

MARCH 19, 2026  
BUENA PARK, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Board Meeting





## **NOTICE OF PUBLIC BOARD MEETING**

Thursday, March 19, 2026, 9:00 a.m.-1:00 p.m.  
(or until the conclusion of business)

### **MEETING LOCATION**

Western States Carpenters Union  
Buena Park Training Center Room  
7111 Firestone Boulevard, Suite 137  
Buena Park, CA 90621  
(714) 571-0449

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

Members of the public can address the Board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair. All times indicated and the order of business are approximate and subject to change.

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

### **MEETING AGENDA**

**Thursday, March 19, 2025 – 9:00 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 of Certificates of Recognition

#### D. Executive

1. Review and Possible Approval of December 11, 2025, Board Meeting Minutes
2. Registrar's Report
  - a. 2025 Accomplishments and Activities Report
3. Information Technology Update
  - a. Review and Discussion on 2025 Accomplishments and Activities Report
4. Budget Update
5. Administration Update
  - a. Review and Discussion on 2025 Accomplishments and Activities Report
6. Discussion and Possible Action to Initiate a Rulemaking to Amend California Code of Regulations, Title 16, Section 832.46 (Class C-46, Solar Contractor) regarding the scope of solar contractors' authority to perform work relating to battery energy storage systems.

#### E. Legislation

1. Review and Discussion on 2025 Accomplishments and Activities Report
2. Update Regarding February 20, 2026, Industry Stakeholder Meeting
  - a. Review, Discussion, and Possible Approval of Report to Meet Reporting Requirement Pursuant to SB 291 (Chapter 455, Statutes of 2025)
3. Review, Discussion, and Possible Action on 2025-26 Board-Sponsored Legislation
  - a. AB 559 (Berman): Contractors: home improvement contracts: prohibited business practices.
  - b. SB 1263 (McGuire): Contractors: debris removal.
4. Review, Discussion, and Possible Action on Co-Sponsoring SB 784 (Durazo, 2025): Home improvement loans: right to cancel contracts.

5. Review, Discussion and Possible Action on Other Relevant 2025-26 Legislation

- a. AB 2287 (Rodriguez, Michelle): Contractors: disciplinary action.
- b. SB 342 (Umberg): Contractors: unlicensed work.

F. Enforcement

1. Review and Discussion on 2025 Accomplishments and Activities Report
2. Enforcement Program Update

G. Licensing

1. Review and Discussion on 2025 Accomplishments and Activities Report
2. Licensing and Testing Program Update
3. Review and Discussion of B-2 Residential Remodeling Survey

H. Public Affairs

1. Review and Discussion on 2025 Accomplishments and Activities Report
2. Public Affairs Program Update

I. Closed Session

1. Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: Los Angeles County Superior Court, Case No. 20STCV45568.

J. Adjournment

**Note:** The webcast can be found at [www.cslb.ca.gov](http://www.cslb.ca.gov) or on the board's YouTube Channel: <https://www.youtube.com/user/ContractorsBoard/>. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable.

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

The meeting is accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the

meeting may make a request by calling (916) 255-4000 or emailing [Katie.Carrasco@cslb.ca.gov](mailto:Katie.Carrasco@cslb.ca.gov), or by mail to 9821 Business Park Drive, Sacramento, CA, 95827. Providing your request at least five business days before the meeting will help ensure availability of the requested accommodation.



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## AGENDA ITEM A

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

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

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

### Board Member Roster

JOËL BARTON	HENRY NUTT III
RODNEY M. COBOS	STEVEN PANELLI
MIGUEL GALARZA	OMAR T. PASSONS
AMANDA GALLO	JOSEF PRECIADO
ALAN GUY	JAMES RUANE
JACOB LOPEZ	THOMAS J. RUIZ
DIANA LOVE	MARY TEICHERT
MICHAEL MARK	





## 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 Certificates of Recognition





# AGENDA ITEM D

## Executive





## AGENDA ITEM D-1

# Review and Possible Approval of December 11, 2025, Board Meeting Minutes







### Board Meeting Minutes – December 11, 2025

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

Board Chair Miguel Galarza called the meeting of the Contractors State License Board (CSLB) to order on December 11, 2025, at 1:00 p.m. at the Pople Pavillion, 250 Gateway Boulevard, South San Francisco, CA 94080.

Board Member Rodney Cobos led the Pledge of Allegiance, and a quorum was established.

#### Board Members Present

Miguel Galarza, Chair  
Joël Barton  
Rodney Cobos  
Amanda Gallo  
Diana Love  
Michael Mark  
Henry Nutt III  
Steve Panelli  
Josef Preciado  
James Ruane  
Mary Teichert

Alan Guy, Jacob Lopez and Thomas Ruiz had approved absences.

#### CSLB Staff Present

David Fogt, Registrar  
Estelle Champlain, Chief Deputy Registrar  
Rebecca May, Chief of Legislation  
Steve Grove, Chief of Enforcement  
Carol Gagnon, Chief of Licensing  
Katherine White, Chief of Public Affairs  
David Gower, Public Affairs Supervisor  
Michael Jamnetski, Special Projects Manager  
Amy Lawrence, Television Specialist  
Katie Carrasco, Executive Analyst

#### DCA Staff Present

John Kinn, DCA Legal Counsel



Board Member Comment

Chair Miguel Galarza congratulated Katie Carrasco on her recent promotion to Executive Office Analyst. He said Carrasco has been a valued member of the team for the past year and a half, serving as an Office Technician in the Executive Office. This transition establishes a dedicated role focused on providing direct support to Board Members and ensuring full preparedness for upcoming Board Meetings. Chair Galarza asked those present to join him in welcoming Carrasco to her new position and recognizing her continued contributions to the organization.

Analyst Carrasco thanked the Board and reaffirmed her commitment to providing continued support.

Chair Galarza stated that Board Members take pride in engaging with staff and supporting efforts to provide customer education. In October, he was honored to participate for the fourth consecutive year in the CSLB Senior Scam Stopper event in Fremont. During this event, the CSLB outreach team shared critical information on common scams and strategies for seniors to protect themselves.

Chair Galarza also recognized Board Member Diana Love who recently met with Enforcement Staff at the Valencia Field Office to discuss how CSLB can contribute to workforce development and create opportunities for justice within the construction industry.

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

Chair Galarza proceeded with Item B for Items Not on the Agenda and Requests for Future Agenda Items, followed by Public Comments for Future Agenda Items.

Public Comment

Richard Markuson, representing the American Society of Civil Engineers (ASCE), addressed the Board to share findings from the recently released California Infrastructure Report Card, published every five years. He noted that California received an overall grade of C- across 17 evaluated categories, which he described as concerning. Markuson emphasized that improving infrastructure requires adequate funding and a strong contractor workforce. ASCE estimates that raising California's grade to a B+ would require approximately \$10 billion in infrastructure investment. He offered to provide additional briefings on the report's development and ASCE's recommendations for encouraging infrastructure funding, stressing that the state's economic vitality depends on robust infrastructure.

Board Member Comment

Board Member Mary Teichert acknowledged the comments regarding California's infrastructure challenges and emphasized the importance of determining CSLB's role in addressing these concerns, noting it is a significant issue for all stakeholders.



**Public Comment**

Thomas Felardo, a general contractor with over 40 years of experience and long-time participant in the SWIFT program, expressed concern about recent changes to program requirements. Specifically, he questioned the new restriction that SWIFT operation sites must be located a certain distance from schools, reportedly 1,500 feet. He noted that this requirement significantly limits available locations and may undermine enforcement efforts, which he considers essential for ensuring contractors are properly licensed and protecting vulnerable populations. Felardo requested clarification on the rationale behind this change and suggested reconsideration or modification of the policy to maintain the program’s effectiveness.

**C. Presentation of Plaques or Certificates of Recognition**

Chair Galarza presented a certificate of recognition to CSLB Outreach Coordinator Kyra Hall for her outstanding public presentations and commended her for exemplifying CSLB’s mission of public service and consumer protection. Hall joined CSLB in 2019 as a student assistant, and after two years with the Department of Education, returned in 2024. Chair Galarza noted Hall has been instrumental in organizing and delivering Senior Scam Stopper presentations statewide, educating Californians on hiring licensed contractors and preventing financial exploitation. He added that Hall’s professionalism, positive attitude, and ability to connect with the public have made a significant impact.

**Board Member Comment**

Chair Galarza emphasized the value of Senior Scam Stopper events, noting that seniors often attend feeling anxious and uncertain, and are seeking reliable information. He encouraged participation in these events, describing them as worthwhile and impactful.

**D. Executive**

Chair Galarza introduced Item D, beginning with a review of the Joint and Quarterly September 5, 2025, Board Meetings and November Committee Meetings. The Chair proposed voting on the Joint and Quarterly September 5, 2025, Board Meetings Minutes as one item and the five Committee Meeting Summaries as a single item. The November Committee Meetings included Executive, Enforcement, and Public Affairs on November 17, 2025, and Licensing and Legislative on November 18, 2025.

**1. Review and Possible Approval of Board Meeting Minutes and Committee Meeting Summaries**

- a. September 5, 2025, CSLB/NSCB Joint Board Meeting Minutes**
- b. September 5, 2025, CSLB Quarterly Board Meeting Minutes**



**Motion:** To approve the September 5, 2025, CSLB/NSCB Board Meeting Minutes and CSLB Quarterly Board Meeting Minutes. Moved by Joël Barton; seconded by Rodney Cobos. Motion carried, 9-0-2.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado, and Mary Teichert.

**NAY:** None

**ABSTAIN:** Steve Panelli and James Ruane

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

Board Comment

There was no comment.

Public Comment

There was no comment.

- c. November 17, 2025, Executive, Enforcement and Public Affairs Teleconference Committee Meeting Summary**
- d. November 18, 2025, Licensing and Legislative Teleconference Committee Meeting Summary**

**Motion:** To approve the November 17 and 18, 2025, Executive, Enforcement, Public Affairs, Licensing and Legislative Committee Meeting Summaries. Moved by Henry Nutt III; seconded by Rodney Cobos. Motion carried, 7-0-4.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado.

**NAY:** None

**ABSTAIN:** Amanda Gallo, Steve Panelli, James Ruane, and Mary Teichert.

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

Board Comment

There was no comment.

Public Comment

There was no comment.



## **2. Registrar's Report**

Chair Galarza transitioned to the Registrar's Report. The Registrar presented reports on topics, including Los Angeles County disaster response, an Enforcement review and related recommendations, an update on analytical studies regarding licensing practices and resource needs, and a review and discussion of construction lending practices.

### **a. Los Angeles County Disaster Response Update**

Registrar David Fogt presented the Los Angeles County Disaster Response Update, which included a summary of CSLB's outreach, education, and enforcement efforts following the Los Angeles wildfires in January 2025. Drawing on lessons from the Camp Fire in 2018, CSLB prioritized proactive consumer education to minimize complaints. The strategy proved successful, with only 24 complaints received over the past 12 months, compared to approximately 400 after the Camp Fire. Two of these complaints involved unlicensed contractors.

Registrar Fogt noted how outreach has included key consumer protection tips, including hiring licensed contractors, ensuring contracts clearly describe the scope and timing of work, and avoiding progress payments that exceed the value of completed work. Additionally, it was noted that contracting without a license in a declared disaster area is a felony.

Registrar Fogt noted that the afternoon of December 11, Los Angeles District Attorney Nathan Hochman held a press conference announcing the arraignment of five unlicensed individuals seeking work in wildfire-affected areas, showing strong collaboration between CSLB enforcement staff and the district attorney's office.

#### Board Comment

There was no comment.

#### Public Comment

There was no comment.

### **b. Enforcement Audit Review and Recommendations**

Registrar Fogt reported on the Enforcement Audit Review and recommendations that staff provided to improve enforcement processes and training. An Executive Office team, led by Enforcement



Chief Steve Grove, reviewed 346 consumer complaint cases across 12 offices to ensure consistent application of the law and identify opportunities for streamlining investigations. Key findings included Enforcement staff valued training opportunities with CSLB continuing in-house programs and collaborating with the Department of Consumer Affairs on an enforcement academy. Registrar Fogt noted many complaints involve financial crimes, such as contractors taking payments without completing work, and that CSLB plans to hire a forensic auditor to assist with financial investigations and prepare reports for potential criminal referrals. He added the completion of the Enforcement Modernization Plan remains a priority to improve efficiency and effectiveness.

Board Comment

There was no comment.

Public Comment

There was no comment.

**c. Update Regarding Analytical Study on Unlicensed Practice and Resource Needs**

Registrar Fogt provided an update on the analytical study championed by Board Member Michael Mark, noting initial challenges when Sacramento State declined to conduct the audit. CSLB's Examination Development staff, with comparable expertise, have taken on the project internally, eliminating the need for the previously approved \$200,000 consultant contract. The study focuses on three key areas, matching contractor license records with business license data to identify patterns, reviewing approximately 5,000 annual unlicensed practice complaints to identify opportunities for improved consumer education and website resources, and examining unlicensed contractor advertisements on digital platforms, with preliminary findings indicating up to 25 percent may be unlicensed. Registrar Fogt noted the report is expected by June and will include recommendations on resource needs for public outreach and enforcement staffing. Currently, CSLB has 27 proactive SWIFT investigators for 58 counties, highlighting potential staffing gaps.

Board Comment

There was no comment.

Public Comment

There was no comment.

**d. Review and Discussion Regarding Construction Lending Issues**

Registrar Fogt addressed construction lending concerns, noting significant issues where contractors receive direct payments from lenders before completing work, leaving consumers financially obligated without leverage to ensure performance. This problem, previously seen in the solar industry, is now emerging in accessory dwelling unit (ADU) projects. CSLB staff developed a legislative proposal aimed at tightening lending practices, though such measures would fall under banking and finance rather than CSLB's jurisdiction. A meeting with the Department of Financial Protection and Innovation (DFPI) was scheduled in December to explore potential collaboration. Key concerns include ensuring consumers understand agreements signed electronically (e.g., DocuSign), requiring hard copies or notarization, and addressing "loan stacking," where multiple loans are issued for the same project. While enforcement referrals to district attorneys are possible, recovering funds for consumers remains challenging.

**Board Comment**

Board Member Steve Panelli raised concerns about payment structures for manufactured home projects, citing an example of a \$340,000 project requiring \$10,000 upfront, \$130,000 at the midpoint, and the remainder upon completion. Member Panelli noted that these payments are scheduled automatically, regardless of actual construction progress, which can leave consumers paying significant amounts, sometimes over \$150,000, without visible work being performed on-site. He questioned whether such practices are fair and transparent, emphasizing the need for oversight to ensure consumers are not financially obligated for work that has not been completed or delivered.

Registrar Fogt acknowledged the concerns raised and suggested exploring collaboration with California Building Officials to provide consumers with clearer guidance on when progress payments are made based on inspection phases and off-site construction practices. He proposed leveraging inspection processes as a model for structuring payments based on verified work completion and recommended adding related information to CSLB's website to help consumers make informed decisions.



Member Panelli highlighted additional concerns regarding manufactured housing and ADUs. He noted that while the Department of Housing and Community Development enforces standards for manufactured homes, some units installed in California do not meet local county or city codes. Member Panelli also pointed out delays in utility connections, such as electricity, water, and gas, which can render completed units unusable for months after installation. He stressed the need for consumer awareness that off-site construction may not meet California standards and urged better guidance to ensure compliance and avoid costly mistakes.

Member Panelli raised another concern about accessibility for older consumers when filing online complaints, noting that many lack the technical skills or equipment to upload documents. He suggested providing alternative options, such as live assistance or in-person support, to ensure these individuals can effectively report issues. Member Panelli emphasized that face-to-face interaction often builds trust and clarity, particularly for seniors who may feel uncomfortable or misunderstood using digital platforms.

Registrar Fogt clarified that consumers currently have the option to mail supporting documents, such as contracts and payment records, which CSLB staff then scan for inclusion in complaint files. There are no plans to discontinue this practice. The Board is exploring additional options for consumers who prefer to submit documents electronically, while ensuring privacy and proper tracking for investigative purposes. Additionally, CSLB continues to prioritize in-person engagement, with staff conducting site visits and meeting directly with consumers to review concerns.

Board Member Henry Nutt III recommended tying consumer payments to verified installation progress to prevent upfront overpayments. He proposed requiring an independent evaluation of work completed (e.g., 30 or 50 percent) to trigger corresponding payments, thereby aligning disbursements with measurable milestones. Member Nutt III cautioned that large upfront payments can leave contractors cash-positive without sufficient incentive to complete projects, underscoring the need to link progress payments directly to documented work performed.

Registrar Fogt said there is consumer protection messaging regarding the prohibition that contractors do not request or accept payments exceeding the value of materials and work performed. In investigations, CSLB's Industry Expert Program typically assesses



whether payments align with completed work and whether sufficient contract balance remains for the consumer to hire another contractor to finish the project. Registrar Fogt underscored the need for clearer consumer guidance to evaluate payment schedules, noting a common issue where contracts highlight the \$1,000 deposit cap yet require a subsequent payment of up to 70 percent of the contract price, which far exceeds the value of work performed.

Member Panelli stressed the challenges of enforcing control over construction projects when work is performed outside California. While the state can regulate activities within its borders, it has little authority over projects executed in other states, even if they involve contracts tied to California.

Registrar Fogt shifted focus to the Berman bill, noting that the Board sponsored legislation last year that was incorporated into that bill. He emphasized that efforts are ongoing to make the bill more beneficial to consumers, and the ideas being discussed will be considered in that process.

Member Mark referred to the audit of 346 enforcement cases and highlighted the importance of staffing considerations, specifically hiring a forensic auditor to address white-collar crime in the construction industry. He suggested incorporating this into the upcoming strategic plan and proposed another audit to strengthen enforcement against violations. Additionally, Member Mark noted that forensic auditors could uncover issues like wage underpayment and refer such findings to appropriate agencies, such as the Division of Apprenticeship Standards or district attorney offices, ensuring deeper scrutiny of contractors' financial records when complaints arise. Member Mark expressed appreciation for the hard work on the study and noted that progress is on track with the Enforcement Committee's Strategic Plan. He thanked Registrar David Fogt and staff for their efforts.

#### Public Comment

Thomas Felardo, who develops ADUs, agreed with the previous points, emphasizing that many projects are not up to code in certain areas. He highlighted issues with progress payments, noting that current practices often lack clear percentage-based structures, leading to large, uneven payments. Felardo suggested implementing a system where independent inspectors or contractors verify work completion, similar to how banks handle major construction loans, to ensure payment amounts align with actual progress.



Board Member Comment

Member Panelli explained that banks handling large-scale projects, like high-rise buildings, release funds incrementally based on verified progress and signed approvals, rather than paying the full loan upfront. He contrasted this with ADU projects built off-site in factories, where homeowners and inspectors cannot directly observe progress, relying instead on schedules that may be delayed. Member Panelli said this lack of visibility creates challenges compared to on-site construction, where progress and compliance are easily verified through inspections and signatures.

Chair Galarza acknowledged that there has been substantive discussion during the meeting and suggested considering whether it would make sense to take further action or next steps based on the topics covered.

Registrar Fogt suggested that, given the pending bill and enforcement efforts, it may be worth considering additional legislation or collaborative solutions to address the issues discussed. He encouraged the group to work together to solve these problems.

Chair Galarza invited those interested in serving on a committee or group to discuss the matter before the meeting ends.

Public Comment

There was no comment.

**3. Advisory Committee Reports**

**a. Update Regarding Muralists Exemption Resulting from Senate Bill 456 (Ashby)**

Member Love reported on the Muralist Exemption Advisory Committee meeting held on November 7 to discuss SB 456, a new law effective January 1 that exempts muralists from contractor licensing when applying murals. The discussion clarified that the exemption covers activities directly related to creating the artwork, such as sealing, base coats, and protective coatings, but excludes structural repairs or installing fixed scaffolds, which require a licensed contractor. A stakeholder meeting on December 9 confirmed these interpretations and recommended CSLB issue an industry bulletin to clarify the exemption's scope for muralists, contractors, and public agencies. A draft bulletin was provided to the board for review.



Board Member Comment

Member Nutt discussed the advisory meeting, noting it was highly informative and clarified the nuances of mural work. He appreciated learning about the preparatory steps and conservation efforts, which are more aligned with art preservation than construction. Member Nutt also expressed confidence that the draft bulletin clearly defines the boundaries of the exemption and resolves any prior doubts.

Public Comment

There was no comment.

**b. Review and Discussion of IT Advisory Committee Recommendation Regarding CSLB Mobile Application and Enforcement Modernization Plan**

Chair Galarza thanked the Board Members for the briefing and transitioned the meeting to IT Advisory Committee Chair Nutt.

Committee Chair Nutt reported that the IT Advisory Committee met on November 17 to review ongoing and upcoming projects. The sole owner online application project is nearing completion, with a planned launch in spring 2026. The committee also discussed future priorities, including a possible mobile app and the Enforcement Modernization Project. He noted feedback from Nevada’s Board indicated low mobile app adoption, as most users prefer using the Board’s website. A demonstration of the enforcement project’s proof of concept showcased workflow automation for intake and case management. Chair Nutt noted once the sole owner application is launched, staff will assess its impact and explore expanding online services to partnerships, corporations, and LLCs.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**4. Information Technology Update**

Chair Galarza announced the next agenda item: the Information Technology Update and introduced Chief Deputy Registrar Estelle Champlain to present the update.

Chief Deputy Registrar Champlain stated that the IT Division successfully completed the Windows 11 upgrade in early November, becoming the first



DCA Board to do so, with zero downtime and no increase in service desk tickets. She noted the cloud-based Enterprise Document Management System (EDMS), implemented in May, has improved workflow efficiency, security, and record tracking, exceeding staff expectations. Future initiatives, including the Enforcement Modernization Project, will be built on the EDMS platform for consistency and cost-effectiveness. Chief Deputy Registrar Champlain shared the sole owner online application project remains on track for a spring 2026 launch. The IT team maintained progress during leadership transitions, and CSLB is in progress of hiring a new IT chief.

#### Board Member Comment

Member Nutt added that having access to real-time data and insights from the model was extremely helpful in avoiding unnecessary work and expenses. It allowed the team to focus on features that users actually utilize, ensuring resources were used efficiently and preventing wasted time and money.

#### Public Comment

There was no comment.

### **5. Budget Update**

Chair Galarza moved to the next agenda item, the Budget Update, and introduced Chief of Legislation Rebecca May to present the update.

Chief May reported CSLB's authorized budget for the fiscal year 2024-25 is \$83 million, with year-end projections at \$96 million. Revenue collections reached \$481 million, a 2.3 percent increase from the prior year. The current fund balance is \$56.8 million, projected to grow to \$62 million by end of the year, equating to about eight months of reserves. Chief May noted the Construction Management Education Account continues to see increased donations, and grant disbursements were approved to rise from \$175,000 to \$225,000. Statistical summaries show a nearly 10 percent increase in original licenses issued and a 1.7 percent rise in renewals compared to two years ago.

#### Board Member Comment

Member Mark commended Budget Manager Stacey Paul for maintaining strong reserves, noting that the current eight-month reserve is excellent. He also acknowledged the legislative change effective January 1, which increases the reserve cap from six months to twelve months.

#### Public Comment

There was no comment.



## **6. Administration Update**

Chair Galarza proceeded to the next agenda item, the Administration Update, and noted that Chief Deputy Registrar Champlain would present the update.

Chief Deputy Registrar Champlain reported CSLB averaged 30 vacancies out of 423.5 authorized positions in Quarter 1 (July-September), a 7 percent vacancy rate slightly above the 5 percent goal. Recruitment efforts continue, especially for hard-to-fill positions in high-cost areas. The Career Development and Mentoring Program Steering Committee outlined 2026 training goals focused on team dynamics, classification-specific courses, employee development, and leadership training. A supervisor's toolbox is being developed for CSLB's intranet, including training resources, performance appraisal examples, and corrective memo templates, with completion expected in December.

### Board Member Comment

Member Love asked if the fiscal year runs July 31 through September.

Chief Deputy Registrar Champlain clarified that the fiscal year starts on July 1 and goes through June 30 of the next year.

### Public Comment

There was no comment.

## **E. Legislation**

Chair Galarza moved to Legislation, presented by Legislative Committee Chair Joël Barton.

### **1. Review and Discussion Regarding Section 100 Rulemakings**

Chair Barton introduced agenda items regarding Section 100 rulemakings, which allow CSLB to make minor or non-substantive changes to the California Code of Regulations (CCR) without going through the full rulemaking process. In 2025, CSLB staff completed two Section 100 rulemakings, supporting the Board's Strategic Plan goal to review and amend regulations for clarity and currency. These changes have already been approved by the Office of Administrative Law and are currently in effect, so no Board action was requested.



**a. CCR Sections 831 and 883 – Updated Gender References**

Chief May outlined that staff received approval for two Section 100 rulemakings in 2025. Item 1A updated gender references in CCR sections 831 and 883 from “he/his” to “they/their,” effective June 26, 2025.

**b. CCR Sections 827 and 828 – Removed Outdated Licensing Processing Times**

Chief May stated Item 1B removed outdated licensing processing times in CCR sections 827 and 828, which were unnecessary after a 2003 statute repeal. Current regulations already specify timelines: notification upon receipt, a 5-day window for incomplete applications, and 115 days to determine eligibility. Licensing processing times are also posted weekly online. Additionally, the term “salesman” was updated to “salesperson.” This change became effective December 7, 2025.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

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

Chair Barton proceeded to review and discussion of 2025 board-sponsored legislation, starting with AB 521. This bill clarifies that CSLB is not liable for attorney fees or civil claims related to a contractor’s cash deposit filed in lieu of a license bond. AB 521 was signed into law and becomes effective January 1, 2026. Staff requested no Board action and Chief May provided an update on implementation.

**a. AB 521 (Chapter 265, Statutes of 2025) Bond deposits: liability for legal fees and costs.**

Chief May reported the implementation of AB 521 will be straightforward. CSLB staff will notify the supervising assistant attorney general so they can inform licensing and enforcement teams. Additionally, Public Affairs staff will include a summary of AB 521 in the next newsletter.

Board Member Comment

There was no comment.



Public Comment

There was no comment.

**b. AB 559 (Berman, 2025): Contractors: home improvement contracts: prohibited business practices.**

Chair Barton described the AB 559 (Berman) proposes adding ADUs to the definition of home improvement under contractor state license law. It also specifies that individuals violating progress payment provisions causing financial harm to customers could face a \$10,000 fine and possible license revocation. The bill faced opposition from ADU manufacturers concerned that down payment restrictions could negatively impact off-site custom building. As a result, the author designated AB 559 as a two-year bill to allow time to address these concerns before moving forward.

Chief May shared that staff met with the lead opposition, the Casita Coalition, on November 13 to explore legislative ideas to reduce consumer harm in the ADU industry. Suggestions included requiring payment and performance bonds or creating managed fund controls for ADU projects. Non-legislative improvements were also discussed, such as updating CSLB's ADU video, improving website accessibility, and issuing a consumer bulletin on safe hiring practices. No consensus was reached, but staff will continue working with the author and stakeholders to seek compromise. Staff recommended no Board action today and will provide updates.

Board Member Comment

*Due to technical difficulties some comments were not captured.*

Member Panelli highlighted that manufacturers are resisting regulations on progress-based payments because these rules would restrict their control over funds tied to project milestones. He prefers payment terms to be governed by individual contracts rather than standardized regulations, allowing them flexibility in managing production and progress without external mandates.

Board Chair Galarza suggested that legislators should consider whether strict regulations are necessary to prevent potential abuse by bad actors, even if such cases stem from past issues. He implied that oversight could serve as an alternative to unchecked spending or mismanagement during project progress.



Committee Chair Barton said he and Chief May plan to meet with legislators in February to present these concerns and explore possible solutions.

Board Chair Galarza emphasized that the intent is not to impose blanket control or assume wrongdoing by all parties. Instead, the focus is on addressing specific concerns about bad actors without painting everyone with a broad brush.

Public Comment

There was no comment.

**c. SB 291 (Chapter 455, Statutes of 2025): Contractors: workers' compensation insurance.**

Committee Chair Barton stated that SB 291, signed into law and effective January 1, 2026, increased penalties for filing false workers' compensation exemptions. The bill also directs the Board to assess the feasibility of creating an evidence-based process for determining exemption eligibility. It does not change the requirement for all licensees to carry workers' compensation insurance and confirms the end of the existing exemption by January 1, 2028. No Board action was requested on this item.

Chief May explained that the primary challenge in implementing SB 291 is determining how CSLB can verify eligibility before granting a workers' compensation exemption and reporting findings to the legislature by the end of 2026. Since the bill's passage, the Workers' Compensation Advisory Committee and Legislative Committee have recommended holding stakeholder meetings to define exemption criteria and preparing a draft report for legislative review, consulting with the State Compensation Insurance Fund, Department of Insurance, and Department of Industrial Relations to evaluate their pre-qualification models, and assessing the feasibility of application and renewal fees to fund eligibility reviews and compliance audits, supported by a workload analysis. Staff will also need to promulgate regulations for new penalty amounts, update the website and materials, and provide ongoing updates at future Board meetings.

Board Member Comment

There was no comment.

Public Comment

There was no comment.



**d. SB 779 (Chapter 233, Statutes of 2025): Contractors: civil penalties.**

Chair Barton stated SB 779 establishes or increases minimum civil penalties (enforcement fines) on citations and raises CSLB’s reserve fund cap from six months to 12 months. Implementation of the increased minimum fines is delayed until July 1, 2026, to align with the start of the fiscal year. No Board action was recommended on this item.

Chief May confirmed that Enforcement managers will notify staff about the increased minimum civil penalties and update procedure manuals accordingly. Staff will track administrative law decisions that reduce penalties below statutory minimums. Public Affairs will update CSLB’s website, revise printed materials, and issue an industry bulletin. Additionally, SB 779 requires staff to promulgate regulations to reflect updated minimum fine amounts.

Board Member Comment

Member Panelli asked whether a contract would be considered null and void if a required provision was omitted from the contract and then a complaint was filed, particularly in the context of someone wanting to cancel the agreement.

*Due to technical difficulties some comments were not captured.*

Registrar Fogt explained that failing to include required information in a contract can lead to two major issues: disciplinary action for noncompliance and difficulty pursuing restitution through the courts. If a contractor sues a customer, the consumer could argue they were not given proper cancellation rights, which would be an administrative violation and could also impact civil court proceedings.

Public Comment

Thomas Felardo inquired whether it’s 3 days, 10 days, or another period for cancellation rights.

Board Member Comment

Chief May stated this requirement was not changed by the recent bill.

**3. Review, Discussion, and Possible Action on 2025 Bill Implementation (non-sponsored)**

Chair Barton stated that AB 1002, effective January 1, 2026, authorizes the Attorney General to petition the court to deny licensure or renewal for contractors or qualifying individuals who fail to pay workers full wages, do not



satisfy wage judgments, or violate wage payment orders. The Attorney General must notify CSLB before initiating such action, and CSLB may intervene or collaborate in the proceedings. If the Attorney General and/or CSLB action prevails, CSLB retains sole authority to suspend, revoke, or deny licensure or renewal. No Board action was requested on this bill.

**a. AB 1002 (Chapter 567, Statutes of 2025): Contractors: failure to pay wages: discipline.**

Chief May explained that Enforcement managers will ensure key enforcement staff are informed about the new law and update procedure manuals as needed. Public Affairs will issue an industry bulletin reminding licensees to comply with wage payment requirements.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**b. AB 1327 (Chapter 348, Statutes of 2025): Home improvement and home solicitation: right to cancel contracts: notice.**

Chair Barton moved to AB 1327, effective January 1, 2026, which requires home improvement contracts to include the contractor’s email address and permit buyers to cancel the contract via email. The contract must also provide a telephone number to help buyers locate and complete the “Notice of Cancellation.” If the notice is not included or attached to the contract, buyers may file a complaint with CSLB. Staff recommends no action on this bill at this time.

Chief May explained that to implement AB 1327, enforcement managers will inform key enforcement staff about the new home improvement contract disclosure requirements and update procedure manuals as necessary. Public Affairs staff will revise CSLB’s website and related materials to reflect these changes. Additionally, PAO staff will issue an industry bulletin to educate licensees on the new requirements.

Board Member Comment

There was no comment.



Public Comment

There was no comment.

**c. SB 456 (Chapter 758, Statutes of 2025): Contractors: exemptions: muralists.**

Chair Barton reported that SB 456, effective January 1, 2026, creates an exemption from contractor licensure for artists who paint murals. Staff recommended no action from the Board on this bill, as previously discussed during the Executive Update.

Chief May said to implement SB 456, Public Affairs staff will finalize and distribute an industry bulletin by the end of the year and update CSLB's website and other materials to reflect the new mural artist exemption. Enforcement managers will notify enforcement staff of the exemption and update procedure manuals as needed.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**d. SB 517 (Chapter 585, Statutes of 2025): Home improvement contract requirements: subcontractors.**

Chair Barton discussed SB 517, effective January 1, 2026, which requires contractors to disclose the names, contact information, license number, and classification of any subcontractors in a home improvement contract upon request. The bill also clarifies that the prime or direct contractor remains ultimately responsible for the construction project. Staff recommended no action by the Board on this bill.

Chief May said to implement SB 517, enforcement managers will ensure staff are informed of the new home improvement contract requirements and update procedure manuals as needed. Public Affairs staff will conduct consumer and industry outreach, update CSLB's website and related materials, and distribute an industry bulletin detailing the new requirements.

Board Member Comment

Member Mark discussed the subcontractor request, asking whether this must come from the homeowner and is not automatically included in the contractor's standard contract.



Chief May explained the home improvement contract must state that the homeowner has the right to request this information.

Member Mark suggested while implementing this proposal, CSLB staff may want to consider issuing two separate bulletins. He suggested a contractor bulletin explaining that subcontractors may be provided upon homeowner request and that contracts must clearly state the homeowner's right to request this, along with a consumer bulletin, informing them that they have the right to request subcontractor information in their home improvement contract and can make this request directly to their prime contractor.

Public Comment

There was no comment.

**4. Review, Discussion, and Possible Action on 2026 Proposed Legislation**

Chair Barton proceeded to the next agenda item about two legislative proposals for consideration. By sponsoring these proposals, the Board authorizes staff to identify a legislator to carry the legislation on CSLB's behalf.

**a. Proposal to Add Business and Professions Code Section (BPC) 7058.9 – Require Hazardous Substance Certification Prior to Conducting Debris Removal.**

Chief May shared the first legislative proposal for the Board's consideration, which relates to debris removal during a declared disaster. This proposal is similar to SB 641 (Ashby), which CSLB supported last year but was ultimately vetoed due to unrelated provisions. The proposed legislation would specify that contractors may not engage in debris removal, including muck-out or ash-out, in a declared disaster area unless they hold an A - General Engineering Contractor license, a B - General Building Contractor license, or both a C-12 Earthwork and Paving classification and a C-21 Building/Moving Demolition classification. Additionally, contractors must pass CSLB's Hazardous Substance Removal Certification examination and comply with HAZWOPER requirements established by the Department of Industrial Relations. These requirements aim to ensure worker safety and mitigate health and environmental hazards caused by improper debris removal and disposal practices.



Chief May noted the proposal does not change existing law for debris removal outside disaster declarations. Staff respectfully requested that the Board consider sponsoring this proposal.

Board Member Comment

Board Member Amanda Gallo asked why the bill was vetoed.

Chief May stated the previous bill, SB 641, was much broader than the current proposal and was vetoed because of unrelated provisions, including licensing waivers during disasters for other Department of Consumer Affairs programs and state funding issues. The veto was not due to the CSLB-specific portion now being proposed.

Public Comment

Thomas Felardo asked whether the proposal is related to air quality control or asbestos concerns in disaster situations.

Board Member Comment

Chair Barton confirmed that would be correct.

**Motion:** To approve the Proposal to Add Business and Professions Code Section (BPC) 7058.9 – Require Hazardous Substance Certification Prior to Conducting Debris Removal. Moved by Miguel Galarza; seconded by James Ruane. Motion carried, 11-0.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

**b. Proposal to Amend BPC 7075.1 – Clarify Conditions for Possible Reissuance or Reassignment of a License Number.**

Chair Barton moved to the next item, and asked Licensing Chief Carol Gagnon to present the second legislative proposal.

Chief Gagnon explained the second proposal concerns clarifying rules for reissuing contractor license numbers when a business



changes its corporate structure, such as moving to another state, merging, or converting entity types. She noted older license numbers are valuable because they reflect stability and help complete ongoing projects. Current law restricts when a license number can be reassigned for consumer protection, but ambiguities often prevent CSLB from transferring numbers, causing licenses to expire or require reapplication. Chief Gagnon stated this issue frequently arises when companies relocate and change state registration, resulting in license cancellation. The proposed clarification would protect businesses from losing long-established license numbers, ensure continuity for active projects, and help CSLB assist licensees through entity changes. Staff requested the Board's support to pursue this statutory change.

Board Member Comment

*Due to technical difficulties some comments were not captured.*

Chief Gagnon explained that clarifying the law would make the process easier for both licensees and CSLB staff and prevent situations where companies move to another state for tax purposes and unexpectedly receive a license cancellation notice after their Secretary of State registration ends.

Member Teichert asked whether the recommendation is to develop a legislative proposal that would then be reviewed and resubmitted for consideration.

Chief Gagnon confirmed they would draft language for the proposal and present it to the Board for review and discussion at a future meeting.

Member Teichert stated corporate restructuring does not change the core identity or operations.

Chief Gagnon expressed her agreement of its importance.

Registrar Fogt explained this issue arose due to frequent calls to CSLB from contractors confused about when a license number can be reissued. The goal is to prevent unnecessary suspensions and expired licenses caused by corporate status changes, such as moving to another state. CSLB intends to work with industry and license services to clarify the law and ensure contractors can maintain active licenses during restructuring.

**Public Comment**

Kim, a representative from License Experts LLC, noted that current law (BPC 7075.1) and CSLB's website already outline when a license can be reissued and the steps required, such as submitting a written request specifying the condition (e.g., merger or subsidiary changes), along with an original application and fees. Applicants must also provide documentation, like Secretary of State records, to verify the corporate changes. Kim emphasized that older license numbers are valuable and should remain eligible for reassignment as long as requirements are met and the application process is followed.

**Motion:** To approve the Proposal to Amend BPC 7075.1 to Clarify Conditions for Possible Reissuance or Reassignment of a License Number. Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

**5. Review, Discussion, and Possible Action on 2026 Proposed Non-substantive Updates to Contractors State License Law**

- a. Business and Professions Code (BPC) Section 7026.12 – Remove Cross Reference to Repealed Statute.**
- b. BPC Section 7071.18 (b) – Remove Obsolete Study Requirement.**
- c. BPC Section 7074 (b) – Remove Reference to Exam Fee Collection.**  
**BPC Section 7139.3 (c) – Update Construction Management Education Account Advisory Committee Membership**

Chair Barton proceeded to the final legislative agenda item, which involves reviewing proposed non-substantive updates to Contractors State License Law for 2026. Each year, the Senate Business, Professions and Economic Development Committee introduces an "omnibus" bill to make small, non-controversial, no-cost updates across programs under the Department of Consumer Affairs. This bill offers CSLB an opportunity to correct errors or



inconsistencies in Contractors Law, reducing confusion for staff and the public and improving compliance among licensees and applicants.

Chief May reported staff have identified four minor, non-substantive updates to the Contractors Law and seek approval to submit them for inclusion in the Senate Business, Professions, and Economic Development Committee's 2026 omnibus bill. The first update removes an obsolete cross-reference in BPC 7026.12 related to fire protection systems, as BPC 7026.13 was repealed in 2017. The second deletes a completed study requirement from SB 465 (2016) regarding reporting construction defect claims, which has already been submitted to the Legislature and remains available online. The third eliminates outdated language about rescheduling exam fees, as applicants now pay fees directly to PSI under the Board's sunset bill. Lastly, the fourth update revises BPC 7139.3 to reflect the merger and name change of two Construction Education Management Account advisory committee member organizations into United Contractors. Staff request the Board's support for these technical corrections.

#### Board Member Comment

Board Member Josef Preciado asked whether the last recommendation involves updating the name of an organization on the Construction Management Education Account Advisory Committee and ensuring the list of member organizations is accurate. He raised a concern about whether these changes could result in an even number of committee members, which might lead to split votes (e.g., 5-5). Member Preciado asked whether any adjustments or recommendations should be made to avoid potential deadlocks in decision-making.

Chief May acknowledged that if the committee's membership changes lead to an even number of voting members, any resulting voting deadlocks would represent a substantive issue rather than a minor technical correction.

*Due to technical difficulties some comments were not captured.*

Special Projects Manager Michael Jannetski shared the committee currently has 10 member organizations due to the merger, and this has been the case for some time. While splits have occurred, adding or removing an organization to address voting balance would be a substantive change. The current recommendation is limited to updating the law to reflect the merged association's correct name, without altering the number of members.

#### Public Comment

There was no comment.



**Motion:** To approve four minor, non-substantive updates to the Contractors Law, to submit them for inclusion in the Senate Business, Professions, and Economic Development Committee’s 2026 omnibus bill. Moved by Mary Teichert; seconded by Rodney Cobos. Motion carried, 10-0-1.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado, James Ruane and Mary Teichert.

**NAY:** Steve Panelli

**ABSTAIN:** None

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

*The Board took a 10-minute break at 2:45 p.m. and reconvened at 2:55 p.m.*

## **F. Enforcement**

Chair Galarza proceeded to the Enforcement agenda items. Enforcement Committee Chair Mark was given the floor to lead this next section.

Chair Mark reported the first item on the Enforcement agenda was the Enforcement Program Statistical Update, starting on page 151 of the packet. While the packet contains a detailed statistical report, Enforcement Chief Grove provided key highlights during the meeting.

### **1. Enforcement Program Update**

Chief Grove shared three key cases from the statistical update. First, a San Diego solar installation complaint was successfully mediated, resulting in a \$32,000 settlement after roof damage and misrepresentation of energy offset capabilities were discovered. Second, a church construction project in Paradise failed after a \$1 million contract was left incomplete, causing \$404,989 in financial injury and operational setbacks. CSLB pursued disciplinary action, leading to license revocation and restitution requirements. Third, in Calistoga, a swimming pool contractor’s CEO diverted funds after the license was suspended, prompting license revocation, HIS registration cancellation, and referral for criminal prosecution, with an arrest warrant issued.

Chair Mark reported the Enforcement Division staffing and operational metrics for January 1 through October 31, 2025. During this period, 16,892 complaints were initiated, with a pending caseload of 5,484, exceeding the



optimum maximum of 4,895. The Intake Mediation Centers secured \$26.5 million in restitution, while CSLB-sponsored arbitration ordered an additional \$2.7 million. The Board aims to resolve all but 100 complaints within 270 days while 196 exceeded that timeframe, and supervisors are actively working to reduce aged cases.

Chair Mark stated that Enforcement was proactive by SWIFT's 26 sting operations, 352 sweep days, and 524 tips, resulting in 2,252 cases closed, with 664 leading to legal action and 891 advisory notices. Fewer stings occurred due to SWIFT's wildfire recovery support early in the year. Lastly, the Experience Verification Unit conducted 378 application investigations, with 187 approved, 73 withdrawn, 114 denied, and 4 appeals. No action was required of the Board.

#### Board Member Comment

Chair Mark highlighted the positive impact of proactive enforcement efforts in wildfire zones. Earlier, Registrar Fogt reported only 25 complaints related to recent fires, which contrasts with past disasters. This improvement is attributed to staff's proactive presence in southern California, preventing unlicensed contractors from operating in affected areas. Chair Mark also noted that during a prior tour, they observed how outreach and coverage standards helped educate consumers about avoiding unlicensed contractors.

#### Public Comment

There was no comment.

### **G. Licensing**

Chair Miguel Galarza moved on to the Licensing items. Licensing Committee Chair Nutt was asked to provide the licensing update.

#### **1. Licensing and Testing Program Update**

Chair Nutt presented the Licensing and Testing Division update with assistance from Chief Gagnon. CSLB received over 12,000 applications last quarter (July-October), including nearly 5,000 for new licenses, 900 qualifier replacements, and 2,000 Home Improvement Salesperson additions. All processing times remained close to or under 3 weeks. Over 29,000 renewal applications were processed, and about 90 contractors affected by LA-area fires utilized the governor's executive order to defer renewal fees. Staff began contacting them in December for payment instructions. Nearly \$30 million more was recovered in 2024 compared to the prior year from the Judgments Unit, and staff remain current on judgments, liabilities, and bond claims.



Chief Gagnon reported CSLB had a record-breaking year, administering over 59,000 exams between November 2024 and October 2025, including 87 in Oregon and 181 at out-of-state centers. The Exam Development Unit released updated exams for C-5 Framing and Rough Carpentry and C-35 Lathing and Plastering, with six more item banks ready for PSI programming and nine additional exams in development. EDU is updating all code-based item banks to reflect the new Title 24 California Building Codes by January 2026.

Chief Gagnon noted Licensing staff are digitizing blueprint booklets used in trade exams to improve security and reduce costs with C-15 Flooring and C-55 Water Conditioning exams fully digitized and 19 more trades in development. CSLB also continues efforts to reduce language barriers: over 11,000 Spanish exams were administered between August 2024 and July 2025, primarily Law and Business, B-General Building, C-33 Painting, and C-39 Roofing.

#### Board Member Comment

Member Panelli inquired whether a Spanish-language version of the C-10 Electrical exam is available.

Chief Gagnon confirmed that there is currently no Spanish version of the C-10 Electrical exam. When the list of exams for translation was prioritized, Electrical ranked around 11th or 12th, so it has not yet been translated but remains on the list for future consideration.

Member Panelli asked if CSLB was currently working on the Spanish version of the C-10 Electrical exam.

Chief Gagnon explained that translating the C-10 Electrical exam is in progress but has been delayed due to limited resources. Currently, CSLB has only one exam specialist fluent in Spanish, who handles all translations and exam version creation. With ten exams pending translation, the workload is significant, and hiring another specialist would accelerate the process.

Member Barton noted that one challenge with translating exams into Spanish is the complexity of language nuances, such as writing style, interpretation, and slang, which makes selecting the correct words difficult.

Chief Gagnon shared that initial exam translations were done by a professional company but came back in European Spanish, which was unsuitable for California candidates. The in-house bilingual specialist



retranslated all 10 item banks into Latin American Spanish, the most commonly used variant in California. Similarly, application instructions and waiver forms have been translated by certified bilingual staff to ensure clarity and reduce language barriers.

Board Chair Galarza praised the CSLB team for their excellent work and highlighted how impressive it was that staff could navigate language challenges by discussing phrases and concepts in English when Spanish equivalents were unclear.

Member Barton noted that some technical items may not have direct Spanish equivalents, requiring staff to creatively bridge language gaps during translation.

Committee Chair Nutt expressed appreciation for the language accessibility efforts and questioned whether these challenges are unique to California or if similar scenarios occur in other states.

Chief Gagnon stated that other states face similar language challenges, with different languages being more prevalent, such as French in the Northeast. Regardless of the language, the shared goal is to make licensing processes accessible and reach a broader population of candidates.

Chair Nutt acknowledged that the discussion effectively addressed the complexities and nuances of language accessibility, highlighting its importance and relevance to the broader conversation.

Member Teichert asked whether AI tools, such as ChatGPT or cloud-based solutions, could be used to perform an initial pass on exam translations to save time, allowing staff to review and refine rather than develop translations from scratch.

Chief Gagnon explained that CSLB has explored using AI for initial translations, but strict DCA controls limited access to AI tools to prevent exam content from being exposed or shared externally. The process is still under review to determine when and how AI could be safely used. Even with AI assistance, translations require extensive human oversight, peer review, version checks, and test center validation, making bilingual staff essential for accuracy and ongoing updates.

Member Teichert suggested that if AI could handle the initial translation, the bilingual specialist could focus on reviewing and editing instead of doing all



the work from scratch. This approach might allow more exams to be translated with the same resources.

Chief Gagnon explained that while AI-assisted translation could help in theory, the main burden for the bilingual specialist is not just translation but coordinating subject matter expert workshops and reviewing technical content for accuracy. California benefits from having many bilingual SMEs willing to assist but managing 10 exams is still a heavy workload for one person. Although the team is currently limited, they continue to consider options for expanding capacity in the future, especially for high-priority exams like C-10 Electrical.

Chair Nutt emphasized that while AI has barriers, it's important to continue exploring its potential and investigate viable options to improve efficiency in exam translation processes.

Public Comment

There was no comment.

**2. Review, Discussion and Possible Action to Award Construction Management Education Account Grants**

Chair Nutt moved to the next agenda item. Each year, the Board reviews and approves Construction Management Education Account grant awards funded by voluntary licensee contributions. For 2026, the Department of Consumer Affairs approved increasing disbursement authority from \$100,000 to \$225,000, allowing more funding for institutions offering construction management education. This year, five public colleges submitted applications and will share the \$225,000, as recommended by the Construction Management Education Advisory Committee.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**Motion:** To direct staff to distribute the 2026 CMEA grant awards to the identified colleges according to the staff recommendation, based on approval from the Department of Finance to expend \$255,000 from the CMEA account. Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0.



**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

Board Comment

There was no comment.

Public Comment

There was no comment.

**3. Review and Discussion Regarding Surveying B-2 Residential Remodeling Contractors for Contracting and Licensing Goals**

Chair Nutt proceeded to the next item, involving the B-2 Residential Remodeling trade, which was introduced in August 2021. The trade was created to provide a licensing pathway for contractors with multi-trade experience who could not qualify for the B-General Building license due to lack of structural or framing experience. Unlike the B license, which requires structural work and allows building homes and commercial structures, the B-2 license permits work in three or more unrelated trades outside walls and excludes structural work. Since its launch, over 1,300 B-2 licenses have been issued, but these contractors cannot gain the experience needed to upgrade to a B license. To address this, staff proposed surveying B-2 contractors to determine their goals, with results expected by March 2026. If many seek a pathway to a B license, options include creating a new certification allowing limited structural work (e.g., garages, sheds) under strict requirements.

Board Member Comment

Member Panelli supported conducting the survey but raised concerns about the proposed pathway for B-2 contractors to gain experience for a B license. He argued that allowing work on small structures like sheds does not ensure meaningful or inspected experience, unlike apprenticeships or supervised work, and questions how CSLB would verify competency before granting a B license. Additionally, Member Panelli noted inconsistencies in the B-2 scope: while the trade was created for handypersons doing multi-trade work such as changing plumbing fixtures, the current rules prohibit altering electrical, plumbing, or mechanical systems.



Chief Gagnon said she did not have the description in front of her.

Member Panelli clarified he was simply reading the description as written, emphasizing that his comments were based on the wording in the document rather than personal interpretation.

Chief Gagnon noted that if the survey results indicate a need for a certification pathway, the Board will need to invest significant effort in refining the language to ensure clarity and accuracy.

Member Panelli said he wants B-2 contractors to have a real opportunity to earn a B license through meaningful, inspected work rather than unverified projects like building sheds. He suggested allowing limited additions or work that requires permits and inspections, so performance can be verified through permit history and correction records. This would ensure quality and competency rather than relying on uninspected jobs as proof of experience.

Chair Nutt supported the survey but stressed the importance of validating the process to ensure that any pathway or certification truly confirms that contractors are qualified for the work.

Member Mark asked for clarification that B-2 contractors cannot perform any work behind walls themselves and that they must hire licensed subcontractors for specialized trades like plumbing or electrical. If a permit is required for such work, the B-2 contractor is responsible for ensuring a properly licensed subcontractor handles that portion.

Registrar Fogt explained that B-2 work is limited to remodeling tasks outside the walls, typically not requiring permits, such as painting or changing faucets. He noted that some B-2 applicants may be seeking a pathway to a full B license, but this is uncertain, which is why the survey is needed, to understand contractor goals and determine if the Board should revisit the issue.

Member Mark clarified that if the survey shows B-2 contractors want a pathway to a full B license, the Board should explore options to create such a pathway.

Registrar Fogt agreed and said the issue will be brought back to the Board for further discussion, emphasizing that addressing the concerns raised, particularly those mentioned by Member Panelli, that were very important.



Chair Nutt asked whether Member Mark wants additional language to be included to clearly define what constitutes “behind-the-wall” work in the B-2 trade description.

Member Mark believed the definition of “behind-the-wall” work is already covered in the existing code but suggested including the full statute in the materials for clarity, as the subset provided was incomplete.

Registrar Fogt noted there have not been significant complaints about the B-2 license and that it seems to be working well overall. However, some B-2 contractors are frustrated about not being able to obtain a full B license, and the survey will help determine whether this is a widespread issue or just a handful of cases for the Board to consider.

Chair Nutt asked whether the survey is expected to generate a significant response from B-2 contractors.

Chief Gagnon responded that they would make every effort to achieve a strong survey turnout by keeping it short, just two or three questions taking about five minutes to complete. The survey will be sent to all licensed B-2 contractors with reminder notifications to encourage participation, aiming to gather meaningful results on whether this issue is a concern.

Member Preciado asked a logistical question about the survey, specifically whether respondents will be able to select more than one option for the first question.

Chief Gagnon stated that they should be able to do that.

Member Preciado anticipated that some B-2 contractors may value the license for multiple reasons and suggested allowing respondents to select more than one option for the first survey question to capture a comprehensive understanding of their motivations.

Chief Gagnon agreed with the suggestion to allow multiple selections for the first survey question.

Member Panelli asked for clarification on approximately how many B-2 contractors currently hold licenses.

Chief Gagnon confirmed there are approximately 1,390 licensed B-2 contractors in California, which is considered a strong number since the classification was introduced in 2021.

**Public Comment**

Thomas Felardo raised two concerns: first, about handymen performing electrical and pool repairs without proper grounding, which poses safety risks and is difficult to control. Second, about Home Depot in Arizona offering a certification program for trades and referring certified individuals to customers, questioning why such a practice is allowed. Felardo expressed frustration that Home Depot should not be certifying individuals because they lack responsibility for licensing. He noted that when he called for clarification, he only received a response from Arizona, which is irrelevant to California, and emphasized concern about unlicensed work being performed on products locally.

**Board Member Comment**

Member Panelli explained that self-certifications by companies like Home Depot carry no legal weight. If someone performs work based on such certification without a proper license, they will face violations and fines for unlicensed activity. Furthermore, if a company is found promoting or enabling this, city attorneys could pursue legal action against that company.

**Public Comment**

Thomas Felardo requested that the Board investigate companies offering unauthorized certifications, such as Home Depot, to ensure compliance with licensing laws.

**Motion:** To direct staff to survey the 1,300 B-2 contractors to determine if they got this license as a pathway to gain experience towards a B General Building license or for another reason. Moved by Steve Panelli; seconded by Diana Love. Motion carried, 11-0.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Alan Guy, Jacob Lopez, and Thomas Ruiz.

**H. Public Affairs**

Board Chair Miguel Galraza transitioned to Public Affairs and turned the discussion over to Public Affairs Committee Chair Love.



## **1. Public Affairs Program Update**

Chair Love reported that the Public Affairs Office (PAO) managed media, industry, licensee, and consumer communications, including outreach, publications, newsletters, social media, and website content such as webcasts and videos. PAO continued to support Southern California wildfire survivors through social media posts, a toll-free disaster hotline, and participation in virtual workshops, including “Rebuilding with a Licensed Contractor” on September 13 and a rebuilding summit on November 15 where Registrar Fogt provided consumer protection guidance. Between August and October, PAO produced videos, responded to 12 media inquiries, and grew CSLB’s social media presence across Facebook, Instagram, X, and LinkedIn, with the most popular post in October highlighting the requirement to hire licensed contractors for permitted projects or jobs over \$1,000. Outreach events included statewide activities such as the Senior Scam Stopper in October, and publications released during this period included “How CSLB Protects the Public in Disaster Areas,” the California Licensed Contractor Newsletter, and bilingual consumer guides on stop orders. PAO also published internal communications recognizing staff achievements and morale-building events like the pumpkin decorating contest and chili cook-off. Additionally, the Public Information Center maintained wait times under the six-minute Board goal.

### Board Member Comment

Member Nutt emphasized the importance of recognizing and acknowledging fun and positive activities for staff, noting that their work often involves handling complaints and interacting with unhappy individuals. Highlighting enjoyable moments may seem minor, but it plays a crucial role in staff well-being and morale. He stressed that this acknowledgment is important and wanted to make that point clear.

Chair Love shared that she presented certificates to the Valencia office, whose staff dressed as Minions for Halloween. She noted the team was colorful, united, and very excited to receive the award, and encouraged others to see the photo shared by Registrar Fogt.

Chair Love noted that Member Preciado served as a judge for CSLB’s pumpkin carving contest.

Member Preciado highlighted the camaraderie, creativity, and connectivity among staff, particularly at the Sacramento office, noting how topical and



engaging their activities were. He expressed enthusiasm about possibly participating in the chili tasting next time.

Public Comment

There was no comment.

**2. Review and Discussion Regarding Information Available for Justice-Involved Individuals**

Chair Love shared that CSLB provided resources for justice-involved individuals, those who have interacted with the criminal justice system as a defendant, to help them gain work experience before becoming eligible for licensure. This effort, discussed at the Public Affairs Committee meeting on November 17, 2025, includes posting 13 links on CSLB's website under a new "Justice-Involved Individuals Information" header. These resources include pre-apprenticeship programs and organizations such as the California Department of Corrections and Rehabilitation Career Technical Education, California Prison Industry Authority, Division of Apprenticeship Standards, State Building and Construction Trades programs, Second Call, Second Chance Program, Laborers' Training & Retraining Trust of Southern California, Fair Chance Hiring Initiative, Freedom Through Education, Anti-Recidivism Coalition, and Center for Employment Opportunities.

Board Member Comment

Chair Love asked if Registrar Fogt wanted to share anything about a prior conversation they had or if it should be addressed at another time.

Registrar Fogt confirmed CSLB strives to be transparent about opportunities for formerly incarcerated individuals to obtain licensure. He noted challenges for older individuals who may not be able to work as laborers and suggested a future meeting to review website resources and explore options. Registrar Fogt explained that in cases involving criminal convictions, decisions are sometimes referred to by an administrative law judge, allowing individuals to present community support and other evidence. He emphasized revisiting policies and to consider scenarios where offenses occurred decades ago and whether those individuals can regain licensure, including appropriate timeframes.

Chair Love noted concerns about formerly incarcerated individuals who are in their 60s or older upon release, questioning the practicality of requiring them to complete a four- to five-year apprenticeship program.



She raised the issue of what realistic employment opportunities and life expectancy considerations exist for these individuals to sustain a job.

Member Panelli suggested that a B-2 license could be a practical starting point for formerly incarcerated individuals, allowing them to begin working and sustaining themselves without the extensive requirements of a full apprenticeship. This could serve as an initial step before pursuing more advanced licensure later.

Registrar Fogt noted that different trades and types of criminal convictions may affect community acceptance. He added that, as a general rule, applicants with criminal convictions are unlikely to be approved for licensure if they are still on probation or parole.

Chair Love wondered if it would be possible to establish an apprenticeship program within the prison system, allowing incarcerated individuals to gain qualifying experience while still in prison to help them meet licensure requirements upon release.

Member Panelli stated that such apprenticeship programs within the prison system already exist.

Member Nutt acknowledged that apprenticeship programs in prisons exist but expressed uncertainty about how progress is tracked and whether there is a system to monitor individuals' readiness for reintegration into society.

Member Teichert emphasized the importance of leveraging Career Technical Education (CTE) programs and similar initiatives so individuals can leave prison with certifications and completed requirements. She noted that many groups, such as labor organizations, are willing to help connect these individuals to construction jobs, where there is high demand. While some work may be seasonal and income needs immediate, Member Teichert stressed the need to create clear pathways from prison programs to employment in trades, similar to successful firefighter programs. She also highlighted the challenge of ensuring these individuals are eligible for licensure after gaining experience and called for continued efforts to bridge the gap between training and actual job placement.

Member Nutt agreed that focusing on helping individuals transition into documented trades upon release is more realistic than expecting them to



immediately start a business. He emphasized that securing employment quickly is critical, making this a more practical pathway.

Member Teichert appreciated the idea of ensuring that individuals who work for several years after release do not face barriers to licensure due to their past background. She acknowledged concerns about background checks but emphasized the importance of not letting prior convictions block progress after demonstrated work experience.

Member Panelli noted that while older individuals may struggle with lengthy apprenticeship programs, many in their 30s and 40s can benefit from prison-based training programs in trades like plumbing or electrical work. These programs allow participants to demonstrate skills and potentially enter apprenticeship programs at an advanced level upon release, rather than starting from scratch. This approach helps integrate individuals into the workforce more quickly and effectively.

Member Mark explained that programs like MC3 are already being taught in jails, such as in San Joaquin County, providing incarcerated individuals with trade skills before release. One graduate recently became a first-year female apprentice, showing the program's success. He noted that construction work is strenuous, and the average apprentice age is currently 34. While these programs help individuals transition into apprenticeships, at least four years of experience is still necessary to qualify for licensure. He noted the practical path is entering a trade immediately after release rather than attempting to start a business.

Member Cobos stressed the importance of mentorship for formerly incarcerated individuals entering apprenticeship programs. He noted that guidance during the early years is crucial for helping them succeed and eventually transition into owning a business. Drawing from personal experience, Member Cobos emphasized that having someone to provide support and direction makes a significant difference.

Member Teichert noted that while some formerly incarcerated individuals may be older, many are at an appropriate age for construction work. She emphasized that some of the best workers in the industry have come from this background, highlighting their potential value to the workforce.

Chair Love thanked everyone for their input and expressed concern about ensuring individuals have jobs first, with the possibility of owning a business later if they are younger. She emphasized the importance of



employment for livelihood and looked forward to further discussions to streamline and clarify issues and concerns.

Public Comment

There was no comment.

**I. Closed Session**

- 1. Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: CA Solar Energy Industries Assn v. CSLB, San Diego County Superior Court, Case No. 37-2024-00029818.**

*Closed Session began approximately 4:02 p.m. and closed 4:04 p.m.*

**J. Adjournment**

*Meeting adjourned at approximately 4:04 p.m.*

## AGENDA ITEM D-2

# Registrar's Report

- a. 2025 Accomplishments and Activities Report





## AGENDA ITEM D-3

# Information Technology Update

- a. Review and Discussion on 2025  
Accomplishments and Activities Report







### Information Technology Update

#### Network Alignment Initiative

CSLB Information Technology, in partnership with the Department of Consumer Affairs (DCA), is working on a comprehensive network alignment initiative designed to modernize the agency's network architecture. This effort strengthens resiliency, enhances scalability, and aligns CSLB's infrastructure with current security and operational best practices.

The initiative focuses on redesigning the enterprise internet protocol (IP) addressing scheme to create a more structured and segmented network environment. This modernization improves routing efficiency, enhances traffic visibility, and supports advanced access control policies, resulting in a more secure and manageable network foundation across all CSLB locations.

The key objectives of this initiative include:

- Establish a standardized, future-ready IP addressing mode
- Improve network segmentation and reduce lateral-movement risk
- Enhance routing performance and monitoring capabilities
- Align with DCA enterprise standards and statewide security requirement
- Create a scalable framework that supports modernization initiatives and long-term growth.

These CSLB field offices have been fully transitioned to the new addressing framework: Santa Rosa, San Francisco, Redding, Carmel, Santa Clarita, Oxnard, West Covina, San Diego, and San Bernardino. Deployment is expected in March/April in Bakersfield and Norwalk with the final sites to be Fresno and Sacramento Headquarters.

Following the completion of all sites, the team will finalize enterprise-wide validation, update documentation, and coordinate with DCA on post-implementation monitoring to ensure long-term stability and performance.

This initiative positions CSLB for improved network reliability, enhanced security posture, and better alignment with statewide infrastructure modernization efforts.

#### Business Modernization Update: Enterprise Document Management System

As reported in previous Board and Committee meetings, the cloud-based Enterprise Document Management System (EDMS) was successfully implemented in May 2025, replacing the legacy Imaging Workflow Automation System (IWAS). This transition has resulted in improved workflow efficiency, enhanced document security, and better records tracking and accessibility.



Staff across multiple teams have adopted new procedures and found both the EDMS software and the integrated Box platform to exceed expectations in usability and performance. Below are some statistics from the new EDMS system:

**EDMS Overall Statistics:**

- Total active users: 374
- Total documents currently in EDMS: 25,892,385

**From May (Go-Live) to Now:**

- Total documents loaded into EDMS: 1,100,273
- Average documents loaded per month: 110,242
- Total ACTIVE documents processed through EDMS Workflow: 204,757
- Total ARCHIVE documents migrated from Teale into EDMS: 895,516
- Total issued licenses: 23,552
- Documents currently in user inboxes for processing: 9,335
- Total Grooper batches created: 30,254
- Total Grooper pages scanned: 1,103,501

This successful implementation marks a major milestone in CSLB's digital transformation efforts and lays the foundation for more efficient, secure, and scalable document management.

**Business Modernization Update: Sole Owner Online Application**

The project scope is the automation of CSLB's Application for Original Contractor License for Sole Owner business type for online submission with online signature and online payment.

The Sole Owner Online Application project team of subject matter experts and IT staff continue to engage in interactive sessions with the product developer focused on system design, application workflow review, data capture, and data transmission. The team has provided feedback and modification requests to the development team to ensure the application aligns with CSLB's requirements for an acceptable application submission.

Looking ahead, the team will prioritize product review, requirement decisions, compliance checks, application workflow finalization, integrating APIs (application program interfaces) with existing CSLB databases, and user acceptance testing. The project is scheduled to deliver an electronic application process for sole owners in Spring 2026.

# AGENDA ITEM D-4

## Budget Update







### CSLB Budget Update

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

CSLB has an authorized Governor’s Budget of \$83 million.

CSLB projects the final year-end revenue at \$98 million and board expenditures at \$83 million. In addition to its board expenditures, the board projects almost \$6 million in external mandatory costs, for total expenditures of \$89 million.

As a result of these figures and projections, CSLB assumes the fund reserve would increase to \$66 million (approximately 8.2 months’ reserve) at fiscal year-end.

This information is summarized in the chart below:

#### FY 2025-26 BUDGET SUMMARY

Description	Amount
<b>Beginning Reserve Balance</b>	<b>\$56,810,000</b>
<i>Projected Fiscal Year-End Totals:</i>	
<b>Revenue</b>	<b>\$98,000,000</b>
Board Expenditures	\$83,260,000
External Costs	\$5,851,000
<b>Total Expenditures</b>	<b>\$89,111,000</b>
<b>Ending Reserve Balance (Projected)</b>	<b>\$65,699,000</b>
<b>Months in Reserve</b>	<b>8.2</b>

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

- Fiscal Year 2025-26 Expenditures
- Fiscal Year 2025-26 Revenue
- Final Fiscal Year 2025-26 Budget and Adjustments
- CSLB fund condition
- Construction Management Education Account (CMEA) fund condition & Budget Change Proposal for FY 2026-27



Expenditures

Through January 31, 2026, CSLB spent or encumbered \$49 million, roughly 59 percent of its FY 2025-26 budget:

EXPENDITURE DESCRIPTION	FY 2025-26 BUDGET ACT	JANUARY 2026 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>PERSONNEL SERVICES</b>				
Salary & Wages (Staff)	\$34,789,000	\$18,461,935	\$16,327,065	46.9%
Board Members	16,000	2,700	13,300	83.1%
Temp Help	560,000	531,423	28,577	5.1%
Overtime	146,000	37,374	108,626	74.4%
Staff Benefits	18,271,000	10,210,217	8,060,783	44.1%
<b>TOTALS, PERSONNEL</b>	<b>\$53,782,000</b>	<b>\$29,243,649</b>	<b>\$24,538,351</b>	<b>45.6%</b>
<b>OPERATING EXPENSES AND EQUIPMENT (OE&amp;E)</b>				
Operating Expenses	\$18,320,000	\$14,345,410	\$3,974,590	21.7%
Exams – Subject Matter Experts	436,000	373,629	62,371	14.3%
Enforcement	11,075,000	5,346,355	5,728,645	51.7%
<b>TOTALS, OE&amp;E</b>	<b>\$29,831,000</b>	<b>\$20,065,394</b>	<b>\$9,765,606</b>	<b>32.7%</b>
<b>TOTALS</b>	<b>\$83,613,000</b>	<b>\$49,309,043</b>	<b>\$34,303,957</b>	<b>41.0%</b>
Scheduled Reimbursements (i.e., fingerprint, public sales)	-353,000	-59,115	-293,885	
Unscheduled Reimbursements (i.e., invest. cost recovery)		-244,215	244,215	
<b>GRAND TOTALS</b>	<b>\$83,260,000</b>	<b>\$49,005,713</b>	<b>\$34,254,287</b>	<b>41.1%</b>

Revenue

CSLB received the following revenue through January 31, 2026:

Revenue Category	Through 01/31/2026	Percentage of Revenue	Change from prior year (01/31/2025)
Duplicate License/Wall Certificate Fees	\$312,906	0.5%	15.8%
New License and Application Fees	\$13,702,506	21.2%	-6.6%
License and Registration Renewal Fees	\$44,780,094	69.2%	3.0%
Delinquent Renewal Fees	\$2,576,900	4.0%	-0.8%
Citation Penalty Assessments	\$1,798,639	2.8%	28.1%
Interest (i.e., reserve funds invested)	\$1,463,486	2.1%	16.4%
Misc. Revenue	\$114,311	0.2%	14.7
<b>Total</b>	<b>\$64,748,842</b>	<b>100.00%</b>	<b>1.6%</b>



Fiscal Year (FY) 2025-26 CSLB Final Budget and Adjustments

- CSLB’s FY 2025-26 budget decreased by \$60,000, from \$83.32 million to \$83.26 million due to one-time adjustments and reductions in the following areas: reconciling salaries and wages approved through the bargaining process; and adjustments in employee retirement contribution rates, employee benefits for compensation and health rates, and operating expenditures (i.e., DCA pro rata).
- Additionally, it includes the anticipated budget adjustments included in the Governor’s May Revise of \$1,169,000. These reductions were a result of Budget Letters 24-20 (Vacancy Reduction) and 24-24 (7.95% Expense Reduction).
- The chart below shows CSLB’s original approved FY 2025-26 budget (2025 Budget Act) and the overall impact of the reductions and adjustments to CSLB’s final FY 2025-26 budget:

EXPENDITURE DESCRIPTION	FY 2025-26 BUDGET ACT	RETIREMENT ADJ	SALARY & BENEFIT ADJS	BUDGET LETTER ADJS	FY 2025-26 FINAL BUDGET
<b>PERSONNEL SERVICES</b>					
Salary & Wages (Staff)	35,164,000		60,000	-435,000	34,789,000
Board Members	16,000				16,000
Temp Help	560,000				560,000
Overtime	146,000				146,000
Staff Benefits	17,744,000	1,757,000	-883,000	-347,000	18,271,000
<b>TOTALS, PERSONNEL</b>	<b>53,630,000</b>	<b>1,757,000</b>	<b>-823,000</b>	<b>-782,000</b>	<b>53,782,000</b>
<b>OPERATING EXPENSES &amp; EQUIPMENT</b>					
Operating Expenses	18,532,000	323,000	-148,000	-387,000	18,320,000
Exams	436,000				436,000
Enforcement	11,075,000				11,075,000
<b>TOTALS, OE&amp;E</b>	<b>30,043,000</b>	<b>323,000</b>	<b>-148,000</b>	<b>-387,000</b>	<b>29,831,000</b>
<b>TOTALS</b>	<b>83,673,000</b>	<b>2,080,000</b>	<b>-971,000</b>	<b>-1,169,000</b>	<b>83,613,000</b>
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
<b>TOTALS, NET REIMBURSEMENTS</b>	<b>\$83,320,000</b>	<b>2,080,000</b>	<b>-971,000</b>	<b>-1,169,000</b>	<b>\$83,260,000</b>



**CSLB Fund Condition**

Below is the fund condition for the Contractors' License Fund, which shows the final fiscal year (FY) 2024-25 reserve with adjustments (\$56.8 million, approximately 7.5 months' reserve), along with the projected reversion amounts for current year (CY) 2025-26 through budget year (BY) 2026-27:

<i>(Dollars in thousands)</i>	<b>Final FY 2024-25</b>	<b>Projected CY 2025-26</b>	<b>Projected BY 2026-27</b>
<b>Beginning Balance</b> <i>(Fund/Savings Account)</i>	<b>\$41,741</b>	<b>\$56,810</b>	<b>\$65,699</b>
Prior Year Adjustment	(\$826)	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$40,915</b>	<b>\$56,810</b>	<b>\$65,699</b>
<b>Revenues and Transfers</b>			
Revenue	\$101,546	\$98,000	\$97,000
Transfer from General Fund (Disaster Response)	\$131		
<b>Total Resources</b> <i>(Revenue + Fund/Savings Acct.)</i>	<b>\$142,592</b>	<b>\$154,810</b>	<b>\$162,699</b>
<b>Expenditures</b>			
Board Expenditures	\$80,455	\$83,260	\$85,758
External Costs	\$5,327	\$5,851	\$6,458
<b>Total Expenditures</b>	<b>\$85,782</b>	<b>\$89,111</b>	<b>\$92,216</b>
<b>Ending Balance</b> <i>(Fund/Savings Account)</i>	<b>\$56,810</b>	<b>\$65,699</b>	<b>\$70,483</b>
<b>Months in Reserve</b>	7.5	8.2	8.5
<b>Dollars in Reserve</b>	\$56.8 M	\$66.0 M	\$70.5 M

Notes:

- 1) Board expenditures include staff pay, benefits, and operating expenses.
- 2) External costs include statewide pro rata.
- 3) CY 2025-26 & BY 2026-27 assumes workload and revenue projections.
- 4) CY 2025-26 assumes board expenditures is proposed Governor's budget with no savings and BY 2026-27 assumes a 3% increase in board expenditures over current year budget.



**Construction Management Education Account (CMEA) Fund Condition**

Below is the CMEA fund condition, which shows the final fiscal year (FY) 2024-25 reserve of \$493,000, along with the projected reversion amounts for current year (CY) 2025-26 through budget year (BY) 2026-27:

<i>(Dollars in thousands)</i>	<b>Final FY 2024-25</b>	<b>Projected CY 2025-26</b>	<b>Projected BY 2026-27</b>
<b>Beginning Balance</b>	\$ 509	\$ 493	\$ 470
Prior Year Adjustment	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$ 509</b>	<b>\$ 493</b>	<b>\$ 470</b>
<b>Revenues and Transfers</b>			
Revenue	\$223	\$216	\$216
<b>Totals, Resources</b>	<b>\$ 732</b>	<b>\$ 709</b>	<b>\$ 686</b>
<b>Expenditures</b>			
Disbursements:			
Program Expenditures (State Operations)	\$14	\$14	\$14
Local Assistance Grant Disbursements	\$225	\$225	\$225
<b>Total Expenditures</b>	<b>\$ 239</b>	<b>\$ 239</b>	<b>\$ 239</b>
<b>Fund Balance</b>			
Reserve for economic uncertainties	<b>\$ 493</b>	<b>\$ 470</b>	<b>\$ 447</b>

Notes:

- 1) Projected CY 2025-26 and ongoing includes increased grants based on approved CMEA annual augmentation.
- 2) Program Expenditures are costs to administer the fund.

**CSLB Proposed Budget Change Proposal (BCP) for FY 2026-27**

CSLB has submitted one budget change proposal (BCP), which has been approved by the Department of Finance and is scheduled for Legislative budget hearings in March for consideration as part of the FY 2026-27 Budget Act.

The BCP requests an additional \$2 million to augment CSLB’s Information Technology (IT) budget. Currently, the IT budget is substantially under allocated at \$497,000, which is insufficient to cover existing and ongoing costs related to hardware, software, maintenance, and cybersecurity. Over the past several years, CSLB’s IT costs have increased by an average of 28 percent annually, driven by inflation, rapid technological advancements, and heightened security requirements. These expenses continue to rise due to subscription-based services and cloud support.

The requested funds will support ongoing IT operations and ensure continuity of critical technology services.



# CONTRACTORS STATE LICENSE BOARD

## STATISTICS SUMMARY

### Statistics Summary

#### All Applications Received

Month	2022-23	2023-24	2024-25	2025-26
July	3,749	3,794	4,449	4,137
August	5,926	4,511	4,362	4,183
September	5,094	3,920	4,307	4,319
October	4,640	4,324	4,369	4,326
November	3,683	4,002	3,589	3,538
December	3,523	3,911	3,860	3,940
January	4,116	4,365	4,317	4,052
<b>Total</b>	<b>30,731</b>	<b>28,827</b>	<b>29,253</b>	<b>28,495</b>

*% Change from Prior FY* -2.6%

#### Original Applications Received (includes exam and waivers)

Month	2022-23	2023-24	2024-25	2025-26
July	1,779	1,973	2,457	2,385
August	2,235	2,289	2,444	2,343
September	1,767	2,084	2,321	2,407
October	2,126	2,256	2,520	2,442
November	1,517	2,023	2,070	1,974
December	1,601	2,108	2,193	2,266
January	1,959	2,292	2,378	2,410
<b>Total</b>	<b>12,984</b>	<b>15,025</b>	<b>16,383</b>	<b>16,227</b>

*% Change from Prior FY* -1.3%

*% of Apps Rcvd are Original Apps* 57.0%

#### Original Licenses Issued

Month	2022-23	2023-24	2024-25	2025-26
July	1,571	1,350	1,658	1,863
August	1,408	1,937	1,574	1,742
September	1,375	1,473	1,477	1,647
October	1,278	1,663	1,611	1,675
November	1,050	1,441	1,359	1,274
December	1,128	1,379	1,607	1,675
January	1,035	1,569	1,453	1,477
<b>Total</b>	<b>8,845</b>	<b>10,812</b>	<b>10,739</b>	<b>11,353</b>

*% Change from Prior FY* 5.7%



Licenses Renewed

Month	2022-23	2023-24	2024-25	2025-26
July	10,339	10,042	11,360	10,396
August	10,445	10,269	10,226	9,417
September	9,784	8,809	8,851	9,477
October	9,029	9,576	10,159	10,081
November	8,680	8,665	8,120	8,242
December	8,335	9,025	8,787	9,963
January	9,984	9,804	9,761	9,577
<b>Total</b>	<b>66,596</b>	<b>66,190</b>	<b>67,264</b>	<b>67,153</b>

*% Change from 2 years ago FY 2023-24 1.5%*  
*% Change from 1 year ago FY 2024-25 -0.2%*

Original HIS Registrations Issued

Month	2022-23	2023-24	2024-25	2025-26
July	693	701	664	552
August	830	578	622	583
September	821	691	591	530
October	779	828	517	558
November	754	650	583	443
December	567	665	541	444
January	864	661	410	386
<b>Total</b>	<b>5,308</b>	<b>4,774</b>	<b>3,928</b>	<b>3,496</b>

*% Change from Prior FY -11.0%*

HIS Registrations Renewed

Month	2022-23	2023-24	2024-25	2025-26
July	551	578	634	676
August	596	703	717	646
September	602	598	702	705
October	576	668	633	731
November	529	547	563	531
December	483	530	558	572
January	591	650	658	604
<b>Total</b>	<b>3,928</b>	<b>4,274</b>	<b>4,465</b>	<b>4,465</b>

*% Change from Prior FY 0.0%*



**License Population by Status**

Status	Mar. 1, 2023	Mar. 1, 2024	Mar. 1, 2025	Mar. 1, 2026
Active	236,280	238,393	240,900	244,118
Inactive	48,899	47,318	45,075	43,409
<b>Total</b>	<b>285,179</b>	<b>285,711</b>	<b>285,975</b>	<b>287,527</b>

*% Change from Prior FY 0.5%*

**HIS Registration Population by Status**

Status	Mar. 1, 2023	Mar. 1, 2024	Mar. 1, 2025	Mar. 1, 2026
Active	27,904	30,157	30,052	28,409

*% Change from Prior FY -5.5%*

**Complaints By Fiscal Year**

Complaints	2021-22	2022-23	2023-24	2024-25
Received	19,158	21,158	19,746	19,257
Reopened	1,231	1,578	1,479	1,754
Closed	19,397	22,181	21,503	21,806
Pending (As of June 30)	5,747	6,361	6,142	5,375

## AGENDA ITEM D-5

# Administration Update

- a. Review and Discussion on 2025  
Accomplishments and Activities Report







# CONTRACTORS STATE LICENSE BOARD

## ADMINISTRATION UPDATE

### Personnel Unit

#### Transactions

During the second quarter of fiscal year 2025-26 (October 1, 2025-December 31, 2025), CSLB Personnel staff completed 29 personnel transactions. This included the addition of seven employees from other state agencies and six employees new to state service. Within CSLB, there were nine promotions and seven transfer appointments.

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

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

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

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

#### Vacancies

CSLB averaged 30 vacancies out of 423.5 authorized positions during the first quarter of fiscal year 2025-25 (July 1, 2025-September 30, 2025), which is a 7 percent vacancy rate (the goal is a 5 percent vacancy rate). The Personnel Unit continuously works with CSLB hiring managers and the Department of Consumer Affairs' Office of Human Resources to identify and minimize any delays in recruitment for key positions.



Average Monthly Vacancies by Fiscal Year

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2025-26	28	30	31	28	28	27	32	37	---	---	---	---
2024-25	26	22	23	23	24	30	30	28	26	24	24	26
2023-24	38	36	32	30	30	35	38	42	41	37	36	34
2022-23	52	51	54	48	46	44	46	45	45	43	41	40

Performance Management

In January 2026, Personnel staff met with supervisors to discuss and answer questions about employee Performance Management. The personnel unit provides counseling to supervisors and assists with the preventative phase of Performance Management. This phase includes helping employees succeed in their position and prevent performance issues through setting clear expectations, addressing behaviors early, and focusing on positive outcomes.

Duty Statements

Personnel staff are assisting supervisors in a Board-wide effort to ensure all position duty statements are current and accurately reflect the duties each employee is performing. The effort began in January 2026, and completion is anticipated by April 2026.

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 2025
	Effective date of next exam:	June 2026
Supervising Special Investigator II (Non-Peace Officer)	Effective date of last exam:	December 2025
	Effective date of next exam:	June 2026

Business Services

Facilities

- **Norwalk:** The lease renewal is in progress. Tenant improvements will be completed as part of this lease renewal.
- **Oxnard:** The lease renewal is in progress with the request to have a space reduction to eliminate the test center. Tenant improvements will be a part of the space reduction project.
- **Santa Clarita:** The lease renewal is in progress. Tenant improvements will be completed as part of this lease renewal.
- **San Francisco:** The lease renewal is in progress. Tenant improvements will be completed as part of this lease renewal.



- **West Covina:** The lease extension is through December 31, 2026. Tenant improvements will be completed as part of this lease renewal.
- **Fresno:** The lease renewal has been executed.
- **Redding:** The lease renewal has been executed.
- **San Bernardino:** The lease renewal has been executed.

### **Contracts in process**

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

- California Highway Patrol interagency contract for protection services for fiscal year 2026-27.
- Debt collection service contract specifically for collecting delinquent fines and cost reimbursements ordered paid by respondents to a CSLB enforcement action.

### **Executed contracts**

- CalHR contract for psychological screening services for peace officers for fiscal year 2025-26.
- 2026 “California Contractors License Law and Reference Book” printing services contract.
- Department of Transportation (Caltrans) interagency agreement for parking services in Norwalk.
- InABind Systems contract for laminator maintenance services for the Testing Division.

### **Safety and Training**

CSLB successfully conducted a safety fire drill and, in coordination with DCA, updated its Emergency Response Plan to incorporate current emergency procedures and key contact information to be used in the event of an emergency.

The CSLB Intranet Training Calendar continues to offer a variety of monthly staff development opportunities, such as courses on time management, communication, performance management, diversity, equity and inclusion, leading teams, public speaking, and completed staff work. CSLB is also coordinating additional training opportunities to support Enforcement staff development in the coming quarters. Planned training includes “The 7 Habits of Highly Effective People” and other targeted professional development programs.

### **Fleet: Vehicle Utilization**

The utilization goal is 100 percent by the end of each fiscal year. CSLB is currently at 80 percent (45 out of 56) vehicle utilization based on a General Services guidelines average.

### **Administration Update Regarding Support Services**

The Support Services Units at CSLB Headquarters include the Cashier, Mailroom, Warehouse, and Enterprise Document Management System (EDMS) units.

The Cashier Unit completed 34,090 transactions during the first quarter of FY 25/26 and 31,123 transactions during the second quarter.



The Mailroom processed 173,636 incoming and outgoing mail items during the first quarter of FY 25/26 and 166,988 items during the second quarter.

During the second quarter of FY 25/26, CSLB Headquarters incurred a combined total of \$170,012 in postage costs through the Mailroom and Warehouse. To help reduce mailing expenses, the Administration Division is collaborating with the Licensing and IT Divisions to identify cost-saving measures — such as transitioning from letters to lower-cost postcard notifications where feasible.

The EDMS/Scanning Unit continues to work diligently to ensure contractor documents are processed in a timely manner, with 318,366 documents scanned during the second quarter of FY 25/26.

**Cashier’s Transactions**

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec
25/26	12,041	10,823	11,226	11,249	9,209	10,665

**Processed Incoming Mail**

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec
25/26	38,027	24,293	32,606	35,050	25,415	32,351

**Processed Outgoing Mail**

Fiscal Year	Jul	Aug	Sept	Oct	Nov	Dec
25/26	28,179	21,196	29,335	27,446	20,448	26,278

**Postage Usage**

Fiscal Year	Oct	Nov	Dec
25/26	\$52,012	\$54,755	\$63,245

**Scanned Documents**

Fiscal Year	Oct	Nov	Dec
25/26	115,900	94,336	108,130

## AGENDA ITEM D-6

Discussion and Possible Action to Initiate a Rulemaking to Amend California Code of Regulations, Title 16, Section 832.46 (Class C-46, Solar Contractor) regarding the scope of solar contractors' authority to perform work relating to battery energy storage systems.







### **Discussion and Possible Action Regarding Solar Contractor (C-46) Scope**

On April 28, 2023, the Contractors State License Board (CSLB) published a Notice of Proposed Rulemaking to amend the C-46 Solar Contractor license classification. The rulemaking, among other things, specified that (1) a C-46 solar contractor may only install a battery energy storage system (BESS) as incidental and supplemental to the installation of a photovoltaic (PV) system, and (2) the C-46 contractor may do so only if the BESS rating capacity does not exceed 80 kilowatt hours. The rulemaking further specified that all other installation, connection, modification, maintenance, or repair of a BESS by a C-46 contractor was prohibited.

CSLB invited, received, and answered written and oral public comments received during the 45-day comment period and at the August 3, 2023, public hearing on the matter.

On June 5, 2024, the Office of Administrative Law approved the proposed regulation and filed the action with the California Secretary of State, with an effective date of October 1, 2024.

On June 21, 2024, the California Solar Energy Industries Association and other parties filed a verified petition for writ of mandate and complaint for declaratory and injunctive relief against the rulemaking. This action stayed the October 1, 2024, effective date. That litigation is now settled.

### **The request of the board is as follows:**

Approve the regulatory proposal to amend California Code of Regulations section 832.46. Direct staff to submit the text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review, and if the Board does not receive any comments providing objections or adverse recommendations specifically directed at the proposed action or to the procedures followed by the Board in proposing or adopting the action, then the Board authorizes the Registrar to take all steps necessary to initiate the rulemaking process, make any technical or non-substantive changes to the package, and set the matter for hearing, if requested.

If after the 45-day public comment period, no adverse comments are received, and no public hearing is requested, authorize the Registrar to take all steps necessary to complete the rulemaking, and amend the proposed regulations, as described in the text notice for CCR, title 16, section 832.46.



**California Code of Regulations (CCR) Section 832.46 Proposed Text:**

(a) A solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems. A licensee classified in this section shall not undertake or perform building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.

(b) For the purposes of this section, a battery energy storage system, as defined in section 810, shall not be considered part of a photovoltaic solar energy system or required to install a photovoltaic solar energy system. Except as provided in subdivision (c), a licensee classified in this section shall not install, connect, modify, maintain, or repair a battery energy storage system.

(c)(1) For purposes of Section 7059 of the Code and this division, a licensee classified in this section may install a battery energy storage system as “incidental and supplemental” to the installation of a photovoltaic solar energy system if the battery energy storage system does not exceed a rating of 80 kilowatt-hours (kWh).

(2) A licensee classified in this section may install a battery energy storage system that does not exceed a rating of 80 kWh to a photovoltaic solar energy system that the licensee previously installed.

(3) A licensee classified in this section may maintain and repair a battery energy storage system that does not exceed a rating of 80 kWh and is connected to a photovoltaic solar energy system that the licensee previously installed.

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

Reference: Sections 7058 and 7059, Business and Professions Code.

# AGENDA ITEM E

## Legislation





## AGENDA ITEM E-1

# Review and Discussion on 2025 Accomplishments and Activities Report





## AGENDA ITEM E-2

# Update Regarding February 20, 2026, Industry Stakeholder Meeting

- a. Review, Discussion, and Possible Approval of Report to Meet Reporting Requirement Pursuant to SB 291 (Chapter 455, Statutes of 2025)







### MANDATORY REPORT TO THE LEGISLATURE REGARDING WORKERS' COMPENSATION INSURANCE EXEMPTION SENATE BILL 291 (CHAPTER 455, STATUTES OF 2025)

SB 291 (Chapter 455, Statutes of 2025) requires the Contractors State License Board (CSLB) to “establish a **process and procedure**, which shall include an **audit, proof, or other means to obtain evidence to verify** that an applicant or licensee without an employee or employees is **eligible for exemption** from the workers' compensation insurance requirement pursuant to Section 7125” and report its finding to the Legislature by January 1, 2027. This report serves to fulfill this requirement.

#### Exemption Eligibility Criteria

CSLB has engaged in extensive discussions with stakeholders, industry representatives, and partner agencies; reviewed past studies; and examined licensing and workers' compensation data. Based on this work, CSLB proposes the following criteria for determining whether a contractor may claim an exemption from the workers' compensation insurance requirement. To qualify for an exemption, a licensee:

- **MUST** be an individual owner (not a partnership, corporation, Limited Liability Company (LLC), or participating tribe).
- **MUST** not have a responsible managing employee (RME) or a registered home improvement salesperson associated with the license.
- **MUST NOT** have any of the following classifications: C-8 Concrete, C-20 Warm-Air Heating, Ventilating and Air Conditioning, C-22 Asbestos Abatement, C-39 Roofing, C-49 Tree and Palm, or D-49 Tree Service.
- **MUST** complete an attestation acknowledging their understanding of workers' compensation requirements and penalties.
- **MUST** submit a business plan demonstrating the factual basis for exemption eligibility.
- **MUST** pay a filing or recertification fee, which helps fund the Workers' Compensation Insurance Enforcement Unit (WCEU).

#### Process and Procedure for Verifying Exemption Eligibility

#### Workers' Compensation Insurance Enforcement Unit (WCEU)

In order to determine initial and ongoing eligibility for a WC exemption, CSLB will need to form a Workers' Compensation Insurance Enforcement Unit (WCEU). The WCEU will be divided into two sections: (1) preliminary review process and (2) post-exemption approval procedure, which includes an oversight and audit model.



### **(1) Preliminary Review Process**

CSLB estimates that approximately 9,000 exemptions will be filed annually. Prior to issuance of an exemption, the WCEU will engage in a pre-qualifying review, to include:

- Determining whether the proposed work can be performed without employees.
- Reviewing internet and social media sources to confirm the applicant has no employees.
- Researching public databases to verify the applicant’s scope of work and business model.

### **(2) Post-Approval Oversight Procedure**

While it is not feasible to audit all exemption renewal filings, CSLB can implement a targeted enforcement model to verify eligibility and deter misuse which **would implement the following procedures:**

- Audit 5 percent of exemption filers annually (approximately 450 audits). These audits would include reviewing public databases, coordinating with other state agencies, and requesting business records as necessary.
- Maintain staffing levels and supporting positions dedicated to proactive and reactive workers’ compensation enforcement.
- Review all incoming consumer complaints to identify whether a respondent claiming an exemption had employees at the job site.
- Review submitted business plans for accuracy and conduct field visits when needed.
- Engage in data sharing and coordinated enforcement with partner agencies, including:
  - Employment Development Department
  - Department of Insurance
  - Department of Industrial Relations
  - State Compensation Insurance Fund
- Pursue disciplinary action or make criminal referrals when a contractor claiming an exemption is found to have employees.

### **Resources Required**

To fund the WCEU, it will be necessary to charge fees for filing an exemption upon initial licensure and at each biennial renewal. It is estimated that the WCEU will need approximately \$2.8 million to employ 17 staff and cover associated legal costs. Assuming 9,000 exemptions are filed annually, the cost to file and renew an exemption would be approximately \$500.



### Background and Risks

Workers' compensation compliance has been an ongoing concern for CSLB. Under current law, all licensed contractors must have proof of workers' compensation insurance by January 1, 2028, even if they have no employees. Stakeholders have raised concerns that this universal requirement may impose unnecessary financial burdens on contractors who do not employ workers.

There is also a risk that some contractors may choose to let their licenses lapse rather than pay for insurance they do not need, potentially operating unlicensed and increasing consumer harm.

Currently, approximately 100,000 licensees have a workers' compensation exemption on file. If 10 percent fail to renew due to the 2028 insurance requirement, CSLB could lose an estimated \$8 million in annual revenue — reducing resources for enforcement and public protection. In contrast, the WCEU would generate \$5.7 million a year to support the audits and compliance with CSLB's workers' compensation insurance license maintenance requirement.

### Alternative

The alternative to providing a WC exemption and establishing the WCEU is to maintain the status quo whereby WC is required for all licensees beginning January 1, 2028. This would ensure all workers are protected and prevent any unfair business advantage for licensees who claim the current exemption.

Not adopting an exemption process consistent with SB 291 may have unintended consequences, including lower license renewal rates, increased underground activity, and reduced funding for CSLB operations. Currently, 100,000 licensees have a WC exemption on file. If 10 percent of those licensees do not renew, CSLB's revenue would be reduced by approximately \$8 million annually, which would negatively impact enforcement operations.

### Staff Recommendation

Staff recommend that the Board:

1. **Authorize submission of this report** to the Legislature, as required by Business and Professions Code section 7125.7, with any minor technical edits needed for accuracy and clarity.
2. **Authorize staff to seek a legislative author** to introduce a bill implementing the exemption criteria and verification processes described above.



## AGENDA ITEM E-3

# Review, Discussion, and Possible Action on 2025-26 Board-Sponsored Legislation

- a. AB 559 (Berman): Contractors:  
home improvement contracts:  
prohibited business practices.
- b. SB 1263 (McGuire): Contractors:  
debris removal.







### Review, Discussion, and Possible Action on 2025-26 Board-Sponsored Legislation

**E3a. [Assembly Bill 559](#)** (Berman) Contractors: home improvement contracts: prohibited business practices.

**STATUS/LOCATION (as of March 6, 2026):** Pending the Senate Floor.

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

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

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

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

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

Contractors on home improvement projects are prohibited from charging a down payment of more than \$1,000 or 10 percent of a home improvement contract, whichever is less. Contractors can establish a payment schedule for the balance of what they are owed but are prohibited from requesting or accepting payments that exceed the value of the work performed or materials delivered. These payment requirements are generally



referred to as “progress payments.” This bill provides that individuals who violate progress payment rules resulting in a financial loss to the consumer of 10 percent or more of the contract price are subject to a civil penalty of \$10,000 minimum.

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

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

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

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

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

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



**CSLB**

PENDING LEGISLATION

**STAFF RECOMMENDATION:** None. The Board voted to approve the sponsorship of this legislation at the December 2024 board meeting.



### Review, Discussion, and Possible Action on 2025-26 Board-Sponsored Legislation

**E3b. [Senate Bill 1263](#)** (McGuire) Contractors: debris removal.

**STATUS/LOCATION (as of March 6, 2026):** Pending the Senate Business, Professions and Economic Development Committee.

**SUBJECT:** Debris removal during a declared disaster.

**SUMMARY:** SB 1263 clarifies that a contractor can engage in debris removal after a disaster, including muck-out (soil removal) and ash-out, if they hold an A-General Engineering Contractor license, a B-General Building Contractor license, or both a C-12 Earthwork and Paving and a C-21 Building Moving/Demolition classification. Additionally, the bill requires contractors to have passed a Contractors State License Board (CSLB) Hazardous Substance Removal Certification examination and comply with HAZWOPER requirements established by the Department of Industrial Relations (DIR) before providing debris removal after a disaster.

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

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



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

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

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

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

**FISCAL IMPACT:** Pending. There may be costs associated with updating the Hazardous Substance Removal Certification examination and absorbable costs related to updating the website and materials.

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



## AGENDA ITEM E-4

Review, Discussion, and Possible Action on Co-Sponsoring SB 784 (Durazo, 2025): Home improvement loans: right to cancel contracts.







# CONTRACTORS STATE LICENSE BOARD

## REVIEW OF SENATE BILL 784

**Review, Discussion, and Possible Action on Co-Sponsoring [Senate Bill 784](#) (Durazo): Home improvement loans: right to cancel contracts.**

**STATUS/LOCATION (as of March 6, 2026):** Pending the Assembly Appropriations Committee.

**SUBJECT:** Home improvement loans: right to cancel contracts.

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

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

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

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

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

Consumer harm by lending institutions who partner with unscrupulous contractors or salespersons has been significant. Many of these loans appear to have been negotiated at the same time as the home improvement contract itself, and consumers often report they did not understand the loan terms or have the ability to make the required



payments. Enforcement staff report cases where the consumer was misled verbally by the construction company, or their salesperson, about the terms of the loan, available rebates or incentives, or were given false representations about a supposed “program” that would make the project free, provide significant reimbursements, require no out-of-pocket costs, offer tax incentives, and similar promises. Often these claims are not true.

Opponents from the financial and financial technology industries have voiced concerns that this bill undermines the efficiency of new financial technologies that provide a valuable and more affordable financial product. The author of SB 784 has asked the Board to consider co-sponsorship of this bill, alongside HERA and the Consumer Federation of California. While the Board voted to support SB 784 at its March 14, 2025, quarterly board meeting, the author believes CSLB’s co-sponsorship would be especially impactful in underscoring the consumer protection need for this bill.

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

**STAFF RECOMMENDATION:** Staff recommend the Board approve co-sponsorship of SB 784. Placing additional transparency requirements on the lending industry during the loan negotiation process will mitigate consumer financial harm and may lessen the number of complaints received.

## AGENDA ITEM E-5

# Review, Discussion and Possible Action on Other Relevant 2025-26 Legislation

- a. AB 2287 (Rodriguez, Michelle):  
Contractors: disciplinary action.
- b. SB 342 (Umberg): Contractors:  
unlicensed work.







# CONTRACTORS STATE LICENSE BOARD

## REVIEW OF OTHER RELEVANT 2025-26 LEGISLATION

### Review, Discussion, and Possible Action on Other Relevant 2025-26 Legislation

**E5a. [Assembly Bill 2287](#)** (Michelle Rodriguez) Contractors: disciplinary action.

**STATUS/LOCATION (as of March 6, 2026):** Pending referral to an Assembly policy committee.

**SUBJECT:** Provides that contractors using any technologies, tools, or equipment when performing construction work are not subject to disciplinary action.

**SPONSOR:** California State Council of Laborers

**SUMMARY:** AB 2287 would prevent the Contractors State License Board (CSLB) from disciplining a licensed contractor based on the tools, equipment, or technology they use on a job — even if another state or local agency finds that the contractor's use of that equipment violated a trade standard, building code, or safety law.

**EXISTING LAW:** CSLB may currently take disciplinary action against a contractor who violates state building code or safety laws, even when those laws fall outside the Contractors State License Law.

**BACKGROUND:** This bill arises from an ongoing dispute between two labor groups – the Operating Engineers and the California State Council of Laborers – regarding the worker classification to perform land surveying (based on equipment used) and if a license is required by the Board for Professional Engineers, Land Surveyors, and Geologists (BPELSG).

The sponsors of AB 2287 are concerned that if BPELSG issues a citation for unlicensed land surveying to a contractor, CSLB might discipline the contractor solely because another agency took enforcement action. They want the law to clearly state that contractors cannot be disciplined by CSLB based on the equipment or technology their workers use – even if another agency believes the CSLB licensee should have had a separate license with their respective board to perform the work or to use the equipment. For example, they want to prevent a situation where BPELSG determines a contractor performed unlicensed land surveying activities and CSLB subsequently disciplines the contractor based solely on that conclusion.

**COMMENT/ANALYSIS:** CSLB does not take a position on what is or is not considered land surveying or the appropriate worker classification to perform land surveying. Any license requirement for land surveying rests with BPELSG, pursuant to their Business and Professions Code (BPC) sections [8725](#) and [8726](#). However, CSLB staff have concerns with the bill's current language for the following reasons:



- The bill seeks to amend BPC section 7110, which is the statute CSLB uses to collaborate with local building departments to enforce permit requirements.
- CSLB does not regulate individual workers or the tools or equipment they use; CSLB regulates contractor conduct and compliance with its practice act found in BPC section 7000 et seq.
- In some investigations, how a tool or piece of equipment was used serves as key evidence of a violation. This bill could limit CSLB's ability to rely on such evidence, even when necessary to protect the public.

AB 2287 attempts to address a very narrow concern, but the current wording is broad and may create confusion or compromise CSLB's ability to ensure licensees comply with existing requirements.

**PREVIOUS LEGISLATION:** AB 1341 (Hoover, 2025) attempted to address a similar issue by adding several categories of unlicensed professional practice – including land surveying – as grounds for CSLB disciplinary action. The bill was held in the Senate Appropriations Committee.

**FISCAL IMPACT:** Pending.

**STAFF RECOMMENDATION:** CSLB staff recommend that the Board take a WATCH position on AB 2287, with the understanding that staff will develop and submit replacement language to the author for consideration. As currently drafted, the bill does not improve consumer protection and may unintentionally limit CSLB's ability to enforce existing trade, building code, and workplace safety requirements.



# CONTRACTORS STATE LICENSE BOARD

## REVIEW OF OTHER RELEVANT 2025-26 LEGISLATION

### Review, Discussion, and Possible Action on Other Relevant 2025-26 Legislation

**E5b. [Senate Bill 342](#)** (Umberg) Contractors: unlicensed work.

**STATUS/LOCATION (as of March 6, 2026):** Pending referral to an Assembly policy committee.

**SUBJECT:** Allows contractors to bring an action for the recovery of compensation for work while duly licensed.

**SPONSOR:** California Conference of Carpenters

**SUMMARY:** SB 342 removes the prohibition on a contractor from bringing an action for recovery of compensation for all work conducted if the contractor was not duly licensed at all times during the contracting activity. Further, the bill would allow a contractor to bring an action for compensation for work conducted while the contractor was duly licensed.

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

**COMMENT/ANALYSIS:** According to the author, "If a contractor is unlicensed at any point, no matter how brief, the contractor risks recovering payment and in some cases, if licensure lapses, may have to return all money they've been paid, even if the project was completed or near completion. As written, current law is harsh and allows no flexibility for minor administrative licensure issues, such as a late license renewal, even if the coverage gap is only one day. In extreme cases, clients can demand full project costs refunds from temporarily unlicensed contractors, preventing contractors from being paid even for work that has been completed. These rules can create financial instability and hardships for contractors."

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



these protections were designed to deter violations of licensing requirements by minimizing financial gain from unlicensed activity.

CSLB understands industry concerns that current statute may enable a consumer to avoid paying for services rendered when a contractor's license lapses, even for a minimal period of time. This can be a ruinous consequence for contractors who work on large-scale commercial or public works projects, for what is perceived as a clerical error. However, staff notes there is flexibility for administrative licensing issues, such as late renewals and other administrative errors, that are corrected timely by the licensee. Pursuant to SB 1474 (Chapter 312, Statutes of 2020), CSLB is required to grant retroactive renewal up to 90 days from the license expiration date if the licensee is otherwise eligible, submits a renewal application and pays any outstanding renewal and delinquency fees. In most cases a lapse in licensure results from the licensee failing to complete the required renewal steps despite having an additional 90 days to comply. Further, SB 1474 allowed the judicial doctrine of substantial compliance to be applied in cases when the person who acted as a contractor had been duly licensed prior to the performance of the act or contract, acted reasonably and in good faith to maintain proper licensure, and acted promptly and in good faith to remedy the failure to comply with the licensure requirements upon learning of the failure.

Staff anticipate a substantial increase in both the volume and complexity of complaints if it becomes more difficult to pursue civil actions to recover compensation for work performed while a contractor was unlicensed. Because the vast majority of CSLB's complaints involve home improvement, excluding home improvement from the bill's scope would significantly reduce this potential workload increase and ensure that most consumers remain protected under Contractors Law as originally intended.

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

**PENDING AMENDMENTS:** Staff anticipates SB 342 will be amended to remove home improvement projects from the bill's scope, significantly lowering the bill's fiscal impact and maintaining essential consumer protections.

**FISCAL IMPACT:** As currently drafted, this bill is expected to generate approximately 400 additional complaints each year, substantially increasing enforcement workload. Managing this increase will require hiring additional staff and will result in added enforcement costs for contested administrative cases, estimated at \$2,248,000 in fiscal year 2027-28 and \$2,208,000 ongoing. These costs cannot be absorbed within existing resources and would require additional funding. Staff anticipate this bill will be amended



to remove home improvement projects from the scope of this bill, which will alleviate cost concerns significantly.

**STAFF RECOMMENDATION:** Staff recommend the Board take a WATCH position on this bill. There is no demonstrable improvement or enhancement to consumer protection associated with this bill.



# AGENDA ITEM F

## Enforcement





## AGENDA ITEM F-1

# Review and Discussion on 2025 Accomplishments and Activities Report





## AGENDA ITEM F-2

# Enforcement Program Update







### Enforcement Program Update and Statistical Review

#### Staff Vacancy Update

There are currently 28 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 seven positions. There are 12 positions publicly posted or under review prior to public posting. The remaining positions are going through the interview process with interviews currently scheduled or will be scheduled soon. The current vacancies are listed below by position classification.

Position Classification	Vacant
Supervising Special Investigator II (Peace Officer)	1
Supervising Special Investigator I	2
Special Investigator	15
Special Investigator (Peace Officer)	2
Office Technician (Typing)	4
Program Technician II	4
<b>Total</b>	<b>28</b>

#### Intake and Mediation Center Highlights

##### Flooring Installation Complaint Results in \$22,000 Settlement

A San Ramon consumer contracted to have flooring installed in her newly purchased home. Shortly after moving in, the consumer noticed discoloration in the engineered hardwood flooring on more than 100 planks throughout several areas of the home. She notified the contractor and over the next several months, the contractor made multiple unsuccessful attempts to address the issue. Flooring experts conducted several inspections, and the contractor offered the consumer a \$10,000 reimbursement. The consumer rejected the offer and filed the complaint with CSLB. The Staff Services Analyst (Analyst) was able to mediate a resolution where the contractor agreed to replace the entire flooring, resulting in \$22,000 savings for the consumer.

##### Mediation Results in \$20,000 Restitution After Substandard Backyard Renovation

A consumer entered a contract for backyard renovations in Chula Vista for \$50,000. The scope of work included concrete installation, turf placement, and fence repair. After the project was complete, the consumer noticed discoloration of the turf, issues with the concrete, and broken pieces on the fence. Initially the contractor refused to return to make any repairs, claiming no workmanship issues existed. After filing the complaint, the Analyst mediated a resolution where the contractor agreed to reimburse the consumer for the items of complaint resulting in \$20,000 restitution for the consumer.

##### Successful Mediation Secures Refund and Project Documents for Homeowner

A Sacramento homeowner entered a contract for the construction of an accessory dwelling unit (ADU) in his backyard for \$219,868. The consumer paid \$46,480 towards the contract but



after several months had still not received plans nor permits for the project. An Analyst spoke with the contractor who blamed the delays on difficulties in obtaining homeowners association approvals. He stated he had invested time in obtaining the engineering plans, getting the soil tested, paid \$8,000 in permit fees, and conducted multiple site visits. The Analyst was able to mediate a resolution between the parties where they agreed the contractor would reimburse the consumer \$26,355, in addition to providing the consumer with the plans and permits. Both parties agreed to part ways after the refund was received.

## **Investigation Center Highlights**

### **Elderly Couple Pays Hefty Price for ADU and Remodel**

CSLB investigated a complaint involving an elderly couple who entered into an \$825,000 agreement with a licensed contractor for the construction of an ADU and a residential remodel in San Diego that led to the revocation of the license and criminal case filed.

Two unsigned change orders increased the contract price to \$952,700. The scope of work required a B – General Building license, but the contractor held only a C-5 Framing and Rough Carpentry license.

The contractor received \$200,000 in advance payments prior to work performed and collected approximately \$457,000 in total, while performing minimal work. Estimates and invoices provided for materials were paid for and allegedly ordered; however, such materials were never installed. In one instance, the contractor ordered windows paid for in advance, acquired them, but failed to deliver or even pay the supplier, resulting in a mechanics lien against the property. After repeated failed attempts to have the contractor complete the work, the couple hired a separate licensed contractor to finish the project for \$318,678, resulting in a financial loss of \$122,298.

Upon completion of the investigation, it was determined that the contract lacked required notices and required verbiage and was unsigned by both parties. Additionally, it was discovered that at the time of contract negotiation, the contractor's license was suspended and later expired during the project. The contractor employed workers without obtaining the required workers' compensation insurance. The contractor's actions depleted the couple's life savings, leaving them reliant on Social Security benefits.

In October 2024, CSLB recommended an accusation citing abandonment of a project, diversion of funds, substandard workmanship, contracting out of classification, failure to maintain records, failure to cooperate with an investigation, willful misconduct, contracting under a suspended or expired license, lack of diligence, failure to provide required home improvement contract disclosures, and accepting payment exceeding the value of work performed or materials provided. The case was filed in July 2025, and the contractor's license was revoked in November 2025, effective December 4, 2025.

The matter was also referred to the San Diego County District Attorney's Consumer Protection Unit for potential criminal charges related to workers' compensation violations, financial elder abuse, and burglary. A criminal case was filed; the contractor failed to appear in January 2025, and an arrest warrant was issued in April 2025, remaining active through April 2030. The criminal case is ongoing.

**Abandonment in \$1.3 Million Home Build Leads to Accusation**

In September 2021, homeowners entered into a written agreement with a licensed contractor to construct an 1,821-square-foot custom home and a 600-square-foot semi-attached garage at their Dillon Beach property for \$1,282,410.90. Subsequent change orders increased the contract price to \$1,301,762.37. Although the contractor had initiated construction, they later abandoned the project after receiving a total of \$1,244,759.55.

After the abandonment, the homeowners retained a licensed contractor to inspect the work. The inspection identified significant deficiencies, including deviations from approved plans and failure to meet industry standards. The cost to correct and complete the project was estimated at \$538,543, resulting in a financial injury of \$481,540.18.

In July 2025, an accusation was filed citing abandonment of a contract, departure from accepted trade standards, departure from plans or specifications, failure to complete the project for the contract price, and lack of diligence. The contractor failed to submit a notice of defense, and in November 2025, the Registrar adopted a default decision to revoke the contractor's license, effective December 4, 2025.

**Contractor Creating Complications for Many in San Diego County**

CSLB investigated 13 complaints against the same licensed contractor involving residential remodeling and room additions throughout San Diego County. Each consumer had entered into a written contract with the contractor for projects ranging from \$161,303 to over \$2 million. The contractor collected excessive deposits, ranging between \$78,900 and \$231,571 before performing any work or delivering materials. Within six months, approximately \$361,156 had been collected in advance across three projects. In each case, the contractor failed to account for the funds, did not provide evidence of material purchases, abandoned projects after full payment, and performed substandard work. Several consumers pursued civil action in superior court.

As a result of these findings, CSLB filed accusations for revocation on February 8, 2024, and August 2, 2024, citing abandonment of a contract, diversion or misapplication of funds, failure to pay subcontractors, departure from accepted trade standards, willful or fraudulent acts causing injury, participation by a qualifying individual in acts for which license was suspended or revoked, excessive down payments, accepting payments exceeding the value of work performed or materials delivered, and multiple violations related to required home improvement contract disclosures. On February 3, 2025, the contractor agreed to a stipulated revocation for three years and was ordered to pay \$19,083.28 in investigative costs and \$34,185 in restitution.

In July 2024, two cases were referred to the San Diego County District Attorney's Economic Crimes Division for criminal prosecution. A felony complaint was filed in October 2025, charging the contractor with eight counts of diversion of construction funds, one count of grand theft, and two counts of receiving an excessive down payment. The contractor was arraigned on October 23, 2025, and faces up to seven years in state prison due to a white-collar crime enhancement. The case is currently



pending the outcome of a readiness conference and the scheduling of a preliminary hearing before it can move forward with a possible trial.

### **Repeat CSLB Offender Sentenced to Two Years**

On August 12, 2025, Ruben Concepcion pleaded guilty to diversion of construction funds, contracting without a license (with prior convictions), accepting an excessive deposit, and theft by false pretense in four cases filed by the Riverside County District Attorney.

Concepcion is not licensed in California and has a long history of complaints previously referred by CSLB for criminal prosecution. He was convicted of unlicensed contracting offenses in August 2017 and again in January 2019. In the current cases, he entered into landscaping contracts with homeowners, including one exceeding \$100,000, and abandoned the projects after collecting several thousand dollars from each victim.

The court sentenced Concepcion to two years in jail, with restitution expected to total between \$70,000 and \$100,000, pending final calculation by the district attorney and probation department.

### **Licensee Investigation Results in Revocation, Three District Attorney Referrals**

In October 2024, the Santa Cruz County District Attorney requested CSLB's assistance regarding a complaint involving deceptive paving work performed at St. Philip the Apostle Episcopal Church by Global Paving LLC. An employee of Global Paving LLC, John Miner, offered to donate leftover asphalt and began work without authorization or a written estimate. After paving, Miner demanded \$35,000, later reducing the price to \$12,000 when questioned about the square footage. The church ultimately retained counsel and filed a complaint. A CSLB industry expert (IE) later determined the work was substandard, valued at only between \$5,000 and \$6,000, and would cost between \$16,000 and \$20,000 to correct.

During the investigation, CSLB identified a second complaint in Lake County involving similar misconduct. In that case, Miner verbally agreed to repave an area for \$2,500, but had truckloads of asphalt delivered without authorization and then demanded \$11,000. When the homeowner canceled payment after realizing the alleged fraud, Miner returned to the property and caused a disturbance, prompting a 911 call.

A third complaint in Santa Cruz County involved Global Paving representatives approaching the Elks Lodge with discounted "leftover material." Instead of repairing potholes for the agreed \$85 per square yard, the crew paved a large unapproved section and demanded \$34,000, later negotiated to \$20,000. CSLB's IE concluded the work failed to meet trade standards, created safety and Americans with Disabilities Act issues, and held no legitimate value. The cost to correct the work was estimated at \$26,022.

CSLB referred criminal cases against Miner to the Santa Cruz and Lake County district attorneys, alleging theft by false pretense and knowingly making false financial statements. CSLB also pursued administrative action for violations including failure to



meet accepted trade standards, willful or fraudulent acts, and prohibited acts. On October 17, 2025, Global Paving's license was revoked by default decision.

In November 2025, the Santa Cruz County District Attorney filed theft by false pretense and attempted theft by false pretense charges against Miner.

### **Unlicensed Individual Pleads No Contest to 74 Counts in LA County**

Around August 2019, CSLB received multiple fraud complaints involving A&JB, a licensed contractor whose sole listed officer at the time was Juan Jose Bastias. During this period, Marko Mendoza, who is not licensed with CSLB, represented himself as an A&JB contractor and signed numerous contracts with homeowners for ADU construction. Most projects were financed through PACE (Property Assessed Clean Energy) and HERO (Home Energy Renovation Opportunity) loans, which are repaid through property tax assessments. All identified projects were abandoned, and 14 had no work performed at all.

CSLB's investigation, conducted from February 2020 through November 2022, included interviews and a search warrant for financial records. Bank documents showed both Mendoza and Bastias were signers on A&JB accounts and that HERO funds were routinely deposited and matched to victim projects. Evidence also showed A&JB employed approximately eight salespeople who assisted homeowners with HERO financing before Mendoza issued contracts under A&JB's name.

The investigation identified 32 victims, including three seniors. From April 2018 to May 2019, A&JB received approximately \$1,599,655 in HERO disbursements for 29 projects and an additional \$131,530 directly from three homeowners. A CSLB IE confirmed that only minimal work was completed on the few projects where work occurred. The investigation further revealed that Mendoza and Bastias signed HERO completion certificates despite the work being unfinished or never started, prompting HERO to release the project funds. Most victims reported they did not sign completion certificates, though DocuSign logs showed activity under their email addresses. Financial records confirmed diversion of construction funds.

CSLB referred the case to the Los Angeles County District Attorney's Office. On July 26, 2023, the district attorney filed more than 70 felony counts against Mendoza. Charges against Bastias were declined due to insufficient evidence of knowledge or participation. CSLB had previously revoked A&JB's license on January 27, 2022, based on five consumer complaints.

In January 2026, Mendoza pleaded no contest to all 74 counts. As part of the plea, he must appear at multiple restitution hearings and provide \$50,000 upfront, followed by additional payments of \$30,000 and \$20,000. Failure to make these payments will result in a 4.5-year prison sentence. Mendoza will be on 10 years of probation, required to pay remaining restitution during that period, and now carries two strike convictions, exposing him to a third-strike sentence if he commits any future felony.



**SWIFT Update and Statistics for July 1, 2025, to January 31, 2026**

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.

**SWIFT Activities**

SWIFT conducted 24 sting operations days, participated in 230 sweep days, and responded to 373 leads. SWIFT closed 1,645 cases as a result of stings, sweeps, and leads. Of these 1,645 cases, 550 resulted in administrative or criminal legal action, as well as the issuance of 597 advisory notices for minor violations.

**District Attorney Referrals**

SWIFT referred 227 cases to local district attorneys’ offices for criminal prosecution – 184 for contracting without a license and 43 against licensees, primarily for failure to secure workers’ compensation insurance.

**Administrative Actions**

SWIFT issued 253 licensee and non-licensee citations, issued 69 Letters of Admonishment, one accusation, and assessed \$421,100 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 did 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, 2025 to January 31, 2026, SWIFT issued 179 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.

**Amounts Collected or Resolved**

	2023	2024	2025	2026 (through 1/31/26)
CSLB	\$100,190	\$108,848	\$44,995	\$9,760
EDD	\$10,485,549	\$10,897,189	\$9,081,107	\$4,271,464
DIR-Cal/OSHA	\$493,104	\$697,638	\$324,125	\$63,282

	2023	2024	2025	2026 <small>(through 1/31/26)</small>
DIR-DLSE	\$4,620,847	\$3,116,644	\$208,823	\$31,314
FTB	\$5,344,249	\$4,768,829	\$1,301,867	\$250,682
Total	\$21,043,939	\$19,589,147	\$10,960,917	\$4,626,502

### 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, 2025 to January 31, 2026:

Number of Contractors Inspected	105
Number of Contractors Out of Compliance	89
Percentage of Contractors Out of Compliance	85%
Total Initial Assessments	\$641,458

*Note: The results reflect joint LETF inspections with Cal/OSHA, CSLB, DLSE & EDD. Total initial assessments reflect the amount assessed by Cal/OSHA and DLSE at the time of the inspection. These amounts are subject to change.*

### Complaint Handling Statistics (For July 1, 2025, to January 31, 2026)

#### Investigations Initiated & Complaints Received

- CSLB received 11,971 complaints.
- CSLB self-initiated 692 investigations.

#### Complaints Closed

- Intake and Mediation Centers closed 6,634.
- Investigation Centers closed 3,138.

#### Pending Investigations

With current staffing levels, the optimum maximum Enforcement Division caseload is 4,895 pending complaints. As of January 31, 2026, the pending caseload was 5,595.

#### Complaint-Handling Cycle Time

The Board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. As of January 31, 2026, 176 complaints exceeded 270 days in age.

Enforcement supervisors and managers continue to conduct monthly case reviews and help investigators resolve aged cases.

#### Restitution to Financially Injured Persons

CSLB continues to assist consumers and help licensees resolve non-egregious



consumer complaints. Complaint negotiation efforts by the Intake and Mediation and Investigative Centers resulted in more than \$18.1 million in restitution to financially injured parties.

**Investigative Center Legal Actions**

The Investigative Centers referred 493 (40 percent) of the 1,222 legal action investigations for criminal prosecution.

**Case Management Update and Statistics (For July 1, 2025, to January 31, 2026)**

**Arbitration Statistics**

- 216 arbitration cases were initiated, resulting in \$2,118,774 in ordered financial restitution.
- 22 licenses were revoked for non-compliance with an arbitration award.

**Citation Statistics**

	Licensees	Non-Licensed	Total
Citations Issued	438	373	811
Citations Appealed	237	122	359
Citations Complied With	301	212	513

**Licensee Civil Penalties Collected**

	Total
Informal Citation Conferences (ICC) Conducted	169
Citations Resolved Through ICCs	80
Civil Penalties Collected	\$1,441,508
Restitution Ordered	\$620,402

**Non-Licensee Citation Civil Penalties**

	Total
Informal Citation Conferences (ICC) Conducted	94
Citations Resolved Through ICCs	83
Civil Penalties Collected	\$426,922.44

**Accusations**

	Total
Accusations Filed	113
License Revocations	129
Licenses Placed on Probation	38
Restitution Paid to Injured Parties	\$1,176,406
Cost Recovery Collected	\$261,595



**Letter of Admonishment Statistics for July 1, 2025, to January 31, 2026**

The Letter of Admonishment (LOA) is a form of disciplinary action CSLB was authorized to use in 2018 to enhance public protection by promptly addressing less-egregious violations by licensed contractors. The letter provides for up to two years of public disclosure after issuance, offers an option for requiring corrective action by the contractor, and provides written documentation that can be used to support formal disciplinary action in the future, if warranted.

Additionally, contractors who receive an LOA are given an opportunity to contest its issuance via an Office Conference. The Office Conference procedures provide CSLB with the discretion to uphold, modify, or withdraw the Letter of Admonishment based on a second review of the case. Below are Office Conference statistics for July 1, 2025, to January 31, 2026:

Office Conferences Conducted	17
LOA Decisions Upheld	7
LOA Decisions Withdrawn	1
LOA Decisions Modified	2
LOA Decisions Pending	7

Beginning in 2020, contractors who have violated local permit requirements have been issued an LOA with a corrective order to complete a video training session on building permit requirement and public benefit. Violators who do not complete the training are subject to an Administrative Citation. Below are Corrective Action Plan statistics for July 1, 2025, to January 31, 2026:

Corrective Action Plans (CAP) Ordered	38
CAP Compliance Pending	9
CAP Compliance Complete	25
LOA Elevated to Citation/Non-Compliant	4

**Application Experience Verification Statistics**

The chart on the next page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification. The statistics primarily relate to the work performed by the Enforcement field application investigator, and do not include application investigations by other Enforcement or Licensing units.



Experience Verification by Classification
July 1, 2025, to January 31, 2026

Table with 7 columns: CLASSIFICATION, APPEALED, WITHDRAWN, VERIFIED, DENIED, TOTAL. Rows include various classifications like General Engineering, General Building, Residential Remodeling, etc., with corresponding counts.



## **Training Update**

### **Enforcement Training**

On January 13, 2026, Supervising Special Investigator Amanda Martinez provided a training presentation at the supervisors' meeting in Norwalk. The session focused on unlicensed solar companies, rogue Home Improvement Salesperson registrants, and loan-stacking practices affecting consumers and the industry.

### **CSLB Enforcement Academy**

The next CSLB Enforcement Academy is scheduled for March 23-27, 2026, at the Norwalk office.



# AGENDA ITEM G

## Licensing





## AGENDA ITEM G-1

# Review and Discussion on 2025 Accomplishments and Activities Report





## AGENDA ITEM G-2

# 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

	2025 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026 Jan
Original Exam	1,784	1,888	1,943	1,796	1,661	1,649	1,563	1,581	1,708	1,352	1,503	1,539
Original Waiver	911	855	917	853	803	736	780	826	734	622	763	871
Add Class	530	552	569	483	488	454	484	533	513	412	469	480
Qualifier Replacer	285	290	302	267	272	259	304	314	299	244	254	290
Home Improvement	904	1,005	987	932	996	761	807	789	796	680	720	653
<b>Total Per Month</b>	<b>4,414</b>	<b>4,590</b>	<b>4,718</b>	<b>4,331</b>	<b>4,220</b>	<b>3,859</b>	<b>3,938</b>	<b>4,043</b>	<b>4,050</b>	<b>3,310</b>	<b>3,709</b>	<b>3,833</b>

**3 – Month Totals**

**Feb – Apr: 13,722**

**May – Jul: 12,410**

**Aug – Oct: 12,031**

**Nov – Jan: 10,852**

#### Total Applications Received – Prior Calendar Years

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Original Exam	15,729	15,861	17,816	20,100	19,943
Original Waiver	7,558	7,970	8,737	9,205	9,753
Add Class	4,138	4,112	4,482	5,422	5,980
Qualifier Replacer	2,813	3,024	3,288	3,326	3,386
Home Improvement Salespersons	12,411	12,466	12,792	11,799	10,276
<b>Total Received</b>	<b>42,649</b>	<b>43,433</b>	<b>47,115</b>	<b>49,852</b>	<b>49,338</b>



**Weeks to Process**

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

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

	2025											2026
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>Original Exam</b>	2.2	2.8	2.9	2.9	3.6	4.0	3.5	3.3	2.1	2	2.6	2.3
<b>Original Waiver</b>	2.0	2.1	2.4	2.1	2.6	2.0	2.0	2.3	2.2	2	2.0	1.2
<b>Add Class</b>	2.8	2.5	2.6	1.7	2.0	2.0	1.9	2.0	2.4	2.4	2.9	2.5
<b>Qualifier Replacer (Exams &amp; Waiver)</b>	2.8	2.5	2.6	1.7	2.0	2.0	1.9	1.9	2.3	2.4	2.4	2.2
<b>Home Improvement Salesperson</b>	2.1	2.6	2.0	1.6	1.8	2.0	1.4	1.6	1.4	1.4	2.1	1.8
<b>Renewal</b>	0.8	0.8	0.7	0.7	1.4	1.4	1.0	1.4	0.8	0.9	1.1	0.9
<b>Add New Officer</b>	2.4	2.6	2.3	1.8	1.9	1.7	1.5	1.8	1.3	1.3	2.1	1.8
<b>Address / Name Change</b>	2.4	2.6	2.3	1.8	1.9	1.9	1.9	1.7	1.0	1.4	2.3	1.8
<b>Bond / Bond Exemption</b>	0.6	0.6	0.6	1.0	2.5	1.2	0.9	1.0	0.9	1.0	1.4	1.7
<b>Workers' Comp / Exempt</b>	2.7	1.1	1.2	1.5	2.9	3.0	2.8	2.6	2.4	2.8	2.5	2.1
<b>Certified License History</b>	0.1	0.0	0.2	0.1	2.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0
<b>Copies of Documents</b>	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0
<b>Criminal Offender Record Information (CORI) Review*</b>	2.4	2.2	2.2	2.1	2.5	2.0	2.1	1.8	2.0	2.1	2.3	2.4

\*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

Table with 5 columns: Fiscal Year, Number of Apps Received, Processed & Issued, Voided, Pending\*. Rows include fiscal years 2021-2022 through 2024-2025.

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

An application may be classified as pending because:

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

Renewal Processing Statistics

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

Total Number of Renewals Received Per Month

Table with 13 columns: 2025 Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, 2026 Jan. Rows include Reactivation, Active, Inactive, Delinquent Active, Delinquent Inactive, and Received Per Month.

3 - Month Totals Feb - Apr: 29,727 May - Jul: 31,167 Aug - Oct: 29,257 Nov - Jan: 28,021



Total Renewals Received – Prior Calendar Years

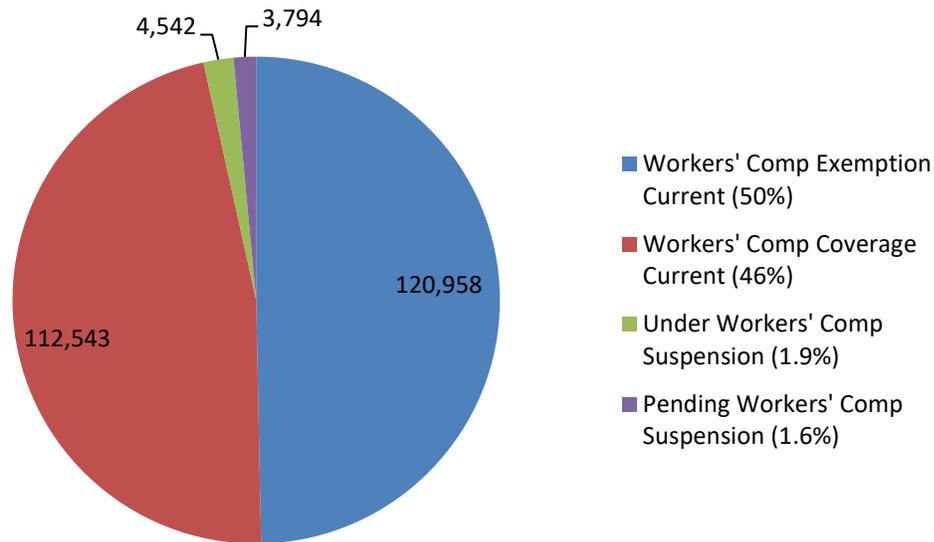
	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Reactivation	1,230	1,250	1,293	1,248	1,156
Active	94,480	93,180	92,088	92,458	92,666
Inactive	11,351	9,087	9,689	9,994	9,129
Delinquent Active	13,162	12,519	12,911	13,776	13,697
Delinquent Inactive	2,163	1,658	1,661	1,799	1,678
<b>Total Received</b>	<b>122,386</b>	<b>117,694</b>	<b>117,642</b>	<b>119,275</b>	<b>118,326</b>

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 - January 31, 2026



Total Number of Active Licenses: 243,671

The following chart shows the workers' compensation coverage (policies and exemptions) on file as January 31, 2026, for active licenses by classification and the percentage of exemptions per classification.

**Active License Classifications Workers' Comp Status: As of January 31, 2026**

Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
<b>A</b> General Engineering	5,325	9,599	14,924	36%
<b>B</b> General Building	62,279	42,695	104,974	59%
<b>B2</b> Residential Remodeling	1,120	343	1,463	77%
<b>C2</b> Insulation and Acoustical	261	898	1,159	23%
<b>C4</b> Boiler Hot Water	109	580	689	16%
<b>C5</b> Framing / Rough Carp	533	503	1,036	51%
<b>C6</b> Cabinet-Millwork	2,404	1,929	4,333	55%
<b>C7</b> Low Voltage Systems	1,978	2,754	4,732	42%
<b>C8</b> Concrete	11	5,208	5,219	0.2%
<b>C9</b> Drywall	1,319	1,882	3,201	41%
<b>C10</b> Electrical	14,753	13,317	28,070	53%
<b>C11</b> Elevator	47	164	211	22%
<b>C12</b> Earthwork & Paving	959	1,497	2,456	39%
<b>C13</b> Fencing	755	1,064	1,819	42%
<b>C15</b> Flooring	3,514	3,413	6,927	51%
<b>C16</b> Fire Protection	742	1,462	2,204	34%
<b>C17</b> Glazing	1,139	1,917	3,056	37%
<b>C20</b> HVAC	6	11,225	11,231	0.05%
<b>C21</b> Building Moving Demo	544	1,258	1,802	30%
<b>C22</b> Asbestos Abatement	2	306	308	0.6%
<b>C23</b> Ornamental Metal	444	633	1,077	41%
<b>C27</b> Landscaping	5,046	7,058	12,104	42%
<b>C28</b> Lock & Security Equipment	142	221	363	39%
<b>C29</b> Masonry	778	1,291	2,069	38%
<b>C31</b> Construction Zone	78	362	440	18%
<b>C32</b> Parking Highway	197	314	511	39%
<b>C33</b> Painting	8,794	6,962	15,756	56%
<b>C34</b> Pipeline	134	395	529	25%
<b>C35</b> Lath & Plaster	626	1,200	1,826	34%
<b>C36</b> Plumbing	9,306	8,159	17,465	53%
<b>C38</b> Refrigeration	418	1,195	1,613	26%
<b>C39</b> Roofing	3	5,178	5,181	0.06%
<b>C42</b> Sanitation	333	624	957	35%
<b>C43</b> Sheet Metal	251	1,036	1,287	20%
<b>C45</b> Sign	377	492	869	43%
<b>C46</b> Solar	422	771	1,193	35%
<b>C47</b> Gen Manufactured House	215	242	457	47%
<b>C49</b> Tree and Palm	60	364	424	14%
<b>C50</b> Reinforcing Steel	68	191	259	26%
<b>C51</b> Structural Steel	449	1,083	1,532	29%
<b>C53</b> Swimming Pool	1,267	1,615	2,882	44%
<b>C54</b> Ceramic & Mosaic Tile	3,550	2,714	6,264	57%
<b>C55</b> Water Conditioning	124	175	299	41%
<b>C57</b> Well Drilling	263	463	726	36%
<b>C60</b> Welding	581	515	1,096	53%
<b>C61</b> Limited Specialty	7,341	13,099	20,440	36%



**Fingerprinting/Criminal Background Unit Statistics**

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

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

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

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	TOTALS
<b>DOJ Records Received</b>	35,114	37,895	39,500	40,129	37,680	<b>190,318</b>
<b>CORI Information Received</b>	6,818	7,303	5,616	5,778	5,077	<b>30,592</b>
<b>Denials</b>	8	13	10	7	5	<b>43</b>
<b>Appeals</b>	5	7	3	3	3	<b>21</b>
<b>Probationary Licenses Issued (conditional license, requires periodic review)</b>	177	222	185	206	179	<b>969</b>

**Judgment Unit Statistics**

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

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



**Judgment Unit: Number of Reimbursements to State Agencies and Public**

**Outstanding Liabilities (from California state agencies)**

	2025 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026 Jan
<b>Notice</b>	56	38	72	73	59	65	61	60	62	61	63	56
<b>Suspend</b>	42	32	53	31	52	55	39	54	40	38	64	47
<b>Reinstate</b>	54	32	46	54	45	58	49	35	44	34	32	37
<b>Total</b>	152	102	171	158	156	178	149	149	146	133	159	140

**Final Judgments (from court actions)**

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026 Jan
<b>Notice</b>	82	77	96	92	86	88	100	105	104	48	97	85
<b>Suspend</b>	11	16	15	12	20	24	17	19	18	20	30	19
<b>Reinstate</b>	87	69	85	66	70	90	98	71	83	52	55	72
<b>Total</b>	180	162	196	170	176	202	215	195	205	120	182	176

**Payment of Claims (from bond surety companies)**

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026 Jan
<b>Notice</b>	170	204	235	191	148	163	210	172	229	153	198	152
<b>Suspend</b>	117	114	106	85	114	151	102	94	94	114	115	128
<b>Reinstate</b>	145	132	136	123	119	132	124	104	151	99	102	104
<b>Total</b>	432	450	477	399	381	446	436	370	474	366	415	384

**Reimbursement Amounts to State Agencies and Public  
Prior Calendar Years**

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
<b>Outstanding Liabilities</b>	\$18,765,840	\$22,921,075	\$20,951,291	\$20,371,835	\$22,636,826
<b>Final Judgments</b>	\$18,003,223	\$20,211,482	\$19,505,855	\$43,984,178	\$30,100,808
<b>Payment of Claims</b>	\$7,934,026	\$7,781,618	\$7,168,304	\$10,360,721	\$15,097,903
<b>Total Monetary Recovery</b>	<b>\$44,703,089</b>	<b>\$50,914,175</b>	<b>\$47,625,450</b>	<b>\$74,716,734</b>	<b>\$67,835,537</b>



# 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
<b>February 2025</b>	\$1,189,173	\$265,422	\$960,254	<b>\$2,414,849</b>
<b>March</b>	\$487,033	-	\$82,124	<b>\$569,157</b>
<b>April</b>	\$2,541,157	\$368,187	\$163,842	<b>\$3,073,186</b>
<b>May</b>	\$1,208,736	\$539,105	\$1,995,261	<b>\$3,743,102</b>
<b>June</b>	\$1,170,348	\$191,457	\$1,388,761	<b>\$2,750,566</b>
<b>July</b>	\$2,479,458	\$390,713	\$3,095,017	<b>\$5,965,188</b>
<b>August</b>	\$2,168,707	\$210,916	\$185,749	<b>\$2,565,372</b>
<b>September</b>	\$819,048	\$40,509	\$16,738	<b>\$876,295</b>
<b>October</b>	\$853,689	\$432,276	\$102,017	<b>\$1,387,982</b>
<b>November</b>	\$1,345,509	\$153,064	\$37,044	<b>\$1,535,617</b>
<b>December</b>	\$1,414,697	\$74,388	\$45,247	<b>\$1,534,332</b>
<b>January 2026</b>	\$4,271,464	\$250,682	\$94,595	<b>\$4,616,741</b>
<b>TOTALS</b>	<b>\$19,949,019</b>	<b>\$2,916,719</b>	<b>\$8,166,649</b>	<b>\$31,032,387</b>



# 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 21 computer-based test centers. CSLB and PSI mail applicants with 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 Feb 2025 – Jan 2026

Feb 2025	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2026	Total
4633	5283	5046	5356	5283	5508	4898	4876	5244	4176	4850	5097	59,695

CSLB currently utilizes PSI test centers in the following locations to test all trades and the Law and Business exam:

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

In April 2024, the Law and Business exam was released to the other 20 DCA-approved PSI test centers nationwide. As of October 2025, the C-15 Flooring and Floor Covering and C-55 Water Conditioning exams are also offered nationwide.

### Number of Examinations Administered by Test Center

From February 2025 to January 2026, PSI test centers administered a total of 59,575 exams. The details about each test center are described below.

Test Center	Number of Examinations Administered
Agoura Hills – PSI	4,769
Atascadero – PSI	908
Bakersfield – PSI	1,569
Carson – PSI	1,562
Diamond Bar – PSI	1,202
El Monte/Santa Fe – PSI	4,900
Fresno – PSI	138
	1,641



Test Center	Number of Examinations Administered
Irvine – PSI	4,569
Lawndale – PSI	2,127
Redding – PSI	816
Riverside/Mission Grove – PSI	4,757
Sacramento – PSI	6,501
San Diego – PSI	6,465
San Francisco – PSI	2,919
Santa Clara – PSI	3,201
Santa Rosa – PSI	2,396
Union City – PSI	2,030
Various, other states - PSI*	191
Ventura – PSI	2,684
Visalia - PSI	1,271
Walnut Creek – PSI	3,015
Wilsonville, Oregon - PSI	82
<b>Total</b>	<b>59,575</b>

**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.

\* 20 PSI nationwide test centers – Law and Business and limited trade exams



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

The following new examinations were released between November 1, 2025, and January 31, 2026:

- C-9 Drywall
- C-15 Flooring & Floor Covering

The following item banks are ready for new releases:

- C-8 Concrete
- C-20 Warm-Air Heating, Ventilating and Air-Conditioning
- C-32 Parking and Highway Improvement
- C-43 Sheet Metal
- ASB Asbestos Certification
- C-27 Landscaping
- C-29 Masonry

**Examination Programs in Progress as of February 2026**

Occupational Analysis	Item Bank Development
C-49 Tree & Palm	C-22 Asbestos Abatement
C-39 Roofing	C-7 Low Voltage System
C-54 Ceramic & Mosaic Tile	C-17 Glazing
LAW Law and Business	C-53 Swimming Pool
B-2 Residential Remodeling	C-46 Solar

**Digitizing booklets**

Since September 2024, EDU started the transition from physical booklets to digital image integration in computer-based exams, streamlining the testing process and eliminating the cost of producing and shipping physical booklets. There are 19 trade exams currently in transition to digitized images. As of January 2026, there are 6 trades (B-2, C-6, C-15, C-33, C-35, C-39 and C-55) that no longer need physical booklets. Two have been released nationwide and the other four are still being pretested before PSI is directed to release them to out-of-state DCA-approved test centers.

**Spanish-Translated Examinations**

Candidates who request a Spanish translator are now able to take their Law and Business exam and nine additional trade exams in Spanish instead of waiting for a translator to be approved. These 10 exams represent those that receive the most



requests for a Spanish translator. In November 2024, EDU developed a toggle option for Spanish exams, allowing candidates to view the original English questions alongside their Spanish translations. Candidates will still have the option of utilizing a translator for their trade exam if it has not been translated into Spanish.

From February 2025 to January 2026, PSI test centers administered a total of 11,707 Spanish version exams. The exam counts for each trade are described below.

<b>Trade Exam</b>	<b>Number of Examinations Administered</b>
Spanish Law and Business	6,953
Spanish B - General Building	1,934
Spanish C-8 Concrete	320
Spanish C-9 Drywall	230
Spanish C-15 Flooring and Floor Covering	215
Spanish C-27 Landscaping	416
Spanish C-33 Painting and Decorating	548
Spanish C-36 Plumbing	364
Spanish C-39 Roofing	530
Spanish C-54 Ceramic and Mosaic Tile	197
<b>Total</b>	<b>11,707</b>



## AGENDA ITEM G-3

# Review and Discussion of B-2 Residential Remodeling Survey







### **Review and Discussion of B-2 Residential Remodeling Survey**

During the December 2025 board meeting, the board asked Licensing to survey all B-2 license holders to determine if they were interested in adding a B General Building classification to their license. On December 29, 2025, the 1,201 B-2 license holders who had provided an email address were emailed a four-question survey (see below).

The survey closed on February 2, 2026, with 340 licensees responding, a 28 percent response rate. The survey respondents answered as follows:

*Why did you choose to apply for a B-2 Residential Remodeling license?*

- To engage in remodeling work lawfully (31%)
- To do three or more unrelated trades (19%)
- To gain experience that would qualify me for a B – General Building license (16%)

*Are you satisfied with the work you can perform within the scope of a B-2 license (no structural or behind-the-wall work)?*

- 63% said yes

*Do your future plans include expanding to a B-General Building classification?*

- 79% said yes

*If "yes" how do you plan to gain the experience needed for a B-General Building classification?*

- Plan to use their B-2 experience to qualify for a B. (39%)
- Already have structural/framing experience. (37%)
- Work with a B to gain structural or framing experience. (20%)
- Hire an RMO with a B to add that classification to their license. (4%)
- One additional comment was to do a joint venture with a B license holder.

### **B-2 Limitations to Qualify for a B-General Building License**

The interest among B-2 Residential Remodeling license holders in expanding into the B General Building classification is understandable, but there are important limitations. The B-2 license authorizes work in three or more unrelated trades without requiring structural or framing experience. The trade description for the B-2 classification was intentionally written to exclude structural, load-bearing, or behind-the-wall work, and was created to cover the type of multi-trade work typically performed by residential handypersons or remodelers.



In contrast, an applicant for the B-General Building classification must demonstrate verifiable experience with construction projects that included structural or framing components of construction. Because the B-2 classification does not permit or require structural work, holding a B-2 license alone does not establish the framing or structural experience necessary to qualify for a B-General Building license.

**Staff Recommendation: Consider a Certification Option for B-2 License Holders to Gain Structural/Framing Experience**

Staff recommends exploring the development of a certification pathway that would allow B-2 Residential Remodeling license holders to obtain limited, supervised structural and framing experience that could later support a future application for the B-General Building classification. The proposed framework is outlined below.

- **Structural/Framing Certification Exam:** Establish a CSLB-administered exam that focuses specifically on the structural and framing elements authorized under the certification.
- **Limited Structural Authorization:** B-2 licensees who obtain the certification would be permitted to construct small, non-habitable accessory structures — such as sheds, garages, carports, greenhouses, and pergolas. These structures involve framing but do *not* include areas intended for human habitation.

Many of these projects require building permits in California when they exceed 10' x 12' or when plumbing, electrical, or HVAC work is included. As a result, certified B-2 licensees would perform permitted, inspected, and finalized structural work that can be independently verified.

- **Prohibited Work:** Certified B-2 licensees would not be authorized to construct accessory dwelling units (ADUs), room additions, or other habitable structures. This protects consumers while still providing B-2 contractors with a path to gain legitimate structural experience.
- **Experience Duration Requirement:** The B-2 licensee would need to hold the certification for a minimum of two years before becoming eligible to apply for the B-General Building classification.
- **Existing Experience Requirement:** To obtain the B-2 classification, the contractor has already demonstrated four years of journey-level experience in at least three unrelated trades.
- **Documented Permit History:** As part of the B classification application, the B-2 license holder would be required to submit completed and signed-off building permits showing the structural/framing work performed under the certification.



**CSLB**

## B-2 SURVEY RESULTS

- B Classification Examination: Once all certification and experience requirements are satisfied, the applicant would need to take and pass the B-General Building exam to add the classification to their license.



# AGENDA ITEM H

## Public Affairs





## AGENDA ITEM H-1

# Review and Discussion on 2025 Accomplishments and Activities Report





## AGENDA ITEM H-2

# Public Affairs Program Update







# CONTRACTORS STATE LICENSE BOARD

## PUBLIC AFFAIRS PROGRAM UPDATE

### Public Affairs Program Update

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

PAO creates and posts content on CSLB's social media channels to educate and inform consumers, licensees, the construction industry, the news media, and government officials. Staff also produce content for the CSLB website that includes webcasts and videos. Staff conduct Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> 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 the recovery and rebuilding continues following the Palisades and Eaton fires in January 2025, CSLB continued its disaster outreach, including participating in task force meetings and spreading awareness about hiring licensed contractors for the rebuild. This included participating in a "Hiring a Contractor" workshop in February 2026 where CSLB, along with the Los Angeles County District Attorney's Office and the Los Angeles County Department of Business Consumer Affairs, provided details about vetting a contractor and ensuring they follow payment rules as they apply to reconstruction in disaster areas.

In addition, CSLB staffed one local assistance center (LAC) in Hesperia in January 2026 following a mudslide in San Bernardino County in late December. Signs were also posted in the affected areas, such as Wrightwood, along with a marquee that reminded homeowners to hire licensed contractors with a link to CSLB's website.

Disaster	LAC Location	Resources
1. Late December Storm	Hesperia (San Bernardino 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. CSLB's disaster response includes immediate and longer-term outreach, enforcement efforts, participation in multi-agency task forces, and assistance for affected licensees. CSLB also makes regular disaster-related posts through its social media channels, including Facebook, X, Instagram, and LinkedIn.



**Task Force Participation**

CSLB staff participate on a multi-agency task force established by the California Governor’s Office of Emergency Services that focuses on rebuilding and housing. The task force includes representatives from local, state, and federal agencies, with a goal of coordinating and streamlining the debris cleanup efforts and addressing both short-term housing needs for survivors and rebuilding.

**Assistance for Licensees/Applicants**

PAO communicates that CSLB continues its practice of waiving fees for licensees to replace their wall certificate and/or plastic pocket license in disaster zones. PAO also shares that CSLB waives delinquent fees for failure to renew a license before it expires for disaster survivors and works to expedite license applications for those planning to work in disaster areas.

**Video/Digital Services**

**Consumer, Licensee and Applicant Tips Videos**

Public Affairs staff continue to produce and translate consumer, applicant, and licensee tips videos for promotion on CSLB’s website and social media platforms. Topics include what to know before building an ADU and a series of social media shorts for consumers on navigating CSLB’s online tools, such as *Find a Licensed Contractor* and *Check the License*. These short videos are available in English and Spanish. Additionally, CSLB is honoring Women in Construction Week 2026 with a short social media video encouraging potential applicants to visit CSLB’s website for tools and resources for pursuing licensure.

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. In addition, Public Affairs staff created a short social media video to promote and increase workshop attendance. The video is being translated to Spanish to promote CSLB’s Spanish workshop.

**Livestreams/Videos Produced November 1, 2025 – January 31, 2026**

Date Published	Video Title
11/7/2025	Get Licensed to Build Workshop
11/13/2025	What You Should Know Before Building an ADU
11/17/2025	CSLB Executive, Enforcement and Public Affairs Committee Meetings



Date Published	Video Title
11/18/2025	CSLB Licensing and Legislative Committee Meetings
11/21/2025	Workshop para que obtenga licencia de construir
12/3/2025	Check the License (Social Media Short)
12/3/2025	Find a Licensed Contractor (Social Media Short)
12/5/2025	Get Licensed to Build Workshop
12/11/2025	CSLB Board Meeting, San Francisco
12/19/2025	Workshop para que obtenga licencia de construir
1/9/2026	Get Licensed to Build Workshop
1/20/2026	Get Licensed to Build Workshop (Social Media Promo)
1/23/2026	Workshop para que obtenga licencia de construir

**Social Media**

PAO continues to use social media as an outreach tool to better interact with applicants, licensees, the news media, and other stakeholders. CSLB currently utilizes Facebook, Instagram, X, YouTube, and LinkedIn.

**Social Media Highlights**

- **Facebook:** 7,100 followers, a 6% increase since the previous quarter
- **Instagram:** 3,122 followers, a 25% increase since the previous quarter
- **X:** 3,072 followers, a 2% increase since the previous quarter
- **YouTube:** 13 videos produced; 80,527 video views; 5,173 hours watched since last year.
- **LinkedIn:** 1,131 followers, a 20% increase since the previous quarter

**Facebook Growth**

Between November 1, 2025, to January 31, 2026, CSLB had 106,600 views on its Facebook page.

**Follower Statistics**

Of CSLB’s Facebook followers, 67 percent of CSLB Facebook followers are male; 33 percent are female. Of these followers, 1 percent of CSLB’s Facebook followers are ages 18 to 24, 12 percent are ages 25-34, 31 percent are ages 35-44, 26 percent are



ages 45-54, 19 percent are ages 55-64, and 11 percent are ages 65 and up.

**Top Facebook Post**

CSLB’s top post (see below) was published Thursday, December 11, at 9:25 a.m. with 12,118 views, 66 interactions, 22 reactions, 20 comments, 2 saves, and 22 shares.

**Published post:**

Don’t let unlicensed contractors harm your community!  
Call or email a SWIFT office in your area to report unlicensed and unscrupulous construction activity!  
Your report can make a difference.



**Instagram Growth**

Between November 1, 2025, and January 31, 2026, CSLB had 90,200 views on its Instagram account.

**Follower statistics**

Of CSLB’s Instagram followers, 74 percent of CSLB’s Instagram followers are male; 26 percent are female. Of these followers, 3 percent of CSLB’s Instagram followers are ages 18 to 24, 23 percent are ages 25-34, 39 percent are ages 35-44, 19 percent are ages 45-54, 7 percent are ages 55-64, and 3 percent are ages 65 and over.

**Top Instagram Post**

CSLB’s top post was a carousel published on Thursday, January 1, at 10:30 a.m., with a reach of 7,305 people, 172 likes, 20 comments, 122 saves, and 276 shares.

**Published post:**

CSLB Updates Coming in 2026: New laws strengthen worker protections, improve contract clarity, exempt muralists from licensing, and raise minimum penalties for violations.

Check out the 2026 CSLB Law Book for full details.

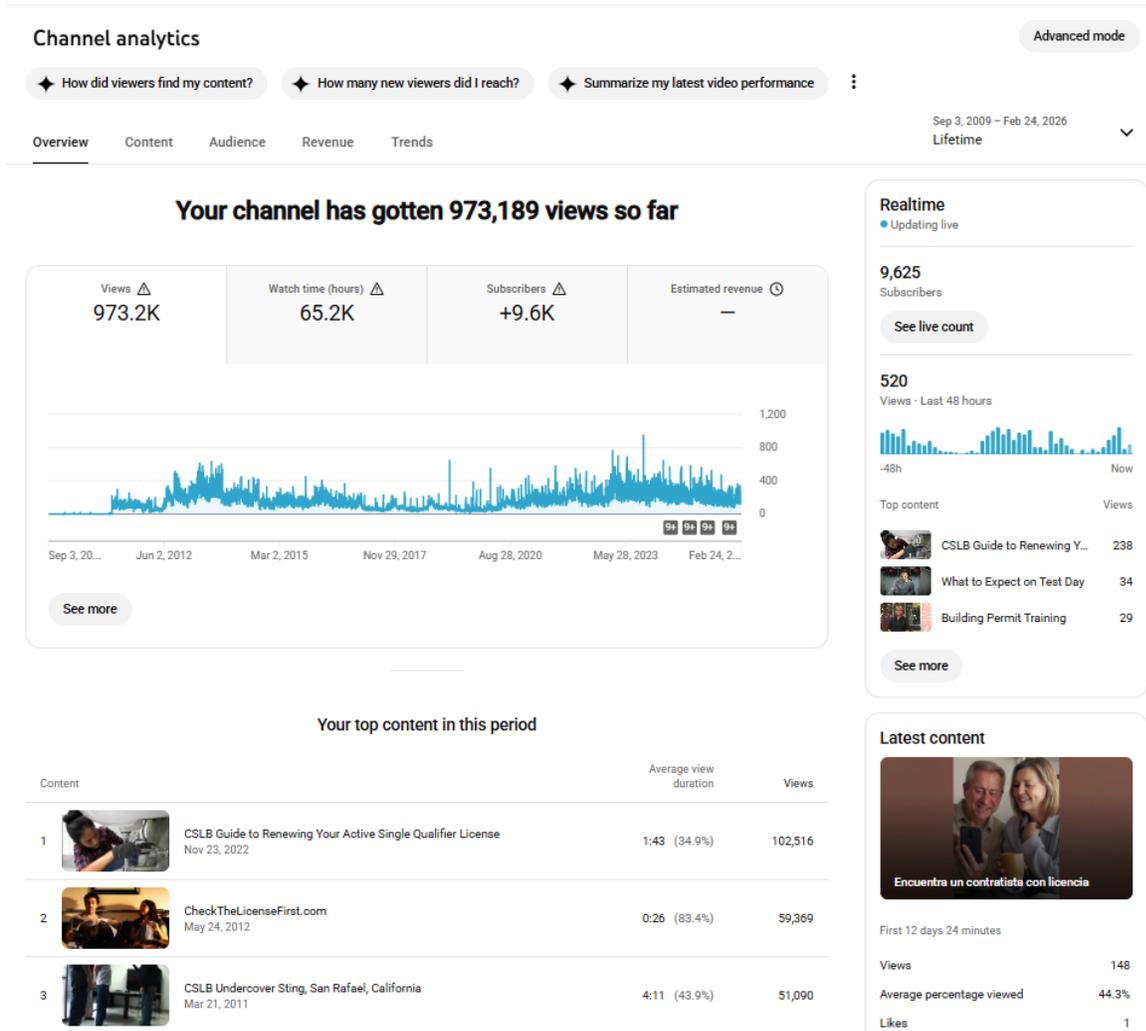


**X Growth**

This platform requires payment to collect analytics. CSLB continues to post content to 3,072 followers.

**YouTube Channel Growth**

CSLB’s YouTube channel continues to grow, with an increase of approximately 1,123 subscribers, 5,173 hours of watch time, and 80,527 more views since January 2025. The channel has a total of 973,189 views (65,151 hours watched) and 9,626 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 1,131 followers. It received 451 page views from November 1, 2025, through January 31, 2026.

### Email Alert Feature

CSLB has a website feature that allows people to subscribe to various email alerts. The total subscriber database currently is 192,300, which includes the Licensee Information database.

These include:

- Industry Bulletins



- CSLB Job Openings
- Public Meeting Notices/Agendas
- *California Licensed Contractor* Newsletters
- News Releases/Consumer Alerts
- Podcasts/webcasts
- Licensee Information
- 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 are also posted on CSLB's website. Between November 1, 2025, and January 31, 2026, CSLB issued Industry Bulletins related to new laws affecting contractors going into effect in 2026, the new California law exempting muralists from contractor license requirements, and the publication of the *2026 California Contractors License Law & Reference Book*.

### **Media Relations**

#### **Media Calls**

Between November 1, 2025, and January 31, 2026, PAO responded to 16 media inquiries, providing information and/or interviews to a variety of media outlets. Inquiries were related to consumer complaints related to contractors, many involving either accessory dwelling units (ADUs) or solar projects.

#### **News Releases**

PAO issued one news release between November 1, 2025, and January 31, 2026. The release covered CSLB joining a multi-agency effort to conduct a statewide series of stings and sweeps targeting unlicensed activity in the construction industry.

### **Consumer/Community Outreach**

#### **Senior Scam Stopper<sup>SM</sup> Seminars**

CSLB's Senior Scam Stopper<sup>SM</sup> 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 Stopper<sup>SM</sup> seminars virtually and in-person.

The following outreach events were conducted from November 1, 2025, through January 31, 2026:



Date	Location	Legislative/Community Partner(s)
November 5, 2025	Colma	Assemblymember Catherine Stefani
November 7, 2025	Garden Grove	Assemblymember Tri Ta
November 14, 2025	Pacoima	Assemblymember Celeste Rodriguez
November 18, 2025	Irvine	City of Irvine
November 19, 2025	Irvine	Assemblymember Cottie Petrie-Norris
December 4, 2025	Pasadena	Pasadena Senior Center
January 15, 2026	Redwood City	Senator Josh Becker

**Publication/Graphic Design Services**

Between November 1, 2025, through January 31, 2026, PAO’s Graphic Design Unit completed the following publications and reports.

Publications & Reports
<i>California Contractors License Law &amp; Reference Book (2026 Edition)</i>
California Licensed Contractor Newsletter (Fall 2025)
November 17-18, 2025, Executive, Enforcement, and Public Affairs Committee Meeting Packet
December 11, 2025, Quarterly Board Meeting Packet

**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 November 1, 2025, and January 31, 2026, PAO published 17 employee intranet articles.

Date Published	Title
<b>11/3/2025</b>	Halloween Contest Winners Announced!
<b>11/10/2025</b>	Warm Up at the CSLB Chili Cook-Off!
<b>11/14/2025</b>	CSLB Chili Cook-Off Serves Up Another Success



<b>Date Published</b>	<b>Title</b>
<b>11/14/2025</b>	Upcoming CSLB Committee Meetings
<b>11/18/2025</b>	CSLB’s Information Technology Team Leads the Way with Windows 11 Rollout
<b>11/21/2025</b>	Norwalk Hosts Its First-Ever CSLB Chili Cook-Off
<b>11/26/2025</b>	Registrar’s Thanksgiving Message to CSLB Staff
<b>12/5/2025</b>	CSLB Annual Employee Appreciation Luncheon and Canned Food Drive
<b>12/10/2025</b>	Tune In! CSLB’s Board Meeting – December 11
<b>12/16/2025</b>	Board Recognizes CSLB’s Outreach Coordinator at Meeting
<b>12/18/2025</b>	Staff Gathers to Celebrate Special Investigator’s Retirement
<b>12/22/2025</b>	CSLB Holiday Luncheons Celebrate Staff Dedication
<b>1/2/2026</b>	DCA Director Kimberly Kirchmeyer Retires After 35 Years of State Service
<b>1/6/2026</b>	Employee Spotlight: Analyst Steps Up for Fire Survivors
<b>1/13/2026</b>	Thank You for Supporting the State Employees Food Drive
<b>1/20/2026</b>	2026 California Contractors License Law & Reference Book Now Available
<b>1/26/2026</b>	Show Your Spirit During CSLB Spirit Week – February 2–6!

**Public Information Center Statistics**

The Public Information Center includes both the Call Center and Public Counter. Call volumes increased in 2025 primarily due to the large number of calls received following the Los Angeles County fires. The Disaster Help Center on the website was updated to provide additional resources, along with other webpages, to help reduce the number of calls received. Many of the inquiries the Call Center receives are related to licensing application status, and Public Affairs regularly works with the Licensing to see where applications and instructions can be clarified and Frequently Asked Questions updated on the website to reduce the number of calls.

The two tables below show the statistical updates for the Call Center through January 31, 2026 and call data compared to prior years.



	<b>July 2025</b>	<b>Aug. 2025</b>	<b>Sept. 2025</b>	<b>Oct. 2025</b>	<b>Nov. 2025</b>	<b>Dec. 2025</b>	<b>Jan. 2026</b>
<b>Calls Received</b>	13,758	13,395	13,598	13,100	10,308	12,116	13,857
<b>Calls Answered</b>	12,425	12,118	12,209	12,231	9,449	11,079	11,884
<b>Calls Abandoned</b>	1,333	1,277	1,389	869	859	1,037	1,973
<b>Longest Wait Time</b>	0:22:05	0:11:29	0:26:19	0:11:48	0:19:16	0:11:38	0:16:32
<b>Shortest Wait Time</b>	0:00:44	0:01:31	0:01:37	0:00:33	0:01:35	0:00:16	0:01:55
<b>Avg. Wait Time</b>	0:05:09	0:05:01	0:05:34	0:03:34	0:03:33	0:04:21	0:07:29

**Public Information Center Call Data – Prior Calendar Years**

<b>Inbound Activity</b>	<b>CY 2019</b>	<b>CY 2020</b>	<b>CY 2021</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>CY 2025</b>
<b>Calls Received</b>	149,462	149,462	140,589	140,409	129,601	143,634	166,482
<b>Calls Answered</b>	136,776	98,044	116,304	119,693	99,706	132,753	144,785
<b>Caller Abandoned</b>	7,859	35,865	23,983	20,496	27,590	10,664	21,695
<b>Avg. Longest Wait Time</b>	0:08:33	0:46:23	0:33:56	0:34:45	0:37:13	0:13:42	0:20:19
<b>Avg. Shortest Wait Time</b>	0:00:48	0:04:23	0:03:11	0:01:24	0:06:49	0:01:06	0:01:24
<b>Avg. Wait Time</b>	0:03:34	0:25:27	0:14:38	0:11:06	0:18:26	0:03:43	0:06:14

# AGENDA ITEM I

## Closed Session

Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation:  
Los Angeles County Superior Court, Case No. 20STCV45568.





**AGENDA ITEM J**

Adjournment

