

MARCH 30, 2022
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 95827

Mailing Address: P.O. Box 26000, Sacramento, CA 95826

800.321.CSLB (2752) | www.cslb.ca.gov | CheckTheLicenseFirst.com

STATE OF CALIFORNIA

Governor Gavin Newsom

NOTICE OF PUBLIC TELECONFERENCE BOARD MEETING

March 30, 2022, 9:00 a.m. – 12:00 p.m. (or until the conclusion of business)

Pursuant to the statutory provisions of Government Code section 11133 and Executive Order N-1-22, neither a public location nor teleconference locations are provided.

Teleconference Information to Register/Join Meeting for Members of the Public via WebEx:

WebEx Link:

<https://cslb.webex.com/cslb/j.php?MTID=m94c651b8cb872e1f17281aa16f5b87bd>

Event password: f5Ps9JtQcY3

Join by phone

(844) 621-3956 United States Toll Free

(415) 655-0001 US Toll

Access code: 255 072 18049#

The meeting will also be live webcast (with an approximate 30 second delay). Links are available at the end of this agenda.

Meetings are open to the public except when specifically noticed otherwise in accordance with the Open Meeting Act. All times when stated are approximate and subject to change without prior notice at the discretion of the Board unless listed as “time certain.” Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. **Action may be taken on any item listed on this agenda, including information-only items.** The meeting may be canceled without notice.

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the board chair.

MEETING AGENDA

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s introduction and Appointment of Nomination Committee Members
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to offer comment on items not on the meeting agenda; however, the CSLB can neither discuss nor take official action on matters

brought before the Board by members of the public at the same meeting (Government Code sections 11125, 11125.7(a)).

- C. Recognition – May Include Oral Presentations Commemorating Staff and Members of the Public

- D. Executive
 - 1. Review and Possible Approval of the November 29, 2021 Board Meeting Minutes;
 - 2. Review and Possible Approval of the January 26, 2022 Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meetings Summary Report; and
 - 3. Review and Possible Approval of the February 23, 2022 Board Meeting Minutes

 - 4. Registrar’s Report
 - a. Tentative Board Meeting Schedule
 - b. National Association of State Contractors Licensing Agencies Licensing and Enforcement Records Database Concept
 - c. Senior Scam Stoppers
 - d. Accomplishments and Activities Report

 - 5. Review Discussion, and Possible Action to Approve the Board’s 2022 Board Member Administrative Procedure Manual

 - 6. Review, Discussion, and Possible Action to Approve the Board’s 2022-2024 Strategic Plan

 - 7. CSLB Budget Update

 - 8. Administration Update Regarding Personnel and Facilities

 - 9. Information Technology Update

- E. Licensing
 - 1. Accomplishments and Activities Report
 - 2. Licensing and Testing Program Statistical Update
 - 3. Construction Management Education Account Update
 - 4. Test Administration Centers Outsourcing Update

- F. Enforcement
 - 1. Accomplishments and Activities Report
 - 2. Enforcement Program Statistical Update
 - 3. Proactive Enforcement
 - 4. Update on the Solar Energy System Restitution Program
 - 5. PACE Recovery Fund Legislative Proposal

- G. Public Affairs Update
 - 1. Accomplishments and Activities Report

2. Public Affairs Update

H. Legislation

1. Accomplishments and Activities Report

2. Legislation

- a. Update on Previously Considered 2021-2022 Pending Legislation
 - i. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
 - ii. SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage
- b. Review, Discussion, and Possible Action on 2021-22 Pending Legislation
 - i. AB 1733 (Quirk) State bodies: open meetings
 - ii. AB 1747 (Quirk) Contractors: disciplinary action
 - iii. AB 1874 (Smith) Contractors: unlicensed work
 - iv. AB 2105 (Smith) Contractors: initial license fee reduction: veterans
 - v. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping
 - vi. AB 2894 (Cooper) Contractors: workers' compensation insurance
 - vii. SB 1237 (Newman) Licenses: military service
 - viii. SB 1443 (Roth) The Department of Consumer Affairs

3. Regulations

- a. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 823 (Definitions: Bona Fide Employee; Direct Supervision and Control)
- b. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 858.2 (Application for Approval of Blanket Performance and Payment Bond)
- c. Battery Energy Storage Systems
 - i. Background, Board Update, and Preliminary Considerations
 - ii. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend California Code of Regulations, Title 16, Sections 810 (Definitions), 831 (Incidental and Supplemental Defined), 832.10 (Class C-10, Electrical Contractor), and 832.46 (Class C-46, Solar Contractor) by Approving the Proposed Text that was Presented to the Board on November 29, 2021

- iii. In the Alternative, Review, Discussion, and Possible Action by the Board to Direct Staff to Develop Draft Regulatory Text that Reflects an Appropriate Kilowatt-Hour Threshold

CLOSED SESSION

- I. Closed Session: Pursuant to Government Code sections 11126(e)(1) and 11126(e)(2)(A), the Board will confer with and receive advice from Legal Counsel and deliberate regarding the following matter: California Solar Energy Industries Association, Inc. v. Contractors State License Board; David Fogt, et al, Superior Court of the State of California, County of San Francisco, Case No. CGC-21-594911.

RETURN TO OPEN SESSION

- J. Adjournment

Note: The Board intends to provide a live webcast of the meeting. Please be aware there will be an approximate thirty (30) second delay in the webcast.

The webcast can be found at www.cslb.ca.gov or on the board's YouTube Channel: <https://www.youtube.com/user/ContractorsBoard/>. Webcast availability cannot be guaranteed due to limitations on resources or technical difficulties. The meeting will not be cancelled if webcast is not available. Meeting adjournment may not be webcast if adjournment is the only item that occurs after a closed session

The meetings are accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the meetings may make a request by calling (916) 255-4000, or emailing Mariah.Rovera@cslb.ca.gov, or mailing a request for an accommodation to: Contractors State License Board, 9821 Business Park Drive, Sacramento, CA, 95827. Providing your request at least five business days prior to the meetings will help ensure availability of the requested accommodation.

Instructions for Public Participation in CSLB Teleconference Meeting

The instructions below are for members of the public who want to participate in CSLB’s upcoming teleconference meeting, being held via Cisco WebEx. The registration link is on the meeting agenda. There are two ways for you to participate:

1. With Computer, Tablet, or Smart Phone with WebEx
2. With Telephone, not over WebEx

Instructions for each are outlined below.

Please note: In order to participate with a computer, tablet, or smart phone you may need to install a software program. If registering before the meeting, please load this on your computer, tablet, or smart phone at that time. If not, please join at least 15-30 minutes before the meeting starts to give you time to do this.

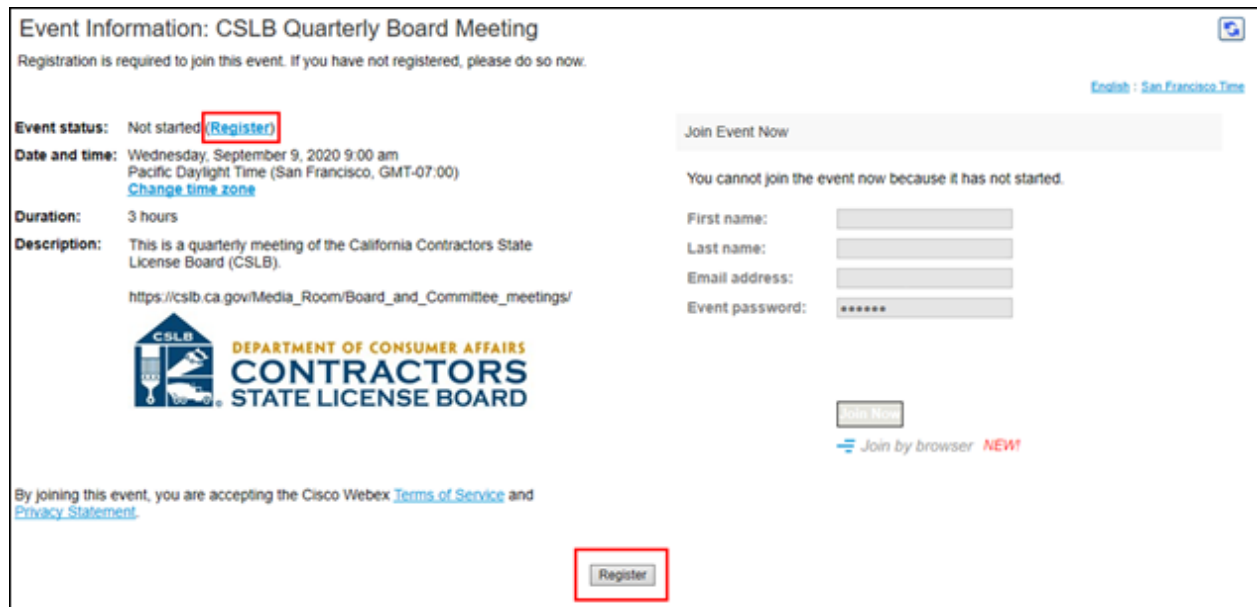
You also will find specifics on how to offer public comment below.

To Watch Meeting & Participate with Computer, Tablet, or Smart Phone with WebEx

This option will provide you live “real time” audio and video of the meeting.

If you are registering in advance of the meeting:

1. Click on the link provided on the meeting agenda. That will take you to the “Event Information Page.”
2. Click on either of the “Register” links on that page, highlighted below with red boxes.



Event Information: CSLB Quarterly Board Meeting

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


English : San Francisco Time

Event status: Not started **Register**

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

Duration: 3 hours

Description: This is a quarterly meeting of the California Contractors State License Board (CSLB).
https://cslb.ca.gov/Media_Room/Board_and_Committee_meetings/

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

Join Event Now

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

First name:

Last name:

Email address:

Event password:

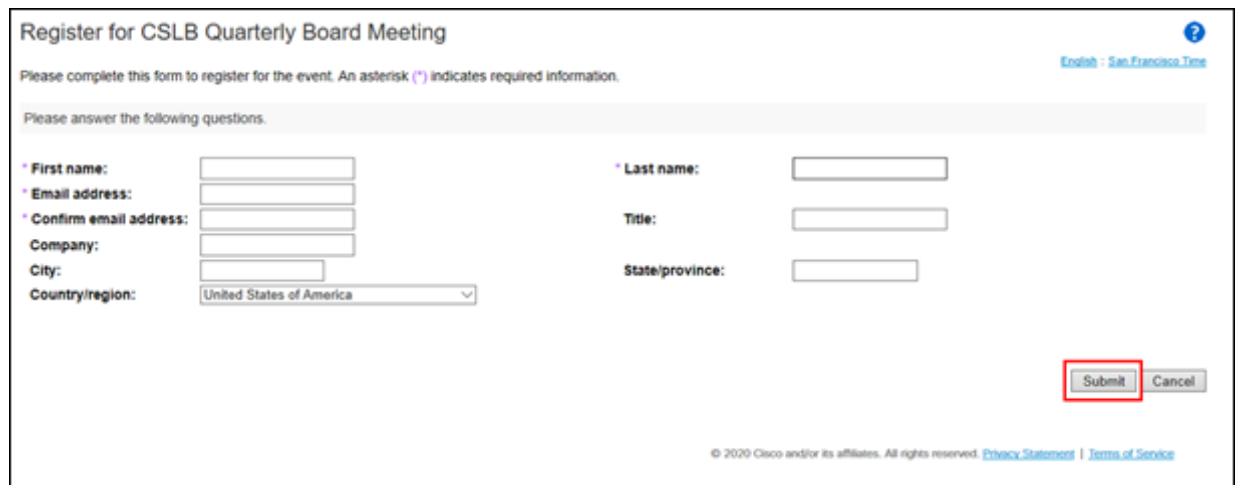
[Join by browser](#) **NEW!**

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

Register

On registration page, enter a first and last name, as well as an email address, and “submit” (highlighted by red box below).

Please note that the name and email address **do not** have to be your real identity. But, the meeting host will use the name you enter to let you know when it is your turn to speak during the meeting. So, if you use a different name to identify yourself, be sure to remember that name when you are called upon to speak.



Register for CSLB Quarterly Board Meeting English - San Francisco Time

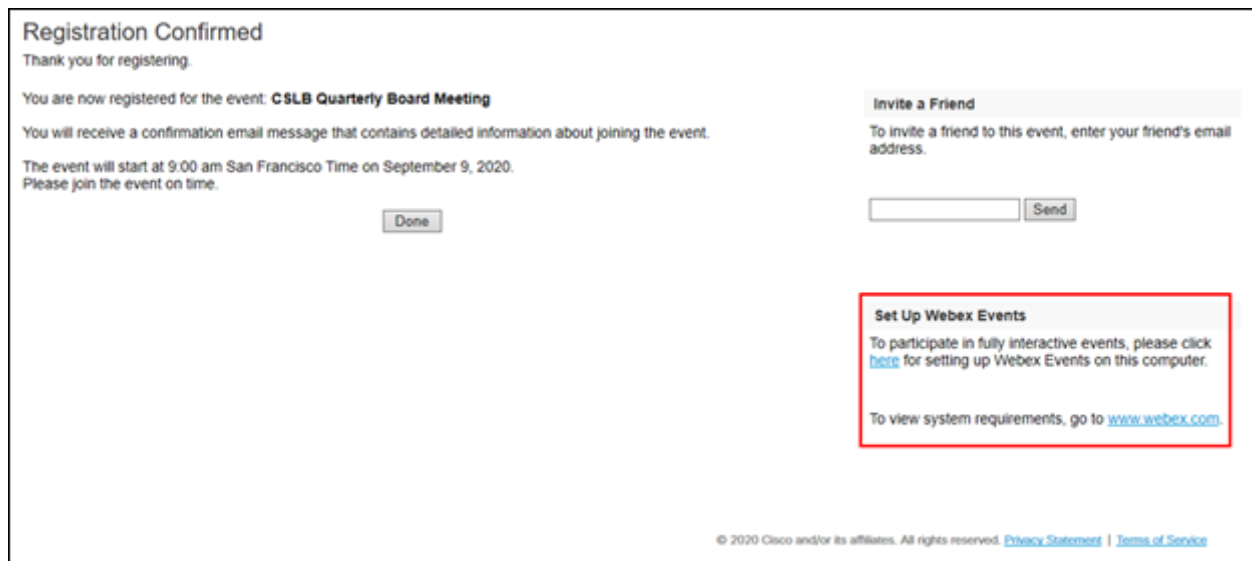
Please complete this form to register for the event. An asterisk (*) indicates required information.

Please answer the following questions.

* First name:	<input type="text"/>	* Last name:	<input type="text"/>
* Email address:	<input type="text"/>	Title:	<input type="text"/>
* Confirm email address:	<input type="text"/>	State/province:	<input type="text"/>
Company:	<input type="text"/>		
City:	<input type="text"/>		
Country/region:	<input type="text" value="United States of America"/>		

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3. A “Registration Confirmation” will be sent to the email address you provided. That confirmation also will link to set up WebEx software on your computer. If you’ve previously used WebEx on your computer, you should not have to reload the software.



Registration Confirmed

Thank you for registering.

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

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

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

Invite a Friend

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

Set Up Webex Events

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

To view system requirements, go to www.webex.com.

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

Your registration was approved for the following Webex event.

Host: CSLB Webex (csibwebex@csib.ca.gov)
Event number (access code): 126 156 4496
Registration ID: This event does not require a registration ID
Event password: 6JwFZpkQZ74

Wednesday, September 9, 2020 9:00 am, Pacific Daylight Time (San Francisco, GMT-07:00)

[Join event](#)

Join the audio conference only
To receive a call back, provide your phone number when you join the event, or call the number below and enter the access code.
+1-415-655-0001 US Toll
1-844-621-3956 United States Toll Free
[Global call-in numbers](#) | [Toll-free dialing restrictions](#)

That invitation will also include a link for you to join the meeting directly.

If you want to join within 30 minutes of the meeting's start time or while the meeting is in progress:

1. Click on the link provided on the meeting agenda. That will take you to the event information page.

Event Information: CSLB Quarterly Board Meeting

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


[English : San Francisco Time](#)

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https://csib.ca.gov/Media_Room/Board_and_Committee_meetings/

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

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

[Register](#)

[Join Event Now](#)

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

First name:
Last name:
Email address:
Event password:

[Join Now](#)
[Join by browser](#) **NEW!**

2. Enter a name and email address in “Join Event Now” section, highlighted above by red box.

Please note that the name and email address **do not** have to be your real identity. But, the meeting host will use the name you enter to let you know when it is your turn to speak during the meeting. So, if you use a different name to identify yourself, be sure to remember that name when you are called upon to speak.

3. Click “Join Now” (also highlighted above with red box) if you have WebEx applet installed or “Join by Browser” if you do not want to load the applet.
4. When joining the meeting, you will choose how you want to get audio. Your choices are: Through your computer; have WebEx call your phone; or you call WebEx. The phone numbers and meeting access code are provided on the meeting agenda.

To Join with Telephone (Not over WebEx)

Call one of the two phone numbers provided on the meeting agenda. Enter the meeting access code when prompted.

To Offer Public Comment During the Meeting

There will be a public comment section during the meeting. The public also will have the opportunity to offer comment during each agenda item.

For those listening to phone and not on WebEx

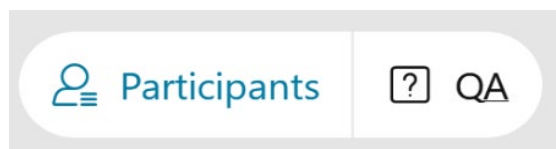
If you want to offer public comment, press *3 on your phone to raise your hand. You'll hear the prompt, "You have raised your hand to ask a question. Please wait to speak until the meeting host calls on you." If you no longer want to comment, or after the host calls upon you, press *3 again to lower your hand. You will hear a message, "You have lowered your hand."

When the host calls on you to offer your comment, your line will be unmuted, and you will be able comment. At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time to be allotted for each public comment.

For those on WebEx with Computer, Tablet, or Smart Phone

Throughout the meeting, any members of the public may indicate they would like to offer comment on a specific agenda item.

Be sure to activate your Q&A feature at the bottom right of your screen.



If you would like to offer public comment on a specific agenda item, send the host a message at any time during that item stating:

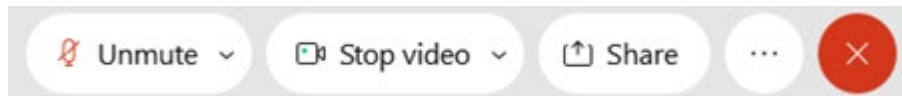
“I would like to make a comment on this item.”

The host will call on the public in the order requests are received. When it is your turn, the host will announce your name, or the name you indicated when you registered, and will unmute your line, allowing you to make your public comment.

At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time allotted for each public comment. The host will note this in the chat as well.

Leaving the Meeting

At either the conclusion of the meeting, or anytime you wish to leave, you can do so by clicking on the red circle with X in it at the bottom of your screen. After confirming, you will be disconnected from the meeting.



For those calling in on telephone without WebEx, simply hang up.

ADDITIONAL ASSISTANCE

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

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



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9:00 a.m. – 12:00 p.m. (or until the conclusion of business)

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 - iii. In the Alternative, Review, Discussion, and Possible Action by the Board to Direct Staff to Develop Draft Regulatory Text that Reflects an Appropriate Kilowatt-Hour Threshold

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AGENDA ITEM A

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

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

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

Board Member Roster

FRANK ALTAMURA, JR

RODNEY M. COBOS

DAVID DE LA TORRE

MIGUEL GALARZA

DONALD GIARRATANO

SUSAN GRANZELLA

ALAN GUY

DIANA LOVE

MICHAEL MARK

STEVEN PANELLI

JAMES RUANE

JOHNNY SIMPSON

MARY TEICHERT



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Recognition – May Include Oral
Presentations Commemorating
Staff and Members of the Public



AGENDA ITEM D

Executive



AGENDA ITEM D-1

Review and Possible Approval of the November 29, 2021 Board Meeting Minutes



**Board Meeting Minutes
November 29, 2021**

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR’S INTRODUCTION

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Monday, November 29, 2021, via public webcast.

A quorum was established. Board Vice Chair Mary Teichert led the Board in the Pledge of Allegiance.

New Board Members Cynthia Rich and Steve Panelli introduced themselves.

Board Members Present

Susan Granzella, Chair	Michael Mark
Rodney Cobos	Steve Panelli
David De La Torre	Cynthia Rich
Miguel Galarza	Jim Ruane
Donald Giarratano	Johnny Simpson
Diana Love	Mary Teichert

Board Member Frank Altamura had an approved absence.

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Michael Jamnetski, Chief of Legislation
Kayla Bosley, Executive Staff
Mike Melliza, Chief of Administration
Justin Paddock, Chief of Licensing
Stacey Paul, Budget Manager
Jason Perez, Chief of Information Technology

DCA Staff Present

Jason Hurtado, Legal Counsel

B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS

Mark Smith, Advocate for the Sacramento Regional Builders Association and the Sacramento Builders Exchange Alliance, thanked Chair Granzella for presenting

opening remarks via video at the 2021 Women in Construction Conference. Smith expressed appreciation to Chair Granzella for presenting on short notice and noted that over 500 members were in attendance.

C. PRESENTATION OF CERTIFICATES OF RECOGNITION – MAY INCLUDE ORAL PRESENTATIONS COMMEMORATING ACHIEVEMENTS AND SERVICE OF CSLB STAFF

Information Technology Staff

Chair Granzella thanked the information technology (IT) staff, Jason Perez, Mike Collins, Raju Sah, Wayne Rodger, Glenda Takimoto, Bill Schroeder, Peter DiFalco, Aravind Natarajan and Andrea Sisto for their exceptional work on the single qualifier project that enables 96 percent of licensees to renew their license online. Chair Granzella commented on the work of the IT Advisory Group and noted the progress over the past year.

Staff Comment

Registrar David Fogt commented on the fine work of the IT staff and highlighted the achievement of making information available at no charge and implementing business friendly changes such as providing for same-day processing of license renewals through online renewal.

Registrar Fogt expressed appreciation for Chair Granzella providing opening comments at the 2021 Women in Construction under short notice that was mentioned earlier during Agenda item B - public comment.

Board Comment

Vice Chair Teichert expressed her appreciation to Chair Granzella for leading the discussion.

Chair Granzella expressed appreciation to board staff and Public Affairs for their assistance.

D. LEGISLATION

Chair Granzella led the discussion of agenda item (D)(1) which memorializes in regulation (Title 16 of the California Code of Regulations: section 810, 831, 832.10 and 832.46) the action the Board took at the July 27, 2021 Board Meeting.

Chair Granzella memorialized the Board's action at the July 27, 2021 meeting, specifically that the Board moved and voted to rescind all prior staff determinations that a C-46 licensee may install Battery Energy Storage Systems (BESS) as incidental and supplemental work and adopt U.C. Berkeley's

recommendation to preclude the C-46 Solar Contract from installing BESS in any setting.

Chair Granzella informed the Board that on September 23, 2021, the California Solar and Storage Association filed a petition for writ of mandate and complaint on the grounds that CSLB did not comply with the Administrative Procedures Act (APA) when it moved to preclude the C-46 from BESS installation without going through the formal rulemaking process.

Chair Granzella noted staff were requesting Board authorization to commence the regulatory rulemaking process under the APA regarding the permissible scope of work by C-46 licensees related to Battery Energy Storage Systems but wanted to first update the Board on meetings held with industry representatives.

Chair Granzella, Vice Chair Teichert, and CSLB staff had two meetings with industry representatives on November 22, 2021: Meeting first with CalSSA and holding a second meeting with representatives of the National Electrical Contractor Association and International Brotherhood of Electrical Workers. The meetings were an opportunity for CSLB to hear from each perspective group regarding their positions on the proposed regulatory language in the board packet. Chair Granzella expressed that the parties effectively presented their positions.

Chair Granzella proposed 2 options for the Board to consider.

Option 1: The Board may consider approving the proposed text as presented in the Board packet and authorize staff to commence the regulatory rulemaking process in compliance with the APA. Chair Granzella noted staff would have one year to complete the regulatory rulemaking once the notice of proposed action was published and further discussed the various public comment periods and noticing requirements under the APA.

Option 2: The Board may elect to not move forward with the proposed regulation text today, and instead refer the matter to the Board's Legislative Committee. Staff would obtain additional stakeholder input and develop alternative regulatory language that may be acceptable to both the solar and electrical stakeholders. This would require further industry meetings. Chair Granzella noted that this would provide stakeholders more opportunity to reach common ground.

Chair Granzella read the staff recommendation noted on page 12 of the board packet as the proposed motion for Option 1.

Chair Granzella then stated the proposed motion for Option 2, specifically: First, refer this matter to the Board's Legislative committee meeting; second, direct staff to collect additional stakeholder input; and third develop alternative

regulatory language that may be acceptable to both the solar and electrical stakeholders.

Board Comment

Vice Chair Teichert noted her participation in the meetings with Chair Granzella, CSLB staff and attorneys, and industry stakeholders. Vice Chair Teichert made a motion for Option 2 and discussed her rationale. She noted that industry shared common interest specific to consumer safety being driven by competent installers, all support small contractors especially women and minority owned contractors, and shared support of the state's goal on alternative energy. Vice Chair Teichert acknowledged the process has been long and exhaustive, but that investing the time for one more round of input could generate a solution that preserves safety, safe installation, and allows for hundreds of women and minority contractors to remain in business. Vice Chair Teichert confirmed that she was making the motion for Option 2 as Chair Granzella outlined.

Board Member David De La Torre seconded that motion.

Board Member Rodney Cobos asked if Option 1 allowed for stakeholder input. Legal Counsel Jason Hurtado responded that during the 45-day comment period both the solar and electrical industry can provide input.

Vice Chair Teichert added that public input is provided for in Option 1 and Option 2 and opined it could be faster with Option 2 having input at the onset of the process.

Board Member Johnny Simpson noted the lengthy process, numerous meetings held to date, and that the public provided input. He expressed he was not in favor of Option 2 as it further stalls the process and recommended Option 1 to begin the rulemaking process. He noted that the parties can continue to meet under Option 1.

Board Member Simpson asked for consideration of adding a timeframe to the motion. Vice Chair Teichert agreed and asked CSLB staff on the timeframe needed.

Registrar Fogt stated that if Option 2 was to pass, the goal would be to conduct stakeholder meetings in December and/or January with the goal of having a Legislative committee meeting in February. The recommendation of the Legislative committee would be brought to the full Board at the March board meeting.

A friendly amendment was made to add a timeframe.

Board Secretary Diana Love commented that she agreed with Vice Chair Teichert and expressed concern with contractors closing down. She said she understands the safety concerns raised to date but would like to see the industries come together. She said she supports Option 2.

Board Member Miguel Galarza commented he was in favor of the motion as it provided additional time to consider the impacts to contractors in the industry and those joining the industry.

Board Member Steve Panelli stated he agreed with Option 2 if Board Member Simpson's amendment is included.

Board Member David De La Torre stated his agreement with a deadline. He said the Board is obligated to exhaust good faith efforts, which Option 2 provides for.

Board Member Michael Mark asked for clarification on the amendment.

Legal Counsel Hurtado clarified the intent of the amendment is that if both stakeholders fail to reach an agreement on proposed text, then come March the Board would vote on the original text as presented today.

Vice Chair Teichert, who made the motion, and Board Member David De La Torre, who seconded the motion, agreed with the amendment as stated by Legal Counsel Hurtado.

Secretary Love asked if the March deadline is a hard a fast deadline? Can it be extended.

Board Member Simpson responded as the amendment maker, that he does not want an extension as part of this.

Legal Counsel Hurtado stated Secretary Love's comments were duly noted but that the amended motion was approved by Mary Teichert and David De La Torre who made and seconded the motion.

Public Comment

John Bardner left a comment in the WebEx chat that stated: Enphase is one of the largest suppliers of residential solar and ESS. Enphase's installers commission between 50 and 100 ESS systems per day. ESS training is available online and in person at their offices and at University.EnphaseEnergy.com. 4,340 have been trained here to date, approximately 200 per month on an ongoing basis. Design training is 2.12 hours, install training is 7.5 hours, sales training 4.6 hours. Training qualifies for NAB, CEP, CEUS. ESS commissioning requires use of our installer toolkit that's a smartphone app. ITK ESS modules is not enabled

until company has at least one individual who has completed both design and install training. Each installer must complete installer training in order to enable ITK ESS module. We make no distinction between C10, C46 or electricians.

Damon Franz, policy manager with Tesla: To date the C-46 and C-10 have installed over 80,000 Tesla power walls without safety incident and is skeptical of a safety need to change. Tesla installers go through a rigorous onboarding process before being allowed to install. There are exams on numerous aspects of the process. He also noted that the battery is developed to be inherently safe even if it was not installed properly. Franz stated that the C-46 can be as competent or more based on their experience and expressed appreciation that the Board is trying to reach an agreeable solution.

Andrew Tanner, from Yotta Energy, asked that the Board work out the language to allow for C-46 to continue to install. Tanner said their batteries are a unique design and technology is always evolving. Tanner stated that the current language would imply that C46 contractors are qualified to connect MC4 connectors to solar modules but are unqualified to connect MC4 connectors to Yotta batteries. Tanner thought this is arbitrary and unworkable. Tanner stated the current language would have C46 do the solar install and C10 contractors connect the solar modules to Yotta's batteries. Tanner pointed out that their company's technology highlights the shortcomings of the proposed regulation.

Bernadette DelChairo, CalSSA, said her organization was in support of the option proposed even with the timeframe. DelChairo stated that CalSSA sent a packet with proposed alternative regulatory language that would set restrictions on the C-46 contractor based on battery risk, size and complexity consistent with current practices in the industry and that would be supported by the handful of incidences raised in the labor center report. DelChairo also stated that CalSSA is looking forward to working with the Legislative Committee. DelChairo stated they also submitted a critique of labor center report and encouraged the Board to take a closer look. CalSSA believed the proposed rule in the board packet is unlawful in a number of respects and they are having the law firm Shute, Mihaly and Weinberger review it. DelChairo said CalSSA appreciates the opportunity to work out an alternative to the regulations proposed. They think they can work with the Board to improve public safety while upholding all of the goals of clean energy reliability and diversity within the clean energy industry of California.

Bill Brooks stated they are a registered electrical and mechanical engineer in California. Brooks stated that the NECA-IBEW claims and concerns from five years ago are false. Brooks said that they California residential code, building code and fire codes have been significantly updated in relation to energy storage systems and that they were involved in a lot of that regulation and permitting requirements that cities and local communities have been using. Brooks commented that one of the Board members mentioned there should be an inspection process in place and Brooks commented that there are inspections already in place. Brooks stated that time has actually shown that

these systems are safe whether they are installed by C46's or C10's and they believe there is no reason to change or modify the requirements.

Upon conclusion of public comment, Chair Granzella asked for staff to restate the motion.

The amended motion was restated by Legal Counsel Hurtado who commented that the motion before the Board is Option 2 and restated the amended motion.

Restated Amended Motion: 1) Refer this matter to the Board's Legislative committee 2) Direct staff to collect additional stakeholder input 3) Develop alternative regulatory language that may be acceptable to both the solar and electrical stakeholders and 4) If no alternative language is ready for the March 2022 board meeting, present the current regulatory text in Option 1 for the Board's approval.

Vice Chair Teichert and Board Member De La Torre confirmed the motion. No further board or public comment was made.

Mary Teichert made the motion, David De La Torre seconded, the motion carried, 12-0.

YEA:, Susan Granzella, Rodney Cobos, David De La Torre, Miguel Galarza, Donald Giarratano, Diana Love, Michael Mark, Steve Panelli, Cynthia Rich, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Frank Altamura

Legislative Committee Chair James Ruane introduced agenda item 2 which was a legislative proposal that would update and clarify home improvement contract requirements. Committee Chair Ruane noted the board packet contained a summary of the project the legislative staff was working on to clarify and improve CSLB's home improvement contract requirements.

Legislative Chief Michael Jamnetski noted that this is a very large project that would amend twenty or more sections of the home improvement requirements outlined in the business and profession codes. He said the intent of the changes would be to make it clearer, which would benefit both consumers and contractors. He further noted that language would be presented at a future meeting.

Committee Chair Ruane moved to agenda item 3 to discuss the legislative proposal that would increase the administrative civil penalties for unlicensed contracting and licensee failure to comply with building permit requirements. The proposal was brought before the legislative committee to consider sponsoring this as a new bill for the 2022 legislative session.

Committee Chair Ruane noted that CSLB has been working with the California Energy Commission to workshop solutions that ensure HVAC equipment is appropriately permitted and inspected in compliance with Title 24 clean energy standards. He said the purpose is to further the state's building decarbonization goals. He provided clarification that this proposal applies to increased civil penalties for licensed practice. Staff would work with stakeholders on a separate plan to address unlicensed practice.

Chief Jamnetski stated this applies to licensed contractors and administrative civil penalties issued as part of a citation. It raises the penalty amount for various health and safety violations including building permit violations. Chief Jamnetski explained that violations of section 7110 is being added to 7099.2 which provides a higher civil penalty tier - up to \$30,000. He further stated that building permits are currently covered under 7110 section of law, but clarifying language was added regarding building permits was added 7110 (h).

Committee Chair Ruane read the staff recommendation and suggested the motion that the full Board approve sponsorship of this legislative proposal that increases administrative fines for a licensed contractor failing to comply with various state codes, including failure to comply with building permit requirements, and authorize staff to seek an author to carry this legislative proposal, and if an author is obtained, work with the authors office and any essential stakeholders on ensuring the success of the bill as it goes through the legislative process.

Public Comment

Rose Weibe, Executive Director for Council for Interior Design Interior, stated interior designers should be excluded from CSLB law as they do not practice under chapter nine. Rose Weibe stated CID should not be required to add language to their interior design contracts that relates to CSLB divisions chapter nine. Weibe said certified interior designer contract information can be found in the California Business Professions Code 5807. Weibe declared that CID should also be excluded from agenda item number D3 because they do not do installation and they do not contract, hire or pay such individuals. Weibe clarified that they want the language clarified to not include certified interior designers as they do not practice under chapter nine.

Committee Chair Ruane called for a motion.

Motion: "that the full Board approve sponsorship of this legislative proposal that increases administrative fines for a licensed contractor failing to comply with various state codes, including failure to comply with building permit requirements, and authorize staff to seek an author to carry this legislative proposal, and if an author is obtained, work with the authors office and any essential stakeholders on ensuring the success of the bill as it goes through the legislative process."

Michael Mark made the motion and Johnny Simpson seconded the motion. No further board member or public comments were received.

Michael Mark made the motion, Johnny Simpson seconded, the motion carried, 12-0.

YEA: Susan Granzella, Rodney Cobos, David De La Torre, Miguel Galarza, Donald Giarratano, Diana Love, Michael Mark, Steve Panelli, Cynthia Rich, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Frank Altamura

That concluded the Legislative update.

E. PUBLIC AFFAIRS

Public Affairs Committee Chair Michael Mark provided the Public Affairs update noting that the Public Affairs Office (PAO) is the communications arm of CSLB working with media conducting consumer and stakeholder outreach, maintaining social media presence, and creating publications and videos for licensee and consumer education.

Committee Chair Mark highlighted the work performed in response to the unprecedented wildfires, noting CSLB provided in-person staffing at nine local assistance centers in counties throughout California. He noted the work with the El Dorado County District Attorney's Office to meet with survivors of the Caldor Fire, and the work of CSLB's SWIFT unit posting warning signs and conducting sweeps in disaster areas.

Committee Chair Mark highlighted PAO producing videos and workshops and announced that on December 10, 2021, CSLB will hold its first online Spanish Get Licensed to Build workshop which will be held monthly thereafter.

The Quick Tips: Contracting in Disaster Areas video was played. Committee Chair Mark noted that staff is currently working on Spanish translations for a number of these videos.

Committee Chair Mark discussed information in the packet related to social media highlights, industry bulletins issued, and responses to media inquiries. He concluded the update by noting the graphic design work completed and that the Contractors License Law and Reference Book is expected to be available in January.

There was no board or public comment. That concluded the PAO update.

F. LICENSING

1. Licensing and Testing Program Update and Statistical Summary

Licensing Committee Chair Miguel Galarza provided remarks on general licensing statistics. Committee Chair Galarza noted that the application units are fully staffed and processing times are expected to decrease. Committee Chair Galarza noted call center wait times are also being reduced. Committee Chair Galarza noted renewals are steady and reminded licensees that they can go to the CSLB's website and complete their renewal online. Committee Chair Galarza asked Licensing Chief Justin Paddock to address the call center wait time and the status on the Experience Verification Unit (EVU).

Chief Paddock updated the Board on EVU, noting that under current regulation CSLB is required to review 3 percent of applications to investigate if statements made on the applications are accurate and correct. He said since COVID started, the licensing staff have not been able to meet this 3 percent requirement and have engaged the help of the Enforcement Division staff to assist. He said licensing is working with CSLB personnel to move one position to the Enforcement Division to address the EVU workload.

Chief Paddock updated the Board on the call wait time noting a 10- to 14-minute wait time on certain days and times. Chief Paddock noted that this is due to staff absenteeism and network issues, but also that Mondays are heavier call volume days. He noted the call volume and wait times are currently lower which is typical during the holiday season and will continue to monitor it. When feasible, licensing is planning to have staff return to the office as needed.

There was no board or public comment.

Committee Chair Galarza reported on the testing program. He noted the examination backlog and staff efforts to reduce the backlog due to the test center closures during the pandemic. Pre-pandemic, CSLB had 4,500 pending exams and today pending exams are below 5,500. The remaining backlog will be addressed by spring of next year as the Board will be outsourcing testing to PSI. Committee Chair Galarza explained the examination unit progress in continuing to hold workshops as part of the occupational analysis for updating exams and he stated that the new B-2 residential remodeling contractor trade exam was released in August.

Board Comment

Chair Granzella requested information on how CSLB is planning and managing the transition to a new testing format.

Chief Paddock clarified what is being transitioned is the exam administration and that exam development remains with the Board.

Public Comment

None

2. Construction Management Education Account Awards

Chair Galarza reviewed the Construction Management Education Account (CMEA) potential grant awards item noting that four institutions applied. Staff proposed granting awards to the CMEA advisory committee based on the number of graduates each program had that academic year. Chair Galarza noted that the CMEA advisory committee had made no alterations to the proposal.

Chief Paddock explained the CMEA fund holds over \$495,000 but the Board's current appropriation is \$100,000 to provide to eligible programs. Chief Paddock commented that CSLB has a pending proposal under consideration by the Department of Finance, to increase grant funding for 2022 from \$100,000 to \$175,000. Chief Paddock explained the two staff recommendations before the Board for consideration. The first is to authorize the grant funding at the current allocation of \$100,000 should the request for fund augmentation be denied. The second recommendation is to authorize the grant funding of \$175,000 if the Department of Finance approves CSLB's request.

Committee Chair Galarza proposed the following motion:

Motion: To direct staff to distribute the 2021 CMEA grant awards according to the staff recommendation on page 69, based on the determination received by the Department of Finance.

For reference the two-part staff recommendation outlined in the board packet is noted below:

- 1) That the Board authorize the following Construction Management Education Act grant disbursements for 2022 if the Department of Finance denies CSLB's request for a fund augmentation:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
CSU Chico	111	\$307.69	\$34,154.00
CSU Sacramento	58	\$307.69	\$17,846.00

CSU Fresno	36	\$307.69	\$11,077.00
Cal Poly, San Luis Obispo	120	\$307.69	\$36,923.00
Total	325		\$100,000.00

- 2) That the Board authorize the following Construction Management Education Act grant disbursements for 2022 if the Department of Finance approves CSLB's request for a fund augmentation:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
CSU Chico	111	\$538.46	\$59,769.00
CSU Sacramento	58	\$538.46	\$31,231.00
CSU Fresno	36	\$538.46	\$19,385.00
Cal Poly, San Luis Obispo	120	\$538.46	\$64,615.00
Total	325		\$175,000.00

David De La Torre made the motion and Rodney Cobos seconded the motion.

Board Comment

None

Public Comment

James Alvarez, new C-15 contractor, said he received the new licensee letter and had questions on how to file his taxes. He also asked if the Board is planning to expand testing locations, and if the industry expert program is still in effect.

Chief Paddock responded and asked for his contact information.

The roll for the motion was called.

David De La Torre made the motion, Rodney Cobos seconded, the motion carried, 12-0.

YEA: Susan Granzella, Rodney Cobos, David De La Torre, Miguel Galarza, Donald Giarratano, Diana Love, Michael Mark, Steve Panelli, Cynthia Rich, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Frank Altamura

That concluded the licensing and testing update.

F. ENFORCEMENT

1. Enforcement Program Update

Enforcement Committee Chair Rodney Cobos began his update by providing two highlights. The first on the predatory unlicensed contractor Koke who was preying on victims of California's 2017 Tubbs Fire. Acting on a tip from Senator McGuire's office, a CSLB peace officer began an investigation. CSLB peace officer executed a search warrant assisted by the FBI, the Sonoma County District Attorney's office, and the Santa Rosa police department. He stated a follow-up investigation led to multiple charges being filed against Koke and an accomplice. In August 2021, Koke plead guilty to several charges and was sentenced to jail time, court probation and restitution. CSLB's investigation was beneficial in the passage of Senate Bill 1189 (McGuire) last year, which expanded the provisions of the business and professions code to allow felony charges for all unlicensed contracting activity in a declared disaster area.

The second highlight was on the aiding and abetting of an unlicensed contractor by a licensed contractor, which was discovered through a consumer complaint. The licensed contractor's license was revoked on June 11, 2021. For the suspected unlicensed contractor, the investigator referred the matter to the Los Angeles County District Attorney's office.

Committee Chair Cobos commented on enforcement statistics and noted a 5 percent year-over-year increase in consumer filed complaints. Despite the measurable increase, he said enforcement is maintaining a manageable caseload. He said staff is focusing on filling vacancies.

There was no board or public comment on agenda item G-1.

Chair Cobos moved to agenda item G-2, the review and discussion of Assembly Bill 137, which created the solar energy restitution program. AB 137 included one-time funding of \$5 million; \$4 million for restitution and \$1 million for administration. Cobos noted that CSLB continues to work closely with CPUC, DFPI and the Dolores Huerta Foundation to ensure fair and equitable restitution to homeowner's who were harmed.

He said in October 2021, a bi-lingual webinar was held with CSLB staff and the Delores Huerta Foundation to cover eligible claims, where to locate the forms, the steps necessary to file an acceptable claim and timelines of payment. He said that by November 1, 2021, CSLB staff conducted an initial review of the 22 claims received with

the estimated injury amount of \$440,000. He said CSLB has formed a workgroup to continue its work on the restitution program.

There was no board or public comment. That concluded the enforcement update.

G. EXECUTIVE

1. Review and Possible Approval of September 22 and 23, 2021 Board Meeting Minutes.

Chair Granzella introduced the item and asked for board member and public comment after the motion and before roll call. No comments were made.

MOTION: To approve the September 22 and 23, 2021 Board Meeting Minutes. Johnny Simpson moved; Jim Ruane seconded. The motion carried, 9-0.

YEA: Susan Granzella, Rodney Cobos, Miguel Galarza, Donald Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSTAIN: Steve Panelli, Cindi Rich

ABSENT: Frank Altamura, David De La Torre

2. Review and Possible Approval of September 29, 2021 Board Meeting Minutes.

Chair Granzella introduced the item and asked for board member and public comment after the motion and again before roll call. No comments were made.

MOTION: To approve the September 29, 2021 Board Meeting Minutes. Johnny Simpson moved; Diana Love seconded. The motion carried unanimously, 10-0.

YEA: Susan Granzella, Rodney Cobos, David De La Torre, Miguel Galarza, Donald Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSTAIN: Steve Panelli, Cindi Rich

ABSENT: Frank Altamura

3. Registrars Report

Registrar Fogt commented that CSLB will need to hold a Legislative Committee meeting in February and noted the committee members are the same as the Licensing Committee. Registrar Fogt noted that the strategic plan, which will be discussed later today, will need to have target dates added and suggested that these be done in Committee meetings to bring back to the full Board at the next quarterly meeting in March. Registrar Fogt also noted that the Board has met with the Nevada Board in June of each year, and they have expressed an interest in meeting this year, as well. He said Board members will be surveyed for the end of March.

Registrar Fogt commented on the January 2022 fee changes and noted that an industry bulletin was sent out announcing this to interested parties. The Board received only a few comments asking the Board to strategize on how to address unlicensed activity. Unlicensed activity is a strategic plan objective.

There was no public or board member comment.

4. Strategic Planning Session

Chair Granzella directed the Board to page 123 of the board packet to review the 2022-2024 strategic plan. Chair Granzella noted that SOLID Training and Planning Solutions office and CSLB staff have worked to prepare the draft report and thanked Shelly Jones for service as the board meeting moderator and for facilitating the process and board discussion for developing the plan. Jones noted that once the plan was approved, it can be finalized and adopted.

Chair Granzella began the review and discussion of the draft strategic plan beginning with the review of the introductory material. Chair Granzella noted that on page 125, the strategic plan date should read “2022-2024.”

Secretary Love asked to make an alteration to the mission statement adding the verbiage “including home improvement” after construction.

There were no additional board comments and no public comments on the introductory materials.

Chair Granzella proceeded to review each goal portion of the report separately.

Goal #1 Licensing and Testing – No board or public comment.

Goal #2 Enforcement – Board Member Galarza noted a grammatical edit to item 2.2 removing the word “and” to read “Research the scope of unlicensed practice...”.

Vice Chair Teichert suggested rephrasing 2.5 to research the need to establish a public works unit to ensure we aren’t doing the work of other agencies.

Goal #3 Legislation – No board or public comment.

Goal #4 Public Affairs – No board or public comment.

Goal #5 Executive - No board or public comment.

Chair Granzella introduced the following motion.

Motion: The Board accepts the report presented today with the alterations that were discussed and delegates the Registrar to make all changes to the report as discussed and publish the report on behalf of the Board as its 2022-2024 strategic plan.

Jim Ruane moved; Diana Love seconded.

Board Comment

Board Member Cindi Rich commented that language of the individual objectives could be clarified and made more user friendly. Board Member Rich asked if the language could also be reviewed to better quantify the objectives.

Chair Granzella noted that these objectives will be regularly reviewed by individual committees and target dates added for clarity.

Public Comment

None

The motion carried unanimously, 10–0.

YEA: Susan Granzella, Rodney Cobos, David De La Torre, Miguel Galarza, Donald Giarratano, Diana Love, Michael Mark, Steve Panelli, Cindi Rich, Jim Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Frank Altamura

5. Information Technology Update (Heard out of order)

Information Technology (IT) Chief Jason Perez provided the update and highlighted CSLB is currently processing over 40 percent of renewals online. It is expected that this will increase with the new modifications to allow for additional business entities with a single qualifier to renew online. This expanded functionality was released in the beginning of October 2021 and provides 96 percent of CSLB's current licensees the opportunity to renew online.

Chief Perez noted the-month-over month increases with the Online Citation Payment application and thanked the Enforcement Division for the seamless transition of adding online transactions into their business processes.

Chief Perez advised that the IT division has made modifications to renewal notices and updated CSLB forms and CSLB processes in preparation for the January 1, 2022 CSLB fee increase. He said once completed, additional IT resources will be dedicated to the exam administration outsourcing project which is scheduled for spring 2022.

There was no board or public comment. That concluded the IT update.

6. Budge Update (Heard out of order)

Budget Manager Stacey Paul reviewed the Fiscal Year 2021/22 budget and expenditures noting that the first quarter revenue is up 6.2 percent over the prior year and there is a 15.4 percent increase in new license and application fees.

Manager Paul reviewed the fund condition noting that the Board started the fiscal year with \$3.7 million in reserves and is projected to increase reserves by year-end to \$7.7 million.

Manager Paul updated the Board on the Board-approved \$5M expenditure reduction plan, noting that almost \$1 million in savings has already been realized. Manager Paul concluded her report noting that the Board is seeing an increase in new applications and the issuance of new licenses.

Board Comment

Chair Granzella acknowledged the work of the Board and staff to remain solvent.

Board Member Simpson expressed his appreciation noting staff did a great job.

Public Comment

None

That concluded the budget update.

7. Administration Update

Chief of Administration Mike Melliza reported the Board averaged 46 vacancies the first quarter of fiscal year 2021/22 and that personnel staff works with CSLB hiring managers and Department of Consumer Affairs' (DCA) Office of Human Resources to identify and minimize any delays in recruitment for key positions.

The Personnel Unit assisted employees affected by the COVID-19 pandemic with benefits made available under federal and state legislation. Working from home, CSLB staff adapted quickly and efficiently to keep CSLB’s mission-critical services running. He said those whose duties required in-person attendance performed their work safely following state guidelines.

Chief Melliza noted that the transition to a teleworking environment did come with challenges. He said CSLB is focused on the level of production and its level of service to the public. He said CSLB continues to work with managers, supervisors, and staff through workgroups to identify ways to provide better guidelines and assistance to staff and provide better tools to supervisors and managers to manage workload. Chief Melliza said CSLB continues to identify and make improvements in process enhancements and technology to better serve the public.

There was no board or public comment. That concluded the administrative update.

ADJOURNMENT

Motion to adjourn David De La Torre; second Rodney Cobos. Susan Granzella adjourned the meeting at approximately 11:49 a.m.

Susan Granzella, Chair

Date

David Fogt, Registrar

Date

AGENDA ITEM D-2

Review and Possible Approval of the January 26, 2022 Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meetings Summary Report



Enforcement Committee Meeting Summary Report January 26, 2022

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

Enforcement Committee Chair Rodney Cobos called the meeting of the Contractors State License Board (CSLB) Enforcement Committee to order on January 26, 2022, at 9 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Rodney Cobos, Chair
David De Le Torre
Diana Love
Michael Mark
Cindi Rich

Committee Members Excused

Don Giarratano

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Jason Hurtado, DCA Legal Counsel
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Counsel

B. Public Comment

There was no public comment.

C. Review, Discussion, and Possible Action on Target Dates for the Enforcement Strategic Objectives of the Board's 2022-2024 Strategic Plan

Objective 2.1

Chair Cobos introduced strategic objective item 2.1 which reads: Leverage current enforcement tools (letters of admonishment and accusations) to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action take specified courses.

Chair Cabos commented that CSLB Enforcement staff will meet with construction industry leaders and government agency partners to determine what courses would best meet the needs of licensees and will work with the Public Affairs office to develop additional online training courses like the Building Permit Training video that can be found on the CSLB website.

Enforcement staff has set a target date of July 2022 to begin the process of identifying training needs.

Committee Member Comment:

There was no comment.

Objective 2.2

Chair Cobos introduced strategic objective item 2.2 which states the Board will research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

CSLB Enforcement leadership will establish a working group that will prepare a scope of work to hire an outside consultant to assist in developing a plan assess and address unlicensed practice, and its impacts on the underground economy.

The proposal for hiring a consultant will be presented to the members of the Enforcement Committee by the target date of July 2022.

Committee Member Comment:

There was no comment.

Objective 2.3

Chair Cobos moved on to strategic objective item 2.3. This objective states: Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors' state license law (CSLL) and other business requirements.

Chair Cobos commented that CSLB staff will make a presentation at the March 2022 meeting of the Joint Enforcement Strike Force to request their support for this objective.

Chair Cobos explained that the Joint Enforcement Strike Force or JESF, is a statutorily established collaboration of California tax, wage, workplace safety, and state licensing agencies. Participants include the Employment Development Department, Department of Industrial Relations Division of Labor Standards Enforcement and Division of Occupational Safety and Health, and the Department of Insurance.

JESF works with local and federal agencies to:

- Combat the underground economy in California.
- Promote a level playing field for California businesses.

CSLB staff will present an educational workshop plan to the Enforcement Committee by the target date of July 2022.

Committee Member Comment:

Committee Member David De La Torre asked if the training programs would be held remotely or in person.

Deputy Chief of Enforcement Jessie Flores answered that the goal is to participate in their scheduled training remotely and move to in-person when feasible.

Objective 2.4

Chair Cobos introduced strategic objective item 2.4, that states: Review and create a structured enforcement training program with an enforcement academy to achieve statewide investigation and legal action consistency.

CSLB staff has set a target date of July 2023.

CSLB staff will create an updated training program and enforcement academy for committee consideration.

Committee Member Comment:

Committee Member Michael Mark asked for staff to provide additional information regarding this item.

Deputy Chief Flores stated that previously CSLB had a one-week Enforcement Academy that provided instruction on how to perform investigations, interview witnesses, support violations of law, and testify in hearings. Deputy Chief Flores expressed optimism that when COVID is a less concern staff can relaunch the Enforcement Academy.

Committee Member De La Torre asked if it would be with existing staff or would staff be added.

Deputy Chief Flores replied that new staff would benefit from the training. The Office of the Attorney General is expected to take the lead on conducting the training.

Objective 2.5

Chair Cobos then introduced strategic objective item 2.5, that states: Develop a plan for public works enforcement to perform outreach to awarding agencies and coordinate

public works investigations with compliance groups and government entities to enforce Contractors State License Law requirements.

CSLB staff will research the need and present a plan to the Enforcement Committee that may recommend redirection of two existing investigators to:

- Investigate public works complaints and
- to act as liaisons to awarding agencies, compliance organizations, and other government entities

This plan will be presented to the Enforcement Committee by the target date of July 2022.

Committee Member Comment:

Committee Member Diana Love asked why “develop a plan was stricken out.” Deputy Chief Flores stated a proposed plan had substantially been developed. This objective was needed for staff to perform additional research on the need and for the committee to review and possibly approve the plan.

Committee Member Mark stated that he sees this as an important goal and as a way to partner with Division of Labor Standards Enforcement. He said he appreciates this objective.

Registrar David Fogt added to Deputy Chief Flores’ last statement by confirming staff will propose meeting with compliance groups to identify public works partnering opportunities to bring to the Enforcement Committee for consideration.

Objective 2.6

Chair Cobos introduced final Enforcement strategic objective item 2.6 that states: Continue to enforce workers’ compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees.

Chair Cobos confirmed that on January 13, 2021, Senator Dodd introduced Senate Bill 216 (SB 216) which would require mandatory workers’ compensation insurance for all license classifications. This bill was most recently updated on March 15, 2021, in the senate and is active in the legislative process. As such the target date is “on going.”.

Public Comment:

There was no public comment.

Motion: Approve the Enforcement strategic plan. David De La Torre moved; Diane Love seconded. The motions carried unanimously, 5-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Rodney Cobos- Chair	✓				
David De La Torre	✓				
Don Giarratano			✓		
Diana Love	✓				
Michael Mark	✓				
Cindi Rich	✓				

D. Adjournment

Motion: Adjourn the January 26, 2022, Enforcement Committee meeting. David De La Torre moved; Diane Love seconded.

Committee Chair Rodney Cobos adjourned the Enforcement Committee meeting at 9:23 a.m.

**Public Affairs Committee Meeting Summary
January 26, 2022**

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

Public Affairs Committee Chair Michael Mark called the meeting of the Contractor State License Board (CSLB) Public Affairs Committee to order on January 26, 2022, at 9:24 a.m. via WebEx teleconferencing. A quorum was established.

Committee Member Present

Michael Mark, Chair
Rodney Cobos
David De La Torre
Diana Love
Cindi Rich

Committee Members Excused

Don Giarratano

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Joyia Emard, Public Affairs Manager
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Staff

B. Public Comment

There was no public comment.

C. Review, Discussion, and Possible Action on Target Dates for the Public Affairs Strategic Objectives of the Board's 2022-2024 Strategic Plan

Objective 4.1

Chair Mark introduced strategic objective item 4.1 which is to expand CSLB's online presence through both standard platforms and emerging technologies to improve effectiveness in educating consumers and the industry.

Chair Mark pointed out that this objective was edited to provide additional clarity. New text is noted as underlined and deleted text is shown as strike-out.

Chair Mark stated that currently, public affairs staff is boosting CSLB's consumer protection message by increasing the number of short video clips on social media and by translating existing videos into Spanish. He said video is one of the fastest growing forms of media on social platforms. He said staff is also exploring increased use of Nextdoor and is considering a monthly Facebook Live video presentation and examining podcasting opportunities.

In addition, Chair Mark said he would like to see CSLB work with partners, utilizing websites and social media, to help educate licensees and the public.

Chair Mark recommended that public affairs staff report back to the committee on their progress at the June 2022 board meeting. This objective is an ongoing effort.

Committee Member Comment:

There was no comment.

Objective 4.2

Chair Mark introduced strategic objective 4.2, which will establish a CSLB-specific new board member orientation to educate board members about legislative processes, licensing and testing functions, and enforcement procedures.

Chair Mark commented that it is important that new board members be educated about CSLB to better fulfill their duties, therefore he recommended that the first action be to set up an internal work group made up of representatives from public affairs, licensing, legislation, and enforcement divisions to determine content that will best assist new board members.

Chair Mark requested a draft script be presented to the committee in summer 2022. The proposed target date for a completed video is January 2023.

Committee Member Comment:

Committee Member David De La Torre offered his support to objective 4.2. Chair Mark stated that he also supports this objective and found the "Welcome Binder" for new board members very helpful when he was appointed.

Objective 4.3

Chair Mark introduced item 4.3 to update the website content, accessibility, and navigation to improve the user experience.

Chair Mark stated this objective was edited to provide additional clarity. New text is noted as underlined.

Chair Mark recommended CSLB hold a stakeholder meeting that includes consumer and industry representatives and conduct a survey to better understand the needs of the public and licensees as they relate to the website. He said Public Affairs can then conduct a complete review of the CSLB website to determine how better to organize information, so it is easier to navigate and more user friendly.

Chair Mark asked staff to begin this process right away and report back to the committee in June 2022. This objective is ongoing as the website will need continued attention and updating.

Committee Member Comment:

Chair Mark encouraged website updates as it is the most used tool, especially the licensing look-up function.

Objective 4.4

Chair Mark announced objective item 4.4, to develop video tutorials on processes and procedures to reduce consumer, licensee, and applicant errors (e.g., how to complete forms).

Chair Mark indicated this objective was edited. New text is noted as underlined and deleted text is shown as strike-out.

Chair Mark recommended that Public Affairs, Enforcement, and Licensing staff work together to determine where common user-errors occur when filling out applications and forms to create short tutorial videos to assist licensees and the public with the proper completion and submittal of these forms.

He said the proposed target date to meet with other CSLB divisions is spring 2022 and staff will report back to the committee on their findings in June 2022. Staff will then produce two videos per year beginning in 2022.

Committee Member Comment:

Chair Mark suggested changing the language “e.g.,” to “for example.” Chief Deputy Registrar Tonya Corcoran stated that CSLB staff will make the change.

Objective 4.5

Chair Mark introduced final strategic objective item 4.5 to develop communications with C-20 (Warm-Air Heating, Ventilating and Air-Conditioning) and C-38 (Refrigeration) contractors on energy work in line with Governor Newsom’s carbon reduction goals.

As a CSLB public board member and Sheet Metal Business Representative, Chair Mark expressed his enthusiasm about the opportunity this objective provides to protect consumers and further Governor Newsom’s decarbonization goals by ensuring that a contractor obtains a building permit when replacing a heating and air conditioning system. He said the permit ensures that the system is installed appropriately, and existing duct work is pressure tested to confirm it does not have excessive leakage. He stated consumers benefit from lower energy bills because heating and cooling is not lost by excessive leakage. Chair Mark said he is looking forward to working with staff to develop public outreach information on this topic.

Chair Mark recommended staff begin development of a communication plan now with completion in December 2022. He said progress will be shared with the committee in June 2022.

Committee Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: Approve the Public Affairs strategic plan. David De La Torre moved; Rodney Cobos seconded. The motion carried unanimously, 5-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Michael Mark - Chair	✓				
Rodney Cobos	✓				
David De La Torre	✓				
Don Giarratano			✓		
Diana Love	✓				
Cindi Rich	✓				

D. Adjournment

Motion: Adjourn the January 26, 2022, Public Affairs Committee meeting. David De La Torre moved; Diana Love seconded.

Committee Chair Michal Mark adjourned the Public Affairs Committee meeting at 9:41 a.m.

Executive Committee Meeting Summary Report January 26, 2022

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

Executive Committee Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) Executive Committee to order on January 26, 2022, at 10 a.m. via WebEx teleconferencing. A quorum was established.

Committee Members Present

Susan Granzella, Chair
David De La Torre
Diana Love
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Justin Paddock, Chief of Licensing
Jason Perez, Chief of Information Technology
Joyia Emard, Executive Staff
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Counsel

B. Public Comment

Member of the public J.P Tenore stated he noticed CSLB focuses mostly on residential and not on low voltage C-7 or C-10 and the gig economy. He requested this be added to a future meeting agenda.

Registrar David Fogt asked if Tenore could please put contact information in the chat and Enforcement Chief Jessie Flores would reach out.

C. Recognition

Chair Granzella recognized Chief of Licensing Justin Paddock for his past three years of service and leadership at the Board. Chair Granzella stated Chief Paddock was present for the meeting today, but this will be his last meeting as he was recently appointed by Governor Newsom as Chief of the Bureau of Household Goods and Services.

Chair Granzella went on to recognize that Chief Paddock has done a great job as the licensing chief. Chief Paddock was instrumental in updating the C-49 tree contractor

requirements, implementing the new residential remodeling contractor classification, and working with IT to get many licensing transactions online during the pandemic.

Chair Granzella stated that in addition to handling regular licensing duties, Chief Paddock always found time to help others. One such example is while Chief Deputy Registrar Tonya Corcoran was out on special assignment, Chief Paddock assisted the division chiefs with administrative matters and provided vital assistance in preparing for board meetings. Chair Granzella also pointed out that Chief Paddock volunteered to take the lead on establishing the CSLB COVID testing and mandatory reporting program required of the Board.

Chair Granzella concluded that it has been a pleasure and honor to recognize Chief Paddock's hard work and dedication.

Committee Member Comments:

Registrar Fogt thanked Chief Paddock for his hard work and customer service commitment.

Committee Member David De La Torre stated Chief Paddock has been very helpful and wished him well.

Committee Member Diana Love thanked Chief Paddock for his assistance answering questions and answering her calls promptly. Member Love went on to say Chief Paddock will be missed.

Committee Member Mary Teichert thanked Chief Paddock and acknowledged all his work in the series for women interested in becoming licensed contractors.

Chief Paddock thanked the committee and the Board for their support and guidance. Chief Paddock went on to wish CSLB the best of luck.

Chair Granzella noted that Chief Deputy Registrar Corcoran had been appointed to a Department of Consumer Affairs executive staff position, CSLB will recognize Chief Deputy Corcoran at the March board meeting.

Public Comments:

Richard Markuson congratulated Chief Paddock and thanked him for his assistance to the construction industry.

D. Review, Discuss, Changes to Board Member Administrative Procedure Manual

Chair Granzella introduced changes to the Board Member Administrative Procedure Manual. Chair Granzella stated that throughout the document reference to "he or she"

has been replaced with gender-neutral language. Referenced policies, memorandums, website addresses, and statutory references had been reviewed and updated.

Chair Granzella's final proposed change brought to the committees' attention is on page 48 and is specific to salary per diem. The section has been updated to clarify what will be paid for attendance at official board and committee meetings with the addition of DCA training. This section also clarifies that substantial service performed by a board member to attend official gatherings, events, hearings and conferences or meetings is more than one hour. Chair Granzella further clarified that the Board Chair will perform a final approval of all salary per diem or travel-related expenses.

Committee Member Comments:

Committee Member De La Torre supported the new language and clarification.

Public Comments:

There was no public comment.

Motion: Approve the 2022 Board Member Administrative Procedure Manual. David De La Torre moved; Diana Love seconded. The motion carried unanimously, 4-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella, Chair	✓				
Mary Teichert	✓				
Diana Love	✓				
David De La Torre	✓				

E. Review, Discussion and Possible Action on Target Dates for the Executive – Administrative and Information Technology Strategic Objectives on the Board's 2022-2024 Strategic Plan

Objective 5.1

Chair Granzella introduced strategic objective item 5.1, which is reporting to the Board on IT security to protect and secure CSLB sensitive data. Chair Granzella stated the target date is ongoing because staff have implemented security measures.

Chair Granzella expressed appreciation for Board Member Frank Altamura continuing to work with her on a two-person advisory committee. They recommend that the first action taken is for the IT Advisory Committee to meet with Chief of Information Technology Jason Perez to identify what can be publicly discussed and the best format and frequency for presenting this information to the Board.

Committee Member Comments:

There was no comment.

Objective 5.2

Chair Granzella introduced item 5.2 to research and develop tools in addition to existing annual surveys that will provide the Board and staff with feedback on the public's perception of staff performance and customer service. The proposed target date is ongoing because surveys are currently in use.

Chair Granzella asked that staff develop a plan for additional surveys to "tell us how we are doing" and report back to the Executive Committee July 2022. The surveys should be readily accessible, and data routinely reviewed.

Committee Member Comments:

There was no comment.

Objective 5.3

Chair Granzella moved on to strategic objective item 5.3 which is to replace the automated phone system to ensure callers can speak to a representative in a timely fashion. The proposed target date is March 2023.

Chair Granzella recommended that an internal workgroup comprised of licensing, public affairs and IT staff be established. Licensing can review statistics, staffing, and work with IT to identify key functionality for a new system. Public Affairs can take the lead on developing recommendations for improving the existing phone tree and updating content for the CSLB website. IT can research automated phone systems.

Committee Member Comments:

Committee Member De La Torre stated that CSLB can't lose touch with the human aspect and supports the objective.

Chair Granzella agrees with Committee Member De La Torre and supports this objective.

Committee Member Love asked if CSLB is looking at replacing the system or are looking for a system that offers a call-back feature. Chief Perez answered that CSLB is building the requirements and looking at options. CSLB will be doing that as a workgroup with Licensing, Public Affairs, and IT.

Objective 5.4

Chair Granzella introduced strategic objective item 5.4 to improve staff recruitment, onboarding, and training/team building for staff development. The proposed target date is July 2022.

Chair Granzella requested Administrative staff develop a plan and report back to the Executive Committee in July 2022.

Committee Member Comments:

There were no comments.

Objective 5.5

Chair Granzella introduced the last strategic objective item 5.5, requesting the Board evaluate applicant and licensee online logins or profiles to help tailor the content to the user, track submissions/interactions, etc.

The target dates are:

December 2022: Procure the product

December 2023: Implementation

Chair Granzella requested IT staff discuss the different platforms researched and associated costs at the next IT Advisory Committee.

Committee Member Comments:

There was no comment.

Public Comments:

JP Tenore left contact information in the chat.

Motion: Approve the Executive – Administrative and Information Technology strategic plan objectives and target dates. Diana Love moved; Mary Teichert seconded. The motion carried unanimously, 4-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella, Chair	✓				
Mary Teichert	✓				
Diana Love	✓				
David De La Torre	✓				

F. Adjournment

Executive Committee was adjourned by Chair Granzella without a motion at 10:25 a.m.

**Licensing Committee Meeting Summary Report
January 26, 2022**

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

Licensing Committee Chair Miguel Galarza called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order on January 26, 2022, at 10:27 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Miguel Galarza, Chair
Frank Altamura
Steve Panelli
Jim Ruane
Johnny Simpson
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Justin Paddock, Chief of Licensing
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Staff

B. Public Comment

LaTonya Hawkins asked to speak and said she would address her concerns under the specific agenda item.

C. Review, Discussion, and Possible Action on Target Dates for the Licensing and Testing Strategic Objectives of the Board's 2022-2024 Strategic Plan

Objective 1.1

Chair Galarza introduced strategic objective item 1.1, requesting CSLB assess barriers to licensure for women and minorities and create an outreach plan to community colleges, construction management programs, labor unions, and workforce development groups to increase licensee diversity and create a better understanding of applicants and licensees.

Chair Galarza stated that considering this objective was started with the recent woman in construction workshops conducted under the leadership of Board Member Jim Ruane and facilitated by Board Vice Chair Mary Teichert. The proposed target date is ongoing.

Chair Galarza recommended that the first action taken is for the Licensing division staff to prepare a brief report for the summer 2022 board meeting on the following:

1. CSLB's activity to date on this issue.
2. A summary on any recent reports on barriers to licensure in the construction industry or licensing in general.
3. Develop a draft outreach plan for the Fall and Winter of 2022 that includes participation with industry groups and speaking at community colleges, construction management programs, labor unions, and workforce development groups.

Committee Member Comments:

There was no comment.

Objective 1.2

Chair Galarza introduced strategic objective item 1.2, that requests CSLB study and appraise opportunities to waive examination requirements for out-of-state contractors to reduce barriers to licensure.

Chair Galarza proposed a target date of June 2023.

Chair Galarza asked for staff to summarize how other states approach this matter and to present findings to the Board in the winter of 2022.

Board Member Comments:

Committee Member Frank Altamura stated that the new language appears to have changed the meaning.

Licensing Chief Justin Paddock offered to discuss the matter offline and asked Chair Galarza to authorize further discussion.

Chair Galarza agreed.

Objective 1.3

Chair Galarza introduced strategic objective 1.3, that provides for CSLB to continue automating and streamlining all online application, licensing, and examination processes to improve processing efficiency.

The proposed target date is December 2024.

Chair Galarza recommended that an internal workgroup comprised of licensing and IT staff be established. He requested the work group provide summer and winter updates to the Board on procurement and implementation of new Licensing automation application systems

Committee Member Comments:

There was no comment.

Objective 1.4

Chair Galarza introduced strategic objective item 1.4, requesting the Board assess and report on how to incorporate new and emerging technologies into the licensure process to ensure licensees continue to represent reliability in contracting excellence.

The proposed target date is ongoing, however, Chair Galarza requested that Licensing staff provide an annual report to the Board each summer.

Committee Chair Comments:

There was no comment.

Objective 1.5

Chair Galarza introduced strategic objective item 1.5, stating that the Board, in partnership with Public Affairs, streamline and eliminate jargon on CSLB licensing webpages, handouts, publications, and forms to reduce user confusion and processing times.

The target date is December 2022 and ongoing.

Chair Galarza asked that Licensing and Public Affairs staff review all licensing and application webpage content and update webpages in order of importance.

Committee Member Comments:

There was no comment.

Objective 1.6

Chair Galarza concluded with strategic objective item 1.6, that advises the Board to complete the exam administration outsource transition and assess remote testing options.

The target date is October 2022.

Chair Galarza stated this process is already underway and requested that IT and Licensing staff provide the Board a progress update on the transition at each board meeting in 2022.

Committee Member Comments:

There was no comment.

Public Comments:

LaTonya Hawkins, from Construction Resource Center, requested the Board provide representatives via Zoom to answer contractors' licensing questions twice a month and recommended CSLB increase availability. LaTonya Hawkins also recommended a "Brown Bag with a Board Member" on a quarterly basis to answer exam and license questions. Hawkins advised that their company offers classes and intends to increase minority presence in the industry.

Chief Paddock asked LaTonya Hawkins to leave contact information in the chat.

Motion: Approve the Licensing and Testing Strategic plan objectives and target dates. Jim Ruane moved; Steve Panelli seconded. The motion carried unanimously, 6-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Miguel Galarza- Chair	✓				
Frank Altamura	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

D. Adjournment

Motion: Adjourn the January 26, 2022, Licensing Committee meeting. Mary Teichert moved; Jim Ruane seconded.

Committee Chair Miguel Galarza adjourned the Licensing Committee meeting at 10:46 a.m.

Legislative Committee Meeting Summary Report January 26, 2022

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

Legislative Committee Chair Jim Ruane called the meeting of the Contractors State License Board (CSLB) Legislative Committee to order on January 26, 2022, at 10:50 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Jim Ruane, Chair
Frank Altamura
Miguel Galarza
Steve Panelli
Johnny Simpson
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Michael Jamnetski, Chief of Legislation
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Staff
Dani Rogers, DCA Legal Staff

B. Public Comment

There was no comment.

C. Review, Discussion, and Possible Action on Target Dates for the Legislative Strategic Objectives on the Board's 2022-2024 Strategic Plan

Objective 3.1

Chair Ruane introduced strategic objective item 3.1, which is to host an annual legislative day to build proactive relationships with lawmakers and to enhance effectiveness.

Chair Ruane stated that Legislative days are usually held in late March or early April after the bill introduction deadline. The proposed target date to conduct the first CSLB Legislative Day is April 2023. Planning the event for next year is more appropriate given Covid-19 concerns this year.

Committee Member Comments:

There was no comment.

Objective 3.2

Chair Ruane introduced strategic objective 3.2, to review policies, procedures, and current practices for compliance with the Administrative Procedure Act to ensure appropriate decision making.

Chair Ruane stated that the strategic objective item involves a review of CSLB Enforcement and Licensing Division operations to ensure current processes and procedures are compliant with the rulemaking requirements of the APA.

Staff intends to commence the review July 2022.

Committee Member Comments:

There was no comment.

Objective 3.3

Chair Ruane introduced strategic objective item 3.3, that the Board use plain language in all legislative proposals and bill analyses for better consumer and contractor understanding.

Chair Ruane explained that this objective was edited to provide additional clarity. New text is noted as underlined and deleted text is shown as strike-out. “Sponsored legislation” was replaced with “legislative proposals and bill analyses” as these are the documents that are prepared by staff and presented to the Board for review and consideration.

Chair Ruane stated that staff will continue to make a conscientious effort in all documentation and correspondence to ensure written descriptions of legislation are clear and concise.

The goal is immediate and ongoing.

Committee Member Comments:

There was no comment.

Objective 3.4

Chair Ruane proceeded to introduce strategic objective item 3.4. The objective is to pursue legislation requiring workers' compensation insurance for all contractors to protect consumers and workers.

Chair Ruane stated that this item will be discussed in more detail in Agenda Item E. The legislation is currently in a bill before the state legislature. September 2022 was chosen as the target date as it marks the end of the Governor's bill signing period, at which point the Governor can choose to sign the bill or not.

Committee Member Comments:

There was no comment.

Objective 3.5

Chair Ruane introduced strategic objective item 3.5, which has CSLB identify and include fiscal impacts for the Board's consideration in all legislative proposals and bill analyses.

Chair Ruane commented that staff will ensure all prospective fiscal impacts of legislative proposals and bill analyses are presented to the Board. The goal is immediate and ongoing. Consistent with this objective, the two proposals in Agenda Item E each have fiscal impacts.

Committee Member Comments:

There was no comment.

Objective 3.6

Chair Ruane introduced the final strategic objective item 3.6. The objective is to review and collaborate with local and state government to determine if CSLB’s hazardous and asbestos certification remain viable and are effective in protecting consumers in declared disaster areas.

Chair Ruane commented that it was evident during the strategic planning session that CSLB’s hazardous substances and asbestos certificate programs should receive a comprehensive review considering the increased wildfire disaster activity in California. The status update for this item is July 2023.

Committee Member Comments:

There was no comment.

Public Comments:

There was no public comment.

Motion: Approve the Legislative strategic plan objectives and target dates. Miguel Galarza moved; Johnny Simpson seconded. The motion carried unanimously, 6-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Jim Ruane- Chair	✓				
Frank Altamura	✓				
Miguel Galarza	✓				
Steven Panelli	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

D. Review, Discussion, and Possible Action by the Committee on the Appropriate Specialty Contractor License to Install, Modify, and Repair Battery Energy Storage Systems

Chair Ruane introduced Agenda Item D, which relates to the regulatory rulemaking process and the CSLB review of the appropriate license classification to install battery energy storage systems. The Chair noted that Regulatory rulemaking under the Administrative Procedure Act is required to change the CSLB specialty license classifications to include battery energy storage systems.

Chair Ruane invited Regulatory Counsel Dani Rogers to join the meeting.

Counsel Rogers introduced herself to the committee members and provided an overview of the regulatory process.

Counsel Rogers stated that the board packet materials included two regulatory process timelines. One timeline is expedited, with a shortened timeline for certain steps. The other timeline is longer and is a more conservative estimate of the time it could take to complete the regulatory process.

Counsel Rogers noted that CSLB is currently in the “concept phase” of the regulatory process. This phase provides for discussion of proposed text and reaching a consensus on proposed regulatory language. If consensus can be reached on the proposed language, the regulatory process will be smoother. Once the Board votes on and approves proposed language, it will be board staff’s job to draft regulatory documents, including the notice and initial statement of reasons.

Counsel Rogers said that this phase can take anywhere from 30 to 90 days, depending on how expeditiously staff can assemble package documents. Once this step is complete, the process begins with the filing of notice with the Office of Administrative

Law. This commences the 45-day comment period, during which members of the public can comment on proposed text. The Board may hold a public hearing on the proposal, if a hearing is requested by a member of the public. The public may make further comments at this hearing.

Counsel Rogers said if a hearing is held, then afterwards staff will review any public comments received, prepare proposed responses, and evaluate whether to modify any aspect of the proposed language based on the comments. If the Board chooses to modify text, there will be an additional 15-day period in which the public can make comments on any modifications. Once the comment period is concluded, and the Board has approved responses to any public comments, the package will be filed with OAL. The OAL then has 30 working days to review and approve the regulations.

Counsel Rogers asked for questions.

Committee Member Comments:

There was no comment.

Public Comments:

California Storage and Association Executive Officer Bernadette Del Chiaro thanked staff for their work on the regulatory proposal. Del Chiaro and her staff are reviewing

and preparing comments on the alternate regulatory proposal submitted by IBEW and NECA.

Chair Ruane introduced two more items that included an update on Stakeholder Meetings, and Review, Discussion and Possible Action on Regulatory Concept Presented to the Board at the November 29, 2021 meeting.

Chair Ruane explained that on July 27, 2021, CSLB held a public meeting to review, discuss, and take action on the June 30, 2021, Battery Energy Storage Systems License Classification Report issued by the University of California Berkeley. Chair Ruane stated at that meeting, the Board moved and voted to rescind all prior staff determinations that stated that a C-46 Solar Contractor license could install battery energy storage systems as incidental and supplemental work and adopted UC Berkeley's recommendation to preclude C-46 licensees from installing BESS in any setting. Staff was directed to develop regulatory rulemaking language for the board's consideration.

Chair Ruane stated that at the November 29, 2021 Board Meeting, CSLB staff presented for the Board's consideration a draft regulatory rulemaking proposal that would codify the Board's July 2021 motion by precluding C-46 Solar Contractors from installing battery energy storage systems in any situation.

Chair Ruane explained that the Board did not approve the staff regulatory rulemaking proposal. Instead, the Board moved at the November 29 board meeting to:

- Refer the battery energy storage systems matter to the Board's Legislative Committee
- Direct staff to collect additional stakeholder input, and Develop alternative language that may be acceptable to both the solar and electrical stakeholders.

The Board also voted that if no alternative language is ready for the March 2022 Board meeting, that staff present the November 29 proposal (which precludes the C-46 from installing batteries in all scenarios) for the Board's approval.

After the November 29 meeting, staff collected additional stakeholder input as directed by the Board. Summaries of those efforts start on page 93 of the committee packet.

Chair Ruane also noted that staff developed alternative language as directed by the Board. That alternative language can be viewed at the website link on page 93 of the packet. The staff alternative language would provide that the C-46 Solar Contractor may

install battery energy storage systems when paired with a photovoltaic system on specified residential and light commercial structures.

Chair Ruane stated the goal, as directed by the Board, was that this alternative language “may be acceptable to both the solar and electrical stakeholders.”

Chair Ruane went on to explain the electrical stakeholders have responded with a proposal of their own, which staff received after the materials were printed for the January 26, 2022 board packet. The electrical stakeholders’ proposal is viewable at the same website link included on page 93 of the packet. The electrical stakeholders’ regulatory language would authorize the C46 classification to install battery energy storage systems when paired with a photovoltaic system based on specified energy thresholds.

Chair Ruane said the solar stakeholders have performed a preliminary review of the electrical stakeholders’ alternative regulatory proposal and are preparing comments on that proposal as well as on CSLB’s staff proposal. Consequently, there is no alternate regulatory rulemaking language agreed upon by the solar and electrical industries for the Committee to consider at this time.

Chair Ruane said that in addition to the summaries in the packet, there is an update to what is in the packet regarding staff’s meeting with the Office of the State Fire Marshal (or OSFM). The packet at the top of page 94 describes a scheduled meeting between staff and the OSFM. Chair Ruane explained this meeting was held on Monday, January 24, 2022. At that meeting, CSLB staff shared with OSFM staff the electrical industry’s proposal that would authorize the C-46 classification to install BESS pursuant to energy capacity limits described in the Fire Code. OSFM representatives stated they did not have concerns referencing the Fire Code. OSFM requested CSLB provide them with any agreed upon language between the solar and electrical industry. At that time, they will share the concept language with CALBO and the California Fire Chiefs Association and report back.

Chair Ruane stated the agenda item was informational only. As the Board assigned the battery energy storage systems matter to this committee, this update is to inform the Committee of staff efforts to implement the Board’s November 29, 2021 motion.

Chair Ruane explained that as the chair of this committee, he wanted to remind everyone that the board has spent considerable time and resources over the last five years on this matter. As such, he strongly encouraged the solar and electrical industry representatives to work together in a collaborative and timely fashion to develop a regulatory proposal that can be brought back before the Legislative committee for review in February, or perhaps March. When language agreeable to stakeholders is developed, he will schedule a Legislative Committee meeting to review, discuss and

hopefully recommend full board approval. Chair Ruane said this needs to occur as soon as possible. Certainly, no later than the scheduled March 30 full board meeting.

No action is being requested of the Committee at this time.

Committee Member Comments:

There was no comment.

E. Update on CSLB-Sponsored Bills or Legislative Proposals

Chair Ruane directed the committee to their first item; SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage.

Chair Ruane explained this is a CSLB-sponsored bill that would require C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors to have a certificate of workers compensation insurance policy on file with CSLB in the first year, and for all contractors after three. The Board has a support position on this bill. Chair Ruane asked Chief of Legislation Michael Jamnetski if he has any updates for the committee because the bill is currently moving through the Legislature.

Chief Jamnetski reported that the bill moved off the inactive file to the Senate floor in early January and was voted to the Assembly. Chief Jamnetski explained the fiscal report on page 100 of committee packet reflects what was reported last year, but the numbers may need to be updated as a result of the new fees that were recently put in statute. Chief Jamnetski stated the fiscal report reflects a possible renewal revenue decrease but as the packet explains those are just projections and are very speculative. Chief Jamnetski said it is difficult to predict how this bill will impact renewal revenue.

Chief Jamnetski stated that staff recently discussed with Chair Ruane some amendments to the bill that were sent over to the Senator's office, there are three:

1) moving the effective dates to require workers compensation for all licensees in the bill a year forward since the bill was delayed a year, from 2025 to 2026

(2) adding the C-22 Asbestos Abatement Contractor license to the licenses that would be required by the bill to have workers' compensation in the first year. This is because the C-22 is already required to have workers' compensation to obtain the Division of Occupational Safety and Health registration that is a prerequisite to the license. As a result, the C-22 already must have workers' compensation insurance

(3) Exempt a joint venture license from the workers compensation requirement when one or more of the licensees forming the joint venture have a workers compensation

policy. The bill will still require any joint venture that elects to be the employer to file a workers' compensation certificate with the Board.

Chief Jamnetski noted that the amendment regarding joint ventures was the result of a concern raised by industry. The concern was that the bill would require a joint venture to obtain additional workers' compensation insurance when usually the insurance of one of the licensees forming the joint venture is used for any employees.

Committee Member Comments:

Committee Member Steve Panelli requested clarification that the mandatory reporting date would be moved from 2025 to 2026.

Chief Jamnetski said Committee Member Panelli is correct. The change is not in print yet, but the proposed change extends the reporting date for all licensees to three years.

Chair Ruane introduced the final item, a legislative proposal that increases administrative fines for a licensed contractor failing to comply with various state codes, including failing to comply with building permit requirements. The Board approved staff to seek an author for this legislative proposal at the November 29, 2021 Board Meeting. Chair Ruane asked if there was an update for this legislative proposal.

Chief Jamnetski reported that Assembly member Quirk will introduce this CSLB-sponsored measure as a legislative bill. CSLB is hoping for bill introduction in the next couple of weeks and will update the board members when that occurs.

Committee Member Comments:

There was no comment.

Public Comments:

There was no comment.

F. Adjournment

Motion: Adjourn the January 26, 2022, Legislative Committee meeting. Johnny Simpson moved; Steve Panelli seconded.

Committee Chair Jim Ruane adjourned the Legislative Committee meeting at 11:18 a.m.

AGENDA ITEM D-3

Review and Possible Approval of the February 23, 2022 Board Meeting Minutes



**Board Meeting Minutes
February 23, 2022**

A. Call To Order, Roll Call, Establishment of Quorum, and Chair’s Introduction

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order on February 23, 2022, at 9 a.m. via WebEx teleconferencing.

A quorum was established. Board Secretary Diana Love led the Board in the Pledge of Allegiance.

Board Members Present

Susan Granzella, Chair
Frank Altamura
Rodney Cobos
David De La Torre
Miguel Galarza
Don Giarratano
Diana Love
Michael Mark
Steven Panelli
Cindi Rich
Jim Ruane
Johnny Simpson
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jason Perez, Chief of Information Technology
Mariah Rovera, Executive Staff

DCA Staff Present

Jason Hurtado, DCA Legal
Laura Freedman, DCA Legal

DOJ Staff Present

Jaclyn Grossman, Deputy Attorney General

B. Public Comment

Davi Rodriguez expressed a concern about the City of Sacramento awarding contracts to allegedly unlicensed contractors. Davi Rodriguez requested the issue be listed as a possible future agenda item.

A member of the public named Roger Jen had a complaint about the time it takes to turn homeowner complaints into investigations and “judgements.”

Registrar David Fogt asked Roger Gen to leave their contact information in the chat session of WebEx. Registrar Fogt said staff would contact Roger Jen regarding their concerns. Registrar Fogt also confirmed that Davi Rodriguez would receive a written response regarding their concern and request.

C. Closed Session

Board Chair Granzella stated the Board would move into closed session to discuss pending litigation.

Board returned to open session at 10:05 a.m.

D. Adjournment

Motion: Adjourn the February 23, 2022, Board meeting. Jim Ruane moved; Diana Love seconded.

Board Chair Granzella adjourned the Board meeting at 10:06 a.m.

AGENDA ITEM D-4

Registrar's Report

- a. Tentative Board Meeting Schedule
- b. National Association of State Contractors
Licensing Agencies Licensing and
Enforcement Records Database Concept
- c. Senior Scam Stoppers
- d. Accomplishments and Activities Report



AGENDA ITEM D-5

Review Discussion, and Possible Action to Approve the Board's 2022 Board Member Administrative Procedure Manual



2022

~~2020~~

BOARD MEMBER ADMINISTRATIVE
PROCEDURE MANUAL



**CONTRACTORS STATE
LICENSE BOARD**

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Chapter 1. Introduction

Overview

The Contractors State License Board (CSLB) was created by the California Legislature in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards to safeguard the public's health, safety, and welfare. Today, CSLB is one of the boards, bureaus, commissions, and committees within the Department of Consumer Affairs (DCA), part of the Business, Consumer Services and Housing Agency under the [aegis oversight](#) of the governor. The Department is responsible for consumer protection and representation through the regulation of licensed professions and the provision of consumer services. While DCA provides administrative oversight and support services, CSLB has policy autonomy and sets its own policies and procedures, and initiates its own regulations.

The Board is comprised of 15 members. By law, nine are public members (eight non-contractors and one local building official), five are contractors, and there is one labor representative. Eleven appointments are made by the governor. The Senate Rules Committee and the speaker of the assembly each appoint two public members. Board members may serve up to two full four-year terms. Board members fill non-salaried positions, but are paid \$100 per day for each meeting day or day spent in the discharge of official duties (see section entitled "Salary Per Diem") and are reimbursed for travel expenses.

This Board Member Administrative and Procedures Manual is provided to board members as a ready reference of important laws, regulations, DCA policies, and board policies to guide the actions of board members and ensure board effectiveness and efficiency.

Mission, Vision, and Values

Mission

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, including home improvement.

The Board accomplishes this by:

- Ensuring that construction, including home improvement, 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.

Vision

CSLB is a model consumer protection agency, providing regulatory oversight of the construction industry as essential to the protection of consumers and licensed contractors.

Values

CSLB provides the highest quality throughout its programs by:

- Being responsive and treating all consumers and contractors fairly;
- Focusing on prevention and providing educational information to consumers and contractors;
- Embracing technology and innovative methods to provide services; and
- Supporting a team concept and the professional development of staff.

General Rules of Conduct

- Board members shall not speak or act for the Board without proper authorization from the board chair.
- Board members shall maintain the confidentiality of confidential documents and information.
- Board members shall commit the time to prepare for board responsibilities.
- Board members shall recognize the equal role and responsibilities of all board members.
- Board members shall act fairly, be nonpartisan, impartial, and unbiased in their role of protecting the public.
- Board members shall treat all applicants and licensees in a fair and impartial manner.
- Board members' actions shall serve to uphold the principle that the Board's primary mission is to protect the public.
- Board members shall not use their positions on the Board for personal, familial, or financial gain.

Chapter 2. Board Meeting Procedures

Bagley-Keene Open Meeting Act

All meetings of CSLB are subject to the Bagley-Keene Open Meeting Act (“Act”), which governs meetings of the state regulatory boards and committees of those boards. The Act specifies meeting notice and agenda requirements, and prohibits discussing or taking action on matters not included on the agenda.

This Act is summarized in the “Guide to the Bagley-Keene Open Meeting Act” developed by DCA’s Legal Affairs Division, available online at www.dca.ca.gov and distributed to board members at the beginning of each calendar year.

Frequency of Meetings

(Business & Professions Code sections 7006)

The Board shall meet at least once each calendar quarter for the purpose of transacting such business as may properly come before it. ~~Regular Board Meeting dates are established by fiscal year (July 1 through June 30).~~

Location

(Board Policy)

CSLB chooses meeting locations that are ADA (The Americans with Disabilities Act) compliant and easily accessible to the public. CSLB will hold board meetings in different locations throughout the state. CSLB also recognizes its responsibility regarding the public’s concern for the judicious use of public funds when choosing meeting facilities and overnight accommodations.

Board Member Attendance at Board Meetings

(Board Policy)

Board members shall attend each meeting of the Board. If a member is unable to attend, ~~he or she~~they must contact the board chair or the registrar and ask to be excused from the meeting for a specific reason. If the absence is approved, it will be recorded as an “approved absence” in board records. Should a member miss two consecutive meetings, the board chair may notify the director of DCA.

Quorum

(B&P Code section 7007)

Eight board members constitute a quorum for the transaction of business. The concurrence of a majority (more than one-half of the entire body) who are present and voting at a meeting shall be necessary to constitute an act or decision of the Board.

Agenda Items

(Board Policy)

The board chair, with the assistance of the registrar, shall prepare the agenda and tentative meeting timeframe. Any board member may submit items for a board meeting agenda to the registrar 15 days prior to the meeting.

Notice of Meetings

(Government Code section 11120 et seq.; Business and Professions Code section 101.7)

Meeting notices (including agendas for board meetings) shall be sent to persons on the Board's mailing or email list at least 10 calendar days in advance. The agenda mailing list shall include a staff person's name, work address, and work telephone number who can provide further information prior to the meeting. The mailing list shall include all CSLB board members, as well as those parties who have requested notification.

Notice of Meetings to be Posted on the Internet

(Government Code section 11125 et seq.)

Unless the meeting meets the requirements for a special or emergency meeting under the Act, notice shall be given and also made available on the internet at least 10 calendar days in advance of the meeting, and shall include the name, address, and telephone number of a staff person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. The written notice shall additionally include the Internet address where notices required by the Act are made available.

Record of Meetings

(Board Policy)

The minutes are a summary, not a transcript, of each board meeting. They shall be prepared by board staff and submitted for review by board members before the next board meeting. The minutes must contain a record of how each member present voted for each item on which a vote was taken. Board minutes shall be approved at the next scheduled meeting of the Board. When approved, the minutes shall serve as the official record of the meeting.

Voting on Motions

All votes must be taken publicly. Secret ballots and proxy votes are prohibited. A majority of the board or committee vote is determined by the votes actually cast. Abstentions are recorded, but not counted, unless a law provides otherwise.

Voting options for board members:

- 1) Support / in Favor / Yes / Aye
- 2) Oppose / No / Nay
- 3) Abstain (not counted as a vote)
- 4) Recused (not counted as a vote)

Audio/Visual Recording

(Board Policy)

The meeting may be audio/video recorded and/or broadcast live via the internet. Recordings may be disposed of upon board approval of the minutes; broadcasts may be available in perpetuity. If a webcast of the meeting is intended, it shall be indicated on the agenda notice.

Meeting Rules

(Board Policy)

The Board will use Robert's Rules of Order, to the extent that it does not conflict with state law (e.g., Bagley-Keene Open Meeting Act), as a guide when conducting the meetings.

Public Attendance at Board Meetings

(Government Code section 11120 et seq.)

All meetings are open for public attendance.

Public Comment*(Board Policy)*

Discussion of items not on a noticed agenda violates the Act's advance notice provision. However, the Board may accept public testimony on an item not on the agenda, provided that the Board takes no action or does not discuss the item at the same meeting. For items not on the agenda that the Board wishes to address, the chair may refer a member of the public to staff or the registrar, or refer the matter for placement on a future agenda. The Board cannot prohibit public criticism of the Board's policies or services. The chair may set reasonable time limitations.

Public comment must be allowed on open session agenda items before or during discussion of each item and before a vote, unless the public was provided an opportunity to comment at a previous committee meeting of the Board, where the committee consisted exclusively of board members. If the item has been substantially changed since the committee meeting, the Board must provide another opportunity for comment at a later meeting.

Due to the need for the Board to maintain fairness and neutrality when performing its adjudicative function, the Board shall 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 or criminal administrative 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 instructed to refrain from making such comments. The Board may ask or direct a staff member to speak with the person directly outside the confines of the meeting room.
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, the Board will address the matter as follows:
 - a. Where the allegation involves errors of procedure or protocol, 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.

- b. Where the allegation involves significant staff misconduct, the registrar will follow state law, departmental policies and procedures to investigate. The registrar may also refer the matter to DCA for investigation.
3. The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the board meeting.

Closed Session

(Government Code section 11126)

Examples of types of closed session meetings include:

- Discuss and vote on disciplinary or enforcement matters under the Administrative Procedure Act (APA);
- Prepare, approve, or grade examinations;
- Discuss pending litigation; or;
- Discuss the appointment, employment, evaluation or dismissal of the registrar unless the registrar requests that such action be taken in public.

If the agenda contains matters which are appropriate for closed session, the agenda shall cite the particular statutory section and subdivision authorizing the closed session.

No members of the public are allowed to remain in the meeting room for closed sessions. At least one staff member must be present at all closed sessions to record topics discussed and decisions made. Closed session must be specifically noticed on the agenda (including the topic and legal authority). Before going into closed session the board chair should announce in open session the general nature of the item or items to be discussed. If the item involves the registrar's employment, appointment, evaluation or dismissal, and action is taken in closed session, CSLB must report that action and any roll call vote that was taken at the next public meeting.

OTHER TYPES OF BOARD MEETINGS

Teleconference Meetings

(Government Code section 11123)

Special Rules for Notice of Teleconference Meetings are as follows:

- Same 10-day notice requirement as in-person meetings.
- Notice and agenda must include teleconference locations.
- Every teleconference location must be open to the public and at least one board member must be physically present at every noticed location. All board members must attend the meeting at a publicly noticed location.
- Additional locations may be listed on the agenda that allow the public to observe or address the Board by electronic means.

Special Meetings

(Government Code section 11125.4; Business and Professions Code section 7006)

Four members can call a special meeting held with 48 hours notice in specified situations (e.g., consideration of proposed legislation) and a meeting can be held where two-thirds of the board members find that there is a “substantial hardship on the state body or immediate action is required to protect the public interest.”

Emergency Meetings

(Government Code section 11125.5)

An emergency meeting may be held after finding by a majority of the Board at a prior meeting or at the emergency meeting that an emergency situation exists due to work stoppage or crippling disaster. [A quorum is required for the Board to meet in the event of emergency, such as a work stoppage or crippling disaster.] Emergency meetings require a one-hour notice.

Chapter 3. Committee Meetings

Standing Committees of the Board:

- Enforcement
- Executive
- Legislative
- Licensing
- Public Affairs

The board chair appoints each committee member, with the exception of the executive committee, which shall be comprised of the current board chair, the vice chair, the secretary, and the immediate past board chair.

Each committee shall have a chairperson, designated by the board chair, and who is tasked with:

- Running committee meetings.
- Opening and adjourning committee meetings.
- Coordinating the creation of the summary reports with staff.
- Presenting committee meeting reports and minutes to the Board.

Committee Appointments

(Board Policy)

At the beginning of each fiscal year, the newly appointed board chair will ask CSLB board members if they wish to participate on a committee for the following year. The registrar's executive assistant will compile a list of interested parties and supply it to the chair. The chair shall establish or abolish additional committees, as ~~he or she deems they deem~~ necessary. Composition of the committees and the appointment of the members shall be determined by the board chair in consultation with the registrar. When committees include the appointment of non-board members, all interested parties should be considered. Committee officer term lengths are for one year, beginning July 1 of the next fiscal year.

Attendance at committee meetings

(Board Policy)

~~If a board member wishes to attend a committee meeting of which he or she is not a member, the board member shall obtain permission to attend from the board chair and shall notify the committee chair and staff.~~ Board members who are not members of the committee that is meeting cannot vote during the committee meeting. Board members who are not members of the committee must sit in the audience and cannot participate in committee deliberations.

Participation at Committee Meetings

(Government Code section 11122.5 et seq.)

When a majority of the members of the Board are in attendance at an open and noticed meeting of a standing committee, members of the Board who are not members of the standing committee may attend only as observers. Board members who are not members of a committee where a majority of the members of the committee are present, cannot ask questions, talk or sit with the members of the committee.

Committee Meetings Quorum

A quorum is majority (more than one-half) of those committee members appointed by the board chair. Committees can include no more than seven members in order to avoid a full quorum of the Board, which would constitute a full board meeting.

Chapter 4. Selection of Officers

Officers of the Board

~~(B&P Code section 7005)~~ [\(Board Policy\)](#)

The Board shall elect from its members a chair, a vice chair, and a secretary to hold office for one year or until their successors are duly elected and qualified.

Nomination of Officers

(Board Policy)

The board chair shall appoint a nominations committee prior to the last meeting of the fiscal year and shall give consideration to appointing a public and a professional member of the Board to the committee. The committee's charge will be to recommend a slate of officers for the following year. The committee's recommendation will be based on the qualifications, recommendations, and interest expressed by the board members. A survey of board members may be conducted to obtain interest in each officer position. A nominations committee member is not precluded from running for an officer position. If more than one board member is interested in an officer position, the nominations committee will make a recommendation to the Board and others will be included on the ballot for a runoff if they desire. The results of the nominations committee's findings and recommendations will be provided to the board members. Notwithstanding the nominations committee's recommendations, board members may be nominated from the floor at the meeting.

Election of Officers

~~(B&P Code section 7005)~~ [\(Board Policy\)](#)

The Board shall elect the officers at the last meeting of the fiscal year. Officers shall serve a term of one year, beginning July 1 of the next fiscal year. All officers may be elected on one motion or ballot as a slate of officers unless more than one board member is running per office. An officer may be re-elected and serve for more than one term.

Officer Vacancies

(Board Policy)

If an office becomes vacant during the year, an election shall be held at the next meeting. If the office of the chair becomes vacant, the vice chair shall assume the office of the chair. Elected officers shall then serve the remainder of the term.

Chapter 5. Travel and Salary Policies and Procedures

Travel Approval

(DCA [Memorandum 96-01 Travel Guide](#))

Board members shall have board chair approval for all travel except for regularly scheduled board and committee meetings to which the board member is assigned.

Travel Arrangements

(Board Policy)

Board members are encouraged to coordinate with the registrar's executive assistant for any board-related travel arrangements, including air or train transportation, car rental, and lodging through Cal Travel Store's online booking tool, Concur. The registrar's executive assistant will set up board members' Concur accounts.

Board members must also utilize the most economic source of transportation available. For example, if the hotel provides a shuttle from the airport to the hotel it is not fiscally responsible to rent a car or take a taxi. Reimbursements may be reduced or denied if the most economical sources are not used.

Concur

All board-related travel must be booked using Cal Travel Store's self-service reservation system, Concur, if a board member [intends to seek-seeks](#) reimbursement.

Lodging

In advance of board and committee meetings, the registrar's executive assistant will provide members information detailing the name and address of the chosen hotel where a room block has been established for lodging. The registrar's executive assistant is available to assist in making these travel reservations, or board members may coordinate them on their own.

Out-of-State Travel

(SAM section 700 et seq.)

Out-of-state travel for all persons representing the state of California is controlled and must be approved by the governor's office.

Travel Reimbursements

(SAM section 700 et seq. ~~and DCA Memorandum 96-01~~)

Rules governing reimbursement of travel expenses for board members are the same as for management-level state staff. Board members must submit the originals of all receipts, with the exception of meals, and, when applicable, a copy of the airline itinerary and hotel receipt showing the balance paid, to the registrar's executive assistant. Reimbursement requests for personal vehicle mileage must include where the trip originated from, where it ended, and the license plate number of the vehicle driven. All travel must be booked through Concur if the board member seeks reimbursement.

The registrar's executive assistant completes travel expense claim reimbursements in CalATERS Global and maintains copies of these reports and submitted receipts. It is advisable for board members to submit their travel expenses immediately after returning from a trip and not later than two weeks following the trip.

Salary Per Diem

(B&P Code section 103)

Compensation in the form of salary per diem and reimbursement of travel and other related expenses for board members is regulated by B&P Code section 103.

In relevant part, this section provides for the payment of salary per diem for board members "for each day actually spent in the discharge of official duties," and provides that the board member "shall be reimbursed for traveling and other expenses necessarily incurred in the performance of official duties."

Accordingly, the following general guidelines shall be adhered to in the payment of salary per diem or reimbursement for travel:

1. ~~No~~ Salary per diem or reimbursement for travel-related expenses shall be paid to board members ~~except~~ for attendance at official board meetings, or committee meetings, and DCA training. unless a substantial official service is performed by the Board Member. Attendance at gatherings, events, hearings, conferences or meetings other than official Board or committee meetings in which a Salary per diem for substantial official service is performed performed by a board member (more than one hour) shall may be approved in advance by the Board Chair. The Registrar shall be notified of the event and approval shall be obtained from the Board Chair prior to Board Member's attendance paid for attendance at gatherings, events, hearings, conferences or meetings. The board chair, or designee, shall perform final approval of all salary per diem or travel-related expenses.

2. The term “day actually spent in the discharge of official duties” shall mean such time as is expended from the commencement of a board meeting, ~~of~~ committee meeting, or other substantial official service to the conclusion of that meeting. Where it is necessary for a board member to leave early from a meeting, the board chair shall determine if the member has provided a substantial service during the meeting and, if so, shall authorize payment of salary per diem and reimbursement for travel-related expenses.

For board-specified work, board members will be compensated \$100 per "day" for ~~for actual time spent~~ performing work authorized by the board chair. That work includes, but is not limited to, authorized attendance at other gatherings, events, meetings, hearings, or conferences, and NASCLA the National Association of State Contractors Licensing Agencies (NASCLA) or CLEAR the Council on Licensure, Enforcement and Regulation (CLEAR) committee work. That work does not include preparation time for board or committee meetings. ~~Board members cannot claim salary per diem for time spent traveling to and from a board or committee meeting.~~

Chapter 6. Board Administration and Staff Responsibilities

Board Administration

(DCA Reference Manual)

Board members should be concerned primarily with formulating decisions on board policies rather than decisions concerning the means for carrying out a specific course of action. It is inappropriate for board members to become involved in the details of program delivery. Strategies for the day-to-day management of programs and staff personnel matters shall be the responsibility of the registrar.

Board Budget

(Board Policy)

The secretary shall serve as the Board's budget liaison with staff and shall assist staff in the monitoring and reporting of the budget to the Board. Staff will conduct an annual budget briefing with the Board with the assistance of the secretary.

The registrar or the registrar's designee will attend and testify at legislative budget hearings and shall communicate all budget issues to the Administration and Legislature.

Strategic Planning

(Board Policy)

The executive committee shall have overall responsibility for the Board's strategic planning process. The vice chair shall serve as the Board's strategic planning liaison with staff and shall assist staff in monitoring and reporting of the strategic plan to the Board. The Board will conduct a ~~biennial~~ strategic planning session and may utilize a facilitator to conduct the strategic planning process.

Legislation

(Board Policy)

In the event that time constraints preclude board action, the Board delegates to the chair of the legislative committee the authority to take action on legislation that would change Contractors State License Law that impacts a previously established board policy or affects the public's health, safety, or welfare. Prior to taking a position on legislation, the registrar shall consult with the board chair and the chair of the legislative committee. The Board shall be notified of such action as soon as possible.

Registrar Evaluation*(Board Policy)*

Board members shall evaluate the performance of the registrar of contractors on an annual basis or as necessary. The board chair will use board members' surveys to complete a written summary of the evaluations and then meet with the registrar to discuss his/her performance during a closed session of a board meeting. The original evaluation is signed by the board chair and the registrar and sent to the DCA Human Resources Office for placement in the registrar's Official Personnel File.

Board Staff*(DCA Reference Manual)*

Employees of the board, with the exception of the registrar, are civil service employees. Their employment, pay, benefits, advancement, discipline, termination, and conditions of employment are governed by civil service laws, regulations, and collective bargaining labor agreements. Because of this complexity, it is most appropriate that the Board delegate all authority and responsibility for management of the civil service staff to the registrar. Board members shall not intervene or become involved in specific day-to-day personnel transactions or matters.

Chapter 7. Representations on Behalf of the CSLB

Communication, with Other Organizations and Individuals

(Board Policy)

All communication relating to any board action or policy to any individual or organization, including, but not limited to, NASCLA and CLEAR, shall be made only by the chair of the board, his or her designee, or the registrar. Any board member who is contacted by any of the above should immediately inform the board chair or registrar of the contact. All correspondence shall be issued on the Board's standard letterhead and will be created and disseminated by the registrar's office.

Public or News Media Inquiries

(Board Policy)

All technical, licensing, or disciplinary inquiries to a CSLB board or committee member from applicants, licensees, or members of the public should be referred to the registrar. Contact of a board or committee member by a member of the news media should be referred to the registrar and the chief of public affairs.

Stationery

(Board Policy)

- **Business Cards**

Business cards will be provided to each board member with the Board's name, address, telephone and fax number, and website at the board member's request.

- **Letterhead**

Only correspondence that is transmitted directly by the CSLB office may be printed or written on CSLB letterhead stationery. Any correspondence from a board or committee member requiring the use of CSLB stationery or the CSLB logo should be transmitted to the CSLB office for finalization and distribution.

Chapter 8. Training

Once a board member is appointed, the registrar's executive assistant will send an email containing a list of all the required trainings, their due dates, and instructions about their completion. Board members should send the certificate of completion or signature page to the registrar's executive assistant who maintains board members records. For additional information, board members may refer to DCA's online board member Resource Center: [which may be found at: www.dca.boardmembers.ca.gov](http://www.dca.boardmembers.ca.gov) www.dcaboardmembers.ca.gov.

Board Member Orientation Training

(Business and Professions Code section 453)

Newly appointed and reappointed board members must attend a board member orientation training course offered by DCA within one year of assuming office. The orientation covers information regarding required training, in addition to other topics that will ensure a members' success, including an overview of DCA.

Board Member Ethics Training

(AB 2179 Government Code section 11146 et seq.)

With the passage of AB 2179 (1998 Chapter 364), sState appointees and employees in exempt positions are required to take an ethics orientation within the first six months of their appointment and every two years thereafter. To comply with that directive, board or committee members may take the interactive course provided by the Office of the Attorney General, which can be found at www.oag.ca.gov/ethics.

Sexual Harassment Prevention Training

(Government Code section 12950.1)

Board members are required to undergo sexual harassment prevention training and education once every two years, in odd years. Staff will coordinate the training with the Department of Consumer Affairs.

Defensive Driver Training

(SAM section 0751)

All state employees, which includes board and committee members, who drive a vehicle (state vehicle, vehicles rented by the state, or personal vehicles for state business) on official state business must complete the Department of General Services approved defensive driver training within the first six months of their appointment and every four years thereafter.

CHAPTER 9. Other Policies and Procedures

Board Member Disciplinary Actions

(Board Policy)

A board member may be censured by the Board if, after a hearing before the Board, the Board determines that the member has acted in an inappropriate manner.

The board chair shall sit as chair of the hearing unless the censure involves the chair's own actions, in which case the board vice chair shall sit as hearing chair. In accordance with the Bagley-Keene Open Meetings Act, the censure hearing shall be conducted in open session.

Removal of Board Members

(Business and Professions Code sections 106, 106.5, 7005)

The governor [or appointing authority](#) has the power to remove from office at any time any member of any board [appointed by him or her](#) for continued neglect of duties required by law or for incompetence or unprofessional or dishonorable conduct. The governor also may remove from office a board member who directly or indirectly discloses examination questions to an applicant for examination for licensure.

Resignation of Board Members

(Government Code section 1750)

In the event that it becomes necessary for a board member to resign, a letter shall be sent to the appropriate appointing authority (governor, senate rules committee, or speaker of the assembly) with the effective date of the resignation. Written notification is required by state law. A copy of this letter also shall be sent to the director of the department, the board chair, and the registrar.

Conflict of Interest

(Government Code section 87100)

No board member may make, participate in making, or in any way attempt to use ~~his or her~~their official position to influence a governmental decision in which ~~he or she knows they know~~ or ~~has~~have reason to know ~~he or she has~~they have a financial interest. Any board member who has a financial interest shall disqualify ~~him or herself~~themselves from making or attempting to use ~~his or her~~their official position to influence the decision. Any board member who feels ~~he or she is~~they are entering into a situation where there is a potential for a conflict of interest should immediately consult the registrar or the Board's assigned legal counsel. The question of whether or not a board member has a financial interest that would present a legal conflict of interest is complex and must be decided on a case-by-case review of the particular facts involved. For more information on ~~disqualifying yourself~~ disqualification because of a possible conflict of interest, please refer to the Fair Political Practice Committee's manual on their website: www.fppc.ca.gov.

Financial Disclosure

The Conflict of Interest Code also requires CSLB board members to file annual financial disclosure statements by submitting a Form 700 – Statement of Economic Interest. New board members are required to file a disclosure statement within 30 days after assuming office or, if subject to Senate confirmation, 30 days after being appointed or nominated. Annual financial statements must be filed no later than April 1 of each calendar year.

A "leaving of office statement" must be filed within 30 days after an affected CSLB board member or other official leaves office.

Board members are not required to disclose all of their financial interests. Government Code section 87302 (b) explains when an item is reportable:

An investment, interest in real property, or income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of ~~his or her~~their position.

Refer to DCA's Conflict of Interest Code to determine what investments, interests in property, or income must be reported by a board member. Questions concerning particular financial situations and related requirements should be directed to DCA's Legal Office.

Incompatible Activities

(Government Code section 19990)

The following is a summary of the employment, activities, or enterprises that might result in or create the appearance of being inconsistent, incompatible, or in conflict with the duties of state officers:

- Using the prestige or influence of a state office or employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment, or supplies for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using confidential information acquired by the virtue of state employment for the officer's or employee's private gain or advantage or advantage of another.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his or her state employment or as a part of his or her duties as a state officer or employee.
- Performance of an act other than in his or her capacity as a state officer or employee knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such officer or employee of the agency by which he or she is employed. (This would not preclude an "industry" member of CSLB from performing normal functions of his or her occupation.)
- Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is seeking to do business of any kind with the state or whose activities are regulated or controlled in any way by the state, under circumstances from which it reasonably could be inferred that the gift was intended to influence his or her in his or her official duties or was intended as a reward for any official action on his or her part.

The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of section 19990 of the Government Code.

Contact with License Applicants

Board members shall not intervene on behalf of an applicant for licensure for any reason; they should forward all contacts or inquiries to the registrar.

Contact with Parties to a Complaint/Investigation

Board members shall not obtain substantial information from parties to a CSLB complaint; they should forward all contacts or inquiries to the registrar.

Gifts from License Applicants

Gifts of any kind to board members or staff from license applicants shall not be permitted.

Request for Records Access

No board member may access the file of a licensee or applicant without the registrar's knowledge and approval of the conditions of access. Records or copies of records shall not be removed from CSLB's office.

Ex Parte Communications

(Government Code section 11430.10 et seq.)

The Government Code contains provisions prohibiting ex parte communications. An "ex parte" communication is a communication to the decision-maker made by one party to an enforcement action without participation by the other party. While there are specified exceptions to the general prohibition, the key provision is found in subdivision (a) of section 11430.10, which states:

"While the proceeding is pending, there shall be no communication, direct or indirect, regarding any issue in the proceeding to the presiding officer from an employee or representative of an agency that is a party or from an interested person outside the agency, without notice and an opportunity for all parties to participate in the communication."

Board members are prohibited from ex parte communications with board enforcement staff while a proceeding is pending.

Occasionally, an applicant who is being formally denied licensure, or a licensee against whom disciplinary action is being taken, will attempt to directly contact board members.

If the communication is written, the person should read only far enough to determine the nature of the communication. Once [he or she realizes they realize](#) it is from a person against whom an action is pending, they should reseal the documents and send them to the chief of enforcement.

If a board member receives a telephone call from an applicant or licensee against whom an action is pending, ~~he or she~~they should immediately tell the person that discussion about the matter is not permitted; that ~~he or she~~they will be required to recuse ~~him or herself~~themselves from any participation in the matter; and continued discussion is of no benefit to the applicant or licensee. The board member should end the conversation in a firm and cordial manner.

If a board member believes that ~~he or she has~~they have received an unlawful ex parte communication, ~~he or she~~they should contact the Board's assigned legal office counsel.

Abbreviations and Acronyms Glossary

ALJ	Administrative Law Judge
ACD	Automated Call Distribution system
ACT	Bagley-Keene Open Meeting Act
ADA	The Americans with Disabilities Act
ADR	Alternative Dispute Resolution
AG	Office of the Attorney General
AGENCY	Business, Consumer Services and Housing Agency
AMCC	Arbitration Mediation Conciliation Center
APA	Administrative Procedure Act
APP	Application for contractor license or Home Improvement Salesperson registration
App Fee	Application Fee Number
ASB	Asbestos Certification
B&P	Business and Professions Code
BCP	Budget Change Proposal
BQI	Bond of Qualifying Individual
Cal/OSHA	DIR Division of Occupational Safety & Health
CAT	Computer Assisted Testing CB Contractor's Bond
CCCP	California Code of Civil Procedure
CCR	California Code of Regulations Cite Citation
CDI	California Department of Insurance
CLC	California Licensed Contractor newsletter
CLEAR	Council on Licensure Enforcement and Regulations
CP/CORP	Corporation
CSLB	Contractors State License Board
CSR	Consumer Services Representative
DAG	Deputy Attorney General
DB	Disciplinary Bond
DBA	Doing Business As
DCA	Department of Consumer Affairs
DDT	Defensive Drivers Training
DGS	Department of General Services
DIR	Department of Industrial Relations
DLSE	Division of Labor Standards Enforcement
DOI	Division of Investigation
DOL	Department of Labor
DOSH	DIR Division of Occupational Safety & Health (also referred to as Cal/OSHA)
EDD	Employment Development Department
EO	Executive Officer / Registrar of Contractors

FSR	Feasibility Study Report
FTA	Failure to Appear
FTB	Franchise Tax Board
HAZ	Hazardous Substances Removal Certification
HIS	Home Improvement Salesperson
IC	Investigative Center
IE	Industry Expert
IEP	Industry Expert Program
IMC	Intake and Mediation Center
IT	Information Technology
IVR	Interactive Voice Response system (automated telephone system)
JV	Joint Venture
LEG	State Legislature, legislative
LETF	Labor Enforcement Task Force
MARB	Mandatory Arbitration Program
MOU	Memoranda(um) of Understanding
MSC	Mandatory Settlement Conference
NASCLA	National Association of State Contractors Licensing Agencies
NTA	Notice to Appear
OA	Occupational Analysis
OSN	On-Site Negotiation Program
PAO	Public Affairs Office
PD	Proposed Decision
PT	Partnership
QPT	Qualifying Partner
RFP	Request for Proposal
RME	Responsible Managing Employee
RMO	Responsible Managing Officer
SAM	State Administrative Manual
SCIF	State Compensation Insurance Fund
SME	Subject Matter Expert
SOI	Statement of Issues
SI	Special Investigator
SSI	Supervising Special Investigator
SSN	Social Security Number
SWIFT	Statewide Investigative Fraud Team
TVDS	Test Validation and Development Specialist
VARB	Voluntary Arbitration Program



CONTRACTORS STATE LICENSE BOARD

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www.cslb.ca.gov
CheckTheLicenseFirst.com
SeniorScamStopper.com

AGENDA ITEM D-6

Review, Discussion, and Possible Action to Approve the Board's 2022-2024 Strategic Plan





2022 – 2024 Strategic Plan

EMARD, JOYIA@CSLB



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Members of the Board

Susan Granzella, Board Chair, Public Member

Mary Teichert, Vice Chair, "A" General Engineering Contractor Member

Diana Love, Secretary, Public Member, Senior Citizen Organization

David De La Torre, Public Member

Frank Altamura, Jr., Public Member

Rodney M. Cobos, Public Member

Miguel Galarza, "B" Contractor Member

Donald Giarratano, "C" Contractor Member

Michael Mark, Public Member – Labor Organization

James Ruane, "C" Specialty Contractor Member

Johnny Simpson, Public Member

Steve Panelli, Public Member, Building Official

Cynthia L. Rich, Public Member

Gavin Newsom, Governor

Lourdes M. Castro Ramírez, Secretary, Business, Consumer Services and Housing Agency

Kimberly Kirchmeyer, Director, Department of Consumer Affairs

David R. Fogt, Registrar of Contractors, Contractors State License Board

Overview: About the Board

The California legislature established the Contractors State License Board (CSLB) in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards. Today, CSLB is part of the Department of Consumer Affairs.

The responsibility for licensing and regulating the 45 classifications and two certifications that constitute California's construction industry belongs to CSLB. Today, there are approximately 285,000 licensed contractors and 23,000 registered home improvement salespersons in the state.

The Registrar of Contractors oversees a staff of more than 400 employees who work at CSLB's headquarters in Sacramento and at field offices throughout the state.

CSLB's headquarters office receives and processes applications for new licenses, additional classifications, changes of license records, and license renewals. Headquarters staff reviews and maintains records of disciplinary actions initiated by the regional offices and provides other support services. This office also provides information about the status of a license as well as the verified certificates of licensure used in court or other actions. Headquarters directs the activities of the field offices and initiates all disciplinary actions resulting from their investigations. Field office staff investigates consumer complaints against licensed and unlicensed contractors.

Enforcement staff closed nearly 17,000 investigations in Fiscal Year 2020-21, as well as initiated all disciplinary actions resulting from investigations. In Fiscal Year 2020-21, CSLB helped recover more than \$27.5 million for consumers.

The Statewide Investigative Fraud Team (SWIFT) focuses on the underground economy and on unlicensed contractors. This unit conducts proactive stings and sweeps to help curtail illegal contracting and cites those who are not licensed.

CSLB's website provides a wealth of information to various stakeholders. Features include an Instant License Check, which provides information about a particular contractor's license status, and Find My Licensed Contractor, which generates a list of licensed contractors in a designated geographic area and specific trade. It also includes a Disaster Help Center, which provides information and resources for disaster survivors, contractors, and the media.

CSLB holds regularly scheduled public meetings throughout the state, which provide the public an opportunity to provide comment on agenda items and other issues.

Mission, Vision, and Values

Mission

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, including home improvement.

The Board accomplishes this by:

- Ensuring that construction, including home improvement, 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.

Vision

CSLB is a model consumer protection agency, integrating regulatory oversight of the construction industry as necessary for the protection of consumers and licensed contractors.

Values

CSLB provides the highest quality throughout its programs by:

- Being responsive and treating all consumers and contractors fairly;
- Focusing on prevention and providing educational information to consumers and contractors;
- Embracing technology and innovative methods to provide services; and
- Supporting a team concept and the professional development of staff.

Board Structure and Functions

CSLB's 15-member Board directs administrative policy for the agency's operations. The Board includes 10 public members (including one labor representative, one local building official, and one representative of a statewide senior citizen organization), and five contractors. Appointments are made by the governor and the state legislature.

Gubernatorial Appointments

- Three Public Members
- One Public Member – Senior Citizen Organization
- One Public Member – Building Official
- One Public Member – Labor Representative
- One (A) Engineering Contractor Member
- Two (B) General Contractor Members
- Two (C) Specialty Contractor Members

Senate Appointments

- Two Public Members

Assembly Appointments

- Two Public Members

The Board appoints, with the approval of the director of the department of Consumer Affairs, the registrar of contractors, who directs administrative policy for CSLB's statewide operations

Committees

CSLB currently has five standing board committees that perform various functions.

- **Licensing Committee**
Ensures that all applicants and licensees meet minimum qualifications to provide construction services.
- **Enforcement Committee**
Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.
- **Public Affairs Committee**
Educates consumers about making informed choices related to construction services, and provides information to licensed contractors so they can improve their awareness of contracting laws and their technical, management, and service skills.
- **Legislative Committee**
Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations.
- **Executive Committee**
Enhances organizational effectiveness and improves the quality of service in all programs.

Licensing Contractors

CSLB licenses and regulates contractors in 44 license classifications and two certifications under which members of the construction industry practice their trades and crafts. As of October 1, 2021, there were 283,867 contractor licenses in California: 232,187 active and 51,680 inactive. Licenses are categorized into three basic branches of contracting business, as defined by statute and by CSLB rules and regulations:

- **Class “A” General Engineering**
Infrastructure and similar projects requiring specialized engineering knowledge and skill
- **Class “B” General Building**
Buildings – housing, commercial, office, etc.
- **Class “C” Specialty**
Specific trades, such as painters, plumbers, electricians, etc.

CSLB may issue a license to a sole owner, partnership, corporation, limited liability company, or joint venture. All licenses must have a “qualifier,” who is the person listed in CSLB records who satisfies the experience and exam requirements for a license. Depending on the type of license, the qualifier must be designated as an owner, responsible managing employee, responsible managing officer, responsible managing manager, responsible managing member, or qualifying partner in the license records. A qualifier is required for every classification and on each license CSLB issues; the same person may serve as the qualifier for more than one classification. CSLB also registers home improvement salespersons (HIS) who are engaged in the sale of home improvement goods and services. As of October 1, 2021, there were 23,402 active HIS registrants.

Enforcing Contractors’ State License Law

CSLB’s responsibility to enforce California’s contractors’ state license law includes investigating complaints against licensed and unlicensed contractors; issuing citations and suspending or revoking licenses; seeking administrative, criminal, and civil sanctions against violators; and informing consumers, contractors, and the industry about CSLB actions. In Fiscal Year 2020-2021, CSLB helped recover more than \$27.5 million for consumers. CSLB receives complaints from members of the public, licensees, professional groups, government agencies, and others concerning all aspects of the construction industry. However, the majority of these complaints come from owners of residential property involved in remodeling or repair work. CSLB received over 15,000 complaints in Fiscal Year 2020-2021.

CSLB's Complaint Process

CSLB's enforcement process consists of a number of steps through which complaints and/or cases may pass:

- **Complaint Initiation**
Complaint receipt, screening, and mediation to establish jurisdiction and attempt resolution when field investigation is not warranted.
- **Complaint Investigation**
Field investigations performed by CSLB Special Investigators.
- **Arbitration**
Resolution of disputes for complaint cases meeting defined criteria.
- **Minor Cases**
Issuance of an advisory notice or letter of admonishment for less egregious violations of law.
- **Citation**
Official notice containing alleged violations that include a civil penalty and may include an order of correction or abatement; citations may be issued for unlicensed activity cases or for other violations of contractors' state license law.
- **Accusation**
A legal document formally charging a licensed contractor with serious violations that warrant suspension or revocation of a license and providing notice that a disciplinary action may be imposed.
- **Criminal Referral**
Cases involving alleged criminal violations are referred to local prosecutors for the possible filing of criminal charges.
- **Appeal Hearing**
After a citation or accusation is issued, evidentiary hearings are held before an administrative law judge (ALJ) from the Office of Administrative Hearings to hear a licensee's appeal.
- **Proposed Decision**
Submission of the ALJ's proposed decision to the Registrar of Contractors for final agency decision.
- **Reconsideration**
Requests to the Registrar or the Board to reconsider the decision.
- **Judicial Review**
Licensee may file a petition for a Writ of Mandate in superior court, seeking to overturn the Registrar's or the Board's decision.

The Underground Economy

California's underground economy harms law-abiding businesses, consumers, and workers. The problem is particularly prevalent in the construction industry, where businesses that cheat underbid those that follow the rules by:

- Failing to obtain required licenses and building permits.
- Failing to pay payroll or other taxes.
- Failing to obtain required workers' compensation insurance.
- Failing to report worker injuries to keep insurance premiums artificially low.
- Failing to report accurate payroll to obtain a lower workers' compensation insurance premium.

CSLB estimates that on any given day, tens of thousands of licensed contractors and unlicensed operators are breaking the law and contributing to the state's underground economy. Since no one state agency has the resources or the information to tackle this enforcement problem alone, state agencies with overlapping jurisdiction in the areas of labor law enforcement have joined forces to make a concerted and consistent dent in California's underground economy. CSLB is a member of multiple task forces.

Joint Enforcement Task Force

The Joint Enforcement Task Force (JESF), which was created by an executive order signed by Governor Pete Wilson in October 1993, is responsible for enhancing the development and sharing of information necessary to combat the underground economy, to improve the coordination of enforcement activities, and to develop methods to pool, focus, and target enforcement resources. JESF is empowered and authorized to form joint enforcement teams when appropriate to utilize the collective investigative and enforcement capabilities of JESF members.

Labor Enforcement Task Force

The Labor Enforcement Task Force (LETF), which was launched in January 2012, is comprised of investigators from CSLB, the Department of Industrial Relations, and the Employment Development Department. LETF performs weekly inspections at active construction sites to investigate license, wage, tax, and workplace safety compliance.

Unlicensed Activity

CSLB's Statewide Investigative Fraud Team (SWIFT) proactively combats illegal contractors that operate in the underground economy by failing to obtain a required contractor license and/or workers' compensation insurance. SWIFT routinely partners with other state and local regulatory and law enforcement agencies to conduct undercover sting and sweep operations, targeting egregious offenders who pose a threat to consumers, employees, businesses, and licensed contractors.

Significant Accomplishments 2019-2021

Over the last three years, the Board achieved many of the goals laid out in the 2019-2021 Strategic Plan. Highlights include:

- The Legislative and Licensing Divisions developed a new residential remodeling classification and then worked with Senator McGuire to create the new law (SB 1189, 2020). The Testing Division developed and is now administering the new trade examination.
- The Licensing Division obtained legislative authority through board-sponsored legislation and began outsourcing CSLB's examination administration to reduce board costs and provide applicants more flexibility to take their exams.
- The Information Technology and Licensing Divisions developed necessary programming to enable over 90 percent of licensees to renew their licenses online in real-time and provided all applicants with the ability to take their open book asbestos examination online.
- The Enforcement and Public Affairs Divisions formalized CSLB's disaster response program. Consumer protection objectives include posting signs within three to five days after evacuation orders are lifted, conducting sweeps through the disaster area to ensure contractors are properly licensed, staffing Local Assistance/Disaster Recovery Centers to educate consumers and contractors on successfully contracting to rebuild, and participating in disaster-related outreach events. In the past three years, the Enforcement Division has successfully staffed 52 Local Assistance Centers throughout California.
- The Enforcement and Public Affairs Divisions relaunched CSLB's "Most Wanted" feature and issued press releases for all undercover sting operations.
- The Public Affairs and Enforcement Divisions created an online building permit compliance training course for licensees who fail to comply with local building department permit requirements.
- The Executive Office completed a classification study with outside consultant CPS HR and reclassified existing non-sworn enforcement representatives to special investigators.
- The Information Technology Division expanded public records and licensing information online with the creation of the "Public Data Portal" on CSLB's website.

Strategic Goal Areas

1. LICENSING & TESTING

Ensures that all applicants and licensees meet minimum qualifications to provide construction services.

2. ENFORCEMENT

Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.

3. LEGISLATION

Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations.

4. PUBLIC AFFAIRS

Educates consumers about making informed choices related to construction services and provides information to licensed contractors so they can improve their awareness of contracting law, and technical, management, and service skills.

5. EXECUTIVE

Enhances organizational effectiveness and improves the quality of service in all programs.

Goal 1: Licensing and Testing

Ensure that all applicants and licensees meet minimum qualifications to provide construction services.

- 1.1 Assess barriers to licensure for women and minorities and create an outreach plan to community colleges, construction management programs, labor unions, and workforce development groups to increase licensee diversity and create a better understanding of applicants and licensees.

[Ongoing: Workshops or Surveys](#)

- 1.2 Study and appraise [existing and prospective reciprocity agreements to determine if they are needed; and if so, whether qualifying criteria for reciprocity agreements be updated or codified legislatively. opportunities to waive examination requirements for out of state contractors for exam waivers by broadening reciprocity to reduce barriers to licensure.](#)

[June 2023](#)

- 1.3 Continue automating and streamlining all online application, ~~and~~ licensing, [and](#) examination processes to improve processing efficiency.

[December 2024](#)

- 1.4 Assess and report [on how to incorporate requirements for licensure to include](#) new and emerging technologies ~~and~~[into the licensure processes](#) to ensure licensees continues to represent reliability in contracting excellence.

[Ongoing: Presentation to Board summer 2022](#)

- 1.5 In partnership with Public Affairs, [streamline and eliminate jargon on CSLB licensing webpages, handouts, publications, and forms to reduce user confusion and evaluate and enhance FAQs and forms for licensing processes to reduce](#) processing times.

[December 2022 and ongoing](#)

- 1.6 Complete exam administration outsource transition and assess remote testing options.

[September 2022](#)

Goal 2: Enforcement

Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare

- 2.1 Leverage current enforcement tools ([letters of admonishment and accusations](#)) to increase licensee and business knowledge by requiring contractors subject to CSLB ~~complaint investigation~~ [corrective action to](#) take specified courses.

[July 2022](#)

- 2.2 Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

[July 2022: Prepare scope of work for hiring consultant and present to Enforcement Committee](#)

- 2.3 Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors' state license law (CSLL) and other business requirements.

~~April March 2022: Presentation to Joint Enforcement Strike Force~~
[July 2022: Present education plan to Enforcement Committee](#)

- 2.4 Review and create a structured enforcement training program with enforcement academy to achieve statewide investigation and legal action consistency.

[July 2023](#)

- 2.5 ~~Research the need to establish~~ [Develop a plan for](#) a public works [enforcement](#) unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce CSLL requirements.

[July 2022: Presentation to Enforcement Committee](#)

- 2.6 Continue to enforce workers' compensation insurance requirements [to protect consumers and workers](#) and scrutinize licensees who self-certify they have no employees. ~~to protect consumers and workers.~~

[Ongoing](#)

Goal 3: Legislation

Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations

- 3.1 Host an annual legislative day to build proactive relationships with lawmakers and to enhance effectiveness.

[April 2023: Annually thereafter](#)

- 3.2 Review policies, procedures, and current practices for compliance with the Administrative Procedure Act to ensure appropriate decision making.

[July 2022: Conduct internal review](#)

- 3.3 Use plain language in all CSLB ~~sponsored legislation~~ [legislative proposals and bill analyses](#) for better consumer and contractor understanding.

[Immediate and ongoing](#)

- 3.4 Pursue legislation requiring workers' compensation insurance for all contractors to protect consumers and workers.

[September 2022](#)

- 3.5 Identify and include fiscal impacts for the Board's consideration in all legislative proposals and bill analyses.

[Immediate and ongoing](#)

- 3.6 Review and collaborate with local and state government to determine if CSLB's hazardous and asbestos certification remain viable and are effective in protecting consumers in declared disaster areas.

[July 2023](#)

Goal 4: Public Affairs

Educates consumers about making informed choices related to construction services, and provides information to licensed contractors so they can improve their awareness of contracting laws and technical, management, and service skills

- 4.1 Expand [CSLB's](#) online presence through both standard platforms and emerging technologies to [improve effectiveness in educating consumers and the industry.](#)
~~[streamline ease, cost, and impact of making information available.](#)~~

[Ongoing](#)

- 4.2 Establish a CSLB-specific new board member orientation to educate board members about legislative processes, licensing and testing functions, and enforcement procedures.

[January 2023](#)

- 4.3 Update the website content, accessibility, and navigation to improve [the](#) user experience.

[Immediate and ongoing](#)

- 4.4 Develop video tutorials on processes and procedures to reduce consumer, licensee, and applicant errors (~~[i.e. for example](#)~~, how to complete forms).

[Ongoing. Two videos per year beginning in 2022.](#)

- 4.5 Develop communications with C-20 (Warm-Air Heating, Ventilating and Air-Conditioning) and C-38 (Refrigeration) contractors on energy work in line with Governor Newsom's carbon reduction goals.

[December 2022](#)

Goal 5: Executive: Administration and Information Technology

Enhances organizational effectiveness and improves the quality of service in all programs

5.1 Regularly report to the Board on IT security to protect and secure CSLB sensitive data.

[Ongoing](#)

5.2 Research and develop tools in addition to existing annual surveys that will provide the Board and staff with feedback on the public's perception of staff performance and customer service.

[July 2022](#)

5.3 ~~Replace~~ ~~improve~~ the automated phone system ~~to~~ ~~and~~ ensure callers can speak to a representative in a timely fashion.

[March 2023](#)

5.4 Improve staff recruitment, onboarding, and training/team building for staff development.

[July 2022](#)

5.5 Evaluate applicant and licensee online logins or profiles to help tailor the content to the user, track submissions/interactions, etc.

[December 2022: Procure product](#)

[December 2023: Implementation](#)

Strategic Planning Process

To understand the environment in which the Board operates and to identify factors that could impact the Board's success, the California Department of Consumer Affairs' SOLID Planning unit (SOLID) conducted an environmental scan of the internal and external environments by collecting information through the following methods:

- Interviews were conducted with board members and executive management during the months of June and July 2021, to assess the challenges and opportunities the Board is currently facing or will face in the upcoming years.
- Online surveys were sent to board managers, supervisors, and staff on June 7, 2021, closing on June 21, 2021. In the survey, board managers, supervisors, and staff provided anonymous input regarding the challenges and opportunities the Board is currently facing or will face in the upcoming years. A total of 51 staff and eight managers and supervisors participated in the survey.
- An online survey was sent to board stakeholders the second week in June and closed on June 21, 2021. The survey's purpose was to identify the strengths and weaknesses of the Board from an external perspective. A total of 363 stakeholders completed the survey.

The most significant themes and trends identified from the environmental scan were discussed by the board members and the executive officer during a strategic planning session facilitated by SOLID Planning on September 22, 2021. This information guided the Board in the review of its mission, vision, and values while directing the strategic goals and objectives outlined in its new strategic plan.

AGENDA ITEM D-7

CSLB Budget Update



CSLB Budget Update

Fiscal Year (FY) 2021-22 CSLB Budget, Expenditures, and Revenue

CSLB authorized Governor's Budget is \$75 million, plus an additional \$5 million in mandatory external costs for a total of \$80 million.

CSLB projects the final year-end expenses at \$75 million which includes mandatory external costs and the final revenue approximately \$78 million.

Expenditures

Through January 31, 2022, CSLB spent or encumbered \$40.7 million, roughly 54 percent of its FY 2021-22 budget:

EXPENDITURE DESCRIPTION	FY 2021-22 FINAL BUDGET	JANUARY 2022 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	\$30,381,000	\$15,924,535	\$14,456,465	47.6%
Board Members	16,000	7,400	8,600	53.8%
Temp Help	800,000	625,706	174,294	21.8%
Exam Proctor	101,000	188,475	-87,475	-86.6%
Overtime	146,000	157,669	-11,669	-8.0%
Staff Benefits	15,592,000	8,325,450	7,266,550	46.6%
TOTALS, PERSONNEL	\$47,036,000	\$25,229,235	\$21,806,765	46.4%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	\$16,882,000	\$12,151,329	\$4,730,671	28.0%
Exams – Subject Matter Experts	436,000	120,697	315,303	72.3%
Enforcement	10,921,000	3,756,036	7,164,964	65.6%
TOTALS, OE&E	\$28,239,000	\$16,028,062	\$12,210,938	43.2%
TOTALS	\$75,275,000	\$41,257,297	\$34,017,703	45.2%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-80,259	-272,741	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-515,688	515,688	
GRAND TOTALS	\$74,922,000	\$40,661,350	\$34,260,650	45.7%

Revenue

CSLB received the following revenue amounts through February 28, 2022:

Revenue Category	Through 02/28/2022	Percentage of Revenue	Change from prior year (02/28/2021)
Duplicate License/Wall Certificate Fees	\$116,945	0.2%	52.9%
New License and Application Fees	\$10,994,062	21.0%	23.6%
License and Registration Renewal Fees	\$35,386,304	67.6%	0.3%
Delinquent Renewal Fees	\$4,699,985	9.0%	14.8%
Citation Penalty Assessments	\$1,082,031	2.0%	6.7%
Misc. Revenue	\$105,987	0.2%	5.3%
Total	\$52,385,314	100.00%	5.9%

Fiscal Year (FY) 2021-22 CSLB Final Budget and Adjustments

- CSLB's FY 2021-22 budget increased by \$1.6 million, from \$73.3 to \$74.9 million based on one-time adjustments and reductions in the following areas:
Adjustments to salaries and wages, benefits, and operating expenditures (i.e., DCA pro rata) based on a Governor's budget drill (Budget Letter 20-37) to reduce expenditures by 5%, as well as adjustments to employee retirement contribution rates, and adjustments to employee compensation and health rates.
- As previously reported, the targeted 5% expense reduction was met through staffing and facilities cost savings identified with AB 3087 (Outsourcing of Test Administration).
- The following chart shows the approved original FY 2021-22 budget (2021 Budget Bill) and the overall budgetary impact of the reductions and adjustments to CSLB's final FY 2021-22 budget:

EXPENDITURE DESCRIPTION	FY 2021-22 BUDGET ACT	5% EXPENSE REDUCTION (Test Admin)	RETIREMENT ADJ	EMPLOYEE COMP & BUDGET POS ADJ	FY 2021-22 FINAL BUDGET
PERSONNEL SERVICES					
Salary & Wages (Staff)	29,214,000	-192,000		1,359,000	30,381,000
Board Members	16,000				16,000
Temp Help	800,000				800,000
Exam Proctor	101,000				101,000
Overtime	146,000				146,000
Staff Benefits	15,220,000	-122,000	-101,000	595,000	15,592,000
TOTALS, PERSONNEL	45,497,000	-314,000	-101,000	1,954,000	47,036,000
OPERATING EXPENSES & EQUIPMENT					
Operating Expenses	16,767,000	-237,000	-12,000	364,000	16,882,000
Exams	436,000				436,000
Enforcement	10,912,000			9,000	10,921,000
TOTALS, OE&E	28,115,000	-237,000	-12,000	373,000	28,239,000
TOTALS	73,612,000	-551,000	-113,000	2,327,000	75,275,000
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
TOTALS, NET REIMBURSEMENTS	73,259,000	-551,000	-113,000	2,327,000	74,922,000

CSLB FY 2021-22 Expenditure Reduction Plan

At the June 2021 board meeting, the Board adopted a \$5 million expense reduction plan to ensure the Board had enough cash flow to allow for essential operations until a fee increase was secured. Since the fee increase has been secured and implemented, this reduction plan and quarterly reporting is no longer required. Overall, the Board ended up achieving \$3 million in savings over a six-month period. The chart below outlines the actual saving achieved through December 2021.

Executive (All CSLB)

ACTION	ANNUAL SAVINGS PLAN	SAVINGS THRU DECEMBER
<ul style="list-style-type: none"> Delay filling positions – maintaining 35 vacant positions 	\$3.5 million	\$1 million

Licensing and Testing

ACTION		
<ul style="list-style-type: none"> Conduct subject matter expert workshops via Webex or other technology platform to reduce travel cost 	\$100,000	\$150,000
<ul style="list-style-type: none"> 5% Reduction Drill (<i>Budget Letter 20-37</i>) already identified cost savings due to outsourcing of exam administration. These savings include closing of two exam facilities (i.e., Berkeley and San Jose, and eliminating five vacant positions at those locations. 	\$550,000	\$550,000

Enforcement

ACTION		
<ul style="list-style-type: none"> Hold Attorney General’s Office at \$7.5 million annually (or \$625,000 monthly) 	\$550,000	\$950,000
<ul style="list-style-type: none"> Modify processes to reduce arbitration costs by 20% (roughly \$58k monthly) <p><i>Current monthly average in FY 20/21 was \$47k</i></p>	\$200,000	\$160,000
<ul style="list-style-type: none"> Modify procedures to reduce expenditures for industry expert consultants by 13% (roughly \$54k monthly) <p><i>Current monthly average in FY 20/21 was \$20k</i></p>	\$100,000	\$200,000
TOTAL SAVINGS	\$5 million	\$3 million

CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund, which shows the final FY 2020-21 reserve (\$1.9 million, less than 1.0 month reserve), along with the projected reversion amounts for current year (CY) 2021-22 through budget year (BY) 2022-23. This chart includes the projected additional revenue due to the passing of fee bill SB 607 which raised most fees effective January 1, 2022, to address the financial structural imbalance.

<i>(Dollars in thousands)</i>	Final FY 2020-21	Projected CY 2021-22	Projected BY 2022-23
Beginning Balance <i>(Fund/Savings Account)</i>	\$627	\$1,865	\$4,332
Prior Year Adjustment	\$(1,075)	\$0	\$0
Adjusted Beginning Balance	\$-448	\$1,865	\$4,332
Revenues and Transfers			
Revenue	\$73,265	\$77,895	\$92,400
Total Resources <i>(Revenue + Fund/Savings Acct.)</i>	\$72,817	\$79,760	\$96,732
Expenditures			
Board Expenditures	\$65,886	\$69,700	\$76,973
External Costs	\$5,066	\$5,728	\$5,728
Total Expenditures	\$70,952	\$75,428	\$82,701
Ending Balance <i>(Fund/Savings Account)</i>	\$1,865	\$4,332	\$14,031
Months in Reserve	0.3	0.6	2.0
Dollars in Reserve	\$1.9 M	\$4.3 M	\$14.0 M

Notes:

- 1) Board Expenditures include staff pay, benefits, and operating expenses
- 2) External Costs include statewide pro rata
- 3) CY 2021-22 & BY 2022-23 assumes additional revenue based on fee study projections
- 4) BY 2022-23 expenditures is Governor's Budget with no savings.

Construction Management Education Account (CMEA) Fund Condition

Below is the CMEA fund condition, which shows the final FY 2020-21 reserve (\$492,000 – approximately 32 months’ reserve), along with the projected reversion amounts for current year (CY) 2021-22 through budget year (BY) 2022-23:

<i>(Dollars in thousands)</i>	Final FY 2020-21	Projected CY 2021-22	Projected BY 2022-23
Beginning Balance	\$ 420	\$ 492	\$ 494
Prior Year Adjustment	\$-8	\$0	\$0
Adjusted Beginning Balance	\$ 412	\$ 492	\$ 494
Revenues and Transfers			
Revenue	\$185	\$187	\$187
Totals, Resources	\$ 597	\$ 679	\$ 681
Expenditures			
Disbursements:			
Program Expenditures (State Operations)	\$5	\$10	\$10
Local Assistance Grant Disbursements	\$100	\$175	\$175
Total Expenditures	\$ 105	\$ 185	\$ 185
Fund Balance			
Reserve for economic uncertainties	\$ 492	\$ 494	\$ 496
Months in Reserve	31.9	32.0	32.2

Notes:

- 1) Projected CY 2021-22 and ongoing includes increasing grants based on assumed approved CMEA annual augmentation.

Statistics Summary

All Applications Received

Month	2018-19	2019-20	2020-21	2021-22
July	3,478	4,511	3,323	4,479
August	3,761	4,733	3,863	3,527
September	3,418	4,366	3,441	3,398
October	4,550	4,166	4,324	3,909
November	3,736	3,854	3,168	2,958
December	3,682	3,320	2,681	4,687
January	4,232	4,132	3,112	4,634
Total	26,857	29,082	23,912	27,592
			<i>% Change from Prior FY</i>	15.4%

Original Applications Received *(includes exam and waivers)*

Month	2018-19	2019-20	2020-21	2021-22
July	1,454	1,935	1,311	1,782
August	1,815	1,967	1,226	1,138
September	1,595	1,820	1,122	1,153
October	2,182	1,616	1,834	1,311
November	1,763	1,440	1,218	1,020
December	1,697	1,245	926	2,544
January	1,972	1,829	1,099	1,965
Total	12,478	11,852	8,736	10,913
			<i>% Change from Prior FY</i>	24.9%
			<i>% of Apps Rcvd are Original Apps</i>	40.0%

Original Licenses Issued

Month	2018-19	2019-20	2020-21	2021-22
July	1,394	1,426	1,032	1,650
August	1,616	1,331	1,084	1,760
September	1,377	1,293	1,171	1,516
October	1,580	1,383	1,257	1,438
November	1,250	1,195	1,119	1,339
December	1,244	1,181	1,115	1,418
January	1,441	1,263	880	1,413
Total	9,902	9,072	7,658	10,534
			<i>% Change from Prior FY</i>	37.6%

Licenses Renewed (Peak renewal years notated in red)

Month	2018-19	2019-20	2020-21	2021-22
July	8,307	11,234	12,460	7,232
August	10,544	9,631	10,396	11,805
September	8,173	9,409	11,507	10,443
October	13,154	7,901	9,252	8,112
November	7,563	6,003	6,843	8,737
December	7,362	7,846	11,087	10,694
January	11,000	9,582	10,271	8,979
Total	66,103	61,606	71,816	66,002

% Change from non-Peak FY 2019-20 7.1%

Original HIS Registrations Issued

Month	2018-19	2019-20	2020-21	2021-22
July	476	677	596	533
August	422	526	487	742
September	442	634	570	677
October	549	579	594	722
November	415	594	513	513
December	437	519	444	519
January	570	429	523	467
Total	3,311	3,958	3,727	4,173

% Change from Prior FY 12.0%

HIS Registrations Renewed

Month	2018-19	2019-20	2020-21	2021-22
July	328	408	646	541
August	435	497	714	588
September	354	421	646	566
October	461	387	548	571
November	342	212	385	538
December	302	534	385	571
January	381	319	464	440
Total	2,603	2,778	3,788	3,815

% Change from Prior FY 0.7%

License Population by Status

Status	Mar. 1, 2019	Mar. 1, 2020	Mar. 1, 2021	Mar. 1, 2022
Active	230,743	230,152	229,016	234,020
Inactive	55,353	53,819	52,389	51,200
Total	286,096	283,971	281,405	285,220

% Change from Prior FY 1.4%

HIS Registration Population by Status

Status	Mar. 1, 2019	Mar. 1, 2020	Mar. 1, 2021	Mar. 1, 2022
Active	18,522	20,893	22,164	24,051

% Change from Prior FY 8.5%

Complaints By Fiscal Year

Complaints	2017-18	2018-19	2019-20	2020-21
Received	20,674	20,474	18,190	16,551
Reopened	969	1,124	1,133	1,058
Closed	21,584	21,644	20,272	16,851
Pending (As of June 30)	4,796	4,807	3,898	4,716

AGENDA ITEM D-8

Administration Update Regarding Personnel and Facilities



ADMINISTRATION UPDATE

PERSONNEL UNIT

TRANSACTIONS

During the second quarter of fiscal Year 2021-22 (October 1 to December 31, 2021), CSLB Personnel staff completed 25 personnel transactions. This included the addition of seven employees from other state agencies and five employees new to state service. Within CSLB, six employees were promoted and five transferred to different positions. In addition, two Examination Proctors and one student assistant were hired, and four employees accepted Training and Development assignments.

Total Number of Personnel Transactions Per Quarter – FY 2021-22

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	5	7	---	---
New to State Service	3	5	---	---
Student Assistants	1	0	---	---
Retired Annuitants	0	0	---	---
Promotions	7	6	---	---
Transfers within CSLB	7	5	---	---
Training and Development	4	0	---	---
Examination Proctors	8	2	---	---
Total Per Quarter	35	25	---	---

Total Number of Personnel Transactions Per Quarter – FY 2020-2021

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	4	5	10	3
New to State Service	1	2	7	10
Student Assistants	0	1	0	0
Retired Annuitants	0	0	0	0
Promotions	119	21	8	3
Transfers within CSLB	17	8	10	3
Training and Development	4	0	0	2
Examination Proctors	0	0	0	7
Total Per Quarter	145	37	35	31

VACANCIES

CSLB averaged 47 vacancies since the beginning of fiscal year 2021-22. The Personnel unit continuously works with CSLB hiring managers and Department of Consumer Affairs' (DCA) Office of Human Resources to identify and minimize any delays in recruitment for key positions.

Average Monthly Vacancies by Fiscal Year

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2021-22	43	45	49	52	51	45	47	---	---	---	---	---
2020-21	43	50	51	50	47	51	55	50	47	49	45	40
2019-20	21	25	31	35	34	34	23	22	24	22	36	40
2018-19	29	33	30	24	22	21	23	22	24	22	22	19

PERSONNEL UNIT ACTIVITIES

Personnel staff remain busy managing recruitment efforts and assisting with onboarding new employees. Staff also prepared weekly vacancy reports and monthly position reports, as well as assisting employees with time and attendance concerns, salary issues, benefits, and health and safety issues. The Personnel Unit continues to collect and track annual policies signed by all employees and ensures that telework agreements and emergency contact forms are updated.

The Personnel Unit also coordinates the ergonomic program designed to identify, prevent and/or correct repetitive motion injuries caused by repetitive job process, or operation of identical work activity. During the period of November 2021 to January 2022, the Personnel Unit assisted seven staff members with ergonomic evaluations.

In addition, staff are preparing for the State's Biennial Bilingual Survey which will occur later in the year. The survey is conducted every two years 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.

SUPPLEMENTAL PAID SICK LEAVE 2022 -

The Personnel Unit is again assisting employees affected by the COVID-19 pandemic with benefits made available under Senate Bill (SB) 114. SB 114 was approved by the Governor on February 9, 2022, and will provide supplemental paid sick leave to eligible employees who are unable to work or telework due to certain reasons related to COVID-19.

EXAMINATIONS

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

ADMINISTERED BY DCA	STATUS	DATE
Consumer Services Representative	Effective date of last exam: Next effective date of exam:	November 2021 May 2022
Office Services Supervisor II	Effective date of last exam: Tentative effective date of next exam	April 2021 TBD
Supervising Special Investigator I	Effective date of last exam: Tentative effective date of next exam	January 2022 August 2022
Supervising Special Investigator II	Effective date of last exam: Next effective date of exam:	December 2021 June 2022
Staff Service Analyst Transfer Exam	N/A	March/June September/December

ADMINISTRATION UPDATE

BUSINESS SERVICES UNIT

FACILITIES

- **West Covina:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's West Covina field office. CSLB conducted a kickoff meeting with the Department of General Services (DGS) and the Department of Consumer Affairs (DCA) on December 29, 2021, DGS and DCA conducted an on-site walk through on February 9, 2022, to discuss requested tenant improvements. Four (4) action items were identified during this walk through and DCA will work with DGS to negotiate with the lessor. The current lease expires November 30, 2022.
- **Bakersfield:** Staff completed and submitted all appropriate forms to renew the lease for CSLB's Bakersfield field office. DGS is negotiating the lease renewal upon completion of minor tenant improvements. The current lease expires December 31, 2022.

CONTRACTS AND PROCUREMENTS

Contracts in Process:

- Contract with FedEx and General Logistics Systems to provide statewide shipping and receiving services. Contract is pending DGS Master Service Agreement approval. Current contract expires February 25, 2022.

Executed Contracts/Procurement:

- Arbitration services contract to support CSLB's arbitration program.
- Interagency agreement with CalTrans for parking spaces at CSLB's Norwalk office.
- Laminator and supplies for the Testing Division to laminate testing booklets in-house.
- PPE supplies including masks, hand sanitizer, and wipes to replenish existing supplies.
- The California Department of Human Resources (CalHR) contract to conduct psychological screening services for Peace Officer applicants.

Training:

- Staff tracked and reported the completion of two (2) DCA mandatory trainings which needed to be completed by all CSLB staff by December 31, 2021. These mandatory trainings included:
 - Sexual Harassment Prevention Training
 - Information Security Assessment Training

AGENDA ITEM D-9

Information Technology Update





INFORMATION TECHNOLOGY UPDATE

Online Renewal Single Qualifier Program

In April 2020, programming was complete to allow sole owner licenses with a single qualifier to renew their licenses online. In October 2021, programming was complete to allow corporations, partnerships, and limited liability companies with a single qualifier to also renew their licenses online. This new feature allows 96 percent of CSLB licensees to renew online.

The chart below includes sole qualifier online renewal statistics.

Online Renewal Statistics

Online Renewal Transactions

	Single Qualifier	eKiosk	HIS	Total Renewals	% of Online Transactions
January 2021	3,025	1,073	304	10,359	42.5%
February 2021	2,984	1,159	331	7,276	61.5%
March 2021	3,285	1,075	405	12,048	39.6%
April 2021	2,971	1,016	393	11,265	38.9%
May 2021	3,108	963	420	11,190	40.1%
June 2021	3,104	1,039	390	12,521	36.2%
July 2021	3,024	886	461	7,330	59.6%
August 2021	3,039	989	407	11,903	37.3%
September 2021	2,739	873	361	10,559	37.6%
October 2021	3,692	153	428	8,207	52.1%
November 2021	4,660	0	389	8,812	57.3%
December 2021	5,126	7	368	10,812	50.8%
Totals	40,757	9,233	4,657	122,282	44.7%

Software Defined -Wide Area Network (SD-WAN)

The IT Division deployed CSLB's first Software Defined Wide Area Network (SD-WAN) to the Norwalk Branch office. SD-WAN enables CSLB to securely support application growth, network agility, and simplify branch office implementations. CSLB partnered with the California Department of Technology (CDT) with its first successful deployment for CSLB. CSLB will continue deployments to headquarters which is tentatively scheduled for April 2022 and the remaining CSLB sites will follow.

Online Citation Payment

The Information Technology Division (IT), along with the Enforcement Division, released the online citation payment program in January 2021. This allowed licensees and non-licensees to pay penalty assessments online through the CSLB website. All payments



are processed in real-time and the CSLB database is updated immediately with the new payment information.

Citation Payments

	Online Payments	Total Payments	% Of Online Payments
January 2021	\$19,950	\$140,262	14.2%
February 2021	\$30,140	\$122,713	24.6%
March 2021	\$62,965	\$154,967	40.6%
April 2021	\$65,684	\$179,806	36.7%
May 2021	\$66,905	\$146,807	45.6%
June 2021	\$58,130	\$160,249	36.3%
July 2021	\$35,711	\$122,327	29.2%
August 2021	\$45,445	\$123,798	36.7%
September 2021	\$89,445	\$180,990	49.4%
October 2021	\$65,005	\$125,468	51.8%
November 2021	\$78,295	\$139,633	56.1%
December 2021	\$55,582	114,431	48.6%
2021 Totals	\$673,257	\$1,711,451	39.3%

AGENDA ITEM E

Licensing



AGENDA ITEM E-1

Accomplishments and Activities Report



AGENDA ITEM E-2

Licensing and Testing Program Statistical Update



Licensing Program Update

APPLICATION PROCESSING STATISTICS

The charts below provide the total number of incoming applications received by the application units each month, quarter, and calendar year.

Total Number of Applications Received Per Month

	2021											2022
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Original Exam	697	576	1,478	1,316	1,524	1,227	802	806	810	750	1,847	892
Original Waiver	386	325	737	598	697	555	336	347	501	270	697	244
Add Class	252	264	404	355	307	349	239	302	278	206	445	191
Qualifier Replacer	164	150	275	240	254	234	177	172	230	156	278	97
Home Improvement	896	1,411	1,070	928	1,236	1,088	1,115	990	903	965	1,114	695
Total Per Month	2,395	2,726	3,964	3,437	4,018	3,453	2,669	2,617	2,722	2,347	4,381	2,119
3 – Month Totals	Feb - Apr: 9,085			May - Jul: 10,908			Aug - Oct: 8,008			Nov - Jan: 8,847		

Total Applications Received – Prior Calendar Years

	CY 2017	CY 2018	CY 2019	CY2020	CY2021
Original Exam	13,642	15,500	15,244	13,193	15,729
Original Waiver	8,462	9,327	8,796	7,456	7,558
Add Class	3,974	4,220	4,526	4,231	4,138
Qualifier Replacer	2,488	2,706	2,792	2,620	2,813
Home Improvement	9,522	9,720	11,122	9,694	12,411
Total Received	38,088	41,473	42,480	37,194	42,649

CSLB management closely monitors processing times for the various licensing units on a weekly and monthly basis.

The chart below provides the “weeks to process” for applications, license transactions, and public information unit documents (i.e., record certification) received each month. “Weeks to process” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

Weeks To Process

	2021											2022
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Original Exam	9.3	7.6	7.7	8.0	8.1	7.9	7.8	7.6	7.0	7.5	6.5	6.1
Original Waiver	7.7	5.8	5.1	4.4	3.7	4.4	4.4	4.1	3.1	3.9	5.2	5.3
Add Class	2.4	2.9	3.9	3.1	4.8	4.8	3.5	2.8	3.1	4.1	5.6	4.6
Qualifier Replacer (Exams & Waiver)	2.5	3.1	3.8	3.3	4.4	5.0	3.5	2.8	3.1	4.4	5.5	4.6
Home Improvement	2.6	3.4	3.9	3.4	4.1	4.2	2.1	0.5	0.6	0.7	0.6	2.7
Renewal	2.5	3.6	3.8	3.4	2.7	2.4	3.1	2.3	2.0	2.3	2.1	1.8
Add New Officer	3.3	4.8	4.8	3.8	4.4	4.0	4.1	3.6	3.4	2.9	4.2	4.1
Address/ Name Change	3.3	4.9	4.4	3.8	4.4	3.8	4.2	4.0	4.1	3.0	4.2	4.5
Bond / Bond Exemption	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Workers' Comp / Exempt	3.0	2.5	2.7	3.0	3.2	3.3	3.9	4.3	4.3	5.5	5.7	5.5
Certified License History	7.0	7.0	6.0	7.0	7.0	7.0	7.5	4.0	0.0	0.1	0.0	0.0
Copies of Documents	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Criminal Offender Record Information (CORI) Review*	2.2	1.8	2.1	2.1	2.2	2.1	1.7	1.7	1.9	2.1	1.8	1.7

*Outside CSLB Control—DOJ /FBI timeframe

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

Disposition of Applications by Fiscal Year

Fiscal Year	Number of Apps Received	Processed & Issued	Voided	Pending*
2017-2018	39,118	20,132	6,562	12,424
2018-2019	42,344	20,379	6,766	15,199
2019-2020	38,251	16,415	4,161	17,675
2020-2021	41,864	16,176	4,098	21,590

* These are the total number of applications pending at the close of each fiscal year.

An application may be classified as pending because:

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

The higher number of pending applications for fiscal year (FY) 2020 and 2021 may be partly due to the closure of CSLB examination centers between March of 2020 and June of 2020 as a result of the COVID-19 pandemic. The examination centers then closed again between December 2020 and February of 2021. These events resulted in license applicants being unable to sit for examinations and an examination scheduling backlog which staff have worked hard to address.

RENEWAL PROCESSING STATISTICS

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

Total Number of Renewals Received Per Month

	2021											2022
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Reactivation	102	125	125	79	111	98	98	116	95	75	118	84
Active	5,355	9,355	8,843	8,744	9,744	5,554	9,385	8,282	6,103	6,697	8,495	6,288
Inactive	691	1,158	1,158	1,028	1,178	701	1,074	938	763	738	875	639
Delinquent												
Active	965	1,230	1,080	1,143	1,291	829	1,149	1,060	1,086	1,116	1,147	904
Delinquent												
Inactive	163	180	184	196	197	148	197	163	160	186	177	148
Received Per Month	7,276	12,048	11,265	11,190	12,521	7,330	11,903	10,559	8,207	8,812	10,812	8,063
3 – Month Totals	Feb - Apr: 30,589			May - Jul: 31,041			Aug - Oct: 30,669			Nov - Jan: 27,687		

Total Renewals Received – Prior Calendar Years

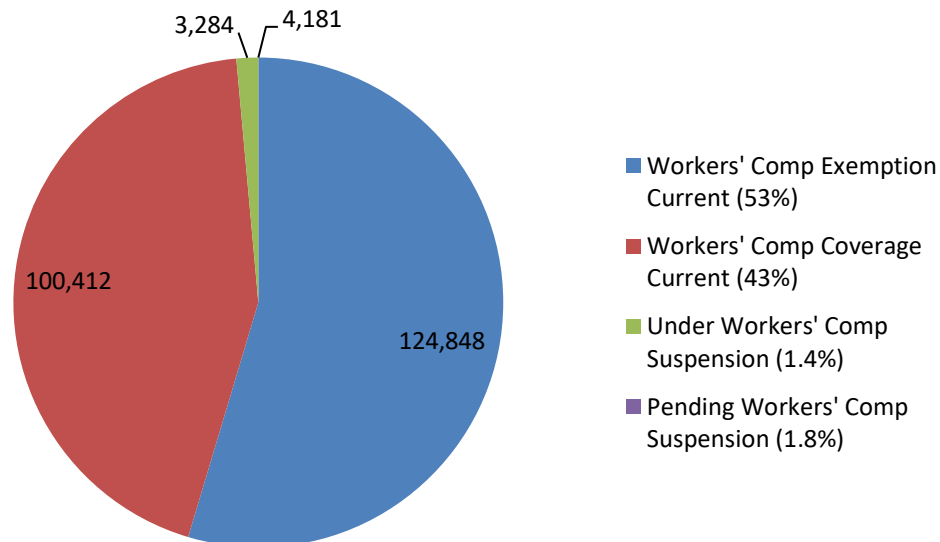
	CY 2017	CY 2018	CY 2019	CY 2020	CY2021
Reactivation	1,558	1,421	1,358	1,164	1,230
Active	97,884	104,330	98,901	97,037	94,480
Inactive	14,280	13,757	13,007	12,379	11,351
Delinquent Active	11,211	11,091	10,721	12,636	13,162
Delinquent Inactive	1,945	1,892	1,734	2,071	2,163
Total Received	126,878	132,491	125,721	125,287	122,386

WORKERS' COMPENSATION RECERTIFICATION STATISTICS

The law requires that at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify that exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If at the time of renewal the licensee fails to comply, then the law allows for the retroactive renewal of the license if the licensee submits the required documentation of the missing information within 30 days after notification by CSLB.

The chart below provides a snapshot of workers' compensation coverage for active licenses.

Workers' Comp Coverage for Active Licenses - January 31, 2022



Total Number of Active Licenses: 233,737

The following chart shows the workers' compensation coverage (policies and exemptions) on file as of January 31, 2022, for active licenses by classification and the percentage of exemptions per classification.

Active License Classifications Workers' Comp Status: As of January 31, 2022

Classification		Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A	General Engineering	5,397	9,075	14,472	37%
B	General Building	61,854	40,085	101,939	61%
B-2	Residential Remodeling	29	6	35	83%
C-2	Insulation and Acoustical	282	870	1,152	24%
C-4	Boiler Hot Water	190	547	737	26%
C-5	Framing / Rough Carp	503	405	908	55%
C-6	Cabinet-Millwork	2,624	1,913	4,537	58%
C-7	Low Voltage Systems	2,003	2,735	4,738	42%
C-8	Concrete	2,637	3,648	6,285	42%
C-9	Drywall	1,238	1,759	2,997	41%
C10	Electrical	14,132	11,617	25,749	55%
C11	Elevator	45	159	204	22%
C12	Earthwork & Paving	1,002	1,391	2,393	42%
C13	Fencing	682	914	1,596	43%
C15	Flooring	3,613	3,361	6,974	52%
C16	Fire Protection	768	1,385	2,153	36%
C17	Glazing	1,094	1,813	2,907	38%
C20	HVAC	6,836	5,592	12,428	55%
C21	Building Moving Demo	517	1,170	1,687	31%
C22	Asbestos Abatement	2	286	288	0.7%
C23	Ornamental Metal	407	631	1,038	39%
C27	Landscaping	4,860	6,605	11,465	42%
C28	Lock & Security Equipment	143	220	363	39%
C29	Masonry	984	1,281	2,265	43%
C31	Construction Zone	58	279	337	17%
C32	Parking Highway	172	301	473	36%
C33	Painting	8,672	6,792	15,464	56%
C34	Pipeline	147	357	504	29%
C35	Lath & Plaster	579	1,188	1,767	33%
C36	Plumbing	9,018	6,884	15,902	57%
C38	Refrigeration	915	911	1,826	50%
C39	Roofing	0	4,559	4,559	0%
C42	Sanitation	384	582	966	41%
C43	Sheet Metal	390	1,004	1,394	27%
C45	Signs	373	501	874	43%
C46	Solar	475	778	1,253	38%
C47	Gen Manufactured House	225	225	450	50%
C50	Reinforcing Steel	68	192	260	26%
C51	Structural Steel	412	1,045	1,457	28%
C53	Swimming Pool	1,174	1,463	2,637	45%
C54	Tile	3,610	2,769	6,379	57%
C55	Water Conditioning	126	176	302	42%
C57	Well Drilling	299	488	787	38%
C60	Welding	528	469	997	53%
C61	Limited Specialty	7,944	10,390	18,334	43%

FINGERPRINTING/CRIMINAL BACKGROUND UNIT STATISTICS

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

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

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

CRIMINAL BACKGROUND UNIT STATISTICS

	CY 2017	CY 2018	CY 2019	CY 2020	CY2021	TOTALS
DOJ Records Received	29,189	34,664	33,553	27,172	35,114	159,692
CORI Information Received	5,900	6,729	6,657	5,375	6,818	31,479
Denials	63	65	63	16	8	215
Appeals	39	42	31	11	5	128
Probationary Licenses Issued (conditional license, requires periodic review)	83	61	86	101	177	508

EXPERIENCE VERIFICATION UNIT STATISTICS

Business and Professions Code section 7068(g) and California Code of Regulations 824 require that the CSLB registrar conduct a comprehensive investigation of a minimum of three percent of applications. Such investigations shall include those areas of experience claimed and other areas the registrar deems appropriate for the protection of the public.

Since implementation in September 2014, Experience Verification unit staff have been assigned and have reviewed 3,821 applications.

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

	2021											2022
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Withdrawn	1	0	0	1	1	0	2	1	4	1	2	3
Verified	11	4	5	4	8	11	5	5	3	4	6	6
Denied	2	2	6	0	1	0	0	1	1	3	1	6
Appealed	0	0	0	0	2	1	0	0	0	0	0	0

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

** Please Note: Since the pandemic began, staff have not been able to pull the 3 percent regulatory requirement due to staffing issues. The Licensing and Enforcement Divisions are working with personnel so we can return to this historic level of review early in 2022.*

Experience Verification by Classification January 1, 2020 to January 31, 2022

Classification		Appealed	Withdrawn	Verified	Denied	Total
A	General Engineering	0	4	9	2	15
B	General Building	1	40	96	22	160
B-2	Residential Remodeling	0	0	0	1	1
C2	Insulation and Acoustical	0	0	0	1	1
C4	Boiler Hot Water	0	0	0	0	0
C5	Framing / Rough Carp	0	1	1	0	2
C6	Cabinet-Millwork	0	0	3	1	4
C7	Low Voltage Systems	0	0	4	1	5
C8	Concrete	0	1	7	0	8
C9	Drywall	0	1	2	0	3
C10	Electrical	1	3	22	2	28
C11	Elevator	0	0	0	0	0
C12	Earthwork & Paving	0	0	2	1	3
C13	Fencing	0	1	2	0	3
C15	Flooring	1	1	8	0	10
C16	Fire Protection	0	0	3	1	4
C17	Glazing	0	1	5	0	6
C20	HVAC	0	0	9	4	13
C21	Building Moving Demo	0	1	0	2	3
C22	Asbestos Abatement	1	0	0	0	1
C23	Ornamental Metal	0	0	0	0	0
C27	Landscaping	0	4	7	1	12
C28	Lock & Security Equipment	0	0	0	0	0
C29	Masonry	0	0	1	0	1
C31	Construction Zone	0	0	0	0	0
C32	Parking Highway	0	0	0	0	0
C33	Painting	0	7	12	0	19
C34	Pipeline	0	0	0	0	0
C35	Lath & Plaster	0	2	2	0	4
C36	Plumbing	0	4	9	2	15
C38	Refrigeration	0	0	1	0	1
C39	Roofing	0	2	6	3	11
C42	Sanitation	0	1	2	0	3
C43	Sheet Metal	0	0	0	0	0
C45	Signs	0	0	2	0	2
C46	Solar	0	0	1	1	2
C47	Gen Manufactured House	0	0	0	0	0
C50	Reinforcing Steel	0	0	0	0	0
C51	Structural Steel	0	0	1	0	1
C53	Swimming Pool	0	3	1	1	5
C54	Tile	0	0	5	2	7
C55	Water Conditioning	0	0	0	0	0
C57	Well Drilling	0	0	0	0	0
C60	Welding	1	0	2	0	3
C61	Limited Specialty	1	1	11	0	13
ASB	Asbestos Cert	0	0	0	0	0
HAZ	Hazardous Cert	0	0	0	0	0
Total		6	78	236	48	369

LICENSING INFORMATION CENTER STATISTICS

Licensing Information Center Support Services

CSLB's Licensing Information Center (LIC) is the first point of contact for applicants, consumers, licensees, and governmental agencies needing information about licensing laws, hiring a contractor, licensing application information, and the status of an application. On average, the LIC receives 12,000 calls monthly. Staff who respond to calls must have knowledge of licensing transaction processes in order to assist callers with correct and complete information, or transfer the caller to the appropriate person.

Inbound Activity	2021											2022 Jan
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Calls Received	11,446	13,648	13,124	11,975	13,312	11,494	12,401	11,828	10,646	9,926	10,406	12,290
Calls Answered	9,968	11,671	10,975	9,895	10,744	9,681	9,098	8,406	8,832	8,540	9,659	10,716
Caller Abandoned	1,474	1,960	2,149	2,068	2,564	1,809	3,300	3,371	1,766	1,242	746	1,571
Longest Wait Time	25:00	32:00	36:24	31:03	30:48	35:05	40:06	38:12	45:55	44:24	23:26	39:21
Shortest Wait Time	02:06	03:16	02:10	02:51	02:11	01:17	09:18	07:17	03:06	01:37	00:13	00:36
Avg. Wait Time	12:02	13:45	15:00	15:39	16:34	13:17	23:08	25:36	14:13	09:11	05:53	10:12

Licensing Information Center Call Data - Prior Calendar Years

Inbound Activity	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Calls Received	166,918	152,845	149,462	142,647	140,589
Calls Answered	147,074	137,270	136,776	98,044	116,304
Caller Abandoned	16,527	9,426	7,859	35,865	23,983
Average Longest Wait Time	01:36	10:48	08:33	46:23	33:56
Average Shortest Wait Time	00:12	01:04	00:48	04:23	03:11
Average Wait Time	06:46	04:21	03:34	25:27	14:38

JUDGMENT UNIT STATISTICS

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

The charts on the following page provide the number of notifications mailed to licensees related to outstanding liabilities, judgments, and payment of claims affecting their license status, including the savings to the public as a result of compliance.

Judgment Unit

Number of Reimbursements to State Agencies and Public

	2021 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan
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OUTSTANDING LIABILITIES (FROM CALIFORNIA STATE AGENCIES)												
Initial	21	25	55	78	64	143	91	89	93	96	99	95
Suspend	22	26	19	19	39	66	57	125	71	81	74	76
Reinstate	14	23	23	37	21	41	46	57	57	41	66	37
Total	57	74	97	134	124	250	194	271	221	218	239	208

FINAL JUDGMENTS (FROM COURT ACTIONS)												
Initial	81	50	55	41	61	59	38	67	51	48	27	11
Suspend	8	13	26	25	15	16	17	23	22	18	40	55
Reinstate	49	50	58	51	39	62	54	41	33	41	50	40
Total	138	113	139	117	115	137	109	131	106	107	117	106

FINAL JUDGMENTS (FROM COURT ACTIONS)												
Initial	98	135	105	80	103	153	83	109	77	82	90	61
Suspend	37	64	39	51	59	58	42	77	66	49	66	26
Reinstate	102	119	95	70	77	93	66	76	76	67	70	38
Total	237	318	239	201	239	304	191	262	219	198	226	125

Reimbursement Amounts to State Agencies and Public Prior Calendar Years

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Outstanding Liabilities	\$23,282,397	\$23,899,670	\$26,277,077	\$18,342,630	\$18,765,840
Final Judgments	\$20,175,529	\$12,167,435	\$16,514,073	\$20,586,833	\$18,003,223
Payment of Claims	\$8,850,173	\$9,580,600	\$11,080,053	\$9,921,280	\$7,934,026
Total Monetary Savings	\$52,308,099	\$45,647,705	\$53,871,203	\$48,850,913	\$44,703,089

State Agency Outstanding Liabilities Collected

	Employment Dev. Department (EDD)	Franchise Tax Board (FTB)	Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE) Division of Occupational Safety & Health (DOSH) Office of the Director – Legal Unit (ODL)	Total Liabilities Collected
February 2021	\$168,273	\$59,908	\$176,049	\$404,230
March	\$156,981	\$602,909	\$49,038	\$808,928
April	\$215,076	\$381,375	\$110,992	\$707,443
May	\$1,524,620	\$425,677	\$493,572	\$2,443,869
June	\$209,256	\$203,132	\$108,901	\$521,289
July	\$848,824	\$367,692	\$310,054	\$1,526,570
August	\$287,688	\$558,954	\$591,219	\$1,437,861
September	\$1,887,011	\$523,823	\$477,955	\$2,888,789
October	\$992,599	\$1,644,895	\$360,193	\$2,997,687
November	\$1,076,707	\$405,469	\$92,564	\$1,574,740
December	\$1,705,358	\$632,855	\$957,282	\$3,295,495
January 2022	\$762,940	\$32,299	\$80,971	\$876,210
TOTALS	\$9,835,333	\$5,838,988	\$3,808,790	\$19,483,111

EXAMINATION ADMINISTRATION UNIT

The Testing Division’s Examination Administration Unit (EAU) administers CSLB’s 47 examinations at seven computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response messages received by CSLB that are related to testing.

EAU provides reasonable accommodations to applicants when needed and approves translator requests for candidates.

Number of Examinations Scheduled Per Month January 2021 – January 2022

Jan 2021	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan 2022	Total
0	3211	5361	5448	5034	5423	5946	6483	5733	5909	5555	5477	5752	65,332

*Due to the Shelter-in-Place orders during the COVID-19 pandemic, all testing was halted in early December 2020 through January 2021. All test centers reopened at half capacity on February 1, 2021. All test centers moved to full capacity on July 15, 2021.

CSLB currently maintains test centers in the following locations:

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

The Berkeley location permanently closed January 31, 2021.

Number of Examinations Scheduled by Test Center January 2021 – January 2022

Test Center	Number of Examinations Scheduled
Fresno	3,583
Norwalk	17,870
Oxnard	7,078
Sacramento	13,667
San Bernardino	9,530
San Diego	6,366
San Jose	7,238
Total	65,332

EXAMINATION DEVELOPMENT UNIT

The Testing Division's Examination Development Unit (EDU) ensures that CSLB's 47 examinations are written, maintained, and updated in accordance with testing standards and guidelines, Department of Consumer Affairs policies, and CSLB regulations, as well as federal and California state law.

Examination Development

State law requires that all license examinations be updated at least every five to seven years. All CSLB examination programs meet this standard. The revision process takes approximately one year and is conducted in two phases: 1) occupational analysis and 2) item bank development.

The occupational analysis determines what topics are relevant to each contractor classification and in what proportion they should be tested. This process starts with interviews of a statewide sample of active California licensees in each specific classification. The interviews result in a draft list of the job tasks performed by contractors in that trade and the knowledge needed to work safely and competently. EDU staff then conduct a workshop with licensees who act as subject matter experts to finalize the task and knowledge statements. A large-scale online survey is conducted with a greater number of subject matter experts. A second workshop is then conducted to develop a validation report, which includes an examination outline that serves as a blueprint for constructing examination versions/forms.

The item bank development phase involves numerous workshops with subject matter experts to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.

The following examinations have been released since October 2021:

Law and Business: December 1, 2021

C-15 Flooring: January 26, 2022

C-16 Fire Protection: January 26, 2022

Examination Programs in Progress as of January 31, 2022

Occupational Analysis	Item Bank Development
C-4 Boiler, Hot Water Heating, & Steam-fitting	C-2 Insulation & Acoustical
C-42 Sanitation Systems	Asbestos Certification
C-46 Solar	C-6 Cabinet, Millwork & Finish Carpentry
	C-7 Low Voltage
	C-8 Concrete
	C-9 Drywall
	C-11 Elevator
	C-12 Earthwork and Paving
	C-17 Glazing
	C-20 Warm-Air Heating, Ventilating & Air Conditioning
	C-27 Landscaping
	C-28 Lock & Security Equipment
	C-29 Masonry
	C-31 Construction Zone Traffic Control
	C-32 Parking & Highway Improvement
	C-33 Painting & Decorating
	C-39 Roofing
	C-43 Sheet Metal
	C-49 Tree and Palm
	C-53 Swimming Pool
	C-54 Ceramic & Mosaic Tile
	C-57 Well Drilling

Ongoing Consumer Satisfaction and Applicant Surveys

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement Division's handling of complaints related

to eight customer service topics. This survey is mailed to a sample of complainants who provided CSLB with their email addresses. Respondent comments are provided to the Enforcement Division each month for review.

EDU also conducts an ongoing survey of applicants who complete the application process. The surveys are emailed after license issuance to all applicants who provide CSLB with an email address. Follow up emails are sent a month later to applicants who have not yet responded. Respondent comments are provided to the Licensing division each month for review. Statistics based on survey responses for both surveys are compiled and presented to the board annually.

AGENDA ITEM E-3

Construction Management Education Account Update



Construction Management Education Account - Background

CSLB administers the Construction Management Education Sponsorship Act of 1991 (Business and Professions Code sections 7139 – 7139.10, or “Act”). The Act creates a separate Construction Management Education Account (CMEA) in CSLB’s fund for construction management education.

CMEA is funded by voluntary donations from contractors on license renewals. It provides for CSLB to establish an advisory committee to recommend grant awards. The Board then awards grants to qualified public postsecondary educational institutions for the support of courses of study in construction management.

Fund Appropriation Levels

The Budget Act of 2018 appropriated \$100,000 for CMEA for Fiscal Year [FY] 2019-2020. However, CSLB receives an average of \$120,000 in CMEA contributions a year with \$185,000 received in FY 20-21.

For this reason, staff reported at the March 25, 2021 Board Meeting that it submitted a budget change proposal for FY 2021-22 to allow CSLB to increase or decrease grants based on the fund balance rather than be capped at \$100,000 each year. CSLB staff worked with the control agencies to draft budget bill language that authorizes the Department of Finance (DOF) to approve any augmentations to the account 30 days after notifying the legislature of its intent to do so. The 2021 Budget Act includes this language for the CMEA appropriation (https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB128), under CMEA account number 1111-001-0093.

Latest Developments

CSLB followed the procedure in the budget bill and worked with the Department of Consumer Affairs to ask DOF to augment the appropriation to \$175,000 for FY 21-22. Staff reported at the November 29, 2021 Board Meeting that it was awaiting DOF’s response to this request. As a result, the Board approved two different grant disbursements to schools at the November 29, 2021 Board Meeting, one for \$100,000 and the other for \$175,000, depending on whether the augmentation was approved.

On January 3, 2022, DOF notified the legislature of its intent to approve the augmentation to the CMEA account after 30 days. On March 4, 2022, CSLB received the executive order authorizing the augmentation increase by \$75,000 to the CMEA fund.

As a result of the augmentation, CSLB was able to send out the authorization forms to the qualified institutions so they could apply for their CMEA grants this year based on \$175,000 worth of awards.

AGENDA ITEM E-4

Test Administration Centers Outsourcing Update



CSLB Licensing Examination Administration Centers: Outsourcing Update

In June 2018, the Board approved a 2019-2021 Strategic Plan, which included a Licensing and Testing objective to research the feasibility of outsourcing test administration to reduce costs, reallocate resources, and expand testing options for licensees.

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

CSLB sponsored Assembly Bill 3087 (Brough, Ch. 295, Statutes of 2020), signed in late 2020, which enables the board to use an outside vendor to administer examinations. Once the legislation was signed, CSLB staff worked with the Department of Consumer Affairs' Office of Professional Examination Services (OPES) to assess whether CSLB could join the department's master contract with PSI Exams, which administers examinations for many DCA entities. In early 2021, the assessment was completed and CSLB was approved to work with OPES to transition exam administration to PSI Exams. This move will greatly expand CSLB testing services, as PSI Exams has 20 test centers in California and offers testing Monday through Saturday, including evenings. In comparison, CSLB currently only administers examinations at seven locations on alternate business days during the week.

CSLB Testing and Information Technology (IT) staff have been working with PSI Exams through the OPES liaison to create new templates for letters, different versions of examinations and various forms, and processes for exchange of candidate data. To commence the outsourcing, the CSLB Examination Development Unit will stagger sending the 28 trades and the law exams to PSI Exams through their secure data portal beginning in April while continuing to administer some exams at CSLB locations. As of July 1, 2022, all CSLB's examinations should be administered by PSI Exams test centers.

AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Accomplishments and Activities Report



AGENDA ITEM F-2

Enforcement Program Statistical Update



INVESTIGATION HIGHLIGHT

Licensee Bilks Senior Citizen Out of \$388,000

An elderly homeowner hired licensed contractor William Howard Schwartz to do some basic repairs at her San Francisco home. While doing those repairs, Schwartz found additional work that the homeowner “needed” to have done. For the next ten years, Schwartz continued to find additional “needed work” at the victim’s home for which he demanded and received payment: Rebuilding stairs, painting, trim work, an illegal laundry conversion in the garage, bath and kitchen updates, and even landscaping. All of the work was of inferior quality, and done without required permits. By the time the case was brought to CSLB’s attention by the San Francisco Police Department, the victim had paid Schwartz \$474,255. CSLB’s investigation was handled by a peace officer in CSLB’s Special Investigations Unit. A CSLB Industry Expert hired by CSLB estimated the value of all work performed at only \$86,250 – less than one fifth the amount paid to Schwartz by the victim. The investigation resulted in an accusation revoking both of Schwartz’s licenses.

Due to Schwartz’s egregious misconduct, CSLB’s investigator also referred the case to the San Francisco district attorney for criminal charges. The district attorney charged Schwartz with grand theft and financial elder abuse; and on February 8, 2022, Schwartz appeared in court for formal sentencing. Pursuant to a court-approved plea agreement, Schwartz pled guilty to grand theft, and avoided one year in county jail by presenting the victim’s family with a restitution check of \$332,773. Schwartz also agreed to two years’ probation, payment of court fines and fees, and a court order to cease contracting. Unfortunately, the elderly victim did not live long enough to see the criminal case to conclusion; she passed away in late 2020. The deputy district attorney who handled the case told CSLB’s investigator, “[The family] is very appreciative of all the work you and your team put into this case, and so am I. Fantastic outcome!”

STATISTICAL OVERVIEW

Complaint Handling Statistics (January 1, 2021 - January 31, 2022)

Investigations Initiated & Complaints Received

- CSLB initiated 19,225 investigations from January 1, 2021, through January 31, 2022, which was 1,423 higher than the same timeframe the previous year.

Pending Investigations

- With current staffing levels, the optimum maximum Enforcement division caseload is 3,804 pending complaints. As of March 2022, the pending caseload was 4,390.

Special Investigator Production Goals

- For January 2021 through January 2022, the weighted monthly case-closing average per Special Investigator in Investigative Centers was eight closures per month. Two less than the closure goal of 10.

Complaint-Handling Cycle Time

- The Board's goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of March 2022, 188 of the 4,390 open complaints (four percent) exceeded 270 days in age.

Restitution to Financially Injured Persons

- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. From January 2021 through January 2022, complaint negotiation efforts by the IMC and Investigative Centers resulted in more than \$20 million in restitution to financially injured parties.

Investigative Center Legal Actions

- From January 1, 2021, through January 31, 2022, the Investigative Centers referred 447 (34 percent) of the 1,311 legal action investigations for criminal prosecution.

Case Management Activities (January 1, 2021 - January 31, 2022)

Arbitration

- 462 arbitration cases initiated, resulting in \$2,889,770 in restitution ordered to injured parties.
- 90 licenses revoked for non-compliance with an arbitration award.

Citations

- 1,444 citations issued (660 to licensees, 784 to non-licensed).
- 552 citations appealed (330 licensees, 222 non-licensed).
- 975 citations complied with (535 licensee, 440 non-licensed).

Civil Penalties Collected

- Licensee Citation Civil Penalties
 - Informal Citation Conferences conducted: 193
 - Civil penalties collected: \$1,261,346
 - Restitution: \$1,378,662

- Non-Licensee Citation Civil Penalties
 - Informal settlement conferences conducted: 187
 - Civil penalties collected: \$588,425

Accusations

- Accusations filed: 185
- License revocations: 209
- Licenses placed on probation: 102
- Restitution paid to injured parties: \$932,332
- Cost recovery collected: \$703,124

AGENDA ITEM F-3

Proactive Enforcement



STATEWIDE INVESTIGATIVE FRAUD TEAM

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

From January 1, 2021, to January 31, 2022, SWIFT conducted 19 sting operations, participated in 178 sweep days, and responded to 981 leads. SWIFT closed 2,972 cases because of stings, sweeps, and leads, of which 856 resulted in an administrative or criminal legal action, and 1,007 resulted in advisory notices for minor violations.

District Attorney Referrals

From January 1, 2021, to January 31, 2022, SWIFT referred 284 cases to local district attorneys' offices for criminal prosecution – 226 for contracting without a license and 58 against licensees, primarily for failure to secure workers' compensation insurance.

Administrative Actions

From January 1, 2021, to January 31, 2022, SWIFT issued 474 licensee and non-licensee citations, issued 95 Letters of Admonishment, filed three accusations, and assessed \$471,500 in non-licensee citation civil penalties. Administrative violations include working out of classification, working under a suspended or expired license, failing to obtain permits, and other license law violations that do not warrant a criminal referral.

Stop Orders

A Stop Order is a legal demand to cease all employee labor at any jobsite due to workers' compensation insurance violations until an appropriate policy is obtained. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offense punishable by up to 60 days in county jail and/or a fine of up to \$10,000. From January 1, 2021, to January 31, 2022, SWIFT issued 228 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers' compensation insurance policy.

Outstanding Tax and State Agency Liability Suspensions

CSLB can suspend a license if the licensee is delinquent in paying outstanding liabilities owed to CSLB or other state agencies. The table below summarizes liabilities owed to state agencies that were collected or resolved to avoid a license suspension or to reinstate a suspended license.

Amounts Collected or Resolved

	2019	2020	2021	2022 (through January 31)
CSLB	\$114,880	\$139,775	\$82,938	\$7,176
EDD	\$15,091,585	\$10,372,682	\$9,149,749	\$762,941
DIR-Cal/OSHA	\$3,270,360	\$1,031,736	\$267,256	\$17,201
DIR-DLSE	\$1,423,337	\$2,726,391	\$3,476,291	\$63,771
FTB	\$6,490,225	\$4,211,003	\$5,868,340	\$32,299
Totals	\$26,390,386	\$18,481,587	\$18,844,574	\$883,387

Labor Enforcement Task Force

The Labor Enforcement Task Force (LETF) combats the underground economy in California and aims to ensure that workers receive proper payment of wages and are provided a safe work environment. The LETF is comprised of investigators from CSLB, the Department of Industrial Relations' (DIR) Division of Labor Standards and Enforcement (DLSE) and Division of Occupational Health and Safety (Cal/OSHA), as well as the Employment Development Department (EDD). Below are LETF construction industry statistics for January 1, 2021, to December 31, 2021*.

CATEGORY	RESULT
Number of Contractors Inspected	88
Number of Contractors Out of Compliance	66
Percentage of Contractors Out of Compliance	75%
Total Initial Assessments	\$96,980

** Note: At the time of this report, data was not available for January 2022. The results reflect joint LETF inspections with Cal/OSHA, CSLB, DLSE & EDD. Total initial assessments reflect the amount assessed by Cal/OSHA and DLSE at the time of the inspection. These amounts are subject to change.*

SWIFT Outreach – Paradise Building Resiliency Center

On February 9, 2022, a SWIFT special investigator met with Town of Paradise officials, as well as a local homeowner and contractor to discuss the need for a designated space in Paradise where SWIFT can provide information and assistance to members of the community. It was explained that, although years have passed since the devastating Camp Fire, there is still a great need for consumer protection and outreach. The Paradise Building Resiliency Center was offered as a location for CSLB to provide these services. Beginning March 14, 2022, a SWIFT special investigator will be at the Center

twice a month to assist fire victims, contractors, and members of the public with questions or concerns surrounding the rebuilding of homes and businesses within the community. The special investigator will work split-days, with half the day at the Center and the other half conducting jobsite compliance inspections in the area.

AGENDA ITEM F-4

Update on the Solar Energy System Restitution Program



On July 16, 2021, Assembly Bill (AB) 137 was enacted creating the Solar Energy System Restitution Program at CSLB. The program was designed to provide financial restitution for owners of single-family residences who were financially harmed by a solar contractor because of fraud, misrepresentation, or another unlawful act such as poor workmanship or abandonment.

AB 137 included a \$5-million appropriation to CSLB from the state's General Fund. Of those funds, \$4 million is available for restitution and, if needed, up to \$1 million is allocated to pay for CSLB administrative costs. Any homeowner who used a licensed or unlicensed contractor after January 1, 2016 to contract for the installation of a solar energy system on a single-family residence who can demonstrate to CSLB a financial loss or injury as result of specified acts may be eligible for restitution from the fund.

Staff collaborated with the Department of Consumer Affairs to developed policy and procedures for claim-tracking, review, and payout criteria and issuance. Industry expert and arbitration training was conducted and in October 2021, CSLB staff partnered with the Dolores Huerta Foundation to host a bilingual (English/Spanish) webinar to inform and assist financially injured solar consumers on the steps necessary to file a Solar Energy System Restitution Program claim. CSLB staff sent 140 webinar flyers to identified consumers who may qualify for the restitution program.

CSLB continues to collaborate with the Dolores Huerta Foundation, Bet Zedik Legal Services, the California Public Utilities Commission, and the Department of Financial Protection and Innovation to ensure effective and equitable restitution. In addition, CSLB has worked with the media to publicize the fund, posted information regarding the fund on its website, and is making consumers aware of the fund during investigations. In April of 2022, the CSLB task force handling these claims will send additional correspondence to consumers identified in prior Board investigations as possibly eligible for claims under the fund.

As of March 2022, 75 claims have been received. Of those, twelve claims have been approved for more than \$190,000 and are being submitted to DCA for check issuance. An additional five claims were closed for various reasons such as duplicate claim filing or lack of jurisdiction. Two claims were referred to arbitration, and 59 complaints are pending. Most of the pending complaints are waiting for additional supporting evidence, such as a CSLB paid industry expert inspection to establish the value of work performed and/or the cost to perform correction and complete work.

AGENDA ITEM F-5

PACE Recovery Fund Legislative Proposal



CSLB currently administers a solar energy system restitution program. That program does not consider whether a contractor or PACE Administrator violated PACE laws, or whether a financial injury was caused by a predatory PACE loan in awarding restitution claims. It is limited to violations of the Contractor's Law on solar projects resulting in financial harm.

CSLB staff recently received an inquiry from a legal services group with www.cleanenergyjustice.org who is interested in creating a new restitution fund at CSLB for consumers who are harmed by PACE funding agreements on any home improvement project for which PACE was used beyond just solar. CSLB staff responded by discussing the proposal with Department of Financial Protection and Innovation (DFPI) staff and raised jurisdictional and technical concerns about the language with the legal services group.

CSLB has encouraged that future discussions include DFPI because DFPI has authority over PACE loans and PACE Administrators and may be the more appropriate agency to administer a PACE restitution fund. This agenda item is informational only.

AGENDA ITEM G

Public Affairs



AGENDA ITEM G-1

Accomplishments and Activities Report



AGENDA ITEM G-2

Public Affairs Update



PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer communications, as well as outreach. PAO provides proactive public relations, response to media inquiries, publication and newsletter development and distribution, and contractor education and outreach.

PAO creates and posts content on the CSLB social media channels to educate and inform consumers, licensees, the construction industry, and government officials. PAO staff produces content for the CSLB website that includes webcasts, videos, and audio productions. The staff also conducts Senior Scam StopperSM and Consumer Scam StopperSM workshops, seminars for both disaster survivors and contractors in disaster zones, and presents speeches to service groups and organizations. Staff also develops posts for the employee intranet.

DISASTER RESPONSE

CSLB works to educate property and business owners, so they are not harmed by unlicensed and other unscrupulous contractors after a disaster. Many individuals try to take advantage of disaster survivors during the rebuilding process.

During 2021, California experienced another round of devastating wildfires. According to CalFire, these fires burned more than 2.4 million acres, killed three people, and destroyed or damaged more than 3,600 structures.

CSLB's disaster response includes immediate and longer-term outreach, enforcement efforts, participation in multi-agency taskforces, and assistance for affected licensees.

Short- and Long-Term Outreach

PAO coordinates additional outreach to congressional offices and state legislator offices in the affected disaster areas, as well as building departments, construction industry associations, and chambers of commerce.

PAO contacts local counties and jurisdictions to set up wildfire rebuilding workshops for longer-term outreach. CSLB offers two wildfire rebuilding workshops:

1. For fire survivors looking to rebuild.
2. For contractors who plan to work on the rebuilding effort.

The fire survivor workshop includes essential consumer protection tips, information about contractor licensing and other requirements, insurance issues, how to work with an architect, and an update on the local rebuild provided by the local building department.

The contractor workshop includes a building department update on the local rebuild, and any special rules established for plan approvals and inspections. Licensing requirements are also covered, as are bonds and insurance, how to obtain a workers' compensation policy, contract requirements, how to prevent complaints, and how the

selection of building materials and the choice of building methods can help prevent future disasters.

CSLB continues to utilize its partnership with NextDoor, a social networking service for neighborhoods, to reach disaster survivors. CSLB also makes regular disaster-related posts through its social media channels, including Facebook, Twitter, and Instagram.

**REBUILDING
AFTER A DISASTER**
BUTTE COUNTY

- Unlicensed and unscrupulous contractors target disaster survivors.
- Learn how to hire a contractor and protect yourself from scams.

**WEDNESDAY, NOVEMBER 3, 2021
6:00 P.M.**

ZOOM LINK: [HTTP://OW.LY/B2ZA50GYUZG](http://ow.ly/B2ZA50GYUZG)
MEETING ID: 815 8871 2155
PASSCODE: 193574
ONE TAP MOBILE
+16699006833.81588712155#... *193574# US (SAN JOSE)

DEPARTMENT OF CONSUMER AFFAIRS
CONTRACTORS
STATE LICENSE BOARD

VCE
valley
contractors
exchange

Butte County Disaster Outreach

In October 2021, CSLB partnered with Valley Contractors Exchange to conduct a Butte County Disaster Recovery workshop. A CSLB investigator and other staff informed disaster survivors on how they can rebuild without getting scammed by unlicensed individuals and how they can file complaints.

Task Force Participation

CSLB staff participate on a multi-agency task force established by the California Office of Emergency Services that focuses on housing. The task forces include representatives from local, state, and federal agencies, with a goal of coordinating and streamlining the debris clean-up efforts and addressing both short-term housing needs for survivors and the rebuild. PAO staff presented at the housing task force meetings in February and October 2021.

Assistance for Licensees/Applicants

PAO communicates via social media and the website that CSLB continues its practice of waiving fees for licensees to replace their wall certificate and/or plastic pocket license in disaster zones. PAO also communicates that CSLB waives delinquent fees for failure to renew a license before it expires for fire survivors and works to expedite license applications for those planning to work in fire areas.

VIDEO/DIGITAL SERVICES

Consumer and Licensee Tips and Applicant Videos

PAO staff continue developing consumer and licensee tips videos for promotion on social media and the CSLB website. Topics have ranged from how to report unlicensed contracting in disaster areas to tips for rebuilding after a disaster and information on how to prepare for an upcoming license exam.

Staff have translated and produced Spanish versions of several of videos, including a series on how to navigate the CSLB website. These include how to find a licensed contractor and how to check the status of a contractors license.

Staff also developed a Spanish version of the monthly *Get Licensed to Build* workshop for those interested in a contractors license. These live webcasts have been well attended via WebEx, Facebook, and YouTube, and are also archived on CSLB's website.

Webcasts/Videos Produced

Live/Recorded Webcasts January 1, 2021 – January 31, 2022

Date Published	Video Title
2/4/2021	CSLB Board Meeting and Enforcement and Legislative Committee Meetings
2/5/2021	Get Licensed to Build Workshop
3/5/2021	Get Licensed to Build Workshop
4/2/2021	CSLB Board Meeting
5/7/2021	Get Licensed to Build Workshop
6/3/2021	CSLB Board Meeting
6/4/2021	Get Licensed to Build Workshop
7/2/2021	Get Licensed to Build Workshop
7/23/2021	Interagency Solar Consumer Taskforce Meeting
7/27/2021	CSLB Board Meeting
8/6/2021	Get Licensed to Build Workshop
9/3/2021	Get Licensed to Build Workshop
9/17/2021	Battery Energy Storage Systems Classification Workshop
9/22/2021	CSLB Board Meeting Day 1
9/23/2021	CSLB Board Meeting Day 2
9/29/2021	CSLB Board Meeting
10/1/2021	Get Licensed to Build Workshop

11/5/2021	Get Licensed to Build Workshop
11/29/2021	CSLB Board Meeting
12/3/2021	Get Licensed to Build Workshop
12/10/2021	El Taller "Obtenga Licencia para Construir"
1/7/2022	Get Licensed to Build Workshop
1/21/2022	El Taller "Obtenga Licencia para Construir"
1/26/2022	CSLB Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meetings

**Videos Created/Posted Online
January 1, 2021 – January 31, 2022**

Date Published	Video Title
1/20/2021	CSLB Quick Tips: Complaint Forms
2/18/2021	Spring Home Projects
2/25/2021	How to File a Complaint
3/9/2021	Watch CSLB's "Get Licensed to Build" Workshop PSA
4/27/2021	CSLB Quick Tips: Gardeners vs. Landscapers
4/27/2021	CSLB Quick Tips: Exam Study Guides
4/29/2021	CSLB Staff Orientation Video
6/7/2021	New B-2 Residential Remodeling License
6/25/2021	CSLB Quick Tips: Home Improvement Contracts
7/21/2021	Tips for Becoming a Registered Home Improvement Salesperson (HIS)
8/12/2021	CSLB Contractor Sting, Sacramento
8/30/2021	Rebuilding After a Disaster
10/11/2021	CSLB Quick Tips: Contracting in Disaster Areas
11/10/2021	2021 WIC Conference – Susan Granzella Message
12/9/2021	10 Consejos Para Asegurar Que Su Contratista Sea Calificada

12/13/2021 Reconstrucción después de un desastre (Spanish)

JUNTA DE LICENCIAS ESTATALES DE CONTRATISTAS

OBTENGA LICENCIA PARA CONSTRUIR

Taller Interactivo para Ayudarlo a Solicitar su Licencia de Contratista

¡Bienvenido al Taller!

CONTRACTORS STATE LICENSE BOARD Quarterly Board Meeting | September 22, 2021 Agenda Item C

SOCIAL MEDIA HIGHLIGHTS

Followers on CSLB's Social Media January 1, 2021 – January 31, 2022

Date	Facebook	Twitter	Twitter (@CSLBNews)	YouTube	LinkedIn	Instagram	Flickr
January 2021	5,509	2,804	29	1,884	492	1,038	12
February 2021	5,518	2,806	30	2,090	504	1,045	12
March 2021	5,557	2,816	30	2,188	509	1,079	12
April 2021	5,589	2,834	34	2,286	518	1,100	12
May 2021	5,611	2,794	37	2,422	533	1,111	12
June 2021	5,641	2,792	41	2,641	548	1,153	11
July 2021	5,654	2,794	41	2,699	553	1,169	11
August 2021	5,686	2,811	42	2,850	563	1,203	11
September 2021	5,706	2,820	41	2,915	569	1,215	12
October 2021	5,727	2,825	41	3,051	585	1,263	13
November 2021	5,743	2,839	41	3,161	590	1,288	13
December 2021	5,749	2,844	42	3,211	596	1,308	13
January 2022	5,758	2,855	42	3,288	606	1,328	13



Licensing-Related Social Media Posts

CSLB uses social media to make key announcements to licensees. Informative posts that impact licensees are some of the most viewed across CSLB's social media channels. For example, a January 2022 post on CSLB's fee schedule "reached" more than 1,500 people. Reach is the estimated number of people who saw the content.



Women in Construction Social Media Posts

CSLB uses social media to promote the role of women in the construction industry. A video featuring CSLB Board Chair Susan Granzella explaining CSLB's mission to encourage women in the industry gained 600 impressions on Facebook. CSLB also publishes social posts promoting Women in Construction Week every March.



CSLB Spanish Outreach on Social Media

CSLB regularly promotes the new monthly Spanish licensing workshops on social media. CSLB also celebrated Hispanic and Latino contractors during Hispanic Heritage Month.

Social Media Questions on Status of CSLB Services

CSLB receives an average of 12 to 25 questions per week through its social media channels. Questions often relate to applications, testing, and renewals. CSLB also receives suspected unlicensed activity tips which are forwarded to the Enforcement Unit.

Facebook Growth

Between January 1, 2021, and January 31, 2022, CSLB reached nearly 63,000 people on its Facebook page.

- 67 percent of those who follow CSLB on Facebook are male, 32 percent female.
- 56 percent of CSLB’s Facebook followers are between the ages of 35 and 54.
- Most viewed posts:
 - Press Release: Sacramento Co. Undercover Sting –reached 8,200 people
 - After a Disaster: Hire a Licensed Contractor –reached 7,670 people

Twitter Growth

CSLB manages two Twitter pages— a main account and one that contains only news release information and items of interest to the media.

On CSLB’s main Twitter account, between January 1, 2021, and January 31, 2022, CSLB had more than 151,000 impressions. CSLB has 2,878 Twitter followers.

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

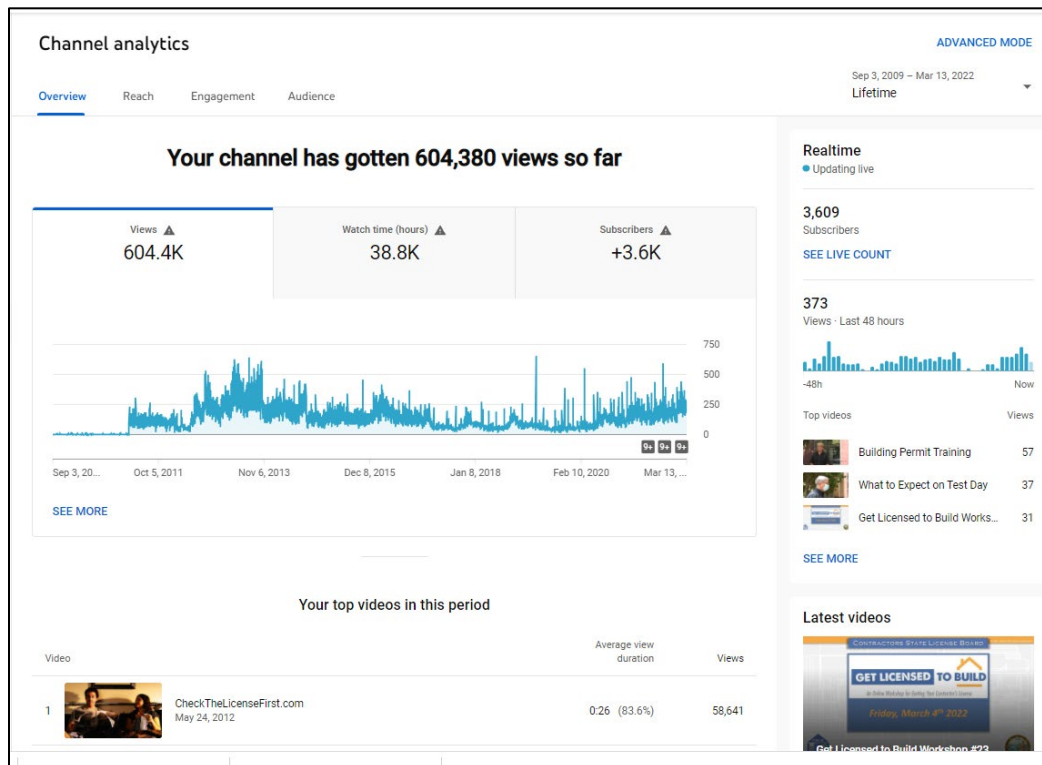
Top tweets:

- CSLB Warning: Unlicensed contractors often target victims of natural disasters– 6,748 impressions
- File a complaint with CSLB: 5,944 impressions
- CSLB will reopen its test centers on Feb. 1, 2021: 5,203 impressions

YouTube Channel Growth

CSLB’s YouTube channel continues to grow, with an increase of approximately 1,700 subscribers, 7,300 hours of watch time, and 75,225 more views since January 2021.

The channel has a total of 604,280 views (35,600 hours watched) and 2,965, subscribers since the page was created in 2009.



Instagram Growth

CSLB has 1,328 Instagram followers, an increase of 271 since January 1, 2021, to January 31, 2022.

- 69 percent of CSLB Instagram followers are between the ages of 25-44.
- 75 percent of CSLB Instagram followers are male, 25 percent female.
- CSLB's audience is most likely to be on Instagram between 3 to 9 p.m.

Flickr Growth

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

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

As of January 31, 2022, CSLB had 377 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.

STAKEHOLDER COMMUNICATIONS

Email Alert Feature

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 36,864.

These include:

- Industry Bulletins
- Public Meeting Notices/Agendas
- *California Licensed Contractor* Newsletters
- News Releases/Consumer Alerts
- Surveys
- CSLB Job Openings
- Podcasts/Webcasts

Industry Bulletins

Important CSLB updates are issued in Industry Bulletins which are emailed to those who signed-up via CSLB’s Email Alert System. From January 1, 2021, to January 31, 2022, CSLB issued 20 industry bulletins on topics such as the new fee schedule, new laws and release of the updated law book.

Industry Bulletins January 1, 2021 – January 31, 2022

Date	Industry Bulletins
1/11/2021	Expedited Review of CSLB Contractor License Applications for Refugees, Asylum Seekers, and Holders of Special Immigrant Visas Under New Law
1/20/2021	CSLB Launches Online Payment for Citations
1/20/2021	CSLB Reopening Test Centers and Public Counters February 1 st
2/02/2021	2021 Edition of California Contractors License Law & Reference Book Now Available
4/13/2021	FEMA COVID-19 Funeral Assistance
4/29/2021	New B-2 Residential Remodeling Classification
5/20/2021	Inspection Services Opportunity
6/7/2021	Strategic Plan
6/30/2021	Certification Requirements for Performing Mechanical Systems Acceptance Tests

7/7/2021	Historic First: Three Women Elected to Lead Contractors State License Board
7/9/2021	CSLB Battery Energy Storage Systems Report Released
7/28/2021	Fraud Alert: Scammers Pose as CSLB Staff, Demand Money Over Phone
8/12/2021	CSLB Announces Contractor Classifications Authorized to Install Battery Energy Storage Systems
9/2/2021	CSLB Holds Online BESS Workshop and Answers Frequently Asked BESS Questions
9/13/2021	Air Resources Board Invites CSLB Licensees to Attend Workgroup on Proposed Amendment for Off-Road Diesel Vehicles
9/27/2021	Contractor Input Needed for State Understanding of Disability Access Construction
10/8/2021	New Requirement for C-47 General Manufactured Housing Contractor License
11/5/2021	CSLB Announces New Fee Schedule for 2022
12/23/2021	New Contracting Laws Come into Play January 1, 2022
1/24/2022	2022 California Contractors License Law & Reference Book Now Available

MEDIA RELATIONS

Media Calls

From January 1, 2021, to January 31, 2022, PAO responded to 89 media inquiries, providing information and/or interviews to a variety of media outlets.

News Releases

PAO issued ten news releases from January 1, 2021, to January 31, 2022. This includes sting operation press releases and the announcement of the Spanish Get Licensed to Build Workshop.

News Releases
January 1, 2021 – January 31, 2022

Date Published	News Release Title
3/4/2021	Contractors State License Board Warns Consumers About the Dangerous Risks of Hiring Unlicensed Contractors
04/05/2021	CSLB Partners with Kern County District Attorney's Office for Undercover Sting Operation
05/06/2021	Contractors State License Board Sting in Fresno County Catches 12 Suspected Unlicensed Contractors
06/11/2021	Thousands Expected to Apply for New, Home Remodel License
06/30/2021	Contractors Face 130 Legal Actions After Series of Statewide Stings and Sweeps
08/20/2021	Unlicensed Contractors Discovered in Fresno County During CSLB Sweeps
09/20/2021	Wildfire Survivors Urged to Hire Only Licensed Contractors for Repairs, Debris Clearing or Rebuilding
10/4/2021	Santa Cruz Undercover Construction Sting Catches Unlicensed Contractors
10/12/2021	Sacramento County Undercover Construction Sting Catches Unlicensed Contractors
12/2/2021	CSLB to Hold Virtual Spanish Get Licensed to Build Workshop

CONSUMER/COMMUNITY OUTREACH

Senior Scam StopperSM Seminars

In 2021, CSLB continued with the suspension of in-person Senior Scam StopperSM (SSS) program due to the COVID-19 virus. The workshops were held virtually via Zoom, WebEx and Facebook Live.

CSLB will continue offering virtual SSS seminars in 2022.

Workshops
January 1, 2021 – January 31, 2022

Date	Location	Legislative/Community Partner(s)	Attendance
January 14, 2021	Zoom	Asm. Shirley Weber	30
February 9, 2021	Zoom	Asm. Tasha Boerner Horvath	30
February 23, 2021	Zoom	Asm. Richard Bloom	30
March 5, 2021	Zoom	Asm. Sharon Quirk-Silva	33
March 12, 2021	Zoom	Asm. Joaquin Arambula	30

April 9, 2021	Zoom	Asm. Brian Maienschein	42
May 7, 2021	Zoom	Asm. Evan Low	20
May 20, 2021	Zoom	Department of Insurance Seniors & Fraud Town Hall Meeting	106
May 21, 2021	Zoom	Asm. Steven Choi	38
May 25, 2021	Zoom	Rep. Scott Peters	30
June 11, 2021	Zoom	Asm. Steve Bennett	30
June 30, 2021	Zoom	Asm. Marc Levine	67
July 15, 2021	Zoom	Sen. Bob Wieckowski	90
July 21, 2021	Zoom	Asm. Chris Ward	50
July 26, 2021	Zoom	Asm. Evan Low	67
July 27, 2021	Zoom/Geraldine Middleton	Asm. Evan Low	42
July 29, 2021	Zoom/ Mike Jamnetski	Contractors Licensing & Workers Compensation Webinar/ Ventura County	N/A
August 4, 2021	Zoom	La Mesa-Foothills Democratic Club	60
August 10, 2021	Zoom	Sen. Rosilicie Ochoa Bogh	10
August 17, 2021	In-Person/Geraldine Middleton	Oasis Senior Center, Corona Del Mar	5
August 17, 2021	Zoom	Asm. Marc Berman	182
August 25, 2021	Zoom/Geraldine Middleton	Rep. Scott Peters	15
August 27, 2021	Zoom/Geraldine Middleton	Asm. Freddie Rodriguez	N/A
September 30, 2021	Zoom/Kevin Albanese intro	Sen. Dave Cortese	80
October 5, 2021	Zoom	Sen. Dave Min	65
October 19, 2021	Zoom	Asm. Rudy Salas	N/A
October 27, 2021	Zoom	Homeowner Outreach with Ventura County Homeowners	N/A
November 12, 2021	Zoom	Asm. Brian Maienschein	30
November 15, 2021	Zoom	Asm. Steve Bennett	37


PUBLICATION/GRAPHIC DESIGN SERVICES

From January 1, 2021, to January 31, 2022, PAO's Graphic Design unit completed the following projects.

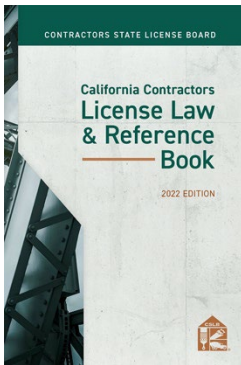
Publications

Publications & Reports
2020 Accomplishments & Activities Report
2021 Board Administrative Procedure Manual
Get Licensed to Build: A Guide for Becoming a California Licensed Contractor (English & Spanish)
Descriptions of Classifications (English & Spanish)
February 4, 2021 Quarterly Board Meeting Packet (Teleconference)
February 4, 2021 Enforcement and Legislative Committee Meeting Packet (Teleconference)
March 25, 2021 Quarterly Board Meeting Packet (Teleconference)
June 3, 2021 Quarterly Board Meeting Packet (Teleconference)
July 27, 2021 Quarterly Board Meeting Packet (Teleconference)
September 22-23, 2021 Quarterly Board Meeting Packet (Teleconference)
November 29, 2021 Quarterly Board Meeting Packet (Teleconference)
January 22, 2022 Enforcement, Public Affairs, Executive, Licensing and Legislative Committee Meeting Packet (Teleconference)

Graphic Design Projects January 1, 2021 – January 31, 2022

Graphic Design Projects
Prohibited Items Poster
Board Meeting (COVID-19) Signage
Executive Staff and Board Member Contact Cards
Certificates of Recognition (various)
Forms (various)
Licensed to Build Logo


2022 California Contractor License Law & Reference Book



PAO completed production of the 2022 edition of the *California Contractor License Law & Reference Book* and the content was online on the CSLB website and available for purchase from the publisher in January 2022.

California Licensed Contractor Newsletter

Public Affairs published the *California Licensed Contractor (CLC)* newsletter in February 2021. The CLC newsletter contained 17 articles including requirements for building in disaster areas, advertising rules for all licensees, online tools available for contractors to help maintain their licenses, and new laws that may impact licensed contractors' businesses.

INTRANET/EMPLOYEE RELATIONS

CSLBin, is the employee-only intranet site. Stories and photos highlight employee and organizational accomplishments. The site also contains the latest forms, policies, reports, and other information used by CSLB staff around the state. From January 1, 2021, to January 31, 2022, PAO published 49 employee intranet articles.

Employee Intranet Stories January 1, 2021 – January 31, 2022

Date Published	Title
1/14/2021	Chief of Enforcement and Longtime CSLB Employee Retires after 35 Years of State Service
1/28/2021	Test Center & Front Counter Staff Preparing for February 1st Re-Opening
2/2/2021	Quarterly Board Meeting and Enforcement and Legislative Committee Meetings this Thursday
2/9/2021	Latest CSLB California Licensed Contractor Newsletter Available
2/19/2021	"Career Development... Live!" Join us Next week for CSLB's first online Career Opportunity event!
3/18/2021	Quarterly Board Meeting Coming Up Thursday, March 25

3/24/2021	Help us Congratulate CSLB's New Licensing Supervisors!
3/30/2021	CSLB's Accomplishments & Activities Report Now Available
4/15/2021	CSLB Special Investigator Attends Local Assistance Center in Ontario
5/17/2021	Restitution with Special Delivery
5/18/2021	We Got Your Number! CSLB's 2020 By the Numbers Offers Pleasing Snapshot of the Year
5/19/2021	Licensing Has Spirit, Yes They Do!
5/24/2021	DCA Asks Employees to Participate in Telework Survey
5/27/2021	"Career Development...Live!" Join us for CSLB's online Career Opportunity event featuring the Enforcement Division!
6/1/2021	Tune-In to CSLB's Quarterly Board Meeting
6/2/2021	California Encourages Vaccinations by Issuing over \$100 Million in Cash Prizes
6/9/2021	"You Are Not Alone" Campaign Sheds Light on Safe Ways to Heal and Prioritize Mental Health
6/15/2021	Here's What You Should Know About CSLB's New Classification
6/21/2021	10 Tips Video Now Available to the Public
7/1/2021	CSLB Welcomes Returning COVID Contact Tracers
7/8/2021	Three Women Elected to Lead CSLB – A Historic First for the Board
7/21/2021	CSLB Participates in Nationwide Sting and Sweep Operations
7/28/2021	CSLB Launches Video on the Home Improvement Salesperson Registration Process
8/4/2021	Easy Summer Pasta
8/16/2021	CSLB Staff Comes Together to Launch B-2 Trade in a True Team Effort
8/30/2021	Testing Division Develops New Trade Exam for Tree and Palm Contractors
9/20/2021	CSLB Helps Wildfire Survivors at Local Assistance Center's
9/27/2021	It's OK to Not Be OK and It's OK to Get Help
10/4/2021	CSLB Celebrates Hispanic Heritage Month Now through October 15
10/13/2021	Staff Shares Hispanic Heritage Month Celebrations

10/20/2021	CSLB Launches Video on Contracting in Disaster Zones
10/25/2021	IT Staff Celebrate CSLB Milestone with Online Renewal Web Tool
10/28/2021	A Spooktacular Halloween Dessert
10/28/2021	CSLB's 1 st Annual Virtual Costume Contest
11/4/2021	Fall Back!
11/8/2021	CSLB First Annual Virtual Halloween Costume Contest Results are In!
11/15/2021	What Are You Thankful For?
11/19/2021	Quarterly Board Meeting Coming Up November 29
11/23/2021	Happy Thanksgiving!
12/3/2021	Message from CSLB Board Chair Susan Granzella
12/8/2021	Depression is More Than Just a Rough Patch...Here are Some Resources
12/16/2021	CSLB Announces Fee Increases Beginning in 2022
12/21/2021	Happy Holidays from CSLB!
12/27/2021	CSLB Wishes You A Happy New Year!
1/5/2022	CSLB Releases First Spanish Language Videos to Further Aid Licensees and Consumers
1/10/2022	Bureau of Automotive Repair (BAR) Shares Winter Car Care Tips
1/19/2022	Tune in to the Enforcement, Public Affairs, Executive, Licensing, and Legislation Committee Meetings
1/26/2022	DCA Style Guide Available for Employees
1/31/2022	California Contractors License Law & Reference Book - 2022 Edition Now Available

News Release

www.cslb.ca.gov | www.CheckTheLicenseFirst.com | www.SeniorScamStopper.com

October 12, 2021

CSLB #21-11

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Sacramento County Undercover Construction Sting Catches Unlicensed Contractors

Contractors State License Board warns consumers about the dangers of hiring unlicensed contractors

SACRAMENTO, Calif. – Construction is thriving in Sacramento County and unlicensed contracting is a real threat to consumer safety. A recent [Contractors State License Board](#) (CSLB) sting in the city of Elk Grove found unlicensed activity that included a contractor who provided a \$60,000 bid for a kitchen remodeling project. By law, a contractors license is required in California for construction jobs over \$500.

“Consumers need to protect themselves by hiring a licensed contractor, especially when taking on a project like a remodel that may costs tens of thousands of dollars,” says CSLB Registrar David Fogt. “Just because someone is asking for a lot of money doesn’t mean they have the skills or ability to satisfactorily perform the work.”



The September 21 and 22 enforcement operation was conducted with representatives from the [California Department of Insurance](#) and the [Sacramento County District Attorney's Office](#). The operation focused on the Elk Grove area just east of Interstate 5. CSLB's Statewide Investigative Fraud Team (SWIFT) members posed as residential homeowners and contacted suspected unlicensed contractors through their advertisements to perform concrete, flooring, landscaping, remodeling and painting work.

Fifteen people were issued Notice to Appear in criminal court citations for unlicensed contracting violations. Three of the unlicensed persons were also cited for requiring excessive down payments.

CSLB-licensed contractors have met experience and testing requirements, carry a license bond, passed a criminal background check and carry workers' compensation insurance for employees.

All suspects were ordered to appear at the [Sacramento County Superior Criminal Courthouse](#), on December 21 and 22, 2021.



Tips for Hiring a Contractor

Hire only California-licensed contractors. Ask to see the license. The number must be on all advertisements, contracts and business cards.

[Check the license](#) number on CSLB's website or by phone at 800-321-CSLB (2752). Confirm the contractor has workers' compensation insurance for employees.

Create a personalized list of licensed, area contractors using the [Find My Licensed Contractor](#).

Get three bids, check references, and get a written contract.

Don't rush into decisions and don't hire the first contractor who comes along.

Don't pay more than 10 percent down or \$1,000—whichever is less.

Don't pay cash, and don't let the payments get ahead of the work. Only pay for work as it is completed to your satisfaction

Keep a job file of all project papers, including correspondence and copies of all payments.

Avoid making the final payment until you're satisfied with the job.

For more information, visit CSLB's [website](#), or connect with us on [Facebook](#), [Twitter](#), [Instagram](#), and [YouTube](#).

Remodeling Licensing Options for Contractors

CSLB recently developed a B-2 Residential Remodeling Classification for contractors. It is available to people working on remodeling and small home improvement projects that don't qualify for a B-General Building License because the contracted work does not include framing or rough carpentry. Learn more about the B-2 license [here](#).

High resolution versions of the photos included in this release are available upon request.

Video Footage: No video of these sweeps is available, however the video clips below are from a January 2020 sting operation in Paradise, California.

One-minute clip here: <https://youtu.be/8Mp1UICfgRE>

Longer version: <https://youtu.be/6JVKVxvHNR0>

About CSLB: *CSLB operates under the umbrella of the Department of Consumer Affairs and licenses and regulates nearly 283,000 contractors in California. In 2020, CSLB helped consumers recover more than \$26 million in ordered restitution.*

###

This email was sent because you subscribed to the email alert feature on the Contractors State License Board (CSLB) website, www.cslb.ca.gov, or because you indicated an interest in receiving CSLB materials electronically. Your email address is not shared with third party sources. To unsubscribe, please visit our [unsubscribe page](#).

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AGENDA ITEM H

Legislation



AGENDA ITEM H-1

Accomplishments and Activities Report



AGENDA ITEM H-2

Legislation

a. Update on Previously Considered 2021-2022

Pending Legislation

- i. AB 646 (Low) Department of Consumer Affairs: boards: expunged convictions
- ii. SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage

b. Review, Discussion, and Possible Action on 2021-22

Pending Legislation

- i. AB 1733 (Quirk) State bodies: open meetings
- ii. AB 1747 (Quirk) Contractors: disciplinary action
- iii. AB 1874 (Smith) Contractors: unlicensed work
- iv. AB 2105 (Smith) Contractors: initial license fee reduction: veterans
- v. AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping
- vi. AB 2894 (Cooper) Contractors: workers' compensation insurance
- vii. SB 1237 (Newman) Licenses: military service
- viii. SB 1443 (Roth) The Department of Consumer Affairs



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

STATUS/LOCATION (as of 3.10.22): Senate Rules Committee for assignment 2.1.22

SPONSOR: Author-sponsored

SUBJECT: Department of Consumer Affairs: boards: expunged convictions

CODE SECTION: Add § 493.5 to the Business and Professions Code (BPC)

SUMMARY: For licensees who have been revoked because of a criminal conviction and had that conviction expunged, this bill authorizes CSLB to collect a \$25 fee for the cost of removing from its website the criminal conviction information that was the basis for the revocation or post on its website that the conviction has been expunged.

EXISTING LAW: Authorizes CSLB to disclose on its public website the reason a contractor's license was revoked. In the case of a criminal conviction, CSLB posts that the contractor was disciplined for a violation of BPC § 7123, "conviction of a substantially related crime."

THIS BILL: For any contractor whose license was revoked for a conviction of a substantially related crime, and who supplies CSLB with proof that the conviction was expunged, this bill would require CSLB do one of two things: (1) post the expungement order on its website if the contractor reapplies for licensure or becomes relicensed; or (2) remove the posting of a revocation for BPC § 7123 if the contractor is not currently licensed and does not reapply for licensure.

COMMENT/ANALYSIS: This bill only applies to contractors whose licenses were revoked due to a construction related conviction and who provide CSLB proof that the conviction was expunged. Expungement tends to be for less serious crimes, as most serious crimes in California do not qualify for expungement under Penal Code section 1203.4.

FISCAL IMPACT: Minimal fiscal impact. The last time the bill was fiscally analyzed for the Board, it allowed the Board to charge \$50 for the cost of processing the expungements. However, the bill was amended January 24, 2022, to reduce that amount to \$25. In 2021, there were 94 accusations that included a violation of BPC 7123. If an unknown percentage of those who were fully revoked because of that conviction obtain an expungement, it may result in positive revenue to CSLB under \$1,000 a year.

STAFF RECOMMENDATION: UPDATE ONLY:

The Board has been in support of this bill since March of 2021. The bill aligned with the CSLB 2019-2021 Licensing Division Strategic Plan to review barriers to licensure regarding criminal background information and make changes where possible to encourage licensure.

The last time the Board was updated about this bill was at the June 3, 2021, Board Meeting. At that time, staff informed the Board that the bill had not move out of the Appropriations Committee.

Staff testified to the Board's support of the bill on January 20, 2022 in Assembly Appropriations. At this writing, the bill is subject to referral to a Senate Committee and staff will communicate the Board's position as appropriate as the bill moves forward.

BILL NUMBER: SB 216 (Dodd)

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB216

STATUS/LOCATION (as of 3.10.2022): In Assembly. Read first time. Held at Desk.

SPONSOR: Contractors State License Board

SUBJECT: Contractors: workers' compensation insurance: mandatory coverage

CODE SECTION: Amend, repeal, and add §§ 7125 of the Business and Professions Code

SUMMARY: Precludes CSLB from accepting certificates of exemption from workers' compensation insurance from licensed C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors in the first year and from all contractors in three years, requiring that all contractors have a certificate of workers' compensation insurance on file by 2025.

EXISTING LAW: Requires every licensed contractor have on file with CSLB a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. Contractors can file a certificate of exemption, certifying that they have no employees and are not required to obtain or maintain workers' compensation insurance. Existing law requires C-39 Roofing contractors with an active license to have a valid Certificate of Workers' Compensation Insurance at all times, whether or not they have employees.

THIS BILL: Would include the C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractor licenses as those, along with the C-39 Roofing contractor, who must always have a Certificate of Workers' Compensation Insurance on file with CSLB. The bill further provides that by 2025, CSLB would no longer accept a certificate of exemption from workers' compensation insurance, thereby requiring that all contractors with an active license have a certificate of insurance on file by 2025.

COMMENT/ANALYSIS: Despite years of enforcement efforts, the number of workers' compensation exemptions on file with CSLB, and the number of contractors in violation of the workers' compensation laws remains consistent. CSLB research confirms that many of the approximate 50 to 60 percent of licensed contractors who currently claim an exemption, do have employees. There is a demonstrated problem of contractors employing workers without providing workers' compensation insurance coverage. This problem creates an unfair competitive disadvantage for law-abiding contractors who are subject to higher business costs and puts employees and the public at risk for workplace injuries. This bill will eliminate that problem.

Fiscal Impact: Currently, the mechanism for contractors and insurance companies to electronically submit the Workers' Compensation insurance certificate is available on

the CSLB website. The Licensing staff estimates it would be about the same amount of time to process additional workers' compensation insurance certifications for those currently on file as exempt.

CSLB cannot accurately predict how this legislation will affect the CSLB license population and corresponding renewal revenue, if at all. However, it is possible a percentage of contractors may elect not to renew their contractor's license rather than obtain workers compensation insurance, as required by the bill. When a similar requirement was imposed on C-39 Roofers in 2007, CSLB witnessed a decline in the C-39 license population that appeared to correlate with the requirement. However, some of that license population was absorbed into other existing classifications. It is therefore difficult to predict whether there will be a similar decline when this requirement is imposed on additional classifications. To provide a conservative projection, if CSLB estimates a 5 percent decline in the license population with workers' compensation exemptions on file, it would equate to the following impact over the next five years:

Fiscal Year	Classifications	Potential Loss in Annual Revenue
2022-23	C-8, C-20, C-22, and D-49	\$120,000 - \$185,000
2023-24		\$120,000 - \$185,000
2024-25		\$120,000 - \$185,000
2025-26	Everyone	\$900,000 - \$1.4M
2026-27		\$1.7M - \$2.6M

Due to CSLB's recent fee structure change, licenses are now "tiered" by renewal fee cost into sole owner and others (i.e., corporation, partnership, LLC, JV) entities. Therefore, the fiscal loss in revenue is slightly higher than reported last year because it is a ranged approach to capture minimum and maximum loss per year. Finally, if the bill amendments described below are accepted, the dates in the chart above would move forward by one year.

The fiscal impact would be minimal and absorbable (staff costs), and the decreased revenue is estimated at **\$120,000 - \$185,000** (based on tier renewals) annually for three fiscal years and then roughly **\$1.7 million - \$2.6 million** (based on tier renewals) annually ongoing.

STAFF RECOMMENDATION: UPDATE ONLY. This is a CSLB-sponsored measure.

At the January 26, 2022 Legislative Committee Meeting, staff reported to the committee that amendments were sent to the author's office that do the following:

1. Move the effective dates of the bill that require workers compensation for all licensees in the bill a year forward since the bill was delayed a year, from 2025 to 2026.
2. Add the C-22 Asbestos Abatement Contractor license to the licenses that would be required by the bill to have workers' compensation in the first year. This is because the C-22 is already required to have workers' compensation to obtain the Division of Occupational Safety and Health registration that is a prerequisite to the license. As a result, the C-22 already must have workers' compensation insurance.
3. Exempt a joint venture license from the workers compensation requirement when one or more of the licensees forming the joint venture have a workers compensation policy. The bill will still require any joint venture that elects to be the employer to file a workers' compensation certificate with the Board. This amendment was the result of a concern raised by industry the bill would require a joint venture to obtain additional workers' compensation insurance when usually the insurance of one of the licensees forming the joint venture is used for any employees.

As of this writing, the amendments are not in print.

BILL NUMBER: AB 1733 (Quirk)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1733

STATUS/LOCATION (as of 3.10.2022): Assembly; referred to Committees on Governmental Organization and Business and Professions on 2.18.22

SPONSOR: Author sponsored

SUBJECT: State bodies: open meetings

CODE SECTIONS: Business and Professions Code (BPC): amend Section 101.7; Government Code: amend Sections 11122.5, 11123, 11124, 11125, 11125.4, 11128.5, and 11129. Repeal Section 11123.5.

SUMMARY: This bill would revise Bagley-Keene Open Meeting Act (Act) provisions to authorize state bodies to hold public meetings with one publicly accessible physical location that has web accessibility, along with any number of remote locations.

EXISTING LAW: Requires Department of Consumer Affairs (DCA) boards to meet at least twice a year, once in Northern California and once in Southern California. The Act currently defines a “meeting” to include the gathering of a majority of the members at the same time and place. Existing law also authorizes teleconferenced meetings in specified circumstances but only if certain requirements are met; for example, a member must be physically present at the teleconference location which must be noticed to the public and be accessible to the public for public participation, and the agenda must be posted at the teleconference location.

THIS BILL would not require boards to meet in Northern and Southern California each year if the board’s meetings are held entirely by teleconference. The bill also redefines “meeting” in the Act to include one held entirely by teleconference. It also requires all open meetings be teleconferenced and removes the requirement that teleconference locations be identified and made physically accessible. The bill requires that state bodies make meetings accessible remotely and provide this information in the notice so that the public may address the state body at the meeting. It also requires the state body to provide a physical location with internet accessibility so that the public may hear, observe, and address the state body remotely. The also bill provides guidance for electronic and video requirements, including should equipment fail during a meeting, and retains the 10-day notice and agenda posting requirements in advance of a meeting.

The bill would also require members attending a meeting by teleconference to disclose whether someone over the age of 18 years is present in the room and the general relationship of that person to the member.

As written, the bill is declared urgent, taking effect immediately upon approval and requiring a 2/3 vote.

COMMENT/ANALYSIS: DCA and the Administration have expressed support for the continuation of teleconferenced public meetings that have been held the last two years during the COVID-19 Pandemic. Also, staff does not believe the bill precludes Boards from holding meetings entirely in person if they wish.

FISCAL IMPACT: If the law is changed to allow meetings to be held remotely for members, then the physical location requirement for the public can be provided at any CSLB public offices using existing CSLB resources; therefore, no additional costs are anticipated.

Recently, a Board cost analysis compared costs for holding in-person vs remote quarterly meetings. The total costs showed holding four meetings a year in-person costs approximately \$90,000 while remote meetings cost \$6,500.

STAFF RECOMMENDATION: SUPPORT

BILL NUMBER: AB 1747 (Quirk)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1747

STATUS/LOCATION (as of 3.10.2022): Scheduled for Assembly Business and Professions Hearing 3.29.2022

SPONSOR: Contractors State License Board

SUBJECT: Contractors: disciplinary action

CODE SECTIONS: Amend Business and Professions Code sections 7099.2, 7110

SUMMARY: Increases from \$5,000 to \$30,000 the administrative fines for a licensed contractor failing to comply with building permit requirements as well as other health and safety violations.

EXISTING LAW: Provides that a licensed contractor's failure to comply with any state or local law relating to the issuance of building permits is a cause for disciplinary action and provides that the maximum civil penalty CSLB can assess for such a violation is \$5,000. Existing law also provides that a failure to comply with certain health and safety laws, water laws, safe excavation requirements, pest control requirements, illegal dumping, and other state laws related to building and insurance requirements may only be assessed at a maximum of \$5,000.

THIS BILL would increase the civil penalty for a failure of a contractor to comply with building permit requirements, as well as with other health and safety violations from \$5,000 to \$30,000.

COMMENT/ANALYSIS: This bill arose out of CSLB consultation with the California Energy Commission (CEC) on ways to increase compliance with Title 24 clean energy standards in installation of HVAC equipment. The workgroup recommended disciplinary authority be expanded with higher consequences for contractors who fail to obtain permits that meet CEC quality HVAC installation standards. Because the other violations in the same section of law as the CSLB permit violation are health and safety concerns, the proposal increases all those violations to the higher tier of \$30,000.

FISCAL IMPACT: No additional workload would be required by the Enforcement Division. Revenue increase would be initial and ongoing. CSLB issued citations for 151 violations of Section 7110 in 2020, and 141 in 2021 for an average fine of \$3,338. About 26% (or 40) of those citations were issued in the current maximum amount of \$5,000. If the bill is successful, and patterns remain the same, the maximum amount would increase from \$5,000 to \$30,000. As a result, the bill may result in \$1 million increased revenue a year.

STAFF RECOMMENDATION: UPDATE ONLY. This is a CSLB-sponsored measure. Staff have submitted a letter of support on behalf of the Board for this bill.

This bill is being heard in the legislature prior to the Board's March 30, 2022, meeting. According to the procedure in the Board Procedure Manual for taking positions on legislation when time constraints preclude board action, staff consulted with the Legislative Chair and the Board Chair to confirm that CSLB staff may send a letter of support on behalf of the Board.

BILL NUMBER: AB 1874 (Smith)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1874

STATUS/LOCATION (as of 3.10.2022): Scheduled for Assembly Business and Professions Hearing 3.29.2022

SPONSOR: Author sponsored.

SUBJECT: Contractors: unlicensed work

CODE SECTIONS: Amend Business and Professions Code (BPC) section 7027.2

SUMMARY: Would allow an unlicensed contractor to advertise to perform construction work if value of the labor for the project is less than \$500, without regard to the cost of materials or other items on the project.

EXISTING LAW: Authorizes an unlicensed person to advertise for construction work if the aggregate contract price for labor, material, and all other items is less than \$500, and the person states in the advertisement that they are not a licensed contractor.

THIS BILL: Authorizes an unlicensed person to advertise for construction work if the price of labor only is less than \$500. It removes from that threshold the cost of materials and all other items. It retains the provision that unlicensed persons state they are unlicensed in construction advertisements.

COMMENT/ANALYSIS: According to the author's fact sheet, the bill "changes the \$500 cap for unlicensed contract work to apply only to the cost of labor" to provide some relief to small contractors and handymen from the cost of doing business in California.

By removing the cost of materials and all other items from the total amount an unlicensed contractor can advertise to perform and limiting the \$500 advertising threshold to just the cost of labor, the bill allows an unlicensed contractor to advertise for much larger projects than current law would allow.

As written, the bill only amends a section of law that deals with unlicensed advertising and would not apply to performing the work that is being advertised for. However, the author's office states that this was a drafting error and that they intend to amend the bill to make the same change to the \$500 threshold for performing that work (commonly known as the "minor work exemption.")

Additional background information is provided below the staff recommendation.

FISCAL IMPACT: No impact.

STAFF RECOMMENDATION: Oppose.

Two bills were introduced last year that would have amended the \$500 “minor work exemption” from the Contractors State License Law. AB 899 (Cunningham) and SB 304 (Archuleta)

AB 899 would have allowed CSLB by regulation to raise the \$500 threshold using an appropriate economic price measure, such as the cost of living or consumer price index. SB 304 would have changed the \$500 minor work exemption to \$1,000.

At its March 25, 2021, Board Meeting the Board voted 8-5 to oppose both bills.

Both bills failed to pass their house of origin and are now “dead.”

BILL NUMBER: AB 2105 (Smith) (Multiple Co-Authors)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2105

STATUS/LOCATION (as of 3.10.2022): Scheduled for Assembly Business and Professions Hearing 3.29.2022

SPONSOR: Author sponsored

SUBJECT: Contractors: initial license fee reduction: veterans

CODE SECTIONS: Would add Section 7137.1 to the Business and Professions Code

SUMMARY: Requires CSLB to grant a 50 percent fee reduction for an initial license to an applicant who has served as an active-duty member of the California National Guard or the United States Armed Forces and was honorably discharged.

BACKGROUND / EXISTING LAW: For the Board's information, many current laws remove barriers to licensure for current and previously serving military members and family. Existing law requires DCA boards/bureaus, if specified requirements are met, to:

- Renew without penalty the license of a member of the military or armed forces that expired during active duty (B&P Code 114).
- Waive renewal fees and other requirements of license maintenance for a licensee called to active duty (B&P Code 114.3).
- Inquire in every application if the applicant is serving or previously served in the military (B&P Code 114.5).
- Expedite and assist the initial licensure process for applicants who served and were honorably discharged (B&P 115.4).
- Expedite the licensure process for applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.5).
- Effective July 2023, after appropriate investigation, issue temporary 12-month licenses to applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.6).

COMMENT/ANALYSIS: The Author's fact sheet notes the following:

- Veterans face numerous challenges when transitioning from active duty to the civilian workforce, including lower earning and employment rates which are exacerbated by licensing fees.
- Many veterans transferring to civilian life choose to become licensed contractors due to the relevant education and training they receive in the military.
- Reducing initial CSLB licensing fees by 50 percent would help remove the financial barrier and ease the burden for veterans currently residing in California to apply for licenses.

- Veterans often gain valuable job skills during military service which can be used upon entering the civilian workforce.
- Easing this financial barrier will bring skilled labor into California and help chip away at the growing issue of veteran homelessness in the state.

FISCAL IMPACT: CSLB issues approximately 550 expedited licenses to honorably discharged veterans a year. At current initial license fee levels (\$200 sole owners/\$350 corporations, partners, etc.), if all such applicants received a 50% initial license fee reduction, the impact would range from \$55,000 - \$96,250 in lost revenue per year

STAFF RECOMMENDATION: UPDATE ONLY. Staff have submitted a letter of support on behalf of the Board for this bill.

This bill is being heard in the legislature prior to the Board's March 30, 2022, meeting. According to the procedure in the Board Procedure Manual for taking positions on legislation when time constraints preclude board action, staff consulted with the Legislative Chair and the Board Chair to confirm that CSLB staff may send a letter of support on behalf of the Board.

BILL NUMBER: AB 2374 (Bauer-Kahan)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2374

STATUS/LOCATION (as of 3.10.2022): Referred to Committees on Public Safety and Business and Professions 3.3.22

SPONSOR: Contra Costa County

SUBJECT: Crimes against public health and safety: illegal dumping

CODE SECTIONS: Amend Penal Code section 374.3

SUMMARY: Increases various criminal penalties for illegal dumping, including authorizing a criminal court to require a person convicted of illegal dumping to surrender a license issued by CSLB for the duration of the term of probation.

EXISTING LAW: Defines the crime of illegal dumping in California as a misdemeanor and imposes several penalties for illegally dumping as specified.

THIS BILL: Increases the maximum fine from \$3,000 to \$5,000 for a first offense, from \$6,000 to \$10,000 for a second offense, and from \$10,000 to \$20,000 for a third offense. The bill also authorizes a court, in addition to fines, to impose as a condition of probation that the offender remove or pay the cost of removing the dumped material. The bill additionally authorizes a court to require surrendering a professional license or permit to conduct business and mentions the Contractors State License Board. The bill also authorizes a court to publicly post the name of an individual convicted for illegal dumping.

COMMENT/ANALYSIS: CSLB sponsored AB 246 (Quirk, Chapter 46, Statutes of 2021) in 2021, which authorizes CSLB to take disciplinary action against a contractor who illegally dumps construction debris. That bill relies on the Penal Code amended by this bill. However, CSLB is required to rely on the finding of a local or state agency that a violation occurred as the necessary evidence to take disciplinary action against a contractor for illegally dumping. This bill would allow the court to take action against the license directly. Some clarification may be needed in the bill to determine if CSLB can take action on the license after it is "surrendered" to the Court.

The author's fact sheet states that illegal dumping continues to be a serious problem in California and has been for many years. The fact sheet states that businesses dump illegally to cut corners and maximize profits. It states that the fines for the violation are minimal and district attorneys have difficulty prosecuting the cases.

FISCAL IMPACT: None.

STAFF RECOMMENDATION: Support

BILL NUMBER: AB 2894 (Cooper)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2894

STATUS/LOCATION (as of 3.10.2022): Introduced 2.18.22, in Assembly

SPONSOR: District Council of Iron Workers (DCIW) of California and Vicinity

SUBJECT: Contractors: workers' compensation insurance

CODE SECTIONS: Adds section 7128 to the Business and Professions Code

SUMMARY: Requires a licensed contractor, if they have workers' compensation insurance, to inform CSLB of their workers' compensation classification code and requires CSLB to post that information on its website.

EXISTING LAW: Existing law requires contractors that have workers to always have on file with CSLB a current and valid certificate of workers' compensation or certification of self-insurance that publicizes certain information, including the licensee's business name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable. Existing law precludes the board from maintaining, renewing, reinstating, or reactivating a license that does not comply with these requirements.

THIS BILL: Would add to the requirements above that the licensee report on the certificate of insurance the licensee's workers' compensation classification code (WCC) developed by the Workers' Compensation Insurance Rating Bureau or otherwise approved by the Insurance Commissioner.

COMMENT/ANALYSIS: According to the Author's fact sheet, the WCC is a code used by contractors to obtain workers' compensation insurance coverage and is used by insurance companies to provide workers' compensation insurance coverage. The WCC is based on the type of work performed by the contractor. According to the fact sheet, since rates for workers' compensation insurance vary based on the four-digit WCC code used, some contractors may intentionally misclassify their employees to receive lower rates. The fact sheet states that AB 2894 will protect workers by requiring contractors to provide information to CSLB to ensure employees are properly insured and will prevent unscrupulous contractors from purchasing less expensive coverage.

FISCAL IMPACT: CSLB already has the mechanism and process in place to post the information on the certificate of workers' compensation insurance on its website. This bill would require adding the WCC code field in the form. CSLB IT Division estimates it would take minimal programming to add the new field and post correctly to the website.

STAFF RECOMMENDATION: Neutral, or no position

BILL NUMBER: SB 1237 (Newman)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1237

STATUS/LOCATION (as of 3.10.2022): Referred to Senate Business, Professions and Economic Development 3.2.22

SPONSOR: California Optometric Association

SUBJECT: Licenses: military service

CODE SECTIONS: Amend Business and Professions Code section 114.3

SUMMARY: Provides that a Department of Consumer Affairs (DCA) board waive the renewal fees of a licensee or registrant called to active duty as a member of the United States Armed Forces or the California National Guard if the licensee or registrant is stationed outside of California.

BACKGROUND / EXISTING LAW: For the Board's information, many current laws remove barriers to licensure for current and previously serving military members and family. Existing law requires DCA boards/bureaus, if specified requirements are met, to:

- Renew without penalty the license of a member of the military or armed forces that expired during active duty (B&P Code 114).
- Waive renewal fees and other requirements of license maintenance for a licensee called to active duty (B&P Code 114.3).
- Inquire in every application if the applicant is serving or previously served in the military (B&P Code 114.5).
- Expedite and assist the initial licensure process for applicants who served and were honorably discharged (B&P 115.4).
- Expedite the licensure process for applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.5).
- Effective July 2023, after appropriate investigation, issue temporary 12-month licenses to applicants married to or otherwise in union or partnership with active-duty member when the applicant has a current similar license in another state (B&P 115.6).

COMMENT/ANALYSIS: Preliminary review indicates CSLB's renewal fee waiver (pursuant to BPC 114.3 above) for a licensee called to active duty is rarely used. Therefore, there is reason to believe that a waiver for a licensee or registrant licensed in California but stationed in another state may also be infrequent.

FISCAL IMPACT: None.

STAFF RECOMMENDATION: Support

BILL NUMBER: SB 1443 (Roth)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1443

STATUS/LOCATION (as of 3.10.2022): Referred to Senate Business, Professions and Economic Development on March 9, 2022.

SPONSOR: Author

SUBJECT: The Department of Consumer Affairs

CODE SECTIONS: Multiple sections of the Business and Professions Code; as it relates to CSLB, Sections 7000.5 and Section 7011

SUMMARY: This bill affects multiple Department of Consumer Affairs (DCA) boards and bureaus. As it relates to CSLB, this bill amends the statutory sunset date of CSLB from January 1, 2024, to January 1, 2025.

EXISTING LAW: Provides for a 15 member Contractors State License Board to be subject to review by the Legislature and subject to repeal on January 1, 2024. Existing law also provides for a registrar to carry out all the administrative and lawful duties of the Board, which is also subject to repeal January 1, 2024.

THIS BILL: Changes the dates in the provisions of law described above from January 1, 2024, to January 1, 2025.

COMMENT/ANALYSIS: DCA boards and bureaus are each subject to review by the legislature according to “sunset” statutes in their respective practice acts; the review occurs according to the month and year indicated in each agency’s “sunset” statute. The “Sunset Review” is a comprehensive process which allows the Legislature to review the laws and regulations pertaining to each board and evaluate the board’s programs and policies; determine whether the board operates and enforces its regulatory responsibilities and is carrying out its statutory duties; and examine fiscal management practices and financial relationships with other agencies. If the Board is not extended the legislature may reconstruct it as a Bureau, with a Bureau Chief appointed by the Governor.

As a result of the Covid-19 pandemic, the sunset reviews for many boards and bureaus were delayed. This pushed the review of those agencies up against the statutory review periods of agencies that were due for review the following year. To avoid having to review too many boards and bureaus in a single year, this bill was introduced to place the review of boards and bureaus on a more manageable schedule.

FISCAL IMPACT: None.

STAFF RECOMMENDATION: Neutral / no position

AGENDA ITEM H-3

Regulations

- a. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 823 (Definitions: Bona Fide Employee; Direct Supervision and Control)
- b. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 858.2 (Application for Approval of Blanket Performance and Payment Bond)
- c. Battery Energy Storage Systems
 - i. Background, Board Update, and Preliminary Considerations
 - ii. Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend California Code of Regulations, Title 16, Sections 810 (Definitions), 831 (Incidental and Supplemental Defined), 832.10 (Class C-10, Electrical Contractor), and 832.46 (Class C-46, Solar Contractor) by Approving the Proposed Text that was Presented to the Board on November 29, 2021
 - iii. In the Alternative, Review, Discussion, and Possible Action by the Board to Direct Staff to Develop Draft Regulatory Text that Reflects an Appropriate Kilowatt-Hour Threshold



Possible Section 100 Rulemaking to Make Changes to California Code of Regulations Section 823 (Definitions: Bona Fide Employee; Direct Supervision and Control)

Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 823 (Definitions: Bona Fide Employee; Direct Supervision and Control)

This item requests the Board authorize staff to initiate the rulemaking process to make non-substantive “Rule 100” change to a CSLB regulation: Title 16, California Code of Regulations (CCR), Section 823.

A Rule 100 change allows an agency, subject to approval by the Office of Administrative Law (OAL) to “add to, revise, or delete text in the California Code of Regulations without complying with the rulemaking procedure of the Administrative Procedure Act if the change does not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element” of any regulation.

The amendments staff seek authority to make is a repeal of Section 823. The section no longer has any statutory authority due to the passage of a recent legislative bill, Assembly Bill (AB) 830 (Flora, Chapter 376, Statutes of 2021), effective January 1, 2022. As a result, the changes do not materially alter any requirement in any regulation and are appropriate for a Rule 100 change.

Background

Contractor licenses are qualified by individuals who demonstrate their knowledge and experience to the Board. The law provides different scenarios in which an individual can “qualify” a contractor’s license, either personally, or through a title (for example, “general partner” on a partnership license) or through what is called a “responsible managing employee.” (Business and Professions Code [BPC] section 7068)

Existing law also requires that the person qualifying a contractor’s license on behalf of another is responsible for exercising that “direct supervision and control” of their employer’s construction operations in order to secure compliance with the Contractor’s law. (BPC section 7068.1)

To implement and clarify BPC sections 7068 and 7068.1(a), the Board promulgated section 823 to provide definitions of “bona fide employee” and “direct supervision and control,” respectively. This regulation became operative on January 24, 1980.

The Problem

Effective January 1, 2022, AB 830 amended BPC Section 7068 and BPC Section 7068.1 by providing definitions, within the statutes themselves, of both “responsible managing employee” and “direct supervision or control.” The bill incorporated the definition of “responsible managing employee” from CCR 823 but changed the words “direct supervision and control” in the statute to “direct supervision or control” and expanded those words beyond the description in CCR 823 of “direct supervision and control.” When the legislature incorporated definitions of these terms into the statute themselves, these definitions became primary authority for the use of these terms in BPC Sections 7068 and 7068.1. This renders the secondary definitions of these terms in section 823 regulation preempted by the changes to the statute. Section 823 must be repealed as no longer having any authority due to the changes in statute.

Solution: Repeal of Regulation CCR Section 823

Staff proposes to repeal Section 823 defining “bona fide employee” and “direct supervision and control,” as “bona fide employee” is now defined by statute, and “direct supervision and control” has been changed in statute to “direct supervision or control” with a new definition.

Following the staff recommendation below is the language reflecting these changes for Board consideration.

STAFF RECOMMENDATION

Approve the proposed regulatory text for CCR section 823, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at CCR section 823 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

CONTRACTORS STATE LICENSE BOARD

PROPOSED LANGUAGE

**California Code of Regulations
Title 1, Section 100 Changes**

Title 16, Division 8

Article 2. Application for License

Repeal Section 823 as follows:

~~§ 823. Definitions: Bona Fide Employee; Direct Supervision and Control.~~

~~(a) For purposes of Section 7068 of the Code, "bona fide employee" of the applicant means an employee who is permanently employed by the applicant and is actively engaged in the operation of the applicant's contracting business for at least 32 hours or 80% of the total hours per week such business is in operation, whichever is less.~~

~~(b) For purposes of Section 7068.1 of the Code, "direct supervision and control" includes any one or any combination of the following activities: supervising construction, managing construction activities by making technical and administrative decisions, checking jobs for proper workmanship, or direct supervision on construction job sites.~~

~~Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7068 and 7068.1, Business and Professions Code.~~

Possible Section 100 Rulemaking to Make Changes to California Code of Regulations Section 858.2 (Application for Approval of Blanket Performance and Payment Bond)

Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 858.2 (Application for Approval of Blanket Performance and Payment Bond)

This item requests the Board authorize staff to initiate the rulemaking process to make non-substantive “Rule 100” amendments to a CSLB regulation: Title 16, California Code of Regulations (CCR), Section 858.2.

A Rule 100 change allows an agency, subject to approval by the Office of Administrative Law (OAL) to “add to, revise, or delete text in the California Code of Regulations without complying with the rulemaking procedure of the Administrative Procedure Act if the change does not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element” of any regulation.

The amendments staff seek authority to make are grammatical amendments and updates to the revision date of the form referenced in the regulation. As a result, they are technical changes appropriate for a Rule 100 change.

Background

Contractors who file with CSLB what is sometimes called a “blanket bond” are not required to follow the downpayment restrictions on home improvement contracts and may request the full amount of the contract up front. The blanket bond is an agreement meeting specific requirements that promises the licensee will cover “full performance and payment” for its contracts.

Section 858.2 is CSLB’s application for licensees who wish to have a blanket bond on file with CSLB. The section sets forth requirements the licensee must meet for CSLB to approve the blanket bond.

The Problem

At the September 2021 Board Meeting, the Board authorized staff to make a Section 100 rule change to the two blanket bond sections, CCR Sections 858.1 and 858.2. These revisions were made to update the sections to reflect changes made in state law. Following Board approval, staff commenced the process for Rule 100 changes to the regulations, and they became effective November 10, 2021.

However, staff inadvertently neglected to change the form revision date cited in Section 858.2 at the time of the November 2021 changes. As a result, the form still reads as if it was amended in November 2011, when it should indicate it was amended in November 2021.

Solution: Amend CCR Section 858.2 to reflect the correct revision date

Staff propose amending the revision date of the form from November 2011 to November 2021, to reflect that changes were made to the regulation in November 2021. Staff also proposes various minor and technical clean-ups to the language in the regulation.

Following the staff recommendation below is the language reflecting these changes for Board consideration.

STAFF RECOMMENDATION

Approve the proposed regulatory text for CCR section 858.2, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at CCR section 858.2 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

CONTRACTORS STATE LICENSE BOARD

PROPOSED LANGUAGE

California Code of Regulations Title 1, Section 100 Changes

Title 16, Division 8

Article 6. Bonds

Amend Section 858.2 as follows:

§858.2. Application for Approval of Blanket Performance and Payment Bond

(a) A licensee seeking approval of a blanket bond shall meet the applicable conditions specified under this Article and submit to the Board an Application for Approval of Blanket Performance and Payment Bond, form 13B-35 (rev. 11/2011~~2021~~), that includes the following information:

(1) The name and address of the licensee as listed on the license record and the license number.

(2) The name of every person listed on the license record of the applicant who, as specified under Section 7068 of the Code, is acting as a qualifier for the license.

(3) The reviewed year-end financial statements and a report prepared by a certified public accountant (CPA) duly licensed by the California Board of Accountancy or licensed by another state board of accountancy. The reviewed financial statements shall include supplemental information related to the liquidity ratios of the licensee's business and shall particularly include the current ratio and the quick ratio, the calculations for which are specified under subparagraphs (A) and (B) below. The review report, or a separate supplementary report, shall include an explanation that the information has been subject to the review of the CPA. The review report shall cover the two fiscal years immediately preceding application for approval of the blanket bond and should be prepared in accordance with the current Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

(A) Current ratio calculation: current assets; divided by current liabilities.

(B) Quick ratio calculation: current assets minus inventory; divided by current liabilities.

(4) A certification statement, signed under penalty of perjury by the qualifier for the license, ~~which~~ that shall conform to the following language:

QUALIFIER'S CERTIFICATION STATEMENT

(Unless otherwise noted, all section references are to the California Business and Professions Code.)

The undersigned declares that, in accordance with Sections 7068 and 7068.1 of the Code, ~~he or she is~~ they are a qualifier for the licensee identified below (hereafter referred to as "licensee") and ~~is~~ are responsible for exercising the direct supervision and control of the licensee's operations as is necessary to secure full compliance with the laws and regulations that are under the jurisdiction of the Contractors State License Board. As a qualifier of the licensee, the undersigned has reviewed sufficient financial information to execute this certification as it pertains to the licensee's home improvement sales and services that are subject to the home improvement contract requirements specified under Section 7159 of the Code.

As of close of business on _____, the blanket performance and
(Date)
payment bond (bond) number _____ issued by
(Bond Number)

_____ as Surety is, according to ~~my~~ the qualifier's
(Name of Surety Company)

comprehension of the data derived from the licensee, in an aggregate amount that is sufficient to comply with the "100% rule" as specified in the provisions of Section 858.1 of Title 16, Division 8 of the California Code of Regulations.

The undersigned also certifies that ~~he or she~~ they will monitor the relevant business activity of the licensee; ~~;~~ exercise due diligence to secure ongoing compliance with the 100% rule; ~~;~~ and notify the Registrar within 30 days of the licensee's refusal, failure, or inability to comply with the 100% rule.

The undersigned also certifies that, upon approval of the blanket bond by the Registrar, the contract forms that will be used by the licensee for all transactions ~~which that~~ are subject to Section 7159 of the Code will contain a notice ~~which that~~ informs the property owner that a blanket performance and payment bond is on file with the Registrar of Contractors, or in lieu thereof, a notice that clearly identifies the name and address of the Surety that has issued the blanket performance and payment bond.

As a qualifying individual for the licensee, ~~I~~ the undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on _____ at
(Date)

_____, _____
(City and State)

(Name of Licensee as it Appears on the License)

(License Number)

(Printed Name of Qualifier)

(Signature of Qualifier)

(b) A licensee shall be licensed in this state in an active status for not less than two years prior to submitting the application provided for by this section.

(c) Except as otherwise provided under this subsection, an application for approval of a blanket bond shall not be accepted for consideration if any member of the personnel of record of the licensee, or any home improvement salespersons registered to the licensee, was found to have been responsible for, participated in, or otherwise culpable relative to any legal action that is subject to disclosure under Section 7124.6(e)(2) or 7124.6(e)(3) of the Code, or is named on a license that is suspended pursuant to Section 7071.17 of the Code.

(1) Any person who, after the effective date of the most recent disciplinary order applicable to that individual, is listed on an active license for three consecutive years with no violations resulting in disciplinary action may make application as provided under this Article.

(d) The application shall be signed by the person qualifying on behalf of the licensee who has executed the qualifier's certification statement required under this section. In the case of a responsible managing employee qualifier, the application shall also be signed by the owner, partner, or current corporate officer.

(e) The application shall be accompanied by a blanket bond that complies with the provisions of Section 858.1 of this Article and is underwritten by a surety that has been admitted in the State of California.

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7068, 7068.1, 7071.17, 7124.6, 7159, and 7159.5, Business and Professions Code.

AGENDA ITEM 3(c) – BATTERY ENERGY STORAGE SYSTEMS

(c)(i) Background, Updates, and Preliminary Considerations

Background

On July 27, 2021, CSLB held a public Board meeting to review, discuss, and take action on the June 30, 2021, Battery Energy Storage Systems License Classification Report issued by the University of California Berkeley (Berkeley Report). At that meeting, the Board moved and voted to rescind all prior staff determinations stating that a C-46 Solar Contractor license could install battery energy storage systems (BESS) as incidental and supplemental work and adopted UC Berkeley's recommendation to preclude C-46 licensees from installing BESS in any setting. Staff was directed to develop regulatory rulemaking language for the Board's consideration.

At the November 29, 2021, Board Meeting, CSLB staff presented for Board consideration a draft rulemaking proposal to effectuate the Board's July 27, 2021, motion to preclude C-46 Solar Contractors from installing BESS systems in any situation. During the discussion at the November meeting, Board Chair Granzella proposed the following two options for the Board's consideration:

Option 1: The Board may consider approving the proposed text as presented in the Board packet and authorize staff to commence the regulatory rulemaking process in compliance with the Administrative Procedure Act (APA).

Option 2: The Board may elect to not move forward with the proposed regulation text today, and instead refer the matter to the Board's Legislative Committee. Staff would obtain additional stakeholder input and develop alternative regulatory language that may be acceptable to both the solar and electrical stakeholders.

After discussing the two options, the Board moved at the November 29, 2021, Board meeting to:

Refer this matter to the Board's Legislative Committee. Direct staff to collect additional stakeholder input. Develop alternative regulatory language that may be acceptable to both the solar and electrical stakeholders. If no alternative language is ready for the March 2022 Board meeting, present the current regulatory text in Option number 1 for the Board's approval.

Update on Staff Efforts to Collect Stakeholder Input and Develop Alternative Language (Progress from November 29, 2021, Board Meeting to January 26, 2022, Legislative Committee Meeting)

After the November 29 meeting, staff collected additional stakeholder input as the Board directed. Between November 29, 2021, and January 24, 2022, staff received feedback from the California Building Industry Association, and met with the Office of the State Fire Marshal, the UC Berkeley Labor Center, the Northern California District Council of Laborers, and the California Energy Commission. Staff also reached out to the California Building Officials Association but did not receive a response.

As part of these efforts and as directed by the Board at the November meeting, staff developed alternative regulatory language. On January 7, 2022, staff shared its draft alternative regulatory proposal with representatives of the California Solar and Storage Association (CALSSA) and the National Electrical Contractors Association and International Brotherhood of Electrical Workers Labor Management Cooperation Committee (IBEW-NECA LMCC).

CALSSA and IBEW-NECA LMCC responded to CSLB staff's draft alternative regulatory proposal with their own proposals. Each of the three regulatory proposals is available to review as follows:

- **January 7, 2022:** CSLB staff's draft alternative regulatory proposal: <https://www.cslb.ca.gov/Resources/BoardPackets/2022/CSLB%20Staff%20Alternative%20BESS%20Regulatory%20Proposal.pdf>. This proposal would authorize C-46 solar contractors to install BESS as part of the installation of solar photovoltaic system in residential and light commercial applications.
- **January 19, 2022:** IBEW-NECA LMCC's response to CSLB's January 7, 2022 draft alternative regulatory proposal: <https://www.cslb.ca.gov/Resources/BoardPackets/2022/January%2019,%202022,%20IBEW-NECA%20Alternative%20BESS%20Regulatory%20Proposal.pdf>. This proposal would authorize C-46 contractors to install BESS as part of the installation of solar photovoltaic system only if the BESS has a power capacity **below 20 kilowatts (kW)** and an energy storage capacity **below 20 kilowatt-hours (kWh)**. The proposal precludes C-46 installation of a stand-alone BESS but would authorize a C-46 contractor to subcontract installation of a BESS of any size with an appropriately licensed contractor.
- **February 23, 2022:** CALSSA's response to CSLB and IBEW-NECA LMCC proposals: <https://www.cslb.ca.gov/Resources/BoardPackets/2022/CALSSALetter.pdf>. This proposal would authorize C-46 contractors to install BESS as part of the installation of solar photovoltaic system only if the BESS has a power **at or below 600 kWh**. This proposal authorizes a C-46 contractor to maintain or repair

a BESS of any size the contractor has previously installed for a customer. The proposal also authorizes a C-46 contractor to subcontract installation of a BESS of any size with an appropriately licensed contractor.

The Board received the CALSAA proposal after the January 26, 2022, Legislative Committee meeting. Therefore, the January 26 Legislative Committee meeting consisted of only an update to the Committee and the public of staff efforts to meet with stakeholders and develop agreeable language. As a result, the Legislative Committee did not vote on any proposed regulatory language on January 26.

However, since the November 29 motion referred this matter to the Legislative Committee and provided until the March 30, 2022, Board meeting to reach a resolution, Board staff continued to meet with stakeholders in an effort to find common ground on a regulatory proposal prior to the March 30 Board meeting. And at the January 26 Legislative Committee meeting, Chair Ruane strongly encouraged the solar and electrical industry representatives to work together in a collaborative and timely fashion to develop a regulatory proposal that could be brought back before the Legislative Committee for review in February, or perhaps sometime in March 2022.

The January 26 Legislative Committee meeting included a presentation by Department of Consumer Affairs regulatory counsel regarding the timeline of any regulatory rulemaking ultimately adopted by the Board at the March 30, 2022, Board meeting. During that presentation, counsel presented two possible timelines: (1) an expedited process that would provide for initiation of the rulemaking on March 30, 2022, and an approximate effective date of the regulations on April 1, 2023; and (2) a longer timeline providing for initiation of the rulemaking on March 30, 2022, and an approximate effective date of January 1, 2024. Counsel emphasized the actual timeline would vary depending on several factors and would likely fall somewhere between the two timelines.

[Update \(Progress from January 26, 2022, Legislative Committee Meeting to March 16, 2022\)](#)

On March 4, 2022, CSLB staff met with IBEW-NECA LMCC representatives to discuss its response to the February 23, 2022, draft alternative language from CALSSA. The IBEW-NECA LMCC also provided CSLB a written response to CALSSA's February 23, 2022, proposal. The IBEW-NECA LMCC response is viewable here:

<https://www.cslb.ca.gov/Resources/BoardPackets/2022/March%204,%202022%20IBEW-NECA%20Response%20to%20February%2023,%202022%20CALSSA%20Letter.pdf>

Generally, IBEW-NECA LMCC maintains the C-46 contractor should be limited to the 20kw / 20kWh¹ thresholds described in IBEW-NECA LMCC's January 19, 2022, proposal.

On March 7, 2022, CSLB staff met with representatives from CALSSA. The purpose of the meeting was to inform CALSSA of the March 4, 2022, meeting with IBEW-NECA LMCC and to provide them with IBEW-NECA's March 4 response.

On March 10, 2022, Board Chair Susan Granzella, Board Vice Chair Mary Teichert, DCA Legal Counsel for the board, and CSLB staff met with representatives from CALSSA and IBEW-NECA LMCC and their respective counsel. The purpose of the meeting was to arrive upon concepts agreeable to the participating stakeholders that could be brought back to the Legislative Committee in advance of the March 30 Board meeting, as directed by Legislative Committee Chair Jim Ruane at the January 26 Legislative Committee meeting. Despite staff's valiant efforts, the meeting did not result in mutually agreeable concepts that would have enabled staff to draft regulatory language for Board consideration.

However, generally, the participating stakeholders tend to agree on the following:

- Any regulatory proposal that defines the limitations of BESS installations **should not** do so by building occupancy type (e.g., commercial, residential).
- Any regulatory proposal that defines the limitations of BESS installations **should** do so by BESS size (either by kw or kWh limitations).
- Any regulatory proposal that defines the limitations of BESS installations **should** be supported by existing Title 24 Building Standards codes that already regulate BESS installations.
- C-46 contractors **should not** install utility-scale BESS.
- C-46 contractors **may** subcontract the installation of BESS to the appropriately licensed contractor.
- The participating stakeholders provided data indicating that somewhere between 97-99% of residential BESS installations are between 30 or 50kWh in capacity.

Topics that remain unresolved include (but are not limited to):

- What kw or kWh threshold prevails among C-46 contractors in the construction industry? Whether the kw or kWh threshold should apply to one BESS installation or to multiple BESS installed together in aggregate or in a series (e.g., if the threshold is 20kWh, this would be one 13.5 kWh Tesla Powerwall; or if the threshold is 50kWh, this would be three Tesla Powerwalls).

¹ **The difference between kw and kWh, as it relates to batteries:** according to information provided CALSSA, kw is a measurement of power that determines the maximum amount of electricity output at a single time. kWh refers to usable capacity, which is the maximum amount of electricity stored (in hours) in the battery when it is full.

- Whether a C-46 solar contractor can contract to perform the installation of a BESS either on an existing solar system the C-46 previously installed or as a standalone contract.
- Whether precluding a C-46 contractor from returning to maintain or repair a previously installed BESS poses a contract impairment and/or consumer protection harm.
- The definition of “battery energy storage system” CSLB should adopt in regulation.

Preliminary Considerations for the Board Regarding Regulatory Rulemaking

Government Code section 11349.1 requires regulations to meet certain standards before they can be adopted. This includes showing the rulemaking record demonstrates the necessity for the regulation by substantial evidence, including facts, studies, and expert opinion. Regulations must also be consistent with existing statutes and other provisions of law.

The Berkeley Report

The regulatory rulemaking record on this topic will necessarily include the June 30, 2021, Berkeley Report because the Board contracted with UC Berkeley to provide expert opinion on this matter.

UC Berkeley Report – Safety Concerns

Page 95 of the Berkeley Report recommends CSLB limit the scope of the C-46 to its original scope and preclude C-46 license holders from installing BESS. The Berkeley Report provides on page 8 that there is no specific threshold by size or customer class under which serious safety concerns are absent. The Berkeley Report notes on page 95 that BESS are “currently predominately installed under C-10 contractors requiring the use of certified electricians with demonstrated skills and safety training needed to address the safety issues.”

The Berkeley Report also identifies eight serious explosions or fires involving BESS. However, these appear to have occurred at non-residential structures outside of California involving BESS much larger in power capacity than the residential or light commercial BESS that have been the center of CSLB discussions of this issue.

CSLB has not received a consumer or industry complaint about a fire or explosion involving a BESS installed by a licensed contractor. On November 30, 2021, the California Energy Commission (CEC) wrote a letter to the Board that stated, “to the best of the CEC’s knowledge, to date, both C-10 electrical contractors and C-46 solar contractors have consistently delivered safe installations.”

UC Berkeley Report – Installations by Size and Contractor License

The Berkeley Report shows that between 2015-2020, the average rated power capacity (kw) of residential BESS installations in California was between 5-7 kw (pages 25, 32). (For comparison, the Tesla Powerwall, a common residential BESS system, has a 5.8 kw power capacity and 13.5 kWh storage capacity. The LG RESU, another common residential system, has a 5 kw power capacity and 9.8 kWh storage capacity. The report states that these two brands comprise approximately 97% of the residential BESS installed from 2015 to present (page 61)). The average rated power capacity of non-residential installs (which could include commercial, multi-family, or other) was between 91 and 130 kw (average of Self-Generation Incentive Program (SGIP) data (2015-2020) and utility interconnection data (2020) from page 32).

The UC Berkeley data breaks down these numbers by contractor license class. Of all solar-paired BESS installations between 2015 and 2020 in California, the average rated power capacity of a system installed by a C-46 solar contractor (that did not hold another license classification) was 5.2 kw. (2015-2020 SGIP data, page 25). This number is up to 6.6 kw according to 2020 interconnection data (page 25).

The Berkeley Report also provides the average rated power capacity of BESS installations by project type for C-46 solar contractors holding no other license classification. For non-residential projects, the average size of a BESS installed by a C-46 contractor holding no other license class is 12.35 kw (either 8.4 kw or 16.3 kw, according to SGIP data between 2015-2020, or 2020 interconnection data respectively, page 32). For residential projects, the average size of a BESS installed by a C-46 contractor holding no other license class is 5.85 kw (either 5.1 kw or 6.6 kw, according to SGIP data between 2015-2020, or 2020 interconnection data respectively, page 32).

Finally, the Berkeley Report provides that between 2015-2020 SGIP data and 2020 interconnection data, generally, C-46 solar contractors holding no other license class installed between 4.6% (601 installations in 2020) and 6.4% (1,223 installations between 2015 and 2020) of all projects (page 25). They installed between 4% and 7% of residential installations, according to interconnection and SGIP data (page 26.) And they installed a “negligible” percentage (reported as 0%) of commercial installations according SGIP data, and 6% of commercial installations, according to interconnection data (pages 26, 28.)

To summarize the Berkeley Report:

- Residential BESS installations in California tend to be between 5-7 kw in power size.
- Nonresidential BESS installations in California tend to be between 91 and 130 kw in power size.

- The average power size of a BESS installed by a C-46 holding no other license class in California is between 5.2 and 6.6 kw. (*Compare: Tesla Powerwall is 5.8kw.*)
- The average size of residential BESS installed by C-46 solar contractors holding no other license class is 5.85 kw.
- The average size of non-residential BESS installed by C-46 solar contractors holding no other license class is 12.35 kw.
- C-46 solar contractors holding no other license class installed between 4.6% (601 in 2020) and 6.4% (1,223 between 2015-2020) BESS projects in California.
- Of residential installations, they install between 4% and 7%. Of commercial installations, they install between 0% and 6%.

Relevant Laws and Regulations

Government Code section 11349.1 also requires regulations be consistent with, and not in conflict with or contradictory to, existing statutes, court decisions, or other provisions of law. The following are excerpts from the relevant statutes and regulations that may be relevant to any BESS rulemaking by CSLB. Staff provides a summary of these sections of law following the references.

Contractors State License Law

Business and Professions Code section 7059, subdivision (a), provides in relevant part:

“The board may adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he or she is classified and qualified to engage...”

“Nothing contained in this section shall prohibit a specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which he or she is licensed, is incidental and supplemental to the performance of the work in the craft for which the specialty contractor is licensed.”

Business and Professions Code section 7068, subdivision (a), provides:

“The board shall require an applicant to show the degree of knowledge and experience in the classification applied for, and the general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business that the board deems necessary for the safety and protection of the public.”

Contractors State License Board Regulations

California Code of Regulations (CCR), title 16, section 830, Classification Policy, provides:

“Contractors licensed in one classification shall be prohibited from contracting in the field of any other classification unless they are also licensed in that classification or are permitted to do so by Section 831.”

CCR, title 16, section 831, Incidental and Supplemental Defined, provides:

“For purposes of Section 7059, work in other classifications is “incidental and supplemental” to the work for which a specialty contractor is licensed if that work is essential to accomplish the work in which the contractor is classified. A specialty contractor may use subcontractors to complete the incidental and supplemental work, or he may use his own employees to do so.”

CCR, title 16, section 832.10. Class C-10 - Electrical Contractor, provides:

“An electrical contractor places, installs, erects or connects any electrical wires, fixtures, appliances, apparatus, raceways, conduits, solar photovoltaic cells or any part thereof, which generate, transmit, transform or utilize electrical energy in any form or for any purpose.”

CCR, title 16, section 832.46. Class C-46 - Solar Contractor, provides:

“A solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems.

A licensee classified in this section shall not undertake or perform building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.”

CCR, title 16, section 834, subdivision (c). Limitation of Classification, provides:

“A licensee classified as a specialty contractor, as defined in Section 7058 of the Code, shall not act in the capacity of a contractor in any classification other than one in which he/she is classified except on work incidental or supplemental to the performance of a contract in a classification in which any contractor is licensed by the Board.”

Title 24, Building Standards Code: The descriptions of the codes below are staff summaries of the codes and not direct quotes of the codes. Please refer to the Building Standards Commission for the full text of the codes: <https://www.dgs.ca.gov/BSC/Codes>

Part 2.5, California Residential Code, Section R327 Energy Storage Systems, Section R327.5:

For buildings subject to the Residential Code, individual ESS units shall have a maximum rating of 20kWh. The maximum kWh ratings for individual ESS ratings installed together range between 40 and 80 depending where in the residence they are installed; however, ESS ratings exceeding 20kWh individually or 50kWh in aggregate must comply with the Fire Code permit requirements of Sections 1206 and 1206.5.1 (*below*).

Part 3, California Electrical Code, Article 706 Energy Storage Systems, Section 706.1²:

Applies the California Electrical Code standards to Energy Storage Systems operating at over 50 volts alternate current (AC) or over 60 volts direct current (DC) that may be stand-alone or interactive with other electric power production sources. (*For comparison, the Tesla Powerwall is 120/240 AC volts (nominal) and 50 DC volts (internal battery)*).

Part 9, California Fire Code, Chapter 12, Energy Systems, Section 1206.1:

Applies specific permit requirements to lithium-ion ESS exceeding 20kWh in energy capacity. (*For comparison, the Tesla Powerwall is 13.5 kWh storage capacity.*)

Part 9, California Fire Code, Chapter 12, Energy Systems, Section 1206.5.1

For size and separation, electrochemical ESS (*such as lithium-ion batteries*) shall be segregated into groups not exceeding 50 kWh. (*This would preclude grouping together individual BESS in one area or location that together exceed 50kWh, or e.g., more than three Tesla Powerwalls*).

Part 9, California Fire Code, Chapter 12, Energy Systems, Section 1206.5.2 and Table 1206.5

Describes the maximum allowable kWh quantities to be installed under the Fire Code without requiring hazard mitigation analysis and fire official approval. Lithium-ion BESS is maximum allowable threshold is 600kWh.

² Part 9, California Fire Code, Chapter 12, Energy Systems, Section 1206.11.5 also applies the Electrical Code; it provides that ESS shall be installed in accordance with the California Electrical Code.

Staff Summary of Preceding Statutes and Code References

The preceding Business and Professions Code sections and California Code of Regulations, Title 16, Division 8 sections constitute the Contractors State License Law and the regulations implemented by CSLB. Generally, those provisions establish:

- CSLB sets the minimum standard for licensure for contractors for the protection and safety of the public.
- The Board defines and may limit the field and scope of license classifications of licensed contractors in “a manner consistent with established usage and procedure as found in the construction business.”
- The Board has defined the scope of work of C-46 and C-10 contractors to the activities described for each classification.
- Specialty contractors are generally limited to contracting within the scope of their classification unless the work being performed is incidental or supplemental (essential) to the performance of the work for which they are licensed.

In sum, these provisions provide that CSLB may regulate the scope of the trades of specialty contractors and what they are licensed to perform consistent with what the Board deems necessary for the protection of the public and do so in a manner consistent with established usage and procedure in the construction business.

The Building Code, however, is not implemented by CSLB. The preceding Building Code sections referenced generally provide:

- Construction permits and construction documents (including location and layout diagrams, details on fire-resistance ratings, manufacturers’ specifications, details on fire suppression and other requirements) must be included with the permit application for a BESS exceeding 20kWh.
- In addition to the above requirement, lithium-ion batteries grouped together shall not exceed 50kWh.
- The requirements above apply to residential buildings. But the residential code allows different groupings of BESS to be installed in different locations in groups between 40kWh and 80kWh in buildings that the residential code applies to.

The Building Standards Code contains general building design and construction requirements relating to fire and life safety, structural safety, and access compliance.³ It provides minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location, and maintenance of all buildings and structures and certain equipment.⁴ The California Building Standards Commission goes through a 12 to 18

³ “About this Title,” 2019 California Building Code, Title 24, Part 2 (Volumes 1 & 2) with July 2021 Supplement

⁴ *Id.*

month process to complete rulemaking that involves the contribution of multiple committees, state agencies and public comment periods to develop, propose, and adopt the standards.⁵

Staff references the Building Code Sections because they set health and safety standards in building construction that are formulated through a rulemaking process entailing public participation. As it relates to kWh thresholds, these laws provide a standard in state law for BESS installations in different applications the Board can draw upon to establish consistent rules after considering whether and to what extent to allow C-46 solar contractors to install BESS in CSLB regulations. These analogous standards will be relevant should the Board consider to pursue the proposed alternative route outlined in section (c)(iii) in the third section of this written update.

(c)(ii) Review, Discussion, and Possible Action by the Board to Initiate the Rulemaking Process Pursuant to the Administrative Procedure Act to Amend California Code of Regulations, Title 16, Sections 810 (Definitions), 831 (Incidental and Supplemental Defined), 832.10 (Class C-10, Electrical Contractor), and 832.46 (Class C-46, Solar Contractor) by Approving the Proposed Text that was Presented to the Board on November 29, 2021

As explained above, at the November 29, 2021, Board Meeting, the Board moved to refer the BESS matter to the Board's Legislative Committee for staff to collect additional stakeholder input and develop alternative language that may be acceptable to stakeholders. The motion also directed that if no alternative language was ready for the March 2022 Board meeting, the proposed regulatory text in Option number 1 on the first page of this agenda item would be presented to the Board.

Staff proposed alternative language in early January 2022 and held additional meetings with all relevant stakeholders. A Legislative Committee meeting was convened on January 26 with no acceptable proposed language presented. Staff held additional stakeholder meetings in attempts to arrive at agreed upon concepts in March 2022. However, attempts to develop alternative language acceptable to electrical and solar stakeholders were unsuccessful.

Because the participating stakeholders did not arrive upon mutually agreeable proposed language, this agenda item proposes the Board review, discuss, and possibly act on the regulatory language presented to the Board on November 29, 2021. Approval of that motion will initiate the rulemaking process with the originally proposed language precluding C-46 licensees from installing BESS in any setting. The November 29, 2021, language proposed for approval on March 30, 2022 and staff recommendation follows.

⁵ Building Standards Commission Rulemaking Flowchart.
<https://www.dgs.ca.gov/BSC/Resources/Rulemaking-Flowchart>

CONTRACTORS STATE LICENSE BOARD

PROPOSED TEXT

Amend Section 810, as follows:

§ 810. Definitions

(a) For purposes of this division, “battery energy storage system” means a rechargeable energy storage system consisting of electrochemical storage batteries, battery chargers, controls, and associated electrical equipment designed to provide electrical power to a building. A battery energy storage system is used to provide standby or emergency power, and uninterruptable power supply, load shedding, load sharing or similar capabilities.

(b) For the purposes of this ~~chapter~~ division, “Board” means the Contractors State License Board and “Code,” unless otherwise defined, means the Business and Professions Code.

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Section 7008, Business and Professions Code.

Amend Section 832.10, as follows:

§ 832.10, Class C-10 - Electrical Contractor

An electrical contractor places, installs, erects or connects any electrical wires, fixtures, appliances, apparatus, raceways, conduits, battery energy storage systems, solar photovoltaic cells or any part thereof, which generate, transmit, transform or utilize electrical energy in any form or for any purpose.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.

Amend Section 832.46, as follows:

§ 832.46. Class C-46 - Solar Contractor

(a) A solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems.

(b) A licensee classified in this section shall not undertake or perform building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.

(c) For the purposes of this section, a battery energy storage system, as defined in section 810, shall not be considered part of a photovoltaic solar energy system. A licensee classified in this section shall not install, connect, modify, maintain, or repair a battery energy storage system.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7058 and 7059, Business and Professions Code.

Amend Section 831, as follows:

§ 831. Incidental and Supplemental Defined.

(a) For purposes of Section 7059, work in other classifications is “incidental and supplemental” to the work for which a specialty contractor is licensed if that work is essential to accomplish the work in which the contractor is classified. A specialty contractor may use subcontractors to complete the incidental and supplemental work, or he may use his own employees to do so.

(b) For purposes of Section 7059 of the Code and this division, installation, connection, modification, maintenance, or repair of a battery energy storage system, as defined in section 810, is not “incidental and supplemental” to the work performed by a licensee classified as a C-46 Solar Contractor pursuant to section 832.46.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7058 and 7059, Business and Professions Code.

STAFF RECOMMENDATION:

Approve the proposed regulatory text for California Code of Regulations, Title 16, sections 810, 831, 832.10, and 832.46.

Authorize the Registrar to take all steps necessary to initiate the rulemaking process; making any non-substantive changes to the text and/or rulemaking package as needed throughout the process; and, if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested.

If the CSLB and/or Registrar does not receive any adverse comments during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at California Code of Regulations, Title 16, sections 810, 831, 832.10, and 832.46 as filed with the Office of Administrative Law for public notice, and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

(c)(iii) In the Alternative, Review, Discussion, and Possible Action by the Board to Direct Staff to Develop Draft Regulatory Text that Reflects an Appropriate Kilowatt-Hour Threshold

This agenda item provides a second option for the Board to consider for the March 30, 2022, meeting discussion of this topic (as an alternative to approving staff move forward with rulemaking for the regulatory language that would preclude C-46 solar contractors from installing BESS in all applications).

This option would propose the Board gather further information to inform an alternative policy position regarding an appropriate kWh or kW threshold for the C-46 solar contractor, and whether the C-46 solar contractor classification should be broadened to permit them to maintain and repair a BESS on a project it has previously installed.

The kWh is selected as a threshold for the Board to consider because it is the threshold the California Building Code has used to establish specific standards for the installation of BESS pursuant to standards deemed necessary for protection of the public, as indicated in the code references provided in section (c)(ii). There is also evidence in the UC Berkeley report, discussed above, that describes recent industry trends relating to BESS installations, based on a kWh threshold.

This option presents no draft regulatory text for consideration by the Board. Because the participating stakeholders have not agreed on an appropriate kWh threshold in their discussions, staff recommends in this option that the Board consider directing staff to retain a subject matter expert to consider the appropriateness of limiting BESS installations to a threshold within 50 kWh or other appropriate range based on existing Title 24 Building Code sections that regulate BESS installation in buildings and the prevailing kWh ranges of BESS that C-46 solar contractors have installed.

STAFF RECOMMENDATION

That the Board direct staff to take all necessary steps to identify and retain an outside consultant(s) or expert to consider BESS information received, perform additional fact-finding as necessary, and to provide CSLB an assessment of whether authorizing a C-46 solar contractor to install battery energy storage systems to a kWh threshold within 50 kWh or another appropriate range, supported by existing Title 24 Codes, is prevalent among C-46 contractors in the construction business, and is consistent with ensuring public safety.

Direct staff to identify the expert within 30 days and direct the expert to return the report within 30 days after CSLB retains the expert. Upon receipt of the expert report, (1) direct staff to provide a copy of the report to stakeholders; and (2) if staff deems it appropriate, direct staff to refer this matter to the Legislative Committee for a public meeting to invite

comment from relevant stakeholders and members of the public on the expert report. Following the Legislative Committee and any additional stakeholder meetings staff deems appropriate, draft regulatory language consistent with the expert report and any additional relevant input provided, and present it to the Board at the quarterly June 2022 meeting.

AGENDA ITEM I

Closed Session

Closed Session: Pursuant to Government Code sections 11126(e)(1) and 11126(e)(2)(A), the Board will confer with and receive advice from Legal Counsel and deliberate regarding the following matter: California Solar Energy Industries Association, Inc. v. Contractors State License Board; David Fogt, et al, Superior Court of the State of California, County of San Francisco, Case No. CGC-21-594911.



AGENDA ITEM J

Adjournment



APPENDIX

2021 Accomplishments & Activities Report





CONTRACTORS STATE LICENSE BOARD

2021 Accomplishments & Activities Report

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A MESSAGE FROM THE BOARD CHAIR

CSLB in 2021

This past year, California's Contractors State License Board (CSLB) and the construction industry were all challenged to provide essential services and develop new innovative ways to succeed. CSLB staff and management worked diligently to protect consumers, develop programs for those seeking to become licensed, provide continuing education for licensees, and investigate unlicensed activity.

CSLB made history in 2021. For the first time since its inception in 1929, the CSLB Board elected three women as officers of the board. Vice Chair Mary Teichert and Secretary Diana Love join me in leading the 15-member Board. This past year, I was honored to present the opening remarks at the Women in Construction Conference and share CSLB's efforts to promote women becoming licensed contractors. Included in that presentation was a focus on Vice Chair Teichert's work with North State Building Industry Association and the California Capital Women's Business Center to conduct a three-part virtual event to increase the number of women involved in the construction industry.

CSLB continued to reach out to diverse communities by conducting community outreach. Translations are readily available on the CSLB website, CSLB staff conducts very popular monthly online Get Licensed to Build workshops—where license application procedures and an active Q&A session over several hours helps to demystify the process of license applications. In December, the same monthly online course in Spanish was added to reach an important audience of prospective licensees.

In 2021, CSLB welcomed new board members Cindi Rich, a public member, and Steve Panelli, a building official member. They bring a wealth of knowledge and experience to their new roles and the Board looks forward to working with them.

Consumer protection will always be the top priority for CSLB. During this past year, CSLB designated resources to help survivors of wildfires including the Dixie, River, Beckwourth, Hopkins, and Fawn fires. CSLB provided staffing at local assistance centers, updated critical content on the Disaster Help Center webpage, maintained the toll-free disaster hotline, and coordinated additional outreach to dozens of congressional and state legislator offices, and building departments and chambers of commerce in the affected areas. CSLB enforcement staff placed hundreds of warning signs regarding unlicensed contractors in Spanish and English throughout the disaster zones and conducted stings and sweeps to further reduce unlicensed activity.

CSLB initiated several programs to educate consumers by creating numerous quick tip videos in Spanish and English and conducting more than 28 virtual Senior Scam Stopper seminars to teach seniors how to protect themselves from scammers when hiring a contractor.

In 2021, CSLB helped consumers and members of the public recover more than \$71.9 million in restitution through enforcement and license suspension actions. CSLB completed and closed 17,660 complaint investigations. In addition, AB 137 was enacted creating the \$5-million Solar Energy System Restitution Program at CSLB. The program will provide financial restitution for owners of single-family residences who were financially harmed by a solar contractor because of poor workmanship, project abandonment, or unlawful business practices.

Every year, CSLB strives to enhance the services to licensees. In 2021, an online renewal web tool was implemented which allows licensed contractors to process their license renewal online in real time. Staff also streamlined the ability of consumers to report unlicensed contracting activity through the CSLB website using a computer or a mobile device. Consumers and contractors can now submit documents and photos directly to enforcement for faster CSLB response times.

This past year, the CSLB Examination Development Unit released the trade examination for the new B-2 residential and remodeling contractor classification. This new classification—a long time in the planning—reduces barriers to licensure by providing a license pathway for those who don't have the more complex carpentry experience for a formal B-Residential license.

We are proud of CSLB's accomplishments this past year and on behalf of the Board, I would like to thank all those who contributed to the successes in 2021.

Susan Granzella, Board Chair



2021 CSLB BY THE NUMBERS

28 SENIOR SCAM STOPPERSM
WORKSHOPS FACILITATED



7,789,203
FIND MY LICENSED CONTRACTOR
SEARCHES CONDUCTED
ON CSLB WEBSITE



\$30,000,000

RESTITUTION ORDERED TO
THE PUBLIC IN FISCAL YEAR 2020-21

\$73,000,000+
CSLB'S 2021-22 FISCAL YEAR BUDGET



433
CASES REFERRED
TO ARBITRATION



07 BOARD AND
COMMITTEE MEETING
WEBCASTS PRODUCED

39,824
ONLINE RENEWAL
TRANSACTIONS MADE

432
HOURS DEDICATED TO
DISASTER RESPONSE



9 DISASTER RECOVERY
LOCAL ASSISTANCE CENTERS
STAFFED OR SUPPORTED

47
LICENSING EXAMS MAINTAINED



13
GET LICENSED TO
BUILD WORKSHOPS
HELD VIRTUALLY



520 APPLICATIONS EXPEDITED & LICENSES ISSUED
THROUGH VETERANS APPLICATION ASSISTANCE PROGRAM

24 CSLB EMPLOYEE
PROMOTIONS



5,749
FACEBOOK FOLLOWERS

2,818
LEGAL ACTIONS BROUGHT
AGAINST VIOLATORS FROM
CSLB INVESTIGATIONS

17,660
COMPLAINTS CLOSED BY
ENFORCEMENT STAFF

7,871
SIGN-UPS FOR CSLB
EMAIL ALERTS

116,304
CALLS ANSWERED BY
LICENSING INFORMATION
CENTER STAFF

59,578
EXAMINATIONS SCHEDULED



15,538,478
LICENSE CHECKS
CONDUCTED ON
CSLB WEBSITE

57,355,992
CSLB WEBSITE USERS

30,238
CSLB LICENSE
APPLICATIONS RECEIVED

284,622 LICENSED CONTRACTORS

LEADERSHIP

CSLB Registrar and Board Members

The Contractors State License Board's (CSLB) 15-member Board appoints the executive officer, or Registrar of Contractors, and directs administrative policy for the agency's operations. Per Business & Professions Code §7002, the Board includes 10 public members (including one labor representative, one local building official, and one representative of a statewide senior citizen organization), and five contractors. Appointments are made by the governor and the state legislature. The board members listed below are as of December 31, 2021.

Susan Granzella, Chair **Governor Appointee | Public Member**

Susan Granzella was first appointed as a public member of the Board by Governor Edmund G. Brown Jr. in October 2014 and was reappointed in June 2016. She continues to serve on the Information Technology Advisory Committee, which plays a major role in improving consumer options for CSLB.

Before her board appointment, Granzella retired from Visa Inc. in 2014 after holding various positions including vice president and senior director for technical publications and global development audit and compliance management for federal, state and industry regulations. She is a past board member for the National Council on Drug and Alcohol Dependence—Sacramento, and currently serves on the board of directors for My Sister's House in Sacramento.

Granzella's term continues through June 1, 2024.

Mary Teichert, Vice Chair **Governor Appointee | General Engineering Contractor**

Mary Teichert is president of Teichert Inc., and holds State Contractor's License #8. She was appointed as a CSLB board member by Governor Gavin Newsom in 2019. As board secretary, last year Teichert ensured fiscal responsibility for board operations. She has held several positions at Teichert Inc., including chief operating officer overseeing the company's aggregate mining and asphalt operations, as well as its heavy civil construction division.

Teichert is vice president of The Beavers (a heavy civil industry association), a board member of the California Building Industry Association and HomeAid, and is a member of the Associated General Contractors of California, United Contractors, and the Capital Region Family Business Center. She holds a Masters of Business Administration from Harvard Business School.

Teichert's term continues through June 1, 2022.

Diana Love, Secretary
Governor Appointee | Public Member: Senior Citizen Organization

Diana Love, of Palmdale, was appointed by Governor Gavin Newsom in October 2019 and is a member and immediate past president of the Los Angeles County Commission for Older Adults, an ambassador for the City of Palmdale, treasurer of the Inland Communities Democratic Headquarters Political Action Committee, as well as a national district liaison for the AARP.

Love is also a member of the California Senior Legislature, Mental Health of America Advisory Council – Antelope Valley/Lancaster, City of Palmdale Mobile Home Review Board, Friends of the Palmdale City Library and Forget Us Not Community Services.

From 2015 to 2017, Love was children and youth group facilitator at Parents Anonymous Incorporated. She was a field representative in the Office of Assembly member Steve Fox from 2013 to 2015 and a work and community volunteer for the Los Angeles County Sheriff's Department, Palmdale Station from 2008 to 2013.

Love's term continues through June 1, 2022.

Cynthia L. Rich
Governor Appointee | Public Member

Dr. Cynthia L. Rich, of Gold River, was appointed by Governor Gavin Newsom in September 2021 as a Public Member. Dr. Rich has worked as a clinical psychologist in her own private practice since 2015. Her practice includes psychotherapy and psychological testing. In 2010, she received her Master of Arts degree in Psychology from the California School of Professional Psychology (CSPP) at Alliant International University. She went on to earn her Doctor of Clinical Psychology degree in 2013, also from CSPP/Alliant.

Dr. Rich started her career in marketing and public affairs and worked for more than 20 years in the business arena, serving in executive management positions. She was vice president of marketing for the Greater Philadelphia Chamber of Commerce and later served as assistant dean for the Graduate School of Management, University of California, Davis. Dr. Rich is a member of the California Psychological Association and the Redwood Psychological Association.

Dr. Rich's term continues through June 1, 2025.

David De La Torre
Assembly Appointee | Public Member

David De La Torre, of San Bruno, was appointed by Assembly Speaker Toni G. Atkins in May 2015 and reappointed by Assembly Speaker Anthony Rendon in September 2016. De La Torre is secretary-treasurer of Laborers Union Local 261, representing 5,000 members in San Francisco, San Mateo, and Marin counties. De La Torre is a third-generation laborer who has worked for a variety of local and regional contractors. He was first elected as a union officer in 2005. De La Torre also serves as board

president for the San Francisco chapter of the A. Philip Randolph Institute (APRI). He was appointed as a national board member for that group in 2017, and as its State President in 2018. De La Torre is also a representative on San Francisco's 100 Percent Renewable Energy Task Force.

De La Torre's term continues through June 1, 2024.

Frank Altamura, Jr.
Governor Appointee | Public Member

Frank Altamura, Jr., of Vacaville, was appointed by Governor Edmund G. Brown Jr. in January 2019. Since 2012, Altamura has served as a product manager for Trane Energy Services and Control. He previously served as a product manager for Serious Energy, and as a founding engineer with Valence Energy. Altamura earned both a Master of Business Administration degree and a Bachelor of Science degree from Santa Clara University.

Altamura's term continues through June 1, 2022.

Rodney M. Cobos
Assembly Speaker Appointee | Public Member

Rodney Cobos, of Santa Paula, was appointed by Assembly Speaker Anthony Rendon in September 2020, as a Public Member. Cobos is the business manager-financial secretary treasurer of the Southern California Pipe Trades District Council 16, representing 13 affiliated local unions with over 17,000 members throughout Southern California. Prior to becoming a plumbers' apprentice in 1994, Cobos served as a sergeant in the United States Army from 1989-1993. He was first elected to serve as a union officer in 2002. Cobos has served as president, business representative, and in 2007 elected business manager-financial secretary-treasurer of United Association of Plumbers & Pipefitters Local Union 484, Ventura County. He also has served as president of the Southern California Pipe Trades and the California State Pipe Trades Council.

Cobos' term continues through June 1, 2024.

Miguel Galarza
Governor Appointee | General Builder Contractor

Miguel Galarza, of Millbrae, was appointed by Governor Gavin Newsom in July 2020. Galarza has been founder and president of Yerba Buena Engineering & Construction Inc. since 2002. He was senior program manager at Mendelian Construction from 1993 to 2002 and project manager estimator at Hopkins Heating and Cooling from 1991 to 1993. He also has a decade of experience as a union carpenter at Carpenters Local Union No. 22. He is a member of the Associated General Contractors of America National Diversity & Inclusion Council and district director for the San Francisco Chapter of Associated General Contractors of California. Galarza is a member of the United Contractors, and the Society of American Military Engineers. Galarza joined CSLB as a "B" Contractor Member.

Galarza's term continues through June 1, 2023.

Donald Giarratano
Governor Appointee | "C" Specialty Contractor Member

Donald Giarratano, of Palm Desert, was appointed by Governor Gavin Newsom on August 12, 2020. Giarratano has served as the chief executive officer, chief financial officer, and president of DRG Construction Services since 2013. He also has been general manager of the Muir-Chase Plumbing Company's Orange County Office since 2013. Previously, he was manager for business development at D.K. Mechanical Contractors from 1992 to 2013. He served as general superintendent at Sam P. Wallace from 1982 to 1992, foreman at Quast Plumbing from 1977 to 1982, and as an apprentice at Anaheim Plumbing from 1971 to 1977. Giarratano served as a lance corporal in the U.S. Marine Corps from 1969 to 1971. He is a member of the California Plumbing and Mechanical Contractors Association. Mr. Giarratano joined CSLB as a "C" Contractor Member.

Giarratano's term continues through June 1, 2025.

Michael Mark
Governor Appointee | Public Member: Labor Organization

Michael Mark, of Stockton, was appointed by Governor Gavin Newsom in September 2020. Mark has been a business representative covering the San Joaquin County jurisdiction for Sheet Metal Workers' Local Union No. 104 since 2016, and was first elected as a union officer in 2012. He started his career as a union sheet metal worker in 2002, beginning with Sheet Metal Workers' Local Union No. 162 which merged into Sheet Metal Workers' Local Union No. 104 in 2012. In 2003, Mark started his apprenticeship at Champion Industrial Contractors and worked for various sheet metal contractors representing multiple facets of the sheet metal industry from 2002 to 2015. He is a member of United Cerebral Palsy of San Joaquin, San Joaquin Central Labor Council, San Joaquin Building Trades, Northern California Valley Sheet Metal Industry Joint Apprenticeship Training Committee, and Leadership Stockton Class of 2014. Mark joined CSLB as a Public Member.

Mark's term continues through June 1, 2024.

Steven Panelli
Governor Appointee | Public Member: Building Official

Steven Panelli, of San Mateo, was appointed by Governor Gavin Newsom in September 2021. He has been the chief plumbing inspector at the San Francisco Department of Building Inspection since 2009. He has been a Plumbing Inspector with the department since 2000. Panelli is a member of the International Association of Plumbing and Mechanical Officials Board of Directors, and Plumbers and Steamfitters Local 38. Panelli serves as the Building Official on the Board.

Panelli's term continues through June 1, 2025.

James Ruane
Governor Appointee | “C” Specialty Contractor Member

James Ruane, of San Bruno, was appointed by Governor Gavin Newsom in September 2019. Ruane has been president of Patrick J. Ruane Inc. since 1976. He also is a member of the Wall and Ceiling Alliance and the Association of the Wall and Ceiling Industry.

In addition, Ruane served as mayor of San Bruno (San Mateo County) from 2009 to 2017, helping lead that city through the aftermath of a deadly PG&E gas line explosion in September 2010 that killed eight people and destroyed 38 homes.

Ruane’s term continues through June 1, 2023.

Johnny Simpson
Senate Appointee | Public Member

Johnny Simpson, of Spring Valley, was appointed by the Senate Rules Committee in February 2015. Simpson is the International Representative of the International Brotherhood of Electrical Workers (IBEW), 9th District, and formerly was Business Manager/Financial Secretary of IBEW Local 569, which represents over 3,100 electrical workers in San Diego and Imperial Counties. A third generation IBEW wireman, Mr. Simpson graduated from the IBEW California Apprenticeship Program in 1981. He is highly involved in his community and has spent over 20 years volunteering alongside IBEW 569 members to fix electrical systems in the homes of San Diego’s low-income seniors, disabled veterans, and families. He is also a past trustee and president of the San Diego Electrical Training Center; president of the San Diego County Building and Construction Trades Council; and vice president of the San Diego County Building Trades Family Housing Corporation, which provides affordable housing for low and moderate income working families.

Simpson’s term continues through June 1, 2023.

David R. Fogt
Registrar of Contractors

David R. Fogt became Registrar of Contractors in 2017. In the position, Fogt serves as CSLB’s executive officer and oversees a \$73 million budget and more than 400 employees in Sacramento and at other offices around the state.

Fogt, who earned his painting contractor license in 1986, began his CSLB career in February 1990. Over the next decade he worked in a number of supervisory positions in CSLB’s Enforcement division and was named Enforcement Chief in October 2001. Fogt served in that position until his appointment to Registrar.

PROTECTING CALIFORNIA'S DISASTER SURVIVORS

The Contractors State License Board (CSLB) works to protect homeowners and business owners whose property is damaged or destroyed by natural disasters.

CSLB's post-disaster mission is to help ensure disaster survivors are not harmed by unlicensed or unscrupulous contractors who may try to take advantage of them during the rebuilding process.

In 2021, California battled another round of wildfires. According to CalFire, these fires burned more than 2.4 million acres, killed three people, and destroyed or damaged more than 3,600 structures.

CSLB Post-Disaster Efforts

As in recent years, CSLB dedicated significant resources to its post-disaster response. This multi-faceted program includes immediate and longer-term outreach, enforcement efforts, participation in multi-agency taskforces, and assistance for affected licensees. And, while COVID-19 forced CSLB to modify how it responded to disasters in some instances, the commitment to ensuring that survivors in every affected county received adequate support remained unchanged.

Assistance Centers and Disaster Hotline

In response to the 2021 wildfires, CSLB staffed and participated in local assistance centers established by the Governor's Office of Emergency Services, or Disaster Relief Centers, established by the Federal Emergency Management Agency (FEMA) in six counties throughout California.

These centers provided a single facility at which individuals, families, and businesses can access disaster assistance programs and services. Disaster survivors are encouraged to hire licensed contractors for rebuilding work and to be aware that unlicensed or unscrupulous contractors may try to perpetrate a scam.

Fire	LAC Location	Resources
1. Beckwourth Complex Fire	Lassen County	In-Person Staffing
2. Beckwourth Complex Fire	Quincy (Plumas County)	In-Person Staffing
3. River Fire	Colfax (Placer County)	In-Person Staffing
4. Dixie Fire	Quincy (Plumas County)	In-Person Staffing
5. French Fire	Kern County	In-Person Staffing
6. Dixie Fire	Quincy (Plumas County)	In-Person Staffing
7. Dixie Fire	Janesville (Lassen County)	In-Person Staffing
8. Hopkins Fire	Redwood Valley (Mendocino County)	In-Person Staffing
9. Fawn Fire	Shasta (Shasta County)	In-Person Staffing

CSLB Website – Disaster Help Center

CSLB updated the content on the Disaster Help Center page of its website adding new resources for disaster survivors, contractors, and the media, including videos, publications, printable signs about the risks of unlicensed contractors, and press releases.

Additional Short and Long-Term Outreach

CSLB’s Public Affairs Office coordinated additional outreach to dozens of congressional offices and state legislator offices in the affected areas, as well as building departments and chambers of commerce in these areas.

CSLB continues to utilize its partnership with NextDoor, a social networking service for neighborhoods, to reach disaster survivors. CSLB also makes regular disaster-related posts through its different social media channels, including Facebook, Twitter, and Instagram.

Enforcement Efforts

Staff from CSLB’s Enforcement division partnered with the California Department of Insurance and local district attorney’s offices to distribute educational materials and place warning signs in both English and Spanish in Butte, El Dorado, Fresno, Mendocino, Napa, Nevada, Placer, Plumas, Shasta, Solano, and Sonoma counties. Some signs cautioned consumers to hire only licensed contractors, while others warned that contracting without a license in a disaster area could lead to felony charges.

As a result of sweep operations, CSLB referred four cases to the local district attorney for criminal prosecution, issued two Stop Orders for failure to secure workers' compensation insurance, issued six administrative citations, and wrote 11 advisory notices for minor violations.

Task Force Participation

CSLB staff participate on a multi-agency task force established by the California Office of Emergency Services that focuses on housing. The task force includes representatives from local, state, and federal agencies, with a goal of coordinating and streamlining the debris clean-up efforts and addressing both short-term housing needs for survivors and the rebuild. CSLB staff presented at a housing task force meeting in February 2021 and October 2021.

Assistance for Licensees/Applicants

CSLB continued its practice of waiving fees for licensees to replace their wall certificate and/or plastic pocket license if they had been destroyed in the fires. CSLB also has waived delinquent fees for failure to renew a license before it expires for fire survivors. In addition, CSLB has worked to expedite license applications for those planning to work in fire areas.

LICENSING

The Licensing Division processes all applications for contractors licenses and home improvement salesperson registrations. This processing includes criminal background checks and experience verification for contractors licenses and criminal background checks for home improvement salesperson (HIS) registrations. Division staff also processes license changes, and all documents related to compliance with bond, insurance, and workers' compensation requirements, as well as biennial renewals.

In 2021, CSLB received 30,238 applications, which is 2,738 applications more than received in 2020. Licensing Division supervisors continually monitor workload to ensure that applications and other materials are processed in a timely manner. The Licensing division has continued to offer expedited processing of applications submitted by military veterans.

Licensing Workshops

In 2021, CSLB held monthly, interactive virtual Get Licensed to Build workshops, with an average attendance of more than 100 people per month. The first Spanish workshop was held in December 2021 and CSLB will continue to hold monthly workshops in Spanish in 2022.

The workshops are conducted by licensing staff and include a review of the benefits of licensure, an overview of the licensing requirements, and the steps involved in getting a license. Questions from participants are also answered.

New Residential and Remodeling Contractor

In 2021, the CSLB Examination Development Unit released the first trade examination for the B-2 residential and remodeling contractor classification. This classification reduces barriers to licensure by allowing individuals to obtain licensure as a contractor who do not have four years of framing and rough carpentry experience.

The examination was released to applicants in the first week of August. To date, 23 contractors hold the classification, but CSLB anticipates a significant increase in 2022.

Construction Management Education Account (CMEA) Annual Budget Authority

CSLB works with the Administration to annually augment the Construction Management Education Account (CMEA) which provides CSLB with the flexibility to increase or decrease the grants awarded from the fund based on the contributions received. The proposal was approved by the Department of Finance and released as part of the Governors Fiscal Year 2021-22 Budget. This annual augmentation allows CSLB to maximize the amount of grants awarded to institutions.

Restitution to Consumers and Government Agencies

The Licensing Division's Judgment Unit processes outstanding civil liabilities, judgments, and payments of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In 2021, the Judgment Unit helped to secure over \$44 million in ordered restitution to injured parties.

2021 JUDGMENT UNIT – ORDERED RESTITUTION

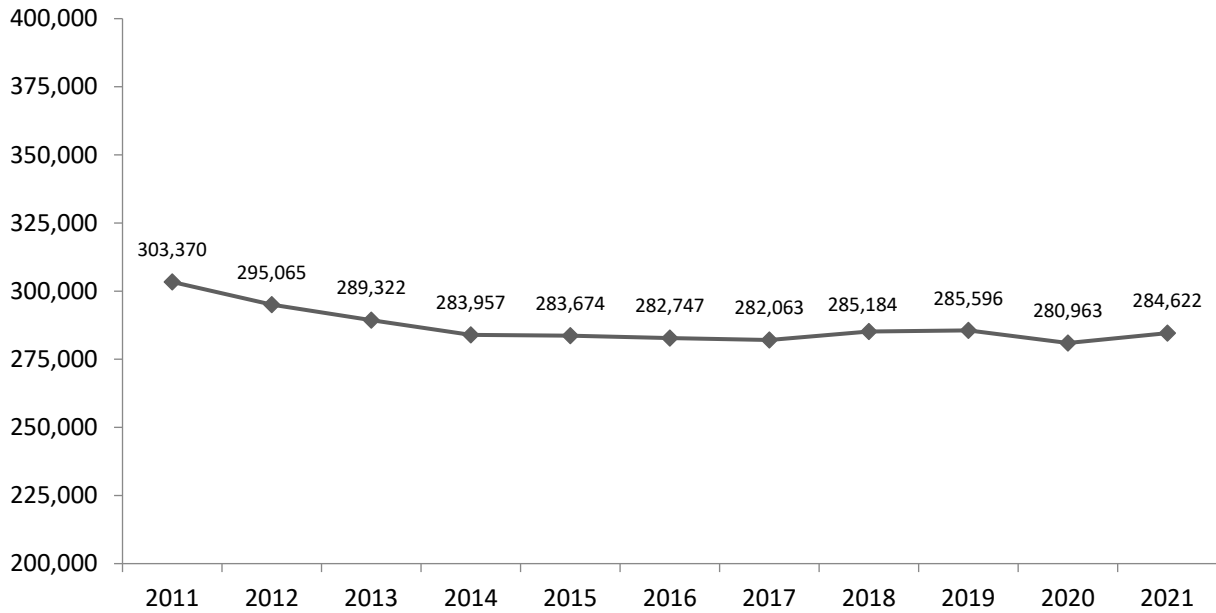
	TOTAL PROCESSED	ORDERED RESTITUTION
Outstanding Liabilities*	1,910	\$18,765,840
Final Judgments	1,445	\$18,001,181
Claims Against Bonds	2,856	\$7,949,028
TOTAL	6,306	\$44,716,049

** Includes Employment Development Department, Division of Occupation Safety and Health; Franchise Tax Board; Board of Equalization; and Department of Industrial Relations' Office of Division of Legal. This information, excluding BOE and ODL, is also referenced in the Enforcement section on the Joint Enforcement Strike Force.*

Number of Licenses

As of December 2021, there were 284,622 licenses, which is an increase of 3,659 licenses (1.3 percent) from 2020. Of these, 233,062 were active licenses, while 51,560 were inactive.

NUMBER OF LICENSES



2021 TOP TEN LICENSE CATEGORIES

CLASSIFICATION	TOTAL
"B" General Building	133,387
C-10 Electrical	32,534
C-36 Plumbing	19,477
"A" General Engineering	19,157
C-33 Painting and Decorating	18,219
C-20 Warm-Air Heating, Ventilating and Air- Conditioning	15,005
C-27 Landscaping	13,939
C-15 Flooring and Floor Covering	8,191
C-8 Concrete	7,800
C-54 Tile (Ceramic and Mosaic)	7,409

Veterans Application Assistance Program

CSLB offers a Veterans Application Assistance Program for those transitioning from military service to civilian employment. This program offers priority services to veteran applicants by evaluating transferable military experience and training, as well as education that help meet the minimum experience requirements for a state contractors license.

CSLB assists veterans by providing:

- Program technicians specially trained to evaluate transferable military training and experience from all branches of the military that meet minimum licensure requirements.
- Automatic priority application processing.
- College transcript evaluation to help verify acceptable educational credit (in addition to military experience and training).
- Direct telephone and email contact with CSLB staff.

In 2021, CSLB issued 520 expedited licenses through this program.

VETERANS APPLICATION ASSISTANCE PROGRAM SUMMARY

	2020	2021
Application Expedited & Licenses Issued	532	520
Applications Expedited & Voided	86	121
Correspondence Received	160	205
Pending Expedited Applications	346	287

Fingerprinting

Since January 2005, license applicants are required to submit fingerprints if they are listed as personnel on an original application or are applying to add a classification to an existing license, replace the qualifier, report new officers, or register as a home improvement salesperson. Fingerprints are compared to California Department of Justice and Federal Bureau of Investigation records to learn if a criminal history exists.

Starting in July 2020, staff began implementing new criminal background review procedures in accordance with AB 2138 (Chiu, Chapter 995, Statutes of 2018). CSLB's applications were updated prior to the change and staff were trained and prepared for the transition in advance. There were no issues with this 2020 change in 2021.

CSLB staff review all criminal convictions to determine if the crime substantially relates to the duties, qualifications, or functions of a contractor, and to evaluate if the applicant

has demonstrated sufficient rehabilitation. Throughout 2021, the timeline for pulling conviction records for review averaged 2.1 weeks.

FINGERPRINT STATISTICS

	2020	2021
Applicants with fingerprint response from DOJ and FBI	40,210	66,845
Applicants identified with a criminal history	6,657	17,821
Applicants denied licensure due to criminal convictions	63	8
Probationary licenses issued	86	177

TESTING

Testing applicants for their knowledge of business law and specific trade knowledge is a critical element of CSLB's licensing process. The Examination Development Unit and the Examination Administration Unit are responsible for CSLB license applicant testing.

The Examination Development Unit develops and maintains 47 different examination programs, releasing new exams as required to reflect changes in the construction industry.

The Examination Administration Unit administers all CSLB exams at test centers throughout the state. In 2021, more than 59,000 examinations were scheduled. The test centers were closed from January 1 to January 30, 2021, due to COVID-19 shutdown orders.

Examination Development

In accordance with legal requirements and professional testing standards, an occupational analysis of each license classification is conducted every five to seven years to collect information from licensed contractors to identify current trade practices. These results are then used to update exams.

In response to COVID-19 and to ensure the safety of staff and subject matter experts (SMEs), the Examination Development Unit altered its protocols. Licensed contractors that represent a fair cross-section of the construction industry serve as subject matter experts. The Examination Development Unit moved to virtual workshops for the occupational analysis process during the COVID-19 shutdown. Other activities, such as writing specific examination questions, were put on hold because of the shutdown and resumed when the orders were lifted.

Staff also surveys licensees, applicants, and consumers to assess how CSLB programs are performing

In 2021, the Examination Development Unit released five new examinations after examination development workshops resumed at the end of March 2021. Staff also completed 13 occupational analyses which are listed in the table below.

Due to the continued pandemic, workshops assumed a new form when they began again in March 2021. Instead of having all the subject matter experts (SMEs) come to Sacramento to work together, the Southern California SMEs traveled to Norwalk and the Northern California SMEs traveled to Sacramento. The two conference rooms are connected by WebEx (a remote meeting software) and the Norwalk conference room is staffed by a CSLB proctor or staff member. The employee escorts the SMEs, helps them with computer questions, and provides exam security for the questions and workshop materials. The Exam Specialist facilitator conducts the workshop from Sacramento using WebEx. SMEs were limited to four per conference room and were required to wear masks and practice social distancing.

2021 EXAMINATION DEVELOPMENT

Occupational Analyses Completed	New Examinations Completed
B-2 Residential Remodeling	A – General Engineering
C-2 Insulation and Acoustical	B-2 Residential Remodeling
C-4 Boiler, Hot-water Heating, and Steam Fitting	C-23 Ornamental Metal
C-7 Low Voltage	C-36 Plumbing
C-8 Concrete	Law and Business
C-16 Fire Protection	
C-17 Glazing	
C-31 Construction Zone Traffic Control	
C-33 Painting and Decorating	
C-39 Roofing	
C-49 Tree and Palm	
C-53 Swimming Pool	
C-54 Ceramic and Mosaic Tile	

On September 30, 2020, the Governor signed a new trade into law, creating the B-2 Residential Remodeling trade. The goal of this trade is to provide a path to licensure for candidates who have residential remodeling experience but lack the structural experience to qualify for a B – General Building trade license. The Testing Division started work immediately and conducted an occupational analysis to specify the scope of the trade as defined by the new law. The division then moved forward and created the new item bank and examination, set the pass point, and released the new exam in August 2021.

Examination Administration

CSLB's Examination Administration Unit administers computer-based exams at test centers located in Fresno, Norwalk, Oxnard, Sacramento, San Bernardino, San Diego, and San Jose. In 2020, the Berkeley location was shut down due to the pandemic and will not reopen as CSLB transitions to outsourcing exam administration functions.

2021 Examination Statistics

2021 EXAMINATION STATISTICS	TOTAL
Examination Types	
Trade	44
Certification	2
Law and Business	1
Number of Examinations Scheduled	59,578
Number of Misconduct Investigations	5
Number of Confirmed Misconduct Incidents	3
Overall Percentage of Examinations Passed	49%

Consumer Satisfaction Survey

The Examination Development Unit conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement Division's complaint-handling practices.

In 2021, the overall reported satisfaction rate was 51 percent, which is the same as the previous year.

Applicant Satisfaction Survey

The Examination Development Unit designed a satisfaction survey for applicants to take via SurveyMonkey upon license issuance and began administering it monthly in February 2020. In 2021, the overall reported satisfaction rate was 86 percent.

Subject Matter Expert Survey

In September 2021, staff conducted a survey with current subject matter experts (SMEs) regarding the new remote and hybrid workshops. Of the 119 SMEs responding to the survey, 50 percent had participated in one or more of the hybrid workshops (with groups working in both Sacramento and Norwalk at the same time).

Of those, 56 percent had gone to the Sacramento office and 44 percent had been to the Norwalk office. When asked how efficient the new process was, 10 percent said the hybrid model was more efficient, 50 percent said it was about the same, and 40 percent said it was less efficient due to traffic, computer connections, and lack of camaraderie.

CSLB plans to evaluate a return to in-person SME workshops.

Reducing the Exam Administration Backlog

The Examination Administration Unit worked throughout 2021 to reduce the exam backlog caused by pandemic-related closures in December 2020 through the end of January 2021 and mid-March through mid-June 2020. In the 11 months the test centers were open in 2021, the exam backlog was reduced by 6,000 exams.

Examination Administration staff used effective solutions to bring the backlog down, including opening two auxiliary test centers in Norwalk and Sacramento and holding additional sessions in Oxnard, Norwalk, Sacramento, and San Bernardino. Even with the closures and backlog, the Examination Administration Unit was able to schedule more than 59,000 exams, the most in 10 years.

In August 2021, CSLB launched online payments to reschedule exams. Test center staff encouraged exam candidates to pay their reschedule fees online and within four months, 60 percent of the reschedule fees were being paid online. This reduced wait times because mailed checks and money orders did not need to be processed.

ENFORCEMENT

The Enforcement Division protects California consumers by enforcing the state's Contractors License Law requirements. The division provides methods for receiving and processing consumer complaints, investigating contractors, and providing avenues for consumers harmed by contractor misconduct to pursue financial redress.

The great majority of California's 285,626 licensed contractors and 23,888 registered home improvement salespersons comply with the state's contracting requirements. However, not all contractors obey the law and not all consumers are satisfied with their contracting experience. In 2021, CSLB received 17,184 complaints against licensed and unlicensed contractors—a three percent increase over the previous year.

Complaints involving non-egregious misconduct by licensed contractors can often be resolved through mediation by CSLB staff. Most consumer complaints filed with CSLB allege incomplete or defective work. In these cases, CSLB attempts to resolve the dispute and make the consumer financially whole, when appropriate. In 2021, CSLB helped recover more than \$27.8 million in restitution and corrected work for consumers—a seven percent increase from the previous year. In 2021, CSLB closed 17,660 complaint investigations.

Investigations which establish unlicensed practice or serious misconduct by a licensee may result in an administrative legal action and/or referral to a prosecutor for criminal prosecution. In 2021, CSLB investigations resulted in 2,818 administrative legal actions brought against violators. The most egregious contractor misconduct—such as elder abuse, predatory business practices, unsafe working conditions, unlicensed practice, or repeated offenses—may warrant criminal prosecution. In 2021, 1,067 cases were referred to state and local prosecutors for possible criminal charges.

Significant Criminal Investigation Highlights

CSLB's Most Wanted Sentenced to Jail

In 2017, unlicensed contractor Peter Koke used a fraudulent license number and occasionally forged signatures to contract with multiple homeowners to clear their properties of fire-related debris from the Tubbs Fire. Acting on a tip received through Senator Mike McGuire's office, a peace officer in CSLB's Special Investigations Unit (SIU) opened an investigation in January 2018.

Working with the FBI and other allied agencies, SIU gathered evidence and conducted interviews which led to multiple charges filed against Koke and an accomplice. An arrest warrant was issued for Koke, and he was added to CSLB'S Most Wanted list, but he had disappeared. In August 2019, SIU learned that Koke was in custody on other charges in North Carolina, and the Sonoma County District Attorney's office arranged for his extradition back to California.

In August 2021, Koke pled guilty to felony grand theft, misdemeanor theft, and two counts of contracting without a license. For the misdemeanor counts, Koke was sentenced to 12 months court probation, 86 days in county jail (with credit for time served), and restitution in the amount of \$13,380. Sentencing on the felony charge has been deferred until June 29, 2022, pending Koke's successful completion of probation and full payment of restitution.

CSLB's investigation of Koke was instrumental in the passage of Senate Bill 1189 (McGuire, 2020) which expanded the provisions of Business and Professions Code to allow felony charges for all unlicensed contracting activity in a declared disaster area. The law went into effect on January 1, 2021.

License Revoked and Criminal Charges Filed after Contractor Diverts \$144,000

A Gardena homeowner hired CAFA Builders, Inc. to rebuild a portion of his home damaged in a house fire. The contract was negotiated by CAFA's CEO and President Carlos Alfonso Flores, who requested and received full payment of \$144,258 in insurance proceeds before any work began. Despite the homeowner's multiple requests and inquiries, the work never started. During a video-recorded meeting with the homeowner, Flores admitted that he had spent the funds he received to pay some of his own debts. The homeowner filed a complaint with CSLB.

The respondent's actions led to the filing of an Accusation against the license with 16 separate charges, including failure to exercise supervision and control, abandonment, diversion of funds, and willful or fraudulent acts injuring another. Flores' license was revoked via the Accusation in 2020. In addition to the administrative investigation, CSLB's investigator consulted with the local district attorney's office and referred a criminal complaint against Flores and his corporation. In August, the district attorney's office charged Flores with multiple felonies, including diversion of funds, grand theft, and embezzlement. Flores' preliminary hearing for these charges was scheduled for March 11, 2022.

Unlicensed Contractor Faces Felony Charges after Deadly Fire

In March 2021, the San Francisco District Attorney charged unlicensed contractor Tommy Min Jue with multiple felonies after Jue installed and maintained faulty fire alarms in numerous San Francisco buildings. In 2015, a fire alarm system installed by Jue in a San Francisco apartment building failed to sound as the building went up in flames. Many occupants were unaware of the fire until the fire department arrived and began evacuating the building. One occupant died in the blaze.

The investigation of Jue's misconduct was jointly conducted by the District Attorney's office, a peace officer from CSLB's Special Investigations Unit, and a CSLB Statewide Investigation Fraud Team (SWIFT) investigator. The investigation focused on 15 properties with alarms installed and/or serviced by Jue. The district attorney charged Jue with grand theft, using a contractor's license with intent to defraud, forgery, and insurance fraud. Jue is now awaiting his criminal trial.

License Revoked after Senior Bilked out of \$388,000

An elderly homeowner hired licensed contractor William Howard Schwartz to do some basic repairs at her San Francisco home. While doing those repairs, Schwartz “found” additional work that the homeowner “needed” to have done. For the next 10 years, Schwartz continued to find additional “needed work” at the victim’s home for which he demanded and received payment. The repairs included rebuilding stairs, painting, trim work, an illegal laundry conversion in the garage, bath and kitchen updates, and landscaping. It was later determined that all work was of inferior quality and done without required permits. By the time the case was brought to CSLB’s attention by the San Francisco Police Department, the victim had paid Schwartz \$474,255. A CSLB Industry Expert estimated the value of all work performed at \$86,250—less than one fifth the amount paid to Schwartz by the victim. The investigation resulted in an accusation revoking both of Schwartz’s licenses.

CSLB’s investigating officer then referred the case to the San Francisco District Attorney and Schwartz was charged with grand theft and financial elder abuse. Schwartz pled guilty to one count of felony grand theft. Unfortunately, his elderly victim passed away in late 2020. Schwartz was scheduled to be formally sentenced in February 2022. His plea agreement provides for confinement in county jail (suspended), two years’ probation, restitution of \$332,773 to the victim’s estate, and a court order to cease contracting. The terms of the plea agreement required Schwartz to provide the court with the full restitution amount of \$332,773, which he paid.

Unlicensed Activity Results in License Revocation and Felony Conviction

In November 2017, Tuifua Ngaluafe was hired to re-pave a business’ parking lot for a contract price of \$43,000. Ngaluafe represented himself as the owner of “Wayne’s Concrete,” but Ngaluafe was unlicensed and was using his brother Wayne’s license number and pocket card. Work commenced two days later, but progress was slow. Over a two-month period, Parkside paid Ngaluafe \$36,000, but only 40 percent of the project was completed. In mid-January 2018, work ceased altogether and Ngaluafe abandoned the project. Parkside hired a second contractor to complete the job for an additional \$29,552 and filed a CSLB complaint against Ngaluafe.

CSLB’s investigation confirmed that Tuifua Ngaluafe had misrepresented himself as a licensed contractor, had misused his brother Wayne’s license, and had abandoned the paving project after collecting \$36,000 from the consumer. The investigation also proved that licensee Wayne Ngaluafe was not involved in the Parkside project at all (he was living in Utah at the time), and he knowingly permitted his brother to misuse his license. An accusation was filed against Wayne Ngaluafe, and his license was revoked in November 2019.

CSLB’s investigator referred the case against Tuifua Ngaluafe to the San Mateo County District Attorney’s office for criminal prosecution. The district attorney filed criminal charges against Tuifua, and he was convicted in April 2021 of one felony count of fraudulent use of an incorrect license. On July 16, 2021, he was sentenced to 60 days

in jail, two years' probation, and ordered to pay fines and restitution to the victim in the amount of \$30,740.

Felony Sentencing after Subcontractor Fraudulently Uses CSLB License

On July 23, 2021, unlicensed contractor Martin Alaniz was sentenced in San Mateo County Superior Court to 45 days in jail, two years' probation, ordered to pay fines, and pay restitution in the amount of \$64,032. Alaniz had pled no contest and was convicted on one felony count of fraudulent use of an incorrect license, and two misdemeanor counts of contracting without a license.

The conviction and sentencing were the result of a criminal investigation conducted by CSLB's San Francisco Investigative Center. The investigation established that Alaniz signed contracts, performed work, and received payment for work requiring a contractor's license. A first victim originally contracted with Goodfellas Construction (license now revoked) for a contract amount of \$100,000, and Goodfellas subcontracted all the work to Alaniz for \$55,000. A second victim (a neighbor of the first) contracted directly with Alaniz to remodel a bathroom for \$14,000. On both projects, Alaniz fraudulently used a CSLB license that did not belong to him.

Case Management Unit

CSLB's Case Management Unit is comprised of three separate sections: Citation Enforcement, Enforcement Services, and Disciplinary Services.

Citation Enforcement Section

When a CSLB complaint investigation establishes that a serious violation has occurred, the registrar may issue an administrative citation against a contractor's license. The citation may include a civil penalty and an order for a licensee to make restitution to an injured party. In 2021, the maximum civil penalty assessments were \$5,000 for most violations and \$15,000 for specified violations. As of January 1, 2022, the maximum penalty amounts were increased by Assembly Bill 569 (Grayson, 2021) to \$8,000 and \$30,000. Citations are disclosed on a contractor's online license history for five years. Unlicensed persons are subject to a civil penalty up to \$15,000 and/or a referral to a local prosecutor.

In 2021, CSLB's Citation Enforcement Section issued 1,326 citations: 628 to licensees and 698 to unlicensed contractors. As a result, CSLB collected almost \$1.7 million in civil penalties. The citations also resulted in almost \$1.4 million in restitution ordered to injured parties—a 46 percent increase from 2020.

Last year, CSLB revoked the licenses of 188 citation recipients for non-compliance. Individuals whose licenses were revoked were also referred to the Franchise Tax Board for collection of the unpaid civil penalties. Non-licensees who fail to comply with a final order are referred to a CSLB-approved collection agency.

Since January 1, 2019, citation recipients can request an Informal Citation Conference to contest their citations. At these conferences, respondents can discuss the circumstances of their citation and/or their civil penalty assessment with a CSLB conference official. The goal is to reach a mutually agreeable settlement, while allowing the contractor to avoid the time and expense of a formal appeal hearing before an administrative law judge. In 2021, 519 citation recipients filed appeals, and 346 of those cases (67 percent) were handled by Informal Citation Conferences. The conferences successfully resolved 309 (89 percent) of those citations.

In 2021, CSLB began accepting online payments from licensees and non-licensees for citation-based civil penalty assessments. The program is very popular, and as of the fourth quarter in 2021, 52 percent of all penalty assessment payments are now collected online.

Enforcement Services Section

Arbitration Program

CSLB offers two arbitration programs for resolving qualifying, non-egregious consumer complaints. When appropriate, arbitration provides a cost-effective, faster alternative to formal administrative actions. Disputes between licensed contractors and complainants involving amounts up to \$15,000 are eligible for CSLB's Mandatory Arbitration Program, while disputes involving amounts between \$15,000 and \$50,000 can be referred to the Voluntary Arbitration Program. CSLB's Enforcement Services Section manages both arbitration programs, and CSLB contracts with Arbitration Mediation Conciliation Center (AMCC) to provide arbitration services.

CSLB's arbitration programs faced continuing challenges in 2021 due to pandemic-related operational restrictions. However, an array of electronic and contactless methods allowed participants to exchange evidence and have their cases heard in a timely, professional, and safe manner.

In 2021, CSLB referred 509 disputes between consumers and contractors to arbitration resulting in over \$3.4 million in restitution awarded to consumers. During 2021, parties experienced an average cycle time from referral to award of less than 50 days.

AMCC uses surveys sent to participants to monitor user satisfaction with the CSLB arbitration program. These surveys have consistently shown that arbitration participants have been pleased with their experience. During 2021, participants gave AMCC's arbitration services an average score of 4.76 out of 5 in all rating categories.

Disciplinary Services Section

For serious violations of law, CSLB can take administrative action by filing an accusation to revoke or place the offender's license on probation. CSLB's Disciplinary Services Section handles these cases, and their investigations may result in one or more of the following actions:

- License revocation.
- Probation (with stay of revocation).
- Restitution order for a financially injured consumer.
- Recovery of investigation and enforcement costs.
- Dismissal of case.

Licenses placed on probation provided \$932,000 in restitution to consumers and repayment of \$703,000 in investigation and prosecution costs.

DSS ADMINISTRATIVE ACTIONS

	2021	2020	2019
Accusations Filed	214	241	325
Licenses Revoked via Accusation	209	251	305
Licenses Placed on Probation	102	105	112

Letter of Admonishment

The Letter of Admonishment is an intermediate form of corrective action introduced by CSLB in 2018 to enhance public protection by promptly addressing single, non-egregious violations by licensed contractors. The letter provides for one year of public disclosure after issuance, offers an option for requiring corrective action by the contractor, and provides written documentation that can be used to support formal disciplinary action in the future, if warranted.

CSLB issued 310 Letters of Admonishment in 2021. The most common violations cited in Letters of Admonishment issued in 2021 were conviction of a non-violent misdemeanor criminal offense (28 percent), violation of a statute or regulation including permit requirements (16 percent), and failure to meet home improvement contract requirements (17 percent).

Contractors who receive a Letter of Admonishment are afforded an opportunity to contest its issuance via an Office Conference administered by CSLB. In 2021, Office Conferences were conducted by video or teleconference. The Office Conference procedures allow the presiding official to uphold, modify, or withdraw the Letter of Admonishment based on their review of the case. During 2021, CSLB conducted 24 Office Conferences. As a result of those conferences, 16 Letters of Admonishment were upheld as issued and eight were withdrawn.

In 2020, a new option was introduced for the Letter of Admonishment program. Contractors who have violated local permit requirements are issued a Letter of Admonishment with a corrective order to complete a video training session on building permits. Violators who do not complete the training are subject to an administrative citation. In 2021, 41 Letters of Admonishment included a requirement to complete the

permit training, and two violators who did not comply with that requirement were issued citations.

Targeted Enforcement Programs

Solar Industry Enforcement

In 2021, CSLB accomplishments included continued effective enforcement tactics, the development of a dedicated Solar Complaint Form, the enactment of Assembly Bill (AB) 137 that created the Solar Energy System Restitution Program, and several notable solar investigations.

Enforcement Statistics

CSLB acknowledges that most solar contractors perform satisfactory work and most consumers are pleased with their solar systems. However, CSLB continues to see about 100 solar-related complaints each month, many involve solar companies filing for bankruptcy, which results in the abandonment of residential solar contracts.

In 2021, the Enforcement division settled 334 solar-related cases (including some complaints received in prior years), which led to more than \$2.9 million in restitution to financially injured consumers. Additionally, 166 solar investigations resulted in administrative legal actions and another 16 were referred for criminal prosecution.

Dedicated Solar Complaint Form

In response to the steady volume of incoming solar-related complaints and the need for solar-specific complaint information, a Solar Complaint Form was designed and made available for consumers to use when reporting problems related to contracts for solar installations. The Solar Complaint Form improves complaint processing and handling times, provides focused enforcement, and identifies marketplace trends. The Solar Complaint Form can be found online at www.cslb.ca.gov/Consumers/Solar_Smart under “Solar Smart.”

Solar Energy System Restitution Program

On July 16, 2021, AB 137 was enacted creating the Solar Energy System Restitution Program at CSLB. The program was designed to provide financial restitution for owners of single-family residences who were financially harmed by a solar contractor because of poor workmanship, project abandonment, or unlawful business practices.

AB 137 included a \$5 million appropriation to CSLB from the state’s General Fund. Of those funds, \$4 million is available for restitution and, if needed, up to \$1 million is allocated to pay for CSLB administrative costs. Any homeowner who used a licensed or unlicensed contractor after January 1, 2016, to install a solar energy system on a single-family residence who can demonstrate to CSLB a financial loss or injury as result of specified acts may be eligible for restitution from the fund.

In October 2021, CSLB staff partnered with the Dolores Huerta Foundation to host a bilingual (English/Spanish) webinar to inform and assist financially injured solar consumers on the steps necessary to file a Solar Energy System Restitution Program claim. CSLB continues to collaborate with the California Public Utilities Commission, the Department of Financial Protection and Innovation, and the Dolores Huerta Foundation to ensure effective and equitable restitution. As of December 2021, CSLB has authorized the payout of over \$100,000 from the restitution fund.

Solar Investigation Highlights

Unlicensed Solar Violator's Criminal Hearing Continues

Unlicensed contractor George Safonov conducted business as Hibrid Homes LLC and other company names. He and his co-conspirators initially targeted Central Valley homeowners who spoke little English and convinced them to sign complex contracts for residential solar systems they couldn't afford. CSLB received dozens of consumer complaints regarding Safonov's tactics that included abandonment, misrepresentation, and fraud.

Multiple investigations in Southern California into Safonov's unlawful contracting activity ultimately led to the filing of 22 criminal counts in February 2020 by the San Diego County District Attorney. The charges included theft by false pretense, diversion of construction funds, identity theft, and elder financial abuse. While out on bail, Safonov devised another scheme related to solar loan fraud and CSLB investigators and partners from other agencies were able to amass enough evidence to obtain a new arrest warrant.

When Safonov appeared for a scheduled bail hearing on May 17, 2021, for the first set of charges, investigators served Safonov with the new arrest warrant, and he was taken into custody. The new felony charges include forgery, theft by false representation or pretense, identity theft, and fraudulent use of a contractor's license.

Safonov's readiness hearing was held on November 30, 2021. CSLB staff provided restitution amounts for victims identified through the investigative process and requested a plea offer from the defense to include stayed custody. The district attorney's office is negotiating a plea deal which could include restitution to victims. Many of Safonov's financially harmed customers will receive restitution from CSLB's Solar Energy System Restitution Program.

Proactive Enforcement

Statewide Investigative Fraud Team

CSLB's Statewide Investigative Fraud Team (SWIFT) performs proactive enforcement of contractor license law. SWIFT investigators, in partnership with other construction industry stakeholders, law enforcement agencies, and allied state agencies, confirm license, tax, wage, and safety compliance through inspection sweeps at active jobsites

and through staged undercover sting operations. Additionally, SWIFT investigators respond to leads from consumers, licensed contractors, and other agencies.

In 2021, SWIFT conducted 18 sting operations, participated in 160 sweep days, and responded to 910 leads. Of the 2,668 cases closed by SWIFT investigators, 757 resulted in administrative or criminal legal actions, 259 of which were referred to prosecutors. Furthermore, SWIFT issued 882 Advisory Notices for minor violations.

2021 SWIFT ADMINISTRATIVE LEGAL ACTIONS AND CRIMINAL REFERRALS

CATEGORY	RESULT
Legal Actions	757
Initial Citation Assessment	\$401,900
Stop Orders Issued for Workers' Compensation Violations	202
Licensee Criminal Referrals	51
Non-Licensee Criminal Referrals	208

Sweeps/Leads

SWIFT regularly receives information about unlicensed or other illegal construction activity reported by licensees, the public, and allied government agencies that can lead to a construction site inspection. Additionally, SWIFT investigators routinely sweep areas for active construction projects and conduct compliance inspections.

2021 SWIFT SWEEP AND LEAD RESULTS

CATEGORY	RESULT
Compliance Sweep Days	160
Legal Actions Resulting from Sweep Compliance Inspections	279
Leads Received	910
Legal Actions Resulting from a Lead	157

Joint Enforcement Strike Force

The Joint Enforcement Strike Force (JESF) shares information and resources among multiple government agencies to combat the underground economy. Partner agencies include CSLB, Employment Development Department, Division of Occupational Safety and Health, Division of Labor Standards Enforcement, and the Franchise Tax Board. JESF's primary focus is to pursue criminal charges for license, tax withholding, and workers' compensation insurance violations. In 2021, JESF enforcement activities

resulted in the suspension of 221 licenses for outstanding tax and penalty liabilities totaling over \$34.5 million. CSLB’s license suspension program resulted in the payment of almost \$19 million to allied state agencies.

2021 JESF-RELATED OUTSTANDING LIABILITIES

Agency	Liability Suspension	Penalty Recovered
EDD	\$19,209,569	\$9,149,749
DOSH	\$25,072	\$267,256
DLSE	\$5,383,914	\$3,468,666
FTB	\$9,962,524	\$5,868,340
TOTAL	\$34,581,079	\$18,754,011

Labor Enforcement Task Force

Established in 2012, the Labor Enforcement Task Force (LETF) combats the underground economy in California and strives to create an environment where legitimate businesses can thrive. Partner agencies include CSLB, Employment Development Department, Division of Labor Standards Enforcement, and Division of Occupational Safety and Health. The task force goals are:

- 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.
- Make efficient use of state resources in carrying out LETF’s mission.

LETF members conduct sweeps at active job sites to verify employee wages and compliance with licensing, insurance, tax, and job safety requirements. Inspections conducted by LETF at construction sites in 2021 found 75 percent of contractors were out of compliance with one or more contractors state license law requirements.

2021 LETF JOINT INSPECTIONS

CATEGORY	RESULT
Number of Contractors Inspected	88
Number of Contractors Out of Compliance	66
Percentage of Contractors Out of Compliance	75%
Total Initial Assessments	\$95,980
Inspections that Resulted in CSLB Investigations	65
CSLB-Issued Stop Orders	14
DLSE – Number of Deduction Statement Violations (Labor Code §226)	2
Number of Businesses Referred to EDD Tax Audit Program	46
Cal/OSHA Serious Violations	15

LEGISLATIVE

CSLB's Legislative Division engages in the regulatory and legislative processes to facilitate the Board's administrative rulemaking priorities and advise the Board on relevant legislation. In addition, the division sponsors legislation with Board approval, and reviews all bills introduced by the Legislature to determine if they will affect the Board, consumer protection, or the construction industry. The division also presents relevant bills to the Board at public meetings for the Board to take a supportive, neutral, or opposing position and presents the Board's position to the Legislature. The division also prepares and submits reports or studies requested by the Board or required by the Legislature.

Development and Coordination of CSLB Sponsored or CSLB Assisted Legislation

CSLB sponsored or assisted in providing legislative language as well as technical assistance for the following bills that were signed into law (chaptered) in 2021 by Governor Gavin Newsom.

Assembly Bill 137 (Committee on Budget, Chapter 77, Statutes of 2021)

This bill created the Solar Energy System Restitution Program within the Contractors State License Law. Together with the 2021 Budget Act, this bill makes available a \$5 million General Fund appropriation for CSLB expenditure until June 30, 2024, for the purposes of the program. The bill makes restitution available for any person who used a contractor after January 1, 2016, to install a solar energy system on a single-family residence who can demonstrate a financial loss or injury meeting specified criteria to CSLB as a result of that transaction.

Assembly Bill 246 (Quirk, Chapter 46, Statutes of 2021) (CSLB Sponsored)

This bill made a licensed contractor's unlawful dumping of debris a cause for disciplinary action against the contractor. The bill also reorganized Section 7110 to provide clarity and improve readability.

Assembly Bill 569 (Grayson, Chapter 94, Statutes of 2021) (CSLB Sponsored)

This bill increases from \$5,000 to \$8,000 the maximum civil penalty CSLB can assess against a licensed contractor for most violations, and from \$15,000 to \$30,000 for the most serious violations. This bill also authorized CSLB to issue a Letter of Admonishment for more than one violation at a time.

Senate Bill 607 (Min, Chapter 367, Statutes of 2021)

Effective January 1, 2022, this bill increased existing as well as added new licensing and application maintenance and service fees for support of CSLB. In addition, effective July 1, 2022, this bill will require Department of Consumer Affairs boards and bureaus to waive application and license fees for military family members. Effective January 1, 2023, this bill increased the CSLB license, qualifier, and disciplinary bonds to \$25,000.

Senate Bill 757 (Limon, Chapter 249, Statutes of 2021)

This bill clarified that a contract for a residential solar energy system is considered home improvement when installed on a residential building or property, for the purposes of the home improvement contract requirements under the Contractors State License Law. The bill further ensured home improvement salespersons must be registered to the contractor they are soliciting, negotiating, or executing contracts for and they must inform the homeowner on whose behalf they are soliciting. Where existing law prohibits a contractor from accepting payment for work not performed or materials not delivered, this bill extended that prohibition to any such payments from lenders or financiers. Finally, the bill requires any representations made to a consumer about a solar energy product or performance to be included in the home improvement contract.

Senate Bill 826 (Committee on Business, Professions and Economic Development, Chapter 188, Statutes of 2021)

This bill made technical, non-substantive changes to the Contractors State License Law. The bill clarified that CSLB employs investigators and special investigators, not enforcement representatives. The bill also clarified that the C-22 Asbestos Abatement Contractor License is an appropriate license classification to engage in asbestos related work. Finally, the bill clarifies that the right to cancel a home improvement contract referenced in the solar disclosure document required by Business and Professions Code section 7169 is three days, and five days for contracts with a senior citizen.

Regulations

General Manufactured Housing Contractor Initial Installer Training Requirement

CSLB issues the C-47 General Manufactured Housing Contractor license for contractors that specialize in installing manufactured and mobile homes. To comply with the U.S. Department of Housing and Urban Development's (HUD) Manufactured Home Installation Program, the C-47 regulation needed to be modified to include HUD's "installer training" requirements. The revisions require all applicants for a C-47 license to show completion of a HUD-approved training as a condition of licensure. The Board authorized CSLB staff to commence the rulemaking process on July 24, 2020. On September 30, 2021, the Office of Administrative Law approved the regulations, which became effective on September 30, 2021.

Increased Maximum Civil Penalties from \$5,000 to \$8,000 and \$15,000 to \$30,000

CSLB regulations provide for the minimum and maximum civil penalty amounts CSLB may assess for various violations. As result of Assembly Bill 569 (Grayson, Chapter 94, Statutes of 2021) discussed above, the \$5,000 and \$15,000 maximum civil penalties in CSLB regulations needed to be updated to reflect the \$8,000 and \$30,000 statutory civil penalty increase. CSLB staff prepared a regulatory action which the Board approved on September 22, 2021. On November 10, 2021, the Office of Administrative Law approved the regulations. The new regulations are effective January 1, 2022.

PUBLIC AFFAIRS

In 2021, CSLB's Public Affairs Office (PAO) addressed the communication challenges of COVID by continuing online workshops and meetings, while using social media, the CSLB website, and electronic communications to keep licensees and consumers informed. PAO also helped coordinate CSLB's disaster response and continued its work in all areas of media relations, community outreach, publications and newsletter development and distribution, video services, website support, and contractor education and outreach.

During 2021, PAO:

- Distributed 21 industry bulletins.
- Circulated seven news releases.
- Fielded 72 media inquiries and requests for interviews.
- Broadcasted 20 live webcasts.
- Organized and conducted 28 public outreach events, including Senior Scam StopperSM seminars.
- Published 12 publications, including meeting packets, reports, fliers, and the 2021 *California Contractors License Law & Reference Book*.

Workshops

- Get Licensed to Build Workshop: In 2021, these virtual workshops with live Q&A averaged 106 attendees per month. Additionally, 11,136 people viewed the completed workshop videos on the CSLB YouTube channel, and 2,781 viewed the videos on Facebook.
- Obtenga Licencia para Construir (Spanish Version): CSLB conducted its first virtual Spanish Get Licensed to Build Workshop in December 2021.
- Solar Consumer Restitution Fund Webinar: CSLB partnered with the Delores Huerta Foundation to inform the public about the Solar Restitution Fund.
- Butte County Consumer Workshop: CSLB presented information to educate wildfire survivors on rebuilding and filing complaints.
- Battery Energy Storage Systems Classification Workshop.

CSLB Live Web Events

In 2021, CSLB produced 20 live webcasts:

- February 4, 2021 CSLB Board and Enforcement and Legislative Committee Meetings
- February 5, 2021 Get Licensed to Build Workshop
- March 5, 2021 Get Licensed to Build Workshop
- March 25, 2021 CSLB Board Meeting
- April 2, 2021 Get Licensed to Build Workshop
- May 7, 2021 Get Licensed to Build Workshop
- June 3, 2021 CSLB Board Meeting
- June 4, 2021 Get Licensed to Build Workshop
- July 2, 2021 Get Licensed to Build Workshop
- July 27, 2021 CSLB Board Meeting
- August 6, 2021 Get Licensed to Build Workshop
- September 3, 2021 Get Licensed to Build Workshop
- September 17, 2021 Battery Energy Storage Workshop
- September 22, 2021 CSLB Board Meeting (Day 1)
- September 23, 2021 CSLB Board Meeting (Day 2)
- September 29, 2021 CSLB Board Meeting
- October 1, 2021 Get Licensed to Build Workshop
- November 5, 2021 Get Licensed to Build Workshop
- November 29, 2021 CSLB Board Meeting
- December 3, 2021 Get Licensed to Build Workshop
- December 10, 2021 Obtenga Licencia para Construir Taller

Social Media

PAO continued to use social media as an outreach tool during 2021 to better interact with applicants, licensees, the news media, and other stakeholders. CSLB currently utilizes Facebook, Twitter, YouTube, Flickr, LinkedIn, Instagram, and NextDoor.

Social Media Highlights

- **Facebook:** 5,749 followers
- **Twitter:** 2,844 followers
- **YouTube:** 34 videos produced in 2021; 67,100 video views; 384,000 minutes watched
- **Flickr:** Two photos posted/shared in 2020 (374 total photos shared)
- **LinkedIn:** 596 followers, a 22 percent increase since 2020
- **Instagram:** 1,308 followers, a 26 percent increase since 2020

CSLB also posted disaster-related content to NextDoor, targeted to specific neighborhoods. CSLB can reach 1,301,104 NextDoor members, an increase of more than 166,993 from 2020.

CSLB streamed 17 Facebook Live videos in 2021, which received a combined 2,899 views. All videos posted on CSLB's Facebook page (including live videos and uploaded videos) received 4,620 views. Videos are also placed on CSLB's YouTube Channel.

MOST VIEWED YOUTUBE VIDEOS

Video Title	Total Views
1. What to Expect on Test Day	9,470
2. Building Permit Training	6,338
3. 10 Tips for Hiring a Contractor	5,512
4. Get Licensed to Build Workshop (May 6, 2020)	3,067
5. New Residential B-2 Remodeling License	2,065
6. Paradise Sting	2,062
7. CSLB Undercover Sting San Rafael, California	1,804
8. CSLB Undercover Sting Vallejo, California	1,531
9. CSLB Undercover Sting Truckee, California	1,397
10. Watch CSLB Videos and Subscribe (YouTube Channel Trailer)	1,049

Publications

During 2021, PAO completed production of 13 publications:

- Get Licensed to Build: A Guide to Becoming a California Licensed Contractor (English & Spanish)
- Description of Classifications (English & Spanish)
- *California Contractors License Law & Reference Book* (2021 Edition)
- 2020 Accomplishments & Activities Report
- 2021 Board Member Administrative Procedures Manual
- February 4, 2021 Enforcement and Legislative Committee Meeting Packet (Teleconference)
- February 4, 2021 Quarterly Board Meeting Packet (Teleconference)
- March 25, 2021 Quarterly Board Meeting Packet (Teleconference)
- June 3, 2021 Quarterly Board Meeting Packet (Teleconference)
- July 27, 2021 Quarterly Board Meeting Packet (Teleconference)
- September 22-23, 2021 Quarterly Board Meeting Packet (Teleconference)
- November 29, 2021 Quarterly Board Meeting Packet (Teleconference)

Email Alerts

CSLB has six categories where members of the public can sign-up to receive email alerts. In 2021, CSLB continued to increase the number of email alert subscribers, reaching 36,864 an increase of almost 5,000 since 2020.

2021 EMAIL ALERT SUBSCRIBERS BY CATEGORY

Category	Subscriptions
<i>California Licensed Contractor</i> Newsletters	10,096
Industry Bulletins	8,861
News Releases / Consumer Alerts	8,583
CSLB Meeting Announcements	6,143
CSLB Job Opening	1,511
CSLB Surveys	1,670
TOTAL	36,864

Senior Scam StopperSM Seminars

Launched in 1999, CSLB's Senior Scam StopperSM (SSS) program informs, empowers, and educates senior consumers at the local level about unlicensed or unscrupulous contractors.

Seminars are coordinated with legislative offices and feature presentations by a panel of experts from local, state, and federal agencies, and community-based organizations; distribution of consumer publications; and spirited question-and-answer sessions.

In 2021, PAO staff coordinated and facilitated 28 Senior Scam StopperSM seminars. CSLB partners video the presentations for sharing on their websites and continued viewing.

CSLB will resume offering in-person SSS seminars as soon as health concerns subside.

2021 SENIOR SCAM STOPPERSM SEMINARS

Date	Location	Legislative/Community Partner(s)
January 14, 2021	Zoom	Asm. Shirley Weber
February 9, 2021	Zoom	Asm. Tasha Boerner Horvath
February 23, 2021	Zoom	Asm. Richard Bloom
March 5, 2021	Zoom	Asm. Sharon Quirk-Silva
March 12, 2021	Zoom	Asm. Joaquin Arambula
April 9, 2021	Zoom	Asm. Brian Maienschein
May 7, 2021	Zoom	Asm. Evan Low
May 20, 2021	Zoom	Department of Insurance Seniors & Fraud Town Hall Meeting
May 21, 2021	Zoom	Asm. Steven Choi
May 25, 2021	Zoom	Rep. Scott Peters
June 11, 2021	Zoom	Asm. Steve Bennett
June 30, 2021	Zoom	Asm. Marc Levine
July 15, 2021	Zoom	Sen. Bob Wieckowski
July 21, 2021	Zoom	Asm. Chris Ward
July 26, 2021	Zoom	Asm. Evan Low
July 27, 2021	Zoom Geraldine Middleton	Asm. Evan Low

Date	Location	Legislative/Community Partner(s)
August 4, 2021	Zoom	La Mesa-Foothills Democratic Club
August 10, 2021	Zoom	Sen. Rosilicie Ochoa Bogh
August 17, 2021	In-Person Geraldine Middleton	Oasis Senior Center, Corona Del Mar
August 17, 2021	Zoom	Asm. Marc Berman
August 25, 2021	Zoom Geraldine Middleton	Rep. Scott Peters
August 27, 2021	Zoom Geraldine Middleton	Asm. Freddie Rodriguez
September 30, 2021	Zoom Kevin Albanese intro	Sen. Dave Cortese
October 5, 2021	Zoom	Sen. Dave Min
October 19, 2021	Zoom	Asm. Rudy Salas
October 27, 2021	Zoom	Homeowner Outreach with Ventura County Homeowners
November 12, 2021	Zoom	Asm. Brian Maienschein
November 15, 2021	Zoom	Asm. Steve Bennett

ADMINISTRATION

Expenditure Reduction Plan – FY 2020-21

The board adopted cost saving measures to help maintain fund solvency while pursuing a fee increase bill. The cost-cutting measures were implemented and ultimately saved \$10.5 million at fiscal year-end. This resulted in a positive fund balance of \$3.7 million in reserve.

Filling of Vacancies due to Fee Increase

In August 2019, CSLB forecast insufficient funds for ongoing operations by the beginning of Fiscal Year 2020-21. This was due to an ever-growing structural imbalance between revenue and expenditures caused by increases in salary and benefit adjustments, infrastructure expenses, licensee population decline, and mandatory external costs that were either unforeseeable or nonexistent at the time CSLB last raised fees by statute in July 2017.

CSLB monitored the revenue and expenses on a continuous basis to identify any potential funding issues and revenue deficiencies. Even with mitigating controls and reductions to expenditures, the reserves in the fund continued to decline resulting in the potential for the fund to become deficient. This resulted in cost-cutting measures including a temporary hold on filling staff vacancies.

The Board voted to pursue a renewal fee increase through emergency regulations and directed staff to conduct a fee study to determine the potential need for a possible legislative fee increase. On November 10, 2020, the Office of Administrative Law approved CSLB's renewal fee increase emergency regulations. CSLB began assessment of the new fees on February 1, 2020.

At its December 2020 Board meeting, the Board voted to pursue a legislative proposal to implement the fee study recommendations. On September 28, 2021, the Governor signed SB 607 (Ch.367, Statutes of 2021) to increase CSLB's fee statute to fee amounts recommended by outside consultants effective January 1, 2022. This fee increase created a structural balance between revenue and expenditures which allowed CSLB to fill vacant staff positions.

Berkeley Office Closure

In an effort to reduce costs and streamline operations, CSLB ended the Berkeley office space lease with the Department of Toxic Substances Control in Fiscal Year (FY) 2020-2021. CSLB officially vacated the office space at that location on January 28, 2021. This resulted in a savings of \$120,000 annually.

Career Development and Mentoring Program

CSLB created a Career Development and Mentoring Program directed by a steering committee comprised of CSLB employees. To kick-off the program, staff participated in CSLB's first ever Career Development Live event held in February 2021. The event was the first in a series of online events launched by the program steering committee. The events are an opportunity for staff to learn about each of CSLB's divisions including the role and function of the division, the types of classifications utilized in the division, potential career paths, and training opportunities. The steering committee also created a dedicated intranet page focusing on career development topics with online tools and resources for staff.

Arbitration Services Contract

CSLB successfully secured arbitration services with Arbitration Mediation Conciliation Center, Inc. through the Request for Proposal process. This program provides arbitration between complainants and contractor respondents and includes the administrative services necessary to process arbitration cases, provide arbitrators to hear cases, and render awards in compliance with Business and Professions Code 7085 et seq.

Training

In 2021, all CSLB staff completed two mandatory trainings required by the Department of Consumer Affairs. These trainings included Sexual Harassment Prevention and Information Security Awareness Fundamentals.

In addition, 53 managers and supervisors completed a mandatory Beyond the Pandemic: The Hybrid Workforce training. Eight new managers and supervisors completed their mandatory 80-hour Leadership Academy training, and 23 employees completed the Implicit Bias training offered by CalHR.

The Enforcement staff also completed a number of trainings in 2021. Training included Report Writing, Consumer and Workplace Protection with the Los Angeles City Attorney, Attorney General Training for Southern California investigators, and the Southern California Workers Compensation Consortium Annual Symposium.

INFORMATION TECHNOLOGY

Online Renewal Single Qualifier

In October 2021, CSLB enhanced the Online Renewal Program to include all Single Qualifier licensees to renew their licenses online. This allows corporations, partnerships, and limited liability companies to immediately process their renewal application through the CSLB website. The paid renewal is then processed and updated in real time and licensees can update their address of record and contact information during this process. The feature allows for 95 percent of all licensed contractors to process their renewal in real time.

ONLINE RENEWAL TRANSACTIONS (January - December 2021)

	Single Qualifier	eKiosk	HIS
January	3,025	1,073	304
February	2,984	1,159	331
March	3,285	1,075	405
April	2,971	1,016	393
May	3,108	963	420
June	3,104	1,039	390
July	3,024	886	461
August	3,039	989	407
September	2,739	873	361
October	3,692	153	428
November	4,660	0	389
December	5,126	7	368
TOTALS	40,757	9,233	4,657

Unlicensed Contracting Activity

In May 2021 in collaboration with the Enforcement Division, the IT Division enhanced the ability to report unlicensed contracting activity through the CSLB website using a computer or a mobile device. The new enhancement allows both consumers and contractors to submit a PDF along with photos and documents directly to the SWIFT Unit.

Online Citation Penalty

In January 2021, the IT Division developed an online process that enables licensees and non-licensees to pay penalty assessments through the CSLB website. All payments are processed in real-time and the CSLB database is updated immediately with the new payment information.

ONLINE CITATION TRANSACTIONS (January - December 2021)

	Online Payments	Total Payments	% Of Online Payments
January	\$19,950	\$140,262	14.2%
February	\$30,140	\$122,713	24.6%
March	\$62,965	\$154,967	40.6%
April	\$65,684	\$179,806	36.7%
May	\$66,905	\$146,807	45.6%
June	\$58,130	\$160,249	36.3%
July	\$35,711	\$122,327	29.2%
August	\$45,445	\$123,798	36.7%
September	\$89,445	\$180,990	49.4%
October	\$65,005	\$125,468	51.8%
November	\$78,295	\$139,633	56.1%
December	\$55,582	\$114,431	48.6%
TOTALS	\$673,257	\$1,711,451	39.3%

Software Defined – Wide Area Network (SD-WAN)

The IT Division deployed CSLB's first Software Defined Wide Area Network (SD-WAN) to the Norwalk Branch office. SD-WAN enables CSLB to securely support application growth, network agility and simplify branch office implementations. CSLB partnered with the California Department of Technology with its first successful deployment for CSLB. CSLB will continue deployments to headquarters and the remaining CSLB sites.

CSLB Website

In 2021, the number of CSLB website visitors remained constant at about 3.5 million, resulting in over 57.3 million page views. Below are the 20 most-visited CSLB website pages.

CSLB WEBSITE 2021

Page Title	Page Views
Check A License – License Detail	13,831,873
Check A License	11,485,171
Contractor Name Search Result	4,341,006
Contractors State License Board Homepage	3,390,135
Personnel List	2,905,339
Contractor Personnel Search Results	1,527,359
Check Application Status (Secured)	1,299,690
Personnel License List	1,155,571
Find My Licensed Contractor – Zip Code Search	893,885
Contractor Home Page	788,145
Consumer Home Page	720,504
Forms and Applications	692,557
Application Request	786,893
Check a License – Worker’s Comp History	559,271
Check A License – Personnel Detail	532,727
Check A License – Multiple Licenses	449,900
Check Application Status (Detail)	560,919
Applicants Home Page	283,311
Contractor’s Bond History	307,412
Complaint disclosure	267,087