

NOVEMBER 3, 2016
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Public Affairs and
Legislative Committee
Meetings





CONTRACTORS STATE LICENSE BOARD

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**CSLB Public Affairs and Legislative Committee Meetings
Thursday, November 3, 2016
1:00 p.m.
CSLB HQ, John C. Hall Hearing Room
9821 Business Park Drive, Sacramento, CA 95827**

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NOVEMBER 3, 2016
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Public Affairs
Committee Meeting



AGENDA ITEM A

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

PUBLIC AFFAIRS COMMITTEE MEMBERS:

DAVID DIAS, CHAIR

KEVIN J. ALBANESE

DAVID DE LA TORRE

PASTOR HERRERA, JR.

NANCY SPRINGER

Committee Chair David Dias will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session for Items not on the Agenda and Future Agenda Item Requests

(Note: Individuals may appear before the Committee to discuss items not on the agenda; however, the CSLB's Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).



AGENDA ITEM C

Public Affairs Program Update

1. Online Highlights
2. Video/Digital Services
3. Media Relations Highlights
4. Industry, Licensee and Community Outreach Highlights
5. 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
October 2015	681,498	280,255	4,847,312	7.11	6:01	20.54%	23.04%
November	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%
12-Month Avg.	676,719	288,668	4,702,749	6.95	5:53	21.33%	26.90%



Types of Devices – By Percentage

Month	All Users			New Users Only		
	Desktop	Mobile	Tablet	Desktop	Mobile	Tablet
October 2015	76.90%	18.95%	4.14%	67.64%	26.35%	6.02%
November	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%
12 Month Avg.	75.48%	20.66%	3.86%	65.49%	28.77%	5.73%

The following chart was provided in expanded form at the September 2016 Board meeting. It will be updated in its expanded form for the December 2016 Board meeting.

The Most Viewed Pages on CSLB Website (May 1, 2016 – July 31, 2016) (Does Not Include Instant License Check or Online Services Pages)

	Page Title	Page Views	Link
1.	Home Page	1,118,433	www.cslb.ca.gov
2.	Forms and Applications	147,778	www.cslb.ca.gov/about_us/library/forms_and_applications.aspx
3.	Licensing Classifications -	77,527	www.cslb.ca.gov/about_us/library/licensing_classifications/
4.	Conditional and Unconditional Waiver and Release Forms	62,418	www.cslb.ca.gov/consumers/legal_issues_for_consumers/mechanics_li/en/conditional_and_unconditional_waiver_release_form.aspx
5.	Applicants	54,792	www.cslb.ca.gov/contractors/applicants/
6.	Contact CSLB	54,185	www.cslb.ca.gov/about_us/contact_cslb.aspx
7.	“B” Licensing Classification	47,683	www.cslb.ca.gov/about_us/library/licensing_classifications/b_-_general_building_contractor.aspx
8.	Apply for a Contractor License	47,433	www.cslb.ca.gov/contractors/applicants/contractors_license/
9.	Contractors Overview	43,604	www.cslb.ca.gov/contractors/contractors.aspx
10.	Maintain and Change Your License	43,246	www.cslb.ca.gov/contractors/maintain_license/
11.	Apply for a Contractor’s License - Exam Required	39,675	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/
12.	Filing a Construction Complaint	35,346	www.cslb.ca.gov/consumers/filing_a_complaint/
13.	Before Applying For Exam	34,830	www.cslb.ca.gov/contractors/applicants/contractors_license/exam_application/before_applying_for_license.aspx
14.	Guides and Publications	34,222	www.cslb.ca.gov/about_us/library/guides_and_publications/



15.	Consumers	25,648	www.cslb.ca.gov/consumers/consumers.aspx
16.	Examination Study Guides	21,969	www.cslb.ca.gov/contractors/applicants/examination_study_guides/
17.	Hire a Licensed Contractor	18,489	www.cslb.ca.gov/consumers/hire_a_contractor/
18.	Frequently Asked Questions	17,906	www.cslb.ca.gov/about_us/faqs/
19.	New Mechanics Lien Release Forms Available on CSLB Website	16,075	www.cslb.ca.gov/media_room/industry_bulletins/2012/july_11.aspx
20.	Renew Your License	15,700	www.cslb.ca.gov/contractors/maintain_license/renew_license/

VIDEO/DIGITAL SERVICES

Live Webcasts

- *Meetings*

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

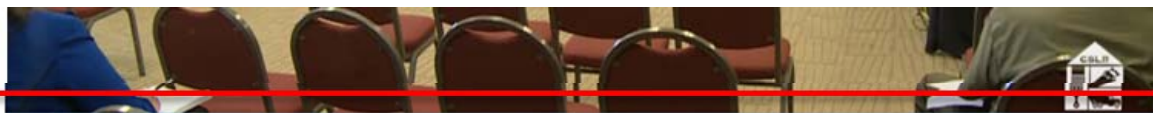


Board Meeting Day 1- 9/19/16



Board Meeting Day 2- 9/20/16

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 average number of live viewers by approximately 393 percent.

Average # of Ustream Live Viewers	YouTube Live Viewers 9/19/16 Board Meeting	YouTube Live Viewers 9/20/16 Board Meeting
23	115	66

Social Media

CSLB continues to use a variety of infographics to post information and engage with our audience via social media. Below you will find 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
November 2010	86	50	2	-	-	-
November 2011	731	638	20	-	-	-
November 2012	1,139	1,040	282	-	-	-
November 2013	1,457	1,349	343	-	-	-
November 2014	1,796	1,622	352	-	-	-
November 2015	2,228	1,824	434	10	14	-
Oct. 19, 2016	2,886	2,091	585	61	58	12

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 to communicate with the public in as many ways as possible.



Facebook Growth

Between September 22, 2016 and October 19, 2016, CSLB “reached” 19,081 people on its Facebook page, an increase of 34 percent since the September 2016 Board meeting.

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

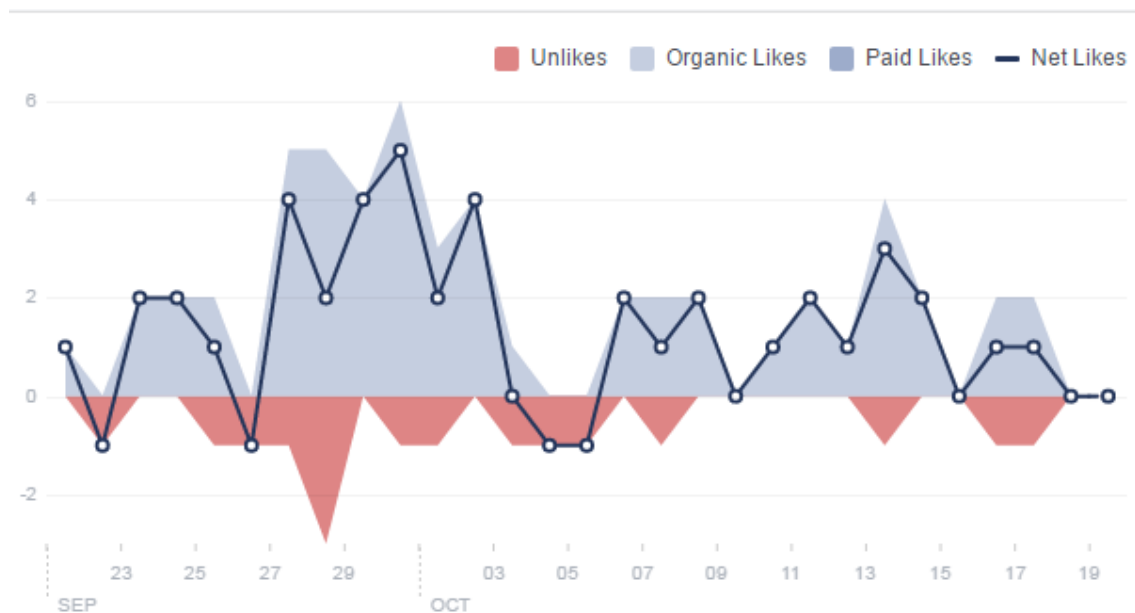
- Enforcement Supervisor Job Post - 1.6K reach

09/29/2016
1:20 pm



The Contractors State License Board is currently recruiting for an

The following chart shows the net growth per day since the end of July 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 September 21, 2016 and October 19, 2016, CSLB gained 43 followers on Twitter, growing from 2,048 to 2,091.

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

California Blitz – 1.45K 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 currently uses Periscope to stream live videos before Board meetings and during outreach events. A link to the live stream can be sent out via social media and is available for viewers for 24 hours. Periscope allows viewers to send “hearts” (likes) to the broadcaster by tapping on the mobile screen as a form of appreciation. Viewers can also send comments and questions during the broadcast. CSLB has a total of 455 likes on its Periscope channel.



YouTube Growth

CSLB's YouTube Channel received 3,922 views between September 20, 2016 and October 19, 2016, an average of 140 visits per day. Viewers watched a combined total of 13,528 minutes of video. During this same time, CSLB gained 30 followers on YouTube, growing from 555 to 585.



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

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

- CSLB has a total of 364,113 views since the page was created in 2009.
- 76 percent of CSLB YouTube viewers are male, 24 percent are female. The percentage of male followers has decreased by seven percent since the September 2016 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 October 19, 2016, CSLB has 247 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

The total subscriber database currently stands at 25,938, which includes 405 new accounts since the Board's June 2016 meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,371 active email addresses, which brings the combined email database to 104,309 addresses.

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
October 19, 2016	7,192	4,615	7,757	6,322	155



MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between August 29 and October 19, 2016, PAO staff responded to 22 media inquiries. PAO provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

Over the past year, PAO responded to 142 media inquiries. The following chart breaks down these calls by month:

Date	# of Media Inquiries
October 2015	27
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
Total	142

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 September 28, 2016, PAO distributed five 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



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. 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 one industry bulletin.

Release Date	Bulletin Title
October 13, 2016	Military Applicants, with Proper Forms, Move to Front of Line for Contractor License Processing

PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS

CSLB publications update (print and online):

Completed

- Asbestos: A Contractor’s Guide and Open Book Exam
- Description of Classifications

In Production

- 10 Tips Cards (English/Spanish)
- 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
- New outreach pull-up banners



COMMUNITY OUTREACH HIGHLIGHTS

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.

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

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

EMPLOYEE RELATIONS

Media Training

On October 7, 2016, PAO provided media training for staff in the San Diego Investigative Center. The training was provided via CSLB’s new WebEx online meeting system, and therefore did not require travel.



Intranet (CSLBin)

CSLBin, the employee-only Intranet site, 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 Blue Angels air show practice, and a recap of the Statewide Investigative Fraud Team's Fall California Blitz sting operation.



Competition Was Hot at HQ Chili Cookoff
10.7.16



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



Newest Board Member Gets Crash Course on CSLB
10.6.16

Board of Chair Angie Berben. Mr. Layton was named by Assembly Speaker Anthony Rendon to take the place of longtime Board member Bob Lamb, who recently stepped down after several years in office. A credit to his standing and

HQ Staff Gets Close-Up of Blue Angels Team
10.6.16



Headquarters staff was getting a closer look at the world's most famous flight team during the annual Blue Angels flight demonstration here. The Blue Angels were in town for several days for a number of events, including a flight demonstration at the California State Fair. The HQ staff got a chance to see the jets up close and in person. The flight team was in town for several days for a number of events, including a flight demonstration at the California State Fair. The HQ staff got a chance to see the jets up close and in person. The flight team was in town for several days for a number of events, including a flight demonstration at the California State Fair. The HQ staff got a chance to see the jets up close and in person.

Fall Blitz Uses 1-2 Punch Against Unlicensed Contracting
10.27.16

State's 1-2 punch strategy against unlicensed contractors is paying off during the Fall California Blitz. The strategy involves a two-pronged approach: first, a pre-emptive strike on the state, and then a follow-up with flying squadrons of enforcement agents in the field.



AGENDA ITEM D

Review, Discussion and Possible Approval of 2017-2019 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, journeymen, 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 trade 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 / Journeymen
- 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

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**

Specific timetables priorities are determined with an Action Plan that is set by the Board during its annual strategic planning session.

XII. Measurements of 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 improvement goals and results will be given to the above methods, such as percentages of increase, number of impressions, surveys, and other measurable tracking.

AGENDA ITEM E

Adjournment



NOVEMBER 3, 2016
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Legislative
Committee Meeting



AGENDA ITEM A

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

LEGISLATIVE COMMITTEE MEMBERS:

NANCY SPRINGER, CHAIR

DAVID DIAS

JOAN HANCOCK

MICHAEL A. LAYTON

PAUL SCHIFINO

JOHNNY SIMPSON

Committee Chair Nancy Springer will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session for Items not on the Agenda and Future Agenda Item Requests

(Note: Individuals may appear before the Committee to discuss items not on the agenda; however, the CSLB's Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).



AGENDA ITEM C

Update on 2016 Legislation

1. AB 1793 (Holden) – License Requirements:
Recovery Actions
2. AB 2486 (Baker) – License Search
3. AB 2693 (Dababneh) – Financing Requirements:
Property Improvements
4. AB 2859 (Low) – Retired License
5. SB 66 Leyva – Information Sharing
6. SB 465 (Hill) – Contractors: Discipline: Reporting
7. SB 661 (Hill) – Protection of Subsurface Installations
8. SB 1039 (Hill) – CSLB Fees
9. SB 1209 (Morrell) – Contractors: Discipline
10. SB 1348 (Canella) – Licensure Applications:
Military Experience
11. 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
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

AGENDA ITEM D

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

1. Amendments to Business and Professions Code (BPC) Sections 7058.5 and 7058.6 and Labor Code Section 6501.5 (Asbestos Certification); BPC Section 7075.1 (Transferability of License); BPC Section 7085 (Referral to Arbitration); BPC Section 7145.5 (Final Liabilities)
2. Amendments to Business and Professions Code Sections 7099.2 and 7124.6 – Letter of Admonishment





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 7058.5 and 7058.6 and Labor Code section 6501.5, a contractor must hold the asbestos certification in order to perform asbestos-related work.

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.



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 7058.5 and 7058.6 and Labor Code section 6501.5 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.

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 believes this subsection is ambiguous and problematic, and cannot be implemented. The reason is that a business cannot “acquire a license/licensee” through an asset sale. A license/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 that is 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 this is the only subsection authorizing license number reissuance or reassignment that requires no connection to the original licensee who previously held the license number. 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 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 lesser cases that fall under subsection (b) may be better resolved if the Registrar instead had the ability to close the complaint or to 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 when it would be the most appropriate resolution to a complaint, as opposed to requiring it in all lesser cases that fall under subsection (b).

4. In regards 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 in order 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 or serious injury to an employee.

5. In regards to a failure to resolve outstanding liabilities as grounds for refusal to 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 7058.5 and 7058.6 and Labor Code section 6501.5 for the purpose of incorporating the C-22 asbestos abatement classification into the asbestos-related work requirements.
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 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, rather than mandatory in all lesser cases as the existing language requires. The proposal would also clarify some of the 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's not believed these proposals would have any impact on other CSLB divisions.



PROPOSED LANGUAGE:

1. 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 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.)

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 ANALYSIS

Subject: This proposal makes five different changes to various provisions of Contractors State License Law (CSLL) and one related change to the Labor Code.

Relevant Provisions: Business & Professions Code (BPC) Sections 7058.5, 7058.6, 7075.1, 7085, 7109.5, 7145.5, and Labor Code Section 6501.5

Summary:

1. The Contractors State License Board (CSLB) created the C-22 Asbestos Abatement classification, effective January 1, 2015. Prior to the creation of the C-22, CSLB only had an asbestos certification which could be added to a license.

This proposal makes changes both to the Contractors State License Law (CSLL) and the Labor Code to reflect the creation of the C-22 specialty classification.

2. In 2010, legislation was enacted authorizing CSLB to issue a license to a limited liability company (LLC). The legislation amended several sections of the CSLL to make conforming changes. However, one change CSLB cannot implement is allowing the reassignment of a contractor license number to a corporation or LLC when the new entity acquires a licensee pursuant to an asset sale. Pursuant to other sections of existing law, a business cannot acquire a license through an asset sale.

This proposal would remove the language.

3. CSLB uses an arbitration program, run by an independent party, to resolve some complaints. CSLB uses a mandatory arbitration process to resolve complaints in which the financial remedy will be \$15,000 or less and a voluntary arbitration process to resolve complaints of financial remedy more than \$15,000 and less than \$50,000.

The change in this proposal will clarify that the Registrar retains the authority on whether or not to refer a complaint to arbitration and makes a few other technical changes to clarify existing law.

Staff proposes the clarifying changes as this section was referenced recently in a court case, and the judge noted that it is poorly drafted.

4. This revises a provision in CSLL to reflect an additional reference to California Code of Regulations sections that are authorized by the Labor Code, for violations of safety provisions that result in the death or serious injury of an employee.

This change will improve CSLB's ability to take disciplinary action against contractors who violate these safety provisions.

5. This change would amend a provision of CSLL to use the correct terms for "federal employer identification number" and to add "individual taxpayer identification number," as authorized by a general provision of the BPC.
-



Staff Comments:

This proposal contains several changes that staff believes to be non-controversial, so they are consolidated into one legislative proposal. They will improve the operation and implementation of the CSL, which will benefit both CSLB as well as its stakeholders.



CONTRACTORS STATE LICENSE BOARD

POTENTIAL CSLB 2017 LEGISLATIVE PROPOSALS

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS

Subject: Letter of Admonishment

Relevant Provisions: Business & Professions Code Sections 7099.2 & 7124.6

Summary:

This proposal would authorize the Registrar, or his or her designee, to issue a “letter of admonishment” to an applicant or licensee, which would be publicly disclosed.

The letter of admonishment would be between an advisory notice, which is not disclosed to the public and cannot be the basis for future disciplinary action, and an administrative citation, which is publicly disclosed and may be used as a basis for future disciplinary action.

Staff Comments:

The Enforcement division submits this proposal to provide an additional option when investigating complaints. Enforcement staff plans to use this new option for violations that do not involve a financial injury or an order of correction for consumers.

CSLB's citation workload and associated costs have grown in the last few years:

Fiscal Year	Citations Issued	Citations Appealed	% of Citations Appealed
2012-13	1,968	804	40.9%
2013-14	2,203	1,051	47.7%
2014-15	2,260	980	43.4%
2015-16	2,191	910	41.5%
Total	8,622	3,745	43.4%

Enforcement staff reviewed appealed citations and determined that the average cost to CSLB for an appeal is \$9,860. These are costs incurred in the use of the Attorney General's Office and do not include CSLB staff costs.

Enforcement staff believes creating a letter of admonishment as a new option will increase opportunities to settle offenses before they are elevated to appeal, while still providing a tool to correct offending behavior.

As the appeal process for a letter of admonishment would be handled by CSLB staff, the costs for appeals would be significantly less than formal appeal costs for citations. While the letter of admonishment would be publicly disclosed, it would be for a significantly shorter amount of time than a citation is disclosed, which may make it less likely a licensee will appeal.

This proposal is based on similar authority utilized by the California State Board of Pharmacy.



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Contractors State License Board (CSLB) licensee discipline system; legislation to establish an intermediary action 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 and have a hearing on the evidence before such action is taken. Not only is the accusation process costly and time consuming with travel, attorneys, and witnesses, it left minimal option for progressive discipline for less serious violations.

The licensee citation system was codified in 1979 to provide such an intermediary system to sanction less egregious offenses. Administrative citations give CSLB the opportunity 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.

The system works well; however, as reported at a 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 shows up.

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 now litigated are for offenses that do not allege a financial injury or order of correction for consumers, e.g., such as failure to obtain a permit or workers compensation insurance policy.

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

This proposal will restore that balance by creating an additional “intermediary” level of enforcement action: the “letter of admonishment.” As a sanction less severe than a citation, but more formal than an “advisory notice,” it’s believed the letter of admonishment system will greatly increase opportunities to settle offenses before they are elevated to appeal, while still providing for 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, it’s believed more investigations currently resulting in citations will be resolved internally, saving millions of dollars in litigation costs between CSLB and the Attorney General’s Office. It will also improve cycle times, promote the redirection of enforcement resources to more serious violations, and restore the original intent of administrative citations.



PROPOSED CHANGE: 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 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 E

Adjournment

