September 2-3, 2026
Las Vegas, Nevada

CONTRACTORS STATE LICENSE BOARD

Board Meeting

NOTICE OF PUBLIC BOARD MEETING

Wednesday, September 2, 2026, 1:00 p.m.-5:00 p.m.
(or until the conclusion of business)

MEETING LOCATIONS
Simpson Strong-Tie
Sinatra Training Room
7050 South Buffalo Drive
Las Vegas, NV 89113

Contractors State License Board
John C. Hall Hearing Room – First Floor
9821 Business Park Drive
Sacramento, CA 95827

**Teleconference Information to Register/
Join Meeting for Members of the Public via Microsoft Teams:**

Microsoft Teams link:
https://teams.microsoft.com/meet/258405236741115?p=Je33pdVjtF3GXLxJMh

Meeting ID: 258 405 236 741 115
Passcode: Zs2fP3bQ

Join by phone:
916-340-8074
Access code: 398 350 67#

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. All times indicated and the order of business are approximate and subject to change.

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

MEETING AGENDA
Wednesday, September 2, 2026 – 1:00 p.m.

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

B. Public Comment Session for Items Not on the Agenda and Future Agenda Item Requests (*Note: Individuals may appear before the board to discuss items not on the agenda; however, CSLB's board can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).*

C. Presentation of Certificates of Recognition

D. Executive

   1. Review and Possible Approval of June 5, 2026, Board Meeting Minutes

   2. Review and Possible Approval of August 4, 2026, Joint Enforcement and Public Affairs Committee Meeting Summary

   3. Review, Discussion and Possible Action Regarding Unlicensed Practice Study

   4. Registrar's Report

      a. Update Regarding August 7, 2026, Industry Stakeholder Meeting

   5. Information Technology Update

   6. Budget Update

   7. Administration Update

E. Legislation

   1. Review, Discussion, and Possible Action on 2025-2026 Legislation

      a. AB 559 (Berman) Contractors: home improvement contracts: prohibited business practices.
      b. AB 1707 (Davies) Electricians: certification application, examination, and renewal.
      c. AB 1796 (Jackson) Licensed Professional Interior Designer Act.
      d. AB 1915 (Gabriel) Accelerated restaurant equipment permitting approval: retail food safety.
      e. AB 1980 (Caloza) Labor: apprenticeship: Equal Representation in Construction Apprenticeship Grants Program.
      f. AB 2550 (Caloza) Women in the construction industry: report.

g. SB 342 (Umberg) Contractors: unlicensed work.
h. SB 784 (Durazo) Home improvement loans: right to cancel contracts.
i. SB 1165 (Caballero) Contractor licenses: outstanding liabilities assessed by the California Department of Tax and Fee Administration.
j. SB 1263 (McGuire) Contractors: debris removal.

2. Review and Discussion Regarding Section 100 Rulemakings

   a. California Code of Regulations (CCR) Section 832.36 – Correcting a typographical error
   b. CCR Section 863 – Public access to information
   c. CCR Section 884 – Updating fine amounts

F. Licensing

   1. Licensing and Testing Program Update

   2. Applicant Survey

   3. Consumer Satisfaction Survey

G. Enforcement

   1. Review and Discussion of Enforcement Modernization and Consumer Protection Plan

   2. Enforcement Program Update

H. Public Affairs

   1. Public Affairs Program Update

I. Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: Casee Simmons v. Department of Consumer Affairs, Contractors State License Board, Sacramento County Superior Court, Case No. 24CV020243.

J. Adjournment

Note: 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, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable.

Note that viewers of the webcast can only view the meeting, not participate.

The meeting is accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by calling (916) 255-4000 or emailing Katie.Carrasco@cslb.ca.gov, or by mail to 9821 Business Park Drive, Sacramento, CA, 95827. Providing your request at least five business days before the meeting will help ensure availability of the requested accommodation.

CONTRACTORS STATE LICENSE BOARD STATE OF CALIFORNIA
9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800.321.CSLB (2752) | *www.cslb.ca.gov* | *CheckTheLicenseFirst.com*

NOTICE OF JOINT PUBLIC BOARD MEETING

Thursday, September 3, 2026, 8:30 a.m. – 10:45 a.m.
(or until the conclusion of business)

MEETING LOCATIONS
Simpson Strong-Tie
Sinatra Training Room
7050 South Buffalo Drive
Las Vegas, NV 89113

Contractors State License Board
John C. Hall Hearing Room – First Floor
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Sacramento, CA 95827

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Passcode: 7H3qP7rD

Join by phone:
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Access code: 305 221 272#

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MEETING AGENDA
Thursday, September 3, 2026 – 8:30 a.m.

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

B. Public Comment Session for Items Not on the Agenda and Future Agenda Item Requests (*Note: Individuals may appear before the board to discuss items not on the agenda; however, CSLB's board can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).*

C. Discussion Regarding CSLB and NSCB Operational and Structural Comparison

D. Discussion Regarding Multi-State and In-State Unlicensed Practice Enforcement Coordination

    1. National Enforcement Operation to Combat Unlicensed Practice
    2. Strategies to Identify and Address Unlicensed Practice

E. Discussion Regarding Construction Industry Economic Development

    1. Nevada Presentation by Economic and Development Department
    2. California Presentation by Governor's Office of Business and Economic Development

F. Discussion Regarding Reducing Barriers to Licensure While Maintaining Strong Consumer Protection

    1. Online Applications
    2. Translating Exams and Other Materials
    3. Applicant Workshops
    4. B-2 Pathway to General Building Contractor in California and B-7 Restricted License in Nevada

G. Adjournment

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CONTRACTORS STATE LICENSE BOARD

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Contractors State License Board Meeting
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MEETING AGENDA DAY 2
Thursday, September 3, 2026, 8:30 a.m.

September 2, 2026
Las Vegas, Nevada

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 1

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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

Joël Barton	Michael Mark
Rodney M. Cobos	Henry Nutt III
Miguel Galarza	Steven Panelli
Amanda Gallo	Omar T. Passons
Alan Guy	Josef Preciado
Jacob Lopez	James Ruane
Diana Love	Thomas J. Ruiz

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.

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AGENDA ITEM C

Presentation of Certificates of Recognition

AGENDA ITEM D

Executive

AGENDA ITEM D-1

Review and Possible Approval of June 5, 2026, Board Meeting Minutes

Board Meeting Minutes – June 5, 2026

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

Board Chair Miguel Galarza called the meeting of the Contractors State License Board (CSLB) to order on June 5, 2026, at 9:00 a.m. at the Point Lobos Room, Monterey Hotel Plaza & Spa, 400 Cannery Row, Monterey, CA 93940.

Board Vice Chair Alan Guy led the Pledge of Allegiance, and a quorum was established.

<u>Board Members Present</u>
Miguel Galarza, Chair
Alan Guy, Vice Chair
Joël Barton
Rodney Cobos
Diana Love
Michael Mark
Henry Nutt III
Steve Panelli
Omar Passons
Josef Preciado
Thomas Ruiz

Amanda Gallo, Jacob Lopez, and James Ruane had approved absences.

<u>CSLB Staff Present</u>
David Fogt, Registrar
Michael Jamnetski, Interim Chief Deputy Registrar
Rebecca May, Chief of Legislation
Steve Grove, Chief of Enforcement
Carol Gagnon, Chief of Licensing
Katherine White, Chief of Public Affairs
David Gower, Public Affairs Supervisor
Amy Lawrence, Television Specialist
Katie Carrasco, Executive Analyst

<u>DCA Staff Present</u>
John Kinn, DCA Legal Counsel

Board Member Comment
Chair Miguel Galarza welcomed new Board Member Omar Passons, noting that his experience as a government construction and land-use attorney, his longstanding civic and government leadership, and his executive roles in both city and county government will be a tremendous asset. Chair Galarza then invited Member Passons to say a few words.

Member Passons thanked Chair Galarza for the warm welcome and expressed his enthusiasm for supporting the Board's mission to protect California consumers. Member Passons emphasized that he will be listening closely and is fully engaged and deeply committed to the Board's work.

Public Comment
There was no comment.

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

Chair Galarza then moved on to Agenda Item B, which covers public comments on matters not on today's agenda.

Board Member Comment
There was no comment.

Public Comment
Andrea Montano, founder and executive director of Roof Over My Heart, a California nonprofit focused on housing justice, addressed the Board. Montano noted that this was her fifth appearance before the Board since September 2024 and that her previous recommendations are reflected in the official meeting minutes. She introduced two individuals who would speak after her, explaining that their cases illustrate gaps in consumer protection, one a Shaver Lake fire survivor who lost his home and paid a contractor to rebuild, and another seeking to build an accessible home using factory-built housing where no law requires contractors to verify milestones before collecting payments. Ms. Montano referenced Senate Resolution 41, recognizing Contractor Fraud Awareness Week, and stated that her nonprofit supports more than 300 victims across six contractors, including homeowners, unpaid subcontractors, vendors, investors, lenders, and tax agencies. She reported that the 378 victims she has personally met represent approximately $18.9 million in losses, with documented losses across multiple cases exceeding $47 million. She stated that license revocation alone does not provide proportional consequences or meaningful restitution. Montano noted that Roof Over My Heart is advocating for three improvements: appropriate criminal accountability, restitution that follows

offenders regardless of the business entity they form, and standardized enforcement to ensure consistency across cases.

Greg Beserra introduced himself as a wildfire survivor who lost his home in the Shaver Lake fire and later became a victim of contractor fraud while attempting to rebuild. Beserra stated after losing his home, he hired a contractor, but the civil court system, the administrative complaint process, and the contractor licensing framework were not designed to move quickly enough or provide meaningful relief. He explained that disaster survivors face a civil process that is slow and costly, a licensing complaint process that can take years, and a criminal referral process lacking transparency regarding outcomes. He urged that what survivors truly need is criminal prosecution that results in enforceable restitution, not merely license revocation or civil judgments that cannot be collected. He asked the Board to help close the distance between acknowledging the problem and taking meaningful action to prevent others from experiencing the same harm.

Luke introduced himself and explained that his family attempted to build an accessible housing unit for a family member using a factory-built housing contractor, but they became victims of contractor fraud. While he could not discuss case details due to ongoing issues, he emphasized that the experience exposed a significant gap in California law. He explained that when consumers hire a contractor to build a traditional “stick-built” home, California law limits the amount a contractor can collect before completing verified work, ensuring payments are tied to progress and protecting consumers from paying for work not yet performed. However, when hiring a contractor for factory-built housing, those protections do not exist. Because construction occurs offsite in a facility consumers cannot visit, homeowners must rely entirely on what the contractor reports, with no required milestones, escrow, or verified checkpoints. He urged the Board to understand the importance of addressing this issue so that consumers are protected before problems occur.

C. Presentation of Certificates of Recognition

Chair Galarza noted that SWIFT Investigator Zachary Zeidman was in attendance and formally recognized him for his outstanding performance. Since joining CSLB in 2016, Zeidman has consistently been one of SWIFT’s top performers, averaging 14 completed investigations per month, with approximately seven of those cases typically referred for legal action. His professionalism, strong work ethic, and significant contributions have made a notable impact on the Central SWIFT team.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

D. Executive

Chair Galarza moved on to Item D, the Executive Update. Before proceeding, he asked DCA Counsel, John Kinn, to provide guidance on how Board Members should vote on meeting minutes if they were not present at that meeting.

1. **Review and Possible Approval of March 19, 2026, Board Meeting Minutes**

Counsel Kinn clarified that Board Members should not be concerned about voting to approve minutes from a committee meeting or a prior Board meeting they did not attend. Reviewing and approving minutes is simply part of conducting the Board's business, ensuring that the records are formally entered and available for any future legal or certification needs. He emphasized that abstentions should be reserved for situations involving a personal, financial, or ethical conflict of interest, not for absence at the meeting where the minutes originated. He then asked if there were any questions.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

Motion: To approve March 19, 2026, Board Meeting Minutes. Moved by Diana Love; seconded by Rodney Cobos. Motion carried, 10-1-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: Omar Passons

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

2. **Review, Discussion, and Possible Action on Nominations Committee Recommendations for Election of 2026-27 Board Officers**

Chair Galarza noted that in April he appointed past Board Chairs Diana Love and Michael Mark to serve as the two-person Nominations Committee responsible for preparing a recommended slate of officers for the June 5, 2026, meeting. The Committee's role is to present nominations for the positions of Chair, Vice Chair, and Secretary for the upcoming fiscal year beginning July 1. Chair Galarza then turned the floor over to Member Diana Love to announce the recommended slate of officers.

Member Love expressed her appreciation for serving with Member Mark on the 2026 Nominations Committee and thanked Chair Galarza for the appointment. She explained that the Committee considered the requests and preferences of fellow Board Members for the three officer positions that will be open in the coming fiscal year. The Committee's recommended slate of officers is as follows: Alan Guy for Chair, Rodney Cobos for Vice Chair, and Joël Barton for Secretary.

Chair Galarza proceeded with the nominations for Board Officers and asked each of the nominees to provide a statement.

<u>Board Member Comment</u>
Board Member Alan Guy thanked the Board and stated that it is an honor to be nominated. He shared that when he founded Anvil 16 years ago and first applied for a contractor's license, he viewed CSLB as a prestigious state organization. He said it has been an honor to serve on the Board and is a privilege to be recommended by his peers for the role of Chair. Member Guy noted that he has served on every committee and looks forward to the opportunity to serve as Chair.

Board Member Rodney Cobos thanked the Nominations Committee for recommending him for the position of Vice Chair and expressed his appreciation for the support he has received from CSLB staff and fellow Board Members. He shared that his career began more than 30 years ago, not as a young apprentice, but after serving four years in the United States Army, an experience that shaped his leadership path within the plumbing and pipefitting trade. He said he is humbled by the nomination and grateful for the opportunity to serve alongside the Board.

Board Member Joël Barton thanked Chair Galarza and expressed that he is both humbled and honored to serve the citizens of California and to work alongside such a diverse and knowledgeable Board. He noted that the variety of perspectives represented on the Board greatly enriches its work and shared his appreciation for fellow members, highlighting the thoughtful insight and calm leadership they bring to committee discussions. He also echoed appreciation for CSLB's dedicated staff, whose efforts support the Board's mission. Member Barton concluded by saying he is deeply honored by the nomination and fully committed to fulfilling his role.

Public Comment
There was no comment.

Motion: To approve the recommended slate of officers as follows: Alan Guy for Chair, Rodney Cobos for Vice Chair, and Joël Barton for Secretary. Moved by Thomas Ruiz; seconded by Omar Passons. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

3. Registrar's Report

Chair Galarza noted that the newly elected officers' terms will begin on July 1 and welcomed them to their new positions. He then moved on to Item E3, the Registrar's Report.

a. Update Regarding Consideration of Transferring the Administration of the Electrician Certification Unit from the Labor Commissioner's Office to CSLB

Registrar David Fogt provided an update on ongoing discussions with the Department of Industrial Relations regarding the potential transfer of the Electrician Certification Unit (ECU) to CSLB. Currently housed under the Labor Commissioner's Office, ECU oversees exam development, certification, and renewals for electricians. The proposal aims to consolidate administration and enforcement under CSLB to improve efficiency, streamline processes such as online renewals, and better support related industries, including solar. The program is self-sufficient and would not impact CSLB licensing resources. Registrar Fogt noted this is a discussion item only, as no legislation is pending.

Board Member Comment

Member Barton strongly supported CSLB taking over the administration and enforcement of the state Electrician Certification Unit, noting that although he has maintained his own certification since it was introduced around 2000, the current system lacks meaningful enforcement. Drawing from personal experience as a long-time electrician, he believed CSLB's oversight would bring needed accountability and strengthen the program, making it a valuable and effective extension of CSLB's responsibilities.

Vice Chair Guy noted that electrician certification appears to be the only trade certification in the industry that is formally tracked and questioned whether transferring it to CSLB could be the first step toward broader oversight of other trades. He mentioned struggling to identify any comparable certification programs for professions like plumbers or fire sprinkler installers, suggesting that Electrician Certification may be unique in its current structure and enforcement expectations.

Board Member Steve Panelli explained that several trades, such as fire sprinklers, C-10 Electrical, C-20 HVAC, and C-36 Plumbing, already involve specialized certifications beyond holding a contractor license. From an inspector's perspective, certain installations legally require manufacturer-specific certification, and inspectors routinely verify that installers carry the proper credentials. He emphasized that meaningful enforcement of any certification program requires clear authority in statute or code so inspectors can support agencies like CSLB by confirming certifications during field inspections. Member Panelli expressed full support for the idea, noting that coordinated enforcement would strengthen safety and accountability across trades.

Vice Chair Guy clarified that Member Panelli's example being discussed is not a state-level certification program, but a product-specific certification required by manufacturers for proper installation.

Member Panelli confirmed Vice Chair Guy's conclusion.

Vice Chair Guy asked whether any other state-level certification programs exist besides the electrician and fire-related certifications, noting that plumbing does not have a comparable statewide requirement.

Member Barton agreed that the electrician program truly functions as a state-level certification, requiring individuals to be certified electricians or registered apprentices or trainees. He noted that the state contracts with an external testing company, likely the same vendor used for CSLB exams, to administer the certification exam. This reinforces the distinction between state-regulated certifications and other product-specific or trade-specific requirements.

Registrar Fogt explained that while there is a fire protection certification program, CSLB does not receive any renewal fees or other funding to enforce either the fire or electrician certification requirements. As a result, CSLB handles fire-related certification complaints only on a limited basis. In contrast, the electrician certification program is larger and more established.

Member Mark noted that, C-10 Electrical contractors do pay an additional fee to CSLB specifically to help fund tracking and enforcement related to certified electricians working under their license. He asked for confirmation of this, highlighting the distinction between electrician certification, which generates some enforcement funding, and other certification programs, such as fire protection, that do not contribute fees to CSLB.

Registrar Fogt confirmed C-10 Electrical licensees pay an additional $20 on their renewal fee.

Member Mark explained that this shift makes sense because CSLB already collects an additional fee from C-10 electrical contractors. Bringing the electrician certification program under CSLB would align responsibility with funding, allowing CSLB to directly administer and enforce the program it is already partially supported through contractor fees.

Registrar Fogt clarified that on a C-10 license, the qualifier does not need to be a certified electrician. The additional $20 paid on the C-10 license renewal generates roughly $250,000 annually. That amount funds 1.5 staff and legal fee to defending legal action appeals. He explained that enforcement is complicated because CSLB relies on statute and a Memorandum of Understanding with the Electrician Certification Unit, that provides for complaints to be first filed with the ECU who vets the complaint and may or may not refer to the CSLB. Bringing Administration and Enforcement under one entity and manager will provide for efficiency and consistent enforcement.

Member Barton noted that certified electricians pay $100 every three years to renew their certification, with an initial fee of about $300. He suggested that if CSLB were to take over the Electrician Certification Unit, those fees would likely come to CSLB as well, providing additional revenue to support hiring more enforcement staff and increasing field oversight of certification compliance.

Registrar Fogt confirmed that the proposal on the table includes transferring the administration of the Electrician Certification Unit to CSLB, along with all associated fees currently being collected. He emphasized that no fee increase would be needed because the program is already more than self-sufficient financially, a point that has been fully confirmed.

Chair Galarza asked whether any action was required from the Board at this point in the discussion.

Registrar Fogt explained that the primary purpose of the discussion was to determine whether the Board had any concerns about the ongoing negotiations and conversations regarding the potential transfer of the Electrician Certification Unit from the Labor Commissioner's Office to CSLB. He emphasized that staff simply wanted to gauge the Board's comfort level and identify any issues before discussions continue further.

Member Mark suggested that a future Board Chair consider referring this topic to the Legislative Committee for further review and development. He noted that such a referral would be an appropriate next step for exploring the issue more thoroughly and determining potential legislative or procedural solutions.

Public Comment

There was no comment.

b. Update Regarding Reciprocity Advisory Committee Recommendations

Chair Galarza proceeded with the next agenda item concerning recommendations from the Reciprocation Advisory Committee. He noted that, as discussed in earlier meetings, Board Members Diana Love and Henry Nutt III were appointed to serve as a two-person advisory group.

Member Nutt reported that CSLB maintains long-standing reciprocity agreements with five states, Arizona, Louisiana, Mississippi, Nevada, and North Carolina, which allow qualified contractors to obtain trade exam waivers in select classifications where licensing standards and trade exam are equivalent to California's.

To qualify, applicants must hold an active license in good standing for the past five years, apply in an approved classification, meet bonding and workers' compensation requirements, and submit verification from their home state.

In recent years, CSLB has received an increasing number of reciprocity requests from other states. While the Registrar is already authorized to approve exam waivers for applicants that have taken an approved B and B-2 examination, additional states are now seeking reciprocity for trades such as HVAC, electrical, masonry, and plumbing. Staff evaluations show that several states, including Ohio, Tennessee, Texas, and the North Carolina Board of Examiners of Electrical Contractors, meet the statutory requirements for exam comparability.

Following a Reciprocity Advisory Committee meeting on May 19, 2026, the committee recommends holding an industry stakeholder meeting to gather input from trade representatives. This feedback will help CSLB develop a comprehensive reciprocity policy that allows for more timely, consistent responses to reciprocity requests without bringing each one to the Board individually.

<u>Board Member Comment</u>
Member Panelli raised concerns about reciprocity across states with different building codes and regulatory requirements. He emphasized that a contractor licensed elsewhere may not automatically understand California's specific codes, just as California contractors may be unfamiliar with the standards in other states. Without this knowledge,

installations could fail inspections or require costly corrections. Member Panelli stressed that any reciprocity framework should ensure contractors clearly understand the applicable state, county, and local codes before working in a new jurisdiction, so both sides are fully aware of the standards they must meet.

Member Mark noted that reciprocity has been a recurring and sometimes contentious topic. He requested that any future industry stakeholder meeting clearly defines its scope in advance, specifically limiting participation to states whose licensing requirements and building codes are reasonably similar to California's. He emphasized that past reciprocity has been limited to only a few classifications, such as the B-General Building, and expressed concern about expanding reciprocity to mechanical, electrical, or other specialty trades because of significant code differences between states.

Member Barton agreed, emphasizing that California's regulations, especially for mechanical, electrical, and plumbing work, are uniquely complex, making reciprocity with other states problematic. He pointed out major differences such as seismic requirements, Title 24 standards, and even exam formats, noting that California's electrical exam is closed-book while some states use open-book testing. He also highlighted that certified electricians cannot transfer their certification to states like Colorado, reinforcing the idea that California should maintain its own strict standards. While open to hearing stakeholder input, Member Barton expressed strong reservations about expanding reciprocity for highly technical trades.

Member Nutt also agreed with the discussion and emphasized the importance of maintaining reasonableness in California's regulatory environment, especially given the state's unique standards. He highlighted that doing business in California is already challenging, and contractors often question why they should operate there when the process can feel unnecessarily difficult. While acknowledging the intention to do the right thing, Member Nutt stressed the need to avoid adding burdens without good cause and to ensure fairness by considering both sides.

Member Panelli asked whether a generalized, basic "soft test" could be created by comparing codes from different states, helping contractors understand foundational requirements before working across state lines. He stressed that the biggest challenge is knowing the basics, since practices vary, sometimes significantly, between California and other states. The goal is to ensure contractors aren't blindsided by unexpected costs or rules after starting work, which can lead to financial strain or an inability to complete a job. Member Panelli emphasized that both states should allow some flexibility, and that business owners would appreciate having this essential information upfront rather than discovering issues too late.

Board Member Thomas Ruiz questioned whether, during the review of different state exams, any were noticeably more difficult or stringent, particularly California's. If California's test is indeed the tougher standard, he questioned why applicants from other states aren't simply required to take the California exam moving forward, rather than relying on their original state's test for reciprocity. Member Ruiz suggested this could ensure consistency and uphold California's higher requirements.

Registrar Fogt clarified that reciprocity would apply only to the trade exam, not the law and business exam. He explained that the Board already allows waiving the General Building trade exam when an applicant has passed the NASCLA commercial builders exam, since CSLB helped develop it and it closely aligns with California's general building examination. California state law requires that applicants must have held a license in good standing for five years in the other state and passed an exam deemed equivalent to CSLB's. With more states approaching CSLB about reciprocity, staff need direction from the Board, whether that means holding a stakeholder meeting, reviewing classifications first, or deciding not to approve reciprocity for certain trades at all. Registrar Fogt noted that some Board Members have asked to stop placing reciprocity items on the agenda, which is why clearer guidelines are needed.

Licensing Chief Carol Gagnon explained that staff simply need clear directions from the Board on reciprocity because multiple states are requesting it and whether the Board is open or opposed to certain trades. She noted that many out-of-state exams appear comparable, particularly those based on the International Building Code, which aligns with California's code, though California's is more extensive.

Member Panelli stated that he opposes reciprocity because it doesn't make sense to allow contractors licensed in another state to automatically receive a California license when even cities within California require separate registrations, taxes, and permits. He argued that if someone wants to work in California, they should meet

California's requirements and take the state exam, just as contractors must comply with local rules when working in different California cities.

Chair Galarza shared his perspective based on having been licensed in 14 states, noting that many states offer easy reciprocity, some simply require a fee, while others only require a law exam rather than a trade exam. He emphasized that California is widely viewed as the "gold standard" for contractor licensing, far more rigorous than most states, including places like New York where no exam is required. Because of this reputation, other states seek reciprocity with California. While he believed some reciprocity may be appropriate for certain trades, such as those tested through national building or engineering exams, he argued that life-safety trades like electrical, plumbing, HVAC, and boiler work should never qualify. Allowing broad reciprocity, he warned, would dilute California's high standards and undermine its prestige as a national leader in contractor regulation.

Registrar Fogt asked whether the Board wanted to take a vote on holding a workshop, which would give the public an opportunity to participate and provide input.

Member Passons asked what tangible benefit California would gain by granting reciprocity to other states. He noted that the topic has been assigned to a committee, suggesting there must be some policy rationale, such as contractor shortages or other statewide needs, but he wasn't aware of what those might be. Member Passons asked whether anyone could explain the potential advantages or disadvantages for California, beyond simply responding to other states' requests.

Registrar Fogt explained that the main benefit to California from offering reciprocity would be limited, such as increasing the number of General Building contractors available after a natural disaster when rapid rebuilding is needed. Even then, the Governor could address such needs through a declared disaster executive order rather than permanent reciprocity. He then asked staff to clarify how many California contractors request reciprocal exam waivers in other states versus how many out-of-state contractors seek them here, noting that the latter group is very small.

Chief Gagnon stated that California currently has reciprocity agreements with only five states, while many other states readily welcome California contractors with minimal requirements. Each month, about eight out-of-state contractors obtain a trade-exam waiver to get licensed in California, whereas roughly 230 California contractors use reciprocity to expand into other states. A survey showed that California licensees are not leaving the state but simply broadening their businesses.

Member Panelli asked whether the out-of-state individuals coming to California under reciprocity are expanding their businesses into the state or simply coming here to work temporarily.

Chief Gagnon explained that they haven't surveyed the small number of out-of-state contractors coming into California because the group is too small, only about eight people per month, to produce meaningful statistics.

Member Love asked from a consumer protection standpoint whether contractors who receive reciprocity would be identified on the CSLB website as coming from another state. She wanted to know if consumers would be able to see that CSLB has authorized these individuals to work in California and clearly understand that their original license was issued elsewhere.

Registrar Fogt explained that contractors receiving reciprocity would still need to pass California's law and business exam and meet all standard licensing requirements, including filing their license information, maintaining workers' compensation coverage, and providing a business address. Their out-of-state address would appear on CSLB's website, although many California licensees also use out-of-state addresses, so it wouldn't be unusual. Reciprocity only waives the trade exam; every other requirement for California licensure remains the same.

Chair Galarza asked how many contractors who come into California through reciprocity end up being "bad actors." He was seeking clarity on whether reciprocal licensees pose any notable risk or compliance problem.

Registrar Fogt noted that Interim Chief Deputy Registrar Michael Jamnetski researched the issue and found that a small number of contractors entering California through reciprocity become bad actors. Those few cases tend to involve larger contracting companies, but overall, the incidence is minimal.

Interim Chief Deputy Registrar Jamnetski added that the number of out-of-state reciprocity contractors who become bad actors is essentially negligible. Although it has been a couple of years since the last report was prepared, there is no evidence that these reciprocal licensees are causing consumer harm. The Board would need to receive complaints to indicate a problem, and so far, the data shows no such trend.

Member Passons reiterated that he still doesn't fully understand what California gains from offering reciprocity. He acknowledged that there may be no direct benefit, but if any advantage does exist, knowing it would help them make a more informed decision.

Chair Galarza responded that one possible benefit to California involves situations where a national company or franchise, originally based in another state, expands operations into California. If that company already has a trusted contractor in its home state, such as Colorado, they may want that same contractor to handle their new California facilities. Reciprocity would allow that expansion to happen more smoothly by enabling the out-of-state contractor to obtain a California license more easily.

Member Passons suggested that a potential benefit to California could be financial. If out-of-state contractors come here to work under reciprocity, they would pay California taxes, fees, and other state-related costs.

Chair Galarza explained that large companies expanding into California often want to bring in the contractors they already trust, firms that understand their systems, standards, and operations. Reciprocity supports this by allowing those established contractors to become licensed in California more easily.

Registrar Fogt noted that another possible benefit of reciprocity is simply increasing the pool of contractors available to submit bids on projects. However, he pointed out that no study has been done to determine whether California's existing 245,000 active licensees are insufficient to meet demand. As a result, expanding the contractor pool may or may not offer a real advantage to the state.

Member Nutt asked Registrar Fogt to explain the background and reasons behind the Board's resistance to discussing reciprocity in the first place. He noted that, despite serving on the committee, he's not fully aware of the historical concerns or objections other Board members have raised and is seeking clarity on what originally drove the hesitation or opposition.

Registrar Fogt explained that the main source of resistance among the Board stems from concerns about the uniqueness of California's trade exams, which include state-specific code questions that other states' exams don't cover. California also requires closed-book exams, while most other states allow open-book testing, making equivalency difficult to assess. Additionally, there is no evidence that California lacks enough contractors, since many existing contractors could simply hire more workers to expand capacity.

Member Barton questioned whether the Board is essentially being asked to take a firm position, specifically, whether it should deny all future requests for trade-exam reciprocity. He was seeking clarification on whether the issue before the Board is to make a definitive decision against approving any additional reciprocity agreements.

Chair Galarza clarified that the immediate goal is not to deny all future reciprocity requests but to determine whether the Board should hold an open committee meeting to gather public input. He expressed willingness to hear from contractors who may feel affected or overlooked and to objectively consider their perspectives. After collecting and reviewing that feedback in a public forum, the Board could then make a well-informed decision on how to proceed with reciprocity.

Member Barton asked whether the Board's current task is to give staff clear direction to deny all incoming reciprocity requests for now. In other words, he wanted to know if the expectation is that the Registrar should immediately stop considering or processing new state trade-exam reciprocity inquiries until the Board decides otherwise.

Registrar Fogt explained that the Board is not formally denying current state reciprocity requests but is placing them on hold. Staff are neither approving nor rejecting them outright while the Board determines the next steps and gathers broader input.

Chief Gagnon agreed.

Vice Chair Guy asked what percentage of California's exam is based on code requirements and whether the CSLB is responsible for enforcing code.

Chief Gagnon clarified that CSLB does not enforce building codes, implying that while code-related questions may appear on trade exams, code enforcement itself is handled by local building departments, not CSLB. The relevance and impact of code requirements vary significantly by trade. Plumbing, electrical, and elevator work are highly code-dependent due to the extensive California codes governing those fields, while trades such as drywall involve fewer code considerations.

Vice Chair Guy asked the examinations with which CSLB currently has reciprocity are the general exams, where the code component is comparatively smaller.

Chief Gagnon explained the Board currently maintains reciprocity for several mechanical trades with Arizona and Nevada, based on agreements originally established in 1990 and reaffirmed under a different Board in 2001. These reciprocal arrangements remain in effect, and the relevant information is available on the Board's website.

Member Cobos asked whether placing contractors on hold would effectively prevent them from conducting business in California, noting that they would be unable to obtain or maintain the licensing required to operate within the state.

Registrar Fogt clarified that the contractors on hold are the formal reciprocity requests submitted by other states. If a contractor applies for reciprocity today and California does not have an established reciprocity agreement with that state, the request is denied. In those cases, the contractor is required to take the trade examination without exception.

Chief Gagnon explained that in these situations, the contractor is provided with an exam application and encouraged to apply through the standard examination process.

Chair Galarza recommended scheduling a workshop before September. Prior to the September Board Meeting, staff would return to the Board with the necessary information and updates to ensure the Board is fully prepared for the discussion.

Counsel Kinn clarified that the Board's sole recommendation at this time is to hold a stakeholder meeting. If the Board is strongly opposed to conducting such a meeting, a vote could be taken. Alternatively, the Board may choose to proceed with the meeting and determine next steps at the following Board meeting. He also noted that some members suggested establishing parameters for the meeting or potentially excluding any discussion of reciprocity.

Member Love noted that those suggestions may extend beyond the committee's immediate objective of simply holding the stakeholder meeting. She then moved to recommend that the Board proceed with holding a stakeholder meeting and following that discussion, have the Board vote on next steps.

Member Passons agreed with Member Love. He added that if the stakeholder meeting moves forward, it would be valuable to use the discussion to better understand not only the perspectives of the contracting community outside California, but also the potential impacts on California families and businesses. He emphasized that if the state is considering broadening access for out-of-state contractors, it is important to assess how such changes could affect California residents. Member Passons also noted the ongoing uncertainty regarding whether the state's 245,000 active licenses adequately meet current demand, suggesting this may be an issue worth examining in conjunction with the stakeholder meeting.

Registrar Fogt agreed.

Member Nutt noted that developing a list of pros and cons would be appropriate.

Member Love clarified that evaluating a range of viewpoints, including pros and cons, is precisely the purpose of the stakeholder meeting. The meeting is intended to give participants the opportunity to share their perspectives and ensure that all relevant considerations are included in the discussion.

Counsel Kinn emphasized that the purpose of the meeting is to allow Board Members to provide direction to staff. If any Board member wants specific issues or topics included in the stakeholder meeting, , they may instruct staff accordingly during this discussion.

Member Mark requested that clear parameters be established for the stakeholder meeting to ensure the discussion remains focused. He expressed concern that the meeting could otherwise become too broad or unfocused. As an example, he noted that staff already maintain a list of states seeking reciprocity and suggested beginning the discussion there. Member Mark emphasized that the meeting should concentrate on actual needs. Specifically, identifying which states have individuals actively seeking reciprocity in California, rather than expanding the conversation beyond what is necessary.

Counsel Kinn clarified whether the requested parameters referred specifically to the states seeking reciprocity and the license classifications involved.

Member Mark confirmed that the parameters should indeed focus on the states already seeking reciprocity, noting that several states currently have pending requests that are on pause. He stated that these existing requests should form the basis of the advisory committee's discussion. Additionally, he emphasized that California provides reciprocity for the B-General Building classification and recommended that the Board continue its discussion beginning with that classification before expanding to any broader considerations.

Registrar Fogt explained that parameters for the stakeholder meeting should be developed in advance and then distributed to the Board for review. To remain compliant with the Bagley-Keene Open Meeting Act, the discussion during the meeting itself would be limited to the Reciprocity Advisory Committee members, Diana Love and Henry Nutt III, while still allowing all Board Members to provide input beforehand to ensure they are comfortable with the proposed agenda and discussion topics.

Chair Galarza requested Counsel Kinn to clarify the motion and outline the specific parameters included within it.

Counsel Kinn clarified that the motion would be to hold a stakeholder meeting with the two members of the Reciprocity Advisory Committee. He added that the parameters for the meeting must be established prior to the meeting itself. He noted concerns about limiting the discussion to states that have already requested reciprocity and potentially excluding certain health and safety related trades from consideration. He expressed the view that these parameters should be defined during the current meeting rather than left entirely to staff.

Member Love asked whether Chief Gagnon could establish the meeting parameters, noting that she is already documenting and tracking all relevant points.

Counsel Kinn noted that the Advisory Committee members would be the ones conducting the stakeholder meeting, and that this aligns with the intent of the motion, to determine whether to proceed with holding the meeting under the agreed-upon parameters.

Public Comment
Andrea Montano shared additional context based on experiences from the electrical industry, noting that during major disasters, such as fires or floods, federal agencies like FEMA or the Army Corps of Engineers often oversee projects that bring out-of-state contractors into California. She agreed with earlier comments that California's socio-economic conditions, environmental factors, safety protocols, and regulatory requirements are distinct, which creates important differences in how work must be performed here. She emphasized that while there may be national standards within certain trades, California maintains separate state-level licensing and professional practice requirements across many industries, including healthcare, banking, and real estate, She stressed the need to protect California consumers and maintain high standards of practice, particularly given incentives that draw contractors to the state, such as prevailing wage. She concluded by suggesting that the Board consider a trade-specific risk assessment to determine where limited reciprocity might make sense and where risks may be too great,

Board Member Comment
Member Barton asked whether an amendment to the motion would be appropriate to include the comments from Counsel Kinn about holding a stakeholder meeting that would exclude certain trades.

Member Panelli asked whether the trades identified for potential exclusion are unique under the current system.

Chief Gagnon explained that Arizona and Nevada currently have reciprocity with California for certain mechanical, electrical, and plumbing classifications, noting that these agreements were established many years ago and remain in effect. Newer reciprocity requests, however, do not include these trades. In North Carolina, Louisiana, and Mississippi, only the B (General Building) and B-2 (Residential Remodeling) classifications are applicable.

Chair Galarza asked whether the states requesting reciprocity are not distinguishing between specific license classifications. Instead, they are seeking general reciprocity without specifying particular trade categories.

Chief Gagnon explained that several other states have specific license classifications, and electrical work is included in all four states they've been discussing. The goal is to establish a clear, overarching policy to guide future discussions as more states reach out regarding electrical and other trade classifications.

Member Barton questioned whether it would be appropriate for the Board to consider a motion that excludes reference to any specific trade classifications.

Chair Galarza expressed concern that excluding specific trades at this stage would not resolve the issue and could conflict with the board's current objectives. He noted that, while stakeholders may ultimately agree during the meeting that certain trades should be excluded, it would not be advisable to remove them prior to that discussion. He recommended keeping all relevant trades included in the meeting agenda so the Board can engage in a substantive conversation about how these classifications should be addressed moving forward.

Member Passons asked whether the Board believes there needs to be a substantive discussion regarding the role of community in this matter.

Member Mark noted that the Board has had numerous prior discussions on similar issues, referencing earlier comments indicating that Arizona's standards date back to the 1990s. He pointed out how substantially building codes have changed since that time. He mentioned he was not previously aware that certain mechanical, electrical, and plumbing classifications had reciprocity. Member Mark suggested that if the Board needs to consider whether to modify or potentially remove existing mechanical, electrical, and plumbing reciprocity, a stakeholder meeting may be necessary. Member Mark noted that such a meeting would allow industry representatives to express concerns, including questioning why California maintains reciprocity with a state like Arizona that does not utilize Title 24.

Member Cobos cautioned that the Board should proceed carefully when considering the removal of reciprocity with the two states in question. He noted that such action could negatively affect California employers who regularly perform work in those states. Member Cobos emphasized that this potential impact should be considered separately and thoughtfully.

Member Barton added that, in response to Member Mark's comments, the referenced period in the 1990s occurred prior to the establishment of California's electrical certification requirements, which began around 2009. Given this significant change, Member Barton noted that current requirements may differ substantially from those in place during the earlier reciprocity arrangements.

Member Panelli added that, while holding a stakeholder meeting is reasonable and would allow contractors to voice their perspectives, the Board should also recognize how contractors might view the issue. From a contractor's standpoint, increased reciprocity may mean additional competition in California from multiple other states. He noted that small businesses may question why individuals from other states, who may not be required to meet the same standards or take the same examinations, should be permitted to enter the California market under reciprocity. Member Panelli stated that, if they were a contractor attending such a meeting, they would likely prefer to take the California exam themselves to ensure they are fully qualified and would expect the same of out-of-state contractors seeking to work in California.

Chair Galarza explained that has been his internal dilemma, balancing the interests of the contracting community with his responsibility to protect consumers. He stated that, in the interest of the public, holding a stakeholder meeting is important to fully examine the issues, gather input, and allow stakeholders and members of the public to share perspectives. Chair Galarza noted that such a process would help ensure clarity for staff and allow the item to be appropriately resolved or removed from future agendas until any subsequent action is required. With that, he returned to the original motion and stated that, if there were no additional comments from the board or the public, it would be appropriate to proceed with a vote on the motion as presented by Counsel Kinn.

<u>Public Comment</u>
There was no comment.

Motion: To hold a stakeholder meeting, to be facilitated by the two members of the Advisory Committee, and to include parameters established by Board Members and staff. Moved by Diana Love; seconded by Joël Barton. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

4. Review, Discussion and Possible Action Regarding California Energy Commission Proposed Rulemaking on HVAC Equipment Data Reporting

Chair Galarza proceeded to the next agenda item and noted Registrar Fogt would provide an overview.

Registrar Fogt noted that a handout accompanied this item, which provided an overview from the California Energy Commission (CEC) outlining ongoing issues related to permitting the removal and replacement of residential heating and air-conditioning systems. Registrar Fogt highlighted that Member Panelli, the Board's designated building official, has substantial expertise in this area and may wish to comment following the briefing.

Registrar Fogt then summarized the CEC's update regarding the California Energy Code Compliance (ECC) Program, formerly known as the HERS Rater Certification Program. Under the state's energy standards, contractors performing heating and air-conditioning replacements are required to obtain a permit and conduct duct-leakage testing. However, the CEC reports that only about 10 percent of such residential projects have a permit in place. Registrar Fogt noted that CSLB and the CEC have worked collaboratively for approximately 15 years through a Memorandum of Understanding (MOU) that provides for information sharing and joint consumer and industry outreach. Despite this, CEC Commissioner Andrew McAllister has expressed concern that compliance improvements have been minimal. The CEC is exploring whether obtaining sales records from HVAC manufacturers could help identify contractors purchasing large quantities of equipment without corresponding permits in jurisdictions where they advertise work. Registrar Fogt explained that further action may require consideration of staff resources, potential reassignment, or a budget change proposal to secure additional enforcement funding through the Legislature. Registrar Fogt then invited Member Mark, who has been deeply involved in these discussions, to provide additional comments.

Member Mark noted that this issue has remained a priority since he joined the Board, and even prior, when former Board Member David Dias played a significant role in efforts to address the underground economy and strengthen consumer protection. He acknowledged that while the actual permit rate may now exceed the 10 percent noted in the CEC's report, those figures remain the official data provided by the CEC. As the Enforcement Committee Chair, he explained that he had met with the Registrar and CEC staff during the rulemaking process. Initially, Member Mark had anticipated that the final rulemaking package might include serial number tracking for each HVAC unit sold, which he believed would have provided a strong enforcement tool. Although that provision was not included in the final rulemaking, Member Mark noted the CEC is offering an alternative that still provides useful enforcement leads. Manufacturers and suppliers would report HVAC equipment sales to both licensed and unlicensed contractors, allowing CSLB to identify patterns, such as large quantities of units sold to individuals who are not pulling permits. Member Mark shared that such information would allow CSLB enforcement to identify unlicensed contractors and ensure that licensed contractors are obtaining the required permits.

Member Mark then presented the staff-recommended motion for Board consideration, to support the California Energy Commission's rulemaking requiring the reporting of HVAC equipment sales to both licensed and unlicensed contractors; and if the rulemaking is adopted, to refer the matter to the Enforcement Committee to evaluate resource needs for reviewing CEC-provided data and investigating potential violations of contractor law, including failure to obtain permits and failure to comply with the energy code.

<u>Board Member Comment</u>
Member Passons noted that the recommended motion appears to express support for the CEC's rulemaking. However, the Board has not received a copy of the actual rulemaking text. Member Passons stated that he did not feel comfortable voting on a rule he has not reviewed. While he agreed with the general concept and intent of the proposal, he wanted to flag this concern and sought clarification on whether the motion requires endorsement of the specific rulemaking language.

Member Mark clarified that the rulemaking is still in progress at the CEC and that multiple phases of public comment are underway. He explained that the document provided to the Board reflects the CEC's proposed rulemaking concept, which focuses on requiring manufacturers and vendors to track and report on the sale and distribution of HVAC units. This information would then allow CSLB to identify where units are being sold and potentially uncover unpermitted or unlicensed activity, supporting consumer protection efforts. Acknowledging the concern raised, he turned the discussion over to Interim Chief Deputy Registrar Jamnetski, who has reviewed the rulemaking materials more closely, to provide any additional insight.

Board Member Joël Barton stepped away at 10:30 a.m. and returned at approximately 10:35 a.m.

Interim Chief Deputy Registrar Jamnetski stated that he had no additional comments beyond what had already been shared. He agreed that the document before the Board represents a summary of the CEC's proposed rulemaking and noted that the CEC is still making revisions. He further observed that it remains unclear whether the motion is intended to express support for the overall rulemaking effort or support for the specific language contained in the proposal.

Registrar Fogt clarified that the CEC is asking the Board only to indicate whether it supports the concept of moving forward with regulatory rulemaking. He emphasized that the CEC has encountered opposition from some manufacturers and is seeking the Board's support to help advance the effort. He explained that no formal rulemaking package has yet been introduced, and the Board was reviewing solely a proposal, not finalized regulatory language.

Member Panelli explained that, while he supports the concept behind the proposed rulemaking, its practical implementation raises significant challenges for local enforcement agencies. He noted that tracking the sale of a unit to its installation address, and then determining whether a permit was obtained, is complex. If the equipment is purchased but not yet installed, or installed at a different location, building departments may lack the information needed to initiate enforcement. Member Panelli referenced a similar situation from 15 years ago involving unpermitted water-heater sales by major retailers in San Francisco. In that case, the city attorney ultimately pursued action against the retailers rather than homeowners or businesses. Based on that experience, he emphasized that effective enforcement would require strong communication and coordination between CSLB and local building departments. Without a clearly defined process for who enforces what, and how information will be transferred back to local jurisdictions, the rulemaking may not achieve its intended impact.

Member Mark agreed and noted that the proposal also anticipates a public awareness component to help reinforce compliance. He explained that CSLB's Multiple Offender Unit could use sales data to identify contractors whose permit activity is inconsistent with the volume of equipment they purchase. For example, if a contractor buys 5,000 units but can only document 100 permits, that discrepancy would indicate a significant compliance issue. Member Mark suggested that contractors may self-correct once they recognize that their activity is being monitored, or they could ultimately face disciplinary action, including the potential loss of their license.

Member Panelli clarified that his comments were specific to the City and County of San Francisco, emphasizing that local permitting processes differ by jurisdiction. He explained that San Francisco issues both plumbing permits and mechanical/plumbing permits for furnace installations, which include inspections of flue piping, gas piping, sizing, seismic protection, and other safety components. In contrast, ductwork falls under the building side, and in some cases, a building permit may be issued solely for ductwork, while a separate plumbing permit may be issued for a furnace change-out. Member Panelli explained that duct leakage testing requirements vary depending on the scope of work. He noted the importance of having reliable data on where HVAC units are being installed and by whom, stating that such information would help jurisdictions verify permits and ensure safe installations. Member Panelli highlighted that changes to system configurations, especially involving shared flue systems for furnaces and water heaters, can create safety concerns if not properly reviewed. He reiterated that effective communication and coordination among agencies is essential and stated that he would welcome better access to installation data to support enforcement and public safety.

Member Cobos pointed out that the first sentence of the staff-recommended motion should be clarified. As written, the motion states "to require the reporting of HVAC equipment sales to both licensed contractors and unlicensed contractors," but he noted that the reporting would be made to the CEC, not to the contractors themselves. He requested this distinction be clearly reflected in the motion language.

Member Mark reiterated that the intent of the rulemaking is for HVAC equipment sales data to be reported to the CEC, not to contractors. Under the existing MOU between CSLB and the CEC, once the CEC receives this data, it would then forward the relevant information to CSLB. CSLB would use that information to determine how best to enforce permit and compliance requirements, consistent with the second part of the staff-recommended motion.

Chair Galarza noted a potential challenge with the proposed reporting system, pointing out that contractors may attempt to circumvent detection by purchasing HVAC units outside of the jurisdiction where they intend to install them. He explained that, for example, a contractor could buy units while traveling or vacationing in another area and then bring them back to California for installation without triggering any permit-related red flags. Chair Galarza stressed that resourceful contractors may find ways to exploit gaps in the tracking system. He shared this concern not as a criticism of the proposal but to highlight an obvious potential loophole that may need consideration moving forward.

Member Ruiz asked whether CSLB receives a significant number of homeowner complaints related to HVAC installations, specifically concerning improper installation or similar issues, and sought clarification on whether such complaints are common.

Registrar Fogt responded that homeowner complaints about HVAC installations are uncommon. He explained that roughly 10 years ago, CSLB implemented the Ambassador Program, in which volunteer contractors educated customers at the point of sale about the importance of obtaining permits and ensuring proper installation. However, he noted that some consumers may choose not to obtain permits because it can reduce project costs, even though CSLB does not endorse that practice. Despite these factors, Registrar Fogt stated that CSLB receives very few complaints related to HVAC installations.

Member Panelli responded that while CSLB may not receive many HVAC-related complaints, local jurisdictions often do. He explained that homeowners frequently contact their city or county building department when an installation fails or is not functioning properly. In many of these cases, local officials discovered that no permit was obtained and that the work was improperly performed. However, most homeowners prefer to resolve issues directly with the contractor rather than involve CSLB or the local jurisdiction, as doing so triggers a formal inspection or enforcement process. Member Panelli noted only when those direct efforts fail do homeowners escalate the matter to the city or county, at which point local officials investigate and identify potential bad actors.

Member Nutt offered two points for consideration as the discussion moves forward. First, he cautioned that adding a new enforcement process could significantly increase the workload for the enforcement division. Without careful planning, he noted this new process could increase complaint volume and lead to more unresolved cases. Second, Member Nutt raised a technical concern regarding duct testing requirements. He highlighted that duct testing differs significantly between residential and commercial settings, particularly when comparing commercial sheet-metal ductwork to residential flex duct. Running air-leakage tests through flex duct is not always appropriate and may lead to unnecessary test failures if requirements are not clearly defined. He emphasized the need for clarity and precision in any proposed testing or compliance expectations to avoid creating unintended issues.

Registrar Fogt explained how enforcement would use the incoming data, noting that if records show someone purchasing a significant number of units without evidence of a building permit, the initial response would be education and outreach to inform them of the permitting requirement. Enforcement would also review any related consumer complaints and could consider an undercover operation through SWIFT. However, this shift in resources would require a decision from the Board, as redirecting investigators from their current focus, especially given existing resource challenges, could negatively impact the handling of consumer complaints and overall public protection.

Vice Chair Guy noted that the data is also intended to be shared with the CEC, CSLB, and local building departments, all of whom can help shoulder the workload. He emphasized that this shared responsibility is important, especially since some staff are already managing dozens of similar cases.

Member Panelli asked for clarification about which sellers would be covered by the data-tracking requirement, whether it applies only to manufacturers selling to distributors, or also to small retailers and big box stores like Home Depot and Lowe’s. He expressed concern about how such a system could be managed, since homeowners can currently buy HVAC equipment off the shelf without being asked where it will be installed. The core question is how enforcement would obtain and track sales data from large retailers when purchases are unrestricted for both licensed and unlicensed individuals.

Member Mark explained that the entire purpose of the upcoming rulemaking process is to determine how data collection from all types of sellers would work in practice. He then moved to formally support staff’s recommended motion. He clarified that this motion reflects the direction staff have proposed and that the preceding discussion functioned largely as public and board commentary.

Counsel Kinn asked to clarify the motion, noting that it currently appears to contain two separate actions that should be distinguished. He pointed out, echoing comments from other Board Members, that the Board cannot support a CEC rulemaking that does not yet exist. Instead, he suggested reframing the motion so that, rather than endorsing a rulemaking, the Board would refer the entire issue to the Enforcement Committee. That committee would then review all the concerns raised, consider any additional factors, and report back to the Board with recommendations.

Member Mark reflected on the challenge that the CEC is still trying to determine how its rulemaking on this issue would work, and he questioned whether the Board's role is to simply express support for the CEC moving forward with that process while then referring the matter to a committee for deeper review. He asked Counsel Kinn to confirm whether that is the intended direction.

Counsel Kinn explained that it's unclear what, if anything, the Board would be supporting at this stage, since the CEC's rulemaking has not yet taken shape and could ultimately differ significantly from the concepts currently being discussed. He emphasized that the Enforcement Committee hasn't evaluated the proposal and may ultimately determine that the workload is too great or that more specifics are needed before offering support. Because of these uncertainties, he stressed that a meaningful motion should either focus on referring the issue to the Enforcement Committee for analysis or clearly define what support is being offered. Counsel Kinn noted that rulemaking is a lengthy process, so by the next Board Meeting, likely in September, the committee could return with input based on more concrete details from the CEC.

Registrar Fogt explained that, based on his involvement in prior meetings, the CEC is simply asking whether the Board supports them moving forward with beginning a regulatory rulemaking process. The CEC has not drafted regulations yet, but CEC wants to know if the Board agrees, in principle, with the idea of pursuing rules that would require manufacturers to report sales data for tracking equipment units sold.

Member Mark agreed to amend his motion so that it explicitly supports the CEC moving forward with rulemaking to address the broader problem, while also clarifying that a second component should still be referred to the Enforcement Committee. He explained that the CEC-related portion involves supporting the initiation of rulemaking, whereas the Committee's role is to examine what enforcement would do with the data once collected and how investigations should be handled. Member Mark noted that these are essentially two separate issues, one tied to rulemaking itself and another tied to enforcement operations, with both needed to move forward in parallel.

Counsel Kinn acknowledged that the amended motion still doesn't fully resolve his concern, noting that there are unanswered questions about who will be responsible for reporting the data, who will receive it, when it must be submitted, and how it will ultimately be used. While he understands the intent behind splitting the issue between supporting CEC rulemaking and sending the enforcement component to committee, he emphasized that these practical uncertainties remain significant.

Member Mark asked Counsel Kinn whether he has a recommended way to amend the motion, seeking guidance on how to adjust it so that it more clearly addresses the concerns raised, particularly around who reports the data, who receives it, and how it will be used, while still allowing the Board to take an actionable and meaningful position.

Registrar Fogt suggested simplifying the motion entirely by focusing on a single, clear question: whether the Board supports the CEC moving forward with regulatory rulemaking that would require manufacturers to report the number of units sold to specific contractors. He emphasized removing the Enforcement Committee component from the motion to keep it straightforward, noting that if the CEC representatives were present, this is the exact request they would be making.

Counsel Kinn asked whether the motion should explicitly define the problem it aims to address, suggesting that the core issue is the need for rulemaking that would require the reporting of data.

Member Panelli emphasized that more detail is needed before fully supporting the concept, particularly regarding where the data would come from and how it would be collected, whether from manufacturers, sellers, or both. He noted that determining those specifics isn't the Board's role at this stage but stressed that clarity is important before endorsing any regulatory approach. While he agrees with the overall intent of what the CEC is trying to accomplish, he reiterated that he wants additional details before fully supporting a rulemaking direction.

Member Mark pointed out that the CEC does not yet have a formal rulemaking in place and that the discussion is still in a preliminary stage. He emphasized that the CSLB recognizes the underlying issue and that the CEC is trying to help address it. The immediate question before the Board, therefore, is whether CSLB supports the CEC moving forward in developing a rulemaking to potentially fix the problem.

Counsel Kinn reiterated the motion to support the California Energy Commission moving forward with rulemaking that would require reporting of HVAC equipment sales. The purpose of this reporting would be to help address issues related to improper installations and failures to obtain required permits from both licensed and unlicensed contractors.

Member Passons asked Counsel Kinn whether the wording of the motion, as currently phrased, accomplishes what Registrar Fogt intended, namely, indicating that the Board supports the CEC moving forward with its rulemaking process without committing the Board to support any eventual regulatory language that hasn't been drafted or reviewed.

Counsel Kinn noted that he is unsure whether the commission typically supports or opposes rulemaking, explaining that in his experience the commission usually takes positions on statutes rather than on regulatory rulemaking processes.

Member Love asked for clarification, noting that if the Board's action is simply to support the CEC in developing ideas and exploring potential rulemaking and then the process would involve the CEC returning to the Board later with more detailed proposals.

Counsel Kinn confirmed her understanding that the support would apply only to the exploration phase, not to any final rulemaking language.

<u>Public Comment</u>
There was no comment.

Motion: To support the California Energy Commission's rulemaking that would require reporting of HVAC equipment sales, with the goal of addressing improper installations and failures to obtain required permits by both licensed and unlicensed contractors. Moved by Michael Mark; seconded by Diana Love. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

The Board took a 15-minute break at 10:45 a.m. and reconvened at 11:00 a.m.

5. Information Technology Update

Chair Galarza shifted to the next agenda item, the Information Technology Update. He introduced Interim Chief Deputy Registrar Jamnetski to present the item.

Interim Chief Deputy Registrar Jamnetski highlighted two key items: the new online sole owner license application and the Enterprise Document Management System (EDMS). He began with the EDMS, noting that it went live in May 2025 and has significantly modernized CSLB operations by converting millions of scanned paper documents, previously stored as photographs, into easily usable PDF files. This shift has streamlined processing and improved staff efficiency. Interim Chief Deputy Registrar Jamnetski then discussed the upcoming launch of the online sole owner license application, expected to go live in the next few weeks. He turned the presentation over to Chief Gagnon for further details.

Chief Gagnon discussed the launch of the online sole owner license application, noting that contractors have long been waiting for the ability to submit applications digitally. She highlighted several anticipated benefits: applicants will be able to pay by credit card, save and then later return to complete their applications, and submit from home or their office without mailing forms or driving long distances for a receipt. The new system is also expected to reduce errors, since it will help ensure required fields, signatures, and dates aren't missed, problems that currently require applications to be returned for correction. Overall, she noted that candidates are eager for the change, and CSLB is looking forward to its rollout.

Interim Chief Deputy Registrar Jamnetski noted that a couple of Board Members, including Members Nutt and Love, previously observed a demonstration of the new online application system. He invited those members to share any thoughts or feedback based on what they saw during the demonstration.

Member Nutt expressed strong support for the new online application system, saying that adopting this technology will significantly improve and streamline the licensing process. He noted that it will reduce errors, allow for better double-checks, and overall make the experience easier and more efficient for applicants and staff alike.

Member Love shared that she recently attended a staff meeting where she saw a demonstration of the online application system and had many questions at the time. She expressed appreciation that Chief Gagnon's presentation addressed those concerns. Member Love emphasized the importance of considering suggestions and opportunities to streamline processes, noting that improvements like this benefit both contractors and consumers.

Interim Chief Deputy Registrar Jamnetski wrapped up the IT discussion by noting that the overarching theme for future technology initiatives is "business modernization.".

Chair Galarza shared an anecdote, noting that he renewed his contractor's license for the 25th time on May 31, marking nearly 35 years in the industry since first becoming licensed in 1992. He recalled how simple the process once was, a one-page form returned within weeks, and acknowledged that this may be the last time he will renew using the old method. Chair Galarza expressed enthusiasm for the new online process and hoped to still be around in 2028 for his next renewal.

<u>Public Comment</u>
There was no comment.

6. Budget Update

Chair Galarza moved to the Budget Update and then turned the presentation over to Rebecca May, Chief of Legislation.

Chief May began the Budget Update with CSLB's fiscal year 2025-26 authorized budget of $83 million, with projections showing $99.9 million in revenue, $83 million in board expenditures, and $5.8 million in mandatory external costs. As of April, CSLB has spent 82 percent of its authorized budget, aligning with expectations for this point in the year, and revenue collections have exceeded $92 million, a 2.5 percent increase over last year. Current fund condition projections show a beginning balance of $56.8 million and an anticipated year-end reserve of $66 million, equal to eight months of operating reserves. Statistically, new licenses issued are up 5 percent through April, renewals have increased 1 percent compared to two years ago, and the active license population has grown by 2,738 licenses, or 1.1 percent, over the past year.

Board Member Comment
Member Passons asked whether the Governor's May revise provided CSLB with funding for recommended Enforcement enhancements, specifically the addition of a forensic auditor or other specialized staff positions. He referenced having read about such recommendations and wanted clarification on whether any of that funding was approved.

Chief May asked Registrar Fogt for clarification about whether a budget was changed and if that change was intentional or related to something specific.

Registrar Fogt explained that no budget changes were made. Instead, CSLB is reclassifying an existing position, which has a comparable salary, so the adjustment does not require additional funding.

Chair Galarza asked for context about the CSLB's status in 2020, noting that he personally remembers where they were financially at that time.

Chief May clarified that in 2020, before her tenure, CSLB's financial situation was more precarious.

Chair Galarza noted that, for context, when he joined the Board there were follow-up discussions because the organization had only about two months of reserve at that time.

Registrar Fogt noted that a fee increase helped with the budget situation. By aligning the increased revenue with careful control of expenditure, CSLB was able to successfully build up its reserves. He added that this strengthened financial position will be valuable as the organization anticipates the potential need for additional enforcement resources.

Chief May explained that their reserve fund goal is to maintain between six and 12 months of operating expenses, as outlined in statute. She noted that having approximately eight months in reserve is considered a healthy and acceptable level.

Public Comment
There was no comment.

7. Administration Update

Chair Galarza transitioned to the Administration Update and turned the presentation over to the Interim Chief Deputy Registrar Jamnetski.

Interim Chief Deputy Registrar Jamnetski highlighted the recent work on EDMS, explaining that the Administration and Business Services staff played a major role in defining requirements and managing document workflows that supported the digitization effort. He also shared staffing and operational metrics, with the vacancy rate rising slightly to about 8.5 percent but still below the 10 percent goal. Support services continue to perform strongly, with increases in transactions, cashiering, processing, and document scanning. Interim Chief Deputy Registrar Jamnetski shared a notable achievement: A significant discovery by staff uncovered an unused USPS permit account balance dating back to 2012. His efforts resulted in the recovery of $98,757, which will be returned to CSLB's postage budget. Interim Chief Deputy Registrar Jamnetski closed by acknowledging the staff member's initiative and thanking Member Love for helping recognize the accomplishment.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

E. Legislation

1. Review, Discussion, and Possible Action on 2027 Proposed Legislation

Chair Galarza moved the meeting to item E, the Legislation portion of the agenda, and turned the table to Legislative Committee Chair Joël Barton.

Chair Barton provided an overview of the legislative calendar. He explained that May 29 marked the House of Origin deadline, meaning Senate bills moved to the Assembly and Assembly bills to the Senate. Chair Barton noted that the legislature will recess from July 2 to August 3, conclude its work for the year on August 31, and the Governor will have until September 30 to sign or veto bills. Because the Board will not meet again before the legislative session ends, the decisions made were especially important, and staff would communicate the Board's positions to the legislature.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

a. Proposal to Add Business and Professions Code Section (BPC) 7057.6 – B-2 Residential Remodeling Contractor Pathway Toward Licensure as a General Building Contractor

Chair Barton moved to agenda item E2, introducing a review and discussion of a proposed 2027 legislative measure to create a pathway for B-2 residential remodeling contractors to qualify for the B general building contractor license. The proposal was previously discussed by the Licensing Committee in April. Because B-2 contractors cannot perform structural work, an essential requirement for a B license, there is currently no pathway for them to qualify. However, interest is high, with about 80 percent of B-2 contractors surveyed indicating they would pursue a B license if a pathway were available. At the Committee's request, staff drafted this Legislative proposal for full Board consideration. If approved, staff will seek a legislative author to carry the proposal on CSLB's behalf in 2027, and Chair Barton turned the presentation over to Chief May.

Chief May stated the proposal would allow B-2 Residential Remodeling contractors with two years of active licensure to take a CSLB-developed structural framing certification exam. Contractors who earn this certification would be permitted to perform limited structural work on small wood-frame structures such as sheds, garages, carports, pergolas, gazebos, patio covers, and greenhouses, excluding accessory dwelling units. Structural experience gained while holding this certification could then count toward qualifying for the B General Building contractor license. The proposal maintains all existing B license requirements, including four years of verified experience in general building work, and it also restricts specialty trade tasks, such as electrical, mechanical, and plumbing, to properly licensed subcontractors. Implementation would be delayed to January 1, 2029, to allow time for development of the exam and application process.

<u>Board Member Comment</u>
Member Panelli expressed support for the intent of the proposal but raised significant concerns about oversight. He noted that unlike other contractors who must obtain permits and undergo inspections to verify their work, B-2 contractors seeking the pathway would be able to submit receipts as proof of experience without any confirmation that the work was performed correctly. Member Panelli questioned how the Board can ensure quality, safety, and accountability under the proposed system, asking where the checks and balances would come from.

Chair Barton responded by noting that the structural framing certification exam itself would serve as the primary safeguard.

Chief May added that B-2 contractors pursuing the pathway would still be required to meet all existing requirements, reinforcing that the examination and qualification standards remain in place to ensure competency.

Member Panelli reiterated his concern, emphasizing that even if candidates pass the required test, there is still no assurance about the quality or correctness of the work they performed during the two years used to qualify. He noted that someone could potentially study and pass the exam without having completed competent structural work,

Chief May explained that the structural framing certification would allow B-2 contractors to perform limited structural work within the existing scope of their license, and that this experience could then be counted toward qualifying for the B General Building license. However, she emphasized that none of the B license requirements would change. During the B license application review, CSLB staff can request supporting documentation, such as permits, to verify the applicant's experience, meaning that oversight occurs during the standard application and verification process rather than through the certification itself.

Member Panelli stated that the proposal does not require permits for the types of structures B-2 contractors would build under the certification, meaning much of the work could occur without any inspection or oversight. He highlighted that sheds and similar structures can range in size, and while he supports helping contractors progress toward a B license and reducing unlicensed activity, he was concerned that the Board would be granting credit for experience without any verification that the work was done correctly. He asked how the Board can ensure proper oversight before allowing this experience to count toward a higher-level license.

Registrar Fogt asked whether B-2 contractors would still be required to obtain permits in jurisdictions that mandate them, noting that nothing in the proposal exempts them from permit requirements. He emphasized that performing work requiring a permit without obtaining one is grounds for disciplinary action and could even affect the contractor's ability to maintain their license. Registrar Fogt asked how the proposal could be amended to make this requirement explicit, ensuring clarity and maintaining consumer protection.

Member Panelli agreed that if B-2 contractors must obtain permits whenever local jurisdictions require them, then CSLB should ensure building departments statewide understand the limits of the B-2 license and the proposed structural certification. He explained that many jurisdictions are unfamiliar with the B-2 classification and often treat it as a General B license, inadvertently allowing contractors to pull permits for work outside their authorized scope. To prevent this, Member Panelli stressed the need for clear communication to building departments about what B-2 licensees, and those with the structural framing certification, are permitted to do, so permit issuance aligns with the intended limitations.

Counsel Kinn asked whether the issue is that building departments are confusing the B-2 classification with the B license.

Member Panelli confirmed this is true.

Counsel Kinn noted that this confusion already exists today, regardless of the proposed pathway.

Member Panelli agreed, noting that the confusion likely stems from the fact that the B-2 classification is still relatively new. Because of its recent introduction, many building departments are not yet familiar with its distinctions from the traditional B license. He explained that the primary need is clear guidance on exactly what B-2 contractors are allowed to do and ensuring that building departments across the state understand those limits. Member Panelli noted that clarity and communication are essential so that jurisdictions issue permits only for work within the specific scope of the B-2 license.

Board Chair Galarza asked whether the issue is primarily a matter of increasing awareness among building inspectors and permitting staff, implying that clearer communication and education may resolve much of the confusion around the B-2 classification and its scope.

Member Panelli confirmed that the issue is primarily of education for building departments and providing clarity in the rules and broader awareness. He explained that the core problem is simply that many building departments are unaware of the B-2 classification and its specific scope of work, which leads to confusion when permits are issued.

Chair Galarza stated that building officials need to be made aware of the B-2 classification and what it authorizes. He noted that if officials are issuing permits based on unfamiliarity with the license, then the issue is fundamentally one of education. Chair Galarza stated that building departments need clearer guidance, so they understand the scope of the B-2 license and enforce it correctly.

Member Panelli reiterated that building departments must be explicitly informed about the B-2 classification and its precise scope of work. He emphasized that clear communication is essential so staff understand what B-2 contractors are authorized to do and can issue permits appropriately.

Chair Galarza agreed with Member Panelli’s point and noted that the license provides clear guidance from the state about what activities are permitted. He underscored that the state explicitly defines what license holders are allowed to do.

Member Panelli pointed out that the real issue is with building departments, which are often unaware of the licensing guidelines. He stressed that this lack of knowledge highlights the need for an education program to ensure building officials understand what the license allows.

Member Passons shared support for expanding access to contracting by adding an additional licensing tier. He also raised questions about language accessibility, noting ongoing efforts to offer exams in Spanish and highlighting the need to consider other languages as well, especially given diverse communities like San Jose’s large Vietnamese population. He asked what the timeline or plan is for making the exam available in multiple languages and whether this will be part of the initial rollout or added later.

Chief Gagnon explained that although CSLB currently offers 10 exams in Spanish, progress on additional translations is limited because only one bilingual exam specialist is qualified to work on them. This creates a significant bottleneck, as more listed trades are ready for translation but depend entirely on that single staff member. She noted that hiring another bilingual, certified exam specialist would not only speed up translation but also save CSLB money in the long run. The challenge is a staffing limitation, not a lack of willingness to expand language access.

Member Passons followed up by asking whether CSLB could partner with other government entities to expand translation capacity. He noted that large cities like San Jose sometimes share their mandated translation resources with nearby smaller cities and wonder if a similar approach could work at the state level. Specifically, he asked whether CSLB could leverage translation specialists already funded within other state or local agencies, particularly in communities that may have more resources or lower demand, to help ease CSLB's staffing constraints.

Chief Gagnon explained that translation itself isn't the main challenge, since CSLB already uses a third-party vendor for that work. The real difficulty comes afterward, since the bilingual exam specialist must review the translated materials, ensure accuracy, create exam versions, and run workshops with bilingual subject matter experts. Maintaining an exam requires substantial hands-on oversight, and this oversight can only be done by someone who can read and work in Spanish. As a result, the dependency on a single bilingual specialist remains the major bottleneck, not the translation process itself.

Registrar Fogt recommended exploring ways to bring in a second internal bilingual exam specialist to relieve the current bottleneck. He suggested several options, such as hiring a limited-term employee or bringing back a retired annuitant, noting that multiple pathways exist to secure additional help and strengthen CSLB's exam translation capacity.

Committee Chair Barton added that CSLB could also reconsider options for languages like Vietnamese by allowing the use of interpreters during English-language exams, as previously mentioned.

Chief Gagnon confirmed that the option to use interpreters during English-language exams is available for all languages, reaffirming that this accommodation is already in place regardless of the specific language needs of the applicant. She explained that while interpreters are available for any language, the process is more time-consuming for applicants. Because only 10 exams are translated into Spanish, candidates needing other exams or languages, such as Farsi, Vietnamese, or Mandarin, must submit an application requesting approval for a translator. Once approved, they take the exam at the third-party testing site in a private room with a private proctor, all paid for by CSLB. This ensures equitable access, but it adds delays in approval, scheduling, and locating appropriate testing space.

Member Mark raised a question about the proposed B-2 legislation, building on comments from Member Panelli. He recommended that the legislation explicitly mandate that building departments require permits for certain structures, such as sheds, roll-up doors, or patio covers, even though current statute already requires permits, clarity in the new B-2 language would help ensure consistent enforcement. He suggested adding a paragraph to the proposed legislation to clearly define this requirement.

Committee Chair Barton suggested adding a requirement or option for contractors to document their work, such as through photos, especially for smaller structures that may not require permits based on size. He noted that while some installations don’t trigger permit requirements, a documentation process could still help verify that the work was completed properly and support accountability within the proposed B-2 framework.

Vice Chair Guy supported the proposal and noted that, unlike the B-2 license, applicants can currently obtain a full B license without providing documented proof of their work experience. He emphasized that while documentation for the B-2 license could be beneficial, it may be inconsistent to require it for a subsidiary license when the full B license doesn’t have the same requirement. He suggested that if documentation is considered, the Board should also reevaluate the standards for the B license itself.

Counsel Kinn noted that the final sentence on page 77 in the packet already addresses concerns about how the proposed changes would be interpreted, emphasizing that the legislation should not alter how existing requirements are viewed. He cautioned that adding new obligations to the B-2 license that do not exist for the full B license could prompt legislators to question the inconsistency.

Vice Chair Guy pointed out that adding extra monitoring, documentation, or testing requirements to the B-2 license could unintentionally make it more difficult to obtain than the full B license. He noted that someone might find it easier to simply apply for a full B license rather than go through a more burdensome process for the B-2, highlighting the need to keep the licensing pathways balanced and consistent.

Board Chair Galarza reflected on his own experience qualifying through an apprenticeship program and asked whether that still counts today. He noted that, based on what he's hearing in the community, obtaining a B license has become significantly more difficult than it used to be, particularly in terms of meeting qualification requirements and passing the exam. He then asked how many people are earning the B license now and whether this shift relates back to the discussion about the B-2 license.

Chief Gagnon acknowledged uncertainty about the exact number of B license holders but confirms that the Board does track that information. She also affirmed that the processes being discussed, including qualification pathways, are indeed part of what CSLB currently does.

Registrar Fogt explained that when someone applies for a B license claiming owner-builder experience or experience outside of working for a licensed B contractor, CSLB staff apply very strict review standards. Staff verify permits and thoroughly evaluate all supporting documentation, making the qualification process quite stringent. By contrast, applicants who gained experience working for a licensed building contractor generally have an easier time qualifying because they can provide clear employment records to substantiate their experience.

Chief Gagnon reassured Member Panelli that she verified permit requirements and confirmed that larger structures, such as a 20-by-20 greenhouse, or any installation involving plumbing, HVAC, or electrical work do require permits, which naturally creates documentation for CSLB to review when needed. She noted that while very small structures may not require permits, the proposed B-2 rules specify that electrical work in a garage must be subcontracted to a C-10 contractor. This ensures the B-2 license holder acts as the prime contractor, gaining coordinating experience, while appropriately licensed specialists perform the technical work.

Member Panelli reiterated the importance of clearly communicating permit requirements, so contractors understand when they are obligated to obtain them. He emphasized that education is essential because if people don't encounter or see the requirements, they often remain unaware of them.

Chief Gagnon concluded by agreeing that education is essential, reinforcing the shared understanding that clearer outreach and guidance are necessary to ensure contractors and building departments know and follow permit requirements.

Registrar Fogt confirmed that CSLB can issue a bulletin to all 485 building departments through the California Building Officials network. This outreach will help ensure consistent education and awareness across departments, supporting clearer understanding of permit requirements.

Chief of Public Affairs Katherine White explained that CSLB is in the process of finalizing and updating its Building Officials Guide, noting that the B-2 license was not highlighted in the previous edition. As the Board continues developing the B-2 framework, adding clear guidance about the license will be an important part of educating building officials statewide and ensuring consistent understanding and enforcement.

Member Mark made a motion to approve the staff-recommended legislative proposal creating a certification pathway for B-2 residential remodeling contractors to progress toward a full B general building license. He emphasized that the motion should include clarification, responding to Board Member Panelli's earlier comments, that whenever the B-2 legislation states contractors may perform certain work, it must explicitly specify that permits are required when local jurisdictions require them. Member Mark supported moving the legislation forward with the addition of clear language reinforcing permit obligations.

Member Passons asked Counsel Kinn to confirm that adding clarifying language about permit requirements will still align with the earlier point he made, that nothing in the proposed B-2 legislation should exceed or conflict with what is required for the full B license. He noted the permit clarification makes sense but wanted assurance that it remains consistent with the overarching B license framework.

Counsel Kinn responded that the proposed permit clarification language should be acceptable, noting that CSLB statutes generally do not restate specific violations, such as requiring permits, because overarching laws already require contractors to follow state and local regulations, and failure to do so can lead to discipline under provisions like Business and Professions Code (BPC) section 7110. He explained that while it is possible to add explicit violations into statute, it is not standard practice, but the clarification itself does not appear to conflict with requirements for the full B license.

Member Mark noted that because the Board is proposing new legislation, adding explicit language about permit requirements may be appropriate, especially since the intent is to establish a clear pathway from the B-2 certification to the full B license. He explained that this is why the motion included the permit clarification language, ensuring expectations are clearly defined within the new statutory framework.

Counsel Kinn countered by noting that the existing B-2 statute, already passed, does not explicitly state that permitted work must have a permit. He implied that adding such language now, in the new legislative proposal, could help clarify expectations since the original statute did not include this requirement.

Registrar Fogt explained that CSLB enforces permit requirements under BPC section 7110, but the Board itself does not determine whether a permit is required for a specific project. Instead, CSLB relies on the local building department to confirm whether a permit was necessary, and that official would testify to that in an administrative hearing if needed. While the statutes do not usually restate that “if a permit is required, you must obtain one,” adding such language to the new legislation would simply mirror expectations that already apply to all contractor licenses and could be included if the Board chooses.

Public Comment
There was no comment.

Motion: To approve the staff recommendation for the Board to approve a legislative proposal to create a certification that will establish a pathway to licensure as a B General Building contractor by the B-2 Residential Remodeling contractor. Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

2. **Review, Discussion, and Possible Action on 2025-2026 Legislation**

   a. **AB 559 (Berman) Contractors: home improvement contracts: prohibited business practices.**

Committee Chair Barton introduced AB 559, a board-sponsored bill related to accessory dwelling units (ADUs). The bill is a two-year measure currently on the Senate Floor with no substantive updates. There remained opposition from the offsite manufactured housing industry due to concerns over progress payment restrictions, although staff maintained that ADUs built or installed on-site fall under home improvement laws and must follow those rules. Staff recommended that the Board take no action on the bill at this time.

<u>Board Member Comment</u>
Board Chair Galarza responded to the concern about burdens placed on manufacturers by arguing that the public is currently the one being burdened, specifically by unscrupulous actors in the industry. He stated that any additional requirements placed on manufacturers are reasonable and justified if they help protect consumers from those bad practices.

<u>Public Comment</u>
Andrea Montano explained that the focus needs to be on protecting consumers purchasing factory-built ADUs. She described challenges her family faced when trying to build housing and that factory-built ADUs currently lack verified milestone-based payment protections, which allowed fraud to occur. Montano argued that factory-built housing should follow the same payment-draw restrictions as traditional stick-built construction, noting that existing Department of Housing and Community Development inspection milestones could easily serve as verification points with no added regulatory burden. She formally requested that the Board advocate for reactivating AB 559 with a single amendment tying factory-built ADU payment draws to HCD's inspection milestones.

Luke reiterated that his family was directly affected by issues in the factory-built housing payment process and emphasized that AB 559 would have helped their situation. He noted that the state already has an established inspection sequence and milestones for factory-built housing, making it simple and cost-free to tie payment draws to those verified checkpoints. The only element missing is a requirement to do so. Luke asked the Board to advocate for re-evaluating and reactivating AB 559 so factory-built housing payments align with existing inspections, which he believes would have prevented the difficulties his family experienced.

Board Member Comment
Member Mark clarified that the Board did in fact sponsor AB 559 and that the bill is still pending on the Senate Floor. He noted that the public comments made during this meeting can be shared with the senators considering the bill, helping reinforce support and highlight the consumer protection issues the legislation aims to resolve.

b. AB 1796 (Jackson) Licensed Professional Interior Designer Act.

Chair Barton introduced Agenda Item E2b, AB 1796. The bill would create a Licensed Professional Interior Designer Practice Act and place licensure and oversight of professional interior designers under the California Architects Board. It defines a scope of practice covering the planning, design, and oversight of interior spaces in compliance with applicable codes and regulations. Staff recommended the Board oppose the bill, and Chair Barton asked Chief May to outline the specific concerns behind that recommendation.

Chief May explained that although AB 1796 proposes licensing and regulating professional interior designers, it also grants them a scope of practice that significantly overlaps with that of licensed contractors. The bill would allow interior designers to coordinate work, administer contracts, and observe construction, core functions of construction practice, and give them responsibility over planning, design, and oversight of interior spaces. She warned that this overlap could lead to unlicensed construction activity and weaken the contractor's authority over the jobsite and subcontractors, creating confusion and potential risks for consumers regarding who is accountable. For these reasons, staff recommended that the Board oppose the bill.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

Motion: To Oppose AB 1796 (Jackson) Licensed Professional Interior Designer Act. Moved by Omar Passons; seconded by Michael Mark. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

c. AB 1915 (Gabriel) Accelerated restaurant equipment permitting approval: retail food safety.

Chair Barton introduced Agenda Item E2c, AB 1915, which would allow qualifying contractors to self-certify that their installation of like-for-like restaurant equipment complies with building codes, replacing the need for a final inspection by local building officials. The bill also states that negligent or false certifications would subject contractors to CSLB disciplinary action. Staff recommend an "oppose unless amended" position, advising that the self-certification provisions be removed to preserve proper oversight. Chair Barton then asked Registrar Fogt to explain the staff's concerns.

Registrar Fogt explained that CSLB frequently handles fire protection complaints involving contractors who install incorrect or improperly sized heat or fire suppression systems in restaurants. He emphasized that enforcing permit and code requirements is crucial, but CSLB relies on local building departments to determine compliance because they are the first line of review. Under the proposed bill, jurisdictions, not CSLB, would receive any fees related to self-certification, yet CSLB would still bear responsibility for ensuring installations were done correctly. He noted CSLB already uses industry experts who cost about $750 per inspection and questioned the need for this bill, asserting that building departments do an excellent job and should remain responsible for verifying code compliance, especially given the life safety risks posed by restaurant equipment. Registrar Fogt then asked Member Panelli for additional comments.

Board Member Comment
Member Panelli emphasized that “like-for-like” replacements in restaurant settings are rarely truly identical because equipment standards, manufacturer requirements, fire safety protections, and code provisions evolve over time. He explained that a unit installed 20 years ago may have completely different heat output, clearance needs, hood sizing, wall protection, and grease management requirements today. Both building and health departments must review these changes to ensure safety. For these reasons, Member Panelli strongly opposed allowing contractors to self-certify such installations, arguing that these systems pose serious life safety risks and require in-person inspection by local officials rather than relying on contractor self-approval.

Member Preciado asked for clarification on the “oppose unless amended” recommendation. He understood the suggested amendment that removes the contractor self-certification provisions, but he was unsure what the Board’s position would become if that amendment were adopted.

Chief May clarified that the Board’s position on AB 1915 would remain “oppose unless amended,” with the specific amendment being the complete removal of the self-certification provision. She noted that other sections of the bill, related to health and safety codes, the Building Standards Commission, and procedural matters outside CSLB’s jurisdiction, would remain unchanged. The recommendation is simply to eliminate the self-certification language, not to revise the remaining content. Chief May also referred to a previously distributed letter from CALBO related to the bill.

Public Comment
There was no comment.

Motion: To Oppose Unless Amended on AB 1915 (Gabriel) Accelerated restaurant equipment permitting approval: retail food safety. Moved by Steve Panelli; seconded by Josef Preciado. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

d. AB 1980 (Caloza) Labor: apprenticeship: Equal Representation in Construction Apprenticeship Grants Program.

Chair Barton introduced Agenda Item E2d, AB 1980, which would codify the ERiCA program, an initiative created in 2023 to expand equitable access to construction apprenticeship pathways for women, nonbinary individuals, and other underrepresented groups. Administered by the Department of Industrial Relations' (DIR) Division of Apprenticeship Standards, the program provides grants to support pre-apprenticeship and apprenticeship opportunities. AB 1980 outlines eligibility criteria, prioritization, and allowable uses of funds upon appropriation. Staff recommended the Board support the bill, noting that increasing resources for women pursuing licensure and apprenticeship will broaden access and representation in the construction industry.

Chair Barton shared his experience in the building trades and noted that he was involved with the ERiCA program early on. He expressed that many hoped the funding would be distributed sooner, especially because childcare access remains one of the biggest barriers for women entering construction jobs. Chair Barton noted that the program would help address these challenges and then invited any additional comments or questions from Board Members.

<u>Board Member Comment</u>
Member Passons expressed strong support for AB 1980 and noted that, although he is not a contractor, the bill appears highly beneficial from his perspective. He hoped other Board Members with industry experience can provide additional insight in case there are considerations he might be overlooking, but from his viewpoint, the measure deserves full support.

Member Nutt explained that he works with an organization that receives ERiCA grant funding and uses it effectively to support participants entering the construction industry. He noted that the funds help address hidden barriers such as childcare, transportation, and other basic needs that can prevent individuals from completing apprenticeship programs. By providing this support, the program helps create a level playing field and improves participants' chances of success. Member Nutt concluded by emphasizing that ERiCA is a strong, worthwhile program.

Member Mark noted that the ERiCA grant program already exists and has been operating successfully for several years, so he was trying to understand what AB 1980 adds. He observed that much of what the bill describes is already in practice and that the program has long been delivering strong outcomes. He stated the legislation appears primarily to reaffirm and formalize what the original ERiCA grant program was designed to do.

Chief May explained that although the ERiCA grant program already exists and has been operating, AB 1980 would place it formally into statute. The bill also updates and clarifies the program's application requirements and eligibility criteria, ensuring that its structure and priorities are clearly defined in law rather than relying solely on existing administrative implementation.

Member Mark thanked Chief May for providing clarification.

Member Ruiz questioned whether AB 1980 creates a new funding source or relies on existing sources through DIR.

Chief May explained that funding for the ERiCA program comes from the state's General Fund. She added that, although this wasn't covered in the bill analysis, an accompanying budget proposal is expected to allocate funding to support the program. Chief May noted that ERiCA typically receives annual funding, and securing those appropriations is essential for its continued operation.

Public Comment
There was no comment.

Motion: To Support AB 1980 (Caloza) Labor: apprenticeship: Equal Representation in Construction Apprenticeship Grants Program. Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

e. AB 2287 (M. Rodriguez) Contractors: disciplinary action.

Chair Barton transitioned to Agenda Item E2e, AB 2287, noting that the bill would have prohibited CSLB from taking disciplinary action against licensees for using certain technologies, tools, or equipment while performing construction work. The Board previously took a "watch" position and asked staff to work with the bill sponsor, the California State Council of Laborers, on narrowing amendments. Although the sponsor was receptive to the proposed changes, the bill was held in the Assembly Business and Professions Committee and will not move forward this year. Staff therefore recommended that the Board take no action on AB 2287 at this time.

Board Member Comment

Member Passons acknowledged the potential value of emerging technologies but cautioned that exempting contractors from disciplinary action based solely on their use of a particular technology could create future risks. He referenced recent examples where misuse of AI, such as attorneys submitting fabricated case citations, led to serious consequences, noting that similar misuse in construction could endanger public safety. While the Board is only in "watch" mode on the bill, Member Passons shared the importance of remaining cautious as technology evolves, even as he generally supports innovation.

Public Comment

Andrea Montano raised concern about a direct conflict between BPC section 7110 as amended by two different bills. She explained that AB 1341 would expand to BPC 7110 to make unlicensed practice of architecture, engineering, and land surveying a disciplinable offense, while AB 2287 would exempt all uses of technologies, tools, and equipment from disciplinary action. This creates a contradiction: a contractor using GPS-based surveying software, structural engineering tools, or AI to perform unlicensed professional services would be punishable under AB 1341 but simultaneously exempt under AB 2287, even though the technology is the mechanism enabling the unlicensed practice. Montano argued that if the Board supports AB 1341, as she believes it should, it cannot support AB 2287 in its current form. She requested that the Board flag this conflict for legislative staff and ask that AB 2287 be amended to preserve disciplinary authority for any conduct that constitutes a willful or fraudulent act under BPC section 7116.

Board Member Comment
Chair Barton asked Registrar Fogt to clarify an earlier point, noting that while CSLB does not discipline contractors simply for using certain tools or technologies, some tools can still become part of the record in enforcement cases.

Registrar Fogt clarified that while CSLB does not regulate the use of specific tools or technologies, some tools may become relevant in enforcement cases when they relate to violations of trade standards. He explained that BPC section 7110 is focused strictly on consumer protection, primarily violations of building codes, such as failing to obtain permits, and does not address tool usage. Oversight of specialized tools like ground-penetrating radar falls under the jurisdiction of boards governing registered engineers and land surveyors. CSLB's role is limited to ensuring contractors meet trade standards, and any tool-related issues only matter when they result in noncompliant work.

f. AB 2550 (Caloza) Women in the construction industry: report.

Chair Barton introduced Agenda Item E2f, AB 2550, a companion bill to AB 1980. The measure requires the Employment Development Department to collect detailed data on the current supply of women in construction, including geographic distribution, specialty areas, workforce diversity, and educational capacity to train and license women. EDD must also collaborate with the Division of Apprenticeship Standards to track women's participation in state-registered pre-apprenticeship and apprenticeship programs. The bill mandates reporting this data to the Legislature by July 1, 2027, and every three years thereafter. Staff recommended supporting AB 2550, noting that publicly available workforce data would help CSLB improve outreach and promote construction careers among women in this underrepresented population.

Board Member Comment
Member Passons noted the usefulness of the data required under AB 2550 depends heavily on how it is delivered. He explained that

summary reports or PDFs have limited practical value compared to machine-readable formats like CSV files, which local workforce boards can easily download and analyze, especially since many do not have the resources to process static reports. Member Passons asked whether EDD's current systems can provide the data through an accessible data warehouse and whether the bill's sponsor would be open to specifying that the information be released in a digital, usable format, given that the underlying data already originates from databases.

Chief May responded by saying she was not entirely sure what format EDD must use when providing the data required under AB 2550. She noted that EDD will have to submit a formal report to the Legislature, and legislative reporting rules typically require agencies to also post such reports on their own websites. While those procedural requirements exist, Chief May admitted she does not know whether the agency is required to release the data in a machine-readable format versus a standard report format.

Member Passons offered to follow up privately, noting he doesn't want to take more meeting time but emphasizing that the usefulness of the data collected under AB 2550 depends heavily on how it is made available. He stressed that accessibility, such as providing data in usable digital formats, directly affects whether workforce boards and other stakeholders can meaningfully use the information.

Chair Barton explained that the Division of Apprenticeship Standards already receives regular reports from apprenticeship committees, including data on how many women and minority candidates apply and how many are accepted into their programs. He noted that these reports are submitted annually, providing ongoing evidence of participation and demographic trends within apprenticeship programs.

Member Nutt noted past inconsistencies in reported construction workforce data, citing fluctuating and inaccurate percentages for women's participation. He emphasized the importance of reliable data because inaccurate numbers undermine efforts to understand current conditions and set meaningful industry goals. He stressed that accurate measurement is essential for identifying gaps and determining how best to improve representation in the construction workforce.

Public Comment
There was no comment.

Motion: To Support AB 2550 (Caloza) Women in the construction industry: report. Moved by Michael Mark; seconded by Henry Nutt III. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

g. SB 342 (Umberg) Contractors: unlicensed work.

Chair Barton moved to Agenda Item E2g, SB 342, which would change existing law that currently prevents contractors from seeking compensation for any work performed during periods when they were not properly licensed. The bill would allow contractors to recover payment for work completed while duly licensed, even if they were unlicensed at other times during the contract. The Board previously took a "watch" position in March, anticipating amendments that would address its concerns. Staff now recommended taking no further action as the author and sponsor continued to work on those amendments. Chair Barton then asked Chief May to provide additional details on the bill.

Chief May explained that SB 342 aims to address industry concerns that consumers can avoid paying for work if a contractor's license lapses even briefly. However, as written, the bill could significantly increase both the number and complexity of CSLB complaints, since contractors would face greater difficulty pursuing civil recovery for work performed while unlicensed. This would require additional staffing and more than $2 million in ongoing enforcement costs, which CSLB cannot absorb without new funding. Because most CSLB complaints involve home improvement, staff recommend excluding home improvement from the bill to preserve consumer protection and reduce workload impacts. The author and sponsor agreed to this amendment, but SB 342 has not yet been amended because it has not been moved to a policy committee in the Assembly since February. Chief May confirmed the author remains committed and expected the amendment to be added in June.

Chair Barton added that CSLB understands industry concerns about BPC section 7031, noting these concerns largely involve commercial and public works projects. He clarified that the amendment proposed by CSLB would not undermine those concerns and that BPC section 7031 remained a strong consumer protection tool for residential projects, particularly in cases involving unlicensed or predatory contractors. Chair Barton then invited any Board Member comments or questions regarding SB 342.

Board Member Comment

Member Ruiz asked whether, if the proposed change were enacted, a homeowner would be relieved of any obligation to pay an unlicensed contractor for work performed.

Chief May explained that the amendment is intended to address issues primarily in the public works context. For CSLB's purposes, most complaints involve home improvement projects, so removing the residential component would represent a significant shift. She clarified that the proposed change is focused on the public side, and that its impact on home improvement, where most unlicensed activity complaints occur, would need careful consideration.

Member Ruiz acknowledged the clarification but reiterated his concern: under existing law, and as interpreted through BPC section 7031, an unlicensed contractor performing home improvement or remodeling work cannot legally collect payment from a homeowner. He emphasized that, from the homeowner's perspective, if a contractor is unlicensed, the homeowner would not be required to pay for the work performed.

Member Nutt asked whether that interpretation reflects the current state of the law, specifically, whether homeowners are indeed not required to pay an unlicensed contractor for home improvement or remodeling work under existing statutes such as BPC section 7031.

Registrar Fogt confirmed that this is the current state of the law. Under BPC section 7031, an unlicensed contractor may be required to return all money received for performing home improvement or other construction work, regardless of the quality or completion of the project. He reiterated that homeowners are not obligated to pay an unlicensed contractor and that the contractor may even have to refund payments already made.

Public Comment
Andrea Montano explained that, although the earlier clarification resolved part of her concern, she wanted to highlight an important watch point. Montano noted the distinction between contractors who make administrative or technical licensing mistakes and those who act criminally. She stated that as amended in the Senate, SB 342 preserves the all-or-nothing BPC section 7031 rule for residential property with 25 units or fewer, ensuring strong protections for homeowners, especially those harmed during licensing gaps involving responsible managing officers. Montano cautioned that the real risk lies in the Assembly, where amendments could narrow or eliminate this residential carveout. She urged the Board to formally monitor the bill's progress and oppose any such changes, noting that weakening these protections would most impact the vulnerable victims they represent. She also raised a question regarding whether remodeling includes ADUs but concluded that maintaining the residential carveout as a safeguard is essential.

h. SB 784 (Durazo) Home improvement loans: right to cancel contracts.

Chair Barton transitioned to Agenda Item E2h, SB 784 (Durazo). The Board previously voted to co-sponsor SB 784 in March 2026, and staff recommended taking no further action. SB 784 would expand the right for consumers to cancel home improvement contracts from three to five days or from five to seven days for seniors. It would also delay repayment obligations on home improvement loans until all permitted work has been approved and is fully operational and would require lenders to meet additional disclosure standards. The bill has encountered opposition from financial and financial tech industries, causing it to stall in the Assembly Appropriations Committee. Staff continued to support the author and co-sponsors in emphasizing the consumer protection benefits of the legislation.

Board Member Comment
There was no comment.

Public Comment
Andrea Montano asked whether the current three-day right-to-cancel requirement must be included in a home improvement contract. She then asked whether failing to include the cancellation notice would constitute a breach of contract.

Counsel Kinn responded that he cannot answer the question in this setting because a formal Q&A session is not permitted during a board meeting. He indicated that clarification on the issue cannot be provided due to meeting procedure rules.

Montano noted that this was the first time she had heard about the right-to-cancel requirement and simply wanted clarification. She thanked the group for addressing her question.

i. SB 1165 (Caballero) Contractor licenses: outstanding liabilities assessed by the California Department of Tax and Fee Administration.

Chair Barton moved to Agenda Item E2i, SB 1165 (Caballero). SB 1165 updates Contractors Law to reflect the 2017 restructuring of the State Board of Equalization, whose tax-related duties were transferred to the California Department of Tax and Fee Administration. The bill clarifies CSLB's existing authority to refuse, suspend, or deny licensure when a contractor has outstanding liabilities with state tax agencies. Staff recommend the Board take a support position, as the bill does not alter current processes, does not increase workload, and simply updates statutory language to match existing practice.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

Motion: To Support SB 1165 (Caballero) Contractor licenses: outstanding liabilities assessed by the California Department of Tax and Fee Administration. Moved by Alan Guy; seconded by Diana Love. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

j. SB 1263 (McGuire) Contractors: debris removal.

Chair Barton moved to Agenda Item E2j, SB 1263 (McGuire). SB 1263, a board-sponsored measure, specifies that contractors may perform debris removal, including muck-out and ash-out, in declared disaster areas if they hold either an A - General Engineering license, a B - General Building license, or both the C-12 Earthwork and Paving and C-21 Building/Moving Demolition classifications. The bill also requires eligible licensees to pass CSLB's Hazardous Substance Removal Certification exam and comply with HAZWOPER requirements established by the Department of Industrial Relations. The proposal does not change current laws applicable to debris removal outside disaster zones. Staff did not recommend any Board action.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

3. **Discussion and Possible Action to Initiate a Rulemaking to Amend California Code of Regulations, Title 16, Section 870 (Factors to Apply in Determining Earliest Date a Revoked Licensee May Apply for Licensure) regarding the factors used to determine the earliest reapplication date after revocation.**

Chair Barton moved to the last agenda item, E3, which involves a discussion and possible action to begin a rulemaking process to amend California Code of Regulations (CCR), Title 16, Section 870. The proposed amendment concerns the factors used to determine when an individual may reapply for a contractor license after revocation. Chair Barton then turned the presentation over to Registrar Fogt to explain the purpose of Section 870 and the proposed changes.

Registrar Fogt provided some background on how CSLB handles administrative legal actions that result in license revocation. He explained that after a citation, arbitration decision, accusation, or court order leads to revocation, either by appeal or default, the case returns to his desk for review. Registrar Fogt said he will issue a formal revocation order that includes a prohibition period during which the individual cannot reapply for licensure, currently ranging from one to five years under CCR 870. He noted that CSLB aims to balance public protection, restitution for financially harmed consumers, and fairness to the revoked contractor. However, the existing regulation, last updated in 1989, no longer aligns with modern enforcement practices, particularly because most complaints involve financial harm rather than workmanship issues. Many of the criteria in the regulation, such as multiple final citations within a year, rarely occur, making the prescribed timelines outdated. Internal discussions with Case Management staff indicated that a more flexible and consistent approach is needed. The proposed rulemaking would allow CSLB to update CCR 870, so reapplication timelines better reflect current enforcement patterns, ensuring clarity, fairness, and stronger consumer protection.

Public Comment

Andrea Montano thanked Registrar Fogt and expressed strong support for moving forward with the rulemaking. She noted that extending the reapplication window for revoked licenses does not prevent individuals from immediately resuming operations under a new license number, a new corporate entity, a different responsible managing officer, or by acting as an unlicensed broker using licensed subcontractors. She explained that this pattern, often referred to as the “Phoenix entity” problem, has occurred across all six contractors whose victims they assist. While the proposed rulemaking addresses when a revoked entity may reapply, it does not directly address individuals who quickly reenter the industry under a new license. Montano requested that the rulemaking explicitly consider whether the reapplication restrictions should also apply when a principal associated with a revoked license seeks a new license, and if that falls outside the scope of the current action, she asked the Board to initiate a parallel review. She stated that simply imposing a waiting period on a revoked license number will not resolve the broader issue.

Board Member Comment

Member Passons asked Registrar Fogt whether there are existing or parallel efforts underway to address the long-standing “whack-a-mole” problem in which bad actors simply obtain a new license, form a new entity, or use a new responsible managing officer to continue operating after revocation. He expressed interest in better understanding the broader context and what measures, if any, currently exist to prevent revoked individuals from quickly reentering the industry under a new license.

Registrar Fogt explained that CSLB takes the “whack-a-mole” issue very seriously. When a contractor becomes the subject of an enforcement investigation likely to result in legal action, CSLB flags all involved individuals so that any new license applications they submit are automatically halted through what is called a “P-block.” A revoked contractor should not appear on another license unless they have fully met all reinstatement requirements, including rehabilitation conditions and restitution to harmed consumers. If a revoked individual attempts to operate under a new license or as an undisclosed principal, CSLB will initiate its own investigation and may refer the matter to the district attorney. Registrar Fogt added that CSLB is not restricted by any statute from indefinitely preventing re-licensure if restitution remains unpaid and suggested a follow-up meeting if evidence shows individuals are bypassing revocation by entering new entities.

Public Comment

Greg Beserra expressed support for the rulemaking and observed that the proposed changes only apply to the revoked license entity, not to any new entity that a principal could create immediately afterward. He stressed that this gap is not hypothetical as CSLB has documented multiple cases where individuals with revoked licenses simply formed new entities the next day to continue operating. Beserra compared this to changing the locks while giving the same person a new key. He asked the Board to either expand the scope of the rulemaking to address new license applications submitted by principals with revocation histories or to initiate a parallel review to ensure those individuals cannot reenter the industry without appropriate oversight.

Board Member Comment

Chair Barton presented the motion for the Board to approve the regulatory proposal amending California Code of Regulations section 870 and to direct staff to submit the text to the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review. If no objections or adverse recommendations specific to the proposal are received, the Board authorizes the Registrar to take all necessary steps to initiate the rulemaking process, make any technical or non-substantive edits, and schedule a hearing if requested. After the 45-day public comment period, if no adverse comments are submitted and no hearing is requested, the Registrar is further authorized to complete the rulemaking and finalize the amendments to section 870 as described in the notice.

Member Passons asked for clarification on whether, during the rulemaking process, if issues are raised, the Registrar has sufficient authority to adjust or refine the proposed regulatory text without needing to bring every modification back to the Board for approval.

Counsel Kinn explained that the Registrar's authority during rulemaking is limited to making technical or non-substantive changes. If any substantive changes are needed, such as modifying policy intent, expanding scope, or addressing significant new issues, those must be brought back to the Board for review and approval.

Member Ruiz asked whether the motion also included monitoring individuals who attempt to reapply for a license after having their previous license revoked. He wanted to know if that oversight is already part of the proposed action or if it would require something additional.

Counsel Kinn explained that monitoring individuals who reapply after having a license revoked is not included in the current motion. That type of monitoring or policy change would need to be addressed separately through another motion and placed on a future agenda.

Member Ruiz agreed that the additional monitoring topic should be addressed separately and stated that he will proceed with making the motion now.

Motion: To Approve the regulatory proposal amending California Code of Regulations section 870 and to direct staff to submit the text to the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review. If no objections or adverse recommendations specific to the proposal are received, the Board authorizes the Registrar to take all necessary steps to initiate the rulemaking process, make any technical or non-substantive edits, and schedule a hearing if requested. After the 45-day public comment period, if no adverse comments are submitted and no hearing is requested, the Registrar is further authorized to complete the rulemaking and finalize the amendments to section 870 as described in the notice. Moved by Thomas Ruiz; seconded by Michael Mark. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

F. Enforcement

1. Review, Discussion, and Possible Action Regarding Process Changes to Address an Increase in Consumer-Filed Complaints

Board Chair Galarza moved the meeting to Item F, Enforcement. He then turned the presentation over to Enforcement Committee Chair Mark.

Chair Mark began the Enforcement section by noting that the proposed rulemaking should eventually be returned to the Enforcement Committee once more information is available. He then moved to item F1, addressing process changes needed in response to a significant rise in consumer-filed complaints. He explained that optimum caseloads are far exceeded: analysts now handle over 100 assignments each, well above the recommended 60, and investigators similarly exceed their target of 35 assignments. CSLB received more than 1,500 additional complaints in the first four months of 2026 compared with the same period in 2025, pushing the pending caseload to 5,850, approximately 1,600 cases above the optimal level. Data shows that although 94 percent of licensed contractors receive no complaints, the majority of those who do have multiple prior complaints, and repeat offenders are straining enforcement resources. Processing a single complaint costs CSLB over $2,000, while license fees remain comparatively low, making the system unsustainable. Enforcement is identifying operational changes to help reduce complaint volume, and one step already taken is the release of a new consumer complaint video, developed with the Public Affairs Office, to help consumers understand the process and encourage dispute resolution before filing with CSLB. Chief White was invited to speak further about the new video.

Chief White shared that the new “Filing a Complaint” video, developed jointly by Public Affairs and Enforcement staff and shared with Board members earlier this week, is now publicly available on YouTube and the CSLB website. In response to rising consumer-filed complaints, the six-minute video provides step-by-step guidance to help consumers resolve issues with contractors and understand the complaint-filing process. It emphasizes the importance of putting licensed contractors on written notice and directs viewers to the sample demand letter on CSLB’s website. Television Specialist Amy Lawrence drafted the initial script, which was reviewed by Public Affairs and Enforcement management before receiving final approval from Registrar Fogt. The completed video clearly explains required information, expected timelines, and key steps in the process, supported by easy-to-follow graphics, and is part of CSLB's ongoing efforts to educate and protect consumers.

Chair Mark explained that CSLB has added new consumer-education resources to its website under the complaint-filing section, including home improvement contract requirements, options for financial recovery such as small claims court and bond claims, and a sample demand letter. He noted that encouraging consumers to issue a formal demand letter may prompt contractors to resolve disputes early, and if not, the letter becomes useful evidence in enforcement actions. To manage the surge in complaints, CSLB is temporarily implementing process changes: complaints involving financial injury under $10,000 will be referred to small claims court rather than mediated by staff, allowing enforcement to focus on violations and issue Letters of Admonishment (LOAs) more efficiently. LOAs are an important corrective tool for non-egregious violations that provide up to two years of public disclosure and support future disciplinary actions if needed. These referrals will not be used for serious violations or contractors with significant complaint histories. A new automated letter now informs consumers of these changes and provides guidance on bond claims and obtaining civil judgments that can lead to license suspension if unpaid.

Chair Mark explained that these steps will help staff increase issuance of LOAs). Additional measures include offering staff overtime and referring repeat offenders to district attorneys for unfair business practices. Enforcement will continue prioritizing the most serious violations, fraud, improper payments, permit compliance, workers' compensation, elder abuse, health and safety violations, criminal predatory acts, and fund diversion. He concluded by noting that, while discussion is welcome, it may be best not to adopt a restrictive motion so enforcement can remain flexible and responsive with current resources.

<u>Public Comment</u>
Andrea Montano presented data from CSLB's 2024-25 Enforcement Report, noting that CSLB received 19,257 complaints, 9 percent fewer than two years prior, yet case timelines have grown significantly. More than half of complaints were closed before reaching a field investigator, and the average time from complaint filing to final administrative decision has increased to 833 days, up to 158 days since 20222023. Every stage of the process has slowed: referrals to the attorney general now average 366 days, and attorney general filing timelines have risen to 139 days. Investigator productivity has declined for seven consecutive fiscal years, and cost-recovery rates have

dropped from 31.6 cents per dollar to 18.5 cents. Despite higher license fee revenues and creation of the Multiple Offender Unit, complaints still take months to assign, and victims often report minimal or no contact during investigations. Some have even received closure letters without being contacted, leaving them excluded from accusations that revoke licenses but do not recover financial losses. She stressed that closing a complaint file is not the same as resolving a victim's case. Ms. Montano offered a detailed 24-page report with further statistics for the Board's internal review rather than placing it on public records.

Board Member Comment

Chair Mark directed that the report Montano offered be handed to Interim Chief Deputy Registrar Jamnetski, who will then provide it to the Board for internal review.

Public Comment

Greg Beserra explained that the prolonged silence victims experience during an active CSLB investigation is harmful, not neutral, especially for fraud victims who have already been misled by contractors who concealed problems until damage was done. He shared that when the agency provides no updates, victims feel the same pattern of neglect and deception have repeated. Beserra argued this is a design flaw that needs correction. He supports establishing a minimum communication standard that would not involve releasing records but would simply notify complainants that their complaint was received, assigned, and that they will be informed of the outcome. He stated that the Board has the authority to require this without legislative action.

Lywan Kummer, a homeowner from Pasadena, shared that she lost $300,000 to a fraudulent contractor in January, someone who used multiple licenses, company names, addresses, and even identities, including one that had previously been revoked. She stated her home is now gutted and significantly devalued, and she offered suggestions to help prevent similar harm to others. She urged CSLB to enhance the license lookup page since that is where homeowners go to verify legitimacy. Her recommendations included adding a photo, and even height and identifying details, of the license holder to prevent impersonation, partnering with DMV if needed; displaying key "What homeowners should know" information prominently, such as permit requirements and payment rules; and showing a contractor's full history, including address changes, DBAs, and prior revocations, so homeowners have a clearer picture before hiring. She shared that prevention is critical given CSLB's heavy complaint volume, noting that simple improvements to the lookup page could help homeowners make safer decisions.

Board Member Comment
Board Member Love asked Kummer to clarify what her second suggestion was.

Public Comment
Kummer stated her multiple proposed improvements to the CSLB license lookup page, her second suggestion is to prominently display essential “What every homeowner should know before hiring a contractor” information on the CSLB license lookup page. Although CSLB already has this guidance elsewhere on its website, she stated many homeowners never see it because they only visit the lookup page to verify a contractor’s license. She shared that key rules, such as not paying for work or materials before they are delivered and understanding when permits are required, should be visible there or clearly linked since most homeowners aren’t familiar with construction law and may unknowingly rely on incomplete or misleading information from contractors.

Board Member Comment
Chair Mark assured Kummer that her concerns will be directed to the appropriate staff and emphasized that consumer protection is the Board’s highest priority. He acknowledged the large volume of complaints and the importance of processing them effectively, while also stressing that consumer education is essential. Chair Mark noted that although CSLB provides extensive information online, it may need to be more visible, possibly through a prominent banner or “read this first” section. He also highlighted that the license lookup tool is one of the most heavily used resources and suggested bringing the idea of improved consumer education visibility to the Public Affairs Committee for a future agenda discussion.

Member Nutt thanked Ms. Kummer for taking the time to appear and travel such a long distance. He stated that hearing directly from consumers is important because it helps the Board understand how to improve and become more effective in serving the public.

Chair Mark explained that the Board created the Multiple Offender Unit specifically to address contractors who generate repeated complaints, noting that many of the incoming cases involve the same individuals offending multiple times. He stated that the Board has been actively working on solutions to manage the high complaint volume and that the unit was established to better identify and resolve issues related to repeat violators, ultimately improving consumer protection.

Member Passons asked whether it would be possible for the Enforcement Committee to receive data showing how often closure letters or LOAs lead to the intended outcome. He explained that such information would help determine which approaches are effective, which may need improvement, and whether certain tools take too long to produce results. Member Passons clarified that this is not an immediate request but suggest that, if the data is readily available, it would be useful for the committee to review it in the future.

Registrar Fogt explained that the primary goal of issuing LOAs is to prevent additional complaints against the same contractor. He noted that preliminary data shows about 30 percent of contractors who receive an LOA later receive another complaint, which, while not ideal, still demonstrates some positive impact. A key benefit of LOAs is that they immediately place disclosure on the contractor's license record, helping consumers make informed decisions. Registrar Fogt added that some contractors pay restitution but discourage consumers from cooperating with CSLB, which makes disclosure even more important. He emphasized that solar and ADU contractors, who generate high complaint volumes, will be prioritized for LOA review so consumers can clearly see patterns of misconduct before choosing to contract with them.

Public Comment

Kummer explained that the contractor involved is intentionally manipulating the system by using multiple people's licenses, frequently changing addresses, and shifting surety bond information every 90 days to evade detection and make filing complaints extremely difficult. She also noted that the contractor is using nonstandard web domains to mimic CSLB's website, further confusing consumers and blocking complaint submissions.

Board Member Comment

Chair Mark requested that a future Enforcement Committee meeting include a dedicated agenda item to examine how unscrupulous contractors misuse different DBAs to avoid detection and accountability. He shared the importance of addressing this issue more deeply and thanked Kummer for bringing these concerns forward.

Member Cobos asked about whether posting contractor photos might raise any legal issues.

Counsel Kinn noted that while he has not fully analyzed the issue, posting contractor photos would likely raise civil rights concerns.

Chair Mark added that implementing contractor photo requirements would likely require legislation, given the potential legal and civil rights implications.

He reiterated the importance of addressing the issue and requested that it be added as a future agenda item for further discussion.

Public Comment
Kummer stated that implementing such a requirement would first necessitate a reliable method for verifying contractor identities, potentially through fingerprinting, facial recognition, or photo matching technology. Because biometric verification is typically administered by agencies such as the DMV, collaboration with that department may be necessary if contractors are already included in its system.

2. Review and Possible Approval of April 29, 2026, Enforcement Committee Meeting Summary

Chair Mark moved on to Agenda Item F2, which is the Review and Possible Approval of the April 29 Enforcement Committee Meeting Summary. He explained that the meeting covered two main topics. First, were process changes to address increases in consumer-filed complaints, and the discussion of available closing dispositions for complaints filed by the Underground Safety Board. Chair Mark provided an overview of the second item, noting that contractors are legally required to contact 811 before excavation so utilities can be properly marked, and violations carry civil penalties ranging from $10,000 to $100,000. While CSLB issues citations for failures to call 811, the associated civil penalties currently go to the Underground Safety Board rather than CSLB, creating concern about enforcement costs. The committee supported continued dialogue with the Underground Safety Board and exploring a legislative fix that would allow CSLB to receive penalty funds to offset citation processing costs. Chair Mark concluded by noting that only the approval of the meeting summary was before the Board.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

Motion: To approve April 29, 2026, Enforcement Committee Meeting Summary. Moved by Diana Love; seconded by Steve Panelli. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Alan Guy, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Omar Passons, Josef Preciado, and Thomas Ruiz.

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, and James Ruane.

3. Enforcement Program Update

Chair Mark proceeded to the final item on the Enforcement agenda, the Enforcement Program Statistical Update. He noted that the section contains detailed statistical information and requested Enforcement Chief Steve Grove to present key highlights from the report.

Chief Grove presented three enforcement highlights from the statistical update. The first involves a homeowner who lost their home in a 2025 fire and contracted a rebuild for $1.2 million where the contractor illegally took a $250,000 deposit, performed no work, and failed to deliver materials. CSLB mediated a full refund and issued a Letter of Admonishment for home improvement violations. The second case concerns a Mission Viejo kitchen remodel contract originally priced at $156,965 but ballooned to $330,000 through improper verbal change orders. The contractor failed to complete the project and committed multiple violations, leading to a DA referral, a requested license revocation, and a civil lawsuit. The final highlight involves an unlicensed contractor who entered five contracts totaling $182,000 across Placer and Sacramento counties. CSLB investigations confirmed multiple criminal violations, resulting in referrals to both district attorneys. This individual has been referred for prosecution 11 times since 2016 and currently has multiple active warrants.

Chair Mark continued the Enforcement Statistical Update, noting that the Enforcement Division has 246.5 authorized positions with 29 current vacancies, which management is working to fill promptly. Between July 1, 2025, and March 31, 2026, CSLB initiated 16,651 complaint investigations, , with 6,026 cases pending as of March 31, far exceeding the optimal pending caseload of 4,895. Analysts continue to manage extremely large workloads, many exceeding 100 cases. The number of complaints older than 270 days has dropped from 176 to 151, and supervisors are actively working to reduce the backlog. More than $2.7 million in restitution has been ordered through CSLB-sponsored arbitration. Proactive enforcement by SWIFT included 29 undercover operations, 323 sweep days, 452 tips investigated, and 2,154 cases closed, with 733 resulting in legal action and 749 advisory notices issued. The Experience Verification Unit completed 284 application investigations, with 136 approved, 61 withdrawn, 80 denied, and seven appealed, showing that more than half were not approved.

<u>Board Member Comment</u>
Member Passons raised two questions for future consideration. First, referring to the case of an individual with 11 prosecution referrals over a decade, he asked whether CSLB has any ability to prevent repeat offenders from continually reentering the complaint system, suggesting there should be a limit or earlier intervention point to stop such individuals before reaching that level. Second, he asked about CSLB's capacity to secure additional staffing or resources to manage the heavy enforcement workload, noting that current demand appears overwhelming. He inquired whether the Governor's Office or any other authority has provided guidance or signals regarding increased staffing support.

Registrar Fogt stated the importance of continued consumer education workshops to help district attorneys understand the seriousness of white-collar contracting crimes, noting prior success in San Diego when courts and media attention elevated the issue. He mentioned a recent case where an unlicensed contractor continued contracting from jail, illustrating how persistent some offenders are and why stronger penalties and injunctions for unfair business practices may be necessary. Registrar Fogt explained that misdemeanor convictions often fail to deter repeat offenders. He then noted that CSLB plans to present a resource needs study at the September Board Meeting, covering unlicensed activity and disaster-related complaints, and that the study, developed with input from wildfire survivors, is nearly complete. He invited Chief Gagnon to add any additional updates.

Chief Gagnon explained that CSLB is conducting an Underground Economy Study to estimate the number of unlicensed contractors operating in California. At the suggestion of the Registrar, the team interviewed wildfire survivors from major disasters such as the Paradise and Shaver Lake fires to understand their experiences, how they selected contractors, and what warning signs they encountered. These interviews are underway, and CSLB expects to present the full report in September. Staff from the Exam Development Unit, who have strong statistical expertise, are preparing the analysis to help identify resource needs, improve consumer education strategies, and strengthen efforts to combat the underground contracting economy.

Registrar Fogt explained that the ongoing studies will help justify the need for additional Enforcement positions but emphasized that another issue also requires attention: the length of time it takes for an accusation to move from filing to conclusion. He noted that recent data provided by Andrea Montano shows these timelines have increased significantly and must be improved so licenses can be revoked more quickly. Registrar Fogt pointed out that consumer protection prosecutors meet quarterly at statewide Consumer Protection Roundtable meetings, where resource priority decisions are discussed, and stressed that CSLB must work with the construction industry to ensure contracting-related crimes receive higher priority. He reaffirmed that CSLB's ultimate goal is for consumers to hire licensed contractors and have positive experiences without suffering financial harm or needing to file complaints, and he indicated there is room for improvement in achieving that goal.

Interim Chief Deputy Registrar Jamnetski inquired about the percentage of licensed contractors who receive complaints.

Registrar Fogt responded that it is about 5.5 percent, which is up from previous years when it was about 3 percent. He noted the importance of working with the Attorney General's Office to get the license revoked quickly.

Chair Mark added that unlicensed contractors, such as the case just discussed, also require stronger action from district attorneys. He noted that many unlicensed individuals repeatedly victimize consumers and should face meaningful consequences for white collar offenses. Chair Mark stressed that district attorneys' support is essential to pursue these cases aggressively and prevent ongoing harm.

Registrar Fogt noted that California previously enacted a statute requiring a mandatory 90-day jail sentence for repeat unlicensed contracting offenders. However, due to jail overcrowding, individuals sentenced under this provision are often released almost immediately, sometimes the very next day. This undermines the intended deterrent effect and illustrates a broader challenge in holding persistent unlicensed contractors accountable.

Interim Chief Deputy Registrar Jamnetski explained that while concerns exist about contractors "jumping" from one license to another, current law helps limit this behavior. The statutory definition of a "licensee" for enforcement purposes includes the qualifying individual, meaning a qualifier found to have knowledge of or participation in violations on one license cannot simply move to another. However, this protection does not apply to undisclosed principals, whose involvement is hidden by nature. Interim Chief Deputy Registrar

Jamnetski noted that undisclosed principals present a separate challenge but wanted to clarify how qualifier restrictions operate under existing law.

Member Nutt stressed that criminals are exploiting delays in the complaint-handling process, allowing them to continue operating, even from jail, while victims wait for action. He emphasized how essential it is for CSLB to strengthen consumer education, so people know what questions to ask before hiring a contractor. Member Nutt shared personal experience of being misled by a solar salesperson, noting that many victims are simply unaware of basic contracting safeguards. He urged the Board to find innovative, accessible ways to educate the public, through workshops, online tools, technology, and grassroots outreach, so consumers can recognize fraudulent tactics. Member Nutt added that the growing sophistication of scammers, combined with the devastating financial losses suffered by victims, makes this effort increasingly urgent.

Public Comment

Lywan Kummer explained that while sharing information on social media could help warn others, she hesitated out of concern for potential retaliation, highlighting the fear and uncertainty victims often feel when dealing with unscrupulous contractors.

Board Member Comment

Chair Mark asked Chief White for clarification about the length of the newly created consumer education video referenced earlier.

Chief White responded that the new consumer education video is six and a half minutes long.

Chair Mark suggested creating a shorter, two-minute version of the new consumer education video to feature prominently on the CSLB website, giving viewers the most essential information quickly.

Chief White responded that, now that the full video is complete, staff plan to produce shorter social media clips that highlight key sections of the longer video. These shorter segments will be easier for the public to encounter and engage with across various online platforms.

Member Nutt agreed that creating very short versions of the consumer education video would be beneficial, noting that a three-minute format would work well on platforms like Instagram, where many people are likely to see and engage with it.

Public Comment
Andrea Montano presented four key requests aimed at strengthening CSLB's response. She asked the Board to maintain individual complaint disclosures even when an accusation is filed, develop a standardized charging protocol so administrative records more effectively support criminal referrals, reform closure notices to clearly explain what an accusation covers and what options remain for victims, and establish a minimum communication standard that ensures complainants are notified of assignment and final outcomes. Montano shared a traceability matrix she prepared, showing how coordinated, cross-jurisdictional data reveals fraud schemes spanning multiple counties, which is critical for prosecutorial success. Montano then urged CSLB to begin publishing annual criminal prosecution outcomes in collaboration with district attorneys or federal agencies, noting recent FBI involvement in related cases. She offered to sign an nondisclosure agreement to provide extensive victim documentation — 378 victims and $47 million in losses — to support these efforts. Montano also shared her recommendation for an emergency "major incident response team" to address large-scale, high-harm cases that cannot be managed within normal administrative timelines, emphasizing that current delays leave consumers exposed while licenses remain active and risks undisclosed.

Board Member Comment
Member Cobos asked for clarification about Montano's previous comment referencing "alleged federal crimes," asking whether the situation indeed involves potential federal violations.

Public Comment
Montano confirmed that the potential federal crimes referenced include serious offenses such as wire fraud and elder abuse.

Board Member Comment
Chair Mark noted that federal involvement may be necessary to address certain cases involving alleged federal crimes, such as wire fraud and elder abuse. He suggested that, for a future Enforcement Committee agenda item, the Board explore options for partnering with federal agencies, not just the Department of Labor, to strengthen efforts to remove persistent, bad actors from the industry. Chair Mark shared that establishing a federal-level partnership or unit could enhance CSLB's ability to address contractors who repeatedly evade state-level enforcement.

The Board took a 10-minute break at 1:20 p.m. and reconvened at 1:30 p.m.

Board Member Omar Passons left at approximately 1:28 p.m., due to time constraints.

Board Member Thomas Ruiz left at approximately 1:30 p.m., due to time constraints.

Agenda Item H.1 went ahead of Agenda Item G.

H1: Public Affairs Program Update

Board Chair Galarza said he would take an item out of order to discuss Public Affairs due to Public Affairs Committee Chair Love's time constraints.

Committee Chair Love provided an overview of the Public Affairs Office's (PAO) activities. She explained that PAO manages media, industry, licensee, and consumer communications, produces publications and videos, and conducts extensive outreach. Following the Palisades and Eaton fires, PAO continued disaster response efforts through social media, public events, and a webinar with United Policyholders focused on hiring licensed contractors and payment rule reminders. PAO also developed a disaster-area enforcement flyer for SWIFT investigators and released new videos, including updated senior contractor guidance and ADU-related information. Social media engagement continues to grow across Facebook, Instagram, X, and LinkedIn; the most-viewed posts highlighted how to report unlicensed activity and new laws effective in 2026. PAO responded to 34 media inquiries between July and March, mainly regarding contractor complaints, and participated in numerous Senior Scam Stopper and consumer seminars. Publications completed since July include the 2026 Contractors License Law and Reference Book, newsletters, and licensing guides in English and Spanish. PAO also maintains internal communications recognizing staff and promoting morale-building events. Finally, Public Information Center wait times remain under the six-minute goal, with most calls relating to application status.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

Board Member Diana Love left approximately at 1:35 p.m.

G. Licensing

Board Chair Galarza introduced Agenda Item G and turned the table to Licensing Committee Chair Nutt.

Agenda Item G2 was addressed before Agenda Item G1.

1. Review and Possible Approval of April 30, 2026, Licensing Committee Meeting Summary

Counsel Kinn asked for any comments or amendments to the Licensing Committee Meeting Summary Report on pages 145 through 149 of the meeting materials. Receiving none, the Licensing Committee Meeting Summary Report was approved as distributed.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

2. Licensing and Testing Program Update

Committee Chair Nutt reported on the Licensing and Testing Division update with support from Chief Gagnon. He reported that CSLB received more than 13,000 applications between January and March, including over 5,000 for new licenses, 2,700 waiver applications, mostly sole owners converting to corporations, and 1,600 requests to add classifications, reflecting increases across all categories. Processing times remain under three weeks due to consistent staff effort. CSLB also received over 30,000 renewal applications, and staff personally contacted all contractors affected by the Los Angeles-area fire renewal fee deferral; all 90 are expected to be current by July 2026. Chair Nutt noted that the Judgments Unit processed nearly 200 outstanding liabilities, more than 300 final judgments, and close to 500 bond claims during the quarter. He then turned the update over to Chief Gagnon for the Testing Program Update.

Chief Gagnon stated that CSLB administered more than 59,000 exams between May 2025 and April 2026, including out-of-state exams in Wilsonville, Oregon and other PSI test centers, with Sacramento and San Diego remaining the most frequently used sites. She explained that the Exam Development Unit released nine updated exams over the past year, with additional item banks in development, and continued to work with PSI to digitize trade exam booklets, resulting in 11 trade exams and the Law and Business exam now being available nationwide. Spanish-language exams are also being expanded, with updated item banks released and additional banks in programming, though nationwide release is pending due to PSI's work on Spanish graphics and toggle question capability. Chief Gagnon noted that staff received a DCA Superior Accomplishment Award for their digitization efforts, which are expected to save approximately $70,000 annually in printing and mailing costs. She added that CSLB IT has enabled staff to enter candidates' language preferences so future correspondence can be automatically generated in Spanish.

Chair Nutt thanked Carol for her update and congratulated staff on their accomplishments, particularly their work to expand translated exam materials. He shared the importance of continuing these efforts to ensure applicants have a clear and accessible pathway toward licensure, noting that translation and language-access initiatives are critical to supporting CSLB's diverse applicant community.

Board Member Comment
There was no comment.

Public Comment
There was no comment.

H. Public Affairs

1. Public Affairs Program Update

Discussion regarding Item H1 can be seen before Agenda Item G and was taken out of order.

I. Adjournment

Board Chair Galarza shared a heartfelt final statement, expressing deep gratitude for the opportunity to serve as the Chair of the Contractors State License Board. He reflected on the privilege it has been to lead the Board, noting that it is especially meaningful given his personal background. He thanked CSLB staff for their hard work, acknowledged fellow Board Members for their collaboration, and expressed confidence that the Board and its work are in excellent hands moving forward. He closed by thanking everyone for their patience, kindness, strength, and guidance throughout his term.

Meeting adjourned at approximately 1:42 p.m.

AGENDA ITEM D-2

Review and Possible Approval of August 4, 2026, Joint Enforcement and Public Affairs Committee Meeting Summary

CSLB ©

Enforcement and Public Affairs Committee Meeting Summary Report
August 4, 2026

Registrar David Fogt opened the Joint Enforcement and Public Affairs Committee Meeting by reviewing participation rules, noting that each committee may only participate during its designated portion of the agenda. He outlined the meeting structure, beginning with the Enforcement Committee led by Chair Michael Mark, followed by the Public Affairs Committee led by Chair Jim Ruane, and concluding with a joint discussion item. Registrar Fogt explained that the meeting would provide updates on CSLB's Analytical Study on Unlicensed Practice and associated resource needs. Because the meeting was fully remote, Committees could discuss and gather information but could not take formal action; their conclusions would be incorporated into a summary report to the full Board in September. He then turned the meeting over to Chair Mark to begin the Enforcement Committee session.

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

Enforcement Committee Chair Michael Mark called the meeting of the Contractors State License Board (CSLB) Enforcement Committee to order on August 4, 2026, at 9:00 a.m. via Microsoft Teams teleconference. A quorum was established.

Enforcement Committee Members Present
Michael Mark, Chair
Joël Barton
Rodney Cobos
Steve Panelli
Josef Preciado
Jim Ruane

Thomas Ruiz had an approved absence.

CSLB Staff Present
David Fogt, Registrar
Steve Grove, Chief of Enforcement
Katherine White, Chief of Public Affairs
Carol Gagnon, Chief of Licensing and Examinations
Thuc (Doan) Nguyen, Manager of Licensing Examination Development
Barney Gomez, Chief of Information Technology
David Gower, Public Affairs Supervisor
Amy Lawrence, Television Specialist
Natalie Watmore, Information Officer
Katie Carrasco, Executive Analyst

DCA Staff Present
John Kinn, DCA Legal Counsel

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

Committee Member Comment
There was no comment.

Public Comment
Andrea Montano, founder of Roof Over My Heart, addressed the Committee to offer insight drawn from her 17 years of experience building enterprise systems in California state government. She said her goal is to help improve protections for homeowners, particularly those building ADUs. She said ADUs now represent a significant share of new homes in California and are often paid for by homeowners' savings with little margin for loss. Montano described rising fraud within this space and the limited recourse available to affected families. She provided a printed presentation illustrating patterns based on CSLB data and offered to sign a confidentiality document to allow two further detailed presentations for Enforcement staff: one showing how fraudulent operators exploit the process, and another outlining measurable areas for coordinated response. She requested a brief private working session to share this information and expressed support for ADUs while urging stronger protection and recovery options for homeowners.

Merle Simonsma voiced support for Montano's remarks and described her experience building an ADU for her 98-year-old father. She discussed her extensive communication with CSLB beginning in August 2024, including submitting documents, participating in an interview, and providing supplemental information, but noted she has received no updates for more than a year. Simonsma explained that the contractor abandoned the project, leaving an open trench and unpaid subcontractors, forcing her to manage and fund the remaining work herself. She shared that her father, a retired senior civil engineer, passed away in August 2024 before ever seeing the completed ADU.

Registrar Fogt offered to connect Simonsma with an enforcement supervisor available at the meeting for an immediate update on her case.

Nadia Razani raised concerns about the way CSLB handles complaints involving licensed subcontractors. She said although a general contractor is responsible for the overall project, alleged violations by licensed subcontractors, such as plumbers, may never be individually reviewed if the homeowner did not contract with them directly. Razani said this creates a gap in consumer protection, as investigations rely on the general contractor to identify and report subcontractor errors, which can present a conflict of interest. She stated that accountability should not depend on who signed the contract. Razani asked the Board to consider establishing a mechanism to review subcontractors' conduct when credible, trade-specific evidence is presented, ensuring all license holders are held to their professional standards in support of CSLB's consumer protection mission.

Todd Titus, Director of State Government Affairs for Heating, Air Conditioning & Refrigeration Distributors International (HARDI), asked the CSLB Enforcement Committee to revisit the discussion on the California Energy Commission's Phase III Energy Data collection proposal at next month's Board Meeting. He said recent developments and misinterpretations of a prior CSLB motion have raised concerns, saying the CEC's rulemaking would require distributors to report detailed business and customer information, including contractor names, addresses, license numbers, equipment models, and annual unit sales., He said HARDI views this as an inappropriate intrusion into confidential business data. Titus outlined HARDI's alternative proposal for a third-party clearinghouse model that would allow distributors and online retailers to report to an independent entity that anonymizes and aggregates the data before sending only high-level totals to the CEC. He said this approach would protect sensitive business information while still supporting permit compliance and energy forecasting goals, and he offered to provide further details by email.

Alyssa Pratt said she entered into a contract in January 2024, to build ADUs intended for affordable housing rentals in Fresno. When the project stalled, she filed a complaint with CSLB in November 2025 and received a response the following month. She said her case remains open and is part of an ongoing Attorney General action against the contractor. Pratt said she has lost approximately $230,000 paid to the contractor, plus more than $30,000 in legal fees, leaving her unable to complete the project and now considering selling the property simply to recover some of her losses. She said she is relying on the Attorney General's Office to hold the contractor accountable, though she does not expect to recover her funds.

Christy Johnson said she and her husband contracted in August 2024 to build an ADU for their elderly parents using the parents' life savings. After learning that subcontractors were not being paid and being approached for money they had already provided, they filed a CSLB complaint. Although they initially received notice of an upcoming interview regarding multiple investigations into the contract, they said they never heard back despite repeated attempts to contact the assigned investigator. Johnson reported that in June 2026 a different investigator reached out, but by then the Attorney General had already been recommended to pursue an accusation against the contractor, and their case was not included. She stated that, had their investigation proceeded, they might have been part of that action and eligible to recover the $193,000 they lost. She concluded by noting they ultimately paid subcontractors themselves for the incomplete work.

Wendy Callero said she filed a complaint with CSLB in November 2025 against an ADU contractor and received acknowledgement two months later, on January 20, indicating she would be contacted within 90 days by the investigator. She said no one followed up, and she still has not received any communication regarding her case.

Callero said the ADU was intended for her mother and described the experience as traumatic and highly stressful, noting that her hard-earned money was lost quickly and that she is now back to square one.

Committee Member Comment
Chair Mark thanked everyone for their comments and said he appreciated everyone taking the time to address the Enforcement Committee. He then turned the floor over to Public Affairs Committee Chair Jim Ruane.

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

Public Affairs Committee Chair Jim Ruane called the meeting of the Contractors State License Board (CSLB) Public Affairs Committee to order on August 4, 2026, at 9:29 a.m. via Microsoft Teams teleconference. A quorum was established.

Public Affairs Committee Members Present
Jim Ruane, Chair
Miguel Galarza
Amanda Gallo
Jacob Lopez
Omar Passons

Diana Love had an approved absence.

CSLB Staff Present
David Fogt, Registrar
Steve Grove, Chief of Enforcement
Katherine White, Chief of Public Affairs
Carol Gagnon, Chief of Licensing and Examinations
Thuc (Doan) Nguyen, Manager of Licensing Examination Development
Barney Gomez, Chief of Information Technology
David Gower, Public Affairs Supervisor
Amy Lawrence, Television Specialist
Natalie Watmore, Information Officer
Katie Carrasco, Executive Analyst

DCA Staff Present
John Kinn, DCA Legal Counsel

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

Committee Member Comment
There was no comment.

Public Comment
There was no comment.

Joint Item for Enforcement Committee and Public Affairs Committee

E. Review and Discussion Regarding Analytical Study on Unlicensed Practice and Resource Needs

Chair Ruane proceeded to the main agenda item, Item E, reviewing and discussing the analytical study on unlicensed practice and the associated resource needs. Chair Ruane turned the floor over to Registrar Fogt to lead the discussion on the study and its implications.

Registrar Fogt provided an update on the purpose of the meeting, which is to gather committee input on the information that should be included in the final report. The final report is expected to be released publicly at the September 2 Quarterly Board Meeting. Although the Board originally allocated $200,000 to hire an external consultant for the study, the test development staff volunteered to take on the project themselves. Registrar Fogt thanked Manager Doan Nyugen and her team for their efforts and invited Manager Nyugen to introduce the staff who contributed to the study.

Manager Nyugen thanked exam specialists Alejandra Zuniga, Ashkan Zehfroosh, and Shahin Karami for going above and beyond their regular duties. She recognized their extra efforts in collecting, processing, and cleaning complaint data, business license data, and additional datasets.

Registrar Fogt explained that the study identified roughly 70,000 unlicensed operators compared to 286,000 licensed contractors, of which 245,000 hold active licenses. He said unlicensed operators lack the consumer protections provided by licensed contractors, highlighting both a concern and an opportunity to help qualified individuals become licensed or to remove unqualified operators from the marketplace. The study also found compliance issues with two existing requirements: contractors often fail to include their license number in contracts and advertisements as required under Business and Professions Code section 7030.5, and some operate outside their registered business name style. Registrar Fogt then invited Chair Ruane to comment on why contractors might omit their license number in advertisements and how they could be encouraged to comply for improved public protection.

Chair Ruane said contractors often fail to include their license numbers simply because it’s easy to overlook or ignore, even though it is required by law. He emphasized that displaying the license number is not only a legal obligation but is also a valuable form of advertising, helping consumers quickly verify legitimacy. He said some contractors display the number clearly, others make it tiny, and some omit it entirely, sometimes because they may be improperly using someone else’s license.

Chair Ruane stressed that including the license number is simple, beneficial, and crucial for consumer awareness.

Manager Nyugen explained that the study was guided by a strategic approach, using various data sources to better understand and address unlicensed contractor activity. This included analyzing online and social media advertising to strengthen proactive enforcement and consumer awareness, as well as using complaint data, business license information, Data Axle records, and local resident licensing data to estimate the number of unlicensed contractors. The study also assessed resource and staffing needs to effectively respond to unlicensed activity and offered insights for Public Affairs to enhance outreach, build partnerships, educate consumers about hiring licensed contractors, and support students interested in construction-related fields.

Chair Mark expressed appreciation for the progress made on the study. He noted that the Board has spent considerable time discussing unlicensed activity. Chair Mark emphasized that the study's data strengthens the Board's efforts to address unlicensed activity and thanked everyone involved for their work.

Chair Ruane said he appreciated Chair Mark's leadership in advancing strategic initiatives focused on consumer protection. He highlighted the importance of outreach and partnerships with building departments and state agencies and then shared a recent conversation with his homeowner's insurance agent. Chair Ruane noted that homeowners' insurance policies do not typically require the use of licensed contractors, even though homeowners may face financial liability if an unlicensed worker is injured. He suggested that the Board explore outreach to the Department of Insurance to provide information to homeowners, especially those in fire-prone areas, so they better understand the risks and the importance of hiring licensed contractors during repairs or rebuilding.

Chair Mark requested legal guidance from counsel, asking whether this was an appropriate point in the joint meeting to take questions or comments from Committee Members. He asked if it was suitable to call on Committee Member Steve Panelli, who serves on the Enforcement Committee, and sought clarification from legal counsel on proper procedure for handling comments related to this topic.

DCA Counsel John Kinn clarified that, because this is a joint meeting, members from either committee may comment on the item. He noted that going along with the PowerPoint presentation would likely be too cumbersome and suggested instead that both chairs monitor raised hands to manage comments efficiently.

Chair Mark agreed with Counsel Kinn's guidance and suggested that the chair of each committee call on members from their respective committee when they wish to comment. He then invited Member Panelli to share his comments.

Member Panelli explained that homeowners' insurance policies do not require licensed contractors because homeowners are expected to pull permits themselves if they perform the work, which doesn't require a license. However, when a homeowner hires someone to do the work, that individual must pull a permit and therefore must be licensed. Member Panelli noted that many homeowners still hire unlicensed individuals who perform work without permits, leaving the homeowner liable if something goes wrong. He agreed that insurance companies should consider adding a statement clarifying the need for licensed contractors and proper permits to ensure coverage and compliance with requirements such as workers' compensation.

Manager Nyugen explained that the study relied on the CSLB Master List from the Public Data Portal, which provides detailed information on all active contractor licenses, including business names, personnel, license numbers, and addresses, and allows consumers to quickly verify license status. Multiple data sources were used to ensure reliability, and 2024 complaint data, local business registration directories, and California construction employer data from Data Axle indicate that more than 70,000 contractors may be operating without a license in California. Using 2024 complaint data and assuming licensed and unlicensed contractors receive complaints at the same rate, the team applied the licensed contractor rate of one complaint per 15 contractors to the 4,646 unlicensed complaints received, estimating approximately 71,000 unlicensed contractors statewide.

Registrar Fogt discussed NAICS codes commonly used by other government agencies and by the construction industry. He pointed out that Committee Member Miguel Galarza, who is both a contractor and an active federal contractor, was present and asked him to share his insight on how this data is utilized in federal contracting work, as well as how individuals or businesses can get the information they need.

Member Galarza explained that NAICS codes, used nationwide to classify all goods and services purchased by the federal government, serve as the federal system's method for identifying construction work instead of contractor licenses like those used in California. Construction falls under category 23, with six-digit codes distinguishing general building (236), heavy civil engineering (237), and specialty trades (238). These codes also determine size standards for federal procurements, such as small business set asides. Member Galarza said contractors must register in SAM.gov to obtain a UEI number, the modern replacement for the former DUNS number, in order to do federal contracting work. During registration, businesses select their NAICS codes, which classify their work but do not require proof of qualifications. He explained that this standardized system allows the federal government to manage procurement consistently across all states and territories.

Manager Nyugen explained that the study used Data Axle's statewide list of construction businesses, which included about 111,000 records. After cleaning the data to remove duplicates, the team compared each business's name and city information against the CSLB Master List. Any business appearing in the Data Axle list but not in the CSLB list was flagged as a potential unlicensed contractor. This comparison resulted in roughly 70,000 businesses that did not have a corresponding CSLB license number.

Registrar Fogt reviewed business license statistics, noting that many unlicensed individuals obtain a local business license and then incorrectly use that number in advertisements, which is unlawful. He said this highlights an opportunity for CSLB to collaborate more closely with local jurisdictions to improve tracking and encourage proper licensure. Years ago, CSLB staff sent educational letters to new business license applicants, and the data, taken from 36 sample cities out of roughly 485 statewide, shows similar outreach could again be effective. Registrar Fogt then turned to online advertising, pointing out that many construction ads on Craigslist lack a license number or proper business name. CSLB's SWIFT team frequently uses Craigslist to identify unlicensed operators for stings, and initial findings indicate not only that most advertisers appear unlicensed, but also that some who display a license number may be using one improperly.

Manager Nguyen noted that some advertisers on Craigslist list what they claim is a license number, but when cross-checked against the CSLB Master List, the number does not correspond to a valid CSLB license. In interviews conducted during the study, individuals explained that they often received a number from a contractor but did not realize it was not a CSLB-issued license. These findings underscore misuse and misunderstanding of license numbers among unlicensed operators.

Chair Mark said the study's findings were striking, particularly the estimate of 70,000 potential unlicensed contractors operating in California and posing risks to consumers. He commended the team for using strong, measurable data from Data Axle and business license records from 36 sample cities, noting that many consumers mistakenly assume a local business license equates to a CSLB contractor license. He highlighted the value of partnering with cities and counties to improve data sharing and outreach, especially during business license application processes. He also acknowledged staff persistence after multiple unsuccessful Request for Proposal attempts and noted that the study's results will support enforcement efforts, including SWIFT's review of Craigslist advertisements. Chair Mark said the findings demand meaningful action.

Chair Ruane agreed the study's findings were eye-opening and suggested exploring creative consumer protection strategies. He proposed that CSLB look into whether platforms like Craigslist and similar sites could display a pop-up notification reminding users of the importance of hiring licensed contractors. Such a message, he said, could alert consumers browsing these ads and help prevent them from being taken advantage of by unlicensed operators.

Registrar Fogt expressed his support for Chair Ruane's proposed consumer protection strategy, agreeing that exploring creative outreach could help better inform consumers and reduce the risks posed by unlicensed contractors.

Committee Member Thomas Ruiz joined approximately at 10:00 a.m.

Committee Member Rodney Cobos agreed with Chair Ruane's observations, noting he was also struck by the high number of Craigslist advertisements lacking a contractor license number. He said Chair Ruane's suggestion of exploring a pop-up notification on such platforms was exactly what he had intended to raise.

Committee Member Josef Preciado agreed that the study's findings were eye-opening and noted that, while the analysis focused on 36 cities, there are many more jurisdictions across California worth examining. He expressed interest in identifying geographic areas with higher concentrations of unlicensed activity so the board could better target outreach, public education, and partnerships with local governments. Member Preciado emphasized that such targeted efforts are needed and would help strengthen the strategies already discussed.

Committee Member Amanda Gallo asked staff whether CSLB currently has any formal information-sharing agreements or understandings with other jurisdictions. She asked if such partnerships exist, or could be established, to allow more standardized, ongoing data sharing, such as on an annual basis, to support the kind of coordinated efforts discussed earlier.

Registrar Fogt explained that while there are existing memorandums of understanding with other state agencies, none currently exist at the local level. He noted that establishing such agreements locally is a great idea and discussed potential collaboration with cities.

Committee Member Omar Passons said in addition to exploring collaborations with platforms like Craigslist, large, responsible retailers such as Home Depot might also be interested in public affairs partnerships. He suggested simple consumer awareness efforts, for example, signage near checkout areas reminding customers to verify their contractor's license, as another way to help inform the public.

Registrar Fogt explained that state law requires cities to collect contractor license numbers when issuing business licenses, yet the study found most cities are not doing so. He described outreach to the League of California Cities and the possibility of identifying pilot cities to encourage proper data collection and provide applicants with helpful information, emphasizing the shared responsibility in protecting property owners from unqualified practitioners. Registrar Fogt then asked Chair Ruane, a former mayor of San Bruno, for insight into why cities may not be requesting license numbers during the business license application process.

Chair Ruane explained that California does not issue statewide business licenses, leaving licensing to cities and counties, where construction businesses must obtain local business licenses or tax certificates. In his own city, staff consistently verify both the city business license and the contractor's CSLB license when issuing permits but noted that many cities fail to enforce these requirements. He described common issues, such as individuals attempting to work under another contractor's license without proper authorization. Chair Ruane suggested that CSLB could support local governments by providing clearer information to city licensing staff and possibly hosting a webinar to explain licensing requirements and how CSLB can help ensure contractors are properly qualified, as many jurisdictions are not enforcing these rules as they should.

Registrar Fogt invited Committee Members to offer additional suggestions on how CSLB might effectively engage with cities, including ideas for selecting pilot cities based on factors such as demographics or geographic regions. He said outreach has already begun with the League of California Cities and welcomed further input to refine these efforts. Registrar Fogt noted that all recommendations discussed will be incorporated into the final report scheduled for the September 2 Board meeting.

Member Panelli said San Francisco could serve as a strong pilot city because it already has well-established processes for verifying contractor licenses, requiring documentation, and communicating regularly with CSLB. He pointed out that many other cities may lack the systems or programs needed to facilitate this type of communication, simply not knowing the steps to set it up. He suggested that if a committee is formed to support pilot cities, it should focus on helping jurisdictions develop the necessary infrastructure and guidance so they can properly verify licenses and communicate with CSLB.

Chair Mark said 36 cities have already been identified and have available data, recommending that any pilot program begin with those jurisdictions.

Member Passons suggested that, within the group of 36 identified cities, CSLB might further narrow its focus to a subset that accounts for a higher share of violations. He noted that limited staff resources were discussed at the last full meeting and proposed that starting with the most impacted jurisdictions could make the effort more manageable. He said by concentrating on cities generating the greatest number of issues, CSLB could begin small and expand the program over time, aligning resources with the areas of greatest need.

Registrar Fogt said that idea is very useful and suggested analyzing consumer complaints within each jurisdiction as a way to identify which cities generate a disproportionately high number of issues relative to their population. He noted that sharing this information with those cities could help illustrate why they should participate in the pilot effort and would also guide CSLB in allocating limited resources more effectively.

Registrar Fogt explained that the study will likely recommend a budget change proposal to secure additional resources needed to fully address the issues uncovered. He then turned the discussion over to Enforcement Chief Steve Grove to outline what CSLB can accomplish with its current resources. Registrar Fogt asked Chief Grove to highlight existing challenges, particularly the demands of responding to reactive consumer complaints, noting that several consumers earlier expressed concerns about their contractors.

Chief Grove explained that Enforcement is currently facing a sharp rise in consumer complaints, especially involving solar and ADU construction, and limited staffing is causing delays in investigations and enforcement actions. Within the SWIFT unit, only 27 investigators are available to address an estimated 70,000 unlicensed contractors statewide, making their three main enforcement tools, stings, sweeps, and responding to leads, difficult to maintain at full capacity. He noted that stings provide the strongest results, including guaranteed criminal filings and valuable deterrence through publicity, but they require available properties, which are increasingly hard to secure. Chief Grove emphasized that with current resources, CSLB can only shift efforts from one enforcement activity to another, which is not ideal, and recommended increased public and industry assistance in offering properties for sting operations.

Manager Nguyen noted that, based on the study's findings, staff have identified several initial ideas for action. She invited Chief of Public Affairs Katherine White to offer any immediate recommendations or steps that could be taken right away and to share guidance that might help shape the next phase of the effort.

Chief White noted that many key ideas have already been addressed, including improving communication with city building departments and focusing on the 36 surveyed cities, particularly those with the highest number of violations, to maximize impact. She explained that part of the efforts will include drafting an informational letter for city business license counters and updating the Building Officials Guide to better emphasize licensing requirements. She also highlighted the need to expand public outreach through billboards, radio, podcasts, and other advertising, along with enhancing contractor education through licensing workshops. Chief White expressed appreciation for the many ideas shared and enthusiasm for moving the effort forward.

Registrar Fogt then asked Licensing Chief Carol Gagnon to provide comments.

Chief Gagnon explained that if the outreach and enforcement efforts successfully encourage even 10 percent of the estimated 70,000 unlicensed contractors to apply for licenses, CSLB could generate roughly $3 million in new revenue. She said this funding would significantly support future projects and staffing increases while also strengthening oversight, improving consumer protection, and increasing the number of licensed contractors operating responsibly in the state.

Registrar Fogt then turned to Information Technology Chief Barney Gomez, asking whether there are any information technology opportunities that could be leveraged based on his extensive experience.

Chief Gomez explained that there are clear IT opportunities to support the outreach and enforcement efforts described, particularly if a budget change proposal moves forward. He noted that establishing a data-sharing channel with local jurisdictions would allow CSLB to collect and integrate licensing and enforcement information directly into its public data systems and portal. To build and maintain this capability, especially for the 36 cities identified in the study, CSLB would need additional technology resources and IT staffing to support the ongoing work.

Registrar Fogt asked the Committee for guidance on whether the final report should include a request to use CSLB's existing fund balance to support a budget change proposal for this effort. He emphasized the importance of understanding whether licensees support using licensing fee revenue to combat the underground economy and help level the playing field for compliant contractors.

Chair Mark noted that, given the estimated 70,000 potentially unlicensed contractors, a budget change proposal will likely be necessary to expand both Enforcement and Public Affairs staffing so CSLB can effectively address the issue and conduct outreach to cities. He emphasized the importance of maintaining strong license processing performance and agreed that developing a proposal is appropriate, with the understanding that it would later need review by the full Board and possibly the Executive Committee.

Member Panelli emphasized that additional staffing will be essential, not only to handle the anticipated influx of new license applications but also to manage renewals and keep existing contractor records up to date, an area that has posed challenges in the past. He noted that maintaining both new and existing licensing operations will require significant support, reinforcing the importance of a budget change proposal.

<u>Public Comment</u>
Andrea Montano thanked the Committee and offered two recommendations to strengthen the study. First, she suggested releasing the analysis publicly before meetings so those most affected, homeowners, licensed contractors, and unpaid subcontractors, can provide informed input. Second, she emphasized that effective resource allocation requires identifying where harm is concentrated, urging the study to produce a "concentration map" showing which trades, regions, project sizes, and repeat operators account for the largest share of violations and financial damage. She noted that focusing on the small subset responsible for disproportionate harm will yield the highest return, far exceeding the potential revenue from newly licensed contractors. Montano also proposed a future agenda item for a conceptual idea involving SWIFT and recommended exploring an API to support quarterly reporting from local jurisdictions to the state.

Phil Vermeulen expressed strong support for aggressive action against unlicensed contractors and proposed using Business and Professions Code section 7031, noting that contractors who are not duly licensed at all times can be forced to return all compensation plus interest, a consequence he frequently sees in high-stakes legal cases. Vermeulen suggested launching a marketing campaign centered on educating consumers about this provision, framing it as the ability to "get a free job," to encourage the public to check contractor licenses before hiring. He added that consumers who knowingly hire unlicensed contractors lack recourse through CSLB, which contributes to high complaint volume, and believes that stronger public awareness would reduce Enforcement demand. Vermeulen pledged to work with the Board to develop such a campaign and recommended focusing outreach on the identified cities to drive greater compliance and licensing.

Phil Cocciante said unlicensed individuals already understand they are required to be licensed, so education alone is not the issue. Instead, he suggested conducting a study to determine what barriers prevent them from pursuing licensure, whether costs, regulations, or aspects of the licensing process itself. He noted that many prospective applicants' express frustration with requirements they find restrictive or confusing, which may discourage them from completing the process. Cocciante explained that he and others in licensing support already help contractors navigate the system but noted that identifying and addressing the underlying obstacles is key to increasing licensure among those knowingly operating without a license.

Kyle Vermeulen stated that public education remains the biggest challenge, as many consumers still don't know how to identify licensed contractors or use CSLB's tools. He found the study results compelling and believes they should be made more visible through public-facing materials such as a fast facts flyer or a prominent banner on CSLB's homepage. Vermeulen also suggested proactive media outreach across major regional news markets to share the study's findings and educate homeowners on contract requirements. He recommended improving CSLB's license lookup search engine so consumers can more easily find contractors by name, noting that small formatting issues often prevent matches. He closed by expressing appreciation for CSLB's efforts and highlighting that easier access to licensing information will help the public rely more consistently on licensed contractors.

<u>Committee Member Comment</u>
Chair Mark expressed appreciation for the study and noted that it was highly informative.

Member Passons then offered two additional recommendations, noting that CSLB could explore partnerships with other departments or the broader workforce system to bolster enforcement capacity, potentially through investigators or trainees from community colleges or trade-training programs. He also reinforced the idea of developing an API to make data more accessible and easier to analyze using modern technology, while acknowledging that such an approach comes with legal and operational challenges. Member Passons suggested both ideas as considerations for the study's final recommendations.

Chair Ruane stated the strong deterrent effect of stings and sweeps, noting from personal experience that visible enforcement, such as arrests of unlicensed contractors, quickly sends a message to other bad actors. He voiced support for developing a budget change proposal and prioritizing efforts in the cities identified through the study, reiterating that protecting consumers remains the board's central mission. Chair Ruane then concluded the Joint Committee Meeting.

D. Adjournment

The Enforcement and Public Affairs Committee Meeting adjourned at approximately 10:35 a.m.

AGENDA ITEM D-3

Review, Discussion and Possible Action Regarding Unlicensed Practice Study

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AGENDA ITEM D-4

Registrar's Report

a. Update Regarding August 7, 2026, Industry Stakeholder Meeting

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Registrar's Report – Update Regarding August 7, 2026, Industry Stakeholder Meeting

At the June 2026 Board Meeting, the Board unanimously approved a motion directing CSLB staff and members of the Reciprocity Advisory Committee to convene a stakeholder meeting, pursuant to parameters established by the Board.

In accordance with that directive, CSLB held an industry stakeholder meeting on **August 7, 2026, from 10:00 a.m. to 11:30 a.m. at the State Capitol in Sacramento**. Hosted in Room 127, the meeting brought together representatives from contractor trade associations, labor organizations, licensing support professionals, and CSLB staff to discuss reciprocity, trade examination waivers, qualifier participation, and related consumer protection issues. The Assembly and Senate Business and Professions Committees supported the meeting, with committee consultants in attendance.

Due to scheduling constraints at the time the meeting was arranged, Advisory Committee members did not participate at the in-person meeting. Board Chair Alan Guy facilitated the discussion, which was intended to inform potential reciprocity parameters for future Board consideration.

Industry Stakeholder Meeting Summary

Item 1: Reciprocity/Trade Examination Waivers
CSLB staff and stakeholders discussed current reciprocity practices and the impact of trade examination waivers on consumer protection. Staff presented data showing that complaint rates for licenses issued via trade exam waivers were comparable to those issued without waivers.

Participants considered whether California should expand, reduce, or maintain existing reciprocity agreements, highlighting concerns regarding exam equivalency, enforcement consistency, and the need for incoming contractors to understand California's regulatory requirements.

Overall, stakeholders expressed consensus that reciprocity agreements should not be expanded until CSLB completes a review of out-of-state exam equivalence and conducts additional analysis of complaint data.

Staff recommendation, with concurrence from Reciprocity Advisory Committee members, is for the Board to consider the following parameters:

1. Similarity of building code content within comparable trade exams
2. Complaint data associated with reciprocal licensees
3. Appropriate cycle time for exam comparison reviews
4. Comparability of requirements for licensure between states pursuant to Business and Professions Code section 7065.4
5. Potential referral of reciprocity-related matters to the Licensing Committee

Item 2: Multiple Qualifiers on Licenses
CSLB staff reported increasing complaint volumes, particularly in solar and home improvement work, associated with qualifiers who are not adequately exercising supervision and control over the construction operations they are responsible for. Stakeholders discussed the proliferation of “Responsible Managing Officer matchmaking” services, challenges verifying ownership requirements, concerns about qualifiers overseeing multiple unaffiliated entities, and several potential approaches to strengthening accountability.

Potential responses discussed included increasing bonding requirements for qualifiers, reviewing complaint histories before adding qualifiers, improving verification of equity ownership, pursuing legislative remedies to address referral fee-driven license sharing, and expanding outreach to ensure qualifiers understand their statutory responsibilities. Participants agreed the misuse of qualifiers contributes to consumer harm and supported CSLB exploring statutory and regulatory options to address the issue.

Staff recommendation is to refer this matter to the **Licensing Committee**.

Item 3: Home Improvement Salesperson Registration Requirements
CSLB staff outlined concerns regarding Home Improvement Salespersons (HIS) who negotiate contracts and financing without adequate training, sometimes requesting advance payments or negotiating loans that do not comply with statutory consumer protection requirements. Staff noted that lenders commonly pay contractors directly, often before work is performed, and that HIS who negotiate financing do not currently receive specialized training — despite parallels with mortgage loan negotiations overseen by the Department of Real Estate.

Stakeholders supported CSLB engaging with the Department of Financial Protection and Innovation (DFPI) to explore potential legislation requiring additional training or certification for HIS who negotiate home improvement loans.

Staff recommendation is to refer this topic to the **Legislative Committee.**

AGENDA ITEM D-5

Information Technology Update

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Information Technology Update

Business Modernization Update: Sole Owner Online Application
CSLB's Information Technology Division launched the online sole owner license application, built on the SimpliGov platform, this summer.

Work on this project began after the contract was executed in July 2024. Transforming CSLB's detailed, paper-based original application — containing extensive background, experience, and documentation requirements — into a fully digital format was a significant undertaking.

The new online application allows sole owner applicants to submit all required information, signatures, and payments entirely online.

The sole owner license type was selected as the first to transition to an online application because this group will benefit the most from the system. Approximately 45 to 50 percent of original license applicants are sole owners, and they represent nearly half of CSLB's licensing population. Automating this process will result in:

- Nearly half of CSLB's license applicants being able to apply entirely online
- The ability for applicants to complete their application at any time, without mailing documents or visiting CSLB Headquarters
- Fewer submission errors, significantly reducing processing times
- Reduced manual processing of original exam applications for Licensing and Administration staff.

Since the application first had its soft launch June 29, 2026, more than 800 applications have been started with over 125 successful online submissions. The soft launch allowed CSLB to evaluate the user experience, collect feedback, and use the results to guide improvements ahead of the formal rollout. The application was announced to the general public in an Industry Bulletin on August 24, 2026.

Business Modernization Update: Enterprise Document Management System
CSLB's cloud-based Enterprise Document Management System (EDMS), launched in May 2025, continues to improve how staff manage and access records across the organization. The system has enhanced efficiency, strengthened document security, and made workflows easier to track. Staff report EDMS and its integrated Box platform are user-friendly and performing well.

The system has added more than 1.4 million new documents, migrated over one million archived records, and supported the issuance of more than 34,000 licenses. It now holds more than 26 million documents overall and averages about 110,000 pages scanned each month. These results reflect strong adoption and mark a major milestone in CSLB's ongoing modernization efforts. CSLB is coordinating with DCA to release a request for offer for the Enforcement effort. CSLB intends to use the existing solution and extend it to CSLB/Enforcement. This would be considered as a Business Process Effort.

Help Desk Ticketing System
CSLB is undertaking a focused effort to modernize its aging ticketing system to improve reliability, performance, and long-term supportability. The current solution is obsolete at both the hardware and operating system levels, creating significant security concerns due to outdated components that can no longer be patched or properly supported. As part of this effort, CSLB is evaluating multiple modernization options to ensure the new system aligns with industry best practices for ticketing platforms, including strong workflow automation, clear request categorization, integrated asset management, auditability, and secure, maintainable infrastructure. This modernization initiative will help ensure CSLB's support operations remain resilient, efficient, and secure well into the future. As part of this modernization effort, CSLB is evaluating multiple options, including the potential adoption of the DCA ServiceNow solution. This modernization effort is also intended to ensure CSLB aligns its investment with a solution and pricing structure appropriate for the size and needs of the organization.

Global Address List Modernization Effort with Department of Technology
California Department of Technology is transitioning to a modernized Managed Tenant Organization platform and will be retiring the legacy Global Address List. As part of this statewide initiative, CSLB will be participating in the modernization effort to ensure the employee directory information is current, secure, and aligned with new standards. This transition will also improve cross-agency collaboration, including capabilities like viewing free/busy calendar availability across departments to support more efficient scheduling and coordination. The transition is expected in early to mid-September.

AGENDA ITEM D-6

Budget Update

CSLB Budget Update

Final Fiscal Year (FY) 2025-26 CSLB Budget Summary

CSLB had an authorized Governor's Budget of $83.3 million.

At fiscal year-end, CSLB spent $83 million of its authorized budget on board expenditures. In addition to its board expenditure, the board also spent $5.9 million on external mandatory costs, for total expenditures of $89 million.

The final revenue came in higher than projected at $101.4 million.

As a result of these figures, the fiscal-year reserve balance has increased to $67.7 million (approximately 8.4 months' reserve).

This information is summarized in the chart below:

FY 2025-26 BUDGET SUMMARY

Description	Amount
Adjusted Beginning Reserve Balance	**$55,110,000**
Projected Fiscal Year-End Totals:	
Revenue	**$101,448,000**
Board Expenditures External Costs	$83,000,000 $5,851,000
Total Expenditures	**$88,851,000**
Ending Reserve Balance *(Projected)* **Months in Reserve**	**$67,707,000** **8.4**

What follows are details of CSLB's budget for each of the following topics:

- Final Fiscal Year 2025-26 Expenditures
- Final Fiscal Year 2025-26 Revenue
- CSLB fund condition
- Construction Management Education Account (CMEA) fund condition
- Fiscal Year 2026-27 CSLB Preliminary Budget

Expenditures

CSLB spent or encumbered $83 million, roughly 99.7 percent of its FY 2025-26 budget at fiscal year-end:

EXPENDITURE DESCRIPTION	FY 2025-26 BUDGET ACT	FY 2025-26 FINAL EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	$34,789,000	$31,750,000	$3,039,000	8.7%
Board Members	16,000	8,300	7,700	48.1%
Temp Help	560,000	961,512	-401,512	-71.7%
Overtime	146,000	79,927	66,073	45.3%
Staff Benefits	18,271,000	17,977,722	293,278	1.6%
TOTALS, PERSONNEL	**$53,782,000**	**$50,777,461**	**$3,004,539**	**5.6%**
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	$18,320,000	$21,208,000	-$2,888,000	-15.8%
Exams – Subject Matter Experts	436,000	492,656	-56,656	-13.0%
Enforcement	11,075,000	11,012,239	62,761	0.6%
TOTALS, OE&E	**$29,831,000**	**$32,712,895**	**($2,881,895)**	**-9.7%**
TOTALS	**$83,613,000**	**$83,490,356**	**$122,644**	**0.1%**
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-90,363	-262,637	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-400,059	400,059	
GRAND TOTALS	**$83,260,000**	**$82,999,934**	**$260,066**	**0.3%**

Revenue

CSLB received the following revenue through fiscal year-end:

Revenue Category	FY 2025-26 Final Revenue	Percentage of Revenue	Change from prior year
Duplicate License/Wall Certificate Fees	$579,078	0.6%	-0.5%
New License and Application Fees	$24,934,818	24.6%	-3.2%
License and Registration Renewal Fees	$66,037,386	65.1%	3.0%
Delinquent Renewal Fees	$4,461,550	4.4%	2.6%
Citation Penalty Assessments	$3,027,947	3.0%	11.6%
Interest *(i.e., reserve funds invested)*	$2,176,078	2.1%	-15.4%
Misc. Revenue	$230,675	0.2%	24.5%
Total	**$101,447,532**	**100.00%**	**1.2%**

CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund, which shows the final fiscal year (FY) 2025-26 reserve with adjustments ($67 million, approximately 8.3 months' reserve), along with the projected reversion amounts for current year (CY) 2026-27 through budget year (BY) 2027-28:

(Dollars in thousands)	Final FY 2025-26	Projected CY 2026-27	Projected BY 2027-28
Beginning Balance *(Fund/Savings Account)*	**$56,810**	**$67,707**	**$70,981**
Prior Year Adjustment	($1,700)	$0	$0
Adjusted Beginning Balance	**$55,110**	**$67,707**	**$70,981**
Revenues and Transfers			
Revenue	$101,448	$96,000	$96,000
Transfer from General Fund (Disaster Response)			
Total Resources *(Revenue + Fund/Savings Acct.)*	**$156,558**	**$163,707**	**$166,981**
Expenditures			
Board Expenditures	$83,000	$85,968	$88,977
External Costs *(i.e., CalHR, DOF, SCO, GO, Leg, etc.)*	$5,851	$6,758	$7,772
Total Expenditures	**$88,851**	**$92,726**	**$96,749**
Ending Balance *(Fund/Savings Account)*	**$67,707**	**$70,981**	**$70,232**
Months in Reserve	8.4	8.4	8.0
Dollars in Reserve	$67.7 M	$70.9 M	$70.2 M

Notes:
1) Board expenditures include staff pay, benefits, and operating expenses.
2) External costs include statewide pro rata.
3) CY 2026-27 & BY 2027-28 assumes workload and revenue projections.
4) CY 2026-27 assumes board expenditures is proposed Governor's budget with no savings.

Construction Management Education Account (CMEA) Fund Condition

Below is the CMEA fund condition, which shows the final fiscal year (FY) 2025-26 reserve of $487,000, along with the projected reversion amounts for current year (CY) 2026-27 through budget year (BY) 2027-28:

(Dollars in thousands)	**Final FY 2025-26**	**Projected CY 2026-27**	**Projected BY 2027-28**
Beginning Balance	$ 493	$ 487	$ 473
Prior Year Adjustment	$0	$0	$0
Adjusted Beginning Balance	**$ 493**	**$ 487**	**$ 473**
Revenues and Transfers			
Revenue	$233	$225	$225
Totals, Resources	**$ 726**	**$ 712**	**$ 698**
Expenditures			
Disbursements:			
Program Expenditures (State Operations)	$14	$14	$14
Local Assistance Grant Disbursements	$225	$225	$225
Total Expenditures	**$ 239**	**$ 239**	**$ 239**
Fund Balance			
Reserve for economic uncertainties	**$ 487**	**$ 473**	**$ 459**

Notes:

1) Projected CY 2026-27 and ongoing includes increased grants based on approved CMEA annual augmentation.

Fiscal Year 2026-27 CSLB Preliminary Budget

The chart below details the preliminary FY 2026-27 CSLB budget and authorized positions which were included in the 2026 Budget Bill (Assembly Bill 109, Chapter 19, Statutes of 2026):

EXPENDITURE DESCRIPTION	FY 2026-27 Approved Preliminary Budget
POSITIONS	
Authorized Positions	423.5
Temporary Help Positions	2.6
TOTAL POSITIONS	**426.1**
PERSONNEL SERVICES	
Salary & Wages (Staff)	35,126,000
Board Members	16,000
Temp Help	869,000
Overtime	146,000
Staff Benefits	18,384,000
TOTALS, PERSONNEL	**54,541,000**
OPERATING EXPENSES AND EQUIPMENT (OE&E)	
Operating Expenses	20,803,000
Exams	436,000
Enforcement	10,188,000
TOTALS, OE&E	**31,427,000**
TOTAL APPROPRIATION	**85,968,000**
Scheduled Reimbursements	-353,000
Unscheduled Reimbursements	
TOTAL APPROPRIATION with Reimbursements	**$85,615,000**

Statistics Summary

All Applications Received

Month	2022-23	2023-24	2024-25	2025-26
July	3,749	3,794	4,449	4,137
August	5,926	4,511	4,362	4,183
September	5,094	3,920	4,307	4,319
October	4,640	4,324	4,369	4,326
November	3,683	4,002	3,589	3,538
December	3,523	3,911	3,860	3,940
January	4,116	4,365	4,317	4,052
February	4,177	4,943	4,724	4,769
March	4,488	5,115	5,007	5,040
April	4,562	5,108	5,093	4,927
May	4,852	4,771	4,595	4,304
June	4,156	4,198	4,540	4,948
Total	**52,966**	**52,962**	**53,212**	**52,483**

% Change from Prior FY *-1.4%*

Original Applications Received *(includes exam and waivers)*

Month	2022-23	2023-24	2024-25	2025-26
July	1,779	1,973	2,457	2,385
August	2,235	2,289	2,444	2,343
September	1,767	2,084	2,321	2,407
October	2,126	2,256	2,520	2,442
November	1,517	2,023	2,070	1,974
December	1,601	2,108	2,193	2,266
January	1,959	2,292	2,378	2,410
February	2,122	2,668	2,695	2,694
March	2,294	2,753	2,743	2,954
April	2,229	2,728	2,860	2,968
May	2,423	2,571	2,649	2,441
June	2,360	2,287	2,464	2,724
Total	**24,412**	**28,032**	**29,794**	**30,008**

% Change from Prior FY *0.7%*
% of Apps Rcvd are Original Apps *57.0%*

Original Licenses Issued

Month	2022-23	2023-24	2024-25	2025-26
July	1,571	1,350	1,658	1,863
August	1,408	1,937	1,574	1,742
September	1,375	1,473	1,477	1,647
October	1,278	1,663	1,611	1,675
November	1,050	1,441	1,359	1,274
December	1,128	1,379	1,607	1,675
January	1,035	1,569	1,453	1,477
February	1,138	1,658	1,539	1,612
March	1,380	1,643	1,545	1,791
April	1,101	1,649	2,001	1,838
May	1,503	1,697	1,547	1,802
June	1,635	1,705	1,653	1,653
Total	**15,602**	**19,164**	**19,024**	**20,049**

% Change from Prior FY 5.4%

Licenses Renewed

Month	2022-23	2023-24	2024-25	2025-26
July	10,339	10,042	11,360	10,396
August	10,445	10,269	10,226	9,417
September	9,784	8,809	8,851	9,477
October	9,029	9,576	10,159	10,081
November	8,680	8,665	8,120	8,242
December	8,335	9,025	8,787	9,963
January	9,984	9,804	9,761	9,577
February	8,924	9,390	8,729	9,190
March	10,591	10,780	10,878	11,411
April	9,032	10,805	9,765	10,483
May	11,444	9,601	10,439	9,825
June	10,003	10,149	10,036	10,915
Total	**116,590**	**116,915**	**117,111**	**118,977**

% Change from FY 2023-24 1.8%
% Change from FY 2024-25 1.6%

Original HIS Registrations Issued

Month	2022-23	2023-24	2024-25	2025-26
July	693	701	664	552
August	830	578	622	583
September	821	691	591	530
October	779	828	517	558
November	754	650	583	443
December	567	665	541	444
January	864	661	410	386
February	852	600	568	398
March	729	730	571	538
April	850	813	887	580
May	765	787	550	543
June	837	695	667	607
Total	**9,341**	**8,399**	**7,171**	**6,162**
			% Change from Prior FY	*-14.1%*

HIS Registrations Renewed

Month	2022-23	2023-24	2024-25	2025-26
July	551	578	634	676
August	596	703	717	646
September	602	598	702	705
October	576	668	633	731
November	529	547	563	531
December	483	530	558	572
January	591	650	658	604
February	549	573	607	646
March	712	588	790	720
April	602	591	713	640
May	664	609	703	603
June	604	593	656	580
Total	**7,059**	**7,228**	**7,934**	**7,654**
			% Change from Prior FY	*-3.5%*

License Population by Status

Status	August 1, 2023	August 1, 2024	August 1, 2025	August 1, 2026
Active	236,103	239,424	242,415	245,572
Inactive	48,408	46,241	44,139	43,232
Total	**284,511**	**285,665**	**286,554**	**288,804**
			% Change from Prior FY	*0.8%*

HIS Registration Population by Status

Status	August 1, 2023	August 1, 2024	August 1, 2025	August 1, 2026
Active	29,060	31,075	29,640	27,791
			% Change from Prior FY	*-6.2%*

Complaints By Fiscal Year

Complaints	2022-23	2023-24	2024-25	2025-26
Received	21,158	19,746	19,257	21,166
Reopened	1,578	1,479	1,754	1,751
Closed	22,181	21,503	21,806	21,687
Pending (As of June 30)	6,361	6,142	5,375	6,626

AGENDA ITEM D-7

Administration Update

Personnel Unit

Transactions

During the fourth quarter of fiscal year 2025-26 (April 1, 2026-June 30, 2026), CSLB Personnel staff completed 24 personnel transactions. This included the addition of five employees from other state agencies and five employees new to state service. Within CSLB, there were six promotions and six transfer appointments. Two Student Assistants were also hired.

Total Number of Personnel Transactions Per Quarter – FY 2025-26

Recruitment Type	Quarter 1 *July-Sep*	Quarter 2 *Oct-Dec*	Quarter 3 *Jan-March*	Quarter 4 *April-June*
From other State Agencies	3	7	6	5
New to State Service	2	6	4	5
Student Assistants	1	0	1	2
Retired Annuitants	0	0	1	0
Promotions	11	9	5	6
Transfers within CSLB	4	7	3	6
Total Per Quarter	**21**	**29**	**20**	**24**

Total Number of Personnel Transactions Per Quarter – FY 2024-25

Recruitment Type	Quarter 1 *July-Sep*	Quarter 2 *Oct-Dec*	Quarter 3 *Jan-March*	Quarter 4 *April-June*
From other State Agencies	12	2	3	9
New to State Service	19	4	11	4
Student Assistants	1	0	1	0
Retired Annuitants	2	1	1	0
Promotions	6	7	3	5
Transfers within CSLB	7	5	2	1
Total Per Quarter	**47**	**19**	**21**	**19**

Vacancies

CSLB averaged 39 vacancies out of 423.5 authorized positions during the fourth quarter of fiscal year 2025-26 (April 1, 2026-June30, 2026), which is a 9 percent vacancy rate (the goal is a 5 percent vacancy rate). The Personnel Unit continuously works with CSLB hiring managers and the Department of Consumer Affairs' 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
2025-26	28	30	31	28	28	27	32	37	39	38	39	42
2024-25	26	22	23	23	24	30	30	28	26	24	24	26
2023-24	38	36	32	30	30	35	38	42	41	37	36	34
2022-23	52	51	54	48	46	44	46	45	45	43	41	40

Biennial Language Survey

In August 2026, the Personnel Unit coordinated CSLB's participation in the State's Biennial Language Survey. 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. The results will be used to determine CSLB's need for bilingual services and to provide a basis to certify and appoint additional bilingual employees.

Examinations

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

ADMINISTERED BY DCA	STATUS	DATE
Office Services Supervisor II	Effective date of last exam: Effective date of next exam:	June 2026 December 2026
Supervising Special Investigator II (Non-Peace Officer)	Effective date of last exam: Effective date of next exam:	June 2026 December 2026

Business Services

Facilities

- **Norwalk:** The lease renewal is in progress. Tenant improvements will be completed as part of this lease renewal.
- **Oxnard:** The lease renewal is in progress. Tenant improvements will be a part of the space reduction project.
- **Santa Clarita:** The lease renewal is in progress. Tenant improvements will be completed as part of this lease renewal.
- **San Francisco:** The lease renewal is in progress. Tenant improvements will be completed as part of this lease renewal.
- **West Covina:** The lease extension is through December 31, 2026. Tenant improvements will be completed as part of this lease renewal.

Contracts in process

The following contracts are being processed by the DCA Business Services Office (BSO):

- Arbitration and Mediation Services contract for arbitration services between complainants and contractors.
- General Logistics Systems (GLS) contract for statewide mailing services.
- FedEx Corporation Services contract for statewide mailing services.
- International Mailing Equipment contract for maintenance services on the letter opener utilized by the CSLB mail room.

Executed contracts

- California Highway Patrol interagency contract for protection services for fiscal year 2026-27.
- Department of Industrial Relations (DIR) interagency agreement to lease the old Oxnard Test Center until the new lessor assumes ownership.
- Foothill Transcription Company contract for transcription services.

Fleet: Vehicle Utilization

CSLB vehicle utilization for fiscal year 2025-2026 is 91 percent (51 out of 56) based on a General Services guidelines average.

Administration Update Regarding Support Services

The Cashiers Unit completed 34,427 transactions during the third quarter of FY 25/26 and 34,784 transactions during the fourth quarter.

The Mailroom processed 170,038 incoming and outgoing mail items during the third quarter of FY 25/26 and 185,243 items during the fourth quarter.

During the third quarter of FY 25/26, CSLB Headquarters incurred a combined total of $207,658 in postage costs through the Mailroom and Warehouse and $215,411 postage costs during the fourth quarter. In August 2026, the United States Postal Service increased our standard postage rate from 74 cents to 78 cents. This change is expected to result in higher postage expenses moving forward and is considered routine, as postage rates typically increase one or two times per year.

The Electronic Data Management System (EDMS)/Scanning Unit continues to work diligently to ensure contractor documents are processed in a timely manner, with 348,207 documents scanned during the third quarter of FY 25/26 and 344,393 during the fourth quarter.

Cashier's Transactions

FY	Jan	Feb	Mar	Apr	May	Jun
25/26	10,954	11,355	12,118	13,016	10,640	11,128

Processed Incoming Mail

FY	Jan	Feb	Mar	Apr	May	Jun
25/26	29,477	31,079	34,078	38,413	35,913	30,470

Processed Outgoing Mail

FY	Jan	Feb	Mar	Apr	May	Jun
25/26	23,593	23,833	27,978	27,888	25,394	27,165

Postage Usage

FY	Jan	Feb	Mar	Apr	May	Jun
25/26	$61,692	$70,081	$75,885	$67,976	$68,959	$78,476

Scanned Documents

FY	Jan	Feb	Mar	Apr	May	Jun
25/26	104,796	115,753	127,658	123,713	104,982	115,698

AGENDA ITEM E

Legislation

AGENDA ITEM E-1

Review, Discussion, and Possible Action on 2025-2026 Legislation

a. AB 559 (Berman) Contractors: home improvement contracts: prohibited business practices.

b. AB 1707 (Davies) Electricians: certification application, examination, and renewal.

c. AB 1796 (Jackson) Licensed Professional Interior Designer Act.

d. AB 1915 (Gabriel) Accelerated restaurant equipment permitting approval: retail food safety.

e. AB 1980 (Caloza) Labor: apprenticeship: Equal Representation in Construction Apprenticeship Grants Program.

f. AB 2550 (Caloza) Women in the construction industry: report.

g. SB 342 (Umberg) Contractors: unlicensed work.

h. SB 784 (Durazo) Home improvement loans: right to cancel contracts.

i. SB 1165 (Caballero) Contractor licenses: outstanding liabilities assessed by the California Department of Tax and Fee Administration.

j. SB 1263 (McGuire) Contractors: debris removal.

Review, Discussion, and Possible Action on 2025-2026 Legislation

E1a. **Assembly Bill 559** (Berman) Contractors: home improvement contracts: prohibited business practices.

STATUS/LOCATION (as of August 21, 2026): No longer moving forward in 2026.

SUBJECT: Home improvement contracts: accessory dwelling units (ADUs).

SUMMARY: AB 559 would add accessory dwelling units (ADUs) to the definition of "home improvement" in Contractors State License Law (Contractors Law) and specify that individuals (licensed and non-licensed) who violate progress payment provisions causing financial harm to their customers are subject to a $10,000 or possible license suspension or revocation.

COMMENT/ANALYSIS: The Contractors State License Board (CSLB) firmly believes that residential ADU onsite construction or installation are home improvement under existing law. As described below, the construction or erection of structures including garages and basements and other improvements on or next to a residence, is considered home improvement. A residential ADU is the construction or erection of a structure next to a residence. Therefore, this bill is merely clarifying existing law to the benefit of consumers and the construction industry.

CSLB sponsored this bill to prevent any argument that an ADU is considered new construction simply because the term is not included in the definition of home improvement. By clearly including ADU in the home improvement definition, consumers, contractors, and the legal community will be more aware of the protection of the down payment and progress payment restrictions in home improvement contract laws. CSLB sponsored a similar bill that added "solar energy systems" to the definition of home improvement in 2021.

With the demand for the construction of ADUs rising in recent years, CSLB has received a significant increase in the number of consumer-filed complaints against contractors for failing to complete ADU construction projects. Most of the complaints allege considerable consumer financial harm because the contractor abandoned the project after requesting and accepting payments that exceeded the value of work completed and delivered.

Contractors on home improvement projects are prohibited from charging a down payment of more than $1,000 or 10 percent of a home improvement contract, whichever is less. Contractors can establish a payment schedule for the balance of what they are owed but are prohibited from requesting or accepting payments that exceed the value of the work performed or materials delivered. These payment requirements are generally referred to as "progress payments." This bill provides that individuals who violate progress payment rules resulting in a financial loss to the consumer of 10 percent or more of the contract price are subject to a civil penalty of $10,000 minimum.

Including the definition of ADUs in home improvement and strengthening existing civil penalties for progress payment violations would discourage would-be violators from taking excessive payments and failing to deliver the work or materials outlined in the project contract for which they have been paid. This bill strengthens existing consumer protections while posing no burden to law-abiding contractors.

Staff is aware of concerns regarding home improvement payment restrictions from ADU manufacturers that also install ADUs, with the manufacture, sale and installation under a master contract. However, this bill and current law only apply to the installation of ADUs as part of a home improvement contract and the assembly and sale of manufactured homes off-site is not regulated in Contractors Law (if there is no obligation for the ADU manufacturer to install the ADU).

BACKGROUND: Contractors Law defines “home improvement” as repairing, remodeling, altering, converting or modernizing, or adding to a residential property, as well as the reconstruction, restoration, or rebuilding of a residential property damaged or destroyed by a natural disaster. “Home improvement” includes (but is not limited to) the construction, erection, installation, replacement or improvement of driveways, swimming pools, terraces, patios, awnings, solar energy systems, garages, basements, and other improvements of the structures **or land adjacent to a dwelling home** (emphasis added). Contractors Law also defines a “home improvement contract” as an agreement between a contractor and a homeowner or tenant for the performance of home improvement.

Contractors Law prohibits contractors on residential home improvement projects from requesting or accepting a down payment exceeding $1,000 or 10 percent of the contract price (whichever is lower) or requesting or accepting payments that exceed the value of the work performed or materials delivered.

PREVIOUS LEGISLATION: SB 757 (Chapter 249, Statutes of 2021) added solar energy systems, as defined, to the definition of a type of home improvement (Business and Professions Code section 7151) which had the effect of preventing any argument that solar energy systems are not home improvement and enhanced consumer protection.

FISCAL IMPACT: The costs to implement this bill are minimal and can be absorbed within current resources.

STAFF RECOMMENDATION: None. The Board voted to approve the sponsorship of this legislation at the December 2024 board meeting. Staff were unable to reach consensus with the author and stakeholders prior to the end of the legislative year, and accordingly AB 559 is no longer moving forward.

Review, Discussion, and Possible Action on 2025-26 Legislation

E1b. Assembly Bill 1707 (Davies) Electricians: certification application, examination, and renewal.

STATUS/LOCATION (as of August 25, 2026): Pending the Senate Floor.

SUMMARY: AB 1707 transfers the administration of the electrician certification program (ECU) and existing requirements for electrician certification from the Department of Industrial Relations' (DIR) Division of Labor Standards Enforcement (DLSE) to the Contractors State License Board (CSLB), upon appropriation by Legislature, effective July 1, 2028. Specifically, this bill:

1. Authorizes CSLB to continue the established program to oversee minimum standards for training, competency, testing, and certification of electricians.

2. Maintains the Electrician Certification Fund (ECF) as a special treasury account.

3. Authorizes CSLB to collect fees sufficient to administer the program.

4. Allows CSLB to access the ECF beginning July 1, 2027, for early transition work.

5. Authorizes DLSE to continue to expend necessary proceeds to assist with the transition of ECU to CSLB through June 30, 2029.

6. Requires CSLB to enforce existing DLSE regulations until CSLB adopts its own regulations.

COMMENT/ANALYSIS: Under current law, individuals employed by a C-10 (Electrical) contractor who connect electrical devices over 100 volts must hold electrician certification. CSLB enforces this requirement while DLSE manages certification, registry, curriculum approvals, and trainee registration. AB 1707 centralizes these responsibilities by transferring ECU to CSLB, effective July 1, 2028.

Current law requires persons employed by a C-10 licensee that engage in the connection of an electrical device over 100 volts to be a certified electrician or in an approved apprenticeship program. A C-10 license qualifier is exempt from the electrician certification requirement.

Pursuant to Business and Professions Code Section 7137, CSLB charges a $20 fee to C-10 licensees for enforcement of the electrician certification requirements. Pursuant to statute and a memorandum of understanding, electrician certification complaints are filed with the Labor Commissioner's Office who confirms unregistered status and probable violations of law before forwarding the complaint to CSLB for investigation and possible legal action against the C-10 licensee. The consolidation of electrician certification administration, vetting of complaints, investigation and enforcement under one entity, CSLB, will improve consistency and standardize enforcement practices.

Implementation considerations

While delayed implementation is provided in AB 1707, staff will need to engage in coordinated planning in the following areas to ensure a smooth transition should this bill be signed into law.

1. Funding and administration – While CSLB will expend some staffing resources to ensure the smooth transfer and implementation of the ECU, all efforts should be made to ensure that the ECU is a standalone, self-funding operation that does not rely on funding or resources from contractor licensing and renewal fees. AB 1707 provides CSLB with access to the ECU fund on July 1, 2027, enabling early transition activities and system preparation. To implement the transfer, CSLB will require a legislative appropriation through the budget process to access the ECF for: 1) one-time resources to contract with three temporary information technology (IT) consultants who will perform the lift-and-shift migration of ECU's IT infrastructure; and 2) ongoing resources to hire eight permanent ECU staff, consisting of five positions transferred from DLSE, one of which will be reclassified as a Career Executive Assignment (CEA) to oversee the program, one Analyst III to support administrative, legislative, budgetary, and procurement workload, and two Information Technology Specialist I positions to provide ongoing system stabilization and technical support. While the existing fee structure is sufficient to meet existing program requirements and the ECF has a significant reserve, CSLB may want to contract for a fee study in the future to ensure long-term program sustainability.

2. IT – CSLB will need to be ready to administer the ECU by July 1, 2028, ensuring it can process applications, maintain a comprehensive registry database, operate a functional website, and support all necessary IT infrastructure. In collaboration with DIR, CSLB will need to assess the ECU's current IT environment, assess workload needs, and determine what efforts are needed to lift and shift DLSE's IT infrastructure to CSLB. This assessment requires hiring outside consultants (a project manager, business analyst, and technical architect) to complete, and will determine the timeline for a successful transfer, which depending on project's complexity may take up to 12 to 15 months to complete. Similar to DIR, CSLB uses SimpliGov for licensing, which may lower the estimated timeline.

3. Regulations – Most of the ECU's day-to-day functions are provided for in regulation. AB 1707 transfers the implementation and enforcement of those existing regulations to CSLB until CSLB can promulgate its own regulations. Staff will need to review existing regulations and determine which regulations may be transferred under CSLB's regulatory scheme wholesale (through the Section 100 process) and which regulations need revising, which will need to be done through the regular regulatory

process. The regulatory process typically takes 18 months but can take up to two years. Once CSLB's regulations are complete, DLSE should repeal their newly obsolete regulations.

4. Legislation – Provisions transferring the ECU to CSLB were amended into AB 1707 late in the legislative process, and the Board has not had the opportunity to review the specific provisions contained in the bill. Staff have identified several statutory changes that would be appropriate for a future legislative proposal, including clarifying direct payment for testing to the vendor and other non-substantive changes. Staff will develop a legislative proposal for the Board's consideration.

FISCAL IMPACT: AB 1707 will not generate any costs to CSLB's existing license fund as it assumes responsibility for the administration of the Electrician Certification Program. All expenditures would be paid from the ECF, which both DLSE and CSLB may access during a transitional period ending June 30, 2029; after that date, the fund will be administered solely by CSLB.

In fiscal year (FY) 2027-28, estimated costs include approximately $675,000 to hire one additional Analyst III position, and two IT Specialist I positions to initially start up the program and $900,000 for one-time information technology consultants to conduct "lift and shift" work needed to migrate DLSE's existing program into CSLB's licensing environment, anticipated to be completed through a budget change proposal.

Beginning in FY 2028-29, program operations will require approximately $2.9 million ongoing to support eight program positions – including five positions transferred from DIR, the three additional staff hired in FY 2027-28, and $1.2 million annually for external consultant and contract costs needed to support examination administration, school validations, data quality work, and other operational requirements. These costs represent the minimum resources needed to establish, transition, and sustain the program and are contingent upon legislative appropriation. Additional resources may be required in future years if workload, examination requirements, or system needs exceed baseline assumptions.

STAFF RECOMMENDATION: Staff recommend the Board take a "support" position on AB 1707. The Board did not take a formal position at the June Board meeting because the transfer provisions were not yet included in a legislative bill; however, members generally voiced support for the transfer of the ECU program to CSLB. Should AB 1707 be signed into law, CSLB staff will keep the Board apprised regarding implementation efforts and will seek guidance from the Board where appropriate.

Review, Discussion, and Possible Action on 2025-26 Legislation

E1c. Assembly Bill 1796 (Jackson) Licensed Professional Interior Designer Practice Act.

STATUS/LOCATION (as of August 21, 2026): Held in Senate Business, Professions and Economic Development and no longer moving forward.

SUBJECT: Creates professional licensure for professional interior designers.

SPONSOR: International Interior Design Association

SUMMARY: AB 1796 would establish the Licensed Professional Interior Designer Practice Act. Specifically, this bill:

1. Requires the California Architects Board (CAB) to license and regulate professional interior designers.

2. Defines the scope of practice for professional interior design to include offering or finishing or being responsible for or in control of the planning, design, and oversight of interior spaces, in buildings and structures in California in a manner complying with generally applicable codes and regulations.

3. Includes the coordination of work, administration of contracts and observation of construction in the definition of "professional interior design."

4. Excludes the practice of a professional engineer, a professional land surveyor, architecture, a structural engineer, and changes to the construction classification of the building or structure according to the California Building Standards Code from the definition of "professional interior design."

5. Exempts licensed contractors from licensure as a professional interior designer.

EXISTING LAW: Existing law provides for the certification of interior designers by the California Council for Interior Design Certification (CCIDC). Certified interior designers (CIDs) are exempt from California Contractors State License Law (Contractors Law) to the extent they are designing systems for work to be performed by a licensed contractor.

COMMENT/ANALYSIS: As drafted, AB 1796 does not sufficiently differentiate between the newly proposed scope of practice for professional interior designers and the existing scope of practice for licensed contractors. This bill would allow professional interior designers to coordinate work, administer contracts, and observe construction. AB 1796 would also allow professional interior designers to be responsible for or in control of the planning, design, and oversight of interior spaces. Pursuant to Contractors Law, licensed contractors are responsible for managing and coordinating construction work, overseeing subcontractors, maintaining jobsite safety and ensuring construction work meets building code standards. Allowing professional interior designers to duplicate oversight tasks already performed by licensed contractors may potentially lead to unlicensed construction activity by professional interior designers and undermines the licensed contractor's responsibility for the jobsite and the work of subcontractors, putting consumers at risk.

Further, AB 1796 also provides that "professional interior design" does not include the practice of professional engineering, professional land surveying, architecture, structural engineering, or changes to the construction classification of the building or structure according to the California Building Standards Code. Omitting the practice of licensed construction from the list of exempted activities under the bill suggests that professional interior designers would be authorized to perform oversight functions currently undertaken by licensed contractors as long as it is not structural or seismic work. This overlap in scope would create ambiguity for consumers about who is ultimately responsible for construction projects.

BACKGROUND: The CCIDC is a nonprofit organization authorized to issue a certification to any applicant meeting certain minimum qualifications and who passes interior design courses and examinations as determined by CCIDC. A certified interior designer (CID) can obtain a stamp from CCIDC that bears the name of the CID and an identifying number that uniquely identifies the individual as a CID and requires any plans for submission to any local building department by a CID to be affixed by this stamp. CID laws do not preclude any individual from submitting interior design plans for commercial or residential buildings to local building officials without the CID stamp. CID can prepare and submit interior plans to local building departments that are detailed and complex enough that a licensed contractor is needed to carry them out, provided those plans are nonstructural or non-seismic.

The sponsor of AB 1796 maintains that this bill is needed because the lack of a practice act forces interior designers to practice under the oversight of other licensed professionals to engage with any part of the construction industry, like bidding for work, procuring insurance, etc., despite being qualified to perform this work independently. They further maintain that the lack of state regulation creates gaps in public safety and confusion for consumers regarding the roles, responsibilities, and qualifications of commercial interior designers. It is unclear how consumer harm would be mitigated if interior designers are provided with professional licensure that significantly overlaps with the work of licensed contractors.

PREVIOUS LEGISLATION: AB 2482 (Ma, 2012) would have established a California Registered Interior Designers Board within the Department of Consumer Affairs to regulate interior designers. AB 2482 failed passage.

SB 153 (Chapter 396, Statutes of 1990) established the CCIDC and a voluntary certification process for interior designers.

FISCAL IMPACT: Pending. AB 1796 would complicate CSLB's investigations and prosecution of unlicensed contracting activity given the overlap in scope between interior designers and licensed contractors proposed by this bill.

STAFF RECOMMENDATION: The Board took an OPPOSE position on this bill at its June 2026 quarterly board meeting. This bill would allow professional interior designers to encroach upon the scope of work reserved for licensed contractors by authorizing them to perform tasks that currently require a contractor's license. Expanding interior designers' authority in this manner would complicate CSLB's investigation and prosecution of unlicensed contracting activity, create confusion within the business community and among regulated professionals, and increase the risk of consumer harm.

AB 1796 was held in the Senate Business, Professions and Economic Development Committee and is no longer moving forward.

Review, Discussion, and Possible Action on 2025-26 Legislation

E1d. Assembly Bill 1915 (Gabriel) Accelerated restaurant equipment permitting approval: retail food safety.

STATUS/LOCATION (as of August 21, 2026): Held in the Senate Appropriations Committee and no longer moving forward.

SUBJECT: Allows a contractor to certify that a commercial restaurant equipment installation performed by a separate, unaffiliated contractor meets applicable building codes in lieu of final inspection by a local building department.

SPONSOR: Independent Hospitality Coalition

SUMMARY: AB 1915 would allow contractors who meet certain requirements to certify the installation of like-for-like restaurant equipment meets applicable building codes in lieu of submitting to a final inspection conducted by a local building department. The bill also provides that a negligent or false certification subjects the contractor to disciplinary action by the Contractors State License Board (CSLB). Specifically, AB 1915:

1) Defines “licensed contractor” as a licensed contractor holding a valid and active license in good standing in the appropriate classification for the work performed.

2) Defines “like-for-like equipment installation” to mean the installation or replacement of commercial food service equipment that is substantially similar in size, function, and utility demand to existing approved equipment and does not include changing use or occupancy of the building; altering structural or load-bearing elements; modifying fire or life safety systems; increasing approved utility capacity; or requiring “discretionary review.”

3) Defines “qualified licensed contractor certifier” to mean a licensed contractor who does not contract for or perform the initial installation of the like-for-like equipment they are certifying; is unaffiliated with the contractor performing the like-for-like equipment installation; holds a valid license in good standing in the appropriate classification; has no less than five years of experience performing commercial food service equipment installation or commercial restaurant construction experience; maintains general liability insurance for at least $2 million per occurrence; and is not subject to any current suspension, probation, or enforcement action by CSLB.

4) Authorizes local building departments to allow a qualified licensed contractor to submit a certification of compliance with applicable codes in lieu of performing an inspection for a like-for-like restaurant equipment installation.

5) Provides that the certification, under penalty of perjury, shall attest that the equipment installation complies with all applicable building, electrical, mechanical, plumbing, fire, and health and safety codes in effect at the time of installation and that the work performed is limited to a like-for-like installation.

6) Requires a local building department to approve or deny the certification within 10 business days and failing to do so will deem the permit approved for permitting purposes, provided all fees have been paid.

7) Provides that a qualified licensed contractor certifier is liable for damages arising from negligent or false certification and that they will indemnify the local agency from property damage or personal injury arising from construction performed.

8) Provides that a false statement on the certification subjects the contractor to disciplinary action by CSLB and may constitute grounds for a conviction of perjury. Authorizes CSLB to impose a minimum civil penalty of $1,500 for violations.

9) Requires the Building Standards Commission to make certain updates to the California Building Standards Code related to restaurant establishments.

10) Makes other updates to food preparation safety requirements pursuant to the Health and Safety Code.

EXISTING LAW: Pursuant to Contractors State License Law (Contractors Law), failure to obtain a building permit or comply with a correction order from a local building department is cause for disciplinary action (Business and Professions Code Section 7110).

COMMENT/ANALYSIS: Construction work requiring a permit cannot begin until the permit has been issued by a local building department. Once the work is complete, local building officials perform an inspection to verify that the work has been done correctly and safely. This permitting process provides essential oversight designed to protect consumers and business owners from harm, by requiring a contractor to resolve any non-compliant work before the final permit is approved. The permit process ensures construction work meets minimum safety standards and helps prevent unsafe or substandard construction work before it becomes a hazard.

This bill would allow a “qualified licensed contractor certifier” to certify the installation of like-for-like restaurant equipment meets industry standards and complies with state and local building codes, to bypass a final permit inspection. An earlier version of this bill would have allowed a contractor to self-certify installation of like-for-like restaurant equipment meets industry standards and complies with state and local building codes, which would have created an incentive for some contractors to declare their work compliant in order to obtain final payment, even when deficiencies exist. Although the bill excludes certain higher-risk projects including structural or load-bearing components and any modification to fire or life-safety systems, it presents some risk to consumers. Safety or quality issues become apparent through a final inspection, and without that safeguard, issues might not emerge until long after the contractor has completed the project. Under this proposal, problems that a building inspector would typically identify at the final inspection stage could go undetected, potentially creating hazardous conditions for property owners and occupants.

Further, by allowing contractors to bypass a final inspection, this bill effectively diverts responsibility for code and trade-standard compliance away from building departments to licensed contractors who may not be sufficiently knowledgeable of local code requirements. Deprived of a final inspection to root out issues and resolve them, restaurant owners who encounter subpar construction work will undoubtedly seek resolution by filing complaints with CSLB.

FISCAL IMPACT: While recent amendments have reduced the fiscal impact significantly, the projected workload resulting from AB 1915 cannot be absorbed by existing CSLB staff. CSLB anticipates an increase in complaints filed by local building departments, other agencies, and consumers regarding negligent or false certifications of compliance with building codes. Based on estimated data, the Board projects an additional workload of at least 150 new complaints annually and 110 would require investigation and potential disciplinary action. Based on this workload, CSLB would require one additional enforcement position for every 53 complaints annually; therefore, CSLB would require approximately 2.0 permanent full-time Special Investigator (SI) positions to address the increased workload. Additional costs are also expected for industry expert reviews, as well as Attorney General (AG) and Office of Administrative Hearings (OAH) services for cases that may involve perjury or other enforcement actions. CSLB anticipates approximately $1 million initially and $979,000 ongoing, including staffing, AG and OAH costs, and industry expert costs.

STAFF RECOMMENDATION: None. The Board took an “oppose unless amended” position on AB 1915 at its June 2026, quarterly meeting. Following lengthy negotiations with the author and sponsor, the bill was amended to require a second unaffiliated contractor to review the work in order to bypass the final inspection by a local building department instead of allowing the installing contractor to self-certify their own work. This amendment largely alleviated the Board’s concerns regarding consumer protections and significantly reduced anticipated enforcement workload.

AB 1915 was held in the Senate Appropriations Committee and is no longer moving forward.

Review, Discussion, and Possible Action on 2025-26 Legislation

E1e. Assembly Bill 1980 (Caloza) Labor: apprenticeship: Equal Representation in Construction Apprenticeship Grants Program.

STATUS/LOCATION (as of August 21, 2026): Pending the Senate Floor.

SUBJECT: Requires the Department of Industrial Relations (DIR) via its Division of Apprenticeship Standards (DAS) to establish and administer the Equal Representation in Construction Apprenticeships (ERiCA) Grant Program.

SPONSOR(S): California Commission on the Status of Women and Girls (Co-Sponsor) and Women in Non-Traditional Employment Roles (Co-Sponsor)

SUMMARY: AB 1980 would require the Division of Apprenticeship Standards to establish and administer the ERiCA Grant Program, upon appropriation by the Legislature. Specifically, this bill:

1) Requires DAS to establish and administer the ERiCA Grant Program to increase equitable access to building and construction career pathways for women, nonbinary individuals, and underrepresented populations in California.

2) Requires DIR to issue a competitive request for applications for qualified organizations that meet certain criteria.

3) Defines "qualified organization" to include community-based organizations, workforce boards, unions, nonprofit organizations, local education agencies, and registered construction apprenticeship and pre-apprenticeship program sponsors, as specified.

4) Requires DIR to prioritize awarding grants to qualifying organizations that serve women and nonbinary individuals and underrepresented populations meeting certain criteria.

5) Provides that grants are only to be used to: direct participant stipends to offset lost wages and enable full participation in registered pre-apprenticeship and registered apprenticeship programs; supportive services necessary to improve participant retention and completion; career navigation, job placement, and transition supportive services; outreach to women, nonbinary individuals, and underrepresented populations interested in careers in the building and construction industry; worksite culture improvements; and administrative and program management costs, as specified.

6) Requires each grantee to report certain information including number of participants enrolled in a registered pre-apprenticeship or apprenticeship program, and how many enrollees completed the program; amount and distribution of stipends; amount and distribution of supportive services; amount and uses of outreach funding; gender demographics for program participants; and employment retention outcomes at six and 12 months post program exit.

7) Requires DIR to provide a summary report to the Legislature to support ongoing oversight, budget evaluation, and potential program expansion.

8) Authorizes DIR to issue rules, regulations, guidelines, policies, or procedures necessary to implement this bill.

EXISTING LAW: Existing law requires the Employment Development Department (EDD) to establish, with other state agencies, a systemwide policy of actively promoting the training of women in nontraditional occupations.

COMMENT/ANALYSIS: According to the author, “California’s growing economy depends on a skilled workforce capable of meeting labor demand in high-growth industries, including construction and other skilled trades that provide family-sustaining wages and long-term career mobility. Women, particularly low-income women, women of color, and women who are primary caregivers, remain significantly underrepresented in registered apprenticeship programs and other high-road workforce pathways due to structural barriers. Pre-apprenticeship programs have been demonstrated to effectively prepare participants for apprenticeship opportunities. However, the lack of financial support during training often prevents women from being able to fully participate and complete programs.”

The 2022-23 Budget Act created the Women in Construction Priority Unit (WCPU) at DIR to increase opportunities for women and underrepresented groups in construction. The WCPU partners with apprenticeship programs and industry to further recruitment and remove barriers to participation. AB 1980 further specifies how funding can be used to promote and support women in the construction trades through the ERiCA grant program and establishes additional applicant eligibility and prioritization criteria.

RELATED LEGISLATION: AB 2550 (Caloza, 2026) requires the EDD to collect and report data regarding women in the construction industry to the Legislature. AB 2550 was held in the Senate Appropriations Committee and is no longer moving forward.

SB 191 (Committee on Budget and Fiscal Review, Chapter 67, Statutes of 2022) established the WCPU within DIR to coordinate and help ensure collaboration across DIR’s divisions and maximize state and federal funding to support women and nonbinary individuals in the construction workforce.

FISCAL IMPACT: CSLB does not anticipate any costs associated with this bill.

STAFF RECOMMENDATION: None. The Board took a “support” position at its June 2026 quarterly meeting.

Review, Discussion, and Possible Action on 2025-26 Legislation

E1f. [Assembly Bill 2550](#) (Caloza) Women in the construction industry: report.

STATUS/LOCATION (as of August 21, 2026): Held in the Senate Appropriations Committee and no longer moving forward.

SUBJECT: Requires the Employment Development Department (EDD) to collect and report data regarding women in the construction industry to the Legislature.

SPONSOR: Women in Non-Traditional Employment Roles

SUMMARY: AB 2550 requires EDD to collect data regarding the current supply of women in construction, including geographical distribution and diversity, by specialty. The bill also requires EDD to collect data regarding the educational capacity to produce trained, certified, and licensed women in construction, by specialty and geographic distribution, including the number of educational slots, number of enrollments, attrition rate, and wait times to enter a program of study. Additionally, AB 2550 requires EDD to work with the Department of Industrial Relations' (DIR) Division of Apprenticeship Standards (DAS) to determine this capacity within state-registered construction pre-apprenticeship and apprenticeship programs as well as to determine the number of construction pre-apprentices and apprentices in any given year who are women. Lastly, the bill requires EDD to report the data collected pursuant to the bill to the Legislature by July 1, 2027, and every three years thereafter.

EXISTING LAW: Existing law requires the EDD to establish, with other state agencies, a systemwide policy of actively promoting the training of women in nontraditional occupations.

COMMENT/ANALYSIS: According to the author, "The construction industry has historically been male dominated, limiting access and awareness of opportunities for women across California. Nationally, women hold approximately 10 percent of construction trade jobs and apprenticeships, despite accounting for more than half of the United States population. Although careers in construction offer strong career pathways and economic mobility that support families and strengthen the State's economy, women remain significantly underrepresented in the field.

"As it stands, there is no comprehensive statewide dataset that extensively analyzes the supply, geographic distribution, diversity, labor demand, and training pipeline programs for women in construction. Without this data, legislators and workforce development leaders lack the necessary information to create effective plans and strategies that address workforce shortages and expand access to opportunities in the field."

The Contractors State License Board (CSLB) does not collect demographic data as part of its licensing process but does circulate a voluntary survey monthly to individuals who recently received their license. The survey's primary purpose is to measure new licensees' satisfaction with the licensing process.

Beginning in October 2024, the survey was expanded to include voluntary demographic questions. These questions request information on education and experience, race and ethnicity, age, gender, disability status, and military service. Based on responses collected between July 2025 and March 2026, approximately 5 percent of new licensees are women.

California faces major construction labor shortages. By encouraging more women to pursue licensure, the state can increase the number of qualified contractors available to support critical housing and infrastructure construction needs. Requiring EDD to collect and publicly report data on women in construction could assist CSLB's effort to effectively conduct outreach strategies for this underserved population.

RELATED LEGISLATION: AB 1980 (Caloza, 2026) requires DIR establish the Equal Representation in Construction Apprenticeship (ERiCA) grant program upon appropriation by the Legislature. AB 1980 is pending the Senate Floor.

SB 191 (Committee on Budget and Fiscal Review, Chapter 67, Statutes of 2022) established the Women in Construction Priority Unit within DIR to coordinate and help ensure collaboration across DIR's divisions and maximize state and federal funding to support women and nonbinary individuals in the construction workforce.

FISCAL IMPACT: CSLB does not anticipate any costs associated with this bill.

STAFF RECOMMENDATION: None. The Board took a "support" position on this bill at its June 2026 quarterly meeting.

AB 1980 was held in the Senate Appropriations Committee and is no longer moving forward.

Review, Discussion, and Possible Action on 2025-2026 Legislation

E1g. Senate Bill 342 (Umberg) Contractors: unlicensed work.

STATUS/LOCATION (as of August 24, 2026): Pending the Assembly Business and Professions Committee.

SUBJECT: Allows contractors to bring an action for the recovery of compensation for public works, commercial, institutional, common interest development, and multifamily residential units (four or more units) construction while duly licensed.

SPONSOR: California Conference of Carpenters

SUMMARY: Under existing law, a contractor must be duly licensed at all times (with limited statutory exceptions described below) while performing construction activities in order to bring an action to recover compensation for that work. If a contractor is unlicensed at any point during the project – such as during a license suspension or while performing work outside the scope of their license classification – they may be barred from pursuing payment for the entire scope of work, including portions performed while the contractor was appropriately licensed. SB 342 would modify this rule for public works, commercial, institutional, common interest development, and multifamily residential units (four or more units) construction projects. Under the bill, a contractor would be permitted to seek recovery of compensation for any portion of work performed while duly licensed. The contractor would still be precluded from obtaining payment for work performed during periods in which the contractor was unlicensed or operating outside their license classification but could pursue compensation for the licensed portion of the work.

EXISTING LAW: Existing law prohibits any person from recovering compensation for work requiring a contractor's license unless they were licensed at all times during the performance of the work, except as specified. Additionally, existing law allows a person who has hired an unlicensed contractor to bring an action to recover all compensation paid for the performance of any act or contract.

COMMENT/ANALYSIS: Requiring a contractor to maintain an active license is essential to protecting consumers on home improvement projects because consumers have fewer protections and limited recourse when a contractor lacks a license. Contractors State License Law (Contractors Law) prohibits a contractor from suing to collect payment for any work performed while they were unlicensed. It also allows a consumer to sue for any money paid to a contractor who was unlicensed at any point during the job. These protections relate to civil actions and are not directly implemented or enforced by the Contractors State License Board (CSLB). However, they carry important consumer protection implications because they affect a licensee's ability to maintain standing in court to sue a consumer, even if the licensee was unlicensed at some point or for the entire duration of the project. Further, these protections were designed to deter violations of licensing requirements by minimizing financial gain from unlicensed activity.

CSLB understands industry concerns that current statute may enable awarding agencies and knowledgeable commercial property business owners to avoid paying for services rendered when a contractor's license lapses, even for a minimal period of time. This can be a ruinous consequence for contractors who work on large-scale public works and commercial construction projects, for what is perceived as a clerical error. However, staff notes there is flexibility for administrative licensing issues, such as late renewals and other administrative errors, that are corrected timely by the licensee.

Further, pursuant to SB 1474 (Chapter 312, Statutes of 2020), CSLB is required to grant retroactive renewal up to 90 days from the license expiration date if the licensee is otherwise eligible, submits a renewal application and pays any outstanding renewal and delinquency fees. In most cases a lapse in licensure results from the licensee failing to complete the required renewal steps despite having an additional 90 days to comply. Further, SB 1474 allows the judicial doctrine of substantial compliance to be applied in cases when the person who acted as a contractor had been duly licensed prior to the performance of the act or contract, acted reasonably and in good faith to maintain proper licensure, and acted promptly and in good faith to remedy the failure to comply with the licensure requirements upon learning of the failure.

PREVIOUS LEGISLATION: SB 1474 (Committee on Business, Professions and Economic Development, Chapter 312, Statutes of 2020) required CSLB to grant retroactive renewal of a contractor's license within 90 days of the expiration date if certain requirements are met. The bill removed the previous requirement for the contractor to demonstrate that the renewal was late due to circumstances beyond their control.

FISCAL IMPACT: Staff anticipate any additional workload generated by SB 342 will be minor and absorbable within existing resources.

STAFF RECOMMENDATION: None. The Board took a WATCH position on SB 342 at its March 19, 2026, quarterly board meeting with the understanding that amendments to remove home improvement from the scope of the bill were pending. The bill was subsequently amended to limit its provisions to public works and commercial projects, leaving intact existing protection for consumers of home improvement construction.

Review, Discussion, and Possible Action on 2025-2026 Legislation

E1h. [Senate Bill 784](#) (Durazo) Home improvement loans: right to cancel contracts.

STATUS/LOCATION (**as of August 17, 2026**)**:** Held in the Assembly Appropriations Committee and is no longer moving forward.

SUBJECT: Home improvement loans: right to cancel contracts.

SPONSOR: Housing and Economic Rights Advocates (HERA) and the Consumer Federation of California

SUMMARY: SB 784 increases the existing three- and five-day right to cancel in home improvement contracts (HICs) to five and seven days, respectively, for contracts entered into on and after January 1, 2026. This bill delays a consumer's repayment obligations on home improvement loans until the lender has confirmed the home improvements, excluding solar energy systems, have been given final approval by all permitting agencies and are operational. This bill also delays a consumer's repayment obligations on solar energy systems until the lender confirms that the utility supplying electricity to the property has been connected to the solar energy system and has granted permission to operate the solar energy system. Lastly, this bill establishes multiple requirements for lenders to abide by when executing a contract for a home improvement loan with a consumer.

EXISTING LAW: The Contractors State License Law provides that a consumer has three days to cancel a home improvement contract unless they are a senior citizen, in which case they have five days.

COMMENT/ANALYSIS: While CSLB does not oversee lenders or lending practices, CSLB often receives complaints related to home improvement projects that are incomplete despite loan payments being due. This is particularly true with the financing of solar energy systems and accessory dwelling units, where the increased complaint volume necessitated the formation of a multiple offender unit within CSLB's enforcement division to address misconduct.

This bill enhances consumer protection by extending the three- and five- day cancellation timeline in HICs and by requiring lenders to follow transparent practices when executing a home improvement loan. Notably, this bill prohibits lenders from requiring repayment on home improvement loans before determining whether the project has been completed and is operational.

Consumer harm by lending institutions who partner with unscrupulous contractors or salespersons has been significant. Many of these loans appear to have been negotiated at the same time as the home improvement contract itself, and consumers often report they did not understand the loan terms or have the ability to make the required payments. Enforcement staff report cases where the consumer was misled verbally by the construction company, or their salesperson, about the terms of the loan, available rebates or incentives, or were given false representations about a supposed “program” that would make the project free, provide significant reimbursements, require no out-of-pocket costs, offer tax incentives, and similar promises. Often these claims are not true.

Opponents from the financial and financial technology industries have voiced concerns that this bill undermines the efficiency of new financial technologies that provide a valuable and more affordable financial product. The author of SB 784 asked the Board to consider co-sponsorship of this bill, alongside HERA and the Consumer Federation of California, which the Board approved at its March 19, 2026, quarterly meeting.

FISCAL IMPACT: Any costs related to the implementation of this legislation are minor and absorbable within existing resources.

STAFF RECOMMENDATION: None. The Board approved co-sponsorship of SB 784 at its March 19, 2026, quarterly meeting.

SB 784 was held in the Assembly Appropriations Committee and is no longer moving forward.

Review, Discussion, and Possible Action on 2025-26 Legislation

E1i. Senate Bill 1165 (Caballero) Contractor licenses: outstanding liabilities assessed by the California Department of Tax and Fee Administration.

STATUS/LOCATION (as of August 17, 2026): Signed into law, effective January 1, 2027 (Chapter 111, Statutes of 2026)

SUBJECT: Updates outstanding liability enforcement provisions of Contractors State License Law (Contractors Law) to include the California Department of Tax and Fee Administration (CDTFA).

SPONSOR: California Department of Tax and Fee Administration

SUMMARY: SB 1165 updates Contractors Law to reflect the 2017 restructuring of the State Board of Equalization (BOE), when most of its duties were transferred to the CDTFA.

EXISTING LAW: Under Business and Professions Code section 7145.5, the Registrar may refuse to issue, reinstate, reactivate, or renew a license or may suspend a license for the failure to resolve all outstanding final liabilities, assessed by the Contractors State License Board (CSLB), Department of Industrial Relations, Employment Development Department, Franchise Tax Board and the BOE. Specific to BOE, this provision does not apply if the licensee has entered into, and is complying with, an installment payment agreement.

COMMENT/ANALYSIS: Contractors Law authorizes the Registrar to refuse to issue, reinstate, reactivate, or renew a license or to suspend a license when the licensee fails to resolve outstanding liabilities from other state agencies, including BOE. The purpose of this law is to encourage licensees and applicants to meet their legal obligations by linking compliance to their ability to obtain or maintain a license.

AB 102 (Committee on Budget, Chapter 16, Statutes of 2017) restructured BOE and transferred most of its tax administration and fee collection duties to the newly formed CDTFA. This bill updates Contractors Law to reflect this change and to confirm CDTFA's authority to direct final outstanding liabilities to CSLB for the Registrar's consideration. Since the transfer of duties from BOE to CDTFA, CSLB has continued to process judgments received from CDTFA, consistent with Government Code section 15570.24, which provides that statutory references to BOE for functions now performed by CDTFA shall be understood as referring to CDTFA instead. This bill does not create any new processes for CSLB to implement, and staff anticipate no change to its current operations from this bill.

PREVIOUS LEGISLATION: AB 102 (Committee on Budget, Chapter 16, Statutes of 2017) transferred various duties, powers, and responsibilities of the BOE relating to the administration of certain taxes and fees to the CDTFA. AB 102 also provided that when statutes referring to BOE refer to duties now assigned to CDTFA, those references are understood to refer to CDTFA instead. This clarification accounts for the many remaining statutory references to the BOE, including those in Contractors Law.

FISCAL IMPACT: CSLB does not anticipate any workload increases resulting from SB 1165. Accordingly, any costs to implement this bill are minor and absorbable.

STAFF RECOMMENDATION: None. The Board took a SUPPORT position on SB 1165 at its June 2026 board meeting. This bill clarifies existing law and does not have any anticipated impact on workload.

Review, Discussion, and Possible Action on 2025-2026 Legislation

E1j. Senate Bill 1263 (McGuire) Contractors: debris removal.

STATUS/LOCATION (as of August 21, 2026): Pending the Governor's signature.

SUBJECT: Debris removal during a declared disaster.

SUMMARY: SB 1263 clarifies that a contractor can engage in debris removal that includes hazardous materials on residential or commercial property after a natural disaster, including muck-out (soil removal) and ash-out, if they hold an A - General Engineering Contractor license, a B - General Building Contractor license, a C-12 Earthwork and Paving classification, a C-21 Building Moving/Demolition classification, or a C-49 Tree and Palm Classification (limited to tree service and tree removal only). Additionally, the bill requires contractors to have passed a Contractors State License Board (CSLB) Hazardous Substance Removal Certification examination and comply with HAZWOPER requirements established by the Department of Industrial Relations (DIR) before providing debris removal after a disaster. SB 1263 also provides that these requirements no longer apply after the local permitting agency has determined the hazardous debris removal is complete or finalized.

COMMENT/ANALYSIS: California Contractors State License Law (Contractors Law) does not designate who can perform debris removal during a declared disaster, nor does it impose additional safety and educational requirements, such as passing the Hazardous Substance Removal Certification examination or complying with DIR's hazardous waste operations and emergency response (HAZWOPER) requirements. This creates confusion about the appropriate license classification for disaster debris removal and risks exposing workers to dangerous working conditions and the public to unsafe removal and disposal practices in the aftermath of a declared disaster. By specifying who is authorized to perform debris removal during a declared disaster, including muck-out and ash-out operations, and requiring that eligible contractors possess sufficient training and certification to conduct debris removal, worker safety is enhanced and the risk of additional health and environmental hazards resulting from improper debris removal and disposal practices can be mitigated.

In the wake of unprecedented natural disasters in California over the past several years, residential rebuilding efforts have commenced across the state in areas devastated by floods, fires, and earthquakes. CSLB has received inquiries from concerned parties about whether contractors digging to remove contaminated materials from these devastated areas are trained or have the qualifications to do the work safely. SB 1263 does not change existing law or classification restrictions as it relates to debris removal on sites unrelated to a disaster declaration. Limiting this proposal to the removal of debris by certain classifications who hold Hazardous Substance Removal Certification in a disaster area *only* is intended to ensure a sufficient number of qualified licensed contractors to address the safe disposal of dangerous contaminants and chemicals left behind after property is damaged or destroyed by a disaster.

BACKGROUND: A contractor must already hold a CSLB license to apply for a Hazardous Substance Removal Certification, which is added to the license once the qualifier passes the required examination. Under Business and Professions Code section 7058.7, the certification is currently required only for the removal of underground storage tanks or when a project site is listed as a “hazardous site” on specified government websites. CSLB has confirmed that California disaster-declared sites are not included on those lists.

Los Angeles County’s experience during recent wildfires demonstrated that requiring contractors to have the specified license classification and the Hazardous Substance Removal Certification to obtain a debris removal permit was instrumental in ensuring proper construction practices and protecting both public and worker safety. This bill will help safeguard public safety during future disaster events by ensuring only qualified contractors perform hazardous debris removal work.

CSLB updates the Hazardous Substance Removal Certification examination every five years with extensive input from subject matter experts who help design questions based on federal, state, and local law. However, existing statute only requires the Hazardous Substance Removal Certification for removal and installation of underground storage tanks or if the project site is listed on state or federal websites, and as a result the certification examination questions are limited in scope to these issues. By codifying these provisions in statute, CSLB can update the examination to ensure new licensees possess the skills necessary to safely perform debris removal during a declared disaster.

PREVIOUS LEGISLATION: SB 641 (Ashby, 2025) would have limited disaster debris removal to the A - General Engineering Contractor, B -General Building Contractor license, or both a C-12 Earthwork and Paving classification and a C-21 Building/Moving Demolition classification. SB 641 would also have required licensees to have passed a CSLB Hazardous Substance Removal Certification examination and comply with HAZWOPER requirements established by DIR to perform debris removal. Lastly, the bill would have authorized the registrar to allow other classifications to perform debris removal, including muck-out services, on a case-by-case basis during a declared emergency or disaster. SB 641 was vetoed by the Governor for provisions it included that were unrelated to CSLB.

FISCAL IMPACT: CSLB does not anticipate any workload increases resulting from SB 1263. Accordingly, any costs to implement this bill are minor and absorbable.

STAFF RECOMMENDATION: None. The Board voted to approve the sponsorship of this legislation at the December 2025 board meeting.

AGENDA ITEM E-2

Review and Discussion Regarding Section 100 Rulemakings

a. California Code of Regulations (CCR) Section 832.36 – Correcting a typographical error

b. CCR Section 863 – Public access to information

c. CCR Section 884 – Updating fine amounts

CSLB ©

Review and Discussion Regarding Section 100 Rulemakings

The following non-substantive updates were made to existing Board regulations through the Section 100 process. A Section 100 rulemaking allows CSLB to add to, revise, or delete text in the California Code of Regulations (CCR) without complying with regular rulemaking process because the proposed change is non-substantive. Section 100 rulemakings do not require a public comment period.

1. CCR Section 832.36 Class C-36 Plumbing Contractor

This regulation was amended to correct inaccurate vocabulary. The Office of Administrative Law (OAL) approved this amendment on July 16, 2026, and this amendment was effective on July 16, 2026.

§ 832.36. Class C-36--Plumbing Contractor.
A plumbing contractor provides a means for a supply of safe water, ample in volume and of suitable temperatures for the purpose intended and the proper disposal of fluid waste from the premises in all structures and fixed works. This classification includes but is not limited to:
(a) Complete removal of waste from the premises or the construction and connection of on-site waste disposal systems;
(b) Piping, storage tanks and venting for a safe and adequate supply of gases and liquids for any purpose, including vacuum, compressed air and gases for medical, dental, commercial and industrial uses;
(c) All gas appliances, flues and gas connections for all systems including suspended space heating units. This does not include forced warm air units;
(d) Water and gas piping from the property owner's side of the utility meter to the structure or fixed works;
(e) Installation of any type of equipment to heat water, or fluids, to a temperature suitable for the purposes listed in this section, including the installation of solar equipment for this purpose; and
(f) The maintenance and replacement of all items described above and all health and safety devices such as, but not limited to, gas earthquake valves, gas control valves, back flow ~~preventors~~ preventers, water conditioning equipment and regulating valves.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.

No action needed by the Board.

2. CCR Section 863 Public Access to Information

This regulation was amended to conform to changes in the statute. OAL approved these amendments on May 28, 2026, and these amendments were effective on May 28, 2026.

§ 863. Public Access to Information.
The Registrar shall establish a system whereby members of the public may obtain from board records information regarding complaints made against licensed contractors, their history of legal actions taken by the board, and license status, as hereafter specified. For purposes of this section, "complaint" means ~~a written allegation which has been investigated and has been referred for legal action against the licensee~~ a written allegation that (1) has been referred for accusation; or (2) has been referred for investigation after a determination by board enforcement staff that a probable violation has occurred, reviewed by a supervisor, and involving allegations that, if proven, would present a risk of harm to the public and would be appropriate for suspension or revocation of the contractor's license or criminal prosecution. For purposes of this section, "legal action" means referral of the complaint for the issuance of a citation, accusation, statement of issues, or for the initiation of criminal action or injunctive proceedings.

(a) The Registrar shall maintain records showing the complaints received against licensees and, with respect to such complaints, shall make available to members of the public, upon request, the following information:

(1) The nature of all complaints on file against a licensee ~~which have been investigated by a Deputy Registrar and referred for legal action against the licensee by the District Office. Information regarding complaints which are in the process of being screened, mediated, arbitrated or investigated shall not be disclosed.~~ that meet the definition in this section and are subject to disclosure under Business and Professions Code section 7124.6.

(2) ~~Such general cautionary statements as may be considered appropriate regarding the usefulness of complaint information to individual consumers in their selection of a contractor~~ A disclaimer stating that the complaint is an allegation, as required by Business and Professions Code section 7124.6(b).

(3) Whenever complaint information is requested, the information disclosable under subsections (c) and (d) below shall also be released.

(b) ~~If a complaint results in a legal action and is subsequently determined by the registrar, the Office of the Attorney General or a court of competent jurisdiction not to~~

~~have merit, it shall be deleted from the complaint disclosure system.~~ Complaints resolved in favor of the contractor shall not be subject to disclosure. A complaint resolved by issuance of a letter of admonishment pursuant to Section 7099.9 shall be disclosed for a period of one or two years, consistent with Section 7124.6(c)(2).

(c) The Registrar shall maintain records showing a history of any legal actions taken by the board against all current license holders and shall make available to members of the public, upon request, all the following information:

(1) Whether any current license holder has ever been disciplined by the registrar and, if so, when and for what offense; and

(2) Whether any current licensee has ever been cited, and, if so, when and for what offense, and, whether such citation is on appeal or has been complied with;

(3) Whether any current license holder is named as a respondent in any currently pending disciplinary or legal action.

(4) Disclosure of legal actions shall be made in accordance with the timelines in Business and Professions Code section 7124.6(e),

(d) The Registrar shall maintain records showing certain licensing and bonding information for all current license holders and shall make available to members of the public, upon request, all the following information regarding current license holders:

(1) The name of the licensee as it appears in the board's records; and

(2) The license number; and

(3) The classification(s) held; and

(4) The address of record; and

(5) The personnel of the licensee; and

(6) The date of original licensure; and

(7) Whether a bond or cash deposit is maintained and, if so, its amount; and

(8) If the licensee maintains a bond, the name and address of the bonding company and the bond's identification number, if any.

(e) Limitation of access to information. Further, the Registrar may set reasonable limits upon the number of requests for information responded per month from any one requestor.

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Section~~s 7124.5 and~~ 7124.6, Business and Professions Code.

No action needed by the Board.

3. CCR Section 884 Assessment of Civil Penalties

This regulation was amended to update fine amounts to align with changes made to statutes. OAL approved these amendments June 9, 2026, and these amendments were effective July 1, 2026.

§ 884. Assessments of Civil Penalties

(a) Civil penalties against persons who have been cited for violation of the Contractors State License Law shall be assessed in accordance with the following ranges of penalties.

Section Violated	***Minimum Civil Penalty***	***Maximum Civil Penalty***
7027.1	$~~100~~500	~~$1,000~~$8,000
7028	~~200~~500	8,000
7028.1	~~1,000~~500	8,000
7028.5	~~200~~500	8,000
7028.7	~~200~~1,500	15,000
7029.1	~~200~~500	~~2,500~~8,000
7029.5	~~100~~500	~~500~~8,000
7029.6	~~100~~500	~~500~~8,000
7030	500	~~1,500~~8,000
7030.1	1,000	8,000
7030.5	~~100~~500	~~1,000~~8,000
7031.5	~~100~~500	500

Section Violated	***Minimum Civil Penalty***	***Maximum Civil Penalty***
7034	~~100~~500	~~1,000~~8,000
7058.7	500	8,000
7068.1	~~100~~500	8,000
7068.2	~~100~~500	~~1,000~~8,000
7071.11	~~100~~500	~~1,000~~8,000
7071.13	~~100~~500	~~500~~8,000
7075	~~100~~500	~~500~~8,000
7076	~~100~~500	~~1,000~~8,000
7083	~~100~~500	~~1,000~~8,000
7083.1	~~100~~500	~~1,000~~8,000
7099.10	~~100~~500	~~1,500~~8,000
7099.11	~~100~~500	~~1,500~~8,000
7107	~~200~~500	8,000
7108	~~200~~500	8,000
7108.5	~~200~~500	~~2,000~~8,000
7108.6	~~200~~500	~~2,000~~8,000
7109	~~200~~500	8,000
7109.5	500	8,000
7110	~~200~~1,500	30,000
7110.1	~~100~~500	~~1,000~~8,000
7111	~~100~~500	~~1,000~~8,000
7111.1	~~100~~500	~~1,500~~8,000
7113	~~200~~500	8,000
7114	~~500~~1,500	30,000
7114.1	~~200~~500	~~2,000~~8,000

Section Violated	*Minimum Civil Penalty*	*Maximum Civil Penalty*
7115	~~100~~500	8,000
7116	~~100~~500	8,000
7117	~~100~~500	~~1,000~~8,000
7117.5	~~200~~500	8,000
7117.6	~~200~~500	8,000
7118	~~500~~1,500	30,000
7118.4	~~3,000~~500	8,000
7118.5	~~1,000~~500	8,000
7118.6	~~1,000~~500	8,000
7119	~~200~~500	~~2,000~~8,000
7120	~~200~~500	~~2,000~~8,000
7123	500	8,000
7125	~~100~~500	~~500~~8,000
7125.4	~~200~~10,000	30,000
7154	~~100~~500	~~1,000~~8,000
7157	~~100~~500	~~1,000~~ 8,000
7158	500	8,000
7159	~~100~~500	~~1,000~~8,000
7159.5(a)(1), (a)(3), and (a)(5),	~~100~~500	8,000
7159.5(a)(2), (a)(4), (a)(6), (a)(7), and (a)(8)	~~100~~500	~~1,000~~8,000
7159.10	~~100~~500	~~500~~8,000
7159.14	~~100~~500	8,000
7161	~~100~~500	8,000

Section Violated	*Minimum Civil Penalty*	*Maximum Civil Penalty*
7162	~~100~~500	~~1,500~~8,000
7164	~~100~~500	~~1,000~~8,000

(b) When determining the amount of assessed civil penalty, the Registrar shall take into consideration whether one or more of the following or similar circumstances apply:

(1) the citation includes multiple violations;

(2) the cited person has a history of violations of the same or similar sections of the Contractors State License Law;

(3) in the judgment of the Registrar, a person has exhibited bad faith;

(4) in the judgment of the Registrar, the violation is serious or harmful;

(5) the citation involves a violation or violations perpetuated against a senior citizen or disabled person; and/or

(6) the citation involves a violation or violations involving a construction project in connection with repairs for damages caused by a natural disaster as described in Section 7158 of the Code.

(c) Where a citation lists more than one violation and each of the violations relates to the same construction project, the total penalty assessment in each citation shall not exceed $8,000, except as provided for violations of Section 7028.7, in which case the total penalty assessment in each citation shall not exceed $15,000, and for violations of Sections 7110, 7114, 7118, or 7125.4, in which case the total penalty assessment in each citation shall not exceed $30,000.

(d) Where a citation lists more than one violation, the amount of assessed civil penalty shall be stated separately for each section violated.

Note: Authority cited: Sections 7008 and 7099.2, Business and Professions Code. Reference: Sections 7099, 7099.1 and 7115, Business and Professions Code.

No action needed by the Board.

AGENDA ITEM F

Licensing

AGENDA ITEM F-1

Licensing and Testing Program Update

CSLB ©

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

	2025 Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul
Original Exam	1,563	1,581	1,708	1,352	1,503	1,539	1,811	1,982	2,043	1,690	1,817	1,794
Original Waiver	780	826	734	622	763	871	883	972	925	751	907	758
Add Class	484	533	513	412	469	480	565	590	559	547	584	507
Qualifier Replacer	304	314	299	244	254	290	316	330	297	303	326	312
Home Improvement	807	789	796	680	720	653	943	839	855	762	1,014	793
Total Per Month	**3,938**	**4,043**	**4,050**	**3,310**	**3,709**	**3,833**	**4,518**	**4,713**	**4,679**	**4,053**	**4,648**	**4,164**

3 – Month Totals **Aug – Oct: 12,031** **Nov – Jan: 10,852** **Feb – Apr: 13,910** **May – Jul: 12,865**

Total Applications Received – Prior Calendar Years

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Original Exam	15,729	15,861	17,816	20,100	19,943
Original Waiver	7,558	7,970	8,737	9,205	9,753
Add Class	4,138	4,112	4,482	5,422	5,980
Qualifier Replacer	2,813	3,024	3,288	3,326	3,386
Home Improvement Salespersons	12,411	12,466	12,792	11,799	10,276
Total Received	**42,649**	**43,433**	**47,115**	**49,852**	**49,338**

Weeks to Process

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.

	2025 Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul
Original Exam	3.5	3.3	2.1	2	2.6	2.3	2.2	2.1	2.7	2.9	1.9	1.4
Original Waiver	2.0	2.3	2.2	2	2.0	1.2	1.7	2.0	2.2	2.0	1.9	2.1
Add Class	1.9	2.0	2.4	2.4	2.9	2.5	2.2	3.0	2.6	2.0	2.7	2.5
Qualifier Replacer (Exams & Waiver)	1.9	1.9	2.3	2.4	2.4	2.2	2.7	2.8	2	2.1	2.8	2.3
Home Improvement Salesperson	1.4	1.6	1.4	1.4	2.1	1.8	1.5	2.0	1.2	1.1	1.4	1.7
Renewal	1.0	1.4	0.8	0.9	1.1	0.9	0.9	1.0	1.1	0.8	1.0	1.1
Add New Officer	1.5	1.8	1.3	1.3	2.1	1.8	1.8	2.0	1.2	1.1	1.4	1.5
Address / Name Change	1.9	1.7	1.0	1.4	2.3	1.8	2.1	2.0	1.3	1.1	1.4	1.7
Bond / Bond Exemption	0.9	1.0	0.9	1.0	1.4	1.7	2.6	1.7	3.1	2.2	1.5	1.4
Workers’ Comp / Exempt	2.8	2.6	2.4	2.8	2.5	2.1	2.9	2.6	2.4	1.1	1.4	1.1
Certified License History	0.1	0.0	0.0	0.1	0.0	0.0	0.1	2.0	0.0	2.0	0.0	2.0
Copies of Documents	0.1	0.0	0.0	0.0	0.1	0.0	1.0	0.0	0.0	0.0	0.0	0.0
Criminal Offender Record Information (CORI) Review*	2.1	1.8	2.0	2.1	2.3	2.4	2.3	2.1	2.8	2.6	2.4	2.6

*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*
2022-2023	47,042	22,301	5,197	19,544
2023-2024	49,008	25,189	4,694	19,125
2024-2025	50,424	24,303	6,126	19,995
2025-2026	49,595	23,440	6,233	19,922

* 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).

Renewal Processing Statistics

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

Total Number of Renewals Received Per Month

	2025 Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul
Reactivation	71	105	106	60	83	96	101	92	125	84	91	111
Active	7,438	7,337	7,924	6,574	7,949	7,488	7,315	9,331	8,456	7,882	8,655	8,518
Inactive	702	704	767	564	733	761	630	776	718	629	757	757
Delinquent Active	1,144	1,296	1,243	992	1,138	1,204	1,100	1,156	1,188	1,181	1,356	1,294
Delinquent Inactive	133	140	147	112	143	124	145	148	120	133	147	143
Received Per Month	**9,488**	**9,582**	**10,187**	**8,302**	**10,046**	**9,673**	**9,291**	**11,503**	**10,607**	**9,909**	**11,006**	**10,823**

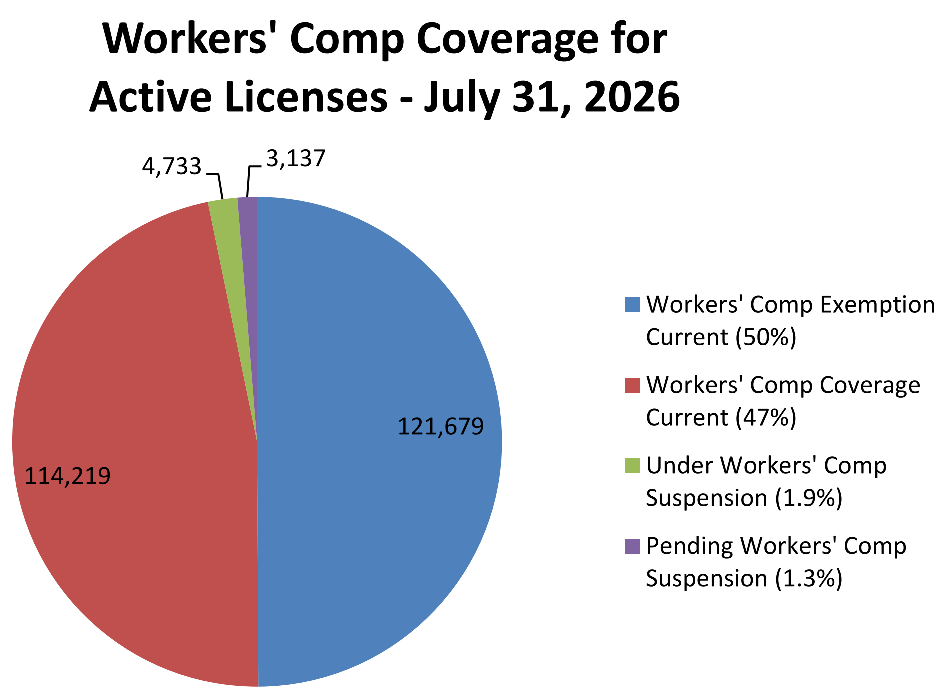
3 – Month Totals **Aug – Oct: 29,257** **Nov – Jan: 28,021** **Feb – Apr: 31,401** **May – Jul: 31,738**

Total Renewals Received – Prior Calendar Years

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Reactivation	1,230	1,250	1,293	1,248	1,156
Active	94,480	93,180	92,088	92,458	92,666
Inactive	11,351	9,087	9,689	9,994	9,129
Delinquent Active	13,162	12,519	12,911	13,776	13,697
Delinquent Inactive	2,163	1,658	1,661	1,799	1,678
Total Received	**122,386**	**117,694**	**117,642**	**119,275**	**118,326**

Workers' Compensation Recertification Statistics
The law requires that at the time of renewal, an active licensee 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.



Total Number of Active Licenses: 245,438

The following chart shows the workers' compensation coverage (policies and exemptions) on file as July 31, 2026, for active licenses by classification and the percentage of exemptions per classification.

Active License Classifications Workers' Comp Status: As of July 31, 2026

	Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A	General Engineering	5,287	9,665	14,952	35%
B	General Building	62,736	43,170	105,906	59%
B2	Residential Remodeling	1,230	424	1,654	74%
C2	Insulation and Acoustical	260	920	1,180	22%
C4	Boiler Hot Water	109	577	686	16%
C5	Framing / Rough Carp	530	529	1,059	50%
C6	Cabinet-Millwork	2,404	1,990	4,394	55%
C7	Low Voltage Systems	1,970	2,817	4,787	41%
C8	Concrete	10	5,196	5,206	0.2%
C9	Drywall	1,325	1,915	3,240	41%
C10	Electrical	14,848	13,541	28,389	52%
C11	Elevator	51	163	214	24%
C12	Earthwork & Paving	947	1,499	2,446	39%
C13	Fencing	772	1,064	1,836	42%
C15	Flooring	3,492	3,412	6,904	51%
C16	Fire Protection	748	1,471	2,219	34%
C17	Glazing	1,137	1,934	3,071	37%
C20	HVAC	6	11,272	11,278	0.05%
C21	Building Moving Demo	554	1,292	1,846	30%
C22	Asbestos Abatement	1	310	311	0.3%
C23	Ornamental Metal	451	620	1,071	42%
C27	Landscaping	5,069	7,154	12,223	41%
C28	Lock & Security Equipment	134	226	360	37%
C29	Masonry	791	1,274	2,065	38%
C31	Construction Zone	80	382	462	17%
C32	Parking Highway	193	317	510	38%
C33	Painting	8,794	7,052	15,846	55%
C34	Pipeline	147	393	540	27%
C35	Lath & Plaster	622	1,201	1,823	34%
C36	Plumbing	9,442	8,303	17,745	53%
C38	Refrigeration	396	1,215	1,611	25%
C39	Roofing	3	5,405	5,408	0.06%
C42	Sanitation	346	618	964	36%
C43	Sheet Metal	264	1,014	1,278	21%
C45	Sign	371	501	872	43%
C46	Solar	410	761	1,171	35%
C47	Gen Manufactured House	215	236	451	48%
C49	Tree and Palm	78	497	575	14%
C50	Reinforcing Steel	66	197	263	25%
C51	Structural Steel	443	1,083	1,526	29%
C53	Swimming Pool	1,266	1,610	2,876	44%
C54	Ceramic & Mosaic Tile	3,502	2,736	6,238	56%
C55	Water Conditioning	124	176	300	41%
C57	Well Drilling	252	463	715	35%
C60	Welding	582	527	1,109	52%
C61	Limited Specialty	7,328	13,161	20,489	36%

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 two days 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 will follow 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.

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	TOTALS
DOJ Records Received	35,114	37,895	39,500	40,129	37,680	**190,318**
CORI Information Received	6,818	7,303	5,616	5,778	5,077	**30,592**
Denials	8	13	10	7	5	**43**
Appeals	5	7	3	3	3	**21**
Probationary Licenses Issued **(conditional license, requires periodic review)**	177	222	185	206	179	**969**

Judgment Unit Statistics
Judgment Unit staff process all outstanding government liabilities, civil judgments, and payment of bond 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 (dishonored checks)

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

Outstanding Liabilities (from California state agencies)

	2025 Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul
Notice	61	60	62	61	63	56	78	59	69	72	71	91
Suspend	39	54	40	38	64	47	42	47	54	43	60	58
Reinstate	49	35	44	34	32	37	44	46	49	45	40	53
Total	149	149	146	133	159	140	164	152	172	160	171	202

Final Judgments (from court actions)

	2025 Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul
Notice	100	105	104	48	97	85	105	127	87	104	123	132
Suspend	17	19	18	20	30	19	15	22	17	28	42	13
Reinstate	98	71	83	52	55	72	93	80	74	59	79	85
Total	215	195	205	120	182	176	213	229	178	191	244	230

Payment of Claims (from bond surety companies)

	2025 Aug	Sep	Oct	Nov	Dec	2026 Jan	Feb	Mar	Apr	May	Jun	Jul
Notice	210	172	229	153	198	152	135	212	215	164	168	212
Suspend	102	94	94	114	115	128	95	106	92	81	113	126
Reinstate	124	104	151	99	102	104	132	129	133	114	118	125
Total	436	370	474	366	415	384	362	447	440	359	399	463

Reimbursement Amounts to State Agencies and Public
Prior Calendar Years

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Outstanding Liabilities	$18,765,840	$22,921,075	$20,951,291	$20,371,835	$22,636,826
Final Judgments	$18,003,223	$20,211,482	$19,505,855	$43,984,178	$30,100,808
Payment of Claims	$7,934,026	$7,781,618	$7,168,304	$10,360,721	$15,097,903
Total Monetary Recovery	**$44,703,089**	**$50,914,175**	**$47,625,450**	**$74,716,734**	**$67,835,537**

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
August 2025	$2,168,707	$210,916	$185,749	**$2,565,372**
September	$819,048	$40,509	$16,738	**$876,295**
October	$853,689	$432,276	$102,017	**$1,387,982**
November	$1,345,509	$153,064	$37,044	**$1,535,617**
December	$1,414,697	$74,388	$45,247	**$1,534,332**
January 2026	$4,271,464	$250,682	$94,595	**$4,616,741**
February	$5,525,867	$50,511	$198,432	**$5,774,810**
March	$1,591,223	$220,089	$1,077,898	**$2,889,210**
April	$2,476,052	$222,147	$72,620	**$2,770,819**
May	$1,606,377	$296,386	$40,885	**$1,943,648**
June	$1,276,146	$78,013	$1,747,844	**$3,102,003**
July	$1,245,402	$98,813	$128,191	**$1,472,406**
TOTALS	**$24,594,181**	**$2,127,794**	**$3,747,260**	**$30,469,235**

CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

Examination Administration Unit
The Testing Division's Examination Administration Unit (EAU) utilizes PSI Exams to administer CSLB's 58 examinations at 21 computer-based test centers. CSLB and PSI mail applicants instructions on how to schedule exams.

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

Number of Examinations Scheduled Per Month August 2025 – July 2026

Aug 2025	Sep	Oct	Nov	Dec	Jan 2026	Feb	Mar	Apr	May	Jun	Jul	Total
4,898	4,876	5,244	4,176	4,850	5,097	4,643	5,211	5,225	4,908	5,494	5,601	60,224

CSLB currently utilizes PSI test centers in the following locations:

Agoura Hills
Atascadero
Bakersfield
Carson
Diamond Bar
El Monte/Santa Fe Springs
Fresno
Irvine
Lawndale
Redding
Riverside
Sacramento
San Diego
San Francisco
Santa Clara
Santa Rosa
Union City
Ventura
Visalia
Walnut Creek
Wilsonville, OR

In April 2024, the Law and Business exam was released to the other 20 DCA-approved PSI test centers nationwide. As of May 1, 2026, 8 trade exams are offered nationwide. The exams are C-6 Cabinet, Millwork, and Finish Carpentry, C-9 Drywall, C-15 Flooring and Floor Covering, C-32 Parking and Highway Improvement, C-33 Painting and Decorating, C-35 Lathing and Plastering, C-39 Roofing, and C-55 Water Conditioning.

Number of Examinations Administered by Test Center
From August 2025 to July 2026, PSI test centers administered a total of 60,100 exams. The details about each test center are described below.

Test Center	Number of Examinations Administered
Agoura Hills – PSI	4,939
Atascadero – PSI	912
Bakersfield – PSI	1,571
Carson – PSI	1,149
Diamond Bar – PSI	458
El Monte/Santa Fe – PSI	4,841
Fresno – PSI	1,502
Irvine – PSI	5,453
Lawndale – PSI	2,416
Redding – PSI	734
Riverside/Mission Grove – PSI	4,821
Sacramento – PSI	6,805
San Diego – PSI	6,570
San Francisco – PSI	2,764
Santa Clara – PSI	3,345
Santa Rosa – PSI	2,269
Union City – PSI	2,149
Various - PSI*	255
Ventura – PSI	2,562
Visalia - PSI	1,423
Walnut Creek – PSI	3,089
Wilsonville, OR - PSI	73
Total	**60,100**

Examination Development Unit
The Testing Division's Examination Development Unit (EDU) ensures that CSLB's 58 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 examinations meet this standard. The revision process takes approximately one year and is conducted in two phases: 1) occupational

- DCA-approved test centers outside of California and Oregon.

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.

The following new examinations were released between May 1, 2026, and July 31, 2026:

- ASB Asbestos Certification
- C-27 Landscaping
- S-27 Spanish Landscaping

The following item banks are ready for new releases

- C-29 Masonry
- C-22 Asbestos Abatement

Examination Programs in Progress as of July 31, 2026

Occupational Analysis	Item Bank Development
C-33 Painting and Decorating	LAW Law and Business
C-54 Ceramic & Mosaic Tile	C-7 Low Voltage Systems
	C-17 Glazing
	C-39 Roofing
	C-53 Swimming Pool
	B-02 Residential Remodeling
	C-31 Construction Zone Traffic Control
	C-46 Solar
	C-49 Tree and Palm

Digitizing booklets
Since September 2024, EDU started the transition from physical booklets to digital image integration in computer-based exams, streamlining the testing process and eliminating the cost of producing and shipping physical booklets. There are 26 trade exams currently in transition to digitized images. As of July 2026, there are 16 exams (B, B-02, C-6, C-8, S-8, C-9, C-15, C-20, C-27, S-27, C-32, C-33, C-35, C-39, C-43 and C-55) that no longer need physical booklets. Eight of those exams have been fully pretested and are available at DCA-approved test centers nationwide.

Spanish Translated Examinations
Candidates who request a translator for Spanish are now able to take their Law and Business exam and nine additional trade exams in Spanish instead of waiting for a translator to be approved. These 10 exams represent those that receive the most requests for a Spanish translator. In November 2024, EDU developed a toggle option for Spanish exams, allowing candidates to view the original English version of each question alongside their Spanish translations. Candidates will still have the option of utilizing a translator for their trade exam if it has not been translated into Spanish.

The following new Spanish examinations were released between May 1, 2026, and July 31, 2026:

- S-8 Concrete
- S-27 Landscaping

From August 2025 to July 2026, PSI test centers administered a total of 12,011 Spanish version exams. The exam counts for each trade are described below.

Trade Exam	Number of Examinations Administered
Spanish Law and Business	7,026
Spanish B - General Building	2,244
Spanish C-8 Concrete	340
Spanish C-9 Drywall	250
Spanish C-15 Flooring and Floor Covering	194
Spanish C-27 Landscaping	397
Spanish C-33 Painting and Decorating	451
Spanish C-36 Plumbing	462
Spanish C-39 Roofing	462
Spanish C-54 Ceramic and Mosaic Tile	185
Total	**12,011**

AGENDA ITEM F-2

Applicant Survey

Applicant Survey Executive Summary

Since March 2020, Testing Division staff have been circulating a monthly online survey to individuals who recently received their license. The purpose of the survey is to assess the applicant's satisfaction with the licensing process. The surveys are sent at the beginning of each month, and licensees are given a month to respond.

The online survey is sent through SurveyMonkey and includes 12 questions related to the licensing process and six demographic questions. The first two questions are Yes or No. Respondents are then asked to rate six questions on a five-point agreement scale that provides two levels of agreement (agree or somewhat agree), two levels of disagreement (disagree or somewhat disagree), and a "neutral" option. Questions 9 through 11 ask if respondents used CSLB's study guides, Law Book, and website to prepare to take the exams. The last question asks about attending a school, college, or classes to prepare to take the exams. Individuals who responded "Yes" can add which school, college, or class they attended and if they found it helpful in passing the exams. The respondents also have the option to write additional comments. The last six demographic questions ask about education/experience, race/ethnicity, age, gender, disabilities, and military service.

The final page of the survey contains information about how to participate as a Subject Matter Expert (SME) in the exam development process. The page includes instructions on how to respond for those interested in assisting.

A Spanish version of the Applicant Survey is also circulated along with the English survey. The Spanish survey is sent to individuals who took either the Spanish Law exam and/or one of the Spanish trade exams. Both versions of the Applicant Survey are included in Appendix A and Appendix B following this summary.

A total of 16,755 surveys were emailed between July 2025 and June 2026 and 1,662 (10%) responses were received. The response rate for each month can be seen in Table 1.

Table 1 – Response Rate by Month for July 2025 – June 2026

	Jul 2025	Aug	Sep	Oct	Nov	Dec	Jan 2026	Feb	Mar	Apr	May	Jun	Total
Surveys Emailed	1,551	1,455	1,381	1,420	1,063	1,414	1,243	1,362	1,522	1,577	1,483	1,284	**16,755**
Response Rate	170	136	134	141	117	161	129	144	146	135	116	133	**1,662**
Response Rate (%)	11%	9%	10%	10%	11%	11%	10%	11%	10%	9%	8%	10%	**10%**

Results for the first two questions are in Table 2. For both questions, most respondents chose "Yes," indicating that the licensure process was easy to understand and that the timeframe was acceptable.

Table 2

Survey Question	Yes	No
1. Was the licensure process easy to understand?	88%	12%
2. Was the licensure process timeframe acceptable?	85%	15%

Results for questions 3 through 8 are in Table 3. All the questions had high levels of agreement; however, respondents agreed the most with question #5 (I was treated courteously by CSLB's representatives), question #7 (I am satisfied with the online Asbestos Open Book Examination process) and question #8 (I am satisfied with the service provided by CSLB). The levels of agreement can also be seen by month in Table 4 and Figure 1.

A total of 487 comments were received and about 38% were positive. Common topics include interactions with CSLB staff, suggestions for online submissions of applications and other required documents, the timeframe for processing licenses, bond and insurance requirements, telemarketing and solicitation calls after licensure, and the use of study materials and schools.

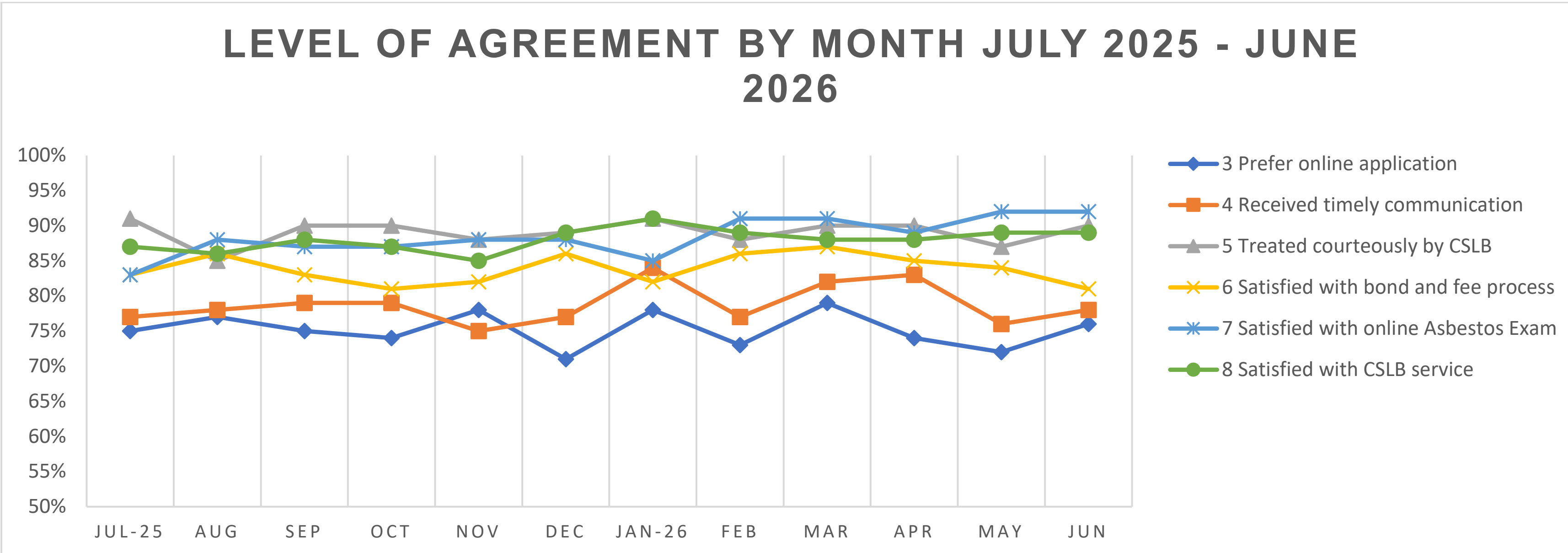
Table 3 – Total Percent of Agreement July 2025 – June 2026

Survey Statement	
3. I would prefer to use an online application process.	75%
4. I received timely communication from CSLB.	79%
5. I was treated courteously by CSLB's representatives.	90%
6. I am satisfied with the bond and fee process.	83%
7. I am satisfied with the online Asbestos Open Book Examination process.	88%
8. I am satisfied with the service provided by CSLB.	88%

Table 4 - Percent of Agreement by Month for July 2025 – June 2026

Survey Statement	Jul 2025	Aug	Sep	Oct	Nov	Dec	Jan 2026	Feb	Mar	Apr	May	Jun
3.	75%	77%	75%	74%	78%	71%	78%	73%	79%	74%	72%	76%
4.	77%	78%	79%	79%	75%	77%	84%	77%	82%	83%	76%	78%
5.	91%	85%	90%	90%	88%	89%	91%	88%	90%	90%	87%	90%
6.	83%	86%	83%	81%	82%	86%	82%	86%	87%	85%	84%	81%
7.	83%	88%	87%	87%	88%	88%	85%	91%	91%	89%	92%	92%
8.	87%	86%	88%	87%	85%	89%	91%	89%	88%	88%	89%	89%

Figure 1


LEVEL OF AGREEMENT BY MONTH JULY 2025 - JUNE 2026
100%
95%
90%
85%
80%
75%
70%
65%
60%
55%
50%
JUL-25
AUG
SEP
OCT
NOV
DEC
JAN-26
FEB
MAR
APR
MAY
JUN
3 Prefer online application
4 Received timely communication
5 Treated courteously by CSLB
6 Satisfied with bond and fee process
7 Satisfied with online Asbestos Exam
8 Satisfied with CSLB service

Results for Question 9 are in Table 5. Over half of the respondents stated that they used CSLB's study guides to prepare for their exams.

Table 5

Survey Question	Yes	No
9. Did you use CSLB's study guides to prepare for your exam(s)?	**58%**	**42%**

Results for Question 10 are in Table 6. Over half of the respondents stated that they used CSLB's Law Book to prepare for their exams.

Table 6

Survey Question	Yes	No
10. Did you use CSLB's Law Book (the California Contractors License Law and Reference book) to prepare for your exam(s)?	**58%**	**42%**

Results for Question 11 are in Table 7. Over half of the respondents stated that they did not use CSLB's website to prepare for their exams.

Table 7

Survey Question	Yes	No
11. Did you use the CSLB website to prepare for your exam(s)?	**48%**	**52%**

Results for Question 12 are in Table 8. About 61% of the respondents stated that they attended a school, college, or classes in order to prepare to take their exams. The schools that were most commonly listed by the respondents are in Table 9. Table 10 shows that close to two-thirds of the respondents who attended a school, college, or classes did find it useful in passing their exam. Some of the more common reasons as to how they found it helpful are in Table 11.

Table 8

Survey Question	Yes	No
12. Did you attend a school, college, or classes in order to prepare to take the Trade Exam and/or Law and Business Exam?	**61%**	**39%**

Table 9

Which school, college, or classes did you attend?
Contractors State License School
Contractors Intelligence School
Contractors State License Preparation
Golden State Contractors School
License Instruction School
Blue Collar Licensing

Table 10

Was it useful?	
Yes	**65%**
No or neutral	**35%**

Table 11

If so, how?
Helpful study resources (e.g., books, videos, audio)
Helpful practice exams
Helpful specifically with the Law exam
Convenient online classes
Knowledgeable school staff
Spanish materials and classes

Questions 13 through 18 asked respondents about their demographic information. Question 13 asked respondents to check the option(s) that best describe their education/experience. The respondents were able to choose multiple options. Results for question 13 are in Table 12. A little over half of the respondents stated they have at least a high school diploma, over a third have 6 to 15 years of job experience, and 22% 16 to 25 years of job experience.

Table 12

13. Education/Experience		
	Total	**%**
Did not complete high school	**82**	**9%**
High school diploma	**457**	**51%**
Apprenticeship	**133**	**15%**
Some trade school	**108**	**12%**
Trade school certificate/degree	**153**	**17%**
Associate’s degree	**100**	**11%**
Bachelor’s degree	**181**	**20%**
Master's degree/PhD	**61**	**7%**
Less than 6 years on the job experience	**66**	**7%**
6 – 15 years on the job experience	**300**	**34%**
16 – 25 on the job experience	**191**	**22%**
26 years or more of on the job experience	**105**	**12%**

Question 14 asked respondents to check the option(s) that best describe their race/ethnicity. The respondents were able to choose multiple options. Results for question 14 are in Table 13. Close to half of the respondents stated they identify as Hispanic or Latino, about 40% identify as White, and 9% identify as Asian.

Table 13

14. Race/Ethnicity		
	Total	**%**
Native American	**25**	**3%**
Asian	**81**	**9%**
Black or African American	**18**	**2%**
Hispanic or Latino	**428**	**49%**
Middle Eastern or North African	**26**	**3%**
Native Hawaiian or Pacific Islander	**11**	**1%**
White	**353**	**40%**

Question 15 asked respondents their age. Results for question 15 are in Table 14. About 36% of the respondents stated they are between the ages of 36 and 45, 27% between the ages of 46 and 55, and 20% between the ages of 26 and 35.

Table 14

15. Age		
	Total	**%**
18-25	**30**	**3%**
26-35	**181**	**20%**
36-45	**325**	**36%**
46-55	**237**	**27%**
56-65	**97**	**11%**
66+	**28**	**3%**

Question 16 asked respondents their gender. Results for question 16 are in Table 15. About 95% of the respondents stated they are male, 5% are female, and 0.2% are transgender or nonbinary.

Table 15

16. Gender		
	Total	**%**
Male	**842**	**95%**
Female	**46**	**5%**
Transgender, nonbinary	**2**	**0.2%**

Question 17 asked respondents if they consider themselves as someone with a disability. A brief description of having a disability was provided. A total of 45 respondents (3%) answered yes.

Question 18 asked respondents if they were a military veteran, a widow or widower of a veteran, or a spouse of a disabled veteran. A total of 49 respondents (3%) answered yes.

Appendix A:

English Applicant Survey

CONTRACTORS STATE LICENSE BOARD

Applicant Survey June 2026

Introduction Section

As part of our ongoing efforts to improve service to applicants, we are conducting a short survey to monitor the quality of service provided to individuals who recently received their license with the Contractors State License Board.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed.

When you are finished, click on the "DONE" button at the bottom of the last page to forward your responses to the Board.

Please respond by Friday, July 31.

Thank you for taking the time to participate in this survey!

Contractors State License Board

CONTRACTORS STATE LICENSE BOARD

Applicant Survey June 2026

Survey Instructions and Questions

The information you provide here is voluntary and confidential. It will be treated as personal information subject to the Information Practices Act (Civil Code, section 1798 et seq.) and will be used only for the purpose of analyzing the ratings from the survey. The information disclosed will remain confidential and will not be disclosed to the public unless required by state law, court order, or subpoena. If you have any questions regarding this form or how CSLB uses this information, please contact CSLB's Testing Division at (916) 255-3221 or at CSLB_Testing_Division@cslb.ca.gov.

We are identifying your response to provide specific information about CSLB operations. YOUR IDENTITY, including your email address WILL BE KEPT CONFIDENTIAL. Please note, your response may be shared with CSLB licensing staff on a need-to-know basis to help improve service to applicants. This process may involve CSLB licensing staff contacting you at your request or may be initiated by staff to follow-up with you regarding your survey comments.

1. Was the licensure process easy to understand?

- ◯ Yes
- ◯ No

2. Was the licensure process timeframe acceptable?

- ◯ Yes
- ◯ No

For Questions 3 - 8, please select the response that shows how much you agree with each statement.

	Agree	Somewhat Agree	Neutral	Somewhat Disagree	Disagree
3. I would prefer to use an online application process.	◯	◯	◯	◯	◯
4. I received timely communication from CSLB.	◯	◯	◯	◯	◯
5. I was treated courteously by CSLB's representatives.	◯	◯	◯	◯	◯
6. I am satisfied with the bond and fee process.	◯	◯	◯	◯	◯
7. I am satisfied with the online Asbestos Open Book Examination process.	◯	◯	◯	◯	◯
8. I am satisfied with the service provided by CSLB.	◯	◯	◯	◯	◯

9. Did you use CSLB's study guides to prepare for your exam(s)?

◯ Yes

◯ No

10. Did you use CSLB's Law Book (the California Contractors License Law and Reference book) to prepare for your exam(s)?

◯ Yes

◯ No

11. Did you use the CSLB website to prepare for your exam(s)?

◯ Yes

◯ No

Please share any other comments below:

12. Did you attend a school, college, or classes to prepare for your exam(s)? (CSLB is not affiliated with any schools or colleges.)

- ◯ Yes
- ◯ No

CONTRACTORS STATE LICENSE BOARD

Applicant Survey June 2026

Follow-up to Question 12.

Which school, college, or classes did you attend?

Was the school, college, or classes useful in passing the Trade Exam and/or Law and Business Exam? If so, how?

CONTRACTORS STATE LICENSE BOARD

Applicant Survey June 2026

Demographic Information

Please check one or more boxes that best describes your education/experience:

- ☐ Did not complete high school
- ☐ High school diploma
- ☐ Apprenticeship
- ☐ Some trade school
- ☐ Trade school certificate/degree
- ☐ Associate's degree
- ☐ Bachelor's Degree
- ☐ Master's degree/PhD
- ☐ Less than 6 years on the job experience
- ☐ 6 - 15 years on the job experience
- ☐ 16 - 25 years on the job experience
- ☐ 26 years or more of on the job experience

Please check one or more boxes that best describes your race/ethnicity:

- ☐ Native American
- ☐ Asian
- ☐ Black or African American
- ☐ Hispanic or Latino
- ☐ Middle Eastern or Northern African
- ☐ Native Hawaiian or Pacific Islander
- ☐ White

Age

- ○ 18-25
- ○ 26-35
- ○ 36-45
- ○ 46-55
- ○ 56-65
- ○ 66+

Gender

- ○ Male
- ○ Female
- ○ Transgender, non-binary, or another gender

Disability - A person with a disability is an individual who:

(1) has a physical or mental impairment or medical condition that limits one or more life activities, such as walking, speaking, breathing, performing manual tasks, seeing, hearing, learning, caring for oneself or working;

(2) has a record of history of such impairment or medical condition; or

(3) is regarded as having such an impairment or medical condition.

Please check the disability box if it applies to you:

☐ Yes, I have a disability

Military- A military veteran; a widower of a veteran; or a spouse of a 100% disabled veteran.

Please Check the military box if it applies to you:

☐ Yes, the military description applies to me

CONTRACTORS STATE LICENSE BOARD

Applicant Survey June 2026

Thank you for completing the Applicant Survey.

Every five years, the Contractors State License Board (CSLB) updates each of its licensing examinations and recruits active licensed contractors to assist with the process.

All participation is voluntary; your license is not affected by participation. In-person workshop participants are paid $300 per day. For workshops conducted at CSLB offices, participants are reimbursed for qualifying travel expenses.

If you would be interested in learning more about how your experience and expertise can help improve our exams, please email us at **cslb_testing_division@cslb.ca.gov** with the following:

- Contact information (name, phone number, email)
- License number(s)
- Trades/specialty classifications you hold

Thank you
CSLB Testing Division

Appendix B:

Spanish Applicant Survey

CONTRACTORS STATE LICENSE BOARD

Encuesta para solicitantes junio 2026

Introducción

Como parte de nuestros esfuerzos para mejorar el servicio a los solicitantes, estamos realizando una breve encuesta para monitorear la calidad de servicio a los solicitantes que recientemente recibieron su licencia con el Contractors State License Board.

¿Podría tomarse unos minutos para responder la siguiente encuesta? Necesitamos saber de usted para determinar cómo mejorar nuestro proceso.

Cuando haya terminado, haga clic en el botón "DONE" en la parte inferior de la última página para enviar sus respuestas al Contractors State License Board.

Por favor responda antes del **viernes, 31 de julio.**

Gracias por tomarse el tiempo de participar en esta encuesta.
Contractors State License Board

CONTRACTORS STATE LICENSE BOARD

Encuesta para solicitantes junio 2026

Instrucciones y preguntas

La información que usted proporciona aquí es voluntaria y confidencial. Se tratará como información personal sujeta a la Practices Act (Civil Code, section 1798 et seq.) y se utilizará únicamente con el fin de analizar las calificaciones de la encuesta. La información divulgada permanecerá confidencial y no se divulgará al público a menos que lo exija la ley estatal, una orden judicial o una citación.

Estamos identificando su respuesta para brindar información específica sobre las operaciones de CSLB. SU IDENTIDAD, incluido su correo electrónico, SE MANTENDRÁ CONFIDENCIAL. Tenga en cuenta que sus respuestas pueden compartirse con el personal de licencias de CSLB según sea necesario para ayudar a mejorar el servicio a los solicitantes. Este proceso puede implicar que el personal de licencias de CSLB se comunique con usted a petición suya o puede ser iniciado por el personal para responder a sus comentarios de la encuesta.

1. ¿Fue fácil de entender el proceso para obtener la licencia?

- ◯ Si
- ◯ No

2. ¿Fue aceptable el tiempo que se tomó para recibir la licencia?

- ◯ Si
- ◯ No

Para las preguntas 3 - 8, por favor seleccione la respuesta que muestre qué tan de acuerdo está con cada pregunta.

	Estoy de acuerdo	Estoy un poco de acuerdo	Neutral / sin opinión	Estoy un poco desacuerdo	Estoy desacuerdo
3. Preferiría utilizar un proceso de solicitud hecho completamente en línea (por internet).	◯	◯	◯	◯	◯
4. La comunicación con CSLB siempre fue puntual.	◯	◯	◯	◯	◯
5. Los representantes de CSLB me trataron con cortesía.	◯	◯	◯	◯	◯
6. Estoy satisfecho con el proceso de fianza y honorarios (bonds and fees).	◯	◯	◯	◯	◯
7. Estoy satisfecho con el proceso de examen de libro abierto de asbesto en línea (por internet).	◯	◯	◯	◯	◯
8. Estoy satisfecho con el servicio brindado por CSLB	◯	◯	◯	◯	◯

9. ¿Utilizó las guías de estudio de CSLB para prepararse para su examen?

◯ Si

◯ No

10. ¿Utilizó el libro de leyes de CSLB (el libro de referencia y la ley de licencias de contratistas de California) para prepararse para su examen?

◯ Si

◯ No

11. ¿Utilizó el sitio web de CSLB para prepararse para su examen?

- ◯ Si
- ◯ No

Por favor comparta cualquier otro comentario:

12. ¿Asistió a una escuela, universidad o clases para prepararse para sus exámenes? (CSLB no está afiliado con ninguna escuela o universidad).

- ◯ Si
- ◯ No

CONTRACTORS STATE LICENSE BOARD

Encuesta para solicitantes junio 2026

¿A qué escuela, universidad o clases asistió?

¿Fue útil la escuela, la universidad o las clases para aprobar el examen de oficio y/o el examen de leyes y negocios (LAW)? ¿Cómo fueron útiles?

CONTRACTORS STATE LICENSE BOARD

Encuesta para solicitantes junio 2026

Información Demográfica

Por favor marque una o más casillas que mejor describan su educación/experiencia:

- ☐ Menos que la escuela secundaria/preparatoria
- ☐ Diploma de la escuela secundaria/preparatoria
- ☐ Programa de aprendizaje
- ☐ Algunas clases de escuela técnica
- ☐ Certificado/título de escuela técnica
- ☐ Título de técnico (Associate's degree)
- ☐ Licenciatura (Bachelor's degree)
- ☐ Título de posgrado
- ☐ Menos de seis años de experiencia de oficio
- ☐ 6 a 15 años de experiencia de oficio
- ☐ 16 a 25 años de experiencia de oficio
- ☐ Mas de 26 años de experiencia de oficio

Por favor marque una o más casillas que mejor describan su raza/etnicidad:

- ☐ Nativo de América
- ☐ Afroamericano
- ☐ Asiático
- ☐ Hispano/Latino
- ☐ Medio Oriente o Norte de África
- ☐ Nativo hawaiano o isleño del Pacífico
- ☐ Blanco

Edad

- ◯ 18-25
- ◯ 26-35
- ◯ 36-45
- ◯ 46-55
- ◯ 56-65
- ◯ 66+

Género

- ◯ Masculino
- ◯ Femenino
- ◯ No binario, transgénero, u otro género

Discapacidad - **Una persona con discapacidad es un individuo que:**

(1) tiene una discapacidad física o mental o una condición médica que limita una o más actividades de la vida, como caminar, hablar, respirar, realizar tareas manuales, ver, oír, aprender, cuidarse a sí mismo o trabajar;

(2) tiene un historial de dicha discapacidad o condición médica; o

(3) es considerada como si tuviera dicha discapacidad o condición médica.

Por favor, marque la casilla de discapacidad si le corresponde:

☐ Sí, tengo una discapacidad

Militar - **Un veterano militar; una viuda o viudo de un veterano; o una esposa o esposo de un veterano con una discapacidad del 100%.**

Por favor, marque la casilla militar si le corresponde:

☐ Sí, la descripción militar me describe

Encuesta para solicitantes junio 2026

Gracias por cumplir la encuesta.

El Contractors State License Board (CSLB) siempre está buscando contratistas que estén interesados en ayudar a mejorar nuestros exámenes en español.

Toda participación es voluntaria; su licencia no será afectada por la participación. A los contratistas que participen en talleres de desarrollo de exámenes se les paga $300 por jornada y se les reembolsan los gastos de viaje (por ejemplo, hotel, millas corridas, y comida).

Si está interesado en saber más sobre cómo su experiencia puede ayudar a mejorar nuestros exámenes en español, envíenos un correo electrónico a cslb_testing_division@cslb.ca.gov con la siguiente información:

- **Información de contacto (nombre, número de teléfono, correo electrónico/email)**
- **Numero de licencia**

Gracias
CSLB Testing Division

AGENDA ITEM F-3

Consumer Satisfaction Survey

CONTRACTORS STATE LICENSE BOARD
REPORT ON THE CONSUMER SATISFACTION SURVEY: 2025-26 COMPLAINT CLOSURES
(July 2025 to June 2026)

Report Date: August 2026

Executive Summary

The Consumer Satisfaction Survey Report is based on surveys of individuals who have filed complaints with the Contractors State License Board (CSLB) Enforcement Division against licensed or unlicensed contractors. These surveys assess the public's satisfaction with CSLB's handling of their complaints. The original benchmark survey began with complaints that were closed in 1993, and assessment of consumer satisfaction has continued since that time. The present report measures consumer satisfaction for complaints closed in fiscal year 2025/26.

Eight of the nine questions on the 2025/26 survey were identical to those used since 1993 (the ninth question regarding the consumer checking the license for their contractor was omitted) and the same seven-point agreement scale was used. From 1993-2009, 4,800 complainants (400 per month) were randomly selected to receive surveys. In 2010, the survey's format and sampling method were changed; CSLB began to email the survey to all consumers with closed complaints who had provided email addresses. In 2025/26, 11,133 complainants provided email addresses, of which 10,570 were deemed valid. Surveys were sent out in individual monthly batches.

In 2025/26, a total of 1,135 complainants (11 percent of those surveyed) responded to the questionnaire, a rate similar to that of previous years.

Major Findings and Comparison with Previous Years

All eight satisfaction measures showed decreases from the previous fiscal year (see Figure 2). Table 1 summarizes the survey results from consumers with complaints closed in 2025/26. The table also includes the annual ratings for the eight consumer satisfaction questions (service categories) over the previous four years.

In 2025/26, the lowest agreement (39 percent) was for the question, "The action taken in my case was appropriate," whereas the highest agreement (67 percent) was for the question about being treated courteously, which is a consistent pattern for the last 16 years. From 2025 to 2026, four service categories showed decreases of 7% or more in customer satisfaction and four showed decreases of 5%.

Of those responding to Question 9, 46 percent of survey respondents selected "yes," which is very similar to previous years. This question reads, "Before hiring, I inquired about my contractor's license status with the CSLB."

Beginning in January 2026, it became possible to separate results by work group. This half of the data is presented in Appendix C, which shows results for the Intake Mediation Centers (IMC) and the Investigation Centers (IC). The results for IC were 7% to 26% higher than those for IMC, with an average difference of 18% (see below and Appendix C).

APPENDIX C

Results by Work Group, 2025/26

	Intake Mediation Center (N=450)	Investigation Center (N=211)
Was contacted promptly	53%	65%
Procedures clearly explained	44%	70%
Was kept informed	39%	59%
Was treated courteously	62%	80%
Complaint was processed timely	43%	50%
Understood the outcome	46%	62%
Action was appropriate	31%	51%
Satisfied with service	32%	53%

As reported to the Enforcement Committee and the Board in April and June 2026, CSLB experienced nearly 1,500 more complaints in the first four months of 2026 compared to the same period in 2025. In response, CSLB shifted its enforcement strategy in early 2026 to prioritize broader consumer protection. This included increasing the issuance of Letters of Admonishment (LOAs) for non-egregious violations and referring appropriate financial injury complaints to small claims court rather than attempting to mediate individual restitution. As expected — and as reflected in the June 2026 Board materials — this shift resulted in lower satisfaction among consumers whose complaints were handled at intake, where most small claims referrals and LOA-based resolutions occur.

Importantly, early data indicate that the strategy is working: LOA issuance nearly doubled in the first six months of 2026 compared to the same period in 2025, significantly expanding public disclosure of licensee violations. During this same period, the percentage of complaints closed out of intake centers as “settled” or resolved in favor of the consumer decreased by nearly five percent, consistent with the intended shift away from monetary resolution and toward contractor accountability.

The results in Appendix C reflect this pattern. Satisfaction among consumers served by the Investigation Centers remained steady or improved across several categories, consistent with their continued focus on complex, high-priority cases. In contrast, satisfaction in the Intake Mediation Centers declined — not due to changes in staff performance or service quality — but as a predictable outcome of shifting from seeking restitution to emphasizing public disclosure and long-term consumer protection.

TABLE 1: HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2021/22 - 2025/26)

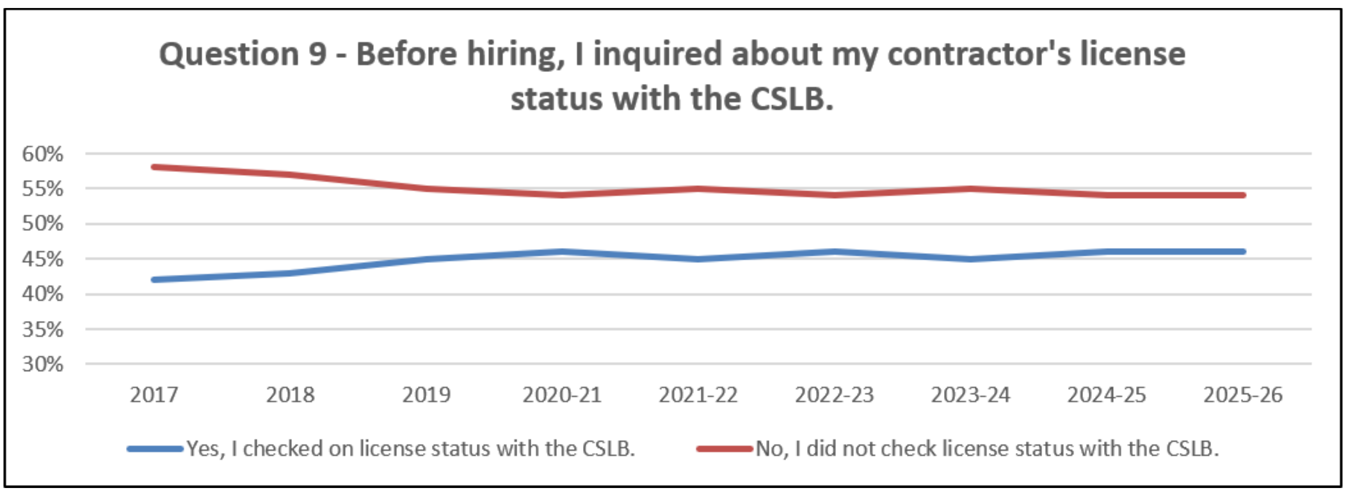
Questionnaire Statements	Percent Agreement by Year				
	2021/22	2022/23	2023/24	2024/25	2025/26
1. The CSLB contacted me promptly after I filed my complaint.	67%	64%	63%	66%	59%
2. The procedures for investigating my complaint were clearly explained to me.	68%	63%	62%	63%	55%
3. The CSLB kept me informed of my case's progress during the investigation.	60%	54%	54%	55%	48%
4. I was treated courteously by the CSLB's representative(s).	81%	75%	75%	72%	67%
5. My complaint was processed in a timely manner.	54%	51%	49%	51%	46%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	61%	59%	55%	58%	53%
7. The action taken in my case was appropriate.	49%	47%	44%	44%	39%
8. I am satisfied with the service provided by the CSLB.	54%	50%	49%	48%	41%

History

In 1994, the Contractors State License Board began a program to improve consumer satisfaction with CSLB's enforcement program. A cornerstone of this effort was a survey to solicit feedback from individuals who filed complaints with the Board. The first postcard survey, covering complaint closures from 1993, was designed to serve as a benchmark in an ongoing evaluation program as well as to identify areas in need of improvement. These ongoing surveys have been conducted by CSLB’s Testing Division. The present report covers fiscal year 2025/26 and compares these results with previous years.

The Consumer Satisfaction Survey also provides a convenient method for polling consumers on other issues. Since 2000, the survey has been used to estimate the percentage of complainants who inquired about the contractor's qualifications with CSLB. Agreement with this question has ranged from 29 percent in 2000 to 50 percent in 2008. In 2007, this question was rephrased from “Before hiring, I inquired about my contractor’s qualifications with the Contractors State License Board,” to “Before hiring, I inquired about my contractor’s license status with the CSLB,” and the answer choices changed from an agreement scale to a yes/no format. Since 2007, of those responding to this question, between 38 percent and 50 percent of respondents endorsed this statement (a mean of 44 percent). Figure 1 shows these results by year.

Figure 1



In 2007, Question 10, an open-ended follow-up to Question 9, was added to assess the reasons why some consumers did not inquire about their contractor's license status with CSLB. The responses to Question 10 were reviewed and sorted into 12 comment categories. In 2010, CSLB eliminated this question.

Project Design

Questionnaire Description

The nine-item 2025/26 questionnaire was developed in SurveyMonkey and included eight questions assessing customer service. Seven of them related to specific aspects of the complaint process, and one was about overall satisfaction. These questions were virtually identical to those used since 1994. Complainants were asked to rate the questions on a seven-point agreement scale that provided three levels of agreement with a question (strongly agree, agree, and mildly agree), and three levels of disagreement (strongly disagree, disagree, and mildly disagree). The rating scale also included a "neutral" point. The ninth question addressed whether consumers inquired with CSLB about their contractor's license status prior to hiring and required a yes/no response. The questionnaire also provided space for written comments. A copy of the questionnaire is attached as Appendix A.

Before receiving the survey, each complainant's email address was linked with his/her case number to allow CSLB to respond to issues identified in survey results, if necessary.

Sampling Procedure

In fiscal year 2025/26, CSLB completed the investigation or mediation process for 21,687 complaints filed by consumers against licensed and unlicensed contractors. This was 119 less than in 2024/25. Complainants who provided CSLB with an email address were selected from all the closed complaint files. Duplicate complainants and clearly incorrect email addresses were removed from the sample before emailing, leaving a total sample of 10,570. Surveys of consumers whose complaints were closed in each month were emailed throughout fiscal year 2025/26.

Analysis Procedure

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

Beginning in January 2026, IT staff were able to provide the work group that addressed each complaint. Thus, in addition to full results, it became possible to break down results for the Intake Mediation Centers and the Investigation Centers.

Complainants' Comments

Most comments elaborated on the questionnaire statements and the remaining comments presented additional areas of consumer concern. Some complainants used the comment space to request contact by a CSLB representative to indicate that they were unsure about the outcome of their case or to provide positive remarks about CSLB representatives who handled their cases. These survey results were forwarded to CSLB Enforcement staff each month.

Results

Response Rate

In 2025/26, 11 percent (1,135) of those selected for the sample responded. The response rate for this survey has ranged from 11 to 31 percent, which is considered standard for this type of survey.

Consumer Agreement with Questionnaire Statements

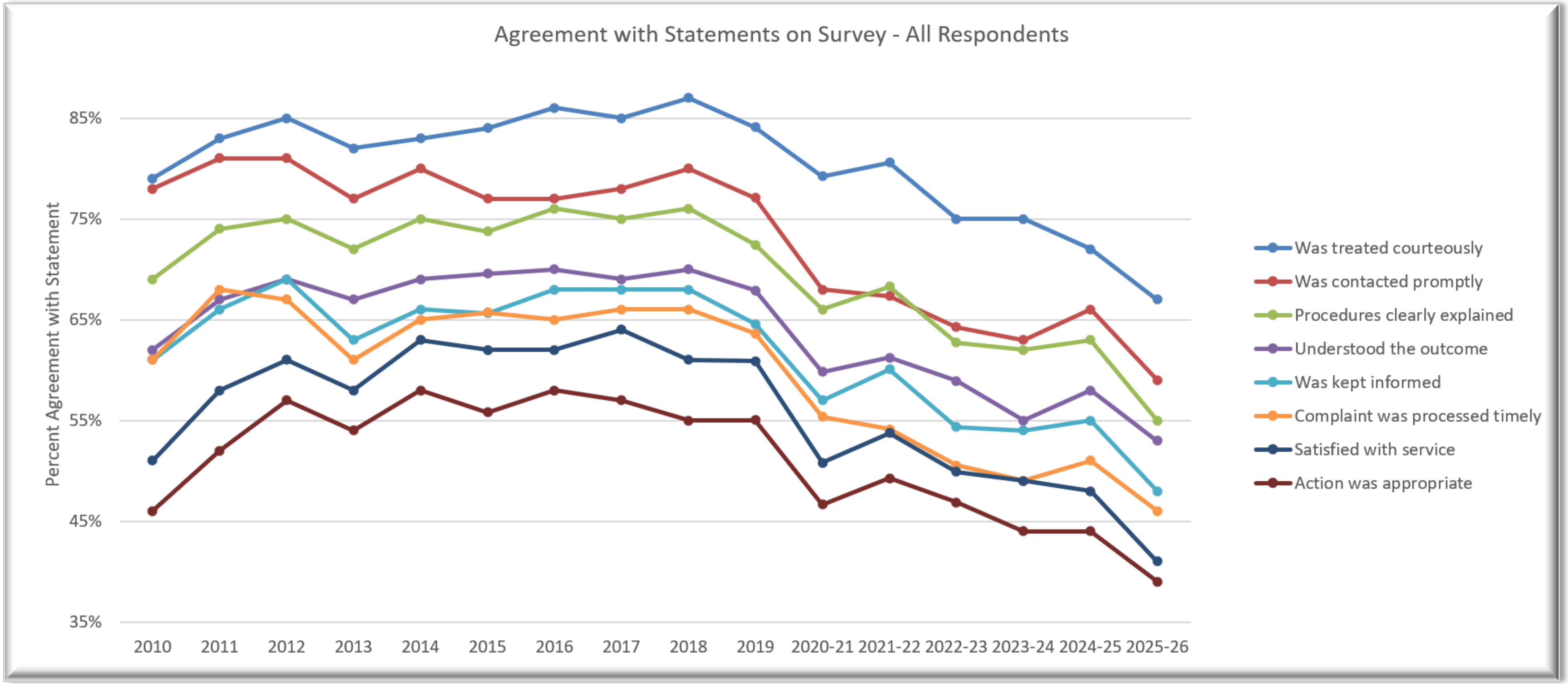
Appendix B (Table B-1) contains the detailed results for the 2025/26 Consumer Satisfaction Survey, indicating the individual percentages for each “agreement” category. Table 1 of the Executive Summary presents the satisfaction ratings for the 2025/26 survey, along with results from 2020 to 2024. Consumer agreement information is also presented in graph form in Figure 2.

Contractor Qualifications

The question addressing contractor qualifications was included to assess the need for public education in this area. Question 9 asked, “Before hiring, I inquired about my contractor's license status with the CSLB.” See Figure 1.

FIGURE 2

HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2010 – 2025/26) LINE GRAPH PRESENTATION



Complainants' Comments

Seventy-six percent of the responding complainants chose to include comments with their survey responses, a percentage consistent with past results. As in previous years, the comments ranged from requests for follow-up, additional information about the status of complainants' cases, and feedback regarding CSLB representatives. The comments also included suggestions for procedure changes for the CSLB complaint process. All comments were forwarded to CSLB's Enforcement staff for review.

With the recent acquisition of Copilot, the Enforcement team may find useful ways to extract and analyze themes from the many respondent comments. However, there are other software packages available for efficient qualitative analysis.

A Historical Look at Sampling Methods

Beginning in 2010, CSLB altered the sampling method from random sampling to convenience sampling. Random sampling is preferred for most surveys to ensure that the sample is representative of the overall population of interest. It assumes that characteristics such as gender, age, socioeconomic status, etc., are equally distributed across the survey population and, therefore, will be equally distributed across a random sample.

Convenience sampling selects participants based on their availability to the researcher. As applied to the CSLB Consumer Satisfaction Survey, using an email survey rather than a paper and pencil survey reduces costs and saves staff time. The most convenient sampling method, therefore, uses those complainants who provided their email addresses. While convenience sampling can induce bias in a survey, depending on the topic, there is no reason to expect that consumers who provided their email address to CSLB would have different opinions on the satisfaction measures assessed by the current survey from those who did not provide an email address.

Sampling validity was also assessed with another method over a nine-year period. In survey research, respondents to a survey may not be representative of the overall group, which can occur when a particular segment of the sample is more motivated to respond to the survey. From 2010 to 2018, the respondent samples were compared to the recipient samples (the groups receiving the survey) to check for response bias based on complaint outcome. The percentage of *recipients* with positive complaint outcomes was very similar to the percentage of *respondents* who had positive outcomes. This large set of data established that this survey does not have a meaningful response bias of this nature. Beginning in 2019, it was determined that this comparison was not necessary as the survey and its administration procedures remain consistent.

TECHNICAL APPENDICES

APPENDIX A

Consumer Satisfaction Survey Questionnaire

Consumer Satisfaction Survey month/year

Introduction Section

Dear Consumer:

As part of our ongoing efforts to improve service to consumers, we are conducting a survey to monitor the quality of service provided to consumers who have filed a complaint with the Contractors State License Board.

Your name was selected from our complaint files that were recently closed.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed. Of course, we would also like to hear how we are serving you well.

When you are done just click on the "DONE" button at the bottom of the last page to forward your responses on to the Board.

Thank you for taking the time to participate in this survey!

Contractors State License Board

Consumer Satisfaction Survey month/year

Survey instructions and questions

1. Please have the person most familiar with the complaint complete the survey. Select the response that shows how much you agree with each statement on the survey.

We are identifying your response with your complaint number to provide specific information about CSLB operations. Your identity, including your email address and complaint number will be kept confidential. Please note, your response may be shared with CSLB enforcement staff on a need to know basis to help improve our mission of consumer protection. This process may involve CSLB enforcement staff contacting you at your request or may be initiated by staff to follow-up with you regarding your survey comments.

	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE
The CSLB contacted me promptly after I filed my complaint.	○	○	○	○	○	○	○
The procedures for investigating my complaint were clearly explained to me.	○	○	○	○	○	○	○
The CSLB kept me informed of my complaint's progress during the investigation.	○	○	○	○	○	○	○
I was treated courteously by the CSLB's representative(s).	○	○	○	○	○	○	○
My complaint was processed in a timely manner.	○	○	○	○	○	○	○
I understand the outcome of the investigation (whether or not I agree with the action taken).	○	○	○	○	○	○	○
The action taken in my case was appropriate.	○	○	○	○	○	○	○
I am satisfied with the service provided by the CSLB.	○	○	○	○	○	○	○

2. Before hiring, I inquired about my contractor's license status with the CSLB.

○ YES

○ NO

3. Comments (please include any areas that you feel our staff could improve in and/or examples of superior service to you):

APPENDIX B

Detailed Results of the Consumer Satisfaction Survey

Table B-1 - Overall Results of Consumer Satisfaction Survey; 2025/26 Complaint Closures

QUESTION ASKED	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE	NO RESPONSE
1. Was contacted promptly	282	256	127	72	67	125	203	2
	25%	23%	11%	6%	6%	11%	18%	
2. Procedures clearly explained to me	272	260	88	91	69	130	220	4
	24%	23%	8%	8%	6%	12%	19%	
3. Was kept informed	237	211	98	105	64	138	275	6
	21%	19%	9%	9%	6%	12%	24%	
4. Was treated courteously	454	252	48	158	36	48	128	10
	40%	22%	4%	14%	3%	4%	11%	
5. Complaint was processed timely	245	184	87	117	66	129	299	7
	22%	16%	8%	10%	6%	11%	27%	
6. Understood the outcome	306	233	54	92	40	108	285	16
	27%	21%	5%	8%	4%	10%	25%	
7. Action was appropriate	256	135	48	106	44	112	417	16
	23%	12%	4%	9%	4%	10%	37%	
8. Satisfied with service	287	130	48	84	46	120	410	9
	26%	12%	4%	7%	4%	11%	36%	

Percentages may not add to 100% due to rounding.

QUESTION ASKED	YES	NO	NO RESPONSE
9. Checked contractor's license status with CSLB	504	582	48
	44%	51%	

APPENDIX C

Results by Work Group, 2025/26

	Intake Mediation Center (N=450)	Investigation Center (N=211)
Was contacted promptly	53%	65%
Procedures clearly explained	44%	70%
Was kept informed	39%	59%
Was treated courteously	62%	80%
Complaint was processed timely	43%	50%
Understood the outcome	46%	62%
Action was appropriate	31%	51%
Satisfied with service	32%	53%

AGENDA ITEM G

Enforcement

AGENDA ITEM G-1

Review and Discussion of Enforcement Modernization and Consumer Protection Plan

Review and Discussion of Enforcement Modernization and Consumer Protection Plan

Background and purpose

This report provides an overview of CSLB's Enforcement Modernization and Consumer Protection Plan. It summarizes current challenges, proposed reforms, and organizational improvements, and concludes with a brief summary of key findings.

The plan centers on three core goals:

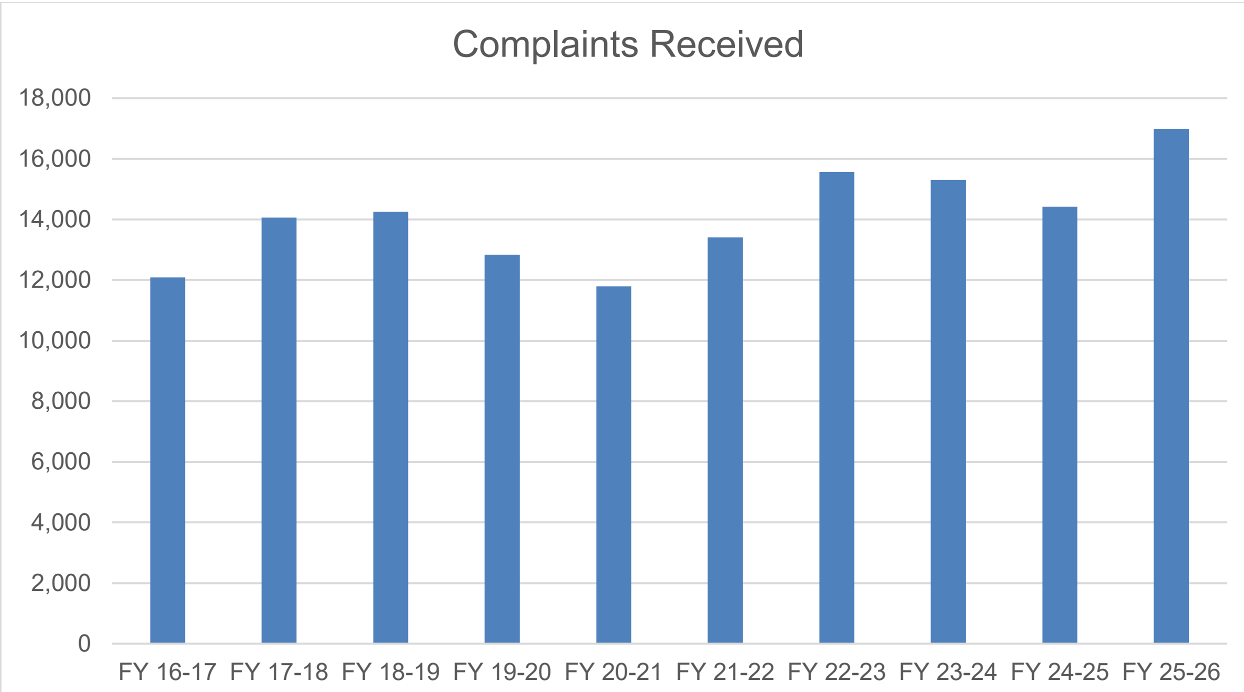
1. Address rising consumer complaints.
2. Reinforce complaint-prioritization guidelines.
3. Improve consumer satisfaction survey results.

Address rising consumer complaints

In 2026, CSLB experienced a significant rise in consumer complaints. The percentage of licensed contractors receiving at least one complaint per year increased from approximately 3% in prior years to 5.7%, and nearly 70% of those contractors were repeat offenders. Complaints continue to be increasingly concentrated among a small group of licensees:

- **Repeat Offenders** – A small number of contractors account for a disproportionate share of complaints.
- **Lending Practices** – Financing models now commonly direct payments to contractors before work begins, reducing consumer leverage and increasing the likelihood of disputes involving incomplete or substandard work.
- **Solar Complaints** – Solar-related complaints reached approximately 240 per month in early 2026, a 40% increase compared to the same timeframe in the previous year.
- **ADU Complaints** – Complaint trends related to accessory dwelling unit (ADU) contractors mirror solar complaints, often involving allegations of money paid for work not performed and similar financing structures.
- **Multiple License Qualifiers** – More cases involve qualifiers overseeing multiple licenses without providing required direction and control, contributing to repeat or systemic violations.
- **Home Improvement Salespersons (HIS)** – HIS and brokers frequently move among licenses with limited oversight or training, creating increased risks in loan brokering and contract negotiation.

Below is a multiyear complaint trend table included that further illustrates a sustained increase from FY 2024-25 to FY 2025-26, and notable growth compared to earlier fiscal years.



Reinforce Complaint Prioritization Guidelines

To maintain focus on protecting consumers amid rising caseloads, CSLB is reinforcing the complaint-prioritization guidelines across four tiers: Urgent, High, Routine, and Low. These categories help ensure that allegations involving health and safety, fraud, significant financial harm, repeat offenders, and similar matters receive heightened attention. Below are the guidelines.

URGENT	HIGH	ROUTINE	LOW
Health & Safety Code Violations	Aiding and Abetting/ Misuse of a License	Workmanship	Standalone Contract Violations
Elder Abuse	Worker's Comp Violations	Abandonment	Advertising Violations
Predatory Criminal Acts	Fraud/ Misrepresentation	Working out of Classification	Failing to Display License Number
Diversion of Funds	Subsequent Arrest	Building Permit Violations	Bonds
Significant Public Interest	Repeat Offender	Public Contract Code Violations	
	Absentee Qualifier	Unlicensed Activity	

In early 2026, CSLB also shifted its approach to repeat offenders. Less-egregious complaints involving repeat violators now receive Letters of Admonishment (LOAs), while cases involving significant financial injury move more quickly toward formal legal action rather than individualized mediation. This approach prioritizes preventing future consumer harm, but reduces opportunities for settlement-based resolutions, resulting in lower satisfaction for consumers within the Intake Mediation Centers.

Improve Consumer Satisfaction Survey

Consumer satisfaction declined across all categories over the past year as indicated in the chart below. This decline is largely attributed to increased caseloads and CSLB's strategic shift away from seeking restitution in certain cases, particularly those involving repeat offenders.

Questionnaire Statements	Percent Agreement by Year				
	2021/22	2022/23	2023/24	2024/25	2025/26
1. The CSLB contacted me promptly after I filed my complaint.	67%	64%	63%	66%	59%
2. The procedures for investigating my complaint were clearly explained to me.	68%	63%	62%	63%	55%
3. The CSLB kept me informed of my case's progress during the investigation.	60%	54%	54%	55%	48%
4. I was treated courteously by the CSLB's representative(s).	81%	75%	75%	72%	67%
5. My complaint was processed in a timely manner.	54%	51%	49%	51%	46%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	61%	59%	55%	58%	53%
7. The action taken in my case was appropriate.	49%	47%	44%	44%	39%
8. I am satisfied with the service provided by the CSLB.	54%	50%	49%	48%	41%

However, newly separated survey results illustrate substantial differences between cases handled by the Intake Mediation Centers and those managed by Investigation Centers. Investigation Centers maintain stronger satisfaction metrics across most categories, while satisfaction in Intake Mediation Centers is lower due to higher volumes of LOAs and small claims court referrals, as indicated in the chart on the next page.

	Intake Mediation Center (N=450)	Investigation Center (N=211)
Was contacted promptly	53%	65%
Procedures clearly explained	44%	70%
Was kept informed	39%	59%
Was treated courteously	62%	80%
Complaint was processed timely	43%	50%
Understood the outcome	46%	62%
Action was appropriate	31%	51%
Satisfied with service	32%	53%

Early trends indicate the approach is effective: LOA issuance nearly doubled in the first six months of 2026, expanding public disclosure of violations and reducing unresolved patterns of misconduct.

These results demonstrate the importance of communicating clearly with consumers about CSLB's enforcement priorities and how actions taken in their cases support long-term consumer protection.

Enforcement Restructuring Program
CSLB is modernizing its enforcement structure to enhance oversight and reduce span of control. Efforts include:

- Establishing a third Supervising Special Investigator II (SSI II) position, rebalancing regional oversight and improving span of control.
- Collaborating with the Department of Consumer Affairs on a broader reorganization proposal, including adding a forensic auditor to strengthen criminal case development.
- Advancing modernization of IT systems and transitioning from a paper-based complaint process to a digital, public-facing and internal-facing platform. The following areas are being reviewed for enhancement.

A. Legal Action Timeframes

The Enforcement Modernization Task Force will analyze strategies to reduce lengthy legal timelines, which currently total approximately 833 days from investigation to final decision. Opportunities include streamlining accusation preparation, hearing scheduling, and decision issuance. Collaboration with the Attorney General's Office (AG) and Office of Administrative Hearings (OAH) will be essential to improving these timeframes.

- Days for CSLB to investigate: **182.1 days**

- Days for AG to draft accusation: **139.2 days**
- Days from submission to AG to filing of accusation: 139.2 days (same metric)
- Days for the AG to schedule a hearing with OAH: 294.4 days
- Days for OAH to provide proposed decision: 32.8 days
- Days to issue order: 32.8 days (Registrar's final decision)
- Total days to achieve revocation: 833.2 days (≈ 27.7 months)

B. Coordination with the AG

CSLB staff have prepared key agenda items for the September coordination meeting with the AG. Topics include:

- Prioritizing revocation cases involving financial harm.
- Streamlining the drafting of accusations, including revisiting past practices that achieved faster turnaround times.
- Developing strategies for revocations involving repeat offenders without requiring extensive multi-victim investigations.
- Improving overall timelines for license revocations.

C. Training Modernization and Standardization

CSLB is exploring collaboration with the DCA SOLID program to develop a comprehensive training modernization initiative. Components include maintaining a statewide training curriculum, modernizing related IT systems, and publishing a calendar-based annual training schedule. Recent and pending training includes customer service training, Seven Habits of Highly Successful People courses, and specialized instruction from district attorneys and the Arbitration Mediation Conciliation Center.

D. Legislative Proposals

The following proposals are recommended for Legislative Committee consideration:

- **Qualifier Bonds** – Require a separate qualifying individual bond for each license overseen by a qualifier who manages more than two licenses and remove ownership percentage exemptions.
- **Removal of 20% Equity Requirement** – Eliminate the exemption allowing qualifiers to oversee multiple licenses based on unverifiable statements of ownership.
- **Enhanced HIS Requirements** – Establish minimum qualifications or examinations for HIS registrants who broker loans or assist consumers with financing.

E. Staffing and Resources

A Budget Change Proposal for additional enforcement staffing will be evaluated. Rising complaints, new training needs, modernization efforts, and findings from the unlicensed practice study support this effort.

F. Unlicensed Practice Study

CSLB's recent statewide unlicensed practice study found that more than 70,000 unlicensed contractors are operating in California's underground economy. These findings will inform resource planning and modernization initiatives.

G. Addressing Repeat Offenders

The Multiple Offender Unit (MOU), established in 2023, continues to be highly effective. It has expanded from solar-related cases into ADU and other sectors, filing 84 accusations and 126 district attorney referrals since January 2025. The Enforcement Division will evaluate how MOU strategies can be applied more broadly to address issues involving multiple-license qualifiers and HIS-related complaints.

H. Proposed Audit Approaches

This plan will evaluate whether an audit of enforcement operations is indicated. Staff propose two options for possible consideration.

- **Option 1:** Internal CSLB Self-Audit

An internally led review would assess processes, training gaps, investigation quality, timeliness, and consumer satisfaction. This approach is faster, lower cost, and allows immediate implementation of findings.

- **Option 2:** External Consultant Review

A third-party evaluation may be considered if the Board prefers an independent review. CSLB's 2024 external audit yielded impracticable recommendations, suggesting external review should only be pursued if necessary for validation.

Summary of Findings

Complaint volume continues to rise, driven largely by repeat offenders, lending-related disputes, solar and ADU projects, and gaps in oversight of HIS and multiple license qualifiers. Satisfaction survey trends reflect CSLB's shift toward actions aimed at long-term consumer protection rather than individual restitution. Modernization efforts — including restructuring of enforcement roles, IT upgrades, improved training, and targeted legislative proposals — are underway to strengthen CSLB's capacity to address emerging patterns of consumer harm. The Board will continue to evaluate these initiatives, assess audit options, and refine direction as modernization steps advance.

AGENDA ITEM G-2

Enforcement Program Update

Enforcement Program Update and Statistical Review

Staff Vacancy Update

There are currently 33 vacancies out of 239 positions in the Enforcement Division. The division's management team is working hard to fill these vacancies. Candidates were selected and are pending approval for 15 positions. There are 7 positions publicly posted or under review prior to public posting. The remaining 11 positions are going through the interview process with interviews now scheduled or to be scheduled soon. The current vacancies are listed below by position classification.

Position Classification	Vacant
Supervising Special Investigator II (Peace Officer)	1
Supervising Special Investigator II	1
Supervising Special Investigator I	4
Special Investigator	11
Special Investigator (Peace Officer)	2
Office Technician (Typing)	7
Program Technician II	4
Analyst I	2
Analyst II	1
Total	**33**

Intake and Mediation Center Highlights

Full Refund Obtained through CSLB Mediation in Eaton Fire Rebuild Case

In January 2025, an Altadena property owner whose home was destroyed in the Eaton fire entered into a written contract with a licensed contractor to rebuild the residence for $1,265,541. The contractor received a $250,000 deposit; however, according to the consumer, no work was performed and no materials were delivered following payment. After several months with no progress on construction, the consumer terminated the contract and requested a refund of the $250,000 deposit. The contractor did not respond to the request, prompting the consumer to file a complaint with CSLB. Through mediation, a resolution was reached in which the contractor paid a full refund. The case was closed as settled, and a Letter of Admonishment was issued for requesting or accepting payment that exceeded the value of the work performed or material delivered.

Mediation Leads to Work Correction and $23,187 Reimbursement for Elderly Consumer

An elderly Yucca Valley consumer hired a contractor to remove an existing driveway and replace it with pavers for $35,000. The Yucca Valley building department later issued a civil infraction citation to the consumer, stating the contractor used unacceptable materials within the town's right-of-way encroachment. Although the contractor initially denied fault, he ultimately agreed — after discussion with the CSLB analyst — to return and correct the work to meet building code and permit requirements. The contractor also reimbursed the consumer $23,187 for out-of-pocket expenses related to cleaning debris left in the surrounding area.

Investigation Center Highlights

Revoked Contractor Pleads to Multiple Felony Charges
In 2019, CSLB received multiple complaints against Raneri & Long involving theft, abandonment, and use of an invalid license. As part of an ongoing investigation, CSLB included RLRCO in a Napa County sting operation. In May 2019, Timothy Long, RMO/CEO/President of RLRCO, arrived to bid roof work despite not holding a valid CSLB license since 2017. He provided a business card displaying an invalid license number and was arrested for contracting without a license.

Further investigation revealed RLRCO had used unregistered salespersons, misrepresented workers' compensation coverage, displayed an invalid license number on contracts and permit applications, collected excessive deposits, and failed to perform promised work. CSLB referred multiple complaint cases to the Napa County District Attorney. RLRCO's license was revoked in 2021. The district attorney filed charges against Long, as well as against individuals who assisted him on the projects.
A parallel Napa County investigation uncovered premium insurance fraud involving Long and several co-conspirators; these cases were consolidated with CSLB's referrals. The co-conspirators pleaded to various charges and paid restitution. For CSLB-initiated cases, two associates pleaded to misdemeanor violations and repaid substantial restitution to affected consumers.

On May 27, 2026, shortly before trial, Long pleaded to multiple felony charges across all investigations, including contracting without a license, grand theft, conspiracy, and an aggravated white-collar crime enhancement. He also pleaded to felony counts related to insurance premium fraud. Restitution of at least $500,000 was ordered and reserved, including more than $100,000 for CSLB consumer cases. Under Penal Code 186.11, Long faces up to 10 years of probation until restitution is fully satisfied.

Sentencing and a restitution hearing are scheduled for October 28, 2026. During trial preparation, CSLB identified that Long had signed false certified work experience documents for a separate roofing company; this matter has been referred for accusation.

Contractor License Revoked for Violations Committed at Car Dealership
A Solano County car dealership owner reported concerns about a commercial remodel project after hiring an unlicensed individual to act as a project manager for a $445,655 contract involving several licensed subcontractors and the construction of a new metal service building and repair of an existing roof. The project manager recommended Elite Steel Construction Services LLC (ESC), a C-51 Structural Steel contractor authorized to work on and perform structural steel roofs but not permitted to perform roof repair unless incidental to a steel structure — which was not the case here.

The dealership paid ESC $335,654.73 in three checks. ESC completed the roof repair, but substantial leaks developed shortly afterward, causing extensive interior damage. A licensed contractor later determined that ESC's roof work was not completed to industry standards and had no apparent value, as it would require complete demolition and replacement. ESC also failed to obtain the required permit for the roof work.

The dealership terminated the contract. CSLB's investigation documented multiple violations, including overcharging, poor workmanship, failure to obtain permits, aiding unlicensed practice, and contracting outside the scope of the license. The case was referred to accusation, and the license is scheduled to be revoked on August 28, 2026, due to a default decision issued on July 28, 2026, with a financial injury determination of $335,655.

A referral to the district attorney for potential criminal charges against the unlicensed project manager and ESC's responsible managing member was declined.

Unlicensed Contractor Facing Multiple Criminal Charges in Two Counties
In March 2026, CSLB was contacted by the San Bernardino County Sheriff's Department for assistance with a case involving Victoria Rogers, operating under multiple business names, none of which, nor Rogers herself, held a CSLB license. Four San Bernardino County homeowners contracted with Rogers for interior design and remodeling services. One victim paid $67,500 with no work performed. CSLB's investigation identified violations including theft and diversion of construction funds, excessive deposits, improper payment schedules, and contracting without a license. The case was referred to the San Bernardino County District Attorney's Office on April 30, 2026.

On July 23, 2026, Rogers was arrested and booked into the West Valley Detention Center. Nine felony and misdemeanor charges were filed, including theft by false pretenses, grand theft, and diversion of construction funds. The sheriff's department publicly released Rogers' photograph to encourage potential additional victims to come forward. A related news article advised homeowners to retain contracts, payment records, designs, communications, and photographs, and directed consumers to CSLB's website for filing complaints.

Contractor Arrested After Rebuild LA Task Force Operations in Disaster Zones
In support of the Los Angeles County District Attorney's Rebuild LA Building Fraud Task Force, SWIFT and CSLB's Special Investigations Unit (SIU) collaborated on multiple enforcement actions involving a licensed contractor whose contractor's license expired in August 2022 and was suspended in January 2023.

During a March 2025 Eaton Fire sweep, SWIFT observed the licensee's crew performing interior painting under a $12,000 contract. The licensee was using a license number belonging to another contractor, held no workers' compensation coverage, and was operating under a suspended license. A Stop Order was issued at the jobsite for failure to have a valid workers' compensation insurance policy. In May 2025, a second enforcement sweep in the Eaton Fire disaster area found the licensee again performing exterior painting and contracting to rebuild a fire-damaged garage for $110,000. As before, his license was suspended and expired, and he was fraudulently using the license number belonging to another contractor.

SIU further investigated both jobsites and submitted a criminal referral to the Los Angeles County District Attorney's Consumer Protection Division. On July 24, 2026, the district attorney filed criminal charges including identity theft, contracting without a license in a declared disaster zone, and contracting without a license. The licensee was arrested and arraigned on July 28, 2026 and then released on electronic monitoring. The next court date is scheduled for September 9, 2026. An accusation was also filed for multiple Business and Professions Code violations.

Multiple Offender Unit

From fiscal years 2018-19 through 2022-23, CSLB saw a 176 percent increase in solar complaints, with multiple complaints against the same contractors. To address the dramatic increase, CSLB established a Multiple Offender Unit (MOU) in the fall of 2023. The MOU focuses on early complaint disclosure and an accelerated complaint-handling process that provides the respondent contractor with 30 days to resolve violations and change business practices or be subject to an accusation to suspend or revoke the contractor's license. The unit was permanently established in June 2025, going from volunteer staff to department-approved positions within the CSLB organization chart, consisting of a supervisor, three Special Investigators, three Analysts and an Office Technician.

As of August 20, 2026, there were a total of 631 open complaints assigned to the MOU, the vast majority being solar and accessory dwelling unit (ADU) projects. The following chart shows the complaint dispositions between January 2025 and July 2026. Eight contractors have had their licenses revoked by the MOU during this time period.

	Accusation	Criminal Referral	Non-Legal	Settled
January 2025	0	0	5	8
February 2025	8	0	30	9
March 2025	1	0	27	3
April 2025	3	0	41	7
May 2025	5	0	16	1
June 2025	3	0	36	15
July 2025	0	66	6	0
August 2025	0	14	123	13
September 2025	5	1	14	8
October 2025	0	0	29	11
November 2025	4	36	2	1
December 2025	3	0	13	5

	Accusation	Criminal Referral	Non-Legal	Settled
January 2026	5	0	17	9
February 2026	9	0	32	0
March 2026	3	0	12	9
April 2026	8	0	5	10
May 2026	20	0	20	12
June 2026	2	8	4	1
July 2026	5	1	117	12
Total	**84**	**126**	**549**	**134**

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. SWIFT investigators respond to leads, conduct enforcement sweeps and perform undercover sting operations targeting unlicensed persons.

From January 1, 2026, to July 31, 2026, SWIFT conducted 22 sting operations, participated in 249 sweep days, and responded to 306 leads. SWIFT closed 1,693 cases as a result of stings, sweeps, and leads. Of these cases, 634 resulted in administrative or criminal legal action, as well as the issuance of 539 advisory notices for minor violations.

District Attorney Referrals
From January 1, 2026, to July 31, 2026, SWIFT referred 252 cases to local district attorneys' offices for criminal prosecution – 227 for contracting without a license and 25 against licensees, primarily for failure to secure workers' compensation insurance.

Administrative Actions
From January 1, 2026, to July 31, 2026, SWIFT issued 313 licensee and non-licensee citations, issued 67 Letters of Admonishment, filed two accusations, and assessed $323,600 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 a 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, 2026, to July 31, 2026, SWIFT issued 181 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers' compensation 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 to 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.

	2023	2024	2025	2026 (through 7/31/26)
CSLB	$100,190	$108,848	$44,995	$58,810
EDD	$10,485,549	$10,897,189	$9,081,107	$17,992,531
DIR-Cal/OSHA	$493,104	$697,638	$324,125	$2,024,645
DIR-DLSE	$4,620,847	$3,116,644	$208,823	$1,335,819
FTB	$5,344,249	$4,768,829	$1,301,867	$1,216,641
Total	**$21,043,939**	**$19,589,147**	**$10,960,917**	**$22,628,446**

Labor Enforcement Task Force
The Labor Enforcement Task Force (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). LETF combats the underground economy in California and aims to ensure workers receive proper payment of wages and are provided a safe work environment. Below are LETF statistics for January 1, 2026, to July 31, 2026:

Number of Contractors Inspected	97
Number of Contractors Out of Compliance	87
Percentage of Contractors Out of Compliance	90%
Total Initial Assessments	$458,240

Note: 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.

Complaint-Handling Statistics (For January 1, 2026, to July 31, 2026)

Investigations Initiated & Complaints Received

- CSLB received 11,066 complaints.
- CSLB self-initiated 721 investigations.

Complaints Closed

- Intake and Mediation Centers closed 7,586.
- Investigation Centers closed 3,180.

Pending Investigations
With current staffing levels, the optimum maximum Enforcement Division caseload is 4,930 pending complaints**.** As of July 31, 2026, the pending caseload was 6,298.

Complaint-Handling Cycle Time
The Board's goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of August 5, 2026, 187 complaints exceeded 270 days in age. Enforcement supervisors and managers continue to conduct monthly case reviews and help investigators resolve aged cases.

Restitution to Financially Injured Persons
CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. Complaint negotiation efforts by the Intake and Mediation and Investigative Centers resulted in more than $17.9 million in restitution to financially injured parties.

Investigative Center Legal Actions
The Investigative Centers referred 348 (27 percent) of the 1,305 legal action investigations for criminal prosecution.

Case Management Update and Statistics (For January 1, 2026, to July 31, 2026)

Arbitration Statistics

- 197 arbitration cases were initiated, resulting in $2,568,709 in ordered financial restitution.
- 33 licenses were revoked for non-compliance with an arbitration award.

Citation Statistics

	Licensees	Non-Licensed	Total
Citations Issued	499	367	866
Citations Appealed	258	111	369
Citations Complied With	333	182	515

Licensee Civil Penalties Collected

	Total
Informal Citation Conferences (ICC) Conducted	173
Citations Resolved Through ICCs	70
Civil Penalties Collected	$1,441,818
Restitution Ordered	$621,578

Non-Licensee Citation Civil Penalties

	Total
Informal Citation Conferences (ICC) Conducted	102
Citations Resolved Through ICCs	81
Civil Penalties Collected	$365,415.44

Accusations

	Total
Accusations Filed	125
License Revocations	143
Licenses Placed on Probation	46
Restitution Paid to Injured Parties	$1,285,366
Cost Recovery Collected	$343,801

Letter of Admonishment Statistics for January 1, 2026, to July 31, 2026

The Letter of Admonishment (LOA) is a form of disciplinary action CSLB was authorized to use in 2018 to enhance public protection by promptly addressing less-egregious violations by licensed contractors. The letter provides for up to two years 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.

Additionally, contractors who receive an LOA are given an opportunity to contest its issuance via an Office Conference. The Office Conference procedures provide CSLB with the discretion to uphold, modify, or withdraw the Letter of Admonishment based on a second review of the case. Below are Office Conference statistics for January 1, 2026, to July 31, 2026:

	Total
Office Conferences Conducted	26
LOA Decisions Upheld	10
LOA Decisions Withdrawn	6
LOA Decisions Modified	4
LOA Decisions Pending	6

Beginning in 2020, contractors who have violated local permit requirements have been issued an LOA with a corrective order to complete a video training session on building permit requirements and public benefit. Violators who do not complete the training are subject to an Administrative Citation. Below are Corrective Action Plan statistics for January 1, 2026, to July 31, 2026:

	Total
Corrective Action Plans (CAP) Ordered	58
CAP Compliance Pending	28
CAP Compliance Complete	30
LOA Elevated to Citation/Non-Compliant	0

Application Experience Verification Statistics
The chart below provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification. The statistics primarily relate to the work performed by the Enforcement field application investigator and do not include application investigations by other Enforcement or Licensing units.

Experience Verification by Classification
January 1, 2026, to July 31, 2026

	CLASSIFICATION	APPEALED	WITHDRAWN	VERIFIED	DENIED	TOTAL
A	General Engineering	1	2	7	2	12
B	General Building	1	15	33	21	70
B2	Residential Remodeling	0	2	0	5	7
C2	Insulation and Acoustical	0	0	1	0	1
C4	Boiler Hot Water	0	0	0	0	0
C5	Framing / Rough Carp	0	0	1	0	1
C6	Cabinet-Millwork	0	0	2	0	2
C7	Low Voltage Systems	0	0	1	0	1
C8	Concrete	0	3	2	3	8
C9	Drywall	0	1	2	1	4
C10	Electrical	0	5	9	3	17
C11	Elevator	0	0	0	0	0
C12	Earthwork & Paving	0	1	0	2	3
C13	Fencing	0	0	2	0	2
C15	Flooring	0	1	2	0	3
C16	Fire Protection	0	0	0	0	0
C17	Glazing	0	1	2	0	3
C20	HVAC	0	4	4	3	11
C21	Building Moving Demo	0	0	0	0	0
C22	Asbestos Abatement	0	0	0	0	0
C23	Ornamental Metal	0	0	0	0	0
C27	Landscaping	0	3	7	6	16
C28	Lock & Security Equipment	0	0	0	0	0
C29	Masonry	0	1	3	0	4
C31	Construction Zone	0	0	0	0	0
C32	Parking Highway	0	0	0	0	0
C33	Painting	0	2	5	5	12
C34	Pipeline	0	1	2	0	3
C35	Lath & Plaster	0	0	1	0	1
C36	Plumbing	0	0	8	0	8
C38	Refrigeration	0	0	0	0	0
C39	Roofing	0	1	2	1	4
C42	Sanitation	0	0	0	0	0
C43	Sheet Metal	0	1	1	0	2
C45	Sign	0	1	0	0	1
C46	Solar	0	0	0	1	1
C47	Gen Manufactured House	0	0	0	0	0
C49	Tree and Palm	0	0	2	0	2
C50	Reinforcing Steel	0	0	0	0	0
C51	Structural Steel	0	0	0	0	0
C53	Swimming Pool	0	3	0	1	4
C54	Ceramic and Mosaic Tile	0	1	1	0	2

	CLASSIFICATION	APPEALED	WITHDRAWN	VERIFIED	DENIED	TOTAL
C55	Water Conditioning	0	0	0	0	0
C57	Well Drilling	0	0	0	0	0
C60	Welding	0	0	0	1	1
C61	Limited Specialty	1	2	3	0	6
ASB	Asbestos Cert	0	0	0	0	0
HAZ	Hazardous Cert	0	0	0	0	0
	Total	**3**	**51**	**103**	**55**	**212**

Training Update

From Investigation to Prosecution – Turning Enforcement into Action

On April 17, 2026, Supervising Special Investigator (SSI) Amanda Martinez and Ryann Jorban (Deputy-in-Charge, Economic and Labor Justice Unit, Consumer Protection Division of the Los Angeles County District Attorney's Office) provided a training session that addressed the importance of creating a community of collaboration. The trainers discussed various topics such as the value of positive working relationships, building a case with prosecution in mind, relationships between government agencies, vertical prosecution and why it matters, burden of proof, building a complete investigative file, and filing realities when working with a prosecutor.

Western States Information Network Training

On June 18, 2026, SSI Amanda Martinez facilitated training for CSLB Enforcement staff. The training was conducted by the Western States Information Network (WSIN) which is a federally funded regional criminal intelligence center serving law enforcement agencies in the western part of the US.

WSIN is part of the national Regional Information Sharing Systems (RISS) Program that assists local, state, federal, and tribal criminal justice partners by providing solutions and services that facilitate information sharing, support criminal investigations, and promote officer safety and wellness. RISS offers secure information sharing and communications capabilities, critical analytical and investigative support services, and event deconfliction to enhance officer safety. One of the major benefits for CSLB is getting assistance with identifying suspects.

In 2023, CSLB signed up with WSIN and since then, numerous Special Investigators have signed up as members and utilize WSIN's services. Most common use of WSIN includes assistance with out-of-state driver's license searches.

During the training, WSIN discussed the services and benefits they provide and how to use their online platform as well as how to call into the watch center for assistance.

AGENDA ITEM H

Public Affairs

AGENDA ITEM H-1

Public Affairs Program 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 CSLB's social media channels to educate and inform consumers, licensees, the construction industry, the news media, and government officials. Staff also produce content for the CSLB website that includes webcasts and videos. Staff conduct Senior Scam Stopper℠ and Consumer Scam Stopper℠ seminars and present speeches to service groups and organizations. Internally, staff also produce content 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.

CSLB did not staff any local assistance centers (LACs)/disaster recovery centers (DRCs) between April 1, 2026, and July 31, 2026.

However, CSLB continued to provide disaster resources to survivors of the Eaton and Palisades fires during this time, including virtual workshops with United Policyholders in May and Catholic Charities and Los Angeles County in July. CSLB continues to update its Disaster Help Center with resources for survivors, including guidance regarding payment and contract rules in declared disaster areas.

CSLB maintains a toll-free disaster hotline, serviced by Intake and Mediation Center staff Monday through Friday from 8 a.m. to 5 p.m. The hotline is promoted in various publications and through CSLB's social media channels, as well as on disaster signs posted in disaster zones and provided at the LACs/DRCs. CSLB's disaster response includes immediate and longer-term outreach, enforcement efforts, participation in multi-agency task forces, and assistance for affected licensees. CSLB also makes regular disaster-related posts through its social media channels, including Facebook, X, Instagram, and LinkedIn.

Task Force Participation
CSLB staff participate on a multi-agency task force established by the California Governor's Office of Emergency Services that focuses on rebuilding and housing. The task force includes representatives from local, state, and federal agencies, with a goal of coordinating and streamlining the debris cleanup efforts and addressing both short-term housing needs for survivors and rebuilding.

Assistance for Licensees/Applicants

PAO communicates 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 shares that CSLB waives delinquent fees for failure to renew a license before it expires for disaster survivors and works to expedite license applications for those planning to work in disaster areas.

Video/Digital Services

Consumer, Licensee and Applicant Tips Videos

Public Affairs staff continue to produce and translate consumer, applicant, and licensee tips videos for promotion on CSLB's website and social media platforms, including a recent video on CSLB's complaint process and what to expect after filing. Public Affairs also produced a video covering the NorCal Design Build Competition – a hands-on construction, scholarship and mentoring opportunity for high school students in the region – and a public service announcement encouraging those interested in obtaining a contractor license to participate in the online *Get Licensed to Build* workshop.

Staff continue to produce English and Spanish versions of the monthly *Get Licensed to Build* workshop for those interested in obtaining a contractor's license. The workshop covers each step required to obtain a contractor license and includes a live question and answer session for participants. These workshops have been well attended via WebEx and are archived on CSLB's website and YouTube channel.

Livestreams/Videos Produced April 1, 2026 – July 31, 2026

Date Published	Video Title
4/3/2026	Get Licensed to Build Workshop
4/17/2026	Workshop para que obtenga licencia de construir
4/29/2026	CSLB Enforcement Committee Meeting
4/30/2026	CSLB Licensing Committee Meeting
5/1/2026	Get Licensed to Build Workshop
5/15/2026	Workshop para que obtenga licencia de construir
6/1/2026	How to File a Complaint
6/5/2026	CSLB Quarterly Board Meeting – Monterey, CA
6/12/2026	Get Licensed to Build Workshop
6/15/2026	NorCal Design Build Competition

Date Published	Video Title
6/19/2026	Workshop para que obtenga licencia de construir
7/10/2026	Get Licensed to Build Workshop
7/13/2026	Get Licensed to Build Online Workshop PSA: Learn How to Get Your Contractor's License
7/17/2026	Workshop para que obtenga licencia de construir

Social Media
PAO continues to use social media as an outreach tool to better interact with applicants, licensees, the news media, and other stakeholders. CSLB currently utilizes Facebook, Instagram, X, YouTube, and LinkedIn.

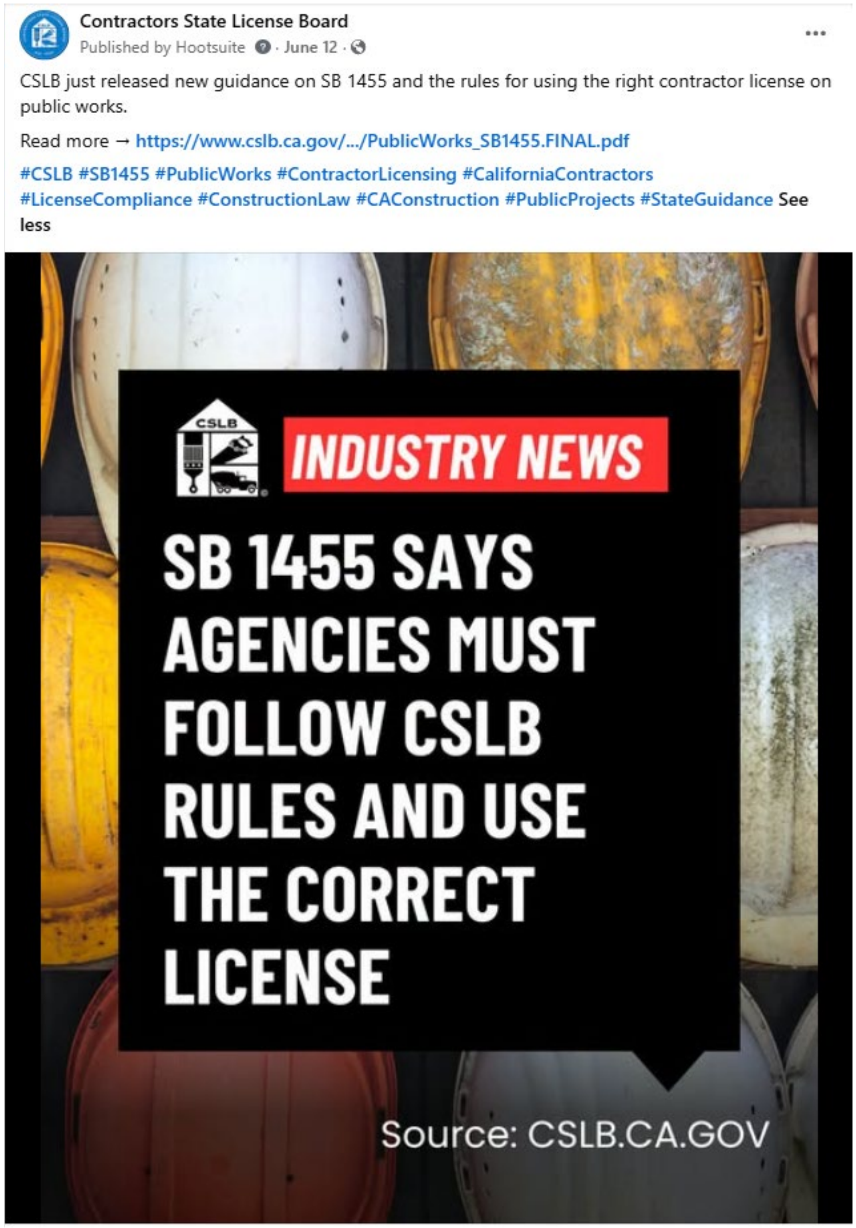
Social Media Highlights

- **Facebook:** 7,300 followers, a 1.3% increase since the previous quarter
- **Instagram:** 3,334 followers, a 4.3% increase since the previous quarter
- **X:** 3,134 followers, a 0.2% decrease since the previous quarter
- **YouTube:** 13 videos produced; 26,681 video views; 1,787 hours watched since the previous quarter.
- **LinkedIn:** 1,458 followers, a 3.2% increase since the previous quarter

Facebook Growth
Between April 1, 2026, to July 31, 2026, CSLB reached 15,551 people.

Follower Statistics
Of CSLB's Facebook followers, 67 percent of CSLB Facebook followers are male; 33 percent are female. Of these followers, 1 percent of CSLB's Facebook followers are ages 18 to 24, 12 percent are ages 25-34, 31 percent are ages 35-44, 26 percent are ages 45-54, 19 percent are ages 55-64, and 11 percent are ages 65 and up.

Top Facebook Post
CSLB's top post (see next page) was published on Friday, June 12, at 10:32 a.m. with a reach of 3,289 accounts, 5,100 views, 23 interactions, 74 link clicks, 15 reactions, 7 comments, and 1 share. This post referred to an industry bulletin updating the industry regarding the outcomes of SB 1455.



Published post:
CSLB just released new guidance on SB 1455 and the rules for using the right contractor license on public works.

Instagram Growth
Between April 1, 2026, and July 31, 2026, CSLB reached 7,700 accounts on its Instagram page.

Follower statistics

Of CSLB's Instagram followers, 84.1 percent of CSLB's Instagram followers are male; 15.9 percent are female. Of these followers, 7 percent of CSLB's Instagram followers are ages 18 to 24, 41 percent are ages 25-34, 33 percent are ages 35-44, 12 percent are ages 45-54, 4 percent are ages 55-64, and 3 percent are ages 65 and over.

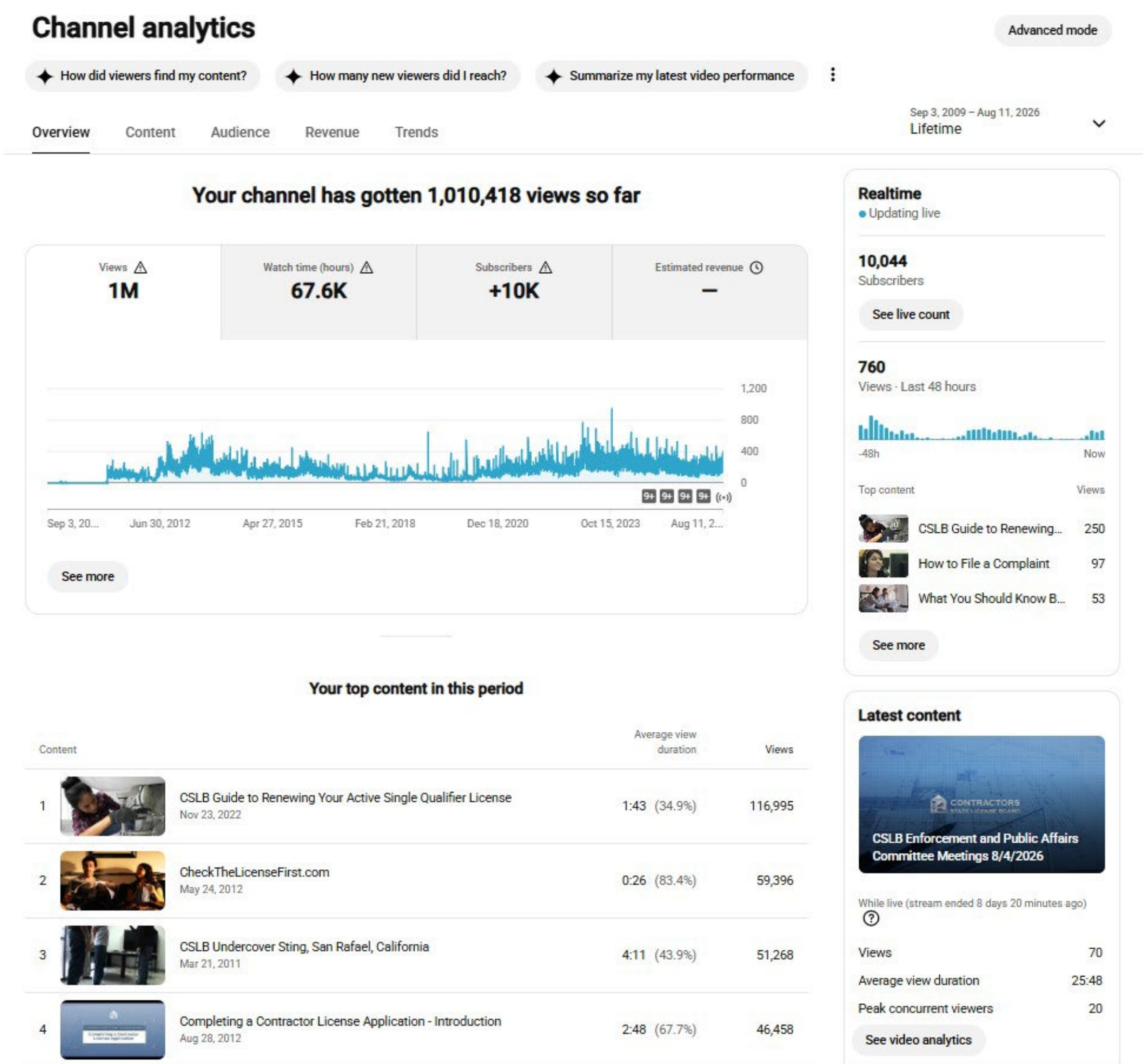
Top Instagram Post

CSLB's top post was published on Thursday, June 11 with a reach of 4,400 people, 24 likes and 4 comments.

Published post:
Know a vacant or remodel-ready property? CSLB SWIFT is seeking locations for sting operations. Call a regional office to help.

X Growth
This platform requires payment to collect analytics. CSLB continues to post content to 3,134 followers.

YouTube Channel Growth
CSLB's YouTube channel continues to grow, with an increase of approximately 289 subscribers, 1,787 hours of watch time, and 26,681 more views since April 2026. The channel has a total of 1,010,418 views (67,638 hours watched) and 10,042 subscribers since the page was created in 2009.



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. CSLB has 1,458 followers.

Email Alert Feature
CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 192,919, which includes the Licensee Information database.

These include:

- Industry Bulletins
- CSLB Job Openings
- Public Meeting Notices/Agendas
- *California Licensed Contractor* Newsletters
- News Releases/Consumer Alerts
- Podcasts/webcasts
- Licensee Information

Industry Bulletins
Important CSLB updates are issued in Industry Bulletins, which are emailed to those who signed up via CSLB's email alerts and are also posted on CSLB's website. Between April 1, 2026, and July 31, 2026, CSLB issued Industry Bulletins related to a California law requiring awarding agencies to follow CSLB regulations when determining classifications for public works projects, along with one providing resources for contractors managing treated wood waste.

Media Relations

Media Calls
Between April 1, 2026, and July 31, 2026, PAO responded to 9 media inquiries, providing information and/or interviews to a variety of media outlets. Inquiries were related to best practices for hiring a contractor, contractor license misuse, and consumer complaints related to contractors, many involving either accessory dwelling units (ADUs) or solar projects.

Consumer/Community Outreach

Senior Scam Stopper℠ Seminars
CSLB's Senior Scam Stopper℠ seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about

construction-related scams and how seniors, who are often preyed upon by unlicensed or unscrupulous contractors, can protect themselves when hiring a contractor. Sessions feature expert speakers from local, state, and federal agencies, who present broader topics on consumer and financial scams.

The following outreach events were conducted from April 1, 2026, through July 31, 2026:

Date	Location	Legislative/Community Partner(s)
April 2, 2026	Yucaipa	Assemblymember Greg Wallis
April 7, 2026	Sacramento	AARP
April 9, 2026	San Francisco	Assemblymember Catherine Stefani
April 10, 2026	Fremont	Senator Aisha Wahab
April 18, 2026	Palmdale	Assemblymember Juan Carrillo
April 24, 2026	Dublin	Assemblymember Liz Ortega
June 13, 2026	San Leandro	Assemblymember Liz Ortega
June 23, 2026	Napa	Napa County District Attorney's Office
June 24, 2026	Merced	Assemblymember Esmeralda Soria
June 24, 2026	San Diego	Minority Leader Senator Brian Jones
June 25, 2026	Los Banos	Assemblymember Esmeralda Soria
July 8, 2026	Palm Desert	Assemblymember Greg Wallis
July 11, 2026	Cupertino	Assemblymember Patrick Ahrens
July 15, 2026	Fairfield	City of Fairfield
July 24, 2026	Hayward	Senator Aisha Wahab
July 28, 2026	Camarillo	Assemblymember Steve Bennett
July 30, 2026	Sacramento	Senator Angelique Ashby

Publication/Graphic Design Services

Between April 1, 2026, through July 31, 2026, PAO's Graphic Design Unit completed the following publications and reports.

Publications & Reports
California Licensed Contractor Newsletter (April 2026)

Publications & Reports
June 5, 2026, Quarterly Board Meeting Packet
April 29-30, 2026 Enforcement & Licensing Committee Meeting Presentations
Terms of Agreement: A Consumer Guide to Home Improvement Contracts

Public Affairs Program Update 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. Between April 1, 2026, and July 31, 2026, PAO published 14 employee intranet articles.

Date Published	Title
4/7/2026	Licensing and Testing Hosts Multicultural Potluck
4/20/2026	Wishing Hal Clay a Happy Retirement!
4/23/2026	April 2026 California Licensed Contractor Newsletter Now Available
5/1/2026	Examination Development Unit Earns DCA Gold Level Superior Accomplishment Award
5/8/2026	Training and Appreciation Event Brings Enforcement Teams Together
5/14/2026	High School Design Build Competition Celebrates 40 Years
5/21/2026	Board Member Diana Love Visits Headquarters and Recognizes Employee Achievement
6/1/2026	Tune In! CSLB's Board Meeting – June 5
6/8/2026	Board Recognizes SWIFT Investigator for Outstanding Performance
6/23/2026	Clothing Exchange Returns for a Third Round
6/30/2026	Supporting Your Transition Back to the Office
7/2/2026	Norwalk Barbecue Brings Staff Together, Additional Activities Coming Up in July
7/7/2026	Welcome New Leaders to the CSLB Team

Date Published	Title
7/29/2026	CSLB Crowns Champions at Second Cornhole Tournament

Public Information Center Statistics
The Public Information Center includes both the Call Center and Public Counter. The two tables below show the statistical updates for the Call Center through July 31, 2026, and call data compared to prior years.

	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Calls Received	13,857	13,471	14,455	14,866	13,099	14,519	14,267
Calls Answered	11,884	10,219	11,904	12,936	11,096	11,732	11,738
Calls Abandoned	1,973	3,252	2,551	1,930	2,003	2,787	2,529
Longest Wait Time	0:16:32	0:31:54	0:22:48	0:16:59	0:28:09	0:28:19	0:27:51
Shortest Wait Time	0:01:55	0:05:45	0:02:30	0:01:23	0:01:58	0:01:45	0:00:21
Avg. Wait Time	0:07:29	0:12:34	0:09:03	0:06:48	0:07:44	0:09:28	0:08:57

Public Information Center Call Data – Prior Calendar Years

Inbound Activity	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Calls Received	149,462	149,462	140,589	140,409	129,601	143,634	166,482
Calls Answered	136,776	98,044	116,304	119,693	99,706	132,753	144,785
Caller Abandoned	7,859	35,865	23,983	20,496	27,590	10,664	21,695
Avg. Longest Wait Time	0:08:33	0:46:23	0:33:56	0:34:45	0:37:13	0:13:42	0:20:19
Avg. Shortest Wait Time	0:00:48	0:04:23	0:03:11	0:01:24	0:06:49	0:01:06	0:01:24
Avg. Wait Time	0:03:34	0:25:27	0:14:38	0:11:06	0:18:26	0:03:43	0:06:14

AGENDA ITEM I

Closed Session

Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: Casee Simmons v. Department of Consumer Affairs, Contractors State License Board, Sacramento County Superior Court, Case No. 24CV020243.

AGENDA ITEM J

Adjournment

SEPTEMBER 3, 2026
LAS VEGAS, NEVADA

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 2

CSLB

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

Joël Barton
Rodney M. Cobos
Miguel Galarza
Amanda Gallo
Alan Guy
Jacob Lopez
Diana Love
Michael Mark
Henry Nutt III
Steven Panelli
Omar T. Passons
Josef Preciado
James Ruane
Thomas J. Ruiz

AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

Board and Committee Meeting Procedures

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

(1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.

(2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:

- (a) The Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or,
- (b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).

(3) If a person becomes disruptive at the Board meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.

AGENDA ITEM C

Discussion Regarding CSLB and NSCB Operational and Structural Comparison

CSLB

California Contractors State License Board		Nevada State Contractors Board
Active: 244,973 (↑3,317) Inactive: 43,262 (↓941) Total: 288,235 (↑2,376)	**# of Licensees**	Active: 19,046 (↑416) Inactive: 421 (↑21) Total: 19,467 (↑437)
Application: **$450** Initial License (Sole Owner): **$200** Initial License (Non-Sole Owner): **$350**	**Cost of Original Application / Initial License**	Application: **$300** Initial License: **$600**
Sole Owner: **$450** Non-Sole Owner: **$700**	**Cost of Renewal**	**$600**
Yes Less Than $1,000	**Handyman Exemption**	**Yes** Less Than $1,000
Yes **5 States** Arizona, Louisiana, Mississippi, Nevada, North Carolina Also accepts NASCLA Commercial General Builders Examination for all states once requirements met.	**Reciprocity / Licensure by Endorsement / Exam Waiver**	**Yes** **12 States** Alabama, Arizona, California, Connecticut, Florida, Hawaii, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia
21,166 (2,425 Solar Complaints)	**# of Complaints**	**1,554** (119 Solar Complaints)
$27.7 million Restitution Awarded **$10.3 million** Judgments Paid	**Amount of Restitution / Recovery Funds Awarded**	**$740,879** Recovery Funds Awarded **$17.7 million** Since Inception

Fiscal Year 2025-26 (June 1, 2025 – April 30, 2026)

AGENDA ITEM D

Discussion Regarding Multi-State and In-State Unlicensed Practice Enforcement Coordination

1. National Enforcement Operation to Combat Unlicensed Practice
2. Strategies to Identify and Address Unlicensed Practice

CSLB ©

AGENDA ITEM E

Discussion Regarding Construction Industry Economic Development

1. Nevada Presentation by Economic and Development Department
2. California Presentation by Governor's Office of Business and Economic Development

CSLB ©

AGENDA ITEM F

Discussion Regarding Reducing Barriers to Licensure While Maintaining Strong Consumer Protection

1. Online Applications
2. Translating Exams and Other Materials
3. Applicant Workshops
4. B-2 Pathway to General Building Contractor in California and B-7 Restricted License in Nevada

Adjournment