

JUNE 13-14, 2024
NEWPORT BEACH, CA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





NOTICE OF PUBLIC BOARD MEETING

Day 1: Thursday, June 13, 2024, 1:00 p.m. – 5:00 p.m.
(or until the conclusion of business)

MEETING LOCATION

Newport Beach Marriott Bayview Hotel
500 Bayview Circle, Newport Ballroom
Newport Beach, CA 92660

Day 2: Friday, June 14, 2024, 8:30 a.m. – 11:30 a.m.
(or until the conclusion of business)

MEETING LOCATION

Newport Beach Marriott Bayview Hotel
500 Bayview Circle, Newport Ballroom
Newport Beach, CA 92660

The June 13, 2014, meeting will be live webcast (with an approximate 30-second delay). Links are available at the end of this agenda. The June 14, 2024, meeting will be in person only, no live webcast.

The meeting is 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 these items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

MEETING AGENDA – Day 1

Thursday, June 13, 2024 – 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 Plaques of Recognition – May Include Oral Presentations
Commemorating Board Members

D. Executive

1. Review and Possible Approval of the April 17-18, 2024, Board Meeting Minutes
2. Review, Discussion, and Action on Nominations Committee Recommendations for Election of 2024-25 Board Officers
3. Registrar's Report
4. Budget Update
5. Administration Update
6. Information Technology Update
7. Spanish Exam Translation Update
8. Review, Discussion and Possible Action on 2025-27 CSLB Strategic Plan Objectives

E. Legislation

1. Review, Discussion and Possible Action on 2023-24 Pending Legislation
 - a. AB 2622 (Carrillo) – Amend the project amount and type of work exempted from contractor licensure on a single project.
 - b. AB 2677 (Chen) – Exclude surety bond companies from liability for attorney's fees and costs in excess of the bond amount.
 - c. AB 2993 (Grayson) – Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer.
 - d. SB 1455 (Ashby) – Contractors State License Board sunset extension bill.
2. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Changes Under the Section 100 Rule to Title 16, California Code of Regulations (16 CCR) Section 871 (Disciplinary Guidelines)

F. Enforcement

1. Enforcement Program Update

G. Licensing

1. Licensing and Testing Program Update

H. Public Affairs

1. Public Affairs Program Update
2. Review and Discussion on Two Videos – National Association of State Contractors Licensing Agencies’ Protect Yourself After a Disaster and CSLB’s Tips for Hiring a Tree Trimmer

I. Adjournment

MEETING AGENDA DAY 2

Friday, June 14, 2024 - 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. Presentation by Ken Simonson, Chief Economist at Associated General Contractors of America
- D. Joint Discussion with Nevada State Contractors Board (NSCB)
 1. Discussion Regarding CSLB and NSCB Operational and Structural Comparison
 - a. License Population
 - b. Cost of Original Application
 - c. Renewal Cost
 - d. Handyman Exemption
 - e. Reciprocity/Licensure by Endorsement
 - f. Number of Complaints with Solar Subset
 - g. Recovery Fund/Restitution
 2. Discussion Regarding CSLB and NSCB Enforcement Activities
 3. Discussion Concerning CSLB and NSCB Legislation
 - a. Nevada Bills of Interest
 - i. Payment and Performance Bond Requirements for Solar Contractors
 - ii. Causes for Disciplinary Action Related to an Investigation by the Board
 - iii. Penalty for Unlicensed Contactor Who Bids on a Project
 - b. California Bills of Interest
 - i. SB 1455 (Ashby) Contractors State License Board
 1. Pathway to licensure for tribes
 2. Licensees pay industry expert costs
 3. Minimum fine threshold

- ii. AB 2993 (Grayson) Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer.

4. Discussion Concerning Solar Contractors

- a. Solar Complaint Trends
- b. Consumer Awareness
- c. Enforcement Statistics
- d. Enforcement Strategies

5. Discussion Regarding CSLB and NSCB Consumer Awareness

E. Adjournment

Note: The webcast for the June 13, 2024 meeting 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 meetings will continue even if the webcast is unavailable.

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

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



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JUNE 13-14, 2024
NEWPORT BEACH, CA



CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 1



AGENDA ITEM A

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

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

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

Board Member Roster

JOËL BARTON	DIANA LOVE
RODNEY M. COBOS	MICHAEL MARK
MIGUEL GALARZA	HENRY NUTT III
AMANDA GALLO	STEVEN PANELLI
SUSAN GRANZELLA	JAMES RUANE
ALAN GUY	THOMAS RUIZ
JACOB LOPEZ	MARY TEICHERT



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Presentation of Plaques of Recognition
– May Include Oral Presentations
Commemorating Board Members



AGENDA ITEM D

Executive



AGENDA ITEM D-1

Review and Possible Approval of the April 17-18, 2024, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

BOARD MEETING MINUTES

Pursuant to Government Code section 11123, subdivision (a) the Contractors State License Board met in person at 12:00 p.m. on April 17, 2024.

There was no remote access for participation or comment at this meeting.

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

Board Chair Diana Love called the meeting of the Contractors State License Board (CSLB) to order on April 17, 2024, at 12:00 p.m. at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Members Present

Diana Love, Chair
Michael Mark, Vice Chair
Miguel Galarza, Secretary
Joel Barton
David De La Torre
Amanda Gallo
Susan Granzella
Alan Guy
Jacob Lopez
Henry Nutt III
Steve Panelli
James Ruane
Mary Teichert

Amanda Gallo arrived at 12:20 p.m. and Rodney Cobos had an approved absence.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Katherine White, Chief of Public Affairs
Jason Perez, Chief of Information Technology
Carol Gagnon, Chief of Licensing
Steve Grove, Chief of Enforcement
Tracy Brazil, Regulations Manager
Stacey Paul, Budget Manager
David Gower, Public Affairs Supervisor
Amber Foreman, Graphic Designer
Amy Lawrence, Television Specialist
Natalie Rosenberger, Information Officer
Natalie Watmore, Information Officer
Robin Williams, Executive Analyst



DCA Staff Present

Trisha St. Clair, Strategic Business Analyst & Facilitator
Sarah Irani, SOLID Training Administrator
John Kinn, DCA Legal Counsel

Board Vice Chair Michael Mark led the Board in the Pledge of Allegiance. A quorum was established.

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

Public Comment

No Public Comment

C. Strategic Planning Session – Department of Consumer Affairs, SOLID Planning Solutions

DCA Strategic Business Analyst & Facilitator Trisha St. Clair and SOLID Training Administrator Sarah Irani conducted the Strategic Planning session with CSLB staff and Board members. Both staff and Board members discussed and analyzed diversity, equity, and inclusion, strengths, weaknesses, opportunities within CSLB, the environmental scan results, and a survey of internal and external stakeholders. CSLB staff and Board members reviewed and discussed updating and finalizing the CSLB Mission, Vision, and Value Statement, while developing the strategic objectives of all CSLB divisions.

Recess at 4:20 p.m.



BOARD MEETING MINUTES

Pursuant to Government Code section 11123, subdivision (a) the Contractors State License Board met in person at 9:00 a.m. on April 18, 2024. There was no remote access for participation or comment at this meeting.

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

Board Chair Diana Love called the meeting of the Contractors State License Board (CSLB) to order on April 18, 2024, at 9:00 a.m. at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Members Present

- Diana Love, Chair
- Michael Mark, Vice Chair
- Miguel Galarza, Secretary
- Jöel Barton
- David De La Torre
- Amanda Gallo
- Susan Granzella
- Alan Guy
- Jacob Lopez
- Henry Nutt III
- Steven Panelli
- James Ruane
- Mary Teichert

Rodney Cobos had an excused absence.

CSLB Staff Present

- David Fogt, Registrar
- Michael Jamnetski, Chief Deputy Registrar
- Tracy Brazil, Regulations Manager
- Carol Gagnon, Chief of Licensing
- Steve Grove, Chief of Enforcement
- Stacey Paul, Budget Manager
- Jason Perez, Chief of Information Technology
- Katherine White, Chief of Public Affairs
- David Gower, Public Affairs Supervisor
- Amber Foreman, Graphic Designer
- Amy Lawrence, Television Specialist
- Natalie Rosenberger, Information Officer
- Robin Williams, Executive Analyst

DCA Staff Present

- John Kinn, DCA Legal Counsel
- Elizabeth Dietzen-Olson, Regulations Counsel



Ryan Marcroft, Deputy Director, Legal

Board Vice Chair Michael Mark led the Board in the Pledge of Allegiance. A quorum was established.

Board Chair Diana Love introduced newly appointed Board Member Henry Nutt III.

Board Chair Diana Love explained that on June 13, 2024, the Board will select new Board Officers to prepare a possible slate for Board Officer consideration and stated she has appointed Board members Mary Teichert and Susan Granzella to a two-person board officer nominating committee.

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

Public Comment

There was no public comment.

C. Executive

1. Review and Possible Approval of the December 13, 2023, Board Meeting Minutes

Agenda Item C (1) and Agenda Item C (2) were taken together despite being separate agenda items in anticipation of a lengthy meeting.

Motion: To approve the December 13, 2023, Board Meeting, February 15, 2024, Licensing Committee Meeting, and the March 21, 2024, Legislative Committee Meeting Minutes. Moved by David De La Torre; Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, James Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

Board Member Comment

There was no comment.

Public Comment

There was no public comment.



2. Review and Possible Approval of the February 15, 2024, Licensing Committee Meeting and March 21, 2024, Legislative Committee Meeting Summary Reports

This item was heard and voted on in Agenda Item C1.

3. Registrar's Report

a. 2023 Accomplishments and Activities Report

Registrar David Fogt presented the 2023 Accomplishments and Activities report, highlighting the enforcement staff's significant role in securing over \$40 million in restitution for consumers and initiating 3,833 legal actions against non-compliant contractors. Registrar Fogt praised Information Technology (IT) for enabling online license renewals, contributing to more than 300,000 transactions. IT efforts also led to the approval of upgrades to the interactive voice response system, and improving public access to CSLB services. The Licensing Division was commended for organizing 51,000 exams and keeping all 47 CSLB exams current within a five-year period. Public Affairs' outreach and call center operations were noted for handling over 99,000 calls in 2023, and for playing a vital role in disaster relief efforts. Registrar Fogt expressed gratitude towards the call center staff for their dedication and acknowledged Budget Manager Stacey Paul for their diligent management of CSLB's finances, maintaining a budget reserve of four months.

b. Update Regarding Progress of Spanish Translation of Written Licensing Examinations

Registrar Fogt announced that although a slideshow was prepared for the current agenda item, it will be postponed for presentation at the Joint Nevada Board Meeting in June. He highlighted the translation of CSLB's top 10 exams and all study guides into Spanish, acknowledging the significant contributions of Licensing Chief Carol Gagnon and Testing Manager Henry Duong in achieving this milestone.

c. Review and Discussion of Cooperative Personnel Services Enforcement Workload Study

Registrar Fogt presented the workload study authorized by the Board, conducted by Cooperative Personnel Services (CPS). The study assessed production targets, operational efficiencies, and strategies for managing an annual influx of 15,000 complaints. During the strategic planning session, Board members endorsed the CPS recommendations, acknowledging their support and dedication to improvement. Registrar Fogt proposed the establishment of a desk investigation unit dedicated to inquiries and consumer complaints, which would be operated by analysts who are not required to perform fieldwork. He elaborated that the board supported the report's recommended development of a training module and the review of CSLB procedure manual to identify opportunities for refinement and a more streamlined process. Registrar Fogt also noted that the adoption of SharePoint software will significantly



increase the efficiency of the enforcement staff. Registrar Fogt outlined a collaborative program targeting contractors with over 10 unresolved complaints. The program's objective is to assist these contractors in revamping their business strategies to effectively resolve existing complaints, reinforce compliance with CSLB regulations, and remove egregious offenders from the marketplace. Registrar Fogt emphasized that CSLB, with its 105 investigative staff members, is inadequately staffed to handle the significant increase in complaints (15,000 received in 2023) indicating that the current workforce is at full capacity and accusations will be pursued against licensees receiving multiple complaints that include serious or repeat violations of contractor's license law. Fogt confirmed the solar industry is the primary reason for the increase in consumer complaints.

Registrar Fogt finished the update with a projected September 5, 2024, meeting date for the CSLB quarterly meeting.

Board Member Comment

Member Granzella commented but the audio was out.

Public Comments

There was no public comment.

4. CSLB Budget Update

Budget Manager Paul presented the CSLB budget update for fiscal year 23-24. Manager Paul outlined CSLB having an authorized \$82 million budget and is projected to have \$91.5 million in revenue, with \$78.5 million in board expenses and \$63 million in mandatory external costs. Paul explained revenue should exceed expenses which would increase reserves to \$32 million, about 4.5 months of operating expenses. Manager Paul highlighted that as of February, CSLB has expended 64 percent of the budget authority and has exceeded the previous year's revenue by 5.3 percent. The final budget for the fiscal year was adjusted upward by \$3.2 million, from \$78.5 million to \$81.7 million, due to a new bargaining unit agreement increasing staff salaries, retirement, and health benefits.

Manager Paul outlined the Governor-ordered budget letter 23-27 to immediately reduce costs to address the state's general fund deficit with an approval-based exemption process to secure mission critical purchases. Manager Paul explained that to date, CSLB has submitted 57 requests with 0 denials.

Manager Paul reviewed the fund condition, which had a beginning balance at \$25 million and projected an increase in reserves to \$32 million by the end of the year. They stated the next budget year is expected to reach 5 months reserves. Manager Paul announced the Construction Management Education Account is healthy and continues to receive steady donations of license contributions thanks to the administration approving the grant disbursement increase to \$225,000 per school. They finished the



update with a statistical summary showing a 17 percent increase in original license applications and 25 percent increase in new licenses issued with the number of renewals up 2.4 percent.

Board Member Comment

Member Granzella congratulated Manager Paul for their hard work on increasing the reserves, which had previously been below one month, and thanked Manager Paul and CSLB staff.

Public Comments

There was no public comment.

5. Administration Update Regarding Personnel and Facilities

Chief Deputy Registrar Jamnetski presented the update for personnel and facilities highlighting 37 promotions in the third quarter while maintaining an 8 percent vacancy rate. Chief Deputy Registrar Jamnetski provided an update on the Request for Proposal (RFP) to study CSLB resources to address unlicensed practice and unlicensed activity both throughout the state and in disaster areas. The RFP contract was initially approved at \$75,000 but was subsequently increased to \$200,000 with the board's approval in December, and due to budget letter 23-27, the RFP must be justified as mission critical with the goal to have it submitted by May 2024. Chief Deputy Registrar Jamnetski ended the facilities update stating headquarters bathrooms were being remodeled.

Board Member Comment

Member De La Torre asked if the vacancies were due to retirement and if promotions were due to vacancies and if those vacancies were filled afterward.

Deputy Registrar Jamnetski responded that each promotion creates a vacancy and to maintain the 8 percent vacancy rate, CSLB moves swiftly to fill those vacancies.

Public Comments

There was no public comment.

6. Information Technology Update

Information Technology (IT) Chief Jason Perez presented the IT update. Chief Perez outlined the May 2024, transition to the Amazon Web Services (AWS) connect, an Interactive Voice Response (IVR) system that will increase call routing and customer service access to things like license-related information and application status. The system includes enhanced security and is more cost effective by reducing the need for physical infrastructure.



Chief Perez described the new Privileged Access Manager (PAM) System to minimize security breaches and their impact by limiting the reach of a breach in CSLB systems. The system is in the testing phase with full implementation expected in June 2024.

Chief Perez discussed the recent approval for the procurement package to automate the sole owner license application workflow. This will promote a 100 percent online application that streamlines processes and reduces time and resources, allowing better services to stakeholders.

Board Member Comment

There was no comment.

Public Comment

Karen Poelstra, a C-46 licensee, stated they had a positive experience renewing their license online in February 2024. They added the process was swift and they were pleased with the immediate confirmation of their renewal.

7. Bagley-Keene Update

DCA Legal Counsel John Kinn presented the four types of meetings that are available under the Bagley-Keene Open Meeting Act as of January 2024. The first meeting is an open meeting like the current meeting, in one location, accessible to the public and open for comment. The second type is a teleconference meeting where the board is in more than one physical location with remote public access to both. The third meeting is a teleconference for advisory boards only to conduct non-governmental decisions and can be held completely remotely. The fourth is a hybrid version of the open meeting where a quorum of the Board members is present at one physical location accessible to the public while other board members are available at locations that may not be open to the public.

Board Member Comment

Member Ruane (*commenting on the Budget agenda item*) asked that although the state of California is in a budget crisis, since CSLB is in a good financial position, does CSLB have restrictions on accessing available funds.

Manager Paul explained that CSLB is under the guidance of the Governor and must abide by Budget Letter 23-27 that includes a detailed exemption process where DCA must review and approve CSLB spending.

Registrar Fogt asked Manager Paul how many exemption requests have been put forth and how many have been approved.

Manager Paul answered 57 have been approved and there has been one denial, but the denial was eventually approved.



Public Comments

There was no public comment.

D. Licensing

1. Licensing and Testing Program Update

Licensing Committee Chair Alan Guy provided the update stating in February 2024 CSLB received over 4,500 applications and in 2023, 47,000 applications, 4,000 more than in 2022 and more than the four years prior. Chair Guy added the largest number of applications were for original exam applications, an increase of 2,000 applications. Chair Guy stated processing times are consistently under the two-week goal since last spring. The goal to stay under 3 weeks continues to be a benchmark. They noted renewal application figures have held steady from 2022 to 2023 with over 117,000 applications processed. Chair Guy finished by stating CSLB held a Licensing Committee Meeting February 15, 2024, to discuss the experience verification unit.

Licensing Chief Carol Gagnon presented the testing update and stated between March 2023 and February 2024 PSI Exams administered more than 49,000 exams for CSLB license candidates and in February 2024 CSLB had record figures with more than 4,600 people taking CSLB exams at a PSI test center. Chief Gagnon added, there are no current backlogs in testing administration and highlighted the opening of two new test centers in August 2023 in Las Vegas, Nevada and Wilsonville, Oregon, with 55 candidates testing in Oregon. Chief Gagnon explained the most popular test centers are in Sacramento, San Diego, and Riverside. Chief Gagnon pointed out exam development staff are working on 15 exams and encourage active licensees to volunteer to help with exam development processes as subject matter experts. Chief Gagnon finished their update mentioning that staff update every exam every five years.

Board Member Comment

There was no comment.

Public Comments

There was no public comment.

2. Review, Discussion and Possible Action Regarding the Experience Verification Unit in the Licensing Division

Licensing Committee Chair Guy updated the Board about the discussions at the February 15, 2024, Licensing Committee Meeting, which revolves around California Code of Regulations section 824. It went into effect in 1980 and required field investigation of 3 percent of all CSLB applications. Chair Guy stated CSLB in 1980 had fewer licensing staff and needed the Enforcement Divisions assistance in reviewing experience applications, therefore, the Experience Verification Unit was necessary to ensure applicants were qualified for licensure and a 3 percent random pull was the most useful means of sending applications for field review by Enforcement staff. The



Experience Verification Unit has moved between Enforcement and Licensing over the years and is currently in the Enforcement Division. Chair Guy added, that since then, CSLB has greatly expanded licensing staff and application review process ensuring each application is closely reviewed by staff before being posted and applications that do not meet requirements are returned to the applicant for further information. They stated, as a result, the 3 percent review was transferred to Enforcement with the focus on applications previously rejected or withdrawn for lack of experience, those flagged because of enforcement investigation, applications suspected of submitting false documentation, and other concerning issues. Chair Guy stated the 3 percent review staff are currently conducting is more accurately described as actively flagged or suspect applications opposed to randomly pulled applications. Guy explained the conclusion of the Licensing Committee meeting was to propose the experience verification continue in the Enforcement Division along with the reporting of it within the Enforcement portion of the board packet, with the focus being flagged and suspect applications, rather than a random 3 percent pull.

Board Member Comment

Board Vice Chair Michael Mark expressed appreciation for bringing experience verification forward and agreed to keeping the EV process to the Enforcement Division.

Public Comments

There was no public comment.

Motion: To approve the staff recommendation that reporting of Experience Verification Unit statistics be moved from the Licensing section to the Enforcement section of future board packets. Moved by Jim Ruane; Michael Mark seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, James Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

E. Enforcement

1. Enforcement Program Update

Enforcement Committee Chair Jim Ruane presented the Enforcement Update and stated of the 228 enforcement positions, 25 are vacant, with candidates selected to fill



12 of the positions currently awaiting final approval. Chair Ruane discussed enforcement statistics and highlighted that between July 1, 2023, and February 29, 2024, the Enforcement Division opened 13,176 investigations. Chair Ruane added with current staff the optimal caseload is 4,860 pending complaints and as of February 29, 2024, the pending case load was 5,391; the higher caseloads are attributed to increased solar complaints, which are averaging more than 200 complaints a month. Chair Ruane stated staff are working diligently to keep up with complaints, with Staff Service Analysts (SSAs) consistently exceeding their goals of closing or transferring 30 complaints a month and settling 70 percent of all licensee complaints. Chair Ruane noted the weighted monthly case closing average per special investigator is eight closures per month, which is two less than a closure goal of 10. Chair Ruane stated another board goal is to have no more than 100 complaints over 270 days in age and added that as of February 29, 2024, 174 complaints exceed 270 days in age.

Chair Ruane highlighted the Enforcement Division accomplishments and stated both Investigative Centers (ICs) and Intake and Mediation Centers (IMCs) efforts resulted in more than \$26.4 million in restitution to financially injured parties, 275 letters of admonishment, 398 of 1,444 legal actions referred to criminal prosecution, 348 cases to arbitration resulting in \$4.3 million in restitution, 516 licensee citations and 418 non-licensed citations issued, \$492,421 in civil penalties collected, \$246,958 collected for investigation cost recovery, 119 accusations filed, and 193 licenses revoked from accusations and noncompliance in arbitration awards.

Chair Ruane provided an update on proactive enforcement by the Statewide Investigative Fraud Team (SWIFT) which conducted 16 undercover sting operations across the state, participated in 214 sweep days, responded to 566 leads or tips received from the industry and public, and completed 2,184 investigations with 551 cases resulting in administrative or criminal legal actions. Chair Ruane finished the update noting 805 advisory notices were issued for minor violations.

Enforcement Chief Steve Grove presented enforcement complaint highlights. Chief Grove highlighted a case in which a consumer contracted with a solar contractor for solar installation. The contractor received \$52,500 and abandoned the project without performing any work, forcing the consumer to file a complaint with CSLB after the finance company began demanding payment for the loan. Chief Grove noted that CSLB enforcement staff contacted the finance company and explained the consumer had been defrauded and were able to convince the lender to cancel the loan and forgive the loan balance. Chief Grove added that enforcement staff are investigating multiple other complaints against the contractor for administrative and criminal action.

Chief Grove explained a CSLB Special Investigations Unit (SIU) investigation of multiple complaints against licensed roofing contractor Arturo Aguilera of Topete's Roofing who abandoned a project without doing any work or providing materials after receiving multiple progress payments valued at \$120,000. Chief Grove added after Aguilera's license was suspended, he entered into another contract for \$82,000, and after receiving \$44,500 abandoned that job as well. They explained that in 2020 Aguilera



again entered another contract collecting \$22,200 after doing minimal work, forcing that consumer to hire another contractor to complete the work. Chief Grove added in October 2020 Aguilera entered into another contract and abandoned that job as well after receiving the full payment of \$12,500, forcing that consumer to complete the roof themselves for \$5,000. Chief Grove noted CSLB's investigation led to the revocation of Aguilera's license. An accusation was filed, and a criminal case was referred to the Napa County District Attorney's Office. Aguilera faced 15 criminal counts, including theft by false pretenses, grand theft, and elder abuse. Chief Grove stated that in February 2024 the Napa County DA's Office informed CSLB that Aguilera failed to pay restitution and was remanded to custody for 350 days where he was released after serving six months of his sentence.

Board Member Comment

Board Vice Chair Michael Mark commented that \$21 million was given back to the consumers of California due to the hard work of enforcement staff. Mark added the underground economy is very critical and not hiring licensed contractors creates issues. Vice Chair Mark noted that CSLB is a mediation source for consumers and thanked enforcement staff for their hard work.

Public Comments

There was no public comment.

2. Review and Discussion Regarding Unlicensed Developers

(the following item was actually heard during the Legislative Committee Update after item (G)(1)(c) below)

Enforcement Committee Chair Jim Ruane presented the update and stated that at the request of Board Member Jacob Lopez, Board Chair Love approved the agenda item to discuss construction industry licensing requirements related to commercial developers constructing multifamily mixed used projects. Committee Chair Ruane stated Business and Professions Code section 7044 provides a license exemption for property owners making their own improvements under specified circumstances. Chair Ruane added the applicable commercial developer property owner license exemption for this agenda item would be a developer contracting with a licensed B - General Building contractor to perform the work. They mentioned ensuring the contractor is licensed is important to CSLB as a public protection measure and to labor groups because of worker protections found in labor code section 218.7 that holds both a general and subcontractor liable for unpaid wages for commercial projects.

Patty McCarron, Director of Operations for Carpenters Contractors Cooperation Committee Inc., presented to the board a slideshow of AB 1701 and strategies to combat wage theft in the construction industry.



Chief Grove presented to the board an ongoing investigation conducted by Southern SWIFT and EDD on April 9, 2024, at a jobsite where a stop order was issued for a potential workers' compensation violation.

Board Member Comment

Member Galarza asked how PAGA fits into the techniques presented by Patty McCarron.

Member De La Torre asked if AB 1701 applies to both public and private sectors.

Vice Chair Mark stated observing unlicensed contracting in multiple family developments by subcontractors as well and agrees with McCarron's presentation.

Public Comments

McCarron responded and stated PAGA is different where employees can sue the subcontractor directly and explained they're using AB 1701 to sue on behalf of the workers, which allows them to pay the attorneys rather than the Labor Commission.

McCarron responded AB 1701 is applicable to the private sector.

F. Public Affairs

1. Public Affairs Program Update

Public Affairs Committee Chair Miguel Galarza presented the Public Affairs Update for the Public Affairs Office (PAO) which is responsible for media, industry, licensing, and consumer communications including outreach. Chair Galarza added PAO provides public relations, responds to media inquiries, and develops and distributes publications and newsletters and conducts education and outreach for consumers and contractors using sources such as social media, webcasts, and web videos. Chair Galarza noted disaster response is a key component of CSLB's outreach efforts to educate and protect consumers and both property and business owners from unscrupulous contractors during disaster events. They explained between November 1, 2023, and February 9, 2024, CSLB staffed and participated in five Disaster Recovery Centers (DRCs) and added DRCs opened in both Los Angeles and San Diego counties after the recent winter storms. Chair Galarza mentioned with the use of media created during those winter storms, PAO was able to educate and inform licenses, applicants, and consumers with videos on how to navigate the website, tips on how to hire a contractor, summer home improvement projects, reporting unlicensed contractors and many other publications that are shared on the CSLB website, social media, and YouTube.

Chair Galarza added PAO staff has focused on the production and distribution of Spanish-translated consumer and industry-related videos and attributed the growing following on CSLB's social media accounts to PAO's active engagement with consumers by staying up to date with trends. Chair Galarza pointed out CSLB has a growing subscriber list of 193,800 including the licensee information listserv. Chair



Galarza explained the subscription list also receives industry bulletins and press releases related to the new tree and palm contractor classifications, new contractor laws, and significant changes to the 2024 CSLB law book. Chair Galarza added, the most recent releases issued were related to sting results, and CSLB's relationship with the National Association of State Contractors Licensing Agencies (NASCLA) to join a volunteer licensed contractor to assist in providing free and essential home repairs to elderly veterans. Chair Galarza stated PAO has been very busy between November and February responding to 29 media inquiries, varying from high profile cases to undercover sting results, attending outreach events, publishing content for internal communications including 10 employee intranet articles highlighting meetings, updated publications and CSLB's holiday party. Chair Galarza concluded the update and stated the CSLB public information center has improved call center wait times significantly.

Board Member Comment

There was no comment.

Public Comments

JP Tennore from Capistrano Computers suggested the board record opposing the gig economy in the next board meeting. Tennore stated the gig economy allows for workers to work unscrupulously and skirt CSLB law.

Recess at 10:22 a.m.

G. Legislation

1. Update on 2023-2024 Legislation

a. AB 2622 (Carrillo) – Expand the exemption from contractor licensure on a single project from less than \$500 to less than \$5,000

Vice Board Chair Michael Mark presented the update for the proposed 2023-24 legislation beginning with AB 2622 and stated the bill relates to the minor work exemption in the CSLB law, that an existing law states a license is required for work in excess of \$500 or more, and that AB 2622 increases that amount to \$5,000 but the author has proposed amendments.

Registrar Fogt added the bill author is considering reducing the exemption amount, perhaps using the consumer price index, and considering a bond and registration component. Fogt mentioned looking forward to continuing dialogue with Assemblymember Carrillo to produce a proposal that could be brought to the board and the industry and be favorably received.

Vice Chair Mark stated the \$5,000 exemption is too high and although there are amendments being discussed, without any accepted amendments, the staff recommendation is to oppose unless amended.



Public Comment

JP Tennore of Capistrano Computers stated the bill is outrageous and allows the gig worker economy, along with out-of-state contractors to work without licensure. Tennore suggested CSLB consider allowing unlicensed workers work for smaller amounts and possibly lower the limit to zero and possibly remove the handyman's exemption.

Phil Vermeulen of American Contractors Indemnity stated this is the first-time hearing of a registration with a bond and he would discuss it with his clients for feedback.

Board Member Comment

Registrar Fogt stated that the if the board decided to oppose unless amended there would need to be an indication of what the amendments would be and asked if the board would look favorably to raising the exemption based on the consumer price index to around \$1,200 in a way that will protect consumers.

Registrar Fogt additional amendments the board may want to consider would be to raise the minor work exemption based on the consumer price index, around \$1,250, and a bond and registration requirement.

Member Barton asked if it would be appropriate to make a motion for the board to oppose completely.

Vice Chair Mark confirmed the request to oppose the bill outright.

Member Barton confirmed the comment.

Chair Love suggested supporting Registrar Fogt's suggested amendments.

Vice Chair Mark asked Chair Love if there was a specific amendment they supported.

Chair Love stated she supported the friendly amendment of registering unlicensed workers with the possibility of a bond requirement.

Vice Chair Mark asked the maker of the motion if they accept the friendly amendments.

Member Barton declined and stated supporting the bill would encourage unlicensed activity and undermine the CSLB's mission of licensure.

Vice Chair Mark mentioned the bill received a lot of public comments in the Legislative Committee Meeting in March and referenced the volume of complaints that are within the threshold of the current and proposed exemption limit.

Registrar Fogt explained one of the concepts of the registration process would be for handypersons to have a pathway to licensure, such as the B-2 license classification, and stated there could be a process to track those doing this work without permitting activity above the exemption limit.



Public Comment

JP Tennore commented they did not have an issue with raising the exemption limit and suggested registration with a \$2,500 exemption cap and a bond.

Motion: To oppose AB 2622 outright in its entirety. Moved by Joel Barton; Steve Panelli seconded. Motion carried, 7-4-1.

YEA: Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Michael Mark, Henry Nutt III, Steve Panelli

NAY: Alan Guy, Jacob Lopez, Jim Ruane, Mary Teichert

ABSTAIN: Diana Love

ABSENT: Rodney Cobos

b. AB 2677 (Chen) – Exclude surety bond companies from liability for attorney’s fees and costs

Vice Chair Mark explained that AB 2677 deals with the liability of surety companies in amounts higher than that of the bond for which they write. Vice Chair Mark explained that a recent court case found that sureties can be liable for amounts higher than this through paying attorney’s fees as costs in civil litigation. The concern about this is an increase in the costs of the bond. Chair Mark then asked for any public comment.

Board Member Comment

Vice Chair Mark asked Chief Deputy Registrar Jamnetski why the staff recommendation was neutral and what has happened to ask for the Board to move to support.

Chief Deputy Registrar Jamnetski stated in civil lawsuits the winning party can be awarded litigation costs including attorneys’ fees and explained AB 2677 eliminates the ability of claimants to receive attorney fee amounts greater than the bond amount. Chief Deputy Registrar Jamnetski stated the staff’s position questioned if there’s any terms that would deter a bond company from making a good faith payout to a consumer in a case against a contractor.

DCA Legal Counsel Kinn stated prevailing parties usually recover costs by statute, but they don’t include attorney’s fees unless there’s another reason such as bad faith. Kinn explained a consumer may be harmed if not able to collect the full bond amount.

Chief Deputy Registrar Jamnetski expressed concern the exposure from the Karton case may increase underwriting costs and the cost of the bond for the contractor that may be passed on to the consumer.

Vice Chair Mark asked if the board recommendation was still neutral and then asked Vermeulen which committee the bill went to.



Chief Deputy Registrar Jamnetski stated CSLB is a consumer protection board and if the amendments were added to the bill, the Board could find an opportunity to support AB 2677.

Vice Chair Mark asked to restate the amendments.

Counsel Kinn stated AB 2677 was originally presented to the board without fees being included either with the bond or outside of the bond, which resulted in the board taking a neutral position. Kinn stated the amendment was introduced so that fees could be included, but not to exceed the hard cap of recovery against a bonding company for the bond amount.

Member Guy asked in the presence of a claim of \$25,000 if the amendment lowers the amount for a consumer.

Counsel Kinn explained if a claim were \$15,000 plus costs against a \$25,000 bond, the claim would be paid up to the bond amount. Counsel Kinn then stated if there were a claim for \$30,000 and costs, the consumer would be left to pursue civil avenues against the contractor or other parties for any sum in excess of the bond amount.

Registrar Fogt stated the staff recommendation is to support AB 2677 but not as co-sponsor of the bill.

Member Barton made a motion for staff recommendation to support AB 2677.

Public Comments

Phil Vermeulen representing the Flasher Barricade Association expressed support of AB 2677 and listed support from a coalition formed by the Associated General Contractors, Associated General Contractors of San Diego, the American Property Casualty Insurance Association, the Associated Roofing Contractors of the Bay Area, California Builders Alliance, California Building Industry Association, Civil Justice Association of California, Flasher Barricade Association, Masonry Contractors, Painting Contractors, Roofing Contractors Association of California, Sacramento Regional Builders Exchange, Southern California Contractors Association, Union Roofing Contractors Association, United Contractors and the Western Electrical Contractors Association. Vermeulen referenced the court proceeding that resulted in a surety paying hefty attorney fees and asked for support from CSLB.

Vermeulen stated that AB 2677 doesn't preclude civil lawsuits against the respondent and emphasized AB 2677 is specific to the bond amount.

Vermeulen responded to Chief Deputy Registrar Jamnetski's question and confirmed that due to the Karton case, bonding companies are reluctant to provide bonds and suggested bond fees may increase, including stricter underwriting standards making it more challenging for contractors to obtain a bond.



Vermeulen responded that the bill was in the Assembly Judiciary Committee and was expected to go directly to the assembly floor, and afterwards, to the Senate Judiciary, to the senate floor, and then to the governor.

Vermeulen explained the \$25,000 cap is an absolute figure and cannot be exceeded.

Vermeulen explained if the homeowner collects the entire bond, the attorney fees are not applicable.

Motion: To support AB 2677. Moved by Joel Barton; Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, Jim Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

It was at this point the Board returned to agenda item E-2 to hear the presentation of Unlicensed Developers Agenda Item (see above) before returning to Legislative Agenda item (G)(1)(c)

c. AB 2993 (Grayson) – Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer and local permitting agencies

Vice Chair Mark stated AB 2993 makes two changes to the home improvement contract requirements by changing cancellation period from three to five days for all consumers to five to seven days for seniors. The other change prohibits contractors from receiving payment for work not performed or materials not delivered whether the payment is from an owner or third-party vendor until the homeowner confirms completion according to contract, final approval for permit requirements, and the home is operational.

Board Member Comment

Member Panelli asked for clarification if the bill is making it to where payment is released through the approval of the homeowner rather than the contractor providing proof of completion.

Registrar Fogt stated existing law requires permit sign off before final payment and referenced recent solar contracts where lenders are paying contractors without confirming completion of the work. This bill allows the lenders to be part of the solution by confirming the work is done and the home is operational.



Member Panelli stated if the permit is in place and the homeowner confirms the work is completed and is operational wouldn't that suffice for payment. They referenced an inspector signing the permit confirms completion of work, and the homeowners' lack of knowledge may create obstacles confirming completion of work.

Registrar Fogt stated Member Panelli's suggestion could be an amendment to the proposal and stated the intent is to make sure the lender and homeowners have evidence of the completion of the work.

Vice Chair Mark stated a recent investigation revealed a lender paid a contractor in full without confirming work being performed and the proposal is a fix to such situations.

Chief Deputy Registrar Jamnetski stated the homeowner is providing written confirmation to the contractor that the project is completed, approved by all permitting agencies and operational. Chief Deputy Registrar Jamnetski added this proposal is going into the home improvement contract section of CSLB law.

Member Panelli cited the proposal text and stated the homeowner does not have the relative knowledge to confirm completion and operational and the onus should be on the inspector and contractor and allowing the homeowner to confirm creates liability for them once they have approved of work performed being complete.

Vice Chair Mark agreed with Panelli and mentioned the homeowner and inspector could sign in tandem.

Panelli stated in his experience payments aren't made until permits are signed and the third-party financier should be responsible for confirming.

Member Galarza stated the lender wants to secure payment and the homeowner has no knowledge of the contractor's completion of work once payment is made.

Member Panelli stated the payment is between the lender and the installer and a signed permit shouldn't be the responsibility of the homeowner.

Member Galarza stated lenders are not asking building departments.

Member Panelli stated the lender should be responsible for confirmation.

Member Teichert commented that the compelling part of the proposal is the inclusion of the homeowner and referenced contractors having been paid for work not being performed. Member Teichert further stated that with this proposal the problem is being addressed by restricting payout without homeowners' confirmation of work performed.

Board Chair Love commented and stated having a home improvement job in her home where the permit was in place, unsigned, and the lender was paid in full. Chair Love expressed support for such legislation allowing the customer to confirm satisfaction with the work completed and operational.



Panelli commented and offered an amendment to put the responsibility of confirming work performed on the lender who would be required to verify permit sign off rather than the homeowner.

Counsel Kinn commented and stated the bill adds an extra layer of protection in instances of unscrupulous contractors receiving payment for work not performed.

Member Panelli stated the responsibility is between the lender and the contractor, not the homeowner.

Counsel Kinn responded the homeowner is stuck with an obligation to the lender without receiving any benefit.

Member Panelli asked if there's a way to make an amendment.

Vice Chair Mark commented and stated what the bill is trying to accomplish, is by making it clear that the permit is final.

Counsel Kinn commented and stated that Panelli can make a motion to oppose unless amended or to support with an amendment.

Registrar Fogt commented he would work with Panelli to define the amendment for the bill author.

Member Panelli agreed to work with staff on the Amendment.

Public Comment

Randy Williamson commented and stated solar can be installed and completed but it could be weeks later until the system is integrated (permission to operate provided by utility), therefore the homeowner wouldn't know the system is functional.

Megan Stimmler commented and stated that in her experience working with numerous financing companies, proof of work completed is required to receive payment. Stimmler referenced in one instance providing photographic proof along with a signed permit, and authorization to operate from PG&E. Stimmler stated putting the onus on the homeowner is unfair to contractors.

Motion: To support AB 2993 with an amendment for staff to work with Steve Panelli on permit notice of completion. Moved by David De La Torre; Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, Jim Ruane, Mary Teichert

NAY: None



ABSTAIN: None

ABSENT: Rodney Cobos

d. SB 1071 (Dodd) – Authorize a contractor to file an exemption from workers’ compensation insurance requirements for contractors who affirm and prove they are operating without employees

Vice Chair Michael Mark presented SB 1071 and explained that five license classifications currently have to have workers’ compensation at all times and all contractors must have workers’ compensation by 2026. The requirement was put into place by a bill sponsored by CSLB, SB 216. SB 1071 would undo SB 216.

Vice Chair Mark stated that Board Chair Diana Love appointed a two-person advisory committee to consider possible alternatives, consisting of Board members Miguel Galarza and Vice Chair Mark to consider possible alternatives.

Vice Chair Mark asked if there were any new in print language to the current language of the bill.

Public Comment

David Gonsalves from Senator Dodd’s office thanked the Board for working with the senator’s office and expressed hope for continuing to working on a proposal that would be in a “sweet spot.”

Gonsalves responded and stated that the language is still in its original form but there have been considerations to adding amendments.

Board Member Comment

Vice Chair Mark stated there were good conversations with stakeholders and asked Member Galarza to comment.

Member Galarza stated there were passionate conversations with stakeholders to hold contractors liable for protecting their employees but there remained a clear concern for existing contractors that may not have workers. Member Galarza added the committee is looking forward to recommended amendments.

Member Barton made a motion to completely oppose SB 1071 and cited statistics of 50 percent of contractors having exemptions.

Member David De La Torre stated opposing any changes to the proposal.

Registrar Fogt commented that the staff recommendation did not include an amendment. Fogt mentioned Senator Dodd’s office has a long-standing history collaborating with CSLB.



Registrar Fogt added that the staff recommendation was not to oppose with an amendment, rather the recommendation was just to oppose.

Vice Chair Mark clarified there were no amendments but to oppose.

Member Panelli stated the proposal puts everyone in the same basket and it is on a case-by-case basis.

Member Galarza asked David Gonsalves with Senator Dodd's office if there were any other potential amendments.

Registrar Fogt explained the next full board meeting would be June 13 and 14.

Member Barton called for the question and debate and vote on the motion.

Public Comment

Ernesto Macias from West Coast Arborists stated opposition to SB 1071 and added the tree trimming industry requires workers. Macias stated work-related injuries, workers' comp premium fraud, and injured workers suing homeowners is reason to oppose SB 1071 or any amendments.

Gonsalves commented and asked the board to afford the opportunity to find a resolution that could work for all parties involved.

Gonsalves suggested a limit on the contract value may support a mandatory workers compensation insurance requirement.

Gonsalves stated there are several issues being considered and suggested a contractor filing an affidavit and the imposing of penalties for falsifying that affidavit. Gonsalves stated the idea is to encourage lawful contracting while enforcing workers' compensation laws.

Motion: To oppose SB 1071 (Dodd) outright as written. Moved by Joel Barton. Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, Jim Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

Recess at 11:55 a.m.

Renewed Roll Call by Registrar David Fogt at approximately 12:25 p.m.



Board Members Present

Diana Love, Chair
Michael Mark, Vice Chair
Jöel Barton
David De La Torre
Amanda Gallo
Susan Granzella
Alan Guy
Jacob Lopez
Henry Nutt III
Jim Ruane

Rodney Cobos, Steven Panelli, Miguel Galarza, and Mary Teichert had excused Absences.

The board then proceeded to take Agenda Item G2 out of order, as follows, with Agenda Item G3 occurring first.

2. Review and Discussion of Possible Legislative Concepts

- a. Legislative Concepts Regarding Business and Professions Code § 7124.6, including the Disclosure of an Accusation to Revoke a Contractor’s License on the Licenses of Personnel of Record and the Number of Years of Disclosure of a Citation, Public Reprimand, and Criminal Conviction

Registrar Fogt explained that CSLBs current complaint disclosure policy was supported by the construction industry that wanted to protect consumers from contractors who were subject of complaints likely to result in disciplinary action, or subject to disciplinary action.

Registrar Fogt explained receiving complaints against a contractor that is believed to result in a criminal filing or an accusation to revoke or suspend allows CSLB to disclose that information. Registrar Fogt added disclosure length for letters of admonishment are one to two years, for citations it is five years, disciplinary probation for seven years, and indefinitely for revocation.

Registrar Fogt added that the proposed legislation would clarify how long public reprimands, criminal convictions, and unfair business practices would be disclosed on all entities the license qualifier appears.

Board Member Comment

Vice Chair Mark commented and recalled a consumer making related comments in the March Legislative Committee Meeting and asked if Registrar Fogt was considering an advisory committee to consider the concept.

Registrar Fogt deferred to Chair Love who stated the committee would be a good idea and appointed the following two-board members.



Vice Chair Mark volunteered for the Advisory Committee.

Member Barton volunteered for the Advisory Committee.

Public Comment

There was no public comment.

b. Legislative Concepts Regarding Business and Professions Code § 7002 License Classifications Held by Board Members and Possible Inclusion of a Member Holding a B-2 Residential Remodeling Contractor's License

Chief Deputy Registrar Jamnetski stated that the legislature asked what CSLB thought of having a B-2 licensee on the Board. Chief Deputy Registrar Jamnetski stated the concept was brought back to the board from the Sunset Review hearing for consideration.

Board Member Comment

Member Guy commented and stated he is a B licensee and noted B-2 licenses make up a small amount of the license population and adding or replacing a Board member from that category doesn't make any sense.

Vice Chair Mark stated having a B-2 licensee doesn't have an available seat and concurred with Member Guy's comments.

Member Guy confirmed and stated the B-2 is a subset of the B license without the framing and is too small of a classification to assign a seat.

Vice Chair Mark stated there isn't currently a position and replacing a B with a B-2 undermines the other 100,000 B licensees.

Chief Deputy Registrar Jamnetski stated a possible solution is to reach out to the National Remodeling Association for input and conduct research before making a recommendation.

Vice Chair Mark agreed with Member Guy the concept is unfair to B licensees but there may be a possibility for a B-2 licensee to be a member of the Board.

Chair Love asked is there a restriction for Governor-appointed Board Members.

Registrar Fogt stated board member allocation is 15, with 11 board members appointed by the governor and four appointed by the legislature.

Registrar Fogt added the general B license can perform any work the B-2 is authorized go perform.



Public Comment

There was no public comment.

3. Review, Discussion, and Possible Action on Comments Received During the 45-Day Comment Period Regarding Previously Board-Approved Proposed Rulemaking to Amend Title 16, California Code of Regulations (CCR) Sections 810, 832.10, and 832.46 (Definitions, Class C-10 – Electrical Contractor, and Class C-46 – Solar Contractor)

Vice Chair Michael Mark introduced the item and provided background for the public and new members. CSLB began conducting public meetings in 2016 after receiving questions from the public about the appropriate license classification to install battery energy storage systems (BESS).

Vice Chair Mark described the 2021 UC Berkeley Report findings, subsequent litigation against the Board, and staff efforts with stakeholders between November 2021 and March 2022 to reach agreement between the solar and electrical industry on the appropriate classification to install and BESS, and any related restriction.

Vice Chair Mark mentioned the Board’s March 2022 directive that staff consult with an expert to arrive at a kilowatt-hour (kWh) threshold above which it would no longer be appropriate for a C-46 to install BESS. Vice Chair Mark referenced the staff study that proposed a C-46 can install BESS at the same time as a photovoltaic (PV) system if the BESS does not exceed 80 kWh.

Vice Chair Mark stated that on June 16, 2022, the Board approved staff to start the regulatory process to amend the scope of the C-46 solar classification regulation to authorize the C-46 solar classification to install BESS at the same time they are installing a PV system if the BESS to be installed does not exceed 80 kWh.

Vice Chair Mark explained that staff initially filed the rulemaking with the Office of Administrative Law (OAL) which triggered the 45-day public comment period between June 16, 2023, and August 3, 2023. Staff received 975 public comments, which are summarized and responded to in pages 235 through 295 of the April 18, 2024, board packet materials. Vice Chair Mark clarified that the item up for discussion is whether the Board, by majority vote, approves of the responses to written comments that are in the packet between pages 235-295, and authorizes the Registrar to finalize and submit the proposed rulemaking to the OAL for its review and final approval.

Vice Chair Mark explained that staff are not proposing modifying the proposed regulation, leaving the Board with the two options described in the agenda. Withdraw the rulemaking or approve the staff recommendation.

Vice Chair Mark explained that modification of the proposal is possible but there would likely not be enough time to do so before the June 16, 2024, deadline for finalizing the current rulemaking, and that a vote to modify the rulemaking would likely involve starting a new regulation process. If the staff recommendation is approved staff will submit the



final rulemaking documents to OAL and if OAL approves the rulemaking, it would become effective October 1, 2024, or earlier.

Vice Chair Mark stated that there will be three minutes per public commenter and then read the staff recommendation: **to approve the responses drafted to address public comments received during the 45-day comment period on the Board’s proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, approve the amended regulations, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.**

Joel Barton moved; Henry Nutt seconded.

Vice Chair Mark opened it up to public comment.

Public Comment

Due to the volume of public comments. The names of the commenters will be grouped into “supported’ and “opposed” categories. Each comment can be viewed/heard at the following 3 links:

<https://www.youtube.com/watch?v=Dld1a3Ku-o0>

https://www.youtube.com/watch?v=jJUqT5_YrDg

<https://www.youtube.com/watch?v=R1iNY7pCPiE&feature=youtu.be>

Recess at 1:30 p.m.

Supported	Opposed
Brian Holtz	Randy Williamson
Gadsten Moore	Jorge Torres
Scott Wech	Greg Kennedy
Keven Norton	Megan Stimmler
Keesha Wagner	Al Rich
Nancy Romero	Janine Cotter
Eric Estrada	Josh Garcia
Chris Huston	Josh Taylor
Joel Koppel	Nick Armstrong
Roy Leomatawaran	Jonathan Jemma
Jorge Noguerra	Riley Riggs
Kellen Mcdaniels	Shawn Taylor
Martin Insiengmay	Stacey Barnassis
Keya Sheppard	Karen Poelstra
Thomas Gomez	Phil Alwaith
Andrew Conway	Aaron Nitskin
Rachel Schumach	Matt Collins



Supported	Opposed
Ryan Ruse	Laura Stayman
Daryl Long	Lauren Nevitt
Charles James	Stafford Nichols
Robert Holder	Michael Ingram
Adam Asika	Charles Taylor
Benn Pratt	Suzanne Portee
Daniel Luther	Lee Miller
Joe Tremaine	Sharon Mullen
Joel Pickett	Heather Macloud
Mike Tafoya	Nicholas Softdike
Ramona Garcia	Andrew Campbell
Ayesha Davis	Marcus Shapiro
Eva Gutierrez	Dan Johnson
Renee Cruz-Martinez	Wynn Bamberg
Christina Marquez	Dave Rosenfeld
Beso Romero	Josh Buswell-Charkow
Chris Mack	Juan Villa
Will Smith	Michael Donnigan
Jodi Cather	Bernadette Del Chiaro
Rocio Janelli	
Nilda Holguin	
Tim Neal	
Veronica Martinez	
Chris Gleed	
Donny Klute	
Ed Wallace	
Cara Schumaker	
Steve Ross	
Francisco Ferrera	
Fred Aboud	
Delilah Mosely	
Megan Harold	
Nikki Bissett	
Alvin Leone	
Nick Rodriguez	
John Hoang	
Juan Perez	
Oren Sheridan	
Benny Lopez	
Dave Gelfullen	
Antoine Gibbus	
Gabriel Cortez	
Jason Gumataotao	
Serena Moss	
Charlotte Stevens	



Supported	Opposed
Lequania Thompson	
Kayla Jones	
Donny Davis	
Mario Martin	
Mark Goodwin	
Brian Carroll	
Ray Thompson	
Gerald Williams	
Heather Minner	
Gretchen Newsom	
Ed Bernacchi	
Tom Enslow	

Board Member Comment

Vice Chair Mark asked to clarify if there were other classifications that could still do BESS.

Deputy Registrar Jamnetski stated the A and B General Engineering contractors can contracts to install BESS within the scope of the statutes of BPC sections 7056 and 7057.

Vice Chair Mark asked if the 80 kWh hours was applicable to only the C-46.

Registrar Fogt confirmed A, B, and C-10 could conduct work related to BESS within their defined classification authority and were not subject to the 80-kWh limitation.

Member Guy asked if the B classification can work on BESS on its own or coupled with a C-46 license.

Registrar Fogt confirmed that B licenses can do BESS independent of anything else because solar consists of two unrelated trades.

Member Guy asked can if B licenses can install BESS without solar.

Registrar Fogt confirmed A B licensee could contract for a BESS project independent of other trades; however, the B would not be authorized to self-perform the work. The B would need to subcontract to another contractor with a C-10 classification.

Member Guy asked how BESS affects A and B licensees.

Registrar Fogt stated the regulation is related to C-46 classification only by adding battery installation to the classification and does not change or impact the A or B license.



Member Guy asked whether a C-46 licensee is allowed to install a BESS system and follow up if there is a warranty issue.

Chief Deputy Registrar Jamnetski read from the packet and stated the proposed rule will permit the C-46 classification to install an 80Kwh BESS when coupled with a PV system.

Member Guy asked whether a C-46 licensee can install a PV system with a battery.

Chief Deputy Registrar Jamnetski explained that previous staff determinations have stated that a C-46 can install a BESS at the same time as a PV installation.

Member Guy asked whether a contractor could honor a warranty on an installed system.

Chief Deputy Registrar Jamnetski explained the proposed rulemaking does not discuss or impact on a C-46 contractors' ability to honor a warranty.

Member Guy asked whether the installing contractor could perform the warranty.

Legal Deputy Director Ryan Marcroft stated that the question is a fact-specific question and prior to the hearing there was a period to review and analyze public comments that included the warranty issues where there were less than five warranties, and those warranties did not have all the same circumstances and required independent review.

Member Lopez asked for the expansion of incidental work.

Chief Deputy Registrar Jamnetski defined incidental work as any work necessary to perform the trade for which the specialty contractor is licensed.

Member Lopez asked if there were limits to the incidental work.

Chief Deputy Registrar Jamnetski replied the regulation is very fact specific and that the rulemaking clarifies when the work being performed would and wouldn't be incidental or supplemental.

Chief Deputy Registrar Jamnetski stated that as it relates to currently executed warranties/warranties already in place, those warranties are not in front of the Board today. Chief Deputy Registrar Jamnetski added the regulation does not speak to warranties at all, and that it would be hard to believe the regulation affects warranties. Chief Deputy Registrar stated it does not affect the enforcement of the warranties that were provided in the public record for the rulemaking.

Counsel Marcroft stated that he seconded that comment and explained the terms and words of specific contracts matter. Counsel Marcroft added the warranties included in the public comments weren't compelling and didn't support the claims of the commenters.



Counsel Kinn commented and stated CSLB received a letter of several hundred pages on the day of the meeting and that letter is available to the public. Counsel Kinn also mentioned Member Guy being a C-10 licensee that does not perform solar, has no effect on the discussion or action taken today.

Chair Love thanked everyone for the participation and for the turnout from the public comments. Chair Love explained the vote and the result of the vote are important and went on to state the speculative comments and concerns were considered when casting her vote.

Vice Chair Mark commented and recalled previous conversations related to BESS and the 80-kWh threshold and stated his stance has not changed since those conversations.

Member De La Torre commented and stated the CSLB's mission is to protect the consumer and mentioned not hearing in the comments many instances of faulty installation. Member De La Torre added the absence of faulty installation contradicts the speculation that BESS installation is classification specific.

Member Lopez commented and stated his father started out as an unlicensed contractor and compared it to the comments from the public. Member Lopez stated appreciating the mom-and-pop shop comments.

Member Ruane commented and stated the Board is not colluding with PG&E and has not received any influence from PG&E.

Member Barton commented and reiterated the goal is to protect the consumer and his motion is to move and adopt the recommendation.

Vice Chair Mark restated the motion to approve the responses drafted to address public comments received during the 45-day comment period on the Board's proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, approve the amended regulations, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.

Motion: To approve the staff recommendation. Passed 8-2-4. Moved by Joel Barton. Henry Nutt III seconded. Motion carried, 8-2.

YEA: Diana Love, Joel Barton, Amanda Gallo, Susan Granzella, Alan Guy, Michael Mark, Henry Nutt III, Jim Ruane.

NAY: David De La Torre, Jacob Lopez

ABSTAIN: None

ABSENT: Rodney Cobos, Miguel Galarza, Steve Panelli, Mary Teichert



H. Adjournment

Motion: To adjourn the June 13-14 Board meeting. Moved by Jacob Lopez. Seconded by Henry Nutt III.

Board Member Comment

Member Granzella thanked Vice Chair Mark for his hard work.

Public Comment

There was no public comment.

The meeting adjourned at 4:05 p.m.

AGENDA ITEM D-2

Review, Discussion, and Action on Nominations Committee Recommendations for Election of 2024-25 Board Officers



AGENDA ITEM D-3

Registrar's Report



AGENDA ITEM D-4

Budget Update





CSLB Budget Update

Fiscal Year (FY) 2023-24 CSLB Summary

CSLB has an authorized Final Governor’s Budget of \$82 million.

CSLB projects the final year-end revenue at \$97.5 million and board expenditures at \$80 million. In addition to its board expenditures, the board projects \$6.3 million in external mandatory costs.

As a result of these figures and projections, CSLB projects the fund reserve will increase to \$37 million (approximately 5 months’ reserve) at fiscal year-end.

This information is summarized in the chart below:

FY 2023-24 BUDGET SUMMARY

Description	Amount
Beginning Reserve Balance	\$25,820,000
<i>Projected Final Year-End Totals:</i>	
Revenue	\$97,500,000
Board Expenditures	\$80,000,000
External Costs	\$6,335,000
Total Expenditures	\$86,335,000
Ending Reserve Balance (Projected)	\$36,985,000
Months in Reserve	5.0

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

- Expenditures
- Revenue
- CSLB fund condition
- Construction Management Education Account fund condition



Expenditures

Through March 31, 2024, CSLB spent or encumbered \$58.8 million, roughly 72 percent of its FY 2023-24 budget:

EXPENDITURE DESCRIPTION	FY 2023-24 BUDGET ACT	MARCH 2024 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	\$32,889,000	\$22,234,541	\$10,654,459	32.4%
Board Members	16,000	7,000	9,000	56.3%
Temp Help	360,000	438,165	-78,165	-21.7%
Overtime	146,000	61,283	84,717	58.0%
Staff Benefits	18,192,000	12,373,145	5,818,855	32.0%
TOTALS, PERSONNEL	\$51,603,000	\$35,114,134	\$16,488,866	32.0%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	\$17,403,000	\$16,369,740	\$1,033,260	5.9%
Exams – Subject Matter Experts	2,315,000	1,791,621	523,379	22.6%
Enforcement	10,688,000	5,992,627	4,695,373	43.9%
TOTALS, OE&E	\$30,406,000	\$24,153,988	\$6,252,012	20.6%
TOTALS	\$82,009,000	\$59,268,122	\$22,740,878	27.7%
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-100,315	-252,685	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-325,580	325,580	
GRAND TOTALS	\$81,656,000	\$58,842,227	\$22,813,773	27.9%

Revenue

CSLB received the following revenue amounts through April 30, 2023:

Revenue Category	Through 04/30/2024	Percentage of Revenue	Change from prior year (04/30/2023)
Duplicate License/Wall Certificate Fees	\$396,353	0.5%	3.2%
New License and Application Fees	\$21,512,672	24.7%	11.0%
License and Registration Renewal Fees	\$58,773,099	67.6%	12.5%
Delinquent Renewal Fees	\$3,453,842	4.0%	-10.3%
Citation Penalty Assessments	\$1,938,133	2.2%	-1.0%
Misc. Revenue	\$899,888	1.0%	N/A
Total	\$86,973,987	100.00%	5.2%



CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund, which shows the final fiscal year (FY) 2022-23 reserve with adjustments (\$25.8 million, approximately 3.7 months' reserve), along with the projected reversion amounts for current year (CY) 2023-24 through budget year (BY) 2024-25:

<i>(Dollars in thousands)</i>	Final FY 2022-23	Projected CY 2023-24	Projected BY 2024-25
Beginning Balance <i>(Fund/Savings Account)</i>	\$9,053	\$25,820	\$36,985
Prior Year Adjustment	\$601	\$0	\$0
Adjusted Beginning Balance	\$9,654	\$25,820	\$36,985
Revenues and Transfers			
Revenue	\$95,528	\$97,500	\$93,000
Transfer from General Fund (Disaster Response)	\$1,271		
Total Resources <i>(Revenue + Fund/Savings Acct.)</i>	\$106,453	\$123,320	\$129,985
Expenditures			
Board Expenditures	\$74,298	\$80,000	\$82,400
External Costs	\$6,335	\$6,335	\$6,335
Total Expenditures	\$80,633	\$86,335	\$88,735
Ending Balance <i>(Fund/Savings Account)</i>	\$25,820	\$36,985	\$41,250
Months in Reserve	3.7	5.0	5.5
Dollars in Reserve	\$25.8 M	\$37.0 M	\$41.3 M

Notes:

- 1) Board expenditures include staff pay, benefits, and operating expenses.
- 2) External costs include statewide pro rata.
- 3) CY 2023-24 & BY 2024-25 assumes workload and revenue projections.
- 4) CY 2023-24 assumes board expenditures is projected actuals and BY 2024-25 assumes 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) 2022-23 reserve of \$533,000, along with the projected reversion amounts for current year (CY) 2023-24 through budget year (BY) 2024-25:

<i>(Dollars in thousands)</i>	Final FY 2022-23	Projected CY 2023-24	Projected BY 2024-25
Beginning Balance	\$ 501	\$ 533	\$ 512
Prior Year Adjustment	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 501	\$ 533	\$ 512
Revenues and Transfers			
Revenue	\$214	\$210	\$210
Totals, Resources	\$ 715	\$ 743	\$ 722
Expenditures			
Disbursements:			
Program Expenditures (State Operations)	\$7	\$6	\$6
Local Assistance Grant Disbursements	\$175	\$225	\$225
Total Expenditures	\$ 182	\$ 231	\$ 231
Fund Balance			
Reserve for economic uncertainties	\$ 533	\$ 512	\$ 491

Notes:

- 1) Projected CY 2023-24 and ongoing includes increasing grants based on assumed approved CMEA annual augmentation.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Statistics Summary

All Applications Received

Month	2020-21	2021-22	2022-23	2023-24
July	3,323	4,479	3,749	3,794
August	3,863	3,527	5,926	4,511
September	3,441	3,398	5,094	3,920
October	4,324	3,909	4,640	4,324
November	3,168	2,958	3,683	4,002
December	2,681	4,687	3,523	3,911
January	3,112	4,634	4,116	4,365
February	3,178	3,881	4,177	4,943
March	3,585	4,967	4,488	5,115
April	3,083	4,969	4,562	5,108
Total	33,758	41,409	43,958	43,993

% Change from Prior FY 0.1%

Original Applications Received (includes exam and waivers)

Month	2020-21	2021-22	2022-23	2023-24
July	1,311	1,782	1,779	1,973
August	1,226	1,138	2,235	2,289
September	1,122	1,153	1,767	2,084
October	1,834	1,311	2,126	2,256
November	1,218	1,020	1,517	2,023
December	926	2,544	1,601	2,108
January	1,099	1,965	1,959	2,292
February	1,083	1,642	2,122	2,668
March	901	2,161	2,294	2,753
April	535	2,087	2,229	2,728
Total	11,255	16,803	19,629	20,446

% Change from Prior FY 18.1%
% of Apps Rcvd are Original Apps 53.0%



Original Licenses Issued

Month	2020-21	2021-22	2022-23	2023-24
July	1,032	1,650	1,571	1,350
August	1,084	1,760	1,408	1,937
September	1,171	1,516	1,375	1,473
October	1,257	1,438	1,278	1,663
November	1,119	1,339	1,050	1,441
December	1,115	1,418	1,128	1,379
January	880	1,413	1,035	1,569
February	657	1,230	1,138	1,658
March	918	1,698	1,380	1,643
April	1,170	1,809	1,101	1,649
Total	10,403	15,271	12,464	15,762

% Change from Prior FY 26.5%

Licenses Renewed (Peak renewal years notated in red)

Month	2020-21	2021-22	2022-23	2023-24
July	12,460	7,232	10,339	10,042
August	10,396	11,805	10,445	10,269
September	11,507	10,443	9,784	8,809
October	9,252	8,112	9,029	9,576
November	6,843	8,737	8,680	8,665
December	11,087	10,694	8,335	9,025
January	10,271	7,979	9,984	9,804
February	7,174	8,797	8,924	9,390
March	11,923	12,762	10,591	10,780
April	11,265	10,235	9,032	10,805
Total	102,178	96,796	95,143	97,165

% Change from Non-Peak FY 2021-22 0.4%

% Change from Peak FY 2022-23 2.1%

Original HIS Registrations Issued

Month	2020-21	2021-22	2022-23	2023-24
July	596	533	693	701
August	487	742	830	578
September	570	677	821	691
October	594	722	779	828
November	513	513	754	650
December	444	519	567	665
January	523	467	864	661
February	396	452	852	600
March	554	824	729	730
April	672	484	850	813
Total	5,349	5,933	7,739	6,917

% Change from Prior FY -10.6%



HIS Registrations Renewed

Month	2020-21	2021-22	2022-23	2023-24
July	646	541	551	578
August	714	588	596	703
September	646	566	602	598
October	548	571	576	668
November	385	538	529	547
December	385	571	483	530
January	464	440	591	650
February	477	441	549	573
March	656	561	712	588
April	610	498	602	591
Total	5,531	5,315	5,791	6,026

% Change from Prior FY 4.1%

License Population by Status

Status	May 1, 2021	May 1, 2022	May 1, 2023	May 1, 2024
Active	228,893	235,967	235,658	238,822
Inactive	52,038	50,791	48,542	46,806
Total	280,931	286,758	284,200	285,628

% Change from Prior FY 0.5%

HIS Registration Population by Status

Status	May 1, 2021	May 1, 2022	May 1, 2023	May 1, 2024
Active	22,406	24,718	28,326	30,627

% Change from Prior FY 8.1%

Complaints By Fiscal Year

Complaints	2019-20	2020-21	2021-22	2022-23
Received	18,190	16,551	19,158	21,158
Reopened	1,133	1,058	1,231	1,578
Closed	20,272	16,851	19,397	22,181
Pending (As of June 30)	3,898	4,716	5,747	6,361

AGENDA ITEM D-5

Administration Update





Administration Update Regarding Personnel

Personnel Unit

Transactions

During the months of April and May in the fourth quarter of fiscal year 2023-24 (April 1, 2024-May 31, 2024), CSLB Personnel staff completed 25 personnel transactions. This included the addition of seven employees from other state agencies and nine employees new to state service. Within CSLB, there were five promotions and three transfer appointments. In addition, one student assistant was hired.

Total Number of Personnel Transactions Per Quarter – FY 2023-24

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-May</i>
From other State Agencies	10	5	4	7
New to State Service	3	7	6	9
Student Assistants	3	0	0	1
Retired Annuitants	1	1	0	0
Promotions	9	7	37	5
Transfers within CSLB	4	6	5	3
Training and Development	0	0	0	0
Total Per Quarter	30	26	52	25

Total Number of Personnel Transactions Per Quarter – FY 2022-2023

Recruitment Type	Quarter 1 <i>July-Sept</i>	Quarter 2 <i>Oct-Dec</i>	Quarter 3 <i>Jan-March</i>	Quarter 4 <i>April-June</i>
From other State Agencies	7	11	8	11
New to State Service	3	10	9	8
Student Assistants	0	1	0	2
Retired Annuitants	3	1	0	0
Promotions	9	7	6	4
Transfers within CSLB	10	26	2	5
Training and Development	1	2	1	0
Total Per Quarter	33	58	26	30



Vacancies

CSLB averaged 36 vacancies out of 425 authorized positions in the first 11 months of fiscal year 2023-24 (July 2023-May 2024), which is an 8 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
2023-24	38	36	32	30	30	35	38	42	41	37	36	---
2022-23	52	51	54	48	46	44	46	45	45	43	41	40
2021-22	43	45	49	52	51	45	47	50	47	44	46	42
2020-21	43	50	51	50	47	51	55	50	47	49	45	40

Employee Recruitment

CSLB continues to work with DCA, the California Department of Human Resources (CalHR) and other organizations on opportunities to partner and participate in career fairs and recruitment/outreach events. The Personnel Unit is also working closely with the Office of Public Affairs in tracking the results of recruitment campaigns.

Examinations

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

ADMINISTERED BY DCA	STATUS	DATE
Office Services Supervisor II	Effective date of last exam:	December 2023
	Effective date of next exam	June 2024
Supervising Special Investigator II (Non-Peace Officer)	Effective date of last exam:	December 2023
	Effective date of next exam:	June 2024



Administration Update Regarding Facilities, Contracts, and Training

Facilities

- **Sacramento:** The HQ Tenant improvement project has continued for the months of April and May 2024, with interior and exterior work performed. The following work projects have been completed or are expected to be completed by the end of May 2024:
 - The interior offices were rekeyed, and new tinting was added to the interior windows by the property manager, Evergreen Company.
 - The downstairs and upstairs bathrooms were remodeled and updated under the joint DGS/Evergreen project.
 - Security cameras were installed all around the HQ facility, which will provide 360-degree camera coverage of the HQ facility.
 - The vehicle cage was upgraded with two external badge readers, internal cameras and lighting, and additional electric vehicle chargers for CSLB's EV fleet.

- **San Jose Testing:** The suite is vacated; however, due to this being a state-owned building, CSLB is responsible for rent until the building is sold, or until space is leased to another state entity. Staff are waiting for notification from the Department of General Services (DGS) that the building has been sold. As of the current date, DGS has not sold this building.

Contracts

Contracts in process:

- The 2024-2025 CHP contract is being processed at DCA's Business Services Office.

- The following contracts are being processed by the CSLB Business Services Office (BSO):
 - Fire suppression contract;
 - Tri-fold machine contract acquisition packet;
 - Forklift maintenance contract acquisition packet;
 - Bakersfield shred contract;
 - West Publishing (Thomson Reuters) contract.

Contracts delayed:

- The Request for Proposal (RFP) for a study to be conducted to evaluate the resources to address unlicensed practice in California and unlawful construction activity in declared disaster is delayed. The initial final filing date for proposers to submit their bid was on November 27, 2023. On December 13, 2023, the Board approved a motion to increase the amount of available funds for this project from \$75,000 to \$200,000. During the process of reposting the RFP, the Department



of Finance Budget Letter 23-27 was released, requiring state agencies to justify why any proposed expense is mission critical. Staff must submit for an exemption from the expenditure freeze and plan to submit the request to the Department in May 2024. This RFP is currently with DCA and is awaiting their response.

Executed contracts:

- The new translation contract with Hanna Interpreting Services LLC has been executed as of May 22, 2024. CSLB employees will receive an email in May 2024, with directions on how to utilize the contract.
- The Employment Development Department (EDD) contract for data sharing between EDD and CSLB was renewed. The new contract terms were effective September 11, 2023, through September 10, 2028.

Training

- This year, 2024, is a required year for all managers and supervisors to take 20 hours of mandatory leadership training. CSLB Business Services sent an announcement to all affected managers and supervisors of the requirement to take the training and provided details of training available through SOLID. CSLB Supervisors and Managers have been provided with the training materials and are in progress with their mandatory leadership training.
- CalHR has announced the CA Leadership Academy, Selections Analyst Training, and HR Liaison Academy have been posted and are available for registration. CSLB's Training Coordinator is assisting employees with registration for the FY 24-25 trainings.

AGENDA ITEM D-6

Information Technology Update





Information Technology Update

CSLB New AWS Connect Contact Center Solution

CSLB's IT Division completed the transition to a new Contact Center Solution Amazon Web Services (AWS) Connect on June 3, 2024. This state-of-the-art system is part of CSLB's multi-year modernization effort to transform the CSLB customer and employee experience. AWS Connect offers a sophisticated call routing system, ensuring customer calls are directed swiftly and efficiently to the most appropriate representative, thereby reducing wait times, and enhancing overall customer satisfaction.

The new Contact Center Solution includes comprehensive data analytics capabilities, allowing staff to analyze call patterns, identify common inquiries, and continuously improve service based on data-driven insights. Its cloud-based nature provides exceptional scalability and flexibility, easily adapting to fluctuating call volumes and enabling CSLB to integrate additional features as needs evolve. Additionally, AWS Connect adheres to stringent security standards, ensuring all customer interactions and data are protected with the latest security protocols. By leveraging AWS's cloud infrastructure, costs associated with maintaining and upgrading physical call center hardware will be significantly reduced.

Security: Multifactor Authentication and Password Policy

CSLB has successfully transitioned to a new Multi-Factor Authentication (MFA) system and updated the password policy to enhance our security measures. These updates align with the State Administrative Manual and federal security policies and standards, specifically NIST-800-53, SAM 5360, and SIMM 5360-A. The transition was also necessary to comply with the Department of the Military's biannual assessment requirements, which include applied controls for user access and remote access solutions protected by MFA. Additionally, this update ensures compliance with FBI and Department of Justice requirements for access control as outlined in the CJIS Security Policy v5.5. The new authentication methods implemented are designed to be more resistant to phishing attempts, further securing user access. These improvements also prepare CSLB for the upcoming migration to a new VPN environment, ensuring a robust and secure access control framework for CSLB.

Business Modernization Update

The IT Division is pleased to announce significant progress in CSLB's business modernization efforts. A purchase order was issued on June 1, 2024, for a new document management system, which will replace the outdated IWAS system. This new software acquisition marks a pivotal step in enhancing our document management capabilities, ensuring more efficient and effective handling of documents across CSLB. The IT Division is tentatively scheduled to meet with the system integrator this month to discuss project scope and schedule.

Additionally, the IT Division expects the purchase order for our online application software will be released by July 1. This forthcoming acquisition will further streamline



CSLB's application processes, making it more convenient and accessible for users to submit applications online. These advancements represent crucial milestones in ongoing efforts to modernize CSLB's operations, improve service delivery, and increase operational efficiency.

AGENDA ITEM D-7

Spanish Exam Translation Update



AGENDA ITEM D-8

Review, Discussion and Possible Action on 2025-27 CSLB Strategic Plan Objectives





Contractors State License Board

2025-2027 Strategic Plan

Adopted: [Month Day, Year]

Prepared by:

SOLID Planning Solutions

Department of Consumer Affairs

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DRAFT

Board Members

Diana Love, Chair, Public Member – Senior Citizen Organization

Michael Mark, Vice President, Public Member – Labor Organization

Miguel Galarza, Secretary, “B” Contractor

Joel Barton, Public Member

Rodney M. Cobos, Public Member

David De La Torre, Public Member

Amanda Gallo, Public Member

Susan Granzella, Public Member

Alan Guy, “B” Contractor

Jacob Lopez, Public Member

Henry Nutt III, “C” Specialty Contractor

Steven Panelli, Public Member – Building Official

James Ruane, “C” Specialty Contractor

Mary Teichert, “A” General Engineering Contractor

Gavin Newsom, Governor

Tomiquia Moss, Secretary, Business, Consumer Services and Housing Agency

Kimberly Kirchmeyer, Director, Department of Consumer Affairs

David Fogt, Registrar, Contractors State License Board

About the Board

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

CSLB's 15-member Board appoints the executive officer, or Registrar of Contractors, and directs administrative policy for the agency's operations. Per Business & Professions Code 7002, the Board includes 10 public members (including one labor representative, one local building official, and one representative of a statewide senior citizen organization), and five contractors. Appointments are made by the governor and the state legislature.

CSLB licenses and regulates contractors in 454 classifications that constitute the construction industry. There are approximately 300,285,000 licensed contractors in the state. CSLB also registers home improvement salespersons.

The Registrar oversees approximately more than 400 employees who work at the headquarters office in Sacramento and field offices throughout the state.

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

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

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

Message from the Chair

[Most chairs use this space to express enthusiasm for the new strategic plan. Please let us know if you would like some examples.]

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Board Mission, Vision, and Values

Mission

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

The Board accomplishes this by:

- Ensuring that construction, including home improvement, is performed in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring licensure for any person practicing or offering to practice construction contracting;
- Enforcing the laws, regulations, and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so they can make informed choices.

Vision

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

Values

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

Goal 1: Licensing and Testing

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

- 1.1 Explore and address language barriers to licensing and testing.
- 1.2 Research options for provisional licensure and pursue legislation as necessary.
- 1.3 ~~Develop regulations to require licensed contractors to complete continuing education pursuant to existing complaint disciplinary authority. Inform licensees of voluntary continuing education opportunities. Promulgate regulations that will require licensed contractors to complete continuing education.~~
- 1.4 Implement online license applications and renewals to decrease processing times.
- 1.5 Assess exam content, and update as necessary, to ensure exams are current with industry standards.
- 1.6 Identify and educate licensees on the need to maintain current certifications to promote proper installations.

Goal 2: Enforcement

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

- 2.1 Address false advertising online and on social media to increase proactive enforcement and consumer awareness.
- 2.2 Assess the need for additional resources to address unlicensed activity and ensure sufficient staffing.
- 2.3 Review and strengthen penalties as necessary to ensure they are adequate to deter violations.
- 2.4 Leverage partnerships with external stakeholder groups to increase support for enforcement efforts and improve compliance.

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Goal 3: Legislation

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

- 3.1 Improve communication to legislators to convey CSLB's mission and stress the importance of licensure.
- 3.2 Review and amend regulations for clarity and understanding and to ensure they are current.
- 3.3 Identify and update regulations perceived as barriers by licensees.
- 3.4 Provide timely notifications to licensees regarding statutory changes to improve understanding and accessibility.
- 3.5 Create a three-year legislative roadmap to aid discussions of the Board's priorities with board members and other stakeholders.

Goal 4: Public Affairs

Educates the public and licensed contractors about contracting rules and regulations to increase awareness and improve construction and home improvement outcomes. ~~Educates the public and licensed contractors about their decisions related to construction and home improvement so they can improve their awareness of contracting rules and regulations.~~

- 4.1 Improve the clarity and tone of board communications to increase understanding.
- 4.2 Implement a CSLB phone app to increase accessibility to the Board's services and consumer education.
- 4.3 Conduct outreach and build partnerships with building departments, state agencies, and industry groups to educate consumers about hiring licensed contractors and students about construction-related fields.
~~Create an outreach plan to increase consumer education.~~
- ~~4.4 Conduct outreach at schools to educate students regarding careers in construction related fields.~~
- 4.4 Update the CSLB website to make it more accessible and user friendly.
- ~~4.5 Partner with building departments and state agencies to increase consumer awareness about the need to use licensed contractors.~~
- 4.5 Update the CSLB logo to increase consumer awareness.

Goal 5: Executive

Drives organizational effectiveness and enhances the quality of service in all programs.

- 5.1 Review and update the recruitment process as necessary to increase efficiency and candidate pools.
- 5.2 Reinststate the training unit to improve new employee onboarding and provide formal, structured training for all employees.
- 5.3 Explore and implement process efficiencies to reduce processing times in licensing and enforcement and to increase transparency.
- 5.4 Create focus groups to gain input from staff on procedures and increase staff engagement.

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Strategic Planning Process

To understand the environment in which the Board operates as well as identify factors that could impact the Board's success in carrying out its regulatory duties, the Department of Consumer Affairs' SOLID Planning Unit (SOLID) conducted an environmental scan of the Board's internal and external environments by collecting information through the following methods:

- Phone interviews were conducted with board members during the months of January and February 2024.
- Online one-on-one meetings were held with CSLB executive leadership and managers during January 2023.
- Online surveys were sent to external stakeholders and board staff on January 3, 2024, and closed on January 31, 2024.

The most significant themes and trends identified from the environmental scan were discussed by board members and board leadership during a strategic planning session facilitated by SOLID on April 17, 2024. This information guided the Board in the development of its strategic objectives outlined in this 2025-2027 strategic plan.

Contractors State License Board

9821 Business Park Drive
Sacramento, CA 95827
Phone: (916) 255-3900

<https://www.cslb.ca.gov/>

Strategic plan adopted on [type date here].

This strategic plan is based on stakeholder information and discussions facilitated by SOLID for the Contractors State License Board on April 17, 2024. Subsequent amendments may have been made after the adoption of this plan.



Prepared by:
SOLID Planning Solutions
1747 N. Market Blvd., Ste. 270
Sacramento, CA 95834

AGENDA ITEM E

Legislation



AGENDA ITEM E-1

Review, Discussion and Possible Action on 2023-24 Pending Legislation

- a. AB 2622 (Carrillo) – Amend the project amount and type of work exempted from contractor licensure on a single project.
- b. AB 2677 (Chen) – Exclude surety bond companies from liability for attorney’s fees and costs in excess of the bond amount.
- c. AB 2993 (Grayson) – Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer.
- d. SB 1455 (Ashby) – Contractors State License Board sunset extension bill.





Review, Discussion, and Possible Action on 2023-24 Pending Legislation

a. Assembly Bill 2622 (Carrillo) – Contractors: exemptions: advertisements.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2622

STATUS/LOCATION (as of June 4, 2024): Pending assignment to Senate committees. Last amended April 24, 2024 (after the Board’s April 18 meeting).

SPONSOR: Author

SUBJECT: The \$500 “minor and inconsequential work” license exemption from the Contractors State License Law

CODE SECTION(S): Business and Professions Code (BPC) sections 7027.2 and 7048

SUMMARY: Increases the \$500 license exemption in existing law to \$1,000 for construction work and clarifies situations in which the exemption would not apply.

EXISTING LAW: A contractor’s license is not required for work for which the price for labor, material, and all other items is under \$500. Advertising without a license is allowed only if the price for labor, material, and all other items is under \$500 and the person states in the advertisement that they are not licensed.

THIS BILL WOULD:

- Change the exemption from contractor licensing on a single project from \$500 to \$1,000.
- Describe (for the first time in this area of law) the *type* of work or activity that the exemption does not apply to, which is to any of the following situations:
 - work that requires a permit
 - fire protection, asbestos abatement, or well drilling classifications (C-16, C-22, or C-57)
 - work requiring structural changes to any part of the structure
 - work involving changing, altering, or installing mechanical, electrical or plumbing systems (MEP) (i.e., any behind-the-wall MEP work requiring a permit)
 - any work for which the person employs another.

COMMENT/ANALYSIS: This bill was amended after the Board voted to oppose it in April. The amendments decreased the exemption amount in the original bill the Board reviewed from \$5,000 to \$1,000 and clarifies what kind of work would not compromise public safety. The description of the kind of work that cannot be performed without a license in the bill now is directly from CSLB’s existing [B-2 Residential Remodeling Classification](#). This means that with the amendments, the bill as written would allow an



unlicensed person to perform work similar to what the B-2 is licensed to perform, up to \$1,000.

The [B-2 Residential Remodeling Classification](#) took effect in January 2021 with applications accepted in June 2021. It was designed to provide a pathway to licensure for people working with multiple trades in homes but whose experience did not qualify for general building contractor (due to lack of structural framing) or a single specialty trade. The B-2 population has not grown as significantly as anticipated. Staff believe increasing the exemption amount will authorize more individuals to contract for smaller projects lawfully and develop verifiable experience to qualify them for the B-2.

The \$500 exemption amount has not been increased since 1998. A Board-sponsored proposal in September 2019 would have increased it to \$1,000 according to the consumer price index at the time. Industry concerns with the proposal led to it not being introduced. In March 2021, the Board voted 8-5 in favor of opposing two bills [AB 899](#) and [SB 304](#) that would have increased the \$500. The concerns were public protection from unlicensed practice and employers attempting to avoid workers' compensation requirements by hiring independent contractors to work without a license.

Questions have arisen about the bill:

- The bill only includes what work cannot be done under the exemption without clarifying what work can be done (e.g., MEP fixture replacement). Staff has suggested the author consider adding examples of work that can be performed under the exemption.
- As of the date of this writing, the bill requires CSLB to increase the \$1,000 every year in accordance with the consumer price index. The author committed to removing this provision when the bill gets to the Senate B&P Committee.
- There may be a discussion about excluding additional trades.

FISCAL IMPACT: CSLB staff does not believe adding another \$500 to the exemption for minor work will deter a measurable population of contractors from applying for a license enough to negatively impact revenue. Otherwise, the impact to the board would be to update to all publications, both printed and website. Approximately 40 hours workload for existing staff that is minor and absorbable using existing resources. Staff training/education to the new threshold amount is absorbable with existing resources.

STAFF RECOMMENDATION: SUPPORT. Staff generally believe increasing the threshold to \$1,000 will increase the number of handypersons available for consumers on small projects. Staff also believe it is an opportunity to legalize a portion of a marketplace that is currently performing minor work without consumer harm, which could lead to more licensees when four years' experience is obtained. Staff also believe if this measure is unsuccessful there will be consistent future efforts to increase the threshold.



The Board took an **OPPOSE** position on the version of this bill that was in print on April 18, 2024. That version increased the threshold to \$5,000.

b. AB 2677 (Chen) – Sureties: Liability.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2677

STATUS/LOCATION (as of June 4, 2024): In Senate Judiciary, hearing postponed by committee.

SPONSOR: Flasher Barricade Association

SUBJECT: Liability of surety bond companies for attorney's fees

CODE SECTION: California Code of Civil Procedure section 996.470

SUMMARY: Limits a surety company's liability for attorney's fees and costs (in a civil case) to the amount of the license bond.

EXISTING LAW: The California Code of Civil Procedure regulates bonds. Bonds, regardless of their purpose, have beneficiaries (the person who benefits from the bond). Existing law allows a beneficiary to file a civil action against both the bond principal (the person for whom the bond is written, such as a contractor) as well as the surety writing the bond, making them both liable for the bond principal's failure to comply with the conditions of the bond. Existing law limits the surety's liability for a breach of the bond conditions to the amount of the bond itself (in the case of CSLB, this is \$25,000); however, existing law does not mention attorney's fees and costs with regard to a bond company's liability for a contractor causing financial harm resulting in a bond payout.

THIS BILL WOULD: Provide that, in addition to a surety's financial liability being limited to the amount of the bond, that any attorneys' fees and costs also be capped to the amount of the bond itself.

COMMENT/ANALYSIS: Before this bill, a surety could pay out the entire amount of a license bond and still be liable for an unknown amount of attorney's fees and costs on top of the bond amount. This situation was not identified as a problem until a 2021 court case (*Karton v. Ari Design*, 61 Cal.App. 5th 734) in which a surety company had to pay \$90,000 in attorneys' fees in addition to disbursing the \$12,500 license bond. Since then, there are concerns about uncapped financial liability for bond companies who are joined in civil litigation with contractors. According to the sponsors, uncapped financial liability for sureties on bonds will increase the cost of the bond product for new and existing contractors and limit the number of sureties in the market.

FISCAL IMPACT: There is not a currently foreseeable fiscal impact to CSLB.



STAFF RECOMMENDATION: No change. The Board took a **SUPPORT** position on this bill at its last meeting.

c. **AB 2993 (Grayson) – Home improvement and home solicitation: right to cancel contracts: loan financing regulation.**

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2993

STATUS/LOCATION (as of June 4, 2024): Pending assignment to Senate committees.

SPONSOR: Housing and Economic Rights Advocates

SUBJECT: Consumer protections in the home improvement lending industry

CODE SECTION(S): Business and Professions Code (BPC) sections 7159 and 7159.5, as well as several sections of the California Financial Code and California Civil Code. This analysis is focused on the impact on the Contractors State License Law/BPC.

SUMMARY: Prohibits a contractor from accepting full payment from a finance lender on a home improvement contract until the owner confirms the project is completed, permitted, and functional. Extends the three and five days right to cancel in existing law to five and seven days, respectively.

EXISTING LAW: The Contractors State License Law requires a home improvement contract clearly state that a contractor cannot accept payment for materials not delivered or work not performed. It authorizes CSLB to discipline a contractor accepting payment in excess of the value of work performed or material delivered, whether that payment is from an owner or finance lender. It currently 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.

THIS BILL: Authorizes CSLB to discipline a contractor for accepting full payment from a finance lender if the contractor did not receive written confirmation from the homeowner the project is completed in accordance with the contract, approved by all permitting agencies, and is operational or functional. Also extends the number of days a consumer has to cancel a home improvement contract to five days or to seven days if they are a senior citizen.

The description above focuses on the bill's changes to the Contractors State License Law. The bill also makes the following changes to the California Financing Law, which is implemented by the Department of Financial Protection and Innovation (DFPI):

- Requires a finance lender to conduct an oral confirmation call with the consumer before the home improvement loan is final, to confirm key terms and accuracy of the sales pitch.



- Prohibits the finance lender from both releasing full payment of the home improvement loan to the contractor and requesting any payment from the contractor, until the property owner has confirmed orally and in writing the home improvements are complete in accordance with the contract, approved (permitted), and operational.
- Allows a consumer, after trying to resolve a conflict with the contractor, to assert their claim and defense (for nonpayment) with the lender after the contractor fails to resolve the conflict. The consumer can withhold payment for the incomplete or defective work while the dispute is ongoing.

COMMENT/ANALYSIS: This bill addresses financing known by some as “green funding,” or loans offered through non-bank finance lenders that work directly with the contractor or salesperson. It is sold with potentially attractive financing options but has been heavily scrutinized because of its reliance on door-to-door solicitation, direct pay to contractors, and media reports of consumer harm.

This is particularly true when aggressive marketing and sales tactics are utilized. Consumers often agree to a home improvement project they may not need, cannot afford or benefit from. These projects may be funded by costly loans with terms that borrowers may not fully understand. Often the contractor is paid all the money for the project up front and the consumer is forced to begin making payments for incomplete or non-operational work.

Furthermore, lenders can contribute to the problem by working and developing relationships with contractors who utilize predatory practices. Often, when a consumer cannot resolve a dispute with the contractor, the lender simply disclaims any responsibility for resulting financial harm. According to the author, there are no tailored rules for when a consumer loan is used to fund a home improvement project, which this bill intends to address.

FISCAL IMPACT: Impact to update to all publications, both printed and website. Approximately 40 hours workload for existing staff, which is considered minor and absorbable using existing resources.

STAFF RECOMMENDATION: None. The Board took a **support if amended position** at its April 17, 2024, Board meeting, pending amendments to be worked out with Board Member Steve Panelli. At the Board meeting, there was some concern about placing the onus on the homeowner to confirm that the work is final and operational. The concern is that the consumer may not be knowledgeable of construction practices and may be pressured by the contractor to authorize payment for work not completed. The solution discussed with Board Member Panelli and suggested to the author’s office is to recommend that before the lender makes a final payment to the contractor, that the



lender be required confirm with the building department that final inspection was obtained (permit records are publicly available online for most jurisdictions).

d. SB 1455 (Ashby) – Contractors: licensing.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1455

STATUS/LOCATION (as of June 4, 2024): Referred to Assembly Committee on Business and Professions.

SUBJECT: Contractors State License Board “Sunset Bill”

CODE SECTION(S): Several sections of the Contractors State License Law (Business and Professions Code sections 7000-7191)

SUMMARY: Extends the Board’s “Sunset” date from 2025 to 2029 and includes new legislation proposed by the Business and Professions Committee of the Legislature as well as by the Board in the “New Issues” section of its [2023 Sunset Review Report](#).

THIS BILL:

- Extends the Board’s sunset date from 2025 to 2029.
- Removes the requirement that an applicant for licensure include a duty statement of their role and responsibilities planned for the license they are intending to qualify. The requirement was added by a 2021 bill, and it created confusion and was redundant to the Board’s existing authority. The Board approved this change at its March 2023 Board Meeting. More information is on page 130-132 of the Board’s [March 2023 Board Meeting Packet](#).
- Requires licensees who are subject to a workmanship complaint that results in a letter of admonishment or a citation to pay between \$100 and \$1,000 for CSLB’s cost to pay its industry expert to investigate the complaint. This was identified as new issue number 1 on pages 124-126 of the Board’s [2023 Sunset Review Report](#)
- Provides that license applicants pay the examination cost directly to the examination vendor instead of CSLB. This was identified as new issue number 4 on pages 126-128 of the Board’s [2023 Sunset Review Report](#).
- Includes a “federally recognized tribe” among the entities to which CSLB can issue a contractor’s license. This was identified as new issue number 5 on pages 128-129 of the Board’s [2023 Sunset Review Report](#). **Staff note, the language on this topic in the sunset bill is a “placeholder” and not the language that was submitted by CSLB staff.*
- Clarifies that in a public works contract the awarding authority must select contractors in accordance with the licensing classification descriptions in the Contractors State License Law when determining the license class necessary to



bid and perform a project. This change was requested by the operating engineers and discussed with the Board's Legislative Committee Chair in April of 2024.

- Extends CSLB's workers' compensation for all requirement from 2026 to 2028. Provides that no later than January 1, 2027, the board must establish a process for verifying (by audit or submission of proof or other means) how an applicant or licensee can obtain an exemption from workers' compensation from CSLB.

COMMENT/ANALYSIS: As CSLB's sunset bill is developed by the board and staff, it is important the Board support the bill. CSLB staff continue to meet regularly with legislative staff on bill language and to provide technical information. Staff is told that CSLB's New Issue 6 (CSLB responsibility for attorney fees in cash bond cases) and CSLB's New Issue 2 (adopt minimum enforcement fines in statute) will be added to the bill in the second house.

FISCAL IMPACT: Minor and absorbable impact to workload. Anticipated revenue of around \$250,000 annually to recover industry experts' costs.

STAFF RECOMMENDATION: SUPPORT.

Pursuant to page 16 of the Board's Procedure Manual, the Board delegates the authority to act on legislation if time constraints preclude board action. On April 19, 2024, the Registrar and Chief Deputy Registrar conferred with the Board Chair and the Vice Chair/Chair of the Board's Legislative Committee and requested approval to take a SUPPORT position on this measure to authorize staff to communicate a support position on the bill when it was heard in the Senate on April 22, 2024.

AGENDA ITEM E-2

Review, Discussion, and Possible Action
to Initiate a Rulemaking to Amend and/
or Make Non-substantive Changes
Under the Section 100 Rule to Title 16,
California Code of Regulations (16 CCR)
Section 871 (Disciplinary Guidelines)





Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Changes Under the Section 100 Rule to Title 16, California Code of Regulations (16 CCR) Section 871 (Disciplinary Guidelines)

The Registrar is authorized by Business and Professions Code (BPC) section 7095 to require a disciplined contractor to do certain things before their license is restored (known as terms and conditions of probation). Those terms and conditions of probation are currently in CSLB regulations (CCR section 871) and allow the Registrar to revoke a license if probation is violated, after giving the contractor additional notice and hearing.

Senate Bill 630 (Dodd, Chapter 153, Statutes of 2023) amended BPC section 7095 to authorize automatic license revocation without notice or hearing for failing to comply with the terms and conditions of probation. As a result, the probation term in section 871 that provides for notice and hearing should be removed to be consistent with the statute amended by BPC section 795.

The amendment requested is considered non-substantive and without regulatory effect as it makes CCR section 871 consistent with the amended statute and CSLB has no discretion to adopt a regulatory change differing from the one adopted by statute in BPC section 7095. Proposals made under the section 100 rule allow the amendment to be made without being subject to notice and 45-day public comment period requirements specified in the Administrative Procedure Act (APA).

Following the staff recommendation below is the language for Board consideration.

STAFF RECOMMENDATION

Approve the proposed regulatory text for CCR section 871, authorize the Registrar to take all steps necessary to pursue the rulemaking through the APA section 100 procedures, and authorize staff to make non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations to CCR section 871 as filed with the Office of Administrative Law for public notice and take all



steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

CONTRACTORS STATE LICENSE BOARD

PROPOSED LANGUAGE

California Code of Regulations (CCR)

Title 1, Section 100 Changes

Title 16, Division 8

Amend Section 871, Article 7, Division 8, Title 16, CCR, as follows:

In reaching a decision on a disciplinary action under the Administrative Procedure Act (Government Code Section 11400 et seq.), the board shall consider the disciplinary guidelines entitled “Disciplinary Guidelines” (rev. 12/11/96 new date) which are hereby incorporated by reference. Deviation from these guidelines and orders, including the standard terms of probation, is appropriate where the board in its sole discretion determines that the facts of the particular case warrant such a deviation--for example: the presence of mitigating factors; the age of the case; evidentiary problems.

NOTE: Authority cited: Section 7008, Business and Professions Code; and Sections 11400.20 and 11400.21, Government Code. Reference: Sections 7090 and 7095, Business and Professions Code; and Section 11425.50(e), Government Code.

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Standard Terms and Conditions to Be included in all Cases of Probation:

4. Violation of Probation:

If respondent violates probation in any respect, the Registrar, ~~after giving notice and opportunity to be heard,~~ may revoke probation, and impose the disciplinary order that was stayed. ~~If the decision contains an order to make restitution, the Registrar may impose the disciplinary order without giving the respondent an opportunity to be heard should the respondent fail to comply with the restitution order.~~

AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Enforcement Program Update





Enforcement Program Update and Statistical Review

Staff Vacancy Update

There are currently 24 vacancies in the Enforcement Division. The division's management team is working hard to fill these vacancies. Candidates have been selected and are pending approval for 10 positions. The other 14 positions are publicly posted or are under review prior to public posting. The current vacancies are listed below by position classification.

Position Classification	Vacant
Supervising Special Investigator II	1
Supervising Special Investigator I	2
Special Investigator	11
Special Investigator (Peace Officer)	2
Staff Services Analyst	3
Office Technician (Typing)	4
Program Technician II	1
TOTAL	24

Intake and Mediation Center Highlight

A CSLB Staff Service Analyst was able to mediate a complaint involving an Orange County elderly homeowner who paid \$64,000 to have a new roof installed at his home. As soon as the first rain came the consumer said he had water coming through the living room light fixture as well as shingles flying off the roof. The contractor ended up returning the full amount of the contract, plus an additional \$26,000 so that the homeowner could hire a different contractor to fix the roof. The homeowner was very appreciative of the Staff Service Analyst's assistance in getting all his money back and then some.

Investigation Highlights

Contractor Charged with Multiple Felonies

In March 2024, the Los Angeles District Attorney's Office filed multiple felony charges against Timothy Davis. The charges were in connection with an investigation which was completed by a CSLB Special Investigations Unit (SIU) Investigative Peace Officer.



Davis was the RMO/CEO/PRES of Davis Brothers Construction Inc. The company was originally issued a license in 2011. The license was suspended in June 2020, canceled in March 2021, and revoked in September 2022 (revocation was a result of accusations filed in connection with this investigation).

The investigation involved three homeowners who had filed complaints against Davis Brothers Construction:

- In May 2020, a homeowner paid Davis a total of \$503,811.34 toward a remodeling contract worth \$782,387.00. Davis performed minimal work, did not pay some of the subcontractors, and did not purchase doors and windows (for which he was given \$113,000 to do so). The homeowner did not allow Davis to return to the job because he could not account for the whereabouts of the money. Furthermore, the homeowner ultimately paid others approximately \$488,643.70 to complete the project.
- Between May 2020 and January 2021, a second homeowner paid Davis a total of \$465,564.78 toward a remodeling contract worth \$502,049 (after change orders). In March 2021, Davis told the homeowner that he could not finish the project because he did not manage his money well. As a result, the homeowner received liens from a subcontractor and material supplier due to Davis not paying them. In March 2021, a licensed contractor evaluated the project and determined the value of work performed by Davis to be \$150,595. Ultimately, the victim hired a new contractor and paid them \$519,251.78 to complete their project.
- Between June 2020 and January 2021, a third homeowner paid Davis a total of \$479,482.61 toward a remodeling contract worth \$525,676.61 (after change orders). In March 2021, Davis told the homeowner that he could not finish the job because he was in debt and did not have the funds to complete their project. As a result, the homeowner received a \$60,078.32 lien from a material supplier who was not paid by Davis. In March 2021, a licensed contractor evaluated the project and determined the value of work performed by Davis to be \$178,028.50. Ultimately the homeowner hired a new contractor and paid them \$447,768.70 to complete their project, which included paying an additional \$42,000 for windows, doors, and other materials that they had already paid Davis for.
- The investigator executed search warrants on Davis' bank account which showed Davis received the money for all three projects. The records also supported Davis' diversion of construction funds.

Solar Company Asking for Too Much

During 2019, a consumer entered into a written contract with an unregistered Home Improvement Salesperson representing Talon Home Services to install a residential solar energy system on their property in El Dorado Hills for \$40,500. The contractor requested and received a 50 percent down payment of \$20,250 and then subsequently requested and received a second payment of \$20,250 (which constituted payment in



full) prior to work even starting or materials being delivered to the project site. The respondent failed to submit an application for interconnection with the utility until 31 months after the project was completed, abandoning its contractual obligation without a legal excuse. Furthermore, over the course of the investigation, the Responsible Managing Officer told a CSLB investigator that he has no role in the company other than being a financial investor. He did not exercise any direction or control over the operations of the company as required by law. The CSLB investigator referred the complaint to accusation for several violations of Business and Professions Codes that include employment of unregistered salesperson, excessive down payment, failure to exercise direct supervision and control of construction operations, abandonment of contract, and requesting and accepting payment that exceeded the value of the work performed or materials delivered. The accusation was filed, and the license was ultimately revoked with an effective date of March 27, 2024.

Supply Company Getting Short Changed

In October 2021, CSLB received a complaint from ABC Supply Co. Inc., a construction materials supplier, alleging their customer, Johnson Roofing Company, had failed to pay for \$293,424.85 in materials supplied to various project sites being performed by this contractor. During CSLB's investigation into this complaint, the investigator learned from the complainant's legal counsel that the respondent had opened a credit account with the client's company in 2015 but stopped making payments towards the account during May 2021. The supplier attempted to collect the outstanding debt over the course of several months but was unsuccessful. During October 2021, the respondent acknowledged the debt and agreed to make payments toward the past due balance, plus interest and attorney's fees, totaling \$306,411.96. As part of this written agreement, the respondent admitted to having been paid in full for each of the projects for which materials were supplied. The respondent did end up paying \$102,121.77 as part of the payment plan, but the payments ultimately stopped, and the respondent reneged on the agreement.

On February 4, 2022, a civil judgment in Butte County Superior Court was awarded to the complainant, including \$191,303.23 in damages, \$9,874.08 in interest, \$6,047.50 in attorney's fees, and \$940.16 in court costs, totaling \$208,164.97. The complainant was able to recover \$7,500 from the respondent's surety company. The respondent had not made any payments toward the judgment during the time of CSLB's investigation. The complainant was referred to accusation for violations of Business and Professions Codes that included the diversion or misapplication of funds, failure to pay for materials or services, and a false denial of liability. The accusation was appealed, but an Administrative Law judge found sufficient cause to affirm the allegations, and the license was revoked with an effective date of November 27, 2023. The respondent was ordered to pay \$5,000 in investigation costs.

SWIFT Highlight

On September 14, 2023, Southern SWIFT conducted an LETF (Labor Enforcement Task Force) sweep in Orange County with the assistance of EDD and Cal/OSHA.



During the sweep, the team observed what appeared to be several serious Cal/OSHA violations at a condominium community in Cypress. The team required the use of a translation service to conduct interviews with three individuals seen performing painting work. The boss (respondent), an unlicensed contractor, received a \$6,400 down payment to paint the exterior of multiple residences within the HOA-governed community. The respondent had business cards and a contract that displayed a CSLB license number belonging to his brother. The respondent took the business over 12 years prior when the brother retired. The license expired in 2006. The respondent stated that he knew he needed workers' compensation insurance for employee labor but could not get insurance with an expired license. A stop order was issued.

The HOA president and treasurer stated they hired the respondent based off the license number but did not verify its validity. The respondent was issued a citation for contracting without a license, failure to secure workers' compensation for employees, advertising without a license, and misuse of a contractor license with the civil penalty recommendation for which totaled \$10,000. The appeal date for the citation is scheduled for June 25, 2024. Cal/OSHA identified three serious violations: failure to have proper fall protection, failure to have a ladder less than 36 inches from a landing surface, and failure to have appropriate foot protection.

Complaint Handling Statistics (For July 1, 2023, to April 30, 2024)

Investigations Initiated & Complaints Received

- CSLB received 16,173 complaints from July 1, 2023, to April 30, 2024.
- CSLB self-initiated 619 investigations from July 1, 2023, to April 30, 2024.

Pending Investigations

- With current staffing levels, the optimum maximum Enforcement Division caseload is 4,860 pending complaints. As of April 30, 2024, the pending caseload was 5,601.

Special Investigator Production Goals

- For July 1, 2023, to April 30, 2024, the weighted monthly case-closing average per Special Investigator in CSLB Investigative Centers was 8 closures per month, two less than the closure goal of 10.

Complaint-Handling Cycle Time

- The Board's goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of April 30, 2024, 212 complaints exceeded 270 days in age. Enforcement supervisors and managers continue to conduct monthly case reviews and provide assistance to investigators to resolve aged cases.

Restitution to Financially Injured Persons

- CSLB continues to assist consumers and help licensees resolve non-egregious consumer complaints. From July 1, 2023, to April 30, 2024, complaint negotiation



efforts by the IMC and Investigative Centers resulted in more than \$31.1 million in restitution to financially injured parties.

Investigative Center Legal Actions

- From July 1, 2023 to April 30, 2024, the Investigative Centers referred 493 (27 percent) of the 1,811 legal action investigations for criminal prosecution.

Case Management Activities (For July 1, 2023 to April 30, 2024)

Arbitration

- 423 arbitration cases were initiated, resulting in \$5,495,548 in restitution ordered to injured parties.
- 85 licenses were revoked for non-compliance with an arbitration award.

Citations

	<i>Licensees</i>	<i>Non-Licensed</i>	<i>Total</i>
Citations Issued	669	547	1,216
Citations Appealed	308	184	492
Citations Complied With	380	305	685

Licensee Civil Penalties Collected

	<i>Total</i>
Informal Citation Conferences Conducted	119
Civil Penalties Collected	\$1,498,109
Restitution Ordered	\$845,221

Non-Licensee Citation Civil Penalties

	<i>Total</i>
Informal Settlement Conferences Conducted	97
Civil Penalties Collected	\$493,738

Accusations

	<i>Total</i>
Accusations Filed	165
License Revocations	152
Licenses Placed on Probation	48
Restitution Paid to Injured Parties	\$328,102
Cost Recovery Collected	\$305,590

**Letter of Admonishment**

The Letter of Admonishment 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 that can include taking prescribed training courses, and provides written documentation that can be used to support formal disciplinary action in the future, if warranted.

From July 1, 2023, to April 30, 2024, CSLB issued 345 Letters of Admonishment. The most common violations cited in Letters of Admonishment during that timeframe were failure to comply with permit requirements, misdemeanor criminal conviction as a cause for discipline and failure to meet home improvement contract requirements.

Contractors who receive a Letter of Admonishment are afforded an opportunity to contest its issuance via an Office Conference CSLB administers. 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. Between July 1, 2023, to April 30, 2024, CSLB conducted 26 Office Conferences. As a result of those conferences, 12 Letters of Admonishment were upheld as issued, four were withdrawn, five were modified, two were retracted, and three are currently pending a decision.

Beginning in 2020, contractors who have violated local permit requirements have been issued a Letter of Admonishment with a corrective order to complete a video training session on building permits. Violators who do not complete the training are subject to an administrative citation. Between July 1, 2023, to April 30, 2024, 53 Letters of Admonishment were issued that included a requirement to complete permit training.

Statewide Investigative Fraud Team

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

From July 1, 2023, to April 30, 2024, SWIFT conducted 19 sting operations days, participated in 304 sweep days, and responded to 696 leads. SWIFT closed 2,686 cases as a result of stings, sweeps, and leads. Of these 2,686 cases, 706 resulted in administrative or criminal legal action, as well as the issuance of 994 advisory notices for minor violations.

District Attorney Referrals

From July 1, 2023, to April 30, 2024, SWIFT referred 270 cases to local district attorneys' offices for criminal prosecution – 237 for contracting without a license and 33 against licensees, primarily for failure to secure workers' compensation insurance.

Administrative Actions

From July 1, 2023, to April 30, 2024, SWIFT issued 342 licensee and non-licensee citations, issued 92 Letters of Admonishment, filed 2 accusations, and assessed \$437,150 in non-licensee citation civil penalties. Administrative violations include



working out of classification, working under a suspended or expired license, failing to obtain permits, and other license law violations that do not warrant a criminal referral.

Stop Orders

A Stop Order is a legal demand to cease all employee labor at any jobsite due to workers’ compensation insurance violations until an appropriate policy is obtained. Failure of a contractor to comply with a stop order is a misdemeanor criminal offense, punishable by up to 60 days in county jail and/or a fine of up to \$10,000. From July 1, 2023, to April 30, 2024, SWIFT issued 159 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.

	2021	2022	2023	2024 (through 04/30/24)
CSLB	\$82,938	\$104,507	\$100,190	\$37,205
EDD	\$9,149,749	\$13,280,832	\$10,485,549	\$3,301,420
DIR-Cal/OSHA	\$267,256	\$243,066	\$493,104	\$200,265
DIR-DLSE	\$3,476,291	\$5,217,626	\$4,620,847	\$568,494
FTB	\$5,868,340	\$4,024,936	\$5,344,249	\$1,631,166
Totals	\$18,844,574	\$22,870,967	\$21,043,939	\$5,738,549

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 that workers receive proper payment of wages and are provided a safe work environment. Below are LETF statistics for July 1, 2023, to April 30, 2024:

Number of Contractors Inspected	154
Number of Contractors Out of Compliance	125
Percentage of Contractors Out of Compliance	81%
Total Initial Assessments	\$267,040

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.



Application Experience Verification Statistics

The chart below provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification for the past 24 months by the Enforcement Special Investigator. The statistics do not include application investigations by Licensing staff.

**Experience Verification by Classification
April 1, 2022 to April 30, 2024**

Classification	Appealed	Withdrawn	Verified	Denied	Total
A General Engineering	2	3	14	4	23
B General Building	6	48	146	58	258
B-2 Residential Remodeling	0	2	9	6	17
C2 Insulation and Acoustical	0	0	0	2	2
C4 Boiler Hot Water	0	0	3	0	3
C5 Framing / Rough Carp	0	0	1	0	1
C6 Cabinet-Millwork	0	0	10	3	13
C7 Low Voltage Systems	0	3	3	0	6
C8 Concrete	1	5	13	5	24
C9 Drywall	0	0	2	3	5
C10 Electrical	0	10	44	5	59
C11 Elevator	0	1	0	0	1
C12 Earthwork & Paving	0	3	2	1	6
C13 Fencing	0	1	2	4	7
C15 Flooring	0	1	10	3	14
C16 Fire Protection	0	0	3	1	4
C17 Glazing	0	1	4	1	6
C20 HVAC	0	5	22	5	32
C21 Building Moving Demo	0	0	2	1	3
C22 Asbestos Abatement	0	0	1	0	1
C23 Ornamental Metal	0	0	1	0	1
C27 Landscaping	0	8	19	7	34
C28 Lock & Security Equipment	0	0	0	2	2
C29 Masonry	0	0	0	0	0
C31 Construction Zone	0	0	0	0	0
C32 Parking Highway	0	0	1	0	1
C33 Painting	0	3	24	10	37
C34 Pipeline	0	0	1	0	1
C35 Lath & Plaster	0	0	6	3	9
C36 Plumbing	0	3	24	5	32
C38 Refrigeration	0	0	1	0	1
C39 Roofing	0	2	8	9	19
C42 Sanitation	0	0	1	0	1
C43 Sheet Metal	0	1	2	1	4
C45 Sign	0	0	1	0	1
C46 Solar	0	1	1	5	7
C47 Gen Manufactured House	0	0	0	0	0
C49 Tree and Palm	0	0	1	0	1
C50 Reinforcing Steel	0	1	1	0	2



Classification	Appealed	Withdrawn	Verified	Denied	Total
C51 Structural Steel	0	0	6	0	6
C53 Swimming Pool	0	1	5	0	6
C54 Ceramic and Mosaic Tile	0	1	6	3	10
C55 Water Conditioning	0	0	1	0	1
C57 Well Drilling	0	0	0	0	0
C60 Welding	0	0	2	0	2
C61 Limited Specialty	0	6	18	9	33
ASB Asbestos Cert	0	0	0	0	0
HAZ Hazardous Cert	0	0	0	0	0
Total	9	110	421	156	696

Training Update

Situational Awareness Training: On April 11, 2024, CSLB conducted Situational Awareness Training at the Santa Rosa Office for local staff and via Microsoft Teams for staff located across the state. The training covered a variety of topics to enhance safety for Investigators and Special Investigators who regularly work in the field conducting investigations. The trainer is a Peace Officer Standards and Training (POST) Academy Instructor and Firearms Instructor. A total of 113 attendees participated in the training – 113 via Teams and 6 in-person.

Consumer Protection Prosecution Conference: The annual Consumer Protection Prosecution Conference was held in La Jolla from April 29 through May 1. There were approximately 200 attendees, most of whom came from district attorney’s offices throughout California. The conference focused on a variety of consumer protection/ training topics including scams targeting minority communities, cyber crimes/high tech investigations, courtroom ethics, and statutory law updates. CSLB SIU’s Supervising Special Investigator presented a seminar entitled “Contracting Fraud with CSLB.” The presentation included an overview of CSLB’s Enforcement Division, investigatory capabilities, limitation of resources, and trends in CSLB investigations. Attendees provided overwhelmingly positive feedback.

Enforcement Academy: The next CSLB Enforcement Academy is scheduled for the week of June 17, 2024, at the Norwalk office.

AGENDA ITEM G

Licensing



AGENDA ITEM G-1

Licensing and Testing Program Update





CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

Application Processing Statistics

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

Total Number of Applications Received Per Month

	2023 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024 Jan	Feb	Mar	Apr
Original Exam	1,610	1,603	1,326	1,525	1,427	1,527	1,377	1,404	1,546	1,817	1,897	1,881
Original Waiver	813	757	647	764	657	729	646	704	746	851	856	847
Add Class	420	387	366	416	334	413	358	356	473	501	519	544
Qualifier Replacer	272	253	235	284	275	329	303	278	321	286	288	298
Home Improvement	1,173	957	899	1,050	894	1,058	947	875	953	1,092	1,153	1,201
Total Per Month	4,288	3,957	3,473	4,039	3,587	4,056	3,631	3,617	4,039	4,547	4,713	4,771

**3 – Month
Totals**

May - Jul: 11,718

Aug - Oct: 11,682

Nov - Jan: 11,287

Feb - Apr: 14,031

Total Applications Received – Prior Calendar Years

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Original Exam	15,244	13,193	15,729	15,861	17,816
Original Waiver	8,796	7,456	7,558	7,970	8,737
Add Class	4,526	4,231	4,138	4,112	4,482
Qualifier Replacer	2,792	2,620	2,813	3,024	3,288
Home Improvement	11,122	9,694	12,411	12,466	12,792
Total Received	42,480	37,194	42,649	43,433	47,115



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.

	2023								2024			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Original Exam	4.9	3.1	2.8	2.0	2.0	1.9	2.3	2.2	1.9	1.9	2.2	2.5
Original Waiver	5.1	3.9	2.5	1.7	1.5	1.4	1.2	1.3	1.5	1.3	1.6	2.1
Add Class	3.9	2.6	2.2	2.3	1.4	1.0	1.5	2.0	2.0	1.7	1.6	1.6
Qualifier Replacer (Exams & Waiver)	3.8	2.6	2.4	2.4	1.5	1.0	1.3	1.9	1.9	1.6	1.7	1.8
Home Improvement	3.1	2.7	3.8	2.9	1.9	1.1	1.1	1.9	1.1	1.0	1.4	1.7
Renewal	1.4	1.2	1.1	0.9	1.0	0.9	1.0	0.9	1.0	0.9	0.9	0.8
Add New Officer	3.0	4.5	3.5	2.1	1.3	0.9	0.9	0.8	1.1	0.9	1.2	0.9
Address / Name Change	2.0	3.4	3.9	2.1	1.7	0.8	0.9	0.8	1.1	0.9	1.2	0.9
Bond / Bond Exemption	0.6	0.6	0.6	0.6	0.7	0.4	0.6	0.6	0.6	0.6	0.6	0.6
Workers' Comp / Exempt	3.2	2.8	1.7	1.6	1.6	1.4	1.5	1.4	2.3	2.2	1.8	1.4
Certified License History	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Copies of Documents	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.0	0.1
Criminal Offender Record Information (CORI) Review*	2.0	2.1	1.9	2.0	2.5	2.0	2.0	2.8	2.5	2.0	2.0	1.8

*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*
2019-2020	38,251	16,415	4,161	17,675
2020-2021	41,864	16,176	4,098	21,590
2021-2022	43,707	19,148	4,801	19,758
2022-2023	47,042	22,301	5,197	19,544

* 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 Renewal Unit each month, quarter, and calendar year.

Total Number of Renewals Received Per Month

	2023 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024 Jan	Feb	Mar	Apr
Reactivation	118	97	105	126	85	117	88	85	111	105	116	120
Active	9,119	8,017	7,924	8,143	6,857	7,529	6,809	7,117	7,661	7,321	8,720	8,495
Inactive	1,003	809	846	800	714	709	706	821	807	792	893	938
Delinquent Active	1,166	1,043	1,136	1,178	1,102	1,178	1,015	953	1,181	1,135	1,026	1,239
Delinquent Inactive	156	134	136	148	136	160	135	134	155	142	141	133
Received Per Month	11,562	10,100	10,147	10,395	8,894	9,693	8,753	9,110	9,915	9,495	10,896	10,925

3 – Month Totals May - Jul: 31,809 Aug - Oct: 28,982 Nov - Jan: 27,778 Feb - Apr: 31,316

Total Renewals Received – Prior Calendar Years

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Reactivation	1,358	1,164	1,230	1,250	1,293
Active	98,901	97,037	94,480	93,180	92,088
Inactive	13,007	12,379	11,351	9,087	9,689
Delinquent Active	10,721	12,636	13,162	12,519	12,911
Delinquent Inactive	1,734	2,071	2,163	1,658	1,661
Total Received	125,721	125,287	122,386	117,694	117,642

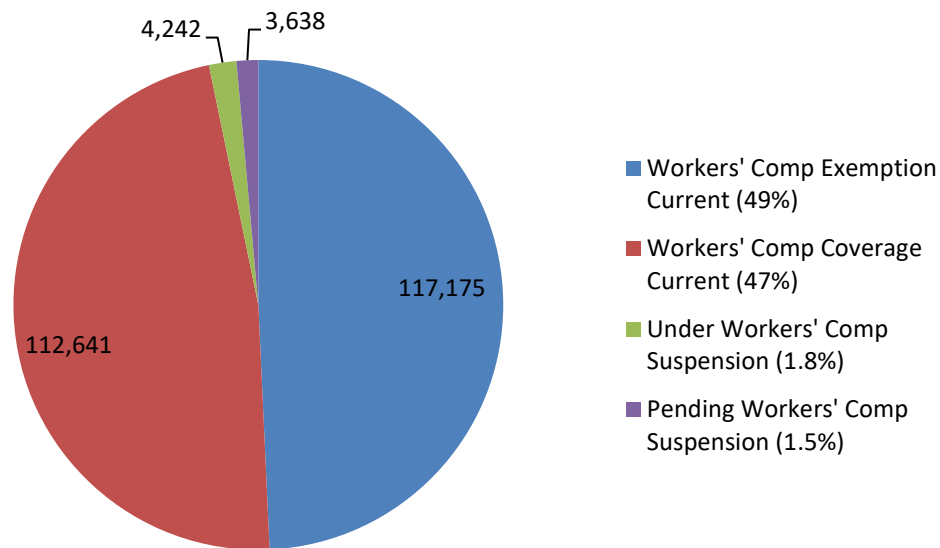


Workers' Compensation Recertification Statistics

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.

Workers' Comp Coverage for Active Licenses - April 30, 2024



Total Number of Active Licenses: 238,714

The following chart shows the workers' compensation coverage (policies and exemptions) on file as April 30, 2024, for active licenses by classification and the percentage of exemptions per classification.



Active License Classifications Workers' Comp Status: As of April 30, 2024

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A General Engineering	5,173	9,535	14,708	35%
B General Building	60,484	42,668	103,152	59%
B2 Residential Remodeling	570	184	754	76%
C2 Insulation and Acoustical	252	917	1,169	22%
C4 Boiler Hot Water	115	580	695	17%
C5 Framing / Rough Carp	517	476	993	52%
C6 Cabinet-Millwork	2,513	1,975	4,488	56%
C7 Low Voltage Systems	1,944	2,819	4,763	41%
C8 Concrete	8	5,237	5,245	0.2%
C9 Drywall	1,248	1,864	3,112	40%
C10 Electrical	14,150	12,968	27,118	52%
C11 Elevator	49	154	203	24%
C12 Earthwork & Paving	979	1,462	2,441	40%
C13 Fencing	701	1,009	1,710	41%
C15 Flooring	3,615	3,445	7,060	51%
C16 Fire Protection	721	1,474	2,195	33%
C17 Glazing	1,100	1,906	3,006	37%
C20 HVAC	6	11,103	11,109	0.05%
C21 Building Moving Demo	499	1,228	1,727	29%
C22 Asbestos Abatement	2	304	306	0.7%
C23 Ornamental Metal	454	619	1,073	42%
C27 Landscaping	4,800	6,934	11,734	41%
C28 Lock & Security Equipment	147	226	373	39%
C29 Masonry	887	1,348	2,235	40%
C31 Construction Zone	68	347	415	16%
C32 Parking Highway	179	304	483	37%
C33 Painting	8,613	6,954	15,567	55%
C34 Pipeline	130	374	504	26%
C35 Lath & Plaster	624	1,202	1,826	34%
C36 Plumbing	8,759	7,885	16,644	53%
C38 Refrigeration	439	1,239	1,678	26%
C39 Roofing	0	5,000	5,000	0%
C42 Sanitation	350	615	965	36%
C43 Sheet Metal	251	1,078	1,329	19%
C45 Sign	387	502	889	43%
C46 Solar	416	805	1,221	34%
C47 Gen Manufactured House	203	233	436	47%
C49 Tree and Palm	2	25	27	7%
C50 Reinforcing Steel	65	193	258	25%
C51 Structural Steel	438	1,095	1,533	29%
C53 Swimming Pool	1,195	1,579	2,774	76%
C54 Ceramic & Mosaic Tile	3,521	2,798	6,319	56%
C55 Water Conditioning	118	176	294	40%
C57 Well Drilling	274	507	781	35%
C60 Welding	542	522	1,064	51%
C61 Limited Specialty	7,363	13,448	20,811	35%



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 follows up with DOJ regarding delayed responses to confirm the review has commenced and to make sure DOJ requires no further information.

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

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	TOTALS
DOJ Records Received	33,553	27,172	35,114	37,895	39,500	173,234
CORI Information Received	6,657	5,375	6,818	7,303	5,616	31,769
Denials	63	16	8	13	10	110
Appeals	31	11	5	7	3	57
Probationary Licenses Issued (conditional license, requires periodic review)	86	101	177	222	185	771



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)

	5/23	6/23	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24	3/24	4/24
Notice	62	77	68	82	57	84	76	55	71	59	72	69
Suspend	58	39	54	22	58	54	49	56	73	49	55	47
Reinstate	46	41	41	52	25	60	50	30	55	38	51	46
Total	166	157	163	156	140	198	175	141	199	146	178	162

Final Judgments (from court actions)

	5/23	6/23	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24	3/24	4/24
Notice	55	68	28	82	53	67	15	34	152	41	80	82
Suspend	7	20	6	22	22	7	23	18	32	1	11	69
Reinstate	49	43	41	52	37	55	43	38	37	43	68	72
Total	111	131	75	156	112	129	81	90	221	85	159	223

Payment of Claims (from bond surety companies)

	5/23	6/23	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24	3/24	4/24
Notice	146	107	81	80	53	47	119	26	106	256	221	205
Suspend	67	66	66	94	64	46	50	31	37	55	4	62
Reinstate	122	73	65	84	45	94	69	61	45	103	88	93
Total	335	246	212	258	162	187	238	118	188	414	313	350

Reimbursement Amounts to State Agencies and Public Prior Calendar Years

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Outstanding Liabilities	\$26,277,077	\$18,342,630	\$18,765,840	\$22,921,075	\$20,951,291
Final Judgments	\$16,514,073	\$20,586,833	\$18,003,223	\$20,211,482	\$19,505,855
Payment of Claims	\$11,080,053	\$9,921,280	\$7,934,026	\$7,781,618	\$7,168,304
Total Monetary Recovery	\$53,871,203	\$48,850,913	\$44,703,089	\$50,914,175	\$47,625,450



CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

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
May 2023	\$1,038,646	\$599,088	\$23,653	\$1,661,387
June	\$718,049	\$412,997	\$217,435	\$1,348,481
July	\$2,077,203	\$575,846	\$133,472	\$2,786,521
August	\$1,084,031	\$386,109	\$545,753	\$2,015,893
September	\$231,052	\$470,402	\$6,875	\$708,329
October	\$1,261,979	\$1,458,954	\$1,817,049	\$4,537,982
November	\$442,929	\$593,355	\$471,811	\$1,508,095
December	\$475,166	\$230,574	\$211,404	\$917,144
January 2024	\$750,036	\$544,940	\$212,856	\$1,507,832
February	\$558,176	\$375,626	\$152,363	\$1,086,165
March	1,450,869	\$399,437	\$78,545	\$1,928,851
April	\$542,339	\$311,163	\$324,996	\$1,178,498
TOTALS	\$10,630,475	\$6,358,491	\$4,196,212	\$21,185,178



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 48 examinations at 22 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 May 2023 – April 2024

May 2023	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	Total
3824	4009	3863	4196	4040	4481	4074	3918	4381	4687	4843	4698	51,014

CSLB currently utilizes PSI test centers in the following locations:

- | | |
|---------------------------|---------------|
| Agoura Hills | Riverside |
| Atascadero | Sacramento |
| Bakersfield | San Diego |
| Carson | San Francisco |
| Diamond Bar | Santa Clara |
| El Monte/Santa Fe Springs | Santa Rosa |
| Fresno | Union City |
| Irvine | Ventura |
| Las Vegas | Visalia |
| Lawndale | Walnut Creek |
| Redding | Wilsonville |

Examination administration was expanded to two additional test centers outside of California in August 2023. The additional PSI test centers are in Las Vegas, Nevada and Wilsonville, Oregon. In April 2024, the Law and Business exam was released to the other 19 DCA-approved PSI test centers nationwide.



Number of Examinations Administered by Test Center

From May 2023 to April 2024, PSI test centers administered a total of 50,919 exams. The details about each test center are described below.

Test Center	Number of Examinations Administered
Agoura Hills – PSI	4,41
Albuquerque	1
Atascadero – PSI	691
Bakersfield – PSI	963
Carson – PSI	1,667
Charlotte	4
Diamond Bar – PSI	2,704
El Monte/Santa Fe – PSI	3,795
Fresno – PSI	1,528
Irvine – PSI	3,620
Las Vegas – PSI	70
Lawndale – PSI	1,861
Redding – PSI	665
Riverside/Mission Grove – PSI	4,366
Sacramento – PSI	5,500
San Diego – PSI	4,789
San Francisco – PSI	2,405
Santa Clara – PSI	3,395
Santa Rosa – PSI	1,959
Union City – PSI	1,922
Ventura – PSI	1,760
Visalia - PSI	595
Walnut Creek – PSI	2,507
Wilsonville - PSI	7
Total	50,919

**Examination Development Unit**

The Testing Division's Examination Development Unit (EDU) ensures that CSLB's 48 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 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 examinations were released between March 1, 2024, and April 1, 2024:

- C-4 Boiler, Hot-Water Heating, and Steam Fitting
- C-38 Refrigeration
- C-60 Welding



Examination Programs in Progress as of April 2024

Occupational Analysis	Item Bank Development
A – General Engineering	B – General Building
C-05 Framing and Rough Carpentry	C-10 Electrical
C-23 Ornamental Metal	C-11 Elevator
C-35 Lathing & Plastering	C-28 Lock & Security Equipment
C-51 Structural Steel	C-36 Plumbing
C-22 Asbestos Abatement	C-47 General Manufactured Housing
	C-45 Sign
	C-55 Water Conditioning
	C-50 Reinforcing Steel

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. Candidates will still have the option of utilizing a translator for their trade exam.

- On August 1, 2023, a Spanish version of the Law and Business exam was offered at all of CSLB’s contracted PSI test centers.
- On October 1, 2023, Spanish versions of B General Building and C-8 Concrete were released.
- On November 1, 2023, Spanish versions of C-9 Drywall, C-27 Landscaping, and C-33 Painting and Decorating were released.
- On December 1, 2023, Spanish versions of C-36 Plumbing, C-39 Roofing, and C-54 Ceramic and Mosaic Tile were released.
- On January 1, 2024, a Spanish version of C-15 Flooring and Floor Covering was released.

In addition, study guides for all of CSLB’s exams, including the exams that do not currently have Spanish translations, have been translated into Spanish and are available on our website.

From August 2023 to April 2024, PSI test centers administered a total of 4,558 Spanish version exams. The exam counts for each trade are described below.



Trade Exam	Number of Examinations Administered
Spanish Law and Business	3,159
Spanish B - General Building	507
Spanish C-8 Concrete	154
Spanish C-9 Drywall	53
Spanish C-15 Flooring and Floor Covering	56
Spanish C-27 Landscaping	176
Spanish C-33 Painting and Decorating	262
Spanish C-36 Plumbing	67
Spanish C-39 Roofing	92
Spanish C-54 Ceramic and Mosaic Tile	32
Total	4,558

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 StopperSM and Consumer Scam StopperSM 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.

As a result of winter storms, CSLB staffed and participated in eight local assistance centers (LACs)/disaster recovery centers (DRCs) throughout California from July 1, 2023, through April 30, 2024.

Disaster	LAC/DRC Location	Resources
1. Winter Storms 2023	Grass Valley (Nevada County)	In-Person Staffing
2. Winter Storms 2023	Truckee (Nevada County)	In-Person Staffing
3. Tropical Storm Hilary	Cathedral City (Riverside County)	In-Person Staffing
4. Winter Storms 2024	Spring Valley (San Diego County)	In-Person Staffing
5. Winter Storms 2024	San Diego (San Diego County)	In-Person Staffing
6. Winter Storms 2024	Panorama City (Los Angeles County)	In-Person Staffing
7. Winter Storms 2024	Los Angeles (Los Angeles County)	In-Person Staffing
8. Winter Storms 2024	Los Angeles (Los Angeles County)	In-Person Staffing

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/Twitter, 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. Topics include how to navigate the CSLB website, how to report unlicensed activity in disaster areas, and tips on hiring a licensed contractor for various summer home improvement projects, such as swimming pool construction, tree trimming and roofing. In addition, staff produced videos to promote Women in Construction Week, Construction Inclusion Week and Construction Safety Week on social media.

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 July 1, 2023 – April 30, 2024

Date Published	Video Title
7/7/2023	Get Licensed to Build Workshop
7/17/2023	Consejos rápidos de CSLB: guías de estudios para exámenes
7/21/2023	Workshop para que obtenga licencia de construir
8/3/2023	Battery Energy Storage Systems Regulatory Hearing



Date Published	Video Title
8/4/2023	Get Licensed to Build Workshop
8/18/2023	CSLB Tips on Swimming Pool Construction
8/18/2023	Workshop para que obtenga licencia de construir
9/14/2023	CSLB Board Meeting
9/15/2023	Workshop para que obtenga licencia de construir
9/19/2023	Consejos rápidos de la CSLB: Contratación en zonas de desastres
10/6/2023	Get Licensed to Build Workshop
10/12/2023	NASCLA: Solar Power for the Home
10/12/2023	NASCLA: Protect Your Construction Investment
10/18/2023	Construction Inclusion Week 2023
10/24/2023	CSLB Quick Tips: Hiring a Roofing Contractor
10/30/2023	CSLB Board Meeting
11/3/2023	Get Licensed to Build Workshop
11/15/2023	CSLB Board Meeting
11/17/2023	Workshop para que obtenga licencia de construir
11/22/2023	Board Member Orientation
11/29/2023	Enforcement and Public Affairs Committee Meetings
12/1/2023	Get Licensed to Build Workshop
12/13/2023	CSLB Board Meeting
12/15/2023	Workshop para que obtenga licencia de construir
1/5/2024	Get Licensed to Build Workshop
1/31/2024	10 Tips for Hiring a Contractor
2/2/2024	Get Licensed to Build Workshop



Date Published	Video Title
2/13/2024	Consejos Rápidos de CSLB: cómo denunciar una contratación sin licencia
2/13/2024	Consejos Rápidos de la CSLB: la contratación sin licencia en zonas de desastre
2/15/2024	CSLB Licensing Committee Meeting
2/16/2024	Workshop para que obtenga licencia de construir
3/1/2024	Get Licensed to Build Workshop
3/8/2024	Women in Construction Week 2024
3/8/2024	Semana de Mujeres en la Construcción 2024
3/15/2024	Workshop para que obtenga licencia de construir
3/21/2024	CSLB Legislative Committee Meeting
4/5/2024	Get Licensed to Build Workshop
4/17/2024	CSLB Board Meeting
4/18/2024	CSLB Board Meeting
4/19/2024	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 (formerly known as Twitter), YouTube, and LinkedIn.

Social Media Highlights

- **Facebook:** 6,577 followers, a 3.5% increase since last year
- **Instagram:** 2,355 followers, a 27% increase since last year
- **X (Twitter):** 3,035 followers, a 2% increase since last year
- **YouTube:** 32 videos produced; 90,420 video views; 5,728 hours watched since last year.
- **LinkedIn:** 1,026 followers, a 18.5% increase since last year

Facebook Growth

Between July 1, 2023, to April 30, 2024, CSLB reached 58,073 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, 13 percent are ages 25-34, 31 percent are ages 35-44, 26 percent are ages 45-54, 18 percent are ages 55-64, and 11 percent are ages 65 and up.

Top Facebook Post

CSLB's top post (see below) was published on March 14, 2024, at 10:00 a.m. with a reach of 6,703 accounts, 738 link clicks, 9 comments, 14 shares, and 116 reactions.



Published post:

CSLB cited multiple individuals during undercover sting operations in Fresno County for allegedly advertising and operating without a license, as well as quoting excessive down payments prior to work.

Suspects can face significant fines and/or jail time as a result.

Read the full press release here →

https://www.cslb.ca.gov/Resources/PressReleases/2024/Clovis_Sting.pdf

#CSLB #California #Fresno #Clovis #sting #undercover

Instagram Growth

Between July 1, 2023, and April 30, 2024, CSLB reached 7,362 accounts on its Instagram page.

Follower statistics

Of CSLB's Instagram followers, 73 percent of CSLB's Instagram followers are male; 27 percent are female. Of these followers, 4 percent of CSLB's Instagram followers are ages 18 to 24, 29 percent are ages 25-34, 40 percent are ages 35-44, 18 percent are ages 45-54, 6 percent are ages 55-64, and 3 percent are ages 65 and over.



Top Instagram Post

CSLB's top post (see the next page) was published on November 27, 2023, at 10:00 a.m. with a reach of 1,732 people, 70 likes, 2 comments, and 17 shares.



Published post:

📄 Licensed contractors must display their license numbers in ALL advertisements, contracts, and bids.

This ensures transparency and protects YOU. Look for their license number to ensure credibility and quality of work.

Stay informed, stay protected! 📁🔒

#CSLB #ConsumerAlert #ChooseLicensedContractors #TransparencyMatters

X (Twitter) Growth

Between July 1, 2023, and April 30, 2024, CSLB had 17,264 impressions.

Top Tweet

CSLB's top tweet was published August 30, 2023, at 1:00 p.m. It had 572 impressions, including 2 replies, 13 engagements, and 3 detail expands.

Published post:

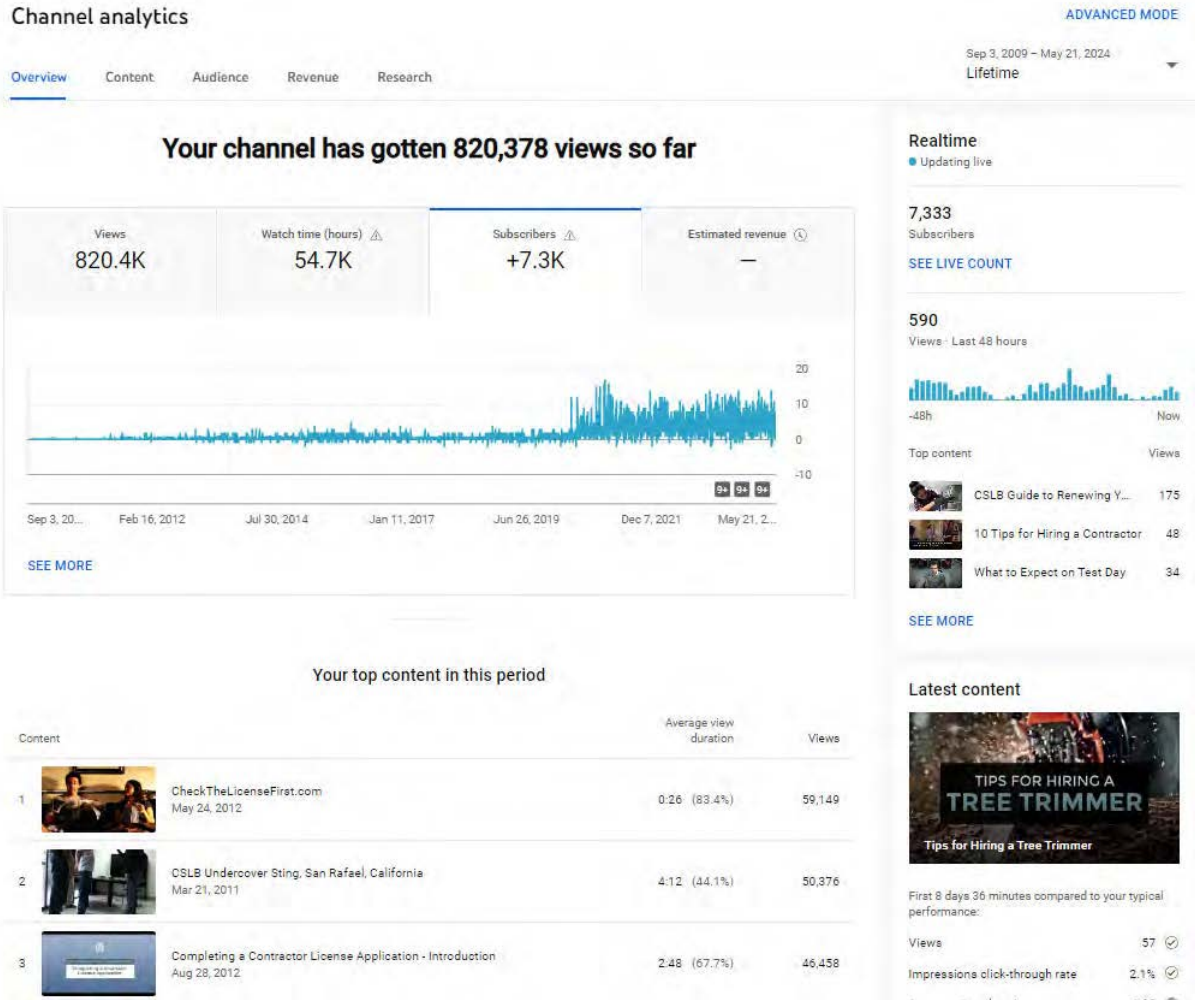
When disaster strikes, it's in our nature to help. Visit <http://cslb.ca.gov/disaster> to access our free tools to help with the rebuilding and repair process.

#CSLB #CaliforniaDisaster #DisasterResponse #CaliforniaConstruction #CaliforniaWeather #Wildfires #FireSeason



YouTube Channel Growth

CSLB’s YouTube channel continues to grow, with an increase of approximately 1,500 subscribers, 5,700 hours of watch time, and 90,400 more views since July 2023. The channel has a total of 820,378 views (54,700 hours watched) and 7,333 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 1,026 followers. It received 2,573 page views from July 1, 2023, through April 30, 2024.



Email Alert Feature

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 194,311, 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
- Surveys
- Podcasts/webcasts
- Licensee Information
- Home Improvement Salespersons

Industry Bulletins

Important CSLB updates are issued in Industry Bulletins, which are emailed to those who signed up via CSLB's email alerts and also posted on CSLB's website. Between July 1, 2023, and April 30, 2024, CSLB issued Industry Bulletins related to the new Tree and Palm Contractor classification, the impact new California laws will have on contractors and homeowners, and significant changes that streamlined the 2024 *California Contractors License Law & Reference Book*.

Media Relations

Media Calls

Between July 1, 2023, and April 30, 2024, PAO responded to 85 media inquiries, providing information and/or interviews to a variety of media outlets.

News Releases

PAO issued 12 news releases between July 1, 2023, and April 30, 2024. The releases covered sting operations throughout the state and CSLB's partnership with the National Association of State Contractors Licensing Agencies (NASCLA) to provide essential home repairs for a deserving elderly veteran.

Consumer/Community Outreach

Senior Scam StopperSM Seminars

CSLB's Senior Scam StopperSM seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction related scams and how seniors, 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. CSLB remains committed to consumer protection by offering Senior Scam StopperSM seminars virtually and in-person.

The following seminars were conducted from July 1, 2023, through April 30, 2024:

Date	Location	Legislative/Community Partner(s)
July 7, 2023	Anaheim	Assemblymember Avelino Valencia
July 19, 2023	San Diego	Assemblymember Brian Maienschein
July 25, 2023	Virtual	Senator Dave Min
July 27, 2023	South El Monte	Assemblymember Lisa Calderon
July 29, 2023	Pasadena	Assemblymember Mike Fong
July 29, 2024	Lakeside	Senator Brian Jones
August 10, 2023	Yucaipa	Assemblymember Greg Wallis
August 25, 2023	Stanton	Assemblymember Tri Ta
August 31, 2023	Monterey	Monterey County Senior Resource Fair
September 5, 2023	Carmichael	Department of Financial Protection and Innovation
September 9, 2023	South El Monte	Grandparents Health Day Fair
September 11, 2023	Vallejo	Senator Bill Dodd
September 20, 2023	Perris	Assemblymember Dr. Corey Jackson
September 23, 2023	Sacramento	Sacramento Health and Senior Fair
September 30, 2023	Hayward	Assemblymember Liz Ortega
October 3, 2023	Palmdale	Palm Vista Senior Living
October 4, 2023	Auburn	Auburn Senior Health Fair
October 4, 2023	Santa Barbara	Santa Barbara Senior Expo & Active Aging Fair
October 5, 2023	Santa Clarita	Senator Scott Wilk
October 6, 2023	Cerritos	Cerritos Senior Center
October 7, 2023	Dublin	City of Dublin
October 12, 2023	Lakewood	Assemblymember Anthony Rendon
October 17, 2023	Costa Mesa	Assemblywoman Cottie Petrie-Norris



Date	Location	Legislative/Community Partner(s)
October 19, 2023	Tustin	Assemblywoman Cottie Petrie-Norris
October 23, 2023	Irvine	Assemblymember Cottie Petrie-Norris
October 24, 2023	North Hollywood	Jewish Family Services of Los Angeles
October 25, 2023	Salinas	Assembly Speaker Robert Rivas
October 26, 2023	Watsonville	Assembly Speaker Robert Rivas
October 27, 2023	Aliso Viejo	Orange County Supervisor Katrina Foley
November 2, 2023	Irwindale	Senator Susan Rubio
November 2, 2023	Palo Alto	Assemblymember Marc Berman
November 10, 2023	Palm Springs	City of Palm Springs
November 29, 2023	Garden Grove	Assemblymember Tri Ta
December 6, 2023	Clovis	Assemblymember Jim Patterson
December 9, 2023	Santa Ana	Assemblymember Avelino Valencia
December 15, 2023	Corona	Assemblymember Bill Essayli
January 18, 2024	San Jose	City Councilmember Domingo Candelas
January 18, 2024	Irvine	City of Irvine Senior Council
January 26, 2024	Apple Valley	Apple Valley Senior Center
January 26, 2024	Oxnard	Assemblymember Steve Bennett
February 15, 2024	Claremont	Assemblymember Chris Holden
February 28, 2024	Virtual	Assemblymember Christopher M. Ward
March 3, 2024	Oceanside	City of Oceanside
March 21, 2024	Stockton	Adult Protective Services
April 4, 2024	Cathedral City	Assemblymember Greg Wallis
April 9, 2024	Irvine	Irvine Senior Services
April 19, 2024	San Diego	Assemblymember Al Muratsuchi
April 26, 2024	Lynwood	Senator Lena Gonzalez
April 30, 2024	San Diego	Senate Minority Leader Brian Jones

From July 1, 2023, through April 30, 2024, CSLB staff spoke/staffed booths for the following organizations/events and conducted Consumer Scam StopperSM seminars:



Date	Location	Legislative/Community Partner(s)
July 19, 2023	Lincoln	City of Lincoln
August 2, 2023	San Francisco	San Francisco Family Wealth Forum
August 10, 2023	Roseville	Placer County PROTECT
August 19, 2023	Roseville	Tri-County Home and Garden Show
September 16-17, 2023	Vacaville	Solano County Home Show
September 20-21, 2023	Los Angeles	LA Build Expo
September 23, 2023	Carlsbad	Lakeshore Gardens Residents Association
September 25-26, 2023	Clovis	Central Valley Veterans Stand Down
November 3, 2023	Fresno	Fresno Fall Home Improvement Show
November 4, 2023	Gilroy	Yacanex Community Women’s Entrepreneur Conference
November 8, 2023	Garden Grove	California Municipal Revenue and Tax Association Annual Conference
November 15, 2023	Salinas	Salinas Valley Chamber of Commerce
March 1-3, 2024	Fresno	Fresno Home and Garden Show
March 23-24, 2024	Dixon	Solano County Home and Garden Show
April 24, 2024	Virtual	Department of Financial Protection and Innovation

Publication/Graphic Design Services

Between July 1, 2023, to April 30, 2024, PAO’s Graphic Design Unit completed the following publications and reports.

Publications & Reports
September 14, 2023, Quarterly Board Meeting Packet
November 15, 2023, Board Meeting Packet
December 13, 2023, Quarterly Board Meeting Packet
April 17-18, 2024, Quarterly Board Meeting Packet
2023 Accomplishments & Activities Report
California Contractors License Law & Reference Book (2024 Edition)



Publications & Reports

California Licensed Contractor Newsletter (Summer 2023)

California Licensed Contractor Newsletter (Winter 2024)

Sunset Review Report (December 2023)

Get Licensed to Build Guide (English)

Voluntary Arbitration Guide (English & Spanish)

Mandatory Arbitration Guide (English & Spanish)

What Seniors Should Know Before Hiring a Contractor brochure (English & Spanish)

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 July 1, 2023, and April 30, 2024, PAO published 25 employee intranet articles.

Date Published	Title
7/5/2023	Valencia Investigative Center Hosts Best Breakfast Burrito Throwdown
7/13/2023	CSLB Staff Recipe Share is BACK!
7/24/2023	Celebrating Excellence: Northern California CSLB Enforcement Academy Graduation
8/7/2023	California Licensed Contractor Newsletter: Summer 2023
8/11/2023	CSLB Law Book Survey: Your Feedback Matters
9/11/2023	Tune In! CSLB's Board Meeting - September 14
9/18/2023	Licensing Division Brings Processing Times Down to Historic Low
10/4/2023	Unleash Your Potential with SOLID Training!
10/10/2023	World Mental Health Day - Grounding Techniques



Date Published	Title
10/26/2023	Acknowledging Achievement: Southern California CSLB Enforcement Academy Graduation
11/2/2023	Congratulations to the Halloween Contest Winners!
11/13/2023	Tune in! CSLB's Board Meeting
11/17/2023	Chef Wins Both Awards at 2023 CSLB Chili Cook-off
12/12/2023	Tune In! CSLB's Board Meeting – December 13
12/19/2023	CSLB Shows Staff Appreciation with Delicious Barbecue, Raffle Prizes, Games, and Holiday Cheer!
1/5/2024	Provide Your Input on CSLB's Strategic Plan Survey
1/25/2024	2024 California Contractors License Law & Reference Book Now Available
2/9/2024	California Licensed Contractor Newsletter: Winter 2024
2/12/2024	Tune In! Licensing Committee Meeting this Thursday Morning
2/27/2024	Honoring Black History Month: A Commitment to Diversity
3/5/2024	Celebrating Women in Construction Week
3/18/2024	Tune In! CSLB's Legislative Committee Meeting – March 21
4/3/2024	Spring has Sprung at CSLB – Share Your Garden Photos!
4/12/2024	CSLB's 2023 Accomplishments & Activities Report
4/15/2024	Tune In! CSLB's Board Meeting - April 17 & 18

Public Information Center Statistics

The Public Information Center includes both the Call Center and Public Counter. The next page shows the statistical updates for the Call Center from July 1, 2023, through April 30, 2024.



	July 2023	Aug. 2023	Sept. 2023	Oct. 2023	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024	Mar. 2024	Apr. 2024
Calls Received	11,548	13,104	10,034	10,478	9,344	8,677	12,026	11,259	11,215	11,790
Calls Answered	8,334	11,121	8,900	9,973	9,075	8,493	11,563	10,713	10,750	10,692
Caller Abandoned	2,531	735	735	445	262	175	423	480	422	1,065
Longest Wait Time	0:47:48	0:19:07	0:17:40	0:10:19	0:04:29	0:04:52	0:07:28	0:12:51	0:09:41	0:21:24
Shortest Wait Time	0:02:39	0:01:07	0:01:11	0:00:24	0:00:14	0:00:15	0:00:16	0:00:50	0:00:28	0:00:26
Avg. Wait Time	0:17:44	0:07:53	0:05:20	0:03:17	0:02:05	0:01:30	0:02:51	0:03:07	0:02:39	0:03:50

Public Information Center Call Data – Prior Calendar Years

Inbound Activity	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Calls Received	166,918	152,845	149,462	149,462	140,589	140,409	129,601
Calls Answered	147,074	137,270	136,776	98,044	116,304	119,693	99,706
Caller Abandoned	16,527	9,426	7,859	35,865	23,983	20,496	27,590
Avg. Longest Wait Time	0:01:36	0:10:48	0:08:33	0:46:23	0:33:56	0:34:45	0:37:13
Avg. Shortest Wait Time	0:00:12	0:01:04	0:00:48	0:04:23	0:03:11	0:01:24	0:06:49
Avg. Wait Time	0:06:46	0:04:21	0:03:34	0:25:27	0:14:38	0:11:06	0:18:26

AGENDA ITEM H-2

Review and Discussion on
Two Videos – National Association of
State Contractors Licensing Agencies’
Protect Yourself After a Disaster and
CSLB’s Tips for Hiring a Tree Trimmer



AGENDA ITEM I

Adjournment



JUNE 13-14, 2024
NEWPORT BEACH, CA



CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 2



AGENDA ITEM A

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

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

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

Board Member Roster

JOËL BARTON	DIANA LOVE
RODNEY M. COBOS	MICHAEL MARK
MIGUEL GALARZA	HENRY NUTT III
AMANDA GALLO	STEVEN PANELLI
SUSAN GRANZELLA	JAMES RUANE
ALAN GUY	THOMAS RUIZ
JACOB LOPEZ	MARY TEICHERT



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Presentation by Ken Simonson,
Chief Economist at Associated
General Contractors of America



AGENDA ITEM D

Joint Discussion with Nevada State Contractors Board (NSCB)



AGENDA ITEM D-1

Discussion Regarding CSLB and NSCB Operational and Structural Comparison

- a. License Population
- b. Cost of Original Application
- c. Renewal Cost
- d. Handyman Exemption
- e. Reciprocity/Licensure by Endorsement
- f. Number of Complaints with Solar Subset
- g. Recovery Fund/Restitution





California Contractors State License Board

Nevada State Contractors Board



AGENDA ITEM D-2

Discussion Regarding CSLB and NSCB Enforcement Activities





Discussion Regarding CSLB and NSCB Enforcement Activities

Enforcement Division Overview

CSLB's mission is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction. Two of the ways in which CSLB accomplishes this are:

- Enforcing the laws, regulations, and standards governing construction in a fair and uniform manner; and
- Providing resolution for disputes that arise from construction activities.

Enforcement staff are authorized to investigate complaints against licensees, non-licensees acting as contractors, registrants, and unregistered home improvement salespeople. CSLB administrative enforcement actions against licensees are prosecuted pursuant to the Administrative Procedure Act. In addition, CSLB may refer cases involving criminal activity to district attorneys who may prosecute these cases under the Business and Professions Code and other applicable state codes. Most Enforcement Division staff work directly on consumer complaints. The majority of complaints CSLB receives are filed by residential property owners who contracted for home improvement and repair projects. CSLB also receives complaints from members of the public, licensees, industry groups, governmental agencies, and others. These complaints cover all aspects of the construction industry. CSLB's complaint process involves several steps through which cases may pass and CSLB uses several corrective and disciplinary tools to compel compliance with Contractors State License Law.

Intake and Mediation Centers (IMC)

CSLB's two Intake and Mediation Centers (Sacramento and Norwalk) review all incoming complaints, focus on the settlement of most consumer complaints against licensed contractors, and prepare unlicensed complaints for field investigation. After a complaint is received, a Staff Services Analyst (SSA) contacts both parties and the licensee is encouraged to settle the complaint. If the complaint is not settled, and there are potential violations identified, the complaint will be referred for field investigation.

Investigative Centers (IC)

CSLB maintains 10 Investigative Centers (Sacramento North, Sacramento South, San Francisco, Fresno, Valencia, Norwalk, Orange County, West Covina, San Bernardino, and San Diego) and four satellite offices (Bakersfield, Oxnard, Redding, and Santa Rosa) that handle investigations.

First, a full review of databases for background on the licensee including prior complaint activity is completed. The background information is received from the initial complaint



and this review and a meeting with the complainant and licensee is scheduled to collect further information. Any subsequent arrests or convictions related to contractor activity are reviewed along with checking proper licenses and workers' compensation documentation. If an isolated or minor violation is established, an Advisory Notice or Letter of Admonishment may be issued.

For repeated or more serious violations, an administrative citation is issued. If the licensee contests the citation, an Informal Citation Conference is scheduled, followed by a hearing before an Administrative Law judge, if necessary. If the licensee does not prevail or comply, the license may be suspended or revoked.

For the most flagrant and/or egregious violations an accusation is referred to the Attorney General's Office with the intent to suspend or revoke the contractor's license. A hearing is scheduled before an Administrative Law judge. The licensee and the Registrar may negotiate a settlement (stipulation) prior to the hearing date. If the licensee fails to respond, the Registrar decides on appropriate action and determines the length of time the license is to be revoked or suspended. A disciplinary bond requirement and recovery of investigation and enforcement costs are established. An injunction may be filed against unlawful activity and a blatant violation may be referred for a possible criminal filing to a local district attorney. The complaint is disclosed on the CSLB website.

Quality Assurance Unit (QA)

The QA Unit is responsible for conducting random and suspect application experience claims from licensee applicants. In addition, the unit specializes in highly visible, politically sensitive investigations, such as:

- Referrals from labor compliance organizations and other stakeholder groups
- Civil wage and penalty assessments issued by the Department of Industrial Relations, Division of Labor Standards Enforcement
- Electrical Certification violations
- Subsurface excavation "Dig Alert" violations
- Cases involving media coverage

Special Investigations Unit (SIU)

The Special Investigations Unit (SIU) follows much of the same processes as the IC; however, the SIU specializes in handling criminal investigations. About 80 percent of cases assigned to the SIU are potentially criminal cases. Cases handled by the SIU typically require more time to process compared to cases assigned to the IC for a variety of reasons. For instance, many of the investigations may require a search warrant and a financial audit.



CSLB and NSCB Joint Sting

On May 29 and 30, 2024, CSLB and NSCB participated in a joint sting operation at a property located in South Lake Tahoe, California. The two-day sting operation included eight appointments and resulted in six criminal complaints that will be referred to the El Dorado County District Attorney's Office for criminal prosecution. The highest bid received was \$26,000 for a complete bathroom remodel. A supervisor and two investigators from NSCB observed the operation.

AGENDA ITEM D-3

Discussion Concerning CSLB and NSCB Legislation

a. Nevada Bills of Interest

- i. Payment and Performance Bond Requirements for Solar Contractors
- ii. Causes for Disciplinary Action Related to an Investigation by the Board
- iii. Penalty for Unlicensed Contactor Who Bids on a Project

b. California Bills of Interest

- i. SB 1455 (Ashby) Contractors State License Board
 1. Pathway to licensure for tribes
 2. Licensees pay industry expert costs
 3. Minimum fine threshold
- ii. AB 2993 (Grayson) Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer.





Discussion Regarding CSLB and NSCB Legislation

California Bills of Interest

SB 1445 (Ashby)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1455

If passed, this bill would extend the existence of the Contractors State License Board until January 1, 2029.

Also, it would authorize CSLB to seek reimbursement for Industry Expert costs when a letter of admonishment or citation is issued for incomplete or defective work. The contractor would be required to pay an Industry Expert cost, which would take into consideration CSLB's actual cost for the inspection and have a maximum cap of \$1,000.

Additionally, it would enact a statutory minimum fine that is based on the egregiousness of the violation as evidenced by the maximum already set by the Legislature and provide that minimum fines be adjusted every five years in line with the Consumer Price Index. The language for this issue is not in the bill yet but is forthcoming. The proposed minimum fines are as follows: \$500 for \$8,000 fines, \$3,000 for \$30,000 fines, and \$1,500 for unlicensed administrative citations.

Finally, it would remove barriers in the Contractors State License Law by authorizing CSLB to issue a license to a tribally owned entity. This would allow tribes to perform work that requires a contractor's license outside reservation, rancheria, or federal boundaries, while recognizing tribes' sovereignty to choose the manner in which their businesses are formed. CSLB will retain administrative authority to take disciplinary action, when appropriate.

AB 2993 (Grayson)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2993

If passed, this bill would amend the Business and Professions Code to increase the time that a buyer has right to cancel a home improvement contract from 3 days to 5 days and 5 days to 7 days (for senior citizens) starting on January 1, 2025. It would also prohibit a contractor from requesting or accepting full payment from a finance lender until the contractor has received a written confirmation from the owner acknowledging of all the following: (1) the home improvement project is completed in accordance with the contract, (2) final approval has been provided by all permitting agencies, and (3) the home improvement is operational.



Additionally, if passed, this bill would amend the Civil Code to make conforming changes related to the 3 days to 5 days and 5 days to 7 days (for senior citizens) right to cancel.

And finally, if passed, this bill would amend the Financial Code to define “Home Improvement Loan” and to prohibit lenders from releasing funds to the home improvement contractor until prescribed conditions are met.



Joint Discussion with California State License Board June 14, 2024

AGENDA ITEM #3 a

Discussion Concerning CSLB and NSCB Legislation

- i. Payment and Performance Bond Requirements for Solar Contractors
- ii. Causes for Disciplinary Action Related to an Investigation of the Board
- iii. Penalty for Unlicensed Contractor Who Bids on a Project

i. Payment and Performance Bond Requirements for Solar Contractors

NRS 624.270 Bond or deposit: Requirements; amount; conditions.

1. *If a contractor who performs work concerning residential photovoltaic systems used to produce energy:*
 - a. *Becomes licensed or renews a license pursuant to chapter 624 of NRS on or after July 1, 2025;*
 - b. *Is determined by the board to have violated one or more provisions of NRS 624.301 to 624.305, inclusive;*
 - c. *Enters into a contract on or after July 1, 2025 that is later found to be void and unenforceable against the owner under NRS 624.875 or pursuant to any regulation adopted by the board with respect to contracts for residential photovoltaic systems used to produce energy; or*
 - d. *Has five valid complaints filed against him with the board within any 15-day period,*

the contractor shall comply with the provisions of section 2.

2. *A contractor described in section 1 shall, before commencing work concerning residential photovoltaic systems used to produce energy, obtain:*
 - a. *A performance bond in an amount equal to not less than 100 percent of the amount of the contract, conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions set forth in the contract. The performance bond must be solely for the protection of the owner of the property to be improved.*
 - b. *A payment bond in an amount of not less than 100 percent of the contract. The payment bond must be solely for the protection of the persons supplying labor or materials to the contractor, or to any of his subcontractors, in carrying out the provisions of the contract.*

A bond required pursuant to this subsection must have a surety authorized to transact surety business in this state pursuant to NRS 679A.030, included in the United States Department of the Treasury's Listing of Approved Sureties, and whose long-term debt obligation are rated "A" or better by a nationally recognized rating agency. The contractor shall maintain the bond for the period required by the board. The contractor shall furnish to the building department of the city or county, as applicable, in which the work will be carried out, a copy of any bond.

ii. Causes for Disciplinary Action Related to an Investigation of the Board

NRS 624.300 Disciplinary actions against licensee; private reprimands prohibited; orders imposing discipline deemed public records; deposit of fines in Construction Education Account.

The following acts, among others, constitute cause for disciplinary action under NRS 624.300:

- 1. Any conduct by the licensee that subverts or attempts to subvert an investigation of the board.*
- 2. Threat or harassment by the licensee of any person or licensee for providing evidence in any possible or actual disciplinary action, or other legal action.*

iii. Penalty for Unlicensed Contractor Who Bids on a Project

Add a new section to NRS 624 to read as follows:

If an entity or person that is not licensed or not properly licensed pursuant to this chapter bids on a contract for a project with an aggregate worth of more than \$1,000, the Board may not issue the entity or person a license for up to one year after the bid date.

AGENDA ITEM D-4

Discussion Concerning Solar Contractors

- a. Solar Complaint Trends
- b. Consumer Awareness
- c. Enforcement Statistics
- d. Enforcement Strategies





CONTRACTORS STATE LICENSE BOARD

DISCUSSION REGARDING SOLAR CONTRACTORS

Discussion Regarding Solar Contractors

Contractors State License Board staff along with Nevada State Contractors Board staff will provide an overview of the solar construction industry, including trends in solar complaints, consumer awareness, enforcement statistics, and enforcement strategies.

CSLB Enforcement Statistics for Fiscal Year 2023-24 (through 4/30/24)

Complaints Received	16,173
• Solar Complaints	2,014
Restitution Awarded	\$31,125,494
• Solar Restitution Awarded	\$3,985,463

CSLB Multiple Offender Unit Established to Address Solar Complaints

When comparing FY 2018-2019 to FY 2022-2023, CSLB has seen a 176 percent increase in solar complaints and during this same period, the number of non-solar complaints has remained steady, even showing a slight decline. CSLB has more than 900 open solar complaints, which is more than 20 percent of all CSLB open complaints. The excessive number of solar complaints has created high caseloads for enforcement staff.

The number and egregiousness of solar complaints further contributes to a workload issue and these cases often include elder abuse, fraud, and other high priority complaint types that require prioritization over other investigations. Investigating solar complaints is often more complex and time consuming than other types of complaints.

To provide effective consumer protection and address this unsustainable increase in consumer-filed solar complaints, a Multiple Offender Unit was established in November 2023 and is comprised of a supervisor, CSLB executive staff and two volunteer special investigators, with a pending request to hire two retired annuitants with extensive CSLB investigation experience.

The goal of this new unit is to focus on solar contractors with the most open complaints, assign all of the complaints against a contractor to a single investigator, and take swift, aggressive action to persuade the contractor to resolve pending complaints and change their business models to resolve consumer concerns before their customer finds need to file a CSLB complaint. These contractors will be subject to legal action if they do not resolve their complaints in a timely manner, or continue to receive complaints, and a violation of Contractors State License Law is supported.



CSLB

SOLAR CONTRACTORS DISCUSSION

This new, aggressive approach sends a message to solar contractors receiving multiple complaints that they need to take necessary steps to prevent their contracts from resulting in a complaint to CSLB.

CSLB's Special Investigations Unit comprised of Peace Officers continues to work with local prosecutors and the Attorney General's Office to pursue unfair business practices, and criminal charges, when warranted.

Staff are confident the MOU unit with outreach and education to consumers and contractors will substantially reduce incoming solar complaints.

AGENDA ITEM D-5

Discussion Regarding CSLB and NSCB Consumer Awareness





Discussion Regarding CSLB and NSCB Consumer Awareness

Katherine White, Chief of Public Affairs of the Contractors State License Board, and Randy Escamilla, Public Information Officer of the Nevada State Contractors Board, will provide a PowerPoint presentation highlighting efforts to educate consumers about solar. They will both highlight recent news stories regarding solar issues, publications, and other resources available on the board's respective social media pages and websites. CSLB will also note how the Public Affairs Office supports the Multiple Offender Unit that is focused on solar while NSCB has a specialized Solar Investigations Unit.

AGENDA ITEM E

Adjournment

