joan Hancock requested more information about the Service and Repair Task Force. David Fogt explained that the Board had previously directed Enforcement staff to establish a Service and Repair Task Force and that investigators assigned to service and repair complaints work in conjunction with three different district attorneys' offices. He also will provide a more detailed update at the November 2016 Enforcement Committee meeting.



Joan Hancock asked if the meeting held with the service and repair industry also addressed contracts signed electronically. David Fogt confirmed that electronic signatures were discussed, along with the need to provide consumers a written contract, which includes the three-day right to cancel notice, prior to the commencement of work.

2. Review, Discussion and Possible Action Regarding Strategies to Reduce the Number of Licensees Filing a False Exemption from Workers' Compensation Insurance Requirement Pursuant to Business and Professions Code Section 7125

Chief Fogt briefed the Board on the background regarding false workers' compensation insurance exemptions that are filed with the Board, and provided an update on recent education and enforcement strategies.

Board Member Comment:

Paul Schifino suggested that the Enforcement division may want to consider forming a special unit to deal with false workers' compensation exemptions.

Chair Richardson introduced Monterey County Deputy District Attorney Carol Reed, who works with workers' compensation fraud cases, to update the Board about common cases in the Monterey area.

Board members Kevin Albanese, Pastor Herrera Jr., and Joan Hancock all inquired if a motion on the enforcement strategies outlined in the packet was necessary, since the Board approved five specific strategies at the December 2015 meeting. Legal Counsel Kristy Schieldge confirmed that a vote was appropriate because staff is requesting that the Board approve changes to its previously approved list of strategies.

Registrar Christenson commented that these topics do not exceed or narrow the direction that the Board approved in December 2015.

Public Comment:

Richard Markuson, Pacific Advocacy Group, thanked the Board for its attention to the problem of false workers' compensation insurance exemptions.

MOTION: To approve the following five recommendations regarding strategies to reduce the number of licensees filing a false exemption from workers' compensation insurance requirements:



1. Perform an analysis of all license classifications to determine if workers are typically required, and to identify any specific workers' compensation insurance compliance concerns.
2. Consider requiring contractors who receive notice of a false workers' compensation (WC) insurance exemption and then file a new insurance exemption to complete an educational webinar regarding the hazards and potential consequences of violating WC requirements.
3. Designate CSLB staff to attend monthly workers' compensation insurance task force meetings sponsored by the Department of Insurance.
4. Perform outreach to consumers and at Day Labor Centers to provide information on license and workers' compensation insurance requirements.
5. Execute confidentiality agreements between CalOSHA, Department of Insurance, and Division of Labor Standards Enforcement to provide for sharing of information to identify uninsured employers.

Marlo Richardson moved; Pastor Herrera Jr. seconded. The motion failed, 10–3.

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				

Enforcement Chief Fogt stated that CSLB will continue to work with the Joint Enforcement Strike Force (JESF) to address workers' compensation insurance violations. JESF has agreed to make such violations a priority in the coming year.

Registrar Christenson clarified that staff would like to proceed with this coordinated effort with other state agencies, unless the Board objected. The Board made no objections.



3. 2016-18 Strategic Plan Update

Deputy Chief of Enforcement Jessie Flores reported that all items on the Enforcement Strategic Plan Update are on schedule.

G. Executive

1. Review and Possible Approval of June 23-24, 2016, Board Meeting Minutes

Legal Counsel Kristy Schieldge requested that the meeting minutes be revised and amended.

Board Member Comment:

Frank Schetter requested a copy of the revised meeting minutes. Registrar Cindi Christenson agreed to send Board members electronic copies of the amended minutes.

MOTION: To Approve, as amended, the June 23-24, 2016, Board meeting minutes. Kevin Albanese moved; Linda Clifford seconded. The motion carried unanimously, 13–0.

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. Tentative 2016 Board Meeting Schedule

- Tuesday, December 8, 2016 – San Jose
- Tuesday, March 14 **or** Thursday, March 16, 2017 – San Diego
- Thursday, June 22 and Friday, June 23, 2017 – Southern California. Day 1 will be quarterly board meeting; day 2 a joint discussion with the Nevada State Contractors Board.

b. Committee Meeting Schedule Update

- Thursday, November 3, 2016 –Enforcement, Public Affairs, and Legislative.
- Monday, November 14, 2016 – (Tentative) Licensing

Board Member Comment:

Frank Schetter requested to change the date of the Enforcement Committee meeting moved to week of November 3, 2016. Registrar Cindi Christenson said that staff will look in to alternate dates.

3. Administration Update Regarding Personnel and Business Services

Administration Chief Mike Melliza updated the Board on CSLB staffing, the state exam certification online system and outreach to the public regarding CSLB vacancies. Mr. Melliza also reported on building security, lease negotiations, and fleet management.

a. 2016-18 Strategic Plan Update

Mr. Melizza reported that all Strategic Plan items are on target.

Board Member Comments:

Marlo Richarson asked what website listed CSLB staff vacancies. Mike Melliza responded that they appear on the main CSLB website.



4. Information Technology Update

Chief Deputy Registrar Cindy Kanemoto provided the Information Technology update, including on the Home Improvement Salesperson (HIS) online project, Visionary Integration Professional LLC, SCORE Translator Project, and CSLB Change Control Committee, all of which are on track.

a. 2016-18 Strategic Plan Update

Ms. Kanemoto reported that all Information Technology Strategic Plan objectives are on target.

5. Budget Update

Chief Deputy Registrar Cindy Kanemoto informed the Board that CSLB spent roughly 94 percent of the budget and \$4,000,000 reverted to CSLB's fund, which is typical for the Board. Ms. Kanemoto also briefed the Board on revenue, which is up 0.4 percent over the prior year. She also provided breakdowns on the 2016-17 CSLB preliminary budget and fund condition.

The Board recessed at 3:58 p.m.

Tuesday September 20, 2016

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

Board Chair Augie Beltran called the meeting of the Contractors State License Board to order at 9:00 a.m. and welcomed Board members and staff. Tara Maggi noted that Board members David De La Torre, Johnny Simpson, and Michael Layton had excused absences, and Paul Schifino would attend the meeting via telephone.

B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests

There was no public comment.

C. Overviews of CSLB Division Operations

a. Testing – Examination Development

Chief of Testing Wendi Balvanz informed the Board about testing standards, examination development, security, and SCORE.



Board Member Comment:

Joan Hancock asked about the three week waiting period for an applicant to retest if he or she fails the exam, and the provision of law that voids an application if an applicant either fails to appear for the exam or cancels and does not reschedule within 90 days. Charlotte Allison explained that the three week waiting period is to encourage applicants to spend additional time preparing for the exam, and that the 90 day time period begins on the test date.

Linda Clifford asked about the different versions of the exam and if any of the same questions appear among the three different exams. Ms. Balvanz responded that the different versions enhance security and explained that the software cannot pull data about whether or not specific questions are repeated, though some of the same content appears on each exam.

Nancy Springer asked about code adoption and how the exams are revised, accordingly. Wendi Balvanz said that staff holds workshops with contractors to update code revisions and is currently revising exams based on changes in building codes in the revision phases now.

Pastor Herrera Jr. asked about exam workshops and their development. Wendi Balvanz explained that workshop participants vary by exam, and that Testing works to involve different contractors, though it often appears that the more established contractors have more time to participate in the exam process.

Pastor Herrera Jr. also asked why CSLB does not select translators for those needing language help with the exam. Wendi Balvanz responded that having the test taker select his or her translator protects CSLB from potential liability. Chief Deputy Registrar Cindy Kanemoto added that if for some reason a test monitor believes that the translator is providing answers to the test taker the monitor can call and have someone listen in while the exam is underway.

Public Comment:

Daniel Cohen asked if the law and business exam is updated annually or every three years. Wendi Balvanz responded that a portion of the exam is updated each year.

b. Licensing – Processing and Functions

Licensing Manager Charlotte Allison provided the Board with information about licensing workload, processes, information center wait times, contractor classifications, license application status, and online features.



Board Member Comment:

Nancy Springer had questions about exam waivers and the timeline for renewals. Charlotte Allison explained that when an applicant requests a reciprocal trade waiver he or she must also submit a certification to the Classification Deputy for review. She also said active licenses must be renewed every two years; four years for an inactive license, with no exam required.

Linda Clifford asked if an applicant needs to retake the exam if the application is denied. Charlotte Allison stated that the applicant's exam results are good for up to five years.

Chief Deputy Registrar Cindy Kanemoto noted a correction to slide 13: The Business and Professions code section should be 7065.4.

c. Enforcement – Processes and Functions

Chief of Enforcement David Fogt provided information regarding Enforcement investigation processes, staffing overview, Enforcement field offices available to the public, Enforcement cases, and license complaint processes.

Board Member Comment:

Linda Clifford asked if retention of staff remained a problem in areas of the state with a high cost of living. David Fogt affirmed that it continues to be a challenge for the Enforcement division.

Linda Clifford asked if Enforcement staff still leave CSLB for other agencies. David Fogt responded that this can be a problem because employees complete training academies with CSLB and are then hired by other state agencies. Chief Deputy Registrar Cindy Kanemoto added that both of these issues are part of the strategic plan update and will be monitored throughout the next year.

Kevin Albanese asked why the resolution of some cases exceeds nine months. David Fogt answered that, typically, in more complex cases additional evidence is gathered on an ongoing basis, which requires more time to review.

Kevin Albanese asked about the process of addressing building department referrals and the most cost effective way to handle such complaints. David Fogt responded that because the building departments provide much of the evidence to support a violation in such cases these referrals are not a financial burden for the division.



Public Comment:

Phil Vermeulen asked how industry experts are vetted. David Fogt explained that industry experts must meet minimum qualifications, which include being a licensed contractor with five or more years of experience in the trade or work they will inspect, not having been subject to any type of administrative action, and having no civil judgments.

Joan Hancock departed the meeting at 10:15 a.m.

D. Adjournment

MOTION: To adjourn the September 19-20, 2016 Board meeting. Frank Schetter moved; Linda Clifford seconded. The motion carried unanimously, 11-0.

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 CSLB Board meeting at 10:51 a.m.

Augie Beltran, Chair

Date

Cindi Christenson, Registrar

Date

AGENDA ITEM H-2

Registrar's Report

- a. Implementation of SB 66 (Leyva) – Information Sharing
- b. Recruitment for a new Chief Deputy Registrar
- c. Tentative Board Meeting Schedule
 - March 14, 2017
San Diego
 - June 2017
Southern California



AGENDA ITEM H-3

Administrative Update Regarding Personnel and Business Services

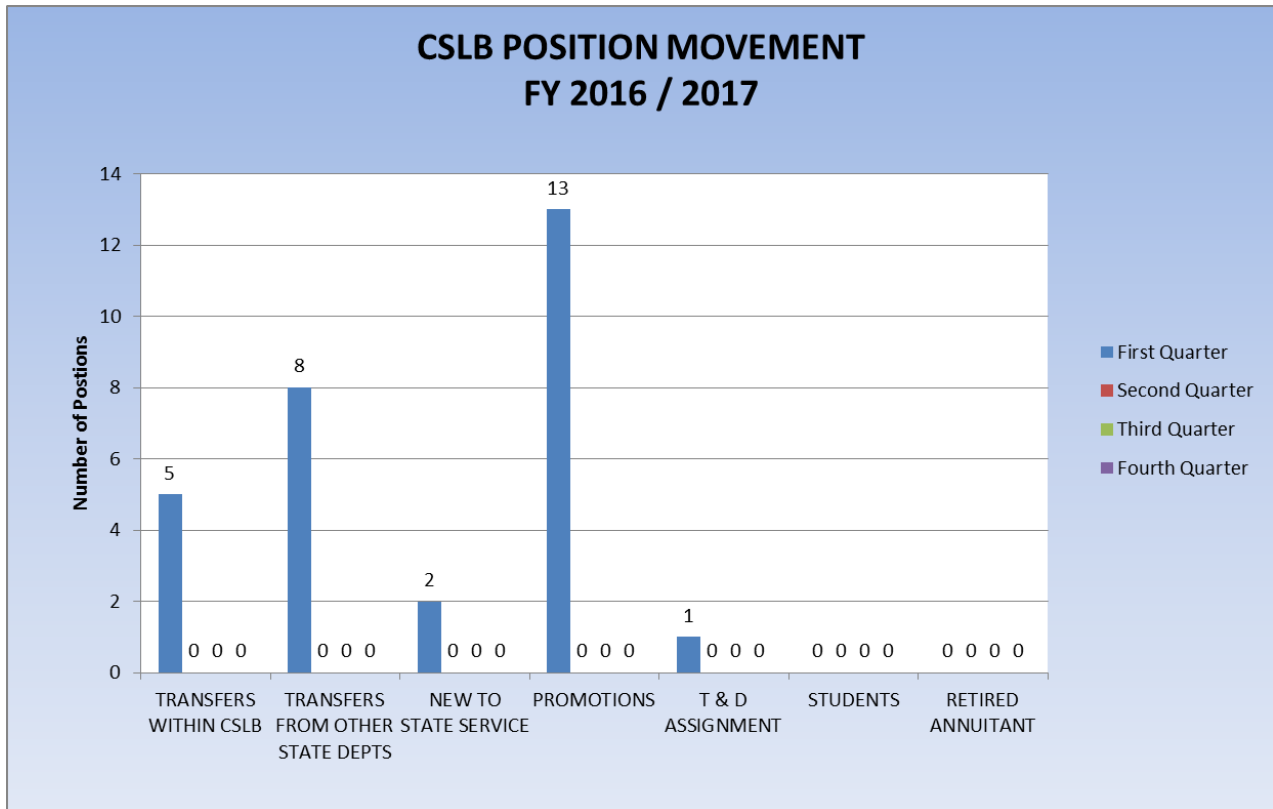
- a. 2016-18 Strategic Plan Update





Personnel Update

During the first quarter of fiscal year 2016-17, CSLB personnel staff completed 29 recruitment transactions, which included the addition of eight new employees from other state agencies and two employees new to state service. Within CSLB, 13 employees were promoted, five transferred units, and one accepted a training and development assignment.



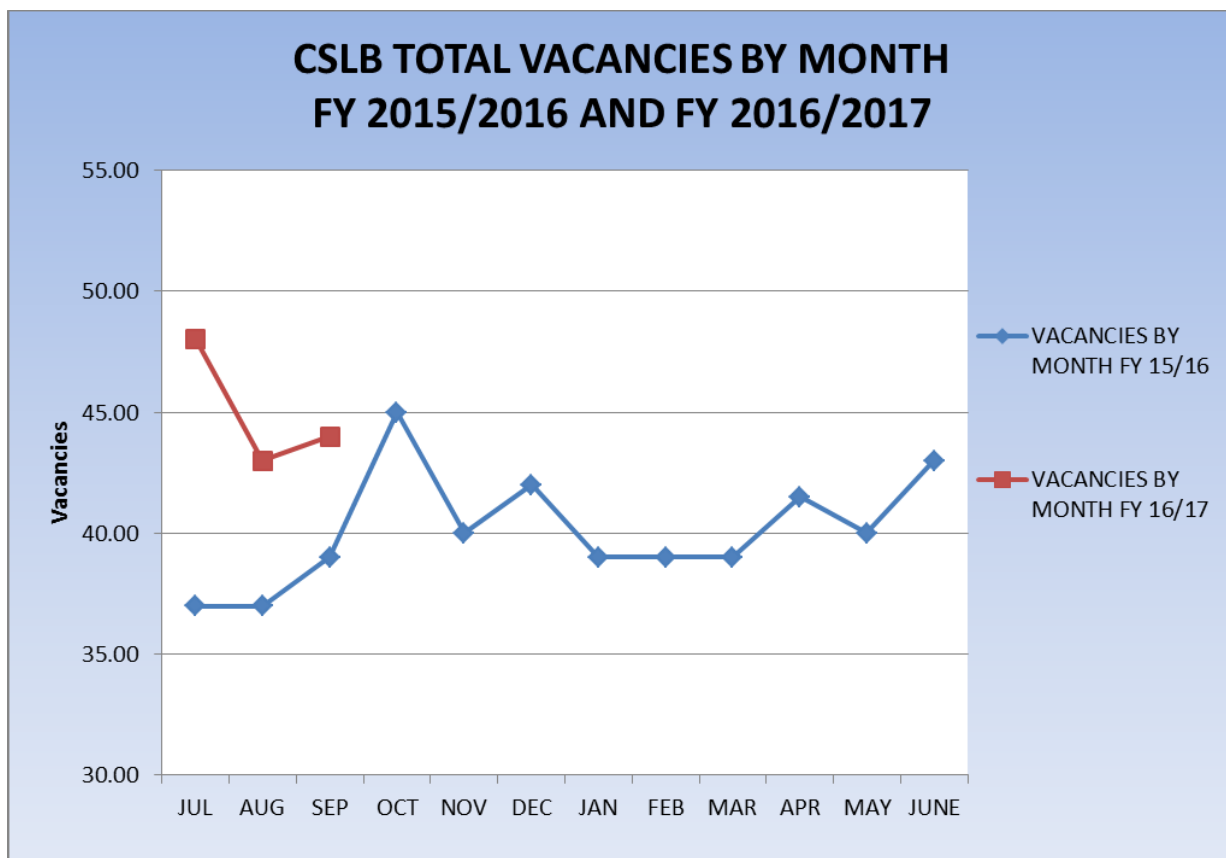
Members of CSLB Personnel and Enforcement staff collaborated on developing an interactive Enforcement Career Development course. Approximately 60 Enforcement division employees have shown interest and the first course will be offered in Norwalk in December 2016. A course in Northern California will follow.

In September 2016, CSLB participated in the State's Biennial Language Survey. This survey is conducted in accordance with the Dymally-Alatorre Bilingual Services Act, which requires every state agency to conduct a survey identifying the public it serves, the language(s) spoken, and the bilingual resources available to ensure equal access to information. The results of the survey are used to determine CSLB's need for bilingual services and to provide a basis to certify and appoint additional bilingual employees. Analysis of the survey results revealed no position deficiencies, as current bilingual staff are readily available to assist with translations.



The annual Open Enrollment period occurred between September 2016 and October 2016. During this period, Personnel staff assisted 56 employees with changes to their benefits, and helped employees navigate a new dental enrollment system recently launched by the State Controller’s Office (SCO). The new system is designed to lessen the delays experienced by SCO last year during Open Enrollment.

In October 2016, the Personnel Unit worked with CSLB’s Business Services Office to establish a system for the delivery of personnel documents to the Department of Consumer Affairs (DCA). Each document is logged before it leaves CSLB and is now hand-delivered by mailroom staff directly to DCA’s Office of Human Resources. Implementation of this new system has greatly improved the tracking and processing time of personnel documents.



As illustrated in the graph above, first-quarter vacancies are higher as compared to the same timeframe last year. Personnel staff continue to work closely with DCA and CSLB management to reduce the number of vacancies. In an effort to fill Enforcement vacancies in a timely manner Personnel and Enforcement management hold biweekly meetings. In addition, classification examinations were administered between June 2016 and August 2016, the results of which were recently released. These exams included, Consumer Services Representative, Enforcement Representative I/II, and Enforcement Supervisor I. Recruitment efforts to fill vacant positions are underway.



Examinations

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



ENFORCEMENT		
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:	TBD
Enforcement Representative II	Last exam administered in:	June 2016
	Tentative exam date:	TBD
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:	TBD
Office Assistant (CalHR)	Last exam administered in:	December 2015
	Tentative exam date:	TBD
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:	February/June Sept./December
Staff Services Manager I/II/III (CalHR)		Continuous



BUSINESS SERVICES

Facilities

San Bernardino – CSLB is working with DCA, the contractor, and the Department of General Services (DGS) to secure approval from the State Fire Marshal (SFM) to move forward with plans for the Enforcement office modifications. In addition, CSLB is working with the Real Estate Officer (REO) to identify any possible ADA issues.

Projected Completion Date: **February 2017**

Norwalk – A final walk-through was completed in mid-October 2016. A few minor details are being finalized, and then this project will be completed.

Project Completion Date: **November 2016**

San Diego – The program datasheet has been completed to identify the needs of the office, which includes staff projections, required office space, and any requested modifications. The DGS space planner is preparing new floor plans for CSLB approval.

Projected Completion Date: **March 2017**

Sacramento Headquarters – The DGS space planner is currently working with CSLB staff to identify the upgrades and any specifications for inclusion in the floor plans. Once completed, DGS will submit the plans for CSLB approval.

Projected Completion Date: **December 2017**

Oxnard – The program datasheet has been completed to identify the needs of the office, which includes staff projections, required office space, and any requested modifications. The DGS space planner is preparing new floor plans for approval by CSLB.

Projected Completion Date: **May 2017**



San Francisco – The DGS space planner, Real Estate Officer, DCA, and CSLB staff conducted a site visit to identify the necessary upgrades/modifications. Requested changes involve minor modifications, such as paint touch-up, a new sink and garbage disposal, new cabinets, and an electrical vehicle charging station. The DGS planner is working on the plans for CSLB’s approval.

Projected Completion Date: **September 2018**

Valencia – The program datasheet has been completed to identify the needs of the office, which includes staff projections, required office space, and any requested modifications. The DGS space planner is preparing new floor plans for CSLB approval, which will include a second exit door.

Projected Completion Date: **April 2018**

Fresno – The Leasing Officer is negotiating the lease and requesting 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 breakroom, and installation of storage cubes to hold testing candidates’ personal items during examinations.

Projected Completion Date: **September 2018**

San Jose – An air-conditioning unit will be installed in the server/telecom room of the office. This is a state building and DGS will send out bids for this unit.

Projected Completion Date: **January 2017**

Contracts and Procurement

Contracts in Process:

- One-year renewal for Statewide Arbitration Services;
- Printing services for *California Contractors License & Law Reference Book*;
- Shredding services for the Bakersfield office;
- Debt collection services for the citation program; and
- March 2017 Board meeting.

**Procurements in Process:**

- Polo shirts for Enforcement division staff;
- Field vests for Enforcement division staff;
- Camera equipment for the Public Affairs Office;
- Two fax machines for the Norwalk office;
- Additional access cards for the Berkeley office; and
- Forklift for the Sacramento headquarters warehouse.

Executed Contracts/Procurement:

- New batteries for large USPS machine;
- Additional access key cards for the Norwalk and Sacramento offices;
- Renewal of California Highway Patrol contract to provide security services for various meetings and testing offices;
- Renewal of shredding contract for various field offices;
- Shredding services for Sacramento headquarters; and
- Amending 10 copier contracts to reflect increased usage.

Fleet Management**Vehicle Purchases:**

- CSLB submitted the 2015-16 Fiscal Year Fleet Acquisition Plan to the Department of Consumer Affairs (DCA), which included a request for eleven (11) replacement vehicles:
 - Four Ford Fusion Hybrids (1-San Diego IC, 2-Valencia IC, 1-West Covina IC)
 - Five Chevrolet Impalas (1-Fresno SWIFT, 2-Norwalk SWIFT, 2-Sacramento SWIFT)
 - One Chevrolet Silverado Truck (1-Sacramento IC North)
 - One Nissan Leaf (1-Sacramento SWIFT)

SWIFT received the five Chevrolet Impalas; the remaining six vehicles should be delivered within the next few months.

Emergency Preparedness

CSLB's Emergency Response Team held its mandatory fourth quarter training on November 7, 2016.



CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2016-18 OBJECTIVES

(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.
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.
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 Members (I)	December 2017	Increase communication and foster cohesive mission-oriented work culture	On track. Currently researching 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 research the feasibility and complexity of this issue.
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. Initial contacts made with DCA Office of Human Resources to identify the feasibility and mechanism to address this issue.
6.8 Determine Requirements and Procure Equipment for Full Service Broadcast Studio (I)	June 2018	In conjunction with Public Affairs Office, identify and purchase necessary equipment needed for video/audio production (timing is dependent on CSLB Headquarters building lease negotiations)	On track. In the requirements gathering and design phase of adding this to current lease negotiations for CSLB Headquarters.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

6.9 Review Consumer Service Representative Job Classification (B)	June 2018	Expand the qualifying degrees and required courses to increase the applicant pool for recruitment (may have to be coordinated with CalHR modernization project)	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.
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AGENDA ITEM H-4

Information Technology Update

- a. 2016-18 Strategic Plan Update





Implementation of Home Improvement Salesperson (HIS) Online Project

The HIS Online Project is continuing to move forward and making significant progress. IT staff are enhancing the HIS application to provide online processing functionality. The account management and association/disassociation portions are in the testing and refinement phases, while the online payments portion is in the prototyping and approval phases.

IT Business Analysts continue to work on system requirement specifications for the online processes. IT Programming and Licensing staff continue to collaborate to meet HIS requirements and work towards successful project implementation. The HIS online system will allow licensed contractors to associate with and disassociate from HIS registrants via the CSLB website. Once IT fully implements this project, HIS applicants will be able to pay registration fees online.

Future CSLB Online Licensing/Enforcement System Project

BreEZe Release One and Release Two are in production operations at the Department of Consumer Affairs (DCA). The Phase Three implementation, which includes CSLB, has been placed on hold until the remaining boards and bureaus conduct further analysis to define their most current business requirements. This process could take a significant amount of time; therefore, CSLB has modified the title of this project from “BreEZe” to “Future CSLB Online Licensing/Enforcement System Project” to more accurately reflect the current effort.

In an effort to meet its strategic plan objective to determine the requirements for a new Licensing/Enforcement computer system, IT contracted with Visionary Integration Professional consulting group to assist with completing CSLB’s “as is” and “to be” business processes, conducting business requirements gathering sessions, and preparing business requirements documentation for a potential online licensing application.

A project kickoff meeting was held on November 10, 2016, and CSLB staff are now fully engaged in this effort to identify business requirements that will prepare the Board to move forward with an online application, with whether BreEZe or another online licensing solution. This short-term, one-year contract began in the fall of 2016.

Business Consulting Unit staff continue to work with programs to document and map current “as is” and “to be” business processes, conduct meetings with CSLB end-users to verify mapping, and complete gap/fit analysis.



Statewide Investigative Fraud Team (SWIFT) Cell Phone Upgrade

The Information Technology unit has begun the Phase Two deployment of new Samsung smartphones, which have larger screens, to SWIFT management personnel in Sacramento Headquarters, Oxnard, Norwalk, San Francisco, Berkeley and Santa Rosa. The deployment is scheduled to be complete mid-December 2016.

Smartphones are mission-critical tools that allow Enforcement staff in the field to use navigation, email, and texting, and provide access to CSLB's Intranet and other permitted websites to perform investigative duties. The larger screens on these smartphones should improve investigation activities and save staff time.

Phase Three of this deployment includes the remaining Enforcement staff, and should be complete in early 2017.

CSLB Change Control Committee

In August 2016, as part of its strategic plan objectives, the Information Technology unit established an internal Change Control Committee (CCC) consisting of executive management to review and prioritize IT project requests and work efforts. The committee is intended to ensure that IT workload and resources are assigned to mission critical projects that match CSLB's strategic goals, objects, and legislative mandates while maintaining continued operations.

The Information Technology unit continues to prioritize work based on the recommendations of the CCC. Recently, the Licensing and Enforcement divisions have prioritized their individual requests. The next CCC meeting will be held in late November 2016, to prioritize all requests based on business objectives, future IT efforts, and new legislative mandates. This process will promote improved communication and collaboration between CSLB executive management and CSLB IT staff, as well as help effectively plan and direct IT resources in completing new CSLB initiatives.

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 history, and check the status of their application. The IVR also provides consumers with information on 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 August 2016 through October 2016, CSLB's IVR handled a total of 113,994 calls, an average of 37,998 calls per month. The system is available 24-hours a day, seven days a week.



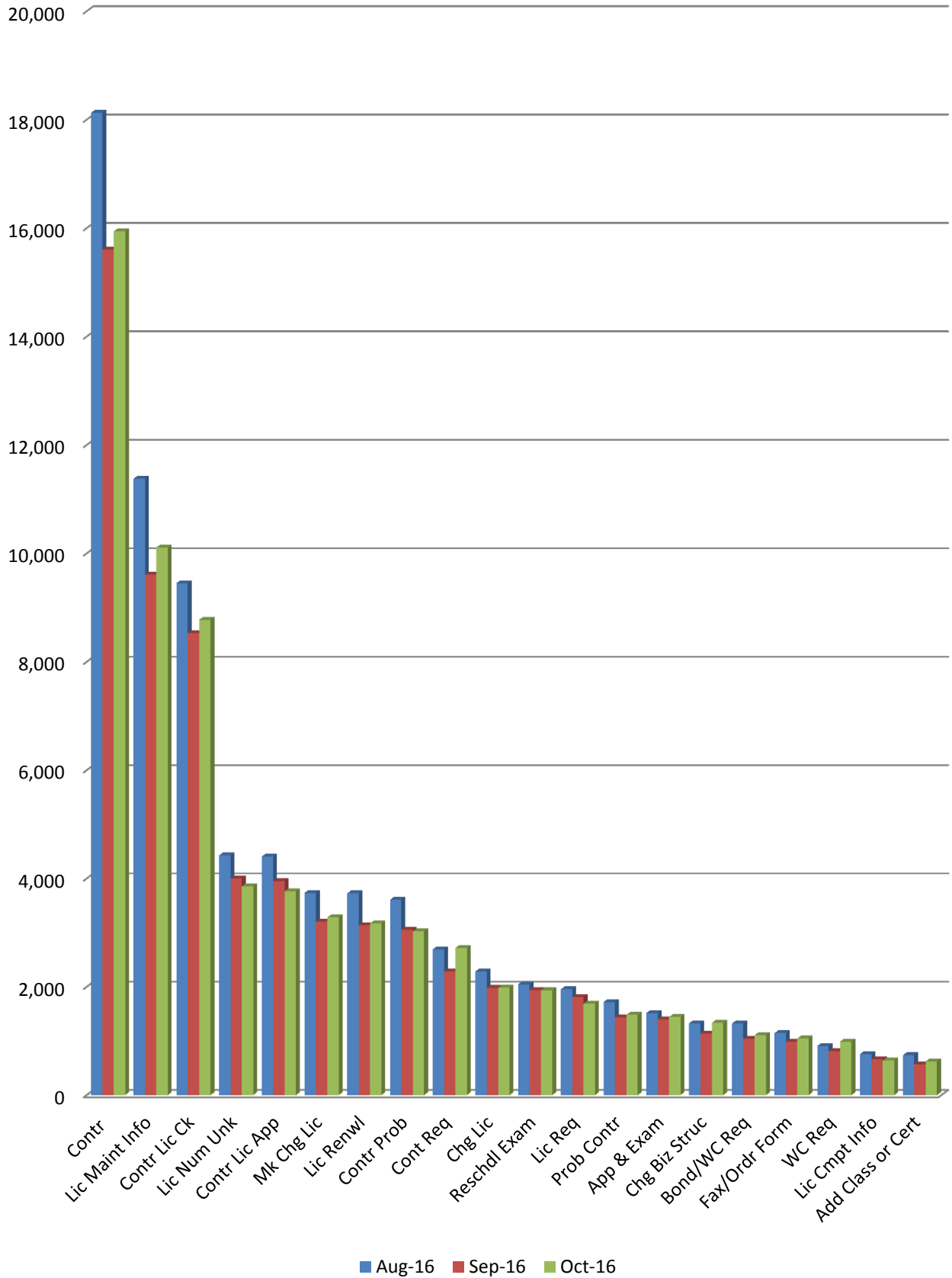
The IVR system offers dozens of possible menu options. Following is a list of the top 20 IVR requests from August 2016 through October 2016.

**Top 20 IVR Requests - Aug '16 - Oct '16**

IVR Statistics	Aug 2016	Sept 2016	Oct 2016	Total
IVR calls received	41,715	36,198	36,081	113,994
Monthly average				37,998
Top 20 IVR Requests	Aug 2016	Sept 2016	Oct 2016	3 Month Totals
Contact or Want to Become Contractor	18,126	15,603	15,940	49,669
Info on Maintaining or Changing License	11,379	9,608	10,110	31,097
Contractor's License Check	9,450	8,527	8,776	26,753
License Number Not Known	4,428	3,997	3,858	12,283
Contractor License Application	4,407	3,953	3,764	12,124
About Making Changes to License	3,735	3,203	3,283	10,221
About License Renewal	3,727	3,137	3,170	10,034
Hire or Problem with Contractor	3,607	3,059	3,026	9,692
About Continuing Requirements	2,691	2,280	2,719	7,690
For Changes to Existing Licenses	2,285	1,980	1,983	6,248
Reschedule Exam Date	2,046	1,939	1,938	5,923
License Requirements	1,955	1,810	1,689	5,454
Info on Problems with Contractor	1,720	1,437	1,482	4,639
General Application & Examination Info	1,516	1,398	1,442	4,356
For Changing the Business Structure of an Existing	1,326	1,137	1,334	3,797
Info about Bond or Workers' Comp Requirements	1,320	1,036	1,107	3,463
To Fax Forms, or To Order Forms by Mail	1,145	982	1,047	3,174
Info about Workers' Comp Requirements	908	815	990	2,713
License Complaint Information	758	664	641	2,063
For Adding Classifications, Certifications or Chan	737	571	622	1,930



Top 20 IVR Requests - Aug'16 - Oct'16

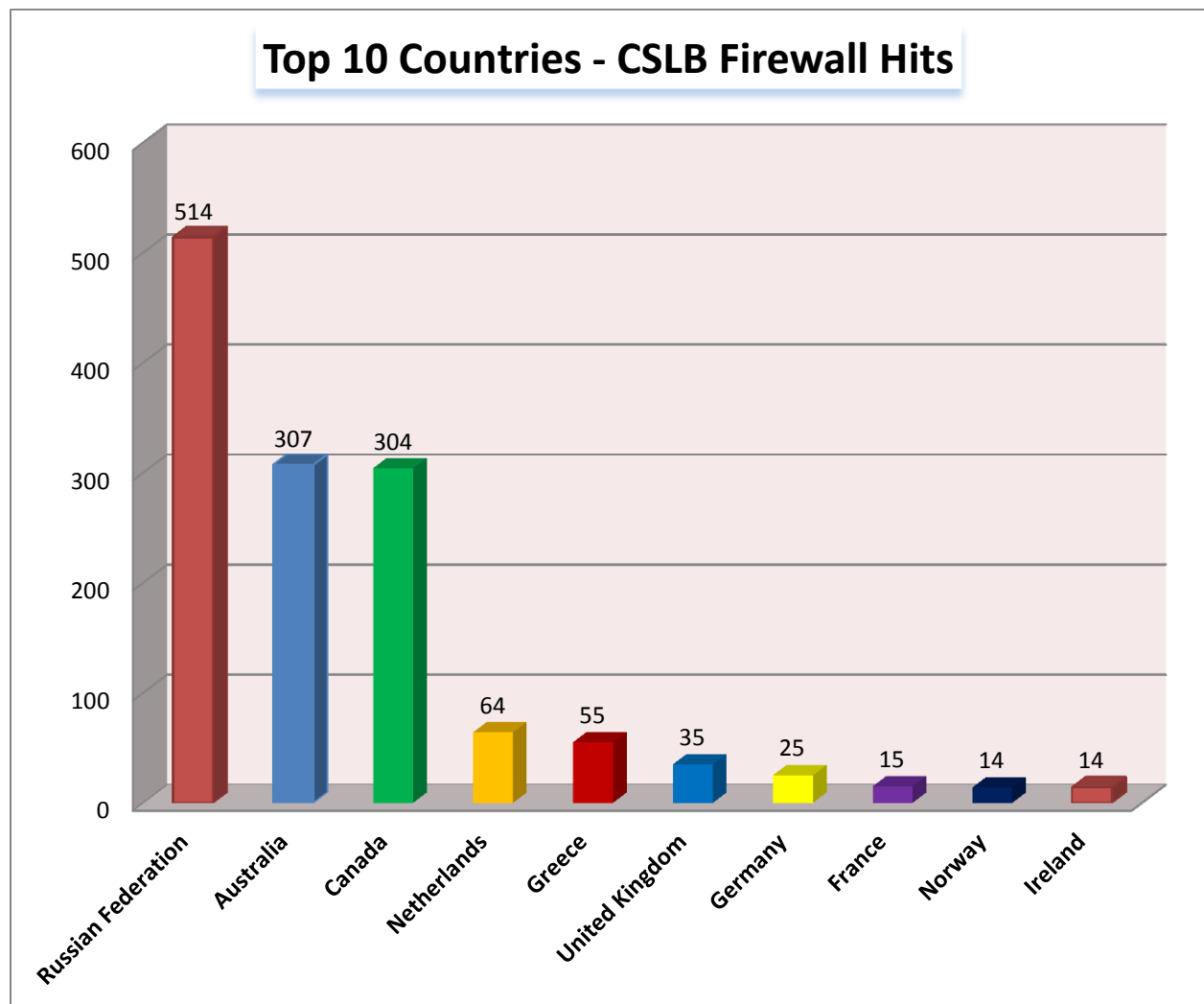




Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security on the Board’s information technology networks, systems, and applications. Using a multi-layered defense utilizing various security products (Next Generation Firewall, anti-spam and anti-virus programs, web filtering, intrusion detection and prevention systems, event management, and correlation tools), 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 November 15, 2016, all of which were successfully denied. To date, utilizing best practices, CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have succeeded.





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2016-18 OBJECTIVES

(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 2016	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	First meeting held August 24, 2016; IT division will continue to review project list and prioritize as operation needs change; next meeting is scheduled for November 29, 2016, and will continue as needed to ensure that CSLB IT resources are focused on the business initiatives and objectives of CSLB.
5.2 Conduct Needs Assessment to Determine Requirements for New Licensing-Enforcement Computer System	September 2016	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' BreEZe Project)	CSLB has acquired services from “VIP” consulting group to assist with completing the “as-is”, “to-be” and business requirements; project kick-off meeting was held on November 10, 2016, and CSLB staff are now fully engaged in this one-year contract work effort.
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)	The Information Technology unit has begun the phase 2 deployment of new Samsung smartphones to SWIFT management personnel in Sacramento HQ, Oxnard, Norwalk, San Francisco, Berkeley and Santa Rosa; the deployments is scheduled to be complete mid-December 2016. Phase 3 of this deployment will include the remaining Enforcement staff sometime during the early part of 2017.
5.4 Implement Online Application for Home Improvement Salesperson (I)	February 2017	Applicants would be able to submit applications online, association-disassociation, and could submit online registration renewals (may be affected by Teale)	In process; HIS online association and disassociation tasks currently being developed, followed by HIS application processing; target launch: Summer 2017
5.5 Implement ePayment Expansion to San Bernardino Office (E)	June 2017	Will take place after completion of building improvements	E-Payment will be expanded to San Bernardino field office immediately after building improvements are completed; project is pending due to ADA and Fire Marshall approvals; work has not yet started.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

<p>5.6 Research Options to Replace Current Imaging and Workflow Automated System (IWAS) (I)</p>	<p>October 2017</p>	<p>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)</p>	<p>In progress; currently researching DOCSTAR solution; working with vendor to get product demo; also researching other state agencies that have both an Imaging and Workflow Automated System</p>
<p>5.7 Implement Online ePayment System (E)</p>	<p>December 2017</p>	<p>Expand ePayment system currently only available in CSLB offices, by allowing 16 payment types to be made by credit card online</p>	<p>Not yet started</p>
<p>5.8 Implement SCORE 2.0 Programming (E)</p>	<p>December 2018</p>	<p>Allow exam development and administration to be more effective and efficient</p>	<p>Not yet started</p>

AGENDA ITEM H-5

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

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

Through September 30, 2016, CSLB spent or encumbered \$17.5 million, roughly 27 percent of its FY 2016-17 budget. This chart details the CSLB FY 2016-17 budget, including expenditures through September, 2016:

EXPENDITURE DESCRIPTION	FY 2016-17 APPROVED BUDGET	SEPTEMBER 2016 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	23,076,000	5,310,857	17,765,143	77.0%
Board Members	16,000	600	15,400	96.3%
Temp Help	860,000	123,729	736,271	85.6%
Exam Proctor	41,000	24,930	16,070	39.2%
Overtime	146,000	29,733	116,267	79.6%
Staff Benefits	11,114,000	2,699,355	8,414,645	75.7%
TOTALS, PERSONNEL	35,253,000	8,189,204	27,063,796	76.8%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	20,937,000	8,642,392	12,294,608	58.7%
Exams	436,000	46,407	389,593	89.4%
Enforcement	8,535,000	860,519	7,674,481	89.9%
TOTALS, OE&E	29,908,000	9,549,318	20,358,682	68.1%
TOTALS	65,161,000	17,738,522	47,422,478	72.8%
Scheduled Reimbursements	-353,000	-61,338	-291,662	
Unscheduled Reimbursements		-100,862	100,862	
TOTALS, NET REIMBURSEMENTS	64,808,000	17,576,322	47,231,678	72.9%

❖ Revenue

CSLB received the following revenue amounts through September 30, 2016:

Revenue Category	Through 09/30/2016	Percentage of Revenue	Change from prior year (09/30/2015)*
Duplicate License/Wall Certificate Fees	\$25,978	0.2%	24.1%
New License and Application Fees	\$2,955,801	18.7%	12.9%
License and Registration Renewal Fees	\$11,626,494	73.7%	-13.0%
Delinquent Renewal Fees	\$608,420	3.9%	1.7%
Interest	\$0	0.0%	0.0%
Penalty Assessments	\$524,033	3.3%	23.5%
Misc. Revenue	\$30,067	0.2%	28.2%
Total	\$15,770,793	100.00%	-8.2%

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



❖ **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 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	\$11,958	\$9,306
Prior Year Adjustment	\$252	\$0	\$0	\$0
Adjusted Beginning Balance	\$24,051	\$19,040	\$11,958	\$9,306
Revenues and Transfers				
Revenue	\$56,030	\$57,807	\$56,274	\$58,381
Statutory Fee Increase, effective July 1, 2017			\$6,530	\$6,762
Totals, Resources	\$80,081	\$76,847	\$74,762	\$74,449
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$60,929	\$64,808	\$65,456	\$66,111
State Controller (State Operations)	\$0			
Financial Info System Charges	\$112	\$81		
Total Expenditures	\$61,041	\$64,889	\$65,456	\$66,111
Fund Balance				
Reserve for economic uncertainties	\$19,040	\$11,958	\$9,306	\$8,338
Months in Reserve	3.5	2.2	1.7	1.6

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 1% starting in BY 2017-18, and then ongoing.



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
Total	11,335	12,193	13,256	14,774
			<i>% Change from Prior FY</i>	11.5%

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
Total	5,895	5,999	6,171	6,963
			<i>% Change from Prior FY</i>	12.8%
			<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
Total	3,846	4,806	4,237	5,311
			<i>% Change from Prior FY</i>	25.3%
			<i>% Licenses Issued of Original Apps Rcvd</i>	76.0%

Licenses Renewed

	2013-14	<i>PEAK</i> 2014-15	2015-16	<i>PEAK</i> 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
Total	37,561	41,616	38,988	40,520
			<i>% Change from Peak FY 2014-15</i>	-2.6%

**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
Total	1,238	2,257	2,709	1,874
		<i>% Change from Prior FY</i>		<i>-30.8%</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
Total	553	650	592	968
		<i>% Change from Prior FY</i>		<i>63.5%</i>

License Population by Status

	October 2014	October 2015	October 2016
Active	223,013	223,912	224,064
Inactive	62,780	60,683	58,849
Subtotal	285,793	284,595	282,913
Other*	472,881	484,335	497,502
Expired	405,138	413,901	424,106
Expired % of Other	85.7%	85.5%	85.2%
Grand Total	758,674	768,930	780,415

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

HIS Registration Population by Status

	October 2014	October 2015	October 2016
Active	10,718	14,078	16,214
Other*	89,893	93,806	70,774
Total	100,611	107,884	86,988

* 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

	October 2015	October 2016
Administration	3.0	1.0
Executive/Public Affairs	0.0	2.0
IT	3.0	2.0
Licensing/Testing	6.5	11.0
Enforcement	23.5	29.0
Total	36.0	45.0

AGENDA ITEM I

Adjournment

