

JUNE 15-16, 2017
GARDEN GROVE, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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Hyatt Regency
11999 Harbor Blvd., Garden Grove, CA 92840

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NOTICE OF PUBLIC BOARD MEETING

Day 1 - Thursday, June 15, 2017, 1:00 p.m. – 5:00 pm and
Day 2 – Friday, June 16, 2017, 8:00 a.m. – 12:00 p.m. (or until the conclusion of business)
Hyatt Regency, 11999 Harbor Blvd., Garden Grove, CA 92840

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 CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

MEETING AGENDA – DAY 1 Thursday, June 15, 2017 – 1:00 p.m.

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

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

(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)).

C. Update Regarding Options for Increasing Pay Level for the CSLB Registrar

D. Legislation

1. Review and Possible Approval of May 19, 2017, Legislative Committee Meeting Summary Report

2. Review, Discussion, and Possible Action Regarding Positions on 2017 Proposed Legislation:

	<u>Bill No.</u>	<u>Author</u>	<u>Topic</u>
a.	AB 710	Wood	Board Meetings in Rural Areas
b.	AB 996	Cunningham	CSLB Website – Workers’ Compensation Information
c.	AB 1005	Calderon	Fine Relief – Order of Abatement
d.	AB 1070	Gonzalez	Solar Energy System Contract Disclosures / Complaint Disclosure
e.	AB 1162	Bocanegra	Electrical Contractors – Building Permits Applications
f.	AB 1190	Obernolte	Dept. of Consumer Affairs BreEZe System – Quarterly Disclosures
g.	AB 1278	Low	Final Judgments – License Suspensions
h.	AB 1357	Chu	Home Inspectors – Roof Inspections
i.	SB 27	Morrell	Military Service – License Fee Waiver
j.	SB 486	Monning	CSLB Letter of Admonishment
k.	SB 715	Newman	Removal of Board Members
l.	SB 721	Hill	Deck and Balcony Inspections

3. Review, Discussion, and Possible Action to Recommend to the Board the Initiation of a Rulemaking to Amend Title 16, California Code of Regulations (16 CCR) Sections 853, 858.1, 858.2, 869, 869.9, and 872 (Renewal Application Form, Blanket Performance and Payment Bond Requirements, Application for Approval of Blanket Performance and Payment Bond, Criteria for Rehabilitation, Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure, and Disclosure of General Liability Insurance)
4. Update and Discussion on Implementation of SB 1039 (Hill, 2016) – Fee Increase
5. Update and Discussion on Implementation of SB 465 (Hill, 2016) – Study and Report Requirement

E. Licensing

1. Licensing Program Update
 - a. License and LLC Applications Workload Update
 - b. Workers' Compensation Recertification Statistics
 - c. Experience Verification and Judgment Unit Overview
 - d. Licensing Information Center Statistics
 - e. Fingerprinting/Criminal Background Unit Statistics
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3. Discussion Regarding Methods of Service of Notice When Contacting Licensees and Applicants Regarding CSLB Licensing and Enforcement Matters
4. Discussion Regarding the State's Bark Beetle Infestation and State Actions Taken to Address Licensure Issues and the Removal of Infected Trees
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 - a. Examination Administration Unit Update
 - b. Examination Development Unit Highlights

F. Enforcement

1. Enforcement Program Update
 - a. Consumer Investigation Highlights
 - b. Statewide Investigative Fraud Team (SWIFT) Highlights
 - c. General Complaint Handling Statistics
 - d. Case Management Statistics
 - e. Statewide Investigative Fraud Team Statistics
2. Update and Discussion on Workers' Compensation Enforcement Strategies, Resources and Accomplishments

3. Update and Discussion on Consumer Satisfaction Survey

G. Public Affairs

1. Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Social Media
- d. Media Relations Highlights
- e. Publication/Graphic Design Highlights
- f. Industry/Licensee Outreach Highlights
- g. Consumer/Community Outreach Highlights
- h. Employee Relations

H. Executive

- 1. Review and Possible Approval of March 13-14, 2017, and March 30, 2017 Board Meeting Minutes
- 2. Personnel, Facilities and Administration Update
- 3. Information Technology Update
- 4. Budget Update
- 5. Update, Discussion and Possible Action on 2016-18 Strategic Plan
- 6. Registrar's Report
 - a. Tentative 2017 Board Meeting Schedule
- 7. Election of 2017-18 Board Officers

I. Recess

MEETING AGENDA – DAY 2
Friday, June 16, 2017 – 8:00 a.m.

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

B. Public Comment for 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)).

C. Joint Discussion with Nevada State Contractors Board (NSCB)

- 1. Discussion Regarding CSLB and NSCB Operational and Structural Comparisons
 - a. Board Member Composition

- b. Budget
 - c. License Population
 - d. License Fee Schedule
 - e. Criminal Background Checks
 - f. Insurance Requirements
 - g. Reciprocity with Other States
 - h. Consumer Restitution Programs
2. Discussion Regarding Construction Industry Economics
- a. California Housing Construction Statistics
 - b. Nevada Housing Construction Statistics
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3. Discussion Regarding California Little Hoover Commission's Report: Jobs for Californians: Strategies to Ease Occupational Licensing Barriers (October 2016)
- a. Overview of Report
 - b. Reciprocity Opportunities with Other States
 - c. Options for Removing Barriers to Licensure
4. Discussion Regarding Requirements for Reporting of or Studying Civil Judgments, Arbitration Awards or Settlements
5. Emerging Industry and Enforcement Trends
- a. Discussion Concerning Solar Construction and Related Enforcement Trends
 - b. Discussion Regarding Unlicensed Activity and the Practice of "House-Flipping"

D. Adjournment

The Board intends to provide a live webcast of the meeting. The webcast can be located at www.cslb.ca.gov. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. For verification of the meeting, call (916) 255-4000 or access the CSLB website at <http://www.cslb.ca.gov>.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Aaron Schultz at (916) 255-4000 or aaron.schultz@cslb.ca.gov or send a written request to Aaron Schultz, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

JUNE 15, 2017
GARDEN GROVE, CALIFORNIA



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

KEVIN J. ALBANESE

ED LANG

AGUSTIN BELTRAN

MIKE LAYTON

LINDA CLIFFORD

MARLO RICHARDSON

DAVID DE LA TORRE

FRANK SCHETTER

DAVID DIAS

PAUL SCHIFINO

SUSAN GRANZELLA

JOHNNY SIMPSON

JOAN HANCOCK

NANCY SPRINGER

PASTOR HERRERA JR.



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

Update Regarding Options for Increasing Pay Level for the CSLB Registrar



AGENDA ITEM D

Legislation



AGENDA ITEM D-1

Review and Possible Approval of May 19, 2017, Legislative Committee Meeting Summary Report





A. CALL TO ORDER

Committee Chair David Dias called the meeting of the Contractors State License Board (CSLB) Legislative Committee to order at approximately 10:02 a.m. in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

CSLB Staff Present

David Fogt, Registrar
Laura Zuniga, Chief of Licensing, Acting Chief of Legislation
Rick Lopes, Chief of Public Affairs
Betsy Figueira, Legislative Division Manager
Stacey Paul, Budget Analyst
Claire Goldstene, Public Affairs
Ashley Caldwell, Public Affairs
Kurt Heppler, DCA Legal Counsel
Michael Jamnetski, Licensing Division Manager
Debbie Stefan, Legal Action Deputy
Ann Greene, Personnel

Committee Members Present

David Dias
Joan Hancock
Ed Lang
Paul Schifino

Committee Members Absent

Mike Layton
Johnny Simpson
Nancy Springer

Board Chair Augie Beltran temporarily appointed Ed Lang to the Legislative Committee. Committee Chair David Dias recognized Ann Greene, CSLB Personnel Analyst, for her work supporting the SWIFT Unit.

B. PUBLIC COMMENT SESSION

Richard Markuson, representing several contractor groups, congratulated David Fogt on his appointment as Registrar.

Jeff Grenz, a local B contractor, noted that the \$500 exemption limit from the licensing requirement has not been increased in some time, and that the limitation on the down payment amount a licensee may collect also has not been changed in



many years. Additionally, he mentioned that building permits are not always pulled for projects involving owner-builders.

Joan Hancock thanked him for his comments and encouraged him have colleagues speak at future Board meetings.

Phil Vermeulen congratulated Mr. Fogt, and asked about a previous proposal staff brought to the Board to create a sub B classification, because he believes there is a need for such a classification.

C. Review, Discussion, and Possible Action to Recommend to the Board the Initiation of a Rulemaking to Amend Title 16, California Code of Regulations (16 CCR) Sections 853, 858.1, 858.2, 869, 869.9, and 872 (Renewal Application Form, Blanket Performance and Payment Bond Requirements, Application for Approval of Blanket Performance and Payment Bond, Criteria for Rehabilitation, Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure, and Disclosure of General Liability Insurance)

Laura Zuniga presented this item and summarized the proposed changes. Paul Schifino asked staff if CSLB could email renewal applications, in addition to mailing them to the address of record. He also wondered if the information could be sent to members of the personnel of record as well as the qualifying individual. In addition, he asked about the proposed changes to Section 853 – Renewal Application Form, and suggested adding to the regulation text specifying that a licensee has a 30-day grace period during which to submit corrections to a renewal application that is submitted timely, but is deficient. Licensing Division Manager Michael Jamnetski explained that currently CSLB waives the delinquency fee if the renewal application is submitted timely, but requires correction.

Paul Schifino asked about the required notice contained in Section 872 related to general liability insurance for contractors that build a single family home for an owner who intends to occupy it for at least one year. He questioned how a contractor could know the owner's intent with any certainty. Staff clarified that the language in the proposed regulation mirrors the statutory language and requirements around this issue. Ed Lang asked if it is the homeowner's responsibility to ask whether or not a contractor has general liability insurance. Phil Vermeulen explained that the existing requirement, which requires limited liability companies to carry general liability insurance, represents a compromise because there was not support in the Legislature to require all contractors to carry general liability insurance.

Phil Vermeulen also mentioned the backlog in processing of workers' compensation certificates, and stated that CSLB needs to address suspensions that result from a delay in processing times when the certificate is submitted on time.



Legal Counsel Kurt Hepler summarized Paul Schifino’s three proposed changes:

1. Have CSLB email, as well as mail, certain licensing notices;
2. Have CSLB notify the members of the personnel of record, in addition to the qualifying individual, of required license maintenance; and
3. Provide a 30-day grace period on license expiration in Section 853 of the regulation for renewal applications submitted on time, but that require correction(s).

MOTION: To approve the proposed regulatory text, as amended; 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 no adverse comments are received, authorize the Registrar to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package, and set the matter for hearing. John Hancock moved; Paul Schifino seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

D. Review, Discussion and Possible Action on 2017 Legislation

1. AB 710 (Wood) Department of Consumer Affairs: Board Meetings

David Dias presented this item. This bill requires boards to meet at least once every other year in rural northern California.

Laura Zuniga mentioned that this bill could possibly be intended for another purpose and that if amended to address a different topic staff will notify the Board.

MOTION: To approve the watch recommendation for AB 710. Paul Schifino moved; Ed Lang seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				



Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

2. AB 996 (Cunningham) Contractors Licensing Board Web Site: Search Function

David Dias presented this item. This bill requires additional information be disclosed on CSLB’s website regarding the processing of workers’ compensation certifications.

Laura Zuniga distributed a bill analysis, which was not included in the committee packet and noted that staff now recommended a watch position, rather than the oppose recommendation indicated in the analysis, as she is working with the bill sponsor to address the technical problems with its language.

Phil Vermeulen commented that he would like the license record to reflect that a license is in good standing if CSLB has received but not yet processed a workers’ compensation certificate. Laura Zuniga explained that license suspensions due to expired workers’ compensation certificates could be better solved by more timely and accurate submission of new certificates, as there is an existing 30-day grace period from expiration of an existing certificate to suspension of the license.

MOTION: To approve the watch recommendation for AB 996. Joan Hancock moved; Ed Lang seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

3. AB 1005 (Calderon) Professions and Vocations: Fines: Relief



David Dias presented this item. This bill requires all non-health boards within the Department of Consumer Affairs, when issuing a citation with a fine, to provide the cited individual a 30-day period to abate the behavior that led to the citation. Laura Zuniga summarized concerns with the language and the potential significant loss in fine revenue. Registrar David Fogt noted that the Board is sponsoring legislation this year to authorize the use of a letter of admonishment, which would better address more minor violations than this bill.

MOTION: To approve the oppose recommendation for AB 1005. Paul Schifino moved; Ed Lang seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

4. AB 1070 (Gonzalez) Contractors

David Dias presented this bill, which requires CSLB to create and provide a solar energy system disclosure contract.

Laura Zuniga stated that she has provided the author’s office with some technical recommendations, and also noted that the bill requires the Department of Consumer Affairs to investigate solar complaints, a responsibility that she believes should rest with CSLB.

Ed Lang asked about the emphasis in the legislation on a consumer’s three-day cooling off period, and if CSLB receives a significant number of complaints around this issue. David Fogt responded that it does happen, but is not a widespread problem. He also noted that CSLB is working with the solar industry to resolve outstanding complaint issues.

MOTION: To approve the watch recommendation for AB 1070. Joan Hancock moved; Paul Schifino seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
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David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

5. AB 1162 (Bocanegra) Electrical Contractors: Local Permits

Laura Zuniga presented this item, which requires C-10 electrical contractors to certify, when applying for a building permit, that they are in compliance with electrician certification requirements. She noted that compliance or enforcement of the bill’s requirement could be challenging for electrical contractors, as they would have to certify that they are not subject to any disciplinary action from the Division of Labor Standards Enforcement, which could be difficult for a contractor to know with certainty.

MOTION: To approve the watch recommendation for AB 1162. Ed Lang moved; Paul Schifino seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

6. AB 1190 (Oberholte) Department of Consumer Affairs: BreZE System

Laura Zuniga presented this item, which requires DCA to post information online about the BreZE IT system on a quarterly basis.

MOTION: To approve the watch recommendation for AB 1190. Ed Lang moved; Joan Hancock seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
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David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

7. AB 1278 (Low) Contractor Licensing: Final Judgments

Laura Zuniga presented this item, which makes changes to CSLB’s current process for suspending licenses related to unsatisfied final judgments. Ms. Zuniga explained that the bill is a work in progress, and that the sponsor is trying to allow for license suspensions before the judgment is final, as well as to allow the suspension to reach all personnel of record who were associated with the license when the act or omission that led to the judgment occurred.

Joan Hancock asked about CSLB’s existing practice for license suspensions, and Laura Zuniga responded that a suspension is entered once the judgment is final, and all related licenses of the qualifier and the members of the personnel of record of the original license subject to suspension are also suspended.

Paul Schifino asked about also notifying the members of the personnel of record by email, in addition to mail; addressing the need for judgments to be final; and how to hold accountable those personnel who disassociate prior to the suspension being placed on the license

Richard Markuson stated that his client (Western Electrical Contractors Association) suggests that the language make it clear that the judgment needs to be final before the license can be suspended.

MOTION: To approve the support if amended recommendation for AB 1278. Paul Schifino moved; Joan Hancock seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				



Johnny Simpson				X	
Nancy Springer				X	

8. AB 1357 (Chu) Home Inspectors: Roofing Contractors: Roof Inspections

Laura Zuniga presented this item, which allows C-39 Roofing licensees to perform repairs resulting from a roof inspection.

MOTION: To approve the watch recommendation for AB 1357. Joan Hancock moved; Ed Lang seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

9. SB 27 (Morrell) Professions and Vocations: Licenses: Military Service

Laura Zuniga presented this item, which would require boards to waive the initial license fee for honorably discharged armed forces service members.

Ms. Zuniga stated that this bill is similar to legislation that the Board supported last year, which was not successful. She further explained that the bill authorizes a one-time fee waiver, and there is no time limit from the date of honorable discharge to when the applicant can receive the fee waiver.

MOTION: To approve the support recommendation for SB 27. Joan Hancock moved; Ed Lang seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				



Johnny Simpson				X	
Nancy Springer				X	

10. SB 486 (Monning) Contractors State License Law: Letter of Admonishment

Laura Zuniga presented this item, which is CSLB’s sponsored bill authorizing the issuance of a letter of admonishment. Ms. Zuniga stated that the Board voted to support the bill at the March 2017 Board meeting and that no further Board action was required.

11. SB 715 (Newman) Regulatory Boards: Removal of Board Members

Laura Zuniga presented this item. This bill includes the failure to attend board meetings as a cause for removing a board member from office.

MOTION: To approve the watch recommendation for SB 715. Ed Lang moved; Joan Hancock seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

12. SB 721 (Hill) Contractors: Decks and Balconies: Inspection

Laura Zuniga presented this item, and stated that the bill had been significantly amended since the preparation of the Committee packet. This bill requires that certain residential structures to undergo building inspections.

Joan Hancock asked how the bill’s provisions would be enforced. Ms. Zuniga replied that local enforcement agencies, generally a local building department, would enforce the requirements. She also commented that staff recommended a watch position, as the bill does not impact CSLB. However, because the bill places the requirements in the contractors’ state license law, Ms. Zuniga has advised the author’s office that the provisions would be more appropriate in another code section.

MOTION: To approve the watch recommendation for SB 721. Paul Schifino moved; Ed Lang seconded. The motion carried unanimously, 4-0.



NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

13. SB 800 (Business, Professions & Economic Development) Professions & Vocations

Laura Zuniga presented this item. This bill makes a few technical changes to the contractors' state license law, which the Board approved at the December 2016 Board meeting.

MOTION: To approve the support recommendation for SB 800. Paul Schifino moved; Joan Hancock seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				
Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

E. ADJOURNMENT

MOTION: To adjourn the May 19, 2017, Legislative Committee meeting. Paul Schifino moved; Joan Hancock seconded. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
David Dias	X				



Joan Hancock	X				
Ed Lang	X				
Mike Layton				X	
Paul Schifino	X				
Johnny Simpson				X	
Nancy Springer				X	

The Legislative Committee meeting adjourned at approximately 11:35 a.m.

AGENDA ITEM D-2

Review, Discussion, and Possible Action Regarding Positions on 2017 Proposed Legislation:

- a. AB 710 (Wood) Board Meetings in Rural Areas
- b. AB 996 (Cunningham) CSLB Website –
Workers’ Compensation Information
- c. AB 1005 (Calderon) Fine Relief – Order of Abatement
- d. AB 1070 (Gonzalez) Solar Energy System Contract Disclosures /
Complaint Disclosure
- e. AB 1162 (Bocanegra) Electrical Contractors – Building Permits
Applications
- f. AB 1190 (Oberholte) Dept. of Consumer Affairs BreEZe System –
Quarterly Disclosures
- g. AB 1278 (Low) Final Judgements – License Suspensions
- h. AB 1357 (Chu) Home Inspectors – Roof Inspections
- i. SB 27 (Morrell) Military Service – License Fee Waiver
- j. SB 486 (Monning) CSLB Letter of Admonishment
- k. SB 715 (Newman) Removal of Board Members
- l. SB 721 (Hill) Deck and Balcony Inspections
- m. SB 800 (BPEDC) License Assignments – Asset Sale



**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 710 (Wood)
Status/Location: Amended 4/27/17 – Senate
Sponsor: None
Subject: Department of Consumer Affairs: Board Meetings
Code Section: Business & Professions Code section 101.7

Summary:

Existing law requires boards within the Department of Consumer Affairs to meet at least three times each calendar year, and at least once each in northern and southern California.

This bill requires each board to meet once every other calendar year in rural northern California.

Background:

According to the author:

“[DCA boards] are in charge of the professional licensure of medical professionals, contractors, engineers, and many other professions. Given the wide range of issues covered by each board, current law requires each board to meet at least once in Northern California and at least once in Southern California each calendar year. This meeting requirement helps ensure that stakeholders from all over the state have an opportunity to be heard by the boards that are responsible to regulate and license them. Unfortunately, far too many times, board meetings do not take place in the rural parts of northern California. A board that meets in Santa Rosa, California would satisfy the northern California requirement, but there are still hundreds of miles north of Santa Rosa. If the board did not have any other planned meetings in northern California, a person from Crescent City, California would have to travel over 300 miles and over five hours to attend the board’s meeting in Santa Rosa. [This bill] requires boards within DCA to meet at least once every other year in rural northern California. This will ensure that our rural communities have a fair opportunity to have their voices heard at board meetings.”

Comments:

This bill does not define what locations would be considered rural northern California. Also, if the Legislature agrees that boards need to meet in more rural locations, should that be limited to northern California?

Fiscal Impact for CSLB:

No significant fiscal impact.

Committee Recommendation and Comments:

WATCH. This bill will not have a significant fiscal impact on CSLB – the workload would likely entail scheduling one of its existing meetings in a new location that meets the requirements of this bill. The bill may be amended to address a different topic in the Senate.

Date: April 26, 2017

AMENDED IN ASSEMBLY APRIL 27, 2017

AMENDED IN ASSEMBLY MARCH 27, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 710

Introduced by Assembly Member Wood

February 15, 2017

An act to amend Section 101.7 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 710, as amended, Wood. Department of Consumer Affairs: boards: meetings.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law generally requires these boards to meet at least 3 times each calendar year, and at least once in northern California and once in southern California per calendar year.

This bill would require a board to meet once every other calendar year in rural ~~northern~~ California.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 101.7 of the Business and Professions
- 2 Code is amended to read:
- 3 101.7. (a) Notwithstanding any other provision of law, boards
- 4 shall meet at least three times each calendar year. Boards shall

1 meet at least once each calendar year in northern California, once
2 every other calendar year in rural ~~northern~~ California, and once
3 each calendar year in southern California in order to facilitate
4 participation by the public and its licensees.

5 (b) The director at his or her discretion may exempt any board
6 from the requirement in subdivision (a) upon a showing of good
7 cause that the board is not able to meet at least three times in a
8 calendar year.

9 (c) The director may call for a special meeting of the board
10 when a board is not fulfilling its duties.

11 (d) An agency within the department that is required to provide
12 a written notice pursuant to subdivision (a) of Section 11125 of
13 the Government Code, may provide that notice by regular mail,
14 email, or by both regular mail and email. An agency shall give a
15 person who requests a notice the option of receiving the notice by
16 regular mail, email, or by both regular mail and email. The agency
17 shall comply with the requester's chosen form or forms of notice.

18 (e) An agency that plans to Web cast a meeting shall include in
19 the meeting notice required pursuant to subdivision (a) of Section
20 11125 of the Government Code a statement of the board's intent
21 to Web cast the meeting. An agency may Web cast a meeting even
22 if the agency fails to include that statement of intent in the notice.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 996 (Cunningham & Brough)
Status/Location: Introduced 2/16/17 – Assembly Appropriations
Committee
Sponsor: Sacramento Regional Builders Exchange
Subject: Contractors
Code Section: Business & Professions Code section 7018.5

Summary:

Existing law requires the Contractors State License Board (CSLB) to add an enhancement by January 2019 to its online license lookup feature to allow searches for a licensed contractor by either zip code or geographic location.

This bill requires that CSLB, on or before January 1, 2020, adopt a website enhancement to allow consumers and licensees to do all of the following:

1. Monitor the status and progress of a successfully filed workers' compensation (WC) renewal application under review by CSLB, including a visual tool that provides the date the application was filed, the status of each of its components that have been filed, and that shows that the renewal is under review and pending until the Registrar approves the final disposition.
2. View the daily record of the average time elapsed between board receipt of the renewal and Registrar approval of the disposition.
3. Clearly denote that any application for a certificate of WC insurance or certification of self-insurance that CSLB has had in its possession past the 30-day deadline is pending review and that the failure to have a certificate on file is due to circumstances beyond the control of the licensee,

Background:

This bill is sponsored by the Sacramento Regional Builders Exchange. The sponsor is presumably concerned with backlogs in the processing of WC certificates.

Technical Concerns:

This bill requires that CSLB update its website to allow for the monitoring of a WC renewal application. However, CSLB does not have a WC renewal application. CSLB has a license renewal application, and accepts certificates of workers' compensation Insurance. A licensee must have a valid WC certificate or WC exemption on file, or CSLB will suspend the license. This bill presumably wants to allow licensees to monitor the submission of WC certificates, but does not accurately reference that document.

CSLB's website currently has a link to a page that shows processing times for all applications, which allows a licensee to determine the average time that has elapsed between receipt of the WC information and processing.

Further, AB 996 provides that CSLB put language on its website that says a license suspension is not the fault of a licensee, if CSLB has had the WC recertification information for more than 30 days, but it has not yet been processed. The practical impact of this provision is unclear, since the license would still be suspended, regardless of the reason why the licensee's WC status has not been updated.

Current Process:

CSLB receives approximately 13,500 workers' compensation certificates per month. Contractors are required to have a valid WC insurance certificate, or an exemption certificate if they have no employees, on file with the CSLB at all times. Failure to maintain WC results in suspension of the license, by operation of law.

When CSLB experiences a backlog in processing WC certificates, there is typically more than one causal factor. Approximately 20 percent of the WC certificates CSLB receives are incorrect and must be returned for correction, and 25 percent are duplicates, which staff still need to process until they are identified as duplicates. For the past few months, a CSLB staff workgroup on WC processing has met regularly to develop and recommend process improvements that include creation of a fillable smart-form for submission of WC insurance information intended to reduce the error rate on certificates, and which should be available in the next three months. Once the smart form is available, staff will next work to allow for electronic submission of the information on the form into CSLB's internal database, which would significantly decrease processing times.

Fiscal Impact for CSLB:

IT Consultant and IT Staff (initial) – To meet this requirement of this bill will require changes to CSLB's enterprise licensing system and website. Because of the current IT workload related to mandated projects, CSLB would need to hire an IT consultant for approximately 10-12 months to conduct a business analysis, build the necessary infrastructure to expand online capabilities/activities, update enterprise licensing system application, including code development and testing, and for website development. This would also require additional time on the part of an IT staff person to oversee project management of the contract to ensure the consultant meets contractual deadlines and deliverables.

- IT Consultant - CSLB IT division estimates it would take approximately 2,000 hours for an IT consultant to develop the required changes, at an hourly cost ranging from \$95-\$150, for a total cost of \$190,000 - \$300,000.

- IT Staff – CSLB IT division estimates it would take approximately 300 hours to oversee the project. ACSLB System Software Specialist III would perform this work, at an hourly cost of \$44.79. Total cost with benefits (assumed at the 42 percent) would be \$19,100 (300 hours x \$44.79/hour x 1.42 benefits rate).

Total cost: Approximately \$200,000 - \$300,000.

Committee Recommendation and Comments:

Watch. While the goal of providing more public information to consumers and licensees is worthwhile, this bill contains technical problems that would make it difficult for CSLB to comply, and would take considerable resources to implement. While staff is sympathetic to the impact of a WC backlog on licensees, this bill does nothing to alleviate backlogs when they occur.

In addition to the development of a smart form to make it easier to submit and process WC information, CSLB is currently documenting and mapping its “as is” processes related to WC recertification processes, which should be complete around June 2018. CSLB will then work with DCA on a cost benefit analysis to determine if BreEZe is the best option for CSLB.

The concept of this bill, allowing a contractor to monitor the status of his or her application and license, can be included in the development of a new CSLB IT system. It would be a better use of CSLB resources to focus on the development of a new system, rather than making significant modifications to its existing system. Staff is working with the sponsor to address technical problems and to provide additional information online about processing.

Date: 5/23/17

AMENDED IN ASSEMBLY MAY 26, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 996

Introduced by Assembly Members Cunningham and Brough

February 16, 2017

An act to add Section 7018.5 to the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 996, as amended, Cunningham. Contractors Licensing Board Web site: search function for workers compensation claims.

Existing law, the Contractors' State License Law, requires the Contractors' State License Board, on or before January 1, 2019, to adopt an enhancement to the current contractor license check search function on its Internet Web site to permit consumers to search for a licensed contractor either by ZIP Code or geographic location.

This bill would require the Contractors' State License ~~Board~~ Board, *on or before January 1, 2020*, to adopt an enhancement to the current contractor license check search function on its Internet Web site to permit consumers and licensees to monitor the status and progress of a licensee's application for, or renewal of, a certificate of workers' compensation insurance or certification of self-insurance *successfully filed workers' compensation certification* that is pending before the board, as specified. ~~The bill would also require the Internet Web site to denote that when the application is in the possession of the board past the 30-day deadline, the status would state that the application is pending review and that the failure to have a certificate on file is due to circumstances beyond the control of the licensee.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7018.5 is added to the Business and
2 Professions Code, to read:

3 7018.5. On or before January 1, 2020, the board shall adopt
4 an enhancement to the current contractor license check search
5 function on its Internet Web site to permit consumers and licensees
6 to do all of the following:

7 (a) Monitor the status and progress of a successfully filed
8 workers' compensation ~~renewal application~~ *certification* being
9 reviewed by the board, including a visual tool that provides the
10 date the application was filed, the status of each of the components
11 of the ~~renewal application~~ *certification* that have been filed, and
12 that shows that the review is being reviewed and shown as pending
13 until the final disposition has been approved by the registrar.

14 (b) View the daily record of the average time elapsed from the
15 time the board receives the ~~renewal application~~ *certification* until
16 a final disposition has been approved by the registrar.

17 ~~(c) Clearly denote that any application for a certificate of~~
18 ~~workers' compensation insurance or certification of self-insurance~~
19 ~~that has been in the possession of the board past the 30-day~~
20 ~~deadline is pending review and the failure to have a certificate on~~
21 ~~file is due to circumstances beyond the control of the licensee.~~

O

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1005 (Calderon)
Status/Location: Amended 5/2/17 – Assembly Appropriations
Committee
Sponsor: None
Subject: Professions & Vocations: Fines: Relief
Code Section: Business & Professions Code section 125.9

Summary:

Existing law:

1. Establishes the Department of Consumer Affairs (DCA) and various licensing boards, including the Contractors State License Board (CSLB).
2. Provides that a violation of a regulatory act by a licensee can subject that licensee to discipline, including administrative penalties or citations, license suspension, or license revocation.
3. Authorizes the Registrar of CSLB to issue a citation to a licensee or applicant, if he or she has probable cause to believe that the licensee or applicant has committed any acts or omissions that would be grounds for denial, revocation, or suspension of a license.
4. Requires CSLB to promulgate regulations covering the formulation of an order of correction that gives due consideration to the time required to make the correction and its practical feasibility.

This bill:

1. For non-healing arts boards within DCA, provides that a citation containing an order of abatement to pay an administrative fine shall contain the following:
 - a) Fixing a period of no less than 30 days for abatement of the violation before the administrative fine becomes effective.
 - b) If the licensee successfully abates the violation within the 30-day period, the licensee shall not be responsible for payment of the administrative fine.
 - c) If the licensee fails to abate the violation within the 30-day period, the licensee shall pay the administrative fine.
2. Specifies that any person issued a fix-it ticket in lieu of a citation and fine shall have 30 days in which to correct the violation before being issued a fine.

Comments:

The bill author states:

“According to the US Small Business Administration, California has over 3.7 million small businesses, which is 1.3 million more than any other state, that also employ half the state’s private workforce. . . . In order to ease the burden of

excessive fines on businesses whose goal is to achieve a regulatory safe environment, this bill seeks to have investigative agencies offer a correctable citation should a business be found with non-serious violations before being fined. This solution is a way California can move in the right direction to spur economic growth and create jobs.”

Implementation Concerns:

This bill previously authorized the issuance of a fix-it ticket in lieu of a citation. The Assembly Business & Professions Committee amended it to apply only to non-healing arts boards and, rather than create a fix-it ticket to, instead, require all citations to contain an abatement period during which the licensee has the opportunity to correct the violation before being required to pay a fine.

These provisions would be difficult to implement. When CSLB issues a citation it is generally well after the misconduct occurred. For instance, if CSLB receives a consumer complaint alleging a contractor took an excessive down payment, CSLB reviews the complaint and contacts the licensee and the consumer to begin investigating. By the time CSLB determines the contractor was at fault and can issue a citation in response to such a complaint the financial harm has already occurred. There is nothing to abate. If the licensee cannot abate the behavior, this bill would appear to simply impose a 30-day period before a citation is official. The bill also states that if a licensee does not abate the violation within the 30-day period, he or she shall pay the fine. Does this mean a licensee does not have the ability to appeal a fine issued under these circumstances?

Additionally, Business & Professions Code section 7088 authorizes CSLB to issue a citation, and allows each citation to contain an order of correction fixing a reasonable time for correction of the violation of an order. That authority seems to address the author’s stated concern – to allow correction of non-serious violations.

Because CSLB has its own statute and regulation establishing its citation and fine program, it may be preferable for the author to exempt CSLB from the requirements of this bill.

Related Legislation:

CSLB is sponsoring legislation this year, SB 486 (Monning), to allow the Board to issue a letter of admonishment, rather than a citation, in certain circumstances

Fiscal Impact for CSLB:

If this bill were adopted, CSLB would incur the following costs:

Enforcement Staff (ongoing) – The work cannot be absorbed by existing CSLB staff because it would take additional time and monitoring to make sure each “order of abatement” was rectified and within the 30 days. It would require the staff to work with the licensee, consumer, and industry experts to make sure the work was corrected properly. Work would be performed full-time by one staff person in the Enforcement

Representative II (ERII) classification. Total cost with benefits (assumed at the 42 percent) would be \$102,000 (initial) and \$110,000 (ongoing).

Programming (one-time) – CSLB IT Division estimates it would initially take 300 hours of custom programming to implement these changes online and into our existing system. Work would be performed by a Senior Programmer Analyst classification. Total cost with benefits (assumed at the 42 percent) would be \$17,040 (300 hours x \$40/hour x 1.42 benefits rate).

Executive Staff (one-time) – CSLB Executive Division estimates it would take around 4 months (about 700 hours) to adopt regulations which require working with internal and external staff, DCA Legal, Legislature and stakeholder. Work would be performed by a Staff Services Manager I (Specialist) classification. Total cost with benefits (assumed at the 42 percent) would be \$39,760 (700 hours x \$40/hour x 1.42 benefits rate).

Industry Experts (IE) Enforcement (initial & ongoing) – This would be necessary to make sure the corrected work was up to building standards. Based on the 2016 stats, CSLB can assume 25% of citations issued annually would require an industry expert @ an average of \$500 per inspection. Total cost is approximately \$275,000 (*\$500 per inspection x 550 citations*).

Revenue Loss (initial & ongoing) – CSLB can safely assume based on 2016 stats that 2,200 citation were issued and if we assume approximately 25% (or 550 citations) of those licensees would be successful in correcting the violation ultimately avoiding the administrative fine fee. In 2016, the average citation fine after appeals and modifications was \$1,625. If we assume the 2016 stats, this would equate to a revenue loss of approximately \$893,750 (*\$1,625 avg. citation fine x 550 licensees*) annually.

Committee Recommendation and Comments:

OPPOSE. There is no clear demonstrated problem with CSLB's citation program that this attempts to fix.

Date: May 23, 2017

AMENDED IN ASSEMBLY MAY 2, 2017

AMENDED IN ASSEMBLY APRIL 17, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1005

Introduced by Assembly Member Calderon

February 16, 2017

~~An act to amend Section 12.5 of the Business and Professions Code, relating to professions and vocations. An act to amend Section 125.9 of the Business and Professions Code, relating to professions and vocations.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1005, as amended, Calderon. Professions and vocations: fines: relief.

Under existing law, the Department of Consumer Affairs is under the control of the Director of Consumer Affairs and is comprised of various ~~boards, bureaus, commissions, committees, and similarly constituted agencies~~ *boards* that license and regulate the practice of various professions and vocations. A violation of a regulatory act by a licensee can subject a licensee to discipline, including administrative penalties or citations, suspension, or revocation of the license. Existing law specifies that whenever any provision of law governing businesses and professions grants authority to issue a citation for a violation of a code provision, that authority also includes the authority to issue a citation for the violation of any regulation adopted pursuant to code.

~~This bill would authorize boards, bureaus, commissions, committees, and similarly constituted agencies that license and regulate professions and vocations, when granted the authority to issue a citation, to instead~~

~~issue a fix-it ticket in lieu of a fine. The bill would specify that any person who is issued a fix-it ticket in lieu of a citation would have 30 days in which to correct the violation before being issued the fine.~~

Under existing law, any board within the Department of Consumer Affairs, the board created by the Chiropractic Initiative Act, and the Osteopathic Medical Board of California, is authorized to establish, by regulation, a system for the issuance to a licensee of a citation which may contain an order of abatement or an order to pay an administrative fine assessed by the board where the licensee is in violation of the applicable law. Existing law requires the system, whenever appropriate, to include a provision requiring the citation to contain an order of abatement fixing a reasonable time for abatement of the violation.

This bill, except with regard to healing arts licensees, would instead require a citation containing an order to pay an administrative fine to contain an order of abatement fixing a period of no less than 30 days for abatement of the violation before the administrative fine becomes effective, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 125.9 of the Business and Professions
2 Code is amended to read:

3 125.9. (a) Except with respect to persons regulated under
4 Chapter 11 (commencing with Section 7500), any board, bureau,
5 or commission within the department, the board created by the
6 Chiropractic Initiative Act, and the Osteopathic Medical Board of
7 California, may establish, by regulation, a system for the issuance
8 to a licensee of a citation which may contain an order of abatement
9 or an order to pay an administrative fine assessed by the board,
10 bureau, or commission where the licensee is in violation of the
11 applicable licensing act or any regulation adopted pursuant thereto.

12 (b) The system shall contain the following provisions:

13 (1) Citations shall be in writing and shall describe with
14 particularity the nature of the violation, including specific reference
15 to the provision of law determined to have been violated.

16 (2) ~~Whenever~~ Except as provided in paragraph (3), whenever
17 appropriate, the citation shall contain an order of abatement fixing
18 a reasonable time for abatement of the violation.

1 (3) Notwithstanding paragraph (2), except with respect to
 2 healing arts licensees licensed pursuant to Division 2 (commencing
 3 with Section 500, the board created by the Chiropractic Initiative
 4 Act, and the Osteopathic Medical Board of California, a citation
 5 containing an order to pay an administrative fine shall contain
 6 the following:

7 (A) An order of abatement fixing a period of no less than 30
 8 days for abatement of the violation before the administrative fine
 9 becomes effective.

10 (B) If the licensee successfully abates the violation within the
 11 30-day period, the licensee shall not be responsible for payment
 12 of the administrative fine.

13 (C) If the licensee fails to abate the violation within the 30-day
 14 period, the licensee shall pay the administrative fine.

15 (3)

16 (4) In no event shall the administrative fine assessed by the
 17 board, bureau, or commission exceed five thousand dollars (\$5,000)
 18 for each inspection or each investigation made with respect to the
 19 violation, or five thousand dollars (\$5,000) for each violation or
 20 count if the violation involves fraudulent billing submitted to an
 21 insurance company, the Medi-Cal program, or Medicare. In
 22 assessing a fine, the board, bureau, or commission shall give due
 23 consideration to the appropriateness of the amount of the fine with
 24 respect to factors such as the gravity of the violation, the good
 25 faith of the licensee, and the history of previous violations.

26 (4)

27 (5) A citation or fine assessment issued pursuant to a citation
 28 shall inform the licensee that if he or she desires a hearing to
 29 contest the finding of a violation, that hearing shall be requested
 30 by written notice to the board, bureau, or commission within 30
 31 days of the date of issuance of the citation or ~~assessment.~~
 32 *assessment or the date the administrative fine becomes effective*
 33 *pursuant to paragraph (3).* If a hearing is not requested pursuant
 34 to this section, payment of any fine shall not constitute an
 35 admission of the violation charged. Hearings shall be held pursuant
 36 to Chapter 5 (commencing with Section 11500) of Part 1 of
 37 Division 3 of Title 2 of the Government Code.

38 (5)

39 (6) Failure of a licensee to pay a fine within 30 days of the date
 40 of ~~assessment,~~ *assessment or the date the administrative fine*

1 *becomes effective pursuant to paragraph (3) unless the citation is*
 2 *being appealed, may result in disciplinary action being taken by*
 3 *the board, bureau, or commission. Where a citation is not contested*
 4 *and a fine is not paid, the full amount of the assessed fine shall be*
 5 *added to the fee for renewal of the license. A license shall not be*
 6 *renewed without payment of the renewal fee and fine.*

7 (c) The system may contain the following provisions:

8 (1) A citation may be issued without the assessment of an
 9 administrative fine.

10 (2) Assessment of administrative fines may be limited to only
 11 particular violations of the applicable licensing act.

12 (d) Notwithstanding any other ~~provision of law~~, if a fine is paid
 13 to satisfy an assessment based on the finding of a violation,
 14 payment of the fine shall be represented as satisfactory resolution
 15 of the matter for purposes of public disclosure.

16 (e) Administrative fines collected pursuant to this section shall
 17 be deposited in the special fund of the particular board, bureau, or
 18 commission.

19 ~~SECTION 1. Section 12.5 of the Business and Professions~~
 20 ~~Code is amended to read:~~

21 ~~12.5. (a) Whenever any provision of this code grants authority~~
 22 ~~to issue a citation for a violation of any provision of this code, that~~
 23 ~~authority also includes the authority to issue a citation for the~~
 24 ~~violation of any regulation adopted pursuant to any provision of~~
 25 ~~this code.~~

26 ~~(b) The authority to issue a citation for a violation of any~~
 27 ~~provision of this code also includes the authority to issue a fix-it~~
 28 ~~ticket, in lieu of a fine. Any person who is issued a fix-it ticket in~~
 29 ~~lieu of a citation and fine shall have 30 days in which to correct~~
 30 ~~the violation before being issued the fine.~~

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1070 (Gonzalez Fletcher)
Status/Location: Amended 5/2/17 – Assembly Committee on Appropriations
Sponsor: None
Subject: Solar Energy Systems: Contracts: Disclosures
Code Section: Business & Professions 7169 & 7170; Civil Code 1882.7; Public Utilities 2854.6

Summary:

Existing law: defines a solar energy system as either: (1) any solar collector or other solar energy device, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating; or (2) any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.

This bill requires:

1. By July 1, 2018, requires the Contractors State License Board (CSLB) to develop and make available online a “solar energy system disclosure contract” that a solar energy systems company must provide to a consumer prior to completing the sale, financing, or leasing of a solar energy system, which shall contain the following:
 - (a) The amounts and sources of financing obtained.
 - (b) The total cost and payments for the system, including financing costs.
 - (c) The calculations used by the home improvement salesperson to determine how many panels the homeowner needs to install.
 - (d) The calculations used by the home improvement salesperson to determine how much energy the panels will generate.
 - (e) Any additional monthly fees the homeowner’s electric company may charge, any turn-on charges, and any fees added for the use of an Internet monitoring system of the panels or inverters.
 - (f) The terms and conditions of any guaranteed rebate.
 - (g) The final contract price, without the inclusion of possible rebates.
 - (h) The solar energy system company’s contractor license number.
 - (i) The impacts of solar energy system installations not performed to code.
 - (j) Types of solar energy system malfunctions.
 - (k) Information about the difference between a solar energy system lease and a solar energy system purchase.
 - (l) Information on how and to whom consumers may provide complaints.

- (m) The consumer's right to a cooling off period of three days.
 - (n) The affects that the financing options, lease agreement terms, or contract terms will have on the future sale of the consumer's home, including any balloon payments or solar energy system relocation that may be required if the contract is not assigned to the new homeowner.
2. That the contract for sale, financing, or lease of a solar energy system, and the disclosure documents shall be written in the same language as was principally used in the oral sale presentation made to the consumer or the printout of digital marketing material given to the consumer.
 3. Defines, "solar energy system" as a solar energy device with the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity that produces at least one kw, and not more than 5 mw, alternating current rated peak electricity, and that meets or exceeds the eligibility criteria established pursuant to the Public Resources Code.
 4. The Department of Consumer Affairs (DCA) shall receive and resolve complaints and consumer questions regarding solar energy systems companies and solar contractors.
 5. That DCA additionally receive complaints received from state agencies regarding solar energy systems companies and solar contractors.
 6. DCA to annually compile a report documenting consumer complaints relating to solar energy systems companies and solar contractors, which shall include:
 - (a) The name of the solar company or contractor;
 - (b) The number and type of complaints for each business; and
 - (c) The zip code where the consumer complaint originated.
 7. That a consumer who enters into a contract for sale, financing, or lease of a solar energy system shall be afforded a period of no more than three days in which to cancel the contract.
 8. The Public Utilities Commission (PUC) to develop a standard methodology for use in the calculation and presentation of electric utility bill savings a consumer can expect by using a solar energy system by vendors, installers, or financing entities.

Background:

According to the author:

"Californians are committed to aggressive action to address the ongoing threats of climate change, including the adoption of aggressive goals for renewable energy production. These benchmarks serve as a model for the entire world and continue to motivate entire countries to take stronger steps of their own. Essential to achieving these goals and mitigating the dangerous impact people are having on our climate is ongoing investment in home solar systems. To their credit, Californians across the state have embraced this challenge enthusiastically, leading to a major boom in the solar industry. But it's also critical that our oversight and disclosure of the household solar industry keep pace with this emerging industry.

As is too often the case, rapid expansion has led to uncertainty and occasional bad actors in the marketplace, where multiple incentive programs have presented the general public with unprecedented options but often without the levels of clarity or disclosure that other large-scale financial products carry. As a result, many consumers have been surprised by long-term financial impacts, often hindering their ability to stay in or sell their homes. Complaints have been lodged nationwide over the lack of clear disclosures, prompting widespread efforts to improve consumer protections.

We can't rely on commission-driven salespeople in an under-regulated industry to ensure that all customers reliably receive all the information they need to make informed, responsible decisions. California has wisely used its legislative influence to help spur the growth of the home solar market. Now, the Legislature has an obligation to ensure that home solar customers receive accurate, clear and concise information about the installation of home solar systems.”

Implementation Issues:

AB 1070 requires that DCA receive and investigate solar complaints. As CSLB already performs this function, it would be more appropriate to designate CSLB, rather than DCA, as the entity to receive and investigate complaints.

The bill also requires that DCA annually compile a publicly available report documenting consumer complaints related to solar energy systems companies and solar contractors. This constitutes a different complaint disclosure policy than that for all other complaints that CSLB receives against licensed contractors. It is not clear why there should be a separate disclosure standard for one industry over others.

Industry Concerns:

The California Solar Energy Industry Association opposes this bill unless it is amended. They would like some changes to the required disclosure document, and object to the separate disclosure policy for complaints related to solar.

Prior Legislation:

AB 2699 (Gonzalez, 2016) contained similar requirements for a solar energy systems disclosure document, and additionally required contractors who install these systems to hold a blanket bond. This bill was held in the Assembly Appropriations Committee.

Fiscal Impact for CSLB:

Enforcement Staff (initial & ongoing) –The CSLB Enforcement division anticipates that the provisions of this bill would result in a substantial workload, since solar complaints continue to rise annually. In 2016, CSLB received 449 solar complaints – a 61 percent increase over 2015 – and closed 597 solar complaints over the last two years. Of these complaints, 48 percent were charged with a Business and Professions Code section 7159 contract violation. In the first quarter of 2017, CSLB has already received 200 solar complaints, double the number received for the first quarter of 2016.

Staff would have to handle consumer complaints and take legal action against licensees that neglect to provide the “Solar Energy System Disclosure Document” to their customers. This work would be performed full-time by one staff person in the Enforcement Representative II (ERII) classification. Total ongoing costs with benefits (assumed at the 42 percent) would be \$97,470 (2080 hours x \$33/hour x 1.42 benefits rate).

Programming/Web Services (initial) – The CSLB IT division estimates that it would take approximately 40 hours to develop the online disclosure form (Solar Energy Disclosure Document) and make it available on the CSLB website for use by solar companies. A Senior Programmer Analyst would perform this work. Total cost with benefits (assumed at the 42 percent) would be \$2,272 (40 hours x \$40/hour x 1.42 benefits rate).

Executive Staff (initial) – The CSLB Executive division estimates that it would take approximately four months (about 700 hours) to develop the language for the “Solar Energy Disclosure Document” and adopt regulations, which would require working with internal and external staff, PUC, DCA Legal, and stakeholders. A Staff Services Manager I (Specialist) would perform this work. Total cost with benefits (assumed at the 42 percent) would be \$39,760 (700 hours x \$40/hour x 1.42 benefits rate).

CSLB total cost: approximately \$140,000 (initially) and \$100,000 (ongoing).

Committee Recommendation and Comments:

WATCH. This bill will provide consumers additional information before entering into contracts for a solar energy system. As CSLB has received an increasing number of complaints related to solar over the last few years, there appears to be a need for better consumer education. However, this bill also creates a different disclosure standard for complaints against solar contractors, which conflicts with CSLB’s existing statutory complaint disclosure requirements. This new disclosure standard could discourage settlement of complaints, since all complaints would be disclosed.

Date: May 23, 2017

AMENDED IN ASSEMBLY MAY 2, 2017

AMENDED IN ASSEMBLY APRIL 17, 2017

AMENDED IN ASSEMBLY MARCH 30, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1070

Introduced by Assembly Member Gonzalez Fletcher

February 16, 2017

An act to add Sections 7169 and 7170 to the Business and Professions Code, to add Section 1882.7 to the Civil Code, and to add Section 2854.6 to the Public Utilities Code, relating to solar energy systems.

LEGISLATIVE COUNSEL'S DIGEST

AB 1070, as amended, Gonzalez Fletcher. Solar energy systems: contracts: disclosures.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires licensed contractors to be classified and authorizes them to be classified as, among other things, a solar contractor. Under existing law, a solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems. Existing law prohibits a solar contractor from performing building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.

This bill would require the board, on or before July 1, 2018, to develop and make available on its Internet Web site a specified "solar energy system disclosure document." The bill would require this disclosure

document to be provided by the solar energy systems company to the consumer prior to completion of a sale, financing, or lease of a solar energy system, *as defined*, and that it, and the contract, be written in the same language as was principally used in the sales presentation and marketing material. The bill would require the department to receive and resolve complaints and consumer questions, and complaints received from state agencies, regarding solar energy systems companies and solar contractors. The bill would require the department annually to compile a report documenting complaints it received relating to solar energy systems companies and solar contractors that it shall make available publicly on the department's and the Public Utilities Commission's Internet Web sites.

Existing law governs certain obligations arising from particular transactions, including consumer contracts.

This bill would afford a consumer who enters into a contract for sale, financing, or lease of a solar energy system a period not exceeding 3 days, during which time he or she may cancel the contract for any reason.

The California Constitution establishes the Public Utilities Commission and authorizes the commission to exercise ratemaking and rulemaking authority over all public utilities, as defined, subject to control by the Legislature.

This bill would require the Public Utilities Commission to develop a standard methodology to be used in the calculation and presentation of electric utility bill savings to a consumer that can be expected by using a solar energy system by vendors, installers, or financing entities and to post the methodology on its Internet Web site. The bill also would require electrical corporations to post the methodology.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7169 is added to the Business and
- 2 Professions Code, to read:
- 3 7169. (a) On or before July 1, 2018, the board shall develop,
- 4 and make available on its Internet Web site, a "solar energy system
- 5 disclosure document" that a solar energy system company shall
- 6 provide to a consumer prior to completion of a sale, financing, or

1 lease of a solar energy system. The “solar energy system disclosure
2 document” shall include the following information:

3 (1) The amounts and sources of financing obtained.

4 (2) The total cost and payments for the system, including
5 financing costs.

6 (3) The calculations used by the home improvement salesperson
7 to determine how many panels the homeowner needs to install.

8 (4) The calculations used by the home improvement salesperson
9 to determine how much energy the panels will generate.

10 (5) Any additional monthly fees the homeowner’s electric
11 company may bill, any turn-on charges, and any fees added for
12 the use of an Internet monitoring system of the panels or inverters.

13 (6) The terms and conditions of any guaranteed rebate.

14 (7) The final contract price, without the inclusion of possible
15 rebates.

16 (8) The solar energy system company’s contractor’s license
17 number.

18 (9) The impacts of solar energy system installations not
19 performed to code.

20 (10) Types of solar energy system malfunctions.

21 (11) Information about the difference between a solar energy
22 system lease and a solar energy system purchase.

23 (12) Information on how and to whom consumers may provide
24 complaints.

25 (13) The consumer’s right to a cooling off period of three days
26 pursuant to Section 1882.7 of the Civil Code.

27 (14) The impacts that the financing options, lease agreement
28 terms, or contract terms will have on the sale of the consumer’s
29 home, including any balloon payments or solar energy system
30 relocation that may be required if the contract is not assigned to
31 the new owner of the home.

32 (b) A contract for sale, financing, or lease of a solar energy
33 system and the solar energy system disclosure document shall be
34 written in the same language as was principally used in the oral
35 sales presentation made to the consumer or the print or digital
36 marketing material given to the consumer.

37 (c) *For purposes of this section, “solar energy system” means*
38 *a solar energy device that has the primary purpose of providing*
39 *for the collection and distribution of solar energy for the generation*
40 *of electricity, that produces at least one kW, and not more than*

1 *five MW, alternating current rated peak electricity, and that meets*
 2 *or exceeds the eligibility criteria established pursuant to Section*
 3 *25782 of the Public Resources Code.*

4 SEC. 2. Section 7170 is added to the Business and Professions
 5 Code, to read:

6 7170. (a) The Department of Consumer Affairs shall receive
 7 and resolve complaints and consumer questions regarding solar
 8 energy systems companies and solar contractors. The department
 9 shall also receive complaints received from state agencies regarding
 10 solar energy systems companies and solar contractors.

11 (b) The department annually shall compile a report documenting
 12 consumer complaints relating to solar energy systems companies
 13 and solar contractors. The report shall be made available publicly
 14 on the department's and the Public Utilities Commission's Internet
 15 Web sites. The report shall contain all of the following:

16 (1) The name of the solar energy system company or solar
 17 contractor.

18 (2) The number and types of complaints for each business.

19 (3) The Zip Code where the consumer complaint originated.

20 (c) *For purposes of this section, "solar energy system" means*
 21 *a solar energy device that has the primary purpose of providing*
 22 *for the collection and distribution of solar energy for the generation*
 23 *of electricity, that produces at least one kW, and not more than*
 24 *five MW, alternating current rated peak electricity, and that meets*
 25 *or exceeds the eligibility criteria established pursuant to Section*
 26 *25782 of the Public Resources Code.*

27 SEC. 3. Section 1882.7 is added to the Civil Code, to read:

28 1882.7. (a) A consumer who enters into a contract for sale,
 29 financing, or lease of a solar energy system shall be afforded a
 30 period not exceeding three days, during which time he or she may
 31 cancel the contract for any reason.

32 (b) For purposes of this section, "solar energy system" means
 33 ~~a device the primary purpose of which is to provide for the~~
 34 ~~collection, storage, or distribution of solar energy for space heating,~~
 35 ~~space cooling, electric generation, or water heating.~~ *solar energy*
 36 *device that has the primary purpose of providing for the collection*
 37 *and distribution of solar energy for the generation of electricity,*
 38 *that produces at least one kW, and not more than five MW,*
 39 *alternating current rated peak electricity, and that meets or exceeds*

1 *the eligibility criteria established pursuant to Section 25782 of the*
2 *Public Resources Code.*

3 SEC. 4. Section 2854.6 is added to the Public Utilities Code,
4 to read:

5 2854.6. (a) The commission shall develop a standard
6 methodology to be used in the calculation and presentation of
7 electric utility bill savings to a consumer that can be expected by
8 using a solar energy system by vendors, installers, or financing
9 entities. This methodology shall be posted by the commission and
10 each electrical corporation on their Internet Web sites.

11 (b) For purposes of this section, "solar energy system" means
12 a solar energy device that has the primary purpose of providing
13 for the collection and distribution of solar energy for the generation
14 of electricity, that produces at least one kW, and not more than
15 five MW, alternating current rated peak electricity, and that meets
16 or exceeds the eligibility criteria established pursuant to Section
17 25782 of the Public Resources Code.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1162 (Bocanegra)
Status/Location: Amended March 21, 2017 – Senate
Sponsor: None
Subject: Electrical Contractors
Code Section: Business & Professions Code section 7031.5

Summary:

Existing law (Business & Professions Code) requires a county or city that requires issuance of a permit for the construction, alteration, improvement, demolition, or repair of any building or structure to require the applicant for a permit to file a statement regarding contractor license status.

Existing law (Labor Code Section 108.2) requires persons who perform work as electricians to be certified by the Division of Labor Standards Enforcement (DSLE). “Electricians” includes all persons licensed pursuant to Business & Professions Code section 7058, specifically those classified as electrical contractors according to the rules and regulations of CSLB. This definition does not apply to electrical connections under 100 volt-amperes.

This bill requires a contractor licensed with CLSB as C-10 Electrical to include a statement when applying for a building permit that he or she is in compliance with, and there are no grounds for disciplinary proceedings under, Section 108.2 of the Labor Code.

Background:

According to the author:

“Assembly Bill 1162 would enhance the electrical certification requirements by requiring C-10 contractors when applying for a building permit to certify with the application that they understand and are in compliance with the state’s electrical certification law.

By adding a penalty for not complying, this bill will incentivize contractors to employ qualified workers, ensuring that permitted work is being done properly by certified electricians. This bill will positively affect people contracting for work and contractors themselves because it encourages compliance with the law and the employment of qualified workers.”

Fiscal Impact for CSLB:

None.

Committee Recommendation and Comments:

WATCH. This bill does not directly affect CSLB. However, the process for its implantation is not clear. A licensee would need to state in a permit application that there are no grounds for disciplinary action for violations of the electrician certification requirement. DLSE is the entity that would determine whether or not there are grounds for disciplinary proceedings for a violation of the certification requirement, not the licensee.

The Western Electrical Contractors Association suggested that the phrase, “to the best of their knowledge,” be added to the bill language regarding pending disciplinary action. The Assembly Business & Professions Committee analysis notes that that phrase may not create an enforceable standard, but suggests the author continue to work on language.

Date: May 23, 2017

AMENDED IN ASSEMBLY MARCH 21, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1162

Introduced by Assembly Member Bocanegra

February 17, 2017

An act to amend Section ~~408~~ 7031.5 of the ~~Labor Business and Professions Code~~, relating to ~~labor standards enforcement~~. *contractors.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1162, as amended, Bocanegra. ~~Labor standards enforcement. Electrical contractors: local permits: use of certified electricians.~~

The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board. That law requires a county or city that requires the issuance of a permit for the construction, alteration, improvement, demolition, or repair of any building or structure to require the applicant for a permit to file a specified statement.

This bill would require a specified licensed electrical contractor to include in this statement an additional statement regarding its licensure.

~~Existing law creates the Division of Labor Standards Enforcement in the Department of Industrial Relations. Existing law prescribes various duties for the division, including maintaining minimum standards for the competency and training of electricians through a system of testing and certification.~~

~~This bill would make a nonsubstantive change in these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 7031.5 of the Business and Professions*
 2 *Code is amended to read:*

3 7031.5. ~~Each~~ (a) A county or city ~~which~~ *that* requires the
 4 issuance of a permit as a condition precedent to the construction,
 5 alteration, improvement, ~~demolition~~ *demolition*, or repair of any
 6 building or structure shall also require that ~~each~~ *an* applicant for
 7 such a permit file as a condition precedent to the issuance of ~~a~~ *the*
 8 permit a statement ~~which~~ *that* he or she has prepared and signed
 9 stating that the applicant is licensed under the provisions of this
 10 chapter, giving the number of the license and stating that it is in
 11 full force and effect, or, if the applicant is exempt from the
 12 provisions of this chapter, the basis for the alleged exemption.

13 (b) A contractor licensed as a Class C-10 electrical contractor
 14 with the Contractors' State License Board shall include a further
 15 statement that he or she is in compliance with, and there are no
 16 grounds for disciplinary proceedings under, Section 108.2 of the
 17 Labor Code in the statement required pursuant to subdivision (a).

18 ~~Any~~

19 (c) Any violation of this section by any applicant for a permit
 20 shall be subject to a civil penalty of not more than five hundred
 21 dollars (\$500).

22 ~~SECTION 1. Section 108 of the Labor Code is amended to~~
 23 ~~read:~~

24 ~~108. (a) The Division of Labor Standards Enforcement shall~~
 25 ~~do the following:~~

26 ~~(1) Maintain minimum standards for the competency and~~
 27 ~~training of electricians through a system of testing and certification.~~

28 ~~(2) Maintain an advisory committee and panels as necessary to~~
 29 ~~carry out the functions under this section. There shall be contractor~~
 30 ~~representation from both joint apprenticeship programs and~~
 31 ~~unilateral nonunion programs in the electrical contracting industry.~~

32 ~~(3) Establish and collect fees necessary to implement this~~
 33 ~~section.~~

34 ~~(4) Carry out the responsibilities of the Division of~~
 35 ~~Apprenticeship Standards that are specified in Subchapter 4~~
 36 ~~(commencing with Section 290) of Chapter 2 of Division 1 of Title~~
 37 ~~8 of the California Code of Regulations. The Labor Commissioner~~
 38 ~~may amend or repeal existing regulations or adopt new regulations~~

1 as necessary to enforce this section. Pending amendments to
2 conform to this section, any reference within the Subchapter 4
3 regulations to the Chief of the Division of Apprenticeship
4 Standards is deemed a reference to the Labor Commissioner, and
5 references to prior statutory sections are deemed to refer to current
6 statutory language as follows:

7 (A) References to former Section 3099 refer to current Section
8 108.

9 (B) References to former Section 3099.2 refer to current Section
10 108.2.

11 (C) References to former Section 3099.3 refer to current Section
12 108.3.

13 (D) References to former Section 3099.4 refer to current Section
14 108.4.

15 (E) References to former Section 3099.5 refer to current Section
16 108.5.

17 (5) Issue certification cards to electricians who have been
18 certified pursuant to this section. Notwithstanding Section 13340
19 of the Government Code, fees collected pursuant to paragraph (3)
20 are continuously appropriated in an amount sufficient to pay the
21 costs of issuing certification cards, and that amount may be
22 expended for that purpose by the division.

23 (6) Maintain an electrical certification curriculum committee
24 comprised of representatives of the State Department of Education,
25 the California Community Colleges, and the division. The electrical
26 certification curriculum committee shall do all of the following:

27 (A) Establish written educational curriculum standards for
28 enrollees in training programs established pursuant to Section
29 108.4.

30 (B) If an educational provider's curriculum meets the written
31 educational curriculum standards established in accordance with
32 subparagraph (A), designate that curriculum as an approved
33 curriculum of classroom instruction.

34 (C) At the committee's discretion, review the approved
35 curriculum of classroom instruction of any designated educational
36 provider. The committee may withdraw its approval of the
37 curriculum if the educational provider does not continue to meet
38 the established written educational curriculum standards.

39 (D) Require each designated educational provider to submit an
40 annual notice to the committee stating whether the educational

1 provider is continuing to offer the approved curriculum of
2 classroom instruction and whether any material changes have been
3 made to the curriculum since its approval.

4 (b) There shall be no discrimination for or against any person
5 based on membership or nonmembership in a union.

6 (c) As used in this section, "electricians" includes all persons
7 who engage in the connection of electrical devices for electrical
8 contractors licensed pursuant to Section 7058 of the Business and
9 Professions Code, specifically, contractors classified as electrical
10 contractors in the Contractors' State License Board Rules and
11 Regulations. This section does not apply to electrical connections
12 under 100 volt-amperes. This section does not apply to persons
13 performing work to which Section 7042.5 of the Business and
14 Professions Code is applicable, or to electrical work ordinarily and
15 customarily performed by stationary engineers. This section does
16 not apply to electrical work in connection with the installation,
17 operation, or maintenance of temporary or portable electrical
18 equipment performed by technicians in the theatrical, motion
19 picture production, television, hotel, exhibition, or trade show
20 industries.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1190 (Oberholte)
Status/Location: Amended 05/02/17 – Assembly Appropriations
Committee
Sponsor: None
Subject: BreEZe: Annual Report
Code Section: Business & Professions Code section 210.5

Summary:

This bill requires the Department of Consumer Affairs to post quarterly on its website the following information:

1. The estimated start and completion dates of the Department of Technology’s Project Approval Lifecycle (PAL) process for the programs that were previously scheduled for the third release phase of BreEZe.
2. The status of the programs that have started the project approval process, including their current stage in the process.
3. The results and recommendation made for each program that has completed the PAL process, including the analysis of potential alternatives and cost-benefits made during stage two of the process.

Comments:

According to the Assembly Business & Professions Committee analysis, the Department of Consumer Affairs provided the following update to the Legislature earlier in 2017:

“The Department has learned many lessons from Release one (eight programs) and Release two (ten programs) of the BreEZe system. Going forward, programs that were previously scheduled for the third release of BreEZe will be utilizing the Department of Technology’s Project Approval Lifecycle process to determine what IT solution best meets their individual business needs.

The objective of the Department of Technology’s four-step process is to match an entity’s organizational readiness and business needs with the most appropriate IT solution. In the State Auditor’s report regarding BreEZe a recommendation was made that in order to ensure each of the remaining boards and bureaus receives an IT update that addresses their business needs, a cost benefit analysis should be completed. The Department has identified that the best approach to achieving this mandate is during the second stage of the Department of Technology process for each individual board.

The Department's expectation is that in some cases, the process will determine that BreEZe is the best solution. In other cases, such as the Bureau of Medical Cannabis Regulation, a different platform may better meet the business needs. However, the resources that each of these programs has already committed to this effort will still provide value regardless of which IT solution is ultimately implemented. This includes staff training, documentation of business processes, and general expertise and knowledge of the process of transitioning into a new system. For example, the Department's training division, SOLID, which actively worked with programs in earlier releases, will continue to provide support to boards as they transition into new IT systems. Ultimately, the lessons and experiences of the first two releases will benefit the remaining boards and bureaus and their licensees regardless of which IT solution it chooses."

Fiscal Impact for CSLB:

No impact from this bill. By the end of the 2017-18 fiscal year, CSLB is projected to have spent approximately \$4.25 million on BreEZe.

Committee Recommendation and Comments:

WATCH. CSLB is one of 19 regulatory entities within DCA's Phase 3 of BreEZe implementation. CSLB is currently documenting its "as is" processes in order to prepare for a cost benefit analysis with the DCA. In February 2015, the State Auditor released an audit of the BreEZe System, which found that inadequate planning and oversight led to implementation of the system at a significantly higher cost than originally estimated and to a reduced number of boards. Among the Auditor's recommendations is the type of report required by this bill.

Date: May 23, 2017

AMENDED IN ASSEMBLY MAY 2, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1190

Introduced by Assembly Member Obernolte

February 17, 2017

An act to add Section 210.5 to the Business and Professions Code, relating to consumer affairs.

LEGISLATIVE COUNSEL'S DIGEST

AB 1190, as amended, Obernolte. Department of Consumer Affairs: ~~BreEZe system: annual report.~~ *system.*

Existing law authorizes the Department of Consumer Affairs to enter into a contract with a vendor for the licensing and enforcement of the BreEZe system, which is a specified integrated, enterprisewide enforcement case management and licensing system, no sooner than 30 days after written notification to certain committees of the Legislature. Existing law requires the amount of contract funds for the system to be consistent with costs approved by the Department of Technology, formerly known as the office of the State Chief Information Officer, based on information provided by the department in a specified manner.

~~This bill on and after July 1, 2018, would require the department to submit an annual report to the Legislature that includes, among other things, the department's plans for implementing the BreEZe system at specified regulatory entities included in the department's's 3rd phase of the BreEZe implementation project, including, but not limited to, a timeline for the implementation.~~

This bill would require the Department of Consumer Affairs to publish, a minimum of once quarterly, prescribed information relating

to BreEZe on its Internet Web site, including the estimated start and completion date of the Department of Technology's Project Approval Lifecycle (PAL) process for programs that were previously scheduled for the 3rd release of BreEZe, the status of programs that have started the process, and the results and recommendations made for each program that has completed the PAL process.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 210.5 is added to the Business and
2 Professions Code, to read:

3 210.5. (a) In connection with the department's ongoing
4 commitment to provide quarterly and monthly updates to the
5 Legislature on the entities that were previously scheduled for the
6 third release of BreEZe, the department shall publish on its Internet
7 Web site the following:

8 (1) The estimated start and completion date of the Department
9 of Technology's Project Approval Lifecycle process for the
10 programs that were previously scheduled for the third release of
11 BreEZe.

12 (2) The status of the programs that have started the project
13 approval process, including the programs' current stage in the
14 process.

15 (3) The results and recommendations made for each program
16 that has completed the Department of Technology's Project
17 Approval Lifecycle process, including the results of the alternatives
18 and cost-benefit analyses made during Stage 2 of the process.

19 (b) The department shall publish the information specified in
20 subdivision (a) a minimum of once quarterly.

21 ~~SECTION 1. Section 210.5 is added to the Business and~~
22 ~~Professions Code, immediately following Section 210, to read:~~

23 ~~210.5. (a) On or before July 1 of each year, commencing July~~
24 ~~1, 2018, the department shall submit an annual report to the~~
25 ~~Legislature that includes all of the following:~~

26 ~~(1) The department's plan for implementing the BreEZe system~~
27 ~~at the regulatory entities in the department's third phase of the~~
28 ~~implementation project, including, but not limited to, a timeline~~
29 ~~for implementation.~~

1 ~~(2) The total estimated costs of implementation of the BreEZe~~
 2 ~~system at the regulatory entities in the department's third phase~~
 3 ~~of the implementation project and the results of any cost-benefit~~
 4 ~~analysis the department conducted for the third phase of the~~
 5 ~~implementation project.~~

6 ~~(3) A description of whether and to what extent the BreEZe~~
 7 ~~system will achieve any operational efficiencies resulting from~~
 8 ~~implementation by the boards and regulatory entities within the~~
 9 ~~department's jurisdiction.~~

10 ~~(b) The report described in subdivision (a) shall be submitted~~
 11 ~~in compliance with Section 9795 of the Government Code.~~

12 ~~(e) For purposes of this section, "the regulatory entities in the~~
 13 ~~department's third phase of the implementation project" includes~~
 14 ~~all of the following:~~

15 ~~(1) Acupuncture Board.~~

16 ~~(2) Board for Professional Engineers, Land Surveyors, and~~
 17 ~~Geologists.~~

18 ~~(3) Bureau of Automotive Repair.~~

19 ~~(4) Bureau of Electronic and Appliance Repair, Home~~
 20 ~~Furnishings, and Thermal Insulation.~~

21 ~~(5) Bureau for Private Postsecondary Education.~~

22 ~~(6) California Architects Board.~~

23 ~~(7) California Board of Accountancy.~~

24 ~~(8) California State Board of Pharmacy.~~

25 ~~(9) Cemetery and Funeral Bureau.~~

26 ~~(10) Contractors' State License Board.~~

27 ~~(11) Court Reporters Board of California.~~

28 ~~(12) Landscape Architects Technical Committee.~~

29 ~~(13) Professional Fiduciaries Bureau.~~

30 ~~(14) Speech-Language Pathology and Audiology and Hearing~~
 31 ~~Aid Dispensers Board.~~

32 ~~(15) State Athletic Commission.~~

33 ~~(16) State Board of Chiropractic Examiners.~~

34 ~~(17) State Board of Guide Dogs for the Blind.~~

35 ~~(18) Structural Pest Control Board.~~

36 ~~(19) Telephone Medical Advice Services Bureau.~~

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1278 (Low)
Status/Location: Amended 05/01/17 – Assembly Appropriations Committee
Sponsor: California State Council of Laborers
Subject: Judgments – License Suspension
Code Section: Business & Professions Code section 7071.17

Summary:

Existing law:

1. Requires a licensee of the Contractors State License Board (CSLB) to report a construction-related civil judgment to CSLB within 90 days of the judgment date.
2. Requires a licensee to comply with the final judgment within 90 days.
3. Provides that if the judgment is not satisfied after 90 days, the license is suspended.
4. Further provides that if a licensee does not report a final judgment, and another party informs CSLB of the final judgment, the license shall be suspended once the Registrar is made aware of the unsatisfied final judgment.
5. Provides that the license remain suspended until CSLB receives proof of satisfaction of the judgment.

This bill:

1. Provides that a license suspension shall be removed if the licensee provides proof that the judgment is under appeal by a court of competent jurisdiction.
2. Provides that if a judgment is entered against a qualifying person (qualifier) or a personnel of record of the licensee (personnel) the qualifier or personnel in question shall automatically be prohibited from serving as a qualifier or personnel on another license until the judgment is satisfied.
3. Specifies that the prohibition above does not apply if the qualifier or personnel provide proof that the judgment is under appeal by a court of competent jurisdiction. However, if the qualifier or personnel was listed on the license subject to the final judgment, a license of the qualifier or personnel shall be suspended.

Background:

Under CSLB's current practice, the person requesting the license suspension has the burden of proving that the judgment is truly final. Under this bill, the licensee would have to provide evidence of an appeal to have a suspension lifted.

Existing law related to reporting of judgments and license suspension for unsatisfied final judgments has been in place for some time. Previously, CSLB would record a

judgment and suspend a license before determining if the appeal process was completed. CSLB would allow a licensee to submit evidence of the appeal, and would then lift the suspension during the appeal process. A licensee, whose license was suspended, sued CSLB and argued that CSLB violated his due process rights by suspending his license before the judgment was final. In response, CSLB reviewed its practices and existing law, and determined that it needed to wait until a judgment is final and that all time for appeal has passed before suspending a license. This has been CSLB policy since early 2016.

Amendments:

The sponsor believes that, at times, personnel associated with a license choose to disassociate before a judgment is final, so that they are not affected by the license suspension. Under existing law, the qualifying person and any partner of the licensee or personnel named as a debtor in an unsatisfied final judgment are prohibited from serving in any position of record on another license. The sponsor would like the suspension provisions to apply to personnel associated with the license at the time of the act or omission occurred that led to the judgment.

Fiscal Impact for CSLB:

Pending. If this bill makes significant changes to the current handling of judgment related license suspensions, there could be a large workload impact to the IT Division.

Committee Recommendation and Comments:

SUPPORT IF AMENDED. This bill would primarily affect licensees, who could face suspension, and its consequences, sooner and potentially before they have exercised their appeal rights. Staff believes that this bill should be amended to: 1) retain existing practice, which is to only suspend a license once the judgment is final and can no longer be appealed; and 2) provide for the suspension of any associated licenses of the qualifier of the license subject to the final judgment, regardless of whether or not that qualifier disassociated prior to the license suspension. This would clarify that the judgment covers the timeframe of the contracting activity at issue, rather than when the related civil judgment is finalized. As a result, a qualifier on the license at the time of the act or misconduct subject to the judgment would be prohibited from serving in any official capacity on another license until the judgment is satisfied, irrespective of whether or not he or she associated with the license when the judgment becomes final.

Date: May 23, 2017

AMENDED IN ASSEMBLY MAY 1, 2017

AMENDED IN ASSEMBLY APRIL 3, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1278

Introduced by Assembly Member Low

February 17, 2017

An act to amend Section 7071.17 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1278, as amended, Low. Contractor licensing: judgment debtor prohibition: final judgment: definition.

Existing law, the Contractors' State License Law, provides for licensing and regulation of contractors by the Contractors' State License Board. That law requires the board, with the approval of the Director of Consumer Affairs, to appoint a registrar of contractors to serve as the executive officer and secretary of the board.

That law directs the board to require, as a condition precedent to accepting an application for licensure, renewal, reinstatement, or to change officers or other personnel of record, that an applicant for a license, previously found to have failed or refused to pay a contractor, subcontractor, consumer, materials supplier, or employee based on a specified unsatisfied final judgment, to file or have on file with the board a bond sufficient to guarantee payment of an amount equal to the unsatisfied judgment or judgments, as specified. That law requires a licensee to notify the registrar in writing of a specified unsatisfied final judgment imposed on the licensee within 90 days of the imposition, and to file or have on file with the board a bond sufficient to guarantee

payment of an amount equal to specified unsatisfied judgments within 90 days from date of notification. That law requires the license of a licensee who does not comply with these requirements to be automatically suspended. That law ~~also prohibits the suspension from being removed until proof of satisfaction of the judgment, or in lieu thereof, a notarized copy of an accord, is submitted to the registrar.~~

This bill would require the suspension to be removed if the licensee provides proof that the judgment is under appeal in a court of competent jurisdiction.

The Contractors' State License Law also requires the qualifying person and any partner of the licensee or personnel of the licensee named as a judgment debtor in an unsatisfied final judgment to be automatically prohibited from serving as an officer, director, associate, partner, owner, manager, qualifying individual, or other personnel of record of another licensee. That law requires the license of any other existing renewable licensed entity with any of the same personnel of record as the judgment debtor licensee to be suspended until the license of the judgment debtor is reinstated or until those same personnel of record disassociate themselves from the renewable licensed entity.

~~This bill would define "final judgment" for these purposes as a judgment that is enforceable under the law applicable to the court that entered the judgment and for which no stay of enforcement is in effect. The bill would impose on the licensee the burden of proving that a stay of enforcement is in effect from certified records of the court which issued the stay of enforcement. instead would require a qualifying person or personnel of record to be automatically prohibited from serving as a qualifying individual or other personnel of record of another licensee if any judgment is entered against the qualifying person or the personnel of record of the licensee, until the judgment is satisfied. The bill would require that this prohibition not apply if the qualifying person or personnel of record provides proof that the judgment is under appeal in a court of competent jurisdiction, but would require the license of the qualifying person or personnel of record to be suspended if the qualifying person or personnel of record was listed on the license subject to the final judgment.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7071.17 of the Business and Professions
2 Code is amended to read:

3 7071.17. (a) Notwithstanding any other provision of law, the
4 board shall require, as a condition precedent to accepting an
5 application for licensure, renewal, reinstatement, or to change
6 officers or other personnel of record, that an applicant, previously
7 found to have failed or refused to pay a contractor, subcontractor,
8 consumer, materials supplier, or employee based on an unsatisfied
9 final judgment, file or have on file with the board a bond sufficient
10 to guarantee payment of an amount equal to the unsatisfied final
11 judgment or judgments. The applicant shall have 90 days from the
12 date of notification by the board to file the bond or the application
13 shall become void and the applicant shall reapply for issuance,
14 reinstatement, or reactivation of a license. The board may not issue,
15 reinstate, or reactivate a license until the bond is filed with the
16 board. The bond required by this section is in addition to the
17 contractor's bond. The bond shall be on file for a minimum of one
18 year, after which the bond may be removed by submitting proof
19 of satisfaction of all debts. The applicant may provide the board
20 with a notarized copy of any accord, reached with any individual
21 holding an unsatisfied final judgment, to satisfy a debt in lieu of
22 filing the bond. The board shall include on the license application
23 for issuance, reinstatement, or reactivation, a statement, to be made
24 under penalty of perjury, as to whether there are any unsatisfied
25 judgments against the applicant on behalf of contractors,
26 subcontractors, consumers, materials suppliers, or the applicant's
27 employees. Notwithstanding any other provision of law, if it is
28 found that the applicant falsified the statement then the license
29 will be retroactively suspended to the date of issuance and the
30 license will stay suspended until the bond, satisfaction of judgment,
31 or notarized copy of any accord applicable under this section is
32 filed.

33 (b) (1) Notwithstanding any other provision of law, all licensees
34 shall notify the registrar in writing of any unsatisfied final judgment
35 imposed on the licensee. If the licensee fails to notify the registrar
36 in writing within 90 days, the license shall be automatically
37 suspended on the date that the registrar is informed, or is made
38 aware of the unsatisfied final judgment. ~~The~~

1 (2) (A) *The suspension shall not be removed until proof of*
2 *satisfaction of the judgment, or in lieu thereof, a notarized copy*
3 *of an accord is submitted to the registrar.* ~~¶~~

4 (B) *Notwithstanding subparagraph (A), the suspension shall be*
5 *removed if the licensee provides proof that the judgment is under*
6 *appeal in a court of competent jurisdiction.*

7 (3) *If the licensee notifies the registrar in writing within 90 days*
8 *of the imposition of any unsatisfied final judgment, the licensee*
9 *shall, as a condition to the continual maintenance of the license,*
10 *file or have on file with the board a bond sufficient to guarantee*
11 *payment of an amount equal to all unsatisfied judgments applicable*
12 *under this section.* ~~The~~

13 (4) *The licensee has 90 days from date of notification by the*
14 *board to file the bond or at the end of the 90 days the license shall*
15 *be automatically suspended. In lieu of filing the bond required by*
16 *this section, the licensee may provide the board with a notarized*
17 *copy of any accord reached with any individual holding an*
18 *unsatisfied final judgment.*

19 (c) *By operation of law, failure to maintain the bond or failure*
20 *to abide by the accord shall result in the automatic suspension of*
21 *any license to which this section applies.*

22 (d) *A license that is suspended for failure to comply with the*
23 *provisions of this section can only be reinstated when proof of*
24 *satisfaction of all debts is made, or when a notarized copy of an*
25 *accord has been filed as set forth under this section.*

26 (e) *This section applies only with respect to an unsatisfied final*
27 *judgment that is substantially related to the construction activities*
28 *of a licensee licensed under this chapter, or to the qualifications,*
29 *functions, or duties of the license.*

30 (f) *Except as otherwise provided, this section shall not apply to*
31 *an applicant or licensee when the financial obligation covered by*
32 *this section has been discharged in a bankruptcy proceeding.*

33 (g) *Except as otherwise provided, the bond shall remain in full*
34 *force in the amount posted until the entire debt is satisfied. If, at*
35 *the time of renewal, the licensee submits proof of partial*
36 *satisfaction of the financial obligations covered by this section,*
37 *the board may authorize the bond to be reduced to the amount of*
38 *the unsatisfied portion of the outstanding judgment. When the*
39 *licensee submits proof of satisfaction of all debts, the bond*
40 *requirement may be removed.*

1 (h) The board shall take the actions required by this section
2 upon notification by any party having knowledge of the outstanding
3 judgment upon a showing of proof of the judgment.

4 (i) For the purposes of this section, the term “judgment” also
5 includes any final arbitration award where the time to file a petition
6 for a trial de novo or a petition to vacate or correct the arbitration
7 award has expired, and no petition is pending.

8 ~~(j) A person who was the qualifying person, a partner, or~~
9 ~~personnel of a licensee being named as a judgment debtor in an~~
10 ~~unsatisfied final judgment—~~*(1) If a judgment is entered against a*
11 *qualifying person or a personnel of record of the licensee, the*
12 *qualifying person or personnel of record shall be automatically*
13 *prohibited from serving as an officer, director, associate, partner,*
14 *owner, manager, a qualifying individual, individual or other*
15 *personnel of record on another license. This license until the*
16 *judgment is satisfied.*

17 *(2) The prohibition described in paragraph (1) shall not apply*
18 *if the qualifying person or personnel of record provides proof that*
19 *the judgment is under appeal in a court of competent jurisdiction.*
20 *However, if the qualifying person or personnel of record was listed*
21 *on the license subject to the final judgment, a license of the*
22 *qualifying person or personnel of record shall be suspended.*

23 *(3) The prohibition described in paragraph (1) shall cause the*
24 *license of any other existing renewable licensed entity with any*
25 *of the same personnel of record as the judgment debtor licensee*
26 *to be suspended until the license of the judgment debtor is*
27 *reinstated or until those same personnel of record disassociate*
28 *themselves from the renewable licensed entity.*

29 (k) For purposes of this section, a cash deposit may be submitted
30 in lieu of the bond.

31 (l) Notwithstanding subdivision (f), the failure of a licensee to
32 notify the registrar of an unsatisfied final judgment in accordance
33 with this section is cause for disciplinary action.

34 ~~(m) For purposes of this section, “final judgment” shall mean~~
35 ~~the judgment is enforceable under the law applicable to the court~~
36 ~~that entered the judgment and for which no stay of enforcement~~
37 ~~is in effect. The licensee shall have the burden to prove that a stay~~

- 1 of enforcement is in effect from certified records of the court that
- 2 issued the stay of enforcement.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1357 (Chu)
Status/Location: Amended 5/17/17 – Assembly Appropriations
Committee
Sponsor: HomeGuard Incorporated
Subject: Roofing Contractors: Roof Inspections
Code Section: Business & Professions Code section 7197

Summary:

Existing Law:

1. Regulates a person who performs certain home inspections for a fee.
2. Provides that it is an unfair business practice for a home inspector, a company that employs the inspector, or a company that is controlled by a company with a financial interest in a company employing a home inspector, to engage in various acts, including performing or offering to perform, for an additional fee, any repairs to a structure for which the inspector, or the inspector's company, has prepared a home inspection report in the past 12 months.

This Bill:

1. Provides that the existing prohibition does not affect the ability of a roofing contractor who holds a C-39 license to perform repairs pursuant to his or her inspection of a roof for the specific purpose of providing a roof certification, if all of the following conditions are met:
 - (a) Different employees perform the home inspection and the roof inspection.
 - (b) The roof inspection is ordered prior to, or at the same time as, the home inspection, or the roof inspection is completed before the commencement of the home inspection,
 - (c) The consumer is provided a disclosure before he or she authorizes the home inspection that includes all of the following:
 - 1) The same company that performs the roof inspection and roof repairs will perform the home inspection on the same property.
 - 2) Any repairs authorized by the consumer are for those identified in the roofing contractor's roof inspection report and that no repairs identified in the home inspection are authorized or allowed.
 - 3) The consumer has the right to seek a second opinion.
2. Defines "roof certification" to mean a written statement by any licensed C-39 roofing contractor who has performed a roof inspection, made any necessary repairs, and determines that the roof is free of visible defects at the time he or she issues the certification and should perform as designed for the specified term of the certification.

Background:

According to the author:

"[This bill] seeks to add clarifying language to the law, similar to what has been in law for over a decade for pest inspectors, providing licensed roof inspectors the ability to make roof repair to homes they have inspected, even if the same company has also performed a home inspection on the same property. [This bill] provides consumers with the option to hire the same licensed roofing contractor who has identified the needed roof repairs. Currently, if a consumer has had a home inspection and a roof inspection performed by the same company, they would need to search for another roofing contractor to make repairs identified in the roof inspection. [This bill] enhances consumer choice while maintaining the same consumer protections provided by the [CSLB] for licensed roofing contractors."

The California Association of Realtors opposes this bill, stating that it allows conflicts of interest in home inspections.

Fiscal Impact for CSLB:

None.

Committee Recommendation and Comments:

WATCH. This bill does not directly impact CSLB, as CSLB does not enforce or administer the provisions of law related to home inspections.

Date: May 23, 2017

AMENDED IN ASSEMBLY MAY 17, 2017

AMENDED IN ASSEMBLY MAY 2, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1357

Introduced by Assembly Member Chu

February 17, 2017

An act to amend Section 7197 of the Business and Professions Code, relating to home inspectors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1357, as amended, Chu. Home inspectors: roofing contractors: roof inspections.

Existing law regulates a person who performs certain home inspections for a fee. Existing law provides that it is an unfair business practice for a home inspector, a company that employs the inspector, or a company that is controlled by a company that also has a financial interest in a company employing a home inspector, to do various acts, including performing or offering to perform, for an additional fee, any repairs to a structure on which the inspector, or the inspector's company, has prepared a home inspection report in the past 12 months.

This bill would exempt from these provisions a licensed roofing contractor that performs repairs pursuant to his or her inspection of a roof for the specific purpose of providing a roof certification, as defined, if specified conditions are met.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7197 of the Business and Professions
2 Code is amended to read:

3 7197. (a) It is an unfair business practice for a home inspector,
4 a company that employs the inspector, or a company that is
5 controlled by a company that also has a financial interest in a
6 company employing a home inspector, to do any of the following:

7 (1) To perform or offer to perform, for an additional fee, any
8 repairs to a structure on which the inspector, or the inspector's
9 company, has prepared a home inspection report in the past 12
10 months.

11 (2) Inspect for a fee any property in which the inspector, or the
12 inspector's company, has any financial interest or any interest in
13 the transfer of the property.

14 (3) To offer or deliver any compensation, inducement, or reward
15 to the owner of the inspected property, the broker, or agent, for
16 the referral of any business to the inspector or the inspection
17 company.

18 (4) Accept an engagement to make an inspection or to prepare
19 a report in which the employment itself or the fee payable for the
20 inspection is contingent upon the conclusions in the report,
21 preestablished findings, or the close of escrow.

22 (b) A home protection company that is affiliated with or that
23 retains the home inspector does not violate this section if it
24 performs repairs pursuant to claims made under the home
25 protection contract.

26 (c) This section shall not affect the ability of a structural pest
27 control operator to perform repairs pursuant to Section 8505 as a
28 result of a structural pest control inspection.

29 (d) Paragraph (1) of subdivision (a) shall not affect the ability
30 of a roofing contractor who holds a C-39 license, as defined in
31 Section 832.39 of Title 16 of the California Code of Regulations,
32 to perform repairs pursuant to the contractor's inspection of a roof
33 for the specific purpose of providing a roof certification if all of
34 the following conditions are met:

35 (1) Different employees perform the home inspection and the
36 roof inspection.

37 ~~(2) The offer to repair the roof is accepted before the home~~
38 ~~inspection is started.~~

1 (2) *The roof inspection is ordered prior to, or at the same time*
2 *as, the home inspection, or the roof inspection is completed before*
3 *the commencement of the home inspection.*

4 (3) The consumer is provided a consumer disclosure before he
5 or she authorizes the home inspection that includes all of the
6 following:

7 (A) The same company that performs the roof inspection and
8 roof repairs will perform the home inspection on the same property.

9 (B) Any repairs that are authorized by the consumer are for the
10 repairs identified in the roofing contractor's roof inspection report
11 and no repairs identified in the home inspection are authorized or
12 allowed.

13 (C) The consumer has the right to seek a second opinion.

14 (4) For purposes of this subdivision, "roof certification" means
15 a written statement by a licensed C-39 Roofing Contractor who
16 has performed a roof inspection, made any necessary repairs, and
17 warrants that the roof is free of visible defects at the time that the
18 certification is issued and should perform as designed for the
19 specified term of the certification.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 27 (Morrell)
Status/Location: Amended 4/17/17– Senate Appropriations Committee
Sponsor: None
Subject: Licenses: Military Service
Code Section: Business & Professions Code section 114.6

Summary:

Existing law requires boards within the Department of Consumer Affairs (DCA) to provide information and assistance to applicants that have served on active duty in the armed forces, and were honorably discharged.

This bill:

1. Requires every board within DCA to grant a fee waiver for the application and issuance of an initial license to an applicant who supplies satisfactory evidence that he or she served on active duty in the California National Guard or U.S. armed forces, and was honorably discharged.
2. Defines “satisfactory evidence.”
3. Specifies that a veteran shall be granted only one fee waiver; however, if the board charges separate application and issuance fees, both fees can be waived one time.
4. Specifies that the waiver shall only apply to an individual license, and not to a license issued to an individual veteran on behalf of a business or other entity.

Comments:

SB 1155 (Morrell, 2016) was substantially similar to this bill. CSLB supported SB 1155, which was held in the Senate Appropriations Committee last year.

SB 27 specifies that the waiver only applies to an individual license. Home Improvement Salesperson (HIS) registrations are issued to individuals; a contractor’s license is issued to a business entity. CSLB could consider applying these provisions to sole owner licenses, which constitute the majority of licenses.

Fiscal Impact for CSLB:

CSLB assumes this would apply to approximately 100 veteran applications annually. This equates to a revenue loss of approximately \$53,000 (\$530 initial app + license fee x 100 applicants) annually.

Committee Recommendation and Comments:

SUPPORT. This bill could make it easier for some veterans to enter into the construction industry, and it should not result in a significant financial burden to CSLB.

Date: May 27, 2017

AMENDED IN SENATE APRIL 17, 2017

SENATE BILL

No. 27

Introduced by Senator Morrell

(Coauthors: Senators Bates, Berryhill, Nguyen, and Wilk)

*(Coauthors: Assembly Members Acosta, Baker, Chávez, Cunningham,
Lackey, Mathis, and Patterson)*

December 5, 2016

An act to add Section 114.6 to the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 27, as amended, Morrell. Professions and vocations: licenses: military service.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law authorizes any licensee or registrant whose license expired while he or she was on active duty as a member of the California National Guard or the United States Armed Forces to reinstate his or her license or registration without examination or penalty if certain requirements are met. Existing law also requires the boards to waive the renewal fees, continuing education requirements, and other renewal requirements, if applicable, of any licensee or registrant called to active duty as a member of the United States Armed Forces or the California National Guard, if certain requirements are met. Existing law requires each board to inquire in every application if the individual applying for licensure is serving in, or has previously served in, the military. Existing law requires a board within the Department of Consumer Affairs to expedite, and authorizes a board to assist with, the initial licensure

process for an applicant who has served as an active duty member of the United States Armed Forces and was honorably discharged.

This bill would require every board within the Department of Consumer Affairs to grant a fee waiver for the application for and the issuance of an initial license to an applicant who supplies satisfactory evidence, as defined, to the board that the applicant has served as an active duty member of the California National Guard or the United States Armed Forces and was honorably discharged. The bill would require that a veteran be granted only one fee waiver, except as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 114.6 is added to the Business and
2 Professions Code, to read:

3 114.6. (a) (1) Notwithstanding any other law, every board
4 within the department shall grant a fee waiver for the application
5 for and issuance of an initial license to an applicant who supplies
6 satisfactory evidence to the board that the applicant has served as
7 an active duty member of the California National Guard or the
8 United States Armed Forces and was honorably discharged.

9 (2) For purposes of this section, "satisfactory evidence" means
10 a completed "Certificate of Release or Discharge from Active
11 Duty" (DD Form 214).

12 (b) (1) A veteran shall be granted only one fee waiver, except
13 as specified in paragraph (2). After a fee waiver has been issued
14 by ~~any~~ a board within the department, the veteran is no longer
15 eligible for a waiver.

16 (2) If a board charges a fee for the application for a license and
17 another fee for the issuance of a license, the veteran shall be granted
18 fee waivers for both the application for and issuance of a license.

19 (3) The fee waiver shall apply only to an application of and a
20 license issued to an individual veteran and not to an application
21 of or a license issued to an individual veteran on behalf of a
22 business or other entity.

23 (4) A fee waiver shall not be issued for any of the following:

24 (A) Renewal of a license.

3

- 1 (B) The application for and issuance of an additional license, a
- 2 certificate, a registration, or a permit associated with the initial
- 3 license.
- 4 (C) The application for an examination.

O

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 486 (Monning)
Status/Location: Amended 4/20/17 – Assembly
Sponsor: Contractors State License Board
Subject: Letter of Admonishment
Code Section: Business & Professions Code sections 7099.2 & 7124.6

Summary:

Existing law authorizes the CSLB Registrar, if there is probable cause to believe that a licensee or applicant has committed any acts or omissions that are grounds for suspension, revocation, or denials of a license, to issue a citation to the licensee or applicant.

This Bill:

1. Authorizes the CSLB Registrar to issue a letter of admonishment in lieu of a citation.
2. Requires that the letter of admonishment be in writing and describe the nature and facts of the violation, and inform the licensee or applicant that within 30 days the license or applicant may do either of the following:
 - a) Submit to the Registrar a written request for an office conference to contest the letter of admonishment. Specifies that the office conference is an informal process not subject to the Administrative Procedure Act. Provides that the Registrar may then affirm, modify, or withdraw the letter of admonishment.
 - b) Comply with the letter of admonishment and, if required, submit a written corrective action plan to the Registrar documenting compliance. If an office conference is not requested, specifies that compliance with the letter of admonishment does not constitute an admission of the violation.
3. Provides that this authority does not in any way limit the ability to issue a citation or institute disciplinary proceedings.
4. Specifies that the letter of admonishment shall not be construed as a disciplinary action.
5. Prohibits the issuance of a letter of admonishment when any one of the following factors is present:
 - a) The licensee, registrant, or applicant was unlicensed at the time of the violation.
 - b) Multiple violations have been established.
 - c) The licensee, registrant, or applicant has a history of the same or similar violations.
 - d) The violation resulted in financial harm to another.
 - e) The victim is an elder or dependent adult.

- f) The violation is related to the repair of damage created by a natural disaster.
- 6. Provides that a letter of admonishment shall be publicly disclosed for one year.

Fiscal Impact for CSLB:

Absorbable.

Board Position and Comments:

SUPPORT. CSLB currently has authority to issue a citation to a licensee or applicant for a violation of contractors' state license law. The existing citation program works well, however, it has become costly to operate. As a citation affords the same right to appeal as an accusation, there is no shortage of appealed citations every year. The average cost to CSLB for an appeal is \$9,860, whether or not the respondent appears at the hearing. CSLB believes that this letter of admonishment will increase opportunities to settle offenses before they are appealed, while still providing correction of the offending behavior. It will also provide for public disclosure, by posting the issuance of a letter of admonishment online for one year.

Date: May 23, 2017

AMENDED IN SENATE APRIL 20, 2017

AMENDED IN SENATE MARCH 28, 2017

SENATE BILL

No. 486

**Introduced by Senator Monning
(Coauthors: Senators Berryhill, Hill, and Moorlach)**

February 16, 2017

An act to amend Sections 7099.2 and 7124.6 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 486, as amended, Monning. Contractors' State License Law: letter of admonishment.

(1) Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law also provides for the registration and regulation of home improvement salespersons by the board. Existing law requires the board to appoint a registrar of contractors who is the executive officer and secretary of the board and is responsible for carrying out specified administrative duties. If, upon investigation, the registrar has probable cause to believe that a licensee or an applicant for a license under existing law has committed any acts or omissions that are grounds for denial, revocation, or suspension of license, he or she, in lieu of a specified proceeding, may issue a citation to the licensee or applicant.

This bill would authorize the registrant to issue a written and detailed letter of admonishment to an applicant, licensee, or registrant instead of issuing a citation if, upon investigation, the registrar has probable cause to believe that a licensee, registrant, or applicant has committed acts or omissions that are grounds for denial, suspension, or revocation

of a license or registration. The bill would require the letter to inform the applicant, licensee, or registrant that he or she may submit a written request for an office conference to contest the letter of admonishment, subject to specified procedures, including a process to appeal a decision, or comply with the letter, as provided. *The bill would prohibit the board from issuing a letter of admonishment when specified factors are present. The bill would authorize the board to adopt regulations to further define the circumstances under which a letter of admonishment may be issued.*

Existing law requires the registrar to make available to members of the public the date, nature, and status of all complaints on file against a licensee that meet specific qualifications. Under existing law, complaints resolved in favor of the contractor are not subject to disclosure.

The bill would distinguish a letter of admonishment from a complaint resolved in favor of the contractor and would require a letter of admonishment to be disclosed for a year.

(2) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature that the
2 Contractors' State License Board only issue letters of
3 admonishment to applicants, licensees, or registrants for minor
4 violations that do not involve financial harm to the consumer and
5 do not result in serious illness or injury.

6 SEC. 2. Section 7099.2 of the Business and Professions Code
7 is amended to read:

8 7099.2. (a) The board shall promulgate regulations covering
9 the assessment of civil penalties under this article that give due
10 consideration to the appropriateness of the penalty with respect to
11 the following factors:

12 (1) The gravity of the violation.

1 (2) The good faith of the licensee or applicant for licensure
2 being charged.

3 (3) The history of previous violations.

4 (b) Except as otherwise provided by this chapter, no civil penalty
5 shall be assessed in an amount greater than five thousand dollars
6 (\$5,000). Notwithstanding Section 125.9, a civil penalty not to
7 exceed fifteen thousand dollars (\$15,000) may be assessed for a
8 violation of Section 7114 or 7118.

9 (c) If, upon investigation, the registrar has probable cause to
10 believe that a licensee, registrant, or applicant has committed acts
11 or omissions that are grounds for denial, suspension, or revocation
12 of a license or registration, the registrar, or his or her designee,
13 may issue a letter of admonishment to an applicant, licensee, or
14 registrant in lieu of issuing a citation. Nothing in this article shall
15 in any way limit the registrar's discretionary authority or ability
16 to issue a letter of admonishment as prescribed by this subdivision.

17 (1) The letter of admonishment shall be in writing and shall
18 describe in detail the nature and facts of the violation, including a
19 reference to the statutes or regulations violated. The letter of
20 admonishment shall inform the licensee, registrant, or applicant
21 that within 30 days of service of the letter of admonishment the
22 licensee, registrant, or applicant may do either of the following:

23 (A) Submit a written request for an office conference to the
24 registrar to contest the letter of admonishment. Upon a timely
25 request, the registrar, or his or her designee, shall hold an office
26 conference with the licensee, registrant, or applicant and, if
27 applicable, his or her legal counsel or authorized representative.

28 (i) No individual other than the legal counsel or authorized
29 representative of the licensee, registrant, or applicant may
30 accompany the licensee, registrant, or applicant to the office
31 conference.

32 (ii) Prior to or at the office conference, the licensee, registrant,
33 or applicant may submit to the registrar declarations and documents
34 pertinent to the subject matter of the letter of admonishment.

35 (iii) The office conference is intended to be informal and shall
36 not be subject to the Administrative Procedure Act (Chapter 4.5
37 (commencing with Section 11400) or Chapter 5 (commencing with
38 Section 11500) of Part 1 of Division 3 of Title 2 of the Government
39 Code).

1 (iv) After the office conference, the registrar, or his or her
2 designee, may affirm, modify, or withdraw the letter of
3 admonishment. Within 14 calendar days from the date of the office
4 conference, the registrar, or his or her designee, shall personally
5 serve or send the written decision by certified mail to the licensee's,
6 registrant's, or applicant's address of record. This decision shall
7 be deemed the final administrative decision concerning the letter
8 of admonishment.

9 (v) Judicial review of the decision may be had by filing a petition
10 for a writ of mandate in accordance with the provisions of Section
11 1094.5 of the Code of Civil Procedure within 30 days after the
12 date the decision was personally served or sent by certified mail.
13 The judicial review shall extend to the question of whether or not
14 there was a prejudicial abuse of discretion in the issuance of the
15 letter of admonishment or in the decision after the office
16 conference.

17 (B) Comply with the letter of admonishment and, if required,
18 submit a written corrective action plan to the registrar documenting
19 compliance. If an office conference is not requested pursuant to
20 this section, compliance with the letter of admonishment shall not
21 constitute an admission of the violation noted in the letter of
22 admonishment.

23 (2) The letter of admonishment shall be served upon the licensee,
24 registrant, or applicant personally or by certified mail at his or her
25 address of record with the board. If the licensee, registrant, or
26 applicant is served by certified mail, service shall be effective upon
27 deposit in the United States mail.

28 (3) The licensee, registrant, or applicant shall maintain and have
29 readily available a copy of the letter of admonishment and
30 corrective action plan, if any, for at least one year from the date
31 of issuance of the letter of admonishment.

32 (4) Nothing in this subdivision shall in any way limit the board's
33 authority or ability to do either of the following:

34 (A) Issue a citation pursuant to Section 125.9, 148, or 7099.

35 (B) Institute disciplinary proceedings pursuant to this article.

36 (5) The issuance of a letter of admonishment shall not be
37 construed as a disciplinary action or discipline for purposes of
38 licensure or the reporting of discipline for licensure.

39 (6) *The board shall not issue a letter of admonishment when*
40 *any one of the following factors is present:*

1 (A) *The licensee, registrant, or applicant was unlicensed at the*
 2 *time of the violation.*

3 (B) *Multiple violations have been established.*

4 (C) *The licensee, registrant, or applicant has a history of the*
 5 *same or similar violations.*

6 (D) *The violation resulted in financial harm to another.*

7 (E) *The victim is an elder or dependent adult as defined in*
 8 *Section 368 of the Penal Code.*

9 (F) *The violation is related to the repair of damage caused by*
 10 *a natural disaster.*

11 (7) *The board may adopt regulations to further define the*
 12 *circumstances under which a letter of admonishment may be issued.*

13 SEC. 3. Section 7124.6 of the Business and Professions Code
 14 is amended to read:

15 7124.6. (a) The registrar shall make available to members of
 16 the public the date, nature, and status of all complaints on file
 17 against a licensee that do either of the following:

18 (1) Have been referred for accusation.

19 (2) Have been referred for investigation after a determination
 20 by board enforcement staff that a probable violation has occurred,
 21 and have been reviewed by a supervisor, and regard allegations
 22 that if proven would present a risk of harm to the public and would
 23 be appropriate for suspension or revocation of the contractor's
 24 license or criminal prosecution.

25 (b) The board shall create a disclaimer that shall accompany
 26 the disclosure of a complaint that shall state that the complaint is
 27 an allegation. The disclaimer may also contain any other
 28 information the board determines would be relevant to a person
 29 evaluating the complaint.

30 (c) (1) A complaint resolved in favor of the contractor shall not
 31 be subject to disclosure.

32 (2) A complaint resolved by issuance of a letter of
 33 admonishment pursuant to Section 7099.2 shall not be deemed
 34 resolved in favor of the contractor for the purposes of this section.
 35 A letter of admonishment issued to a licensee shall be disclosed
 36 for a period of one year from the date described in paragraph (2)
 37 of subdivision (c) of Section 7099.2.

38 (d) Except as described in subdivision (e), the registrar shall
 39 make available to members of the public the date, nature, and
 40 disposition of all legal actions.

1 (e) Disclosure of legal actions shall be limited as follows:

2 (1) (A) Citations shall be disclosed from the date of issuance
3 and for five years after the date of compliance if no additional
4 disciplinary actions have been filed against the licensee during the
5 five-year period. If additional disciplinary actions were filed against
6 the licensee during the five-year period, all disciplinary actions
7 shall be disclosed for as long as the most recent disciplinary action
8 is subject to disclosure under this section. At the end of the
9 specified time period, those citations shall no longer be disclosed.

10 (B) Any disclosure pursuant to this paragraph shall also appear
11 on the license record of any other license identified as a qualifier
12 as defined in Section 7025 who is listed in the members of the
13 personnel of record as defined in Section 7025 of the license that
14 was issued the citation.

15 (C) The disclosure described in subparagraph (B) shall be for
16 the period of disclosure of the citation.

17 (2) Accusations that result in suspension, stayed suspension, or
18 stayed revocation of the contractor's license shall be disclosed
19 from the date the accusation is filed and for seven years after the
20 accusation has been settled, including the terms and conditions of
21 probation if no additional disciplinary actions have been filed
22 against the licensee during the seven-year period. If additional
23 disciplinary actions were filed against the licensee during the
24 seven-year period, all disciplinary actions shall be posted for as
25 long as the most recent disciplinary action is subject to disclosure
26 under this section. At the end of the specified time period, those
27 accusations shall no longer be disclosed.

28 (3) All revocations that are not stayed shall be disclosed
29 indefinitely from the effective date of the revocation.

30 SEC. 4. The Legislature finds and declares that Section 3 of
31 this act, which amends Section 7124.6 of the Business and
32 Professions Code, imposes a limitation on the public's right of
33 access to the meetings of public bodies or the writings of public
34 officials and agencies within the meaning of Section 3 of Article
35 I of the California Constitution. Pursuant to that constitutional
36 provision, the Legislature makes the following findings to
37 demonstrate the interest protected by this limitation and the need
38 for protecting that interest:

39 In order to allow the Contractors' State License Board to fully
40 accomplish its regulatory and disciplinary goals for minor

- 1 violations, it is necessary to limit access to the letters of
- 2 admonishment.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 715 (Newman)
Status/Location: Amended 4/25/17 – Assembly
Sponsor: None
Subject: Regulatory Boards: Removal of Board Members
Code Section: Business & Professions Code section 106

Summary:

Existing law authorizes the Governor to remove from office any board member in the Department of Consumer Affairs (DCA) appointed by him or her, on specific grounds, including continued neglect of duties.

This bill includes the failure to attend board meetings as a cause for removing a board member from office.

Background:

According to the author:

“Discretion for the removal of board members for instances of absences is a good government approach to ensuring the effectiveness and efficiency of the important regulatory boards within the DCA. Member absences can impact the professions and public alike, as key decisions are made and votes taken at board meetings directly related to oversight of licensees. The Governor should have authority to remove board members from their position when their absences impact their ability to successfully serve.”

Prior Legislation:

SB 496 (De Leon) as introduced contained identical language, though that bill has since been amended to address a different subject.

Fiscal Impact for CSLB:

None.

Committee Recommendation and Comments:

Watch. This bill does not directly affect CSLB. It also does not appear to provide the Governor any new authority, as failure to attend board meetings could be considered neglect of duties, which is already a factor that can inform the decision to remove a board member from office.

Date: May 23, 2017

AMENDED IN SENATE APRIL 25, 2017

SENATE BILL

No. 715

Introduced by Senator Newman

February 17, 2017

~~An act to amend Section 5503 of the Public Resources Code, relating to park districts. An act to amend Section 106 of the Business and Professions Code, relating to consumer affairs.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 715, as amended, Newman. ~~Park and open-space districts. Department of Consumer Affairs: regulatory boards: removal of board members.~~

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law authorizes the Governor to remove from office any member of any board within the department appointed by him or her, on specific grounds, including continued neglect of duties required by law.

This bill would specifically include the failure to attend meetings of the board as one example of continued neglect of duties required by law that the Governor can use as a reason to remove a member from a board.

~~Existing law provides a procedure for the formation of a regional park district, regional park and open-space district, or a regional open-space district.~~

~~This bill would make nonsubstantive changes to one of those provisions:~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 106 of the Business and Professions Code
2 is amended to read:

3 106. The Governor has power to remove from office at any
4 time, any member of any board appointed by him *or her* for
5 continued neglect of duties required by law, *which may include*
6 *the failure to attend board meetings*, or for incompetence, or
7 unprofessional or dishonorable conduct. Nothing in this section
8 shall be construed as a limitation or restriction on the power of the
9 Governor, conferred on him *or her* by any other ~~provision of law~~,
10 to remove any member of any board.

11 ~~SECTION 1. Section 5503 of the Public Resources Code is~~
12 ~~amended to read:~~

13 ~~5503. Whenever it is desired to form a district under this article,~~
14 ~~a petition requesting the creation and maintenance of a district,~~
15 ~~and describing the exterior boundaries of the proposed district~~
16 ~~shall be signed by at least 5,000 electors residing within the~~
17 ~~territory proposed to be included in the district. The petition shall~~
18 ~~be presented to the board of supervisors of the county containing~~
19 ~~the largest area within the proposed district.~~

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 721 (Hill)
Status/Location: Amended 5/15/17 - Senate Rules Committee
Sponsor: None
Subject: Contractors: Deck Inspections
Code Section: Business & Professions Code section 7071.20

Summary:

Existing law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code, and other rules and regulations that the enforcement agency has the power to enforce.

This bill:

1. Requires inspection of all building assemblies that include load-bearing components in all buildings containing three or more multifamily dwelling units.
2. Requires that a licensed architect, licensed civil or structural engineer, a certified building inspector, or a building official from a recognized state, national, or international association perform the inspection. Specifies that the local jurisdiction shall not employ the inspector while he or she performs these inspections.
3. Specifies that the purpose of the inspection is to verify that building assemblies and their associated waterproofing elements are in a generally safe condition, adequate working order, and free from hazardous dry rot, fungus, deterioration, decay, or improper alteration to the extent that the life, limb, health, property, safety, or welfare of the public or occupant is not endangered.
4. Provides that the building owner shall hire the inspector.
5. Defines the terms “associated waterproofing elements,” “building assembly,” and “load-bearing components.”
6. Requires the inspection to, at a minimum, include:
 - a) Identification of each building assembly which, if found to be defective, decayed, or deteriorated to the extent that it does not meet its load requirements, would, in the opinion of the inspector, constitute a threat to the health and safety of the occupants.
 - b) Assessment of the load-bearing components and associated waterproofing elements of the building assemblies by using methods that allow for a direct visual evaluation of the physical condition of the component. For purposes of this section, a sample of at least 15 percent of each type of building assembly shall be inspected.
 - c) The evaluation and assessment shall address each of the following as of the date of the inspection:

- The current condition of the building assemblies
 - Expectations of future performance and projected service life
 - Recommendations about the need for any further inspection
 - Recommendations about any necessary repair or replacement
- d) A written report of the evaluation, stamped and signed by the inspector, presented to the building owner within 45 days of completing the inspection.
7. Requires the inspection be completed by January 1, 2023, and by January 1 every six years thereafter.
 8. Requires the inspector to provide a copy of any report recommending repairs to the local enforcement agency within 15 days of its completion.
 9. Requires copies of all inspection reports to be maintained in the building owner's permanent records, and disclosed and delivered to the buyer at any subsequent sale of the building.
 10. Requires that the building owner to correct any building assembly found be in need of repair or replacement, hazardous, structurally deficient, or noncompliant. Requires that a qualified and licensed contractor perform all repair and replacement work in compliance with all of the following:
 - a) The inspector's recommendations or alternative recommendations by an authorized licensed professional.
 - b) Any applicable manufacturer's specifications.
 - c) The California Building Standards Code.
 - d) All local jurisdictional requirements.
 11. Provides that a building assembly that the inspector advises poses an immediate threat to the safety of the occupant, or finds preventing occupant access or emergency repairs, shall be considered an emergency condition and preventative measures should be performed immediately.
 12. Specifies that the building owner is responsible for compliance with these requirements.
 13. If the owner does not comply within 120 days, the inspector shall notify the local enforcement agency and the owner, and if the repairs are not then completed within an additional 30 days, the owner shall be assessed a civil penalty of \$100 per day until completed.
 14. Allows the recording of a building safety lien if a civil penalty is assessed.
 15. Specifies that the continued and ongoing maintenance of building assemblies that include load-bearing components and associated waterproofing elements, in a safe, functional, and sanitary condition, shall be the owner's responsibility.
 16. Authorizes local enforcement agencies to recover enforcement costs.

Background:

According to the author, this bill is a follow up to SB 465 (Hill, 2016), which required that the Building Standards Commission study recent balcony failures in the state and submit a report to the Legislature of findings and recommendations. That bill was a response to the Berkeley balcony collapse in 2015 that killed six and injured seven. In addition to the deadly Berkeley balcony collapse, a stairwell at an apartment building in the City of Folsom collapsed in 2015, killing a Cal Poly graduate student. The bill author states that wood rot, resulting from poor building maintenance, caused both the

Berkeley and Folsom collapses. Current law does not require all local governments to inspect apartment and multi-dwelling structures or require inspections from other licensed entities. Each city decides if it wants to inspect multi-family structures for maintenance and safety.

Berkeley Ordinance:

On July 14, 2015, the Berkeley City Council unanimously passed Ordinance No.7,431-N.S., adding Section 601.4 to the Berkeley Housing Code requiring inspection of weather-exposed, exterior, elevated elements of buildings. The ordinance requires inspection of exterior elevated elements (EEEs), such as balconies, decks, and stairs every three years, and it applies to temporary and permanent residences, such as hotels and apartments. The EEE inspection program applies to all such buildings regardless of their original construction date. The ordinance required the initial inspection within six months of its passage and that inspections occur every three years thereafter.

Building Standards Commission (BSC):

On January 27, 2017, the BSC passed emergency regulations to address the safety of elevated elements exposed to water from rain, snow, or irrigation. The regulations were modeled after a proposal by the International Code Council (ICC) to amend the International Building Code (IBC) and the International Existing Building Code (IEBC). For new construction, the IBC-modeled regulations require the inclusion of the manufacturer's installation instructions for the structure's impervious moisture barrier system in the construction documents and the inspection and approval of this barrier before sealing. They also increase the minimum uniform load requirements for balconies and decks and require ventilation below balconies or elevated walking surfaces exposed to water. For existing buildings, the IEBC-modeled regulations require the maintenance of buildings and structures in safe and sanitary conditions.

Support:

Consumer Attorneys of California
Center for Public Interest Law
City of Berkeley

Opposition (Prior Version – SB 465, 2016):

California Apartment Association
California Association of Realtors
California Building Industry Associations
California Building Officials
California Land Title Association

Fiscal Impact for CSLB:

No fiscal impact on CSLB. This bill makes some changes to existing statute for the benefit of local enforcement agencies, but does not require CSLB to do any additional work.

Committee Recommendation and Comments:

WATCH. While the bill places its requirements within the contractors' state license law, it does not impose any requirements on CSLB, and CSLB would not have any ability to enforce its provisions. Staff believes it would be preferable to place the bill's requirements in the Health & Safety Code.

Date: May 23, 2017

AMENDED IN SENATE MAY 15, 2017
AMENDED IN SENATE APRIL 27, 2017
AMENDED IN SENATE APRIL 17, 2017
AMENDED IN SENATE MARCH 27, 2017

SENATE BILL

No. 721

**Introduced by Senator Hill
(Coauthor: Senator Skinner)**

February 17, 2017

~~An act to add Section 7071.20 to the Business and Professions Code, relating to contractors.~~ *An act to add Section 7071.20 to the Business and Professions Code, and to add Section 4776 to the Civil Code, relating to contractors.*

LEGISLATIVE COUNSEL'S DIGEST

SB 721, as amended, Hill. Contractors: decks and balconies: inspection.

(1) Existing law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce.

This bill would require an inspection of building assemblies and associated waterproofing elements, as defined, including decks and balconies, for buildings with 3 or more multifamily dwelling units by a licensed architect, licensed civil or structural engineer, or an individual certified as a building inspector or building official, as specified. The bill would require the inspections, including any necessary testing, to be completed by January 1, 2023, with certain

exceptions, and would require subsequent inspections every 6 years, except as specified. The bill would require the inspection report to contain specified items and would require that a copy of the inspection report be presented to the owner of the building within 45 days of the completion of the inspection. The bill would require that if the inspection reveals conditions that pose an immediate hazard to the safety of the occupants, the inspection report be delivered to the owner of the building within 15 days and emergency repairs be undertaken, as specified, with notice given to the local enforcement agency. The nonemergency repairs made under these provisions would be required to be completed within 120 days, unless an extension is granted by the local authorities. The bill would authorize local enforcement agencies to recover enforcement costs associated with these requirements. The bill would require the local enforcement agency to send a 30-day corrective notice to the owner of the building if repairs are not completed on time and would provide for specified civil penalties and liens against the property for the owner of the building who fails to comply with these provisions. The bill would authorize a local governing entity to enact stricter requirements than those imposed by these provisions.

(2) The Davis-Stirling Common Interest Development Act defines and regulates common interest developments, which include community apartment projects, condominium projects, and stock cooperatives. The act requires the homeowners association to maintain the common areas of the development.

This bill would require the board of directors of a common interest development, at least once every 6 years, to have an inspection conducted by a licensed architect, licensed civil or structural engineer, or an individual certified as a building inspector or building official, as specified, of the of building assemblies, as defined, that the association is obligated to repair, replace, restore, or maintain. The bill would require the inspections, including any necessary testing, to be completed by January 1, 2023, with certain exceptions, and would require subsequent inspections every 6 years. The bill would require the inspection reports to contain specified items. The bill would require that the results of the report be used in calculating the reserve study for the development, as specified. The bill would require the inspection report to be presented to the association within 45 days of the completion of the inspection and would require copies of the reports to be permanently maintained in the association's records. The bill would require that if the inspection reveals conditions that pose an

immediate hazard to the safety of the occupants, the inspection report be delivered to the association within 15 days and emergency repairs be undertaken, as specified, with notice given to the local enforcement agency. Nonemergency repairs made under these provisions would be required to be completed within 180 days, unless an extension is granted by the local authorities. The bill would, with regard to a condominium conversion, require an inspection be completed prior to the close of escrow on the first separate interest and would require the disclosure of the results of these inspections to the Bureau of Real Estate prior to the issuance of a final public report. A copy of the report would also be required to be sent to the local jurisdiction in which the property is located prior to the issuing of a final inspection or certificate of occupancy. The bill would authorize a local enforcement agency to recover its costs associated with enforcing these provisions. The bill would authorize a local governing entity to enact stricter requirements than those imposed by these provisions. The bill would provide that its provisions do not apply to those areas constituting an individual owner's separate interest or to a planned development, as defined.

(3) Because this bill would impose new duties upon local enforcement authorities, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~(1) Existing law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce.~~

~~This bill would require a property owner to conduct an inspection of decks, balconies, and elevated walkways more than 6 feet above ground level in a building containing 3 or more multifamily units by utilizing a person licensed to perform these inspections by the Department of Consumer Affairs. The bill would require the inspections and any necessary repairs to be completed by January 1, 2021, with certain exceptions, and would require subsequent inspections every 5 years, except as specified. The bill would require a copy of the inspection report to be filed with the county recorder and made available, as~~

~~specified. The repairs made under these provisions would be required to comply with the latest edition of the California Building Standards Code and all local jurisdictional requirements. The bill would assess specified civil penalties against a property owner, in the form of a lien against the property, for failure to timely comply with these provisions, as specified. The bill would authorize local enforcement agencies to recover enforcement costs associated with these requirements.~~

~~—(2) Because this bill would impose new duties upon local enforcement authorities, it would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.~~

The people of the State of California do enact as follows:

1 *SECTION 1. Section 7071.20 is added to the Business and*
 2 *Professions Code, to read:*
 3 *7071.20. (a) Building assemblies that include load-bearing*
 4 *components in all buildings containing three or more multifamily*
 5 *dwelling units shall be inspected. The inspection shall be performed*
 6 *by a licensed architect, licensed civil or structural engineer, or an*
 7 *individual certified as a building inspector or building official*
 8 *from a recognized state, national, or international association, as*
 9 *determined by the local jurisdiction. These individuals shall not*
 10 *be employed by the local jurisdiction while performing these*
 11 *inspections. The purpose of the inspection is to verify that building*
 12 *assemblies and their associated waterproofing elements are in a*
 13 *generally safe condition, adequate working order, and free from*
 14 *any hazardous condition caused by fungus, deterioration, decay,*
 15 *or improper alteration to the extent that the life, limb, health,*
 16 *property, safety, or welfare of the public or the occupants is not*
 17 *endangered. The person or business performing the inspection*
 18 *shall be hired by the owner of the building.*
 19 *(b) For purposes of this section, the following terms have the*
 20 *following definitions:*

1 (1) “Associated waterproofing elements” include flashings,
2 membranes, coatings, and sealants that protect the load-bearing
3 components of building assemblies from exposure to water and
4 the elements.

5 (2) “Building assembly” means: balconies, decks, porches,
6 stairways, walkways, entry structures, and their supports and
7 railings, that extend beyond exterior walls of the building and
8 which have a walking surface that is elevated more than six feet
9 above ground level, are designed for human occupancy or use,
10 and rely in whole or in substantial part on wood or wood-based
11 products for structural support or stability of the building assembly.

12 (3) “Load-bearing components” are those components that
13 extend beyond the exterior walls of the building to deliver
14 structural loads from the building assembly to the building or the
15 foundation.

16 (c) The inspection required by this section shall at a minimum
17 include:

18 (1) Identification of each building assembly that, if found to be
19 defective, decayed, or deteriorated to the extent that it does not
20 meet its load requirements, would, in the opinion of the inspector,
21 constitute a threat to the health or safety of the occupants.

22 (2) Assessment of the load-bearing components and associated
23 waterproofing elements of the building assemblies by using
24 methods that allow for a direct visual evaluation of the physical
25 condition of the component. For purposes of this section, a sample
26 of at least 15 percent of each type of building assembly shall be
27 inspected.

28 (3) The evaluation and assessment shall address each of the
29 following as of the date of the evaluation:

30 (A) The current condition of the building assemblies.

31 (B) Expectations of future performance and projected service
32 life.

33 (C) Recommendations of any further inspection necessary.

34 (D) Recommendations of any necessary repair or replacement.

35 (4) A written report of the evaluation stamped and signed by
36 the inspector presented to the owner of the building or the owner’s
37 designated agent within 45 days of completion of the inspection.
38 The report shall include photographs, any test results, and
39 narrative sufficient to establish a baseline of the condition of the
40 components inspected that can be compared to the results of

1 subsequent inspections. In addition to the evaluation required by
2 this section, the report shall advise which, if any, building assembly
3 poses an immediate threat to the safety of the occupants, and
4 whether preventing occupant access or conducting emergency
5 repairs, including shoring, are necessary.

6 (d) The inspection shall be completed by January 1, 2023, and
7 by January 1 every six years thereafter. The inspector conducting
8 the inspection shall produce an initial report pursuant to
9 paragraph (4) of subdivision (c) and a final report indicating that
10 any required repairs have been completed. A copy of any report
11 that recommends immediate repairs, advises that any building
12 assembly poses an immediate threat to the safety of the occupants,
13 or that preventing occupant access or emergency repairs, including
14 shoring, are necessary shall be provided by the inspector to the
15 owner of the building and to the local enforcement agency within
16 15 days of completion of the report. Local enforcement agencies
17 may determine whether any additional information is to be
18 provided in the report and may require a copy of the initial or final
19 reports, or both, be submitted to the local jurisdiction. Copies of
20 all inspection reports shall be maintained in the building owner's
21 permanent records and disclosed and delivered to the buyer at the
22 time of any subsequent sale of the building.

23 (e) The inspection of buildings for which a building permit
24 application has been submitted on or after January 1, 2018, shall
25 occur no later than six years following issuance of a certificate of
26 occupancy from the local jurisdiction and shall otherwise comply
27 with the provisions of this section.

28 (f) If the property was inspected within three years prior to
29 January 1, 2018, by an inspector as described in subdivision (a)
30 and a report of that inspector was issued stating that the building
31 assemblies and associated waterproofing elements are in proper
32 working condition and do not pose a threat to the health and safety
33 of the public, no new inspection pursuant to this section shall be
34 required until six years from the date of that report.

35 (g) A building assembly found to be in need of repair or
36 replacement, hazardous, structurally deficient, or noncompliant
37 by the inspector, shall be corrected by the owner of the building.
38 All necessary permits for repair or replacement shall be obtained
39 from the local jurisdiction. All repair and replacement work shall

1 *be performed by a qualified and licensed contractor in compliance*
2 *with all of the following:*

3 *(1) The inspector's recommendations, or alternative*
4 *recommendations by a licensed professional described in*
5 *subdivision (a).*

6 *(2) Any applicable manufacturer's specifications.*

7 *(3) The California Building Standards Code, consistent with*
8 *subdivision (d) of Section 17922 of the Health and Safety Code.*

9 *(4) All local jurisdictional requirements.*

10 *(h) (1) A building assembly that the inspector advises poses an*
11 *immediate threat to the safety of the occupants, or finds preventing*
12 *occupant access or emergency repairs, including shoring, or both,*
13 *are necessary, shall be considered an emergency condition and*
14 *the owner of the building shall perform required preventive*
15 *measures immediately. Repairs of emergency conditions shall be*
16 *inspected by the inspector and reported to the local enforcement*
17 *agency.*

18 *(2) The owner of the building requiring corrective work to a*
19 *building assembly that, in the opinion of the inspector, does not*
20 *pose an immediate threat to the safety of the occupants, shall apply*
21 *for a permit within 120 days of receipt of the inspection report.*
22 *Once the permit is approved, the owner of the building shall have*
23 *120 days to make the repairs unless an extension of time is granted*
24 *by the local enforcement agency.*

25 *(i) (1) The owner of the building shall be responsible for*
26 *complying with the requirements of this section.*

27 *(2) If the owner of the building does not comply with the repair*
28 *requirements within 120 days, the inspector shall notify the local*
29 *enforcement agency and the owner of the building. If within 30*
30 *days of the date of the notice the repairs are not completed, the*
31 *owner of the building shall be assessed a civil penalty of one*
32 *hundred dollars (\$100) per day until the repairs are completed.*

33 *(3) In the event that a civil penalty is assessed pursuant to this*
34 *section, a building safety lien may be recorded in the county*
35 *recorder's office by the local jurisdiction in the county in which*
36 *the parcel of land is located and from the date of recording shall*
37 *have the force, effect, and priority of a judgment lien.*

38 *(j) (1) A building safety lien authorized by this section shall*
39 *specify the amount of the lien, the name of the agency on whose*
40 *behalf the lien is imposed, the street address, the legal description*

1 *and assessor's parcel number of the parcel on which the lien is*
2 *imposed, and the name and address of the recorded owner of the*
3 *building.*

4 *(2) In the event that the lien is discharged, released, or satisfied,*
5 *either through payment or foreclosure, notice of the discharge*
6 *containing the information specified in paragraph (1) shall be*
7 *recorded by the governmental agency. A safety lien and the release*
8 *of the lien shall be indexed in the grantor-grantee index.*

9 *(3) A building safety lien may be foreclosed by an action brought*
10 *by the appropriate local jurisdiction for a money judgment.*

11 *(4) Notwithstanding any other law, the county recorder may*
12 *impose a fee on the city to reimburse the costs of processing and*
13 *recording the lien and providing notice to the owner of the*
14 *building. A city may recover from the owner of the building any*
15 *costs incurred regarding the processing and recording of the lien*
16 *and providing notice to the owner of the building as part of its*
17 *foreclosure action to enforce the lien.*

18 *(k) The continued and ongoing maintenance of building*
19 *assemblies that include load-bearing components and associated*
20 *waterproofing elements, in a safe, functional, and sanitary*
21 *condition, shall be the responsibility of the owner of the building.*

22 *(l) Local enforcement agencies shall have the ability to recover*
23 *enforcement costs associated with the requirements of this section.*

24 *(m) This section shall not apply to an association of a common*
25 *interest development, as defined in Sections 4080 and 4100*
26 *respectively, of the Civil Code, that complies with the provisions*
27 *of Section 4776 of the Civil Code.*

28 *(n) The governing body of any city, county, or city and county,*
29 *may enact ordinances or laws imposing requirements greater than*
30 *those imposed by this section.*

31 *SEC. 2. Section 4776 is added to the Civil Code, to read:*

32 *4776. (a) At least once every six years, the board of directors*
33 *of a common interest development shall cause to be conducted a*
34 *reasonably competent and diligent inspection by a licensed*
35 *architect, licensed civil or structural engineer, or an individual*
36 *certified as a building inspector or building official from a*
37 *recognized state, national, or international association, as*
38 *determined by the local jurisdiction, of the load-bearing*
39 *components and associated waterproofing elements of building*
40 *assemblies that the association is obligated to repair, replace,*

1 restore, or maintain. The inspector shall not be employed by the
2 local jurisdiction while performing these inspections. The purpose
3 of the inspection is to verify that building assemblies and their
4 associated waterproofing elements are in a generally safe
5 condition, adequate working order, and free from any hazardous
6 condition caused by fungus, deterioration, decay, or improper
7 alteration to the extent that the life, limb, health, property, safety,
8 or welfare of the public or the occupants is not endangered.

9 (b) For purposes of this section, the following terms have the
10 following definitions:

11 (1) "Associated waterproofing elements" include flashings,
12 membranes, coatings, and sealants that protect the load-bearing
13 components of building assemblies from exposure to water and
14 the elements.

15 (2) "Building assembly" means: balconies, decks, porches,
16 stairways, walkways, entry structures, and their supports and
17 railings, that extend beyond exterior walls of the building and
18 which have a walking surface that is elevated more than six feet
19 above ground level, are designed for human occupancy or use,
20 rely in whole or in substantial part on wood or wood-based
21 products for structural support or stability of the building assembly,
22 and which the association is obligated to repair, replace, or
23 maintain.

24 (3) "Load-bearing components" are those components that
25 extend beyond the exterior walls of the building to deliver
26 structural loads from the building assembly to the building or the
27 foundation.

28 (c) The inspection required by this section shall at a minimum
29 include:

30 (1) Identification of each building assembly that, if found to be
31 defective, decayed, or deteriorated to the extent that it does not
32 meet its load requirements, would, in the opinion of the inspector,
33 constitute a threat to the health or safety of the occupants.

34 (2) Assessment of the load-bearing components and associated
35 waterproofing elements of the building assemblies using methods
36 that allow for a direct visual evaluation of the physical condition
37 of the component. For purposes of this section, a sample of at least
38 15 percent of each type of building assembly shall be inspected.

39 (3) The evaluation and assessment shall address each of the
40 following as of the date of the evaluation:

- 1 (A) *The current condition of the building assemblies.*
- 2 (B) *Expectations of future performance and projected service*
3 *life for purposes of subdivision (k).*
- 4 (C) *Recommendations of any further inspection necessary.*
- 5 (D) *Recommendations of any necessary repair or replacement.*
- 6 (4) *A written report of the evaluation stamped and signed by*
7 *the inspector presented to the board within 45 days of completion*
8 *of the inspection. The report shall include photographs, any test*
9 *results, and narrative sufficient to establish a baseline of the*
10 *condition of the components inspected that can be compared to*
11 *the results of subsequent inspections. In addition to the evaluation*
12 *required by this section, the report shall advise which, if any,*
13 *building assembly poses an immediate threat to the safety of the*
14 *occupants, and whether preventing occupant access or conducting*
15 *emergency repairs, including shoring, are necessary.*
- 16 (d) *The inspection shall be completed by January 1, 2023, and*
17 *by January 1 every six years thereafter. The inspector conducting*
18 *the inspection shall produce an initial report pursuant to*
19 *paragraph (4) of subdivision (c) and a final report indicating that*
20 *any required repairs have been completed. A copy of any report*
21 *that recommends immediate repairs, advises that any building*
22 *assembly poses an immediate threat to the safety of the occupants,*
23 *or that preventing occupant access or emergency repairs, including*
24 *shoring, are necessary shall be provided by the inspector to the*
25 *association and to the local enforcement agency within 15 days*
26 *of completion of the report. All inspection reports shall be*
27 *permanently maintained in the records of the association. Local*
28 *enforcement agencies may determine whether any additional*
29 *information is to be provided in the report and may require a copy*
30 *of the initial or final reports, or both, to be submitted to the local*
31 *jurisdiction.*
- 32 (e) *The inspection of buildings for which a building permit*
33 *application has been submitted on or after January 1, 2018, shall*
34 *occur no later than six years following issuance of a certificate of*
35 *occupancy from the local jurisdiction and shall otherwise comply*
36 *with the provisions of this section.*
- 37 (f) *If the property was inspected within three years prior to*
38 *January 1, 2018, by an inspector as described in subdivision (a)*
39 *and a report of that inspector was issued stating that the building*
40 *assemblies and associated waterproofing elements are in proper*

1 working condition and do not pose a threat to the health and safety
2 of the public, no new inspection pursuant to this section shall be
3 required until six years from the date of that report.

4 (g) A building assembly found to be in need of repair or
5 replacement, hazardous, structurally deficient, or noncompliant
6 by the inspector, shall be corrected by the association. All
7 necessary permits for repair or replacement shall be obtained
8 from the local jurisdiction. All repair and replacement work shall
9 be performed by a qualified and licensed contractor in compliance
10 with all of the following:

11 (1) The inspector's recommendations, or alternative
12 recommendations by a licensed professional described in
13 subdivision (a).

14 (2) Any applicable manufacturer's specifications.

15 (3) The California Building Standards Code, consistent with
16 subdivision (d) of Section 17922 of the Health and Safety Code.

17 (4) All local jurisdictional requirements.

18 (h) (1) A building assembly that the inspector advises poses an
19 immediate threat to the safety of the occupants, or finds that
20 preventing occupant access or emergency repairs, including
21 shoring, or both, are necessary, shall be considered an emergency
22 condition and the association shall perform required preventive
23 measures immediately. Repairs of emergency conditions shall be
24 inspected by the inspector and reported to the local enforcement
25 agency.

26 (2) If the building requires corrective work to a building
27 assembly that, in the opinion of the inspector, does not pose an
28 immediate threat to the safety of the occupants, the association
29 shall apply for a permit within 120 days of receipt of the inspection
30 report. Once the permit is approved, the association shall have
31 180 days to make the repairs unless an extension of time is granted
32 by the local enforcement agency.

33 (3) Repairs required pursuant to this subdivision shall be
34 considered an "emergency situation" as defined by subdivision
35 (b) of Section 5610.

36 (i) (1) The association shall be responsible for complying with
37 the requirements of this section.

38 (2) The continued and ongoing maintenance of building
39 assemblies and associated waterproofing elements, in a safe,
40 functional, and sanitary condition, shall be the responsibility of

1 *the association as required by the association's governing*
 2 *documents.*

3 *(j) Local enforcement agencies shall have the ability to recover*
 4 *enforcement costs associated with the requirements of this section.*

5 *(k) If, in the inspector's opinion, any of the components or*
 6 *building assemblies evaluated require repair or replacement in*
 7 *accordance with this section, or have a projected service life of*
 8 *less than 30 years, the reserve study required by Section 5550*
 9 *shall consider that opinion in preparing the reserve funding*
 10 *evaluation.*

11 *(l) For condominium conversions proposed for sale after*
 12 *January 1, 2018, the inspection required by this section shall be*
 13 *conducted prior to the first close of escrow of a separate interest*
 14 *in the project and thereafter as required by the section. The*
 15 *inspection report and written confirmation by the inspector that*
 16 *any repairs or replacements recommended by the inspector have*
 17 *been completed shall be submitted to the Bureau of Real Estate*
 18 *by the converter and shall be a condition to the issuance of the*
 19 *final public report. A complete copy of the inspection report and*
 20 *written confirmation by the inspector that any repairs or*
 21 *replacements recommended by the inspector have been completed*
 22 *shall be included with the written statement of defects required by*
 23 *Section 1134, and provided to the local jurisdiction in which the*
 24 *project is located. The inspection, report, and confirmation of*
 25 *completed repairs shall be a condition of the issuance of a final*
 26 *inspection or certificate of occupancy by the local jurisdiction.*

27 *(m) The governing body of a city, county, or city and county,*
 28 *may enact ordinances or laws imposing requirements greater than*
 29 *those imposed by this section.*

30 *(n) This section shall not apply to an individual owner's*
 31 *"separate interest," as defined by Section 4185, or to a "planned*
 32 *development" as defined by Section 4175.*

33 *SEC. 3. No reimbursement is required by this act pursuant to*
 34 *Section 6 of Article XIII B of the California Constitution because*
 35 *a local agency or school district has the authority to levy service*
 36 *charges, fees, or assessments sufficient to pay for the program or*
 37 *level of service mandated by this act, within the meaning of Section*
 38 *17556 of the Government Code.*

39 ~~SECTION 1. Section 7071.20 is added to the Business and~~
 40 ~~Professions Code, to read:~~

1 ~~7071.20.—(a) (1) All buildings containing three or more~~
2 ~~multifamily dwelling units, any units that have an existing balcony~~
3 ~~or other elevated walking surface exposed to water, including, but~~
4 ~~not limited to, rain, snow, or irrigation, with structural framing~~
5 ~~that is protected by an impervious moisture barrier shall be~~
6 ~~inspected. For purposes of this section, balconies or other elevated~~
7 ~~walking surfaces less than six feet above grade are not included.~~
8 ~~The inspection shall be performed by a licensed general contractor,~~
9 ~~structural pest control licensee, licensed architect, licensed~~
10 ~~engineer, a certified construction inspector, or building official as~~
11 ~~specified in Section 18949.27 of the Health and Safety Code, or~~
12 ~~other licensee as approved by the Department of Consumer Affairs.~~
13 ~~The purpose of the inspection is to verify that all of the balconies~~
14 ~~and other elevated walking surfaces covered by this section are in~~
15 ~~generally safe condition, adequate working order, and free from~~
16 ~~hazardous dry rot, fungus, deterioration, decay, or improper~~
17 ~~alteration to the extent that the life, limb, health, property, safety,~~
18 ~~or welfare of the public or the occupants is not endangered.~~

19 ~~(2) Building elements, including the walking surface, structural~~
20 ~~frame and connector hardware, weatherproofing, landings, stairway~~
21 ~~systems, guardrails, handrails, and any other elements critical to~~
22 ~~the safety of the balcony or elevated walking surface, found to be~~
23 ~~in need of repair or replacement, hazardous, structurally deficient,~~
24 ~~or noncompliant shall, upon determination by the inspector, be~~
25 ~~immediately corrected by the property owner or individual person~~
26 ~~or company responsible for management or operation of the~~
27 ~~building. All~~

28 ~~(3) If corrective work is required, a property owner shall apply~~
29 ~~for a permit within 60 days of receipt of the inspection report.~~
30 ~~Once the permit is approved, the property owner or owner's~~
31 ~~designated agent shall have 90 days to make the repairs.~~

32 ~~(4) All necessary permits for repair or replacement of exterior~~
33 ~~balconies and elevated walking surfaces shall be obtained from~~
34 ~~the local jurisdiction. All repair and replacement work, including~~
35 ~~installation and inspection of impervious moisture barrier systems,~~
36 ~~must be performed in compliance with manufacturer's instructions,~~
37 ~~the latest edition of the California Building Standards Code, and~~
38 ~~all local jurisdictional requirements.~~

39 ~~(5) The property owner shall be responsible for complying with~~
40 ~~the requirements of this section. The person or business performing~~

1 the inspection shall be hired by property owner or by the person
2 or company responsible for the management or operation of the
3 building.

4 (b) The inspection and repairs shall be completed by January
5 1, 2021, and every five years thereafter. The inspector conducting
6 the inspection shall produce an initial report that states the
7 condition of the building features and recommendations for repair,
8 conditioning, or replacement and a final report indicating that all
9 of the required repairs have been completed. A copy of the final
10 report shall be submitted to the county recorder for recordation.
11 Local enforcement agencies may determine the information to be
12 provided in the report and require a copy of the initial or final
13 reports, or both, to be submitted to the local jurisdiction in lieu of
14 recordation.

15 (c) (1) Multifamily buildings of three units or more for which
16 a building permit application has been submitted on or after
17 February 1, 2017, are exempt from the inspection certification
18 requirements for a period of five years following issuance of a
19 certificate of occupancy from the local jurisdiction.

20 (2) These multifamily buildings of three units or more shall
21 comply with the inspection and documentation requirements
22 described in subdivision (b), which shall be completed before the
23 end of the sixth year following the issuance of the certificate of
24 occupancy and every five years thereafter.

25 (d) The continued and ongoing maintenance of balconies and
26 elevated walking surfaces and parts thereof, in a safe and sanitary
27 condition, shall be the responsibility of the property owner or the
28 property owner's designated agent. To determine ongoing
29 compliance with this subdivision, the enforcement agency shall
30 have the authority to require reinspection of those structures.

31 (e) Local enforcement agencies shall have the ability to recover
32 enforcement costs associated with the requirements of this section.

33 (f) (1) A property owner or the owner's designated agent shall
34 not be required to produce a new inspection report of the
35 multifamily building if both of the following are met:

36 (A) The multifamily building was inspected by an inspector, as
37 described in paragraph (1) of subdivision (a), within three years
38 prior to January 1, 2018.

39 (B) The inspection was performed by an inspector, as described
40 in paragraph (1) of subdivision (a), and the inspection report states

1 that the decks, balconies, elevated walkways, or other related
 2 exterior elevated elements are in proper working condition and do
 3 not pose a threat to the health and safety of the public.

4 (2) If the above requirements are met, a property owner or the
 5 property owner's designated agent shall file a copy of the final
 6 inspection report to the county recorder. Beginning five years after
 7 the completion of the inspection, these multifamily buildings of
 8 three units or more shall be reinspected and a new inspection report
 9 filed with the county recorder and every five years thereafter.

10 (g) (1) If a property owner or an owner's designated agent does
 11 not comply with the inspection or repair requirements after 60
 12 days, the enforcement agency shall send a 30-day corrective notice
 13 by certified mail to the owner or owner's designated agent. If
 14 within 30 days of the date of the notice the inspection is not
 15 completed, the owner of the multifamily building shall be assessed
 16 a daily civil penalty of one hundred dollars (\$100) per day, which
 17 shall constitute a lien against the property, until the inspection is
 18 complete.

19 (2) If a corrective notice is sent under this subdivision, the
 20 property owner or the owner's designated agent shall have 60 days
 21 from the completion of the inspection to complete the repairs,
 22 unless an extension of time is granted by the local enforcement
 23 agency. If the repairs are not completed within the designated time,
 24 the property owner shall be assessed a civil penalty of one hundred
 25 dollars (\$100) per day, which shall constitute a lien against the
 26 property, until the repairs are completed.

27 SEC. 2. No reimbursement is required by this act pursuant to
 28 Section 6 of Article XIII B of the California Constitution because
 29 a local agency or school district has the authority to levy service
 30 charges, fees, or assessments sufficient to pay for the program or
 31 level of service mandated by this act, within the meaning of Section
 32 17556 of the Government Code.

O

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 800 (Business, Professions and Economic Development Committee)
Status/Location: Amended 4/20/17 - Assembly
Sponsor: Various Department of Consumer Affairs' boards
Subject: Professions and Vocations
Code Section: Business & Professions Code sections 70751 and 7145.5 (as they pertain to the Contractors State License Board)

Summary:

Existing law (Contractors' State License Law):

1. Provides for the licensure and regulation of contractors by the Contractors State License Board and requires the board to appoint a registrar of contractors to perform specified duties.
2. Authorizes CSLB to reissue or reassign a license number to a different entity under certain circumstances, including to a corporation or limited liability company (LLC) that acquires a licensee pursuant to an asset sale, provided that the corporation or limited liability company has a qualifier, as specified.
3. Authorizes the registrar to refuse to issue, reinstate, reactivate, or renew a license for the failure of a licensee to resolve all outstanding liabilities, including taxes, as specified.

This bill:

1. Eliminates the provision of existing law that allows for the reassignment of a contractor license number to a corporation or LLC when the new entity acquires a "licensee" in an asset sale.
2. Amends a provision of existing contractors' state license law to use the correct terms for "federal employer identification number" and to add "individual taxpayer identification number," as authorized by a general provision of the Business & Professions Code.

Background:

In 2010, legislation was enacted authorizing CSLB to issue a license to a limited liability company. This legislation amended several sections of the contractors' state license law to make conforming changes. However, CSLB cannot implement the provision that allows the reassignment of a contractor license number to a corporation or LLC when the new entity acquires a "licensee" in an asset sale. Pursuant to other sections of existing law, a business cannot acquire a "licensee" through an asset sale. This proposal would remove that provision of law.

The second change uses the correct terms in contractors' state license law for "federal employer identification number" and to add "individual taxpayer identification number," as authorized by a general provision of the Business and Professions Code.

Fiscal Impact for CSLB:

None.

Committee Recommendation and Comments:

SUPPORT. These changes will improve the clarity of the contractors' state license law and eliminate a provision that creates confusion for applicants and licensees.

Date: May 26, 2017

AMENDED IN SENATE APRIL 20, 2017

AMENDED IN SENATE APRIL 18, 2017

SENATE BILL

No. 800

Introduced by ~~Senator Hill~~ *Committee on Business, Professions and Economic Development (Senators Hill (Chair), Bates (Vice Chair), Dodd, Galgiani, Glazer, Hernandez, Newman, Pan, and Wilk)*

February 17, 2017

An act to amend Sections 4013, 4316, 4980.09, 4980.44, 4980.72, 4984.4, 4984.7, 4984.9, 4989.46, 4992.8, 4996.3, 4996.6, 4996.17, 4999.12.5, 4999.32, 4999.33, 4999.42, 4999.53, 4999.60, 4999.61, 4999.62, 4999.63, 4999.118, 4999.120, 5094, 5680.1, 5680.2, 7075.1, 7145.5, 7599.54, 7713, 8567, and 22352 of, and to repeal Section 4001.5 of, the Business and Professions Code, to amend Section 1010 of the Evidence Code, and to amend Section 11165.7 of the Penal Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 800, as amended, ~~Hill~~ *Committee on Business, Professions and Economic Development*. Professions and vocations.

(1) The Pharmacy Law provides for the licensure and regulation of pharmacies, pharmacists, and other associated persons and entities by the California State Board of Pharmacy. This law requires the Joint Committee on Boards, Commissions, and Consumer Protection to review the state's shortage of pharmacists and make recommendations on a course of action to alleviate the shortage, including, but not limited to, a review of the current California pharmacist licensure examination.

This bill would repeal that requirement of a review.

The Pharmacy Law, beginning July 1, 2017, requires each pharmacist, intern pharmacist, pharmacy technician, and designated representative

3rd-party logistics provider licensed in this state to join the board's email notification list within 60 days of obtaining a license, and requires that each of these persons, and each designated representative, update their information within 30 days of a change in email address.

This bill would specify that the requirement to join the board's email notification list within 60 days of obtaining a license or at the time of license renewal also applies to each designated representative.

The Pharmacy Law authorizes the board to issue a cease and desist order for operating any facility under the Pharmacy Law that requires licensure or for practicing any activity requiring licensure under that law.

This bill would specify that the board may act in this capacity through its executive officer. The bill also would clarify that the authorization to issue a cease and desist order applies with respect to the operation of a facility or the practice of any activity under the Pharmacy Law that requires licensure without obtaining that licensure.

(2) The Licensed Marriage and Family Therapist Act provides for the regulation of the practice of marriage and family therapy by the Board of Behavioral Sciences. A violation of the act is a crime. Existing law requires the licensure of marriage and family therapists and the registration of marriage and family therapist interns. Existing law, commencing January 1, 2018, renames "interns" to "associates" for purposes of that act. Existing law prohibits the abbreviation "MFTI" from being used in an advertisement unless the title "marriage and family therapist registered intern" appears in the advertisement.

This bill would specify that any reference in the act to the term "intern" means an "associate" and any reference to the abbreviation "MFTI" means an "AMFT." The bill would prohibit the abbreviation "AMFT" from being used in an advertisement unless the title "registered associate marriage and family therapist" appears in the advertisement. Because this bill would change the definition of a crime, it would impose a state-mandated local program.

Existing law requires the board to assess specified fees relating to the licensure of marriage and family therapists, including an application fee for intern registration of \$75, a renewal fee for an intern registration of \$75, and a fee for the application for examination eligibility of \$100.

This bill would revise the application and renewal fee provision to specify that it applies to fees for an associate registration. The bill would revise the \$100 fee provision to instead specify that it covers the application for licensure.

(3) The Licensed Marriage and Family Therapist Act, the Educational Psychologist Practice Act, the Clinical Social Worker Practice Act, and the Licensed Professional Clinical Counselor Act require licensees or registrants to give written notice to the Board of Behavioral Sciences of a name change within 30 days after each change, giving both the old and new names, and including specified legal documents authorizing the name change.

This bill would revise these provisions to require the written notice to be submitted to the board within 30 days of issuance of a new government-issued photographic identification, including specific information. The bill would require the licensee or registrant to certify the information by signing a statement under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.

(4) The Clinical Social Worker Practice Act requires the Board of Behavioral Sciences to assess certain fees, including an application fee for examination eligibility of \$100.

This bill would revise that fee to instead apply to an application for licensure.

The Clinical Social Worker Practice Act specifies that a license that is not renewed within 3 years after its expiration may not be renewed, restored, reinstated, or reissued thereafter. The act, however, permits former licensees to apply for and obtain a new license upon satisfying specified requirements, including submitting an application for examination eligibility and the associated fees.

This bill would revise that provision permitting a former applicant to apply for and obtain a new licensee to instead require that he or she submit an application and fee for licensure and submit the licensure application fees and the fee for initial license.

The Clinical Social Worker Practice Act permits experience gained outside of California to be accepted toward the licensure requirements if it is substantially the equivalent of the requirements of the act. The act permits an applicant who obtained his or her license or registration under another jurisdiction to apply for licensure without taking the clinical examination, as specified, if the applicant obtained a passing score on the licensing examination set forth in regulation as accepted by the Board of Behavioral Sciences.

This bill would additionally require the applicant's license or registration in that other jurisdiction to be active, in good standing at

the time of his or her application, and not revoked, suspended, surrendered, denied, or otherwise restricted or encumbered.

(5) The Licensed Professional Clinical Counselor Act requires applicants for examination eligibility to possess certain credentials for examination eligibility, including possessing a master's or doctoral degree that is counseling or psychotherapy in content, and that meets certain requirements, and is obtained from an accredited or approved institution.

This bill would revise these provisions to specify that they apply for an applicant to qualify for licensure.

The Licensed Professional Clinical Counselor Act requires an applicant, to qualify for registration as an intern, to have all of specified qualifications, including having earned a master's or doctoral degree in specified fields, completed coursework, not committed specified acts or crimes, and to meet other criteria.

The bill also would replace the term "intern" with the term "associate" and would make related and conforming changes. Additionally the bill would fix erroneous cross-references in related provisions.

(6) Existing law provides for the licensure and regulation of landscape architects by the California Architects Board, which is within the Department of Consumer Affairs. Existing law authorizes a license that has expired to be renewed within 3 years after its expiration, as specified. Existing law prohibits a license that is expired for more than 3 years from being renewed, restored, reissued, or reinstated but authorizes the holder of the expired license to apply for and obtain a new license if the applicant for the new license meets certain criteria, pays certain fees, and passes an examination or otherwise establishes to the satisfaction of the board that the applicant is qualified to practice landscape architecture.

This bill would instead authorize a license to be renewed within 5 years of its expiration. The bill would prohibit a license that is expired for more than 5 years from being renewed, restored, reissued, or reinstated but would authorize the holder of the expired license to apply for a new license, as specified.

(7) Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board and requires the board to appoint a registrar of contractors to perform specified duties. That law authorizes a license number to be reissued or reassigned to a different entity under certain circumstances, including to a corporation or limited liability company that acquires a

licensee pursuant to an asset sale provided that the corporation or limited liability company has a qualifier, as specified. That law authorizes the registrar to refuse to issue, reinstate, reactivate, or renew a license for the failure of a licensee to resolve all outstanding liabilities, including taxes, as specified.

This bill would remove that authorization for a license number to be reissued or reassigned to a corporation or limited liability company that acquires a license pursuant to an asset sale. The bill with respect to the above provisions relating to the registrar's authority to refuse to issue, reinstate, reactivate, or renew a license in the case of outstanding final liabilities assessed by the Franchise Tax Board would include the individual taxpayer identification number among the licensee information provided to the Franchise Tax Board that would make that authority operative.

(8) Existing law, the Alarm Company Act, provides for the licensure and regulation of alarm company operators and the certification and registration of employees of alarm companies by the Bureau for Security and Investigative Services, which is within the Department of Consumer Affairs. That act requires, except as provided, every agreement to be in writing and requires agreements entered into on or after January 1, 2017, that include an automatic renewal provision to provide a specified disclosure.

This bill would instead limit that disclosure requirement to residential agreements with an automatic renewal provision.

(9) The Cemetery and Funeral Act provides for the licensure and regulation of cemeteries, crematories, funeral establishments, and their personnel by the Cemetery and Funeral Bureau, which is within the Department of Consumer Affairs. That act requires a crematory to at all times employ a licensed crematory manager to manage, supervise, and direct its operations.

This bill would authorize licensed crematories within close geographical proximity of each other to request authorization from the bureau to allow a licensed crematory manager to manage, supervise, and direct the business or profession of more than one facility.

(10) Existing law provides for the licensure and regulation of structural pest control operators by the Structural Pest Control Board, which is within the Department of Consumers Affairs. Existing law requires specified licensees to notify the registrar, as specified, that the licensee has changed his or her employment.

This bill would authorize a registered company to notify the registrar, as specified, when certain licensees are no longer associated with the registered company.

(11) Existing law requires every person who makes service of process in this state for compensation more than 10 times a year to register as a process server with the county clerk, except as provided. Existing law requires, at the time of filing the initial certificate of registration, the registrant to pay certain fees to the county clerk, including a fee to cover the actual cost of processing the completed fingerprint cards.

This bill would instead require a registrant to pay a fee to cover the actual costs of processing the completed request for live scan.

(12) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4001.5 of the Business and Professions
2 Code is repealed.
3 SEC. 2. Section 4013 of the Business and Professions Code is
4 amended to read:
5 4013. (a) Any facility licensed by the board shall join the
6 board's email notification list within 60 days of obtaining a license
7 or at the time of license renewal.
8 (b) Any facility licensed by the board shall update its email
9 address with the board's email notification list within 30 days of
10 a change in the facility's email address.
11 (c) An owner of two or more facilities licensed by the board
12 may comply with subdivisions (a) and (b) by subscribing a single
13 email address to the board's email notification list, where the owner
14 maintains an electronic notice system within all of its licensed
15 facilities that, upon receipt of an email notification from the board,
16 immediately transmits electronic notice of the same notification
17 to all of its licensed facilities. If an owner chooses to comply with
18 this section by using such an electronic notice system, the owner
19 shall register the electronic notice system with the board by July

1 1, 2011, or within 60 days of initial licensure, whichever is later,
2 informing the board of the single email address to be utilized by
3 the owner, describing the electronic notice system, and listing all
4 facilities to which immediate notice will be provided. The owner
5 shall update its email address with the board's email notification
6 list within 30 days of any change in the owner's email address.

7 (d) (1) Each pharmacist, intern pharmacist, pharmacy
8 technician, designated representative, and designated
9 representative-3PL licensed in this state shall join the board's email
10 notification list within 60 days of obtaining a license or at the time
11 of license renewal.

12 (2) Each pharmacist, intern pharmacist, pharmacy technician,
13 designated representative, and designated representative-3PL
14 licensed in this state shall update his or her email address with the
15 board's email notification list within 30 days of a change in the
16 licensee's email address.

17 (3) The email address provided by a licensee shall not be posted
18 on the board's online license verification system.

19 (4) The board shall, with each renewal application, remind
20 licensees of their obligation to report and keep current their email
21 address with the board's email notification list.

22 (5) This subdivision shall become operative on July 1, 2017.

23 SEC. 3. Section 4316 of the Business and Professions Code is
24 amended to read:

25 4316. (a) The board, through its executive officer, is authorized
26 to issue a cease and desist order for operating any facility under
27 this chapter that requires licensure or for practicing any activity
28 under this chapter that requires licensure without obtaining that
29 licensure.

30 (b) Whenever the board issues a cease and desist order pursuant
31 to subdivision (a), the board shall immediately issue the facility a
32 notice setting forth the acts or omissions with which it is charged,
33 specifying the pertinent code section or sections and any
34 regulations.

35 (c) The order shall provide that the facility, within 15 days of
36 receipt of the notice, may request a hearing before the president
37 of the board to contest the cease and desist order. Consideration
38 of the facility's contest of the cease and desist order shall comply
39 with the requirements of Section 11425.10 of the Government
40 Code. The hearing shall be held no later than five days from the

1 date the request of the owner is received by the board. The
2 president shall render a written decision within five days of the
3 hearing. In the absence of the president of the board, the vice
4 president of the board may conduct the hearing permitted by this
5 subdivision. Review of the decision of the president of the board
6 may be sought by the owner or person in possession or control of
7 the pharmacy pursuant to Section 1094.5 of the Code of Civil
8 Procedure.

9 SEC. 4. Section 4980.09 of the Business and Professions Code
10 is amended to read:

11 4980.09. (a) (1) The title “marriage and family therapist
12 intern” or “marriage and family therapist registered intern” is
13 hereby renamed “associate marriage and family therapist” or
14 “registered associate marriage and family therapist,” respectively.
15 Any reference in statute or regulation to a “marriage and family
16 therapist intern” or “marriage and family therapist registered intern”
17 shall be deemed a reference to an “associate marriage and family
18 therapist” or “registered associate marriage and family therapist.”

19 (2) Any reference in this chapter to the term “intern” means
20 “associate.” Any reference in statute or regulation to the
21 abbreviation “MFTI” means an “AMFT.”

22 (b) ~~Nothing in this~~ *This* section shall *not* be construed to expand
23 or constrict the scope of practice of a person licensed or registered
24 pursuant to this chapter.

25 (c) This section shall become operative January 1, 2018.

26 SEC. 5. Section 4980.44 of the Business and Professions Code
27 is amended to read:

28 4980.44. An unlicensed associate marriage and family therapist
29 employed under this chapter shall comply with the following
30 requirements:

31 (a) Possess, at a minimum, a master’s degree as specified in
32 Section 4980.36 or 4980.37, as applicable.

33 (b) Register with the board prior to performing any duties,
34 except as otherwise provided in subdivision (h) of Section 4980.43.

35 (c) Prior to performing any professional services, inform each
36 client or patient that he or she is an unlicensed registered associate
37 marriage and family therapist, provide his or her registration
38 number and the name of his or her employer, and indicate whether
39 he or she is under the supervision of a licensed marriage and family
40 therapist, licensed clinical social worker, licensed professional

1 clinical counselor, licensed psychologist, or a licensed physician
2 and surgeon certified in psychiatry by the American Board of
3 Psychiatry and Neurology.

4 (d) (1) Any advertisement by or on behalf of a registered
5 associate marriage and family therapist shall include, at a
6 minimum, all of the following information:

7 (A) That he or she is a registered associate marriage and family
8 therapist.

9 (B) The associate's registration number.

10 (C) The name of his or her employer.

11 (D) That he or she is supervised by a licensed person.

12 (2) The abbreviation "AMFT" shall not be used in an
13 advertisement unless the title "registered associate marriage and
14 family therapist" appears in the advertisement.

15 SEC. 6. Section 4980.72 of the Business and Professions Code
16 is amended to read:

17 4980.72. (a) This section applies to ~~persons~~ *a person who* ~~are~~
18 *is* licensed outside of California and ~~apply~~ *applies* for licensure
19 on or after January 1, 2016.

20 (b) The board may issue a license to a person who, at the time
21 of submitting an application for a license pursuant to this chapter,
22 holds a valid license in good standing issued by a board of marriage
23 counselor examiners, board of marriage and family therapists, or
24 corresponding authority, of any state or country, if all of the
25 following conditions are satisfied:

26 (1) The applicant's education is substantially equivalent, as
27 defined in Section 4980.79. The applicant's degree title need not
28 be identical to that required by Section 4980.36 or 4980.37.

29 (2) The applicant complies with Section 4980.76, if applicable.

30 (3) The applicant's supervised experience is substantially
31 equivalent to that required for a license under this chapter. The
32 board shall consider hours of experience obtained outside of
33 California during the six-year period immediately preceding the
34 date the applicant initially obtained the license described above.
35 If the applicant has less than 3,000 hours of qualifying supervised
36 experience, time actively licensed as a marriage and family
37 therapist shall be accepted at a rate of 100 hours per month, up to
38 a maximum of 1,200 hours, if the applicant's degree meets the
39 practicum requirement described in subparagraph (C) of paragraph

1 (1) of subdivision (b) of Section 4980.79 without exemptions or
2 remediation.

3 (4) The applicant passes the California law and ethics
4 examination.

5 (5) The applicant passes a clinical examination designated by
6 the board. An applicant who obtained his or her license or
7 registration under another jurisdiction may apply for licensure with
8 the board without taking the clinical examination if both of the
9 following conditions are met:

10 (A) The applicant obtained a passing score on the clinical
11 licensing examination set forth in regulation as accepted by the
12 board.

13 (B) The applicant's license or registration in that jurisdiction is
14 active, in good standing at the time of his or her application, and
15 is not revoked, suspended, surrendered, denied, or otherwise
16 restricted or encumbered.

17 SEC. 7. Section 4984.4 of the Business and Professions Code
18 is amended to read:

19 4984.4. A license that is not renewed within three years after
20 its expiration ~~may~~ shall not be renewed, restored, reinstated, or
21 reissued; however, the former licensee may apply for and obtain
22 a new license if the following criteria are satisfied:

23 (a) No fact, circumstance, or condition exists that, if the license
24 were issued, would constitute grounds for its revocation or
25 suspension.

26 (b) He or she submits an application for licensure and the fee
27 for that application.

28 (c) He or she takes and passes the current licensing
29 examinations.

30 (d) He or she submits the fee for initial license issuance.

31 (e) He or she complies with the fingerprint requirements
32 established by board regulation.

33 SEC. 8. Section 4984.7 of the Business and Professions Code
34 is amended to read:

35 4984.7. (a) The board shall assess the following fees relating
36 to the licensure of marriage and family therapists:

37 (1) The application fee for an associate registration shall be
38 seventy-five dollars (\$75).

39 (2) The renewal fee for an associate registration shall be
40 seventy-five dollars (\$75).

1 (3) The fee for the application for licensure shall be one hundred
2 dollars (\$100).

3 (4) The fee for the clinical examination shall be one hundred
4 dollars (\$100). The fee for the California law and ethics
5 examination shall be one hundred dollars (\$100).

6 (A) An applicant who fails to appear for an examination, after
7 having been scheduled to take the examination, shall forfeit the
8 examination fee.

9 (B) The amount of the examination fees shall be based on the
10 actual cost to the board of developing, purchasing, and grading
11 each examination and the actual cost to the board of administering
12 each examination. The examination fees shall be adjusted
13 periodically by regulation to reflect the actual costs incurred by
14 the board.

15 (5) The fee for rescoring an examination shall be twenty dollars
16 (\$20).

17 (6) The fee for issuance of an initial license shall be a maximum
18 of one hundred eighty dollars (\$180).

19 (7) The fee for license renewal shall be a maximum of one
20 hundred eighty dollars (\$180).

21 (8) The fee for inactive license renewal shall be a maximum of
22 ninety dollars (\$90).

23 (9) The renewal delinquency fee shall be a maximum of ninety
24 dollars (\$90). A person who permits his or her license to expire is
25 subject to the delinquency fee.

26 (10) The fee for issuance of a replacement registration, license,
27 or certificate shall be twenty dollars (\$20).

28 (11) The fee for issuance of a certificate or letter of good
29 standing shall be twenty-five dollars (\$25).

30 (12) The fee for issuance of a retired license shall be forty dollars
31 (\$40).

32 (b) With regard to license, examination, and other fees, the
33 board shall establish fee amounts at or below the maximum
34 amounts specified in this chapter.

35 SEC. 9. Section 4984.9 of the Business and Professions Code
36 is amended to read:

37 4984.9. A licensee or registrant shall give written notice to the
38 board of a name change, giving both the old and new names. The
39 written notice shall be submitted to the board within 30 days of
40 the issuance of a new government-issued photographic

1 identification. The licensee or registrant shall certify the
2 information by signing a statement under penalty of perjury. A
3 copy of both of the following documents evidencing the change
4 shall be submitted with the notice:

5 (a) A current government-issued photographic identification.

6 (b) The legal document authorizing the name change, such as
7 a court order or a marriage certificate.

8 SEC. 10. Section 4989.46 of the Business and Professions
9 Code is amended to read:

10 4989.46. A licensee or registrant shall give written notice to
11 the board of a name change, providing both the old and new names.
12 The written notice shall be submitted to the board within 30 days
13 of the issuance of a new government-issued photographic
14 identification. The licensee or registrant shall certify the
15 information is correct by signing a statement under penalty of
16 perjury. A copy of both of the following documents evidencing
17 the change shall be submitted with the notice:

18 (a) A current government-issued photographic identification.

19 (b) The legal document authorizing the name change, such as
20 a court order or a marriage certificate.

21 SEC. 11. Section 4992.8 of the Business and Professions Code
22 is amended to read:

23 4992.8. A licensee or registrant shall give written notice to the
24 board of a name change, giving both the old and new names. The
25 written notice shall be submitted to the board within 30 days of
26 the issuance of a new government-issued photographic
27 identification. The licensee or registrant shall certify the
28 information is correct by signing a statement under penalty of
29 perjury. A copy of both of the following documents evidencing
30 the change shall be submitted with the notice:

31 (a) A current government-issued photographic identification.

32 (b) The legal document authorizing the name change, such as
33 a court order or a marriage certificate.

34 SEC. 12. Section 4996.3 of the Business and Professions Code
35 is amended to read:

36 4996.3. (a) The board shall assess the following fees relating
37 to the licensure of clinical social workers:

38 (1) The application fee for registration as an associate clinical
39 social worker shall be seventy-five dollars (\$75).

1 (2) The fee for renewal of an associate clinical social worker
2 registration shall be seventy-five dollars (\$75).

3 (3) The fee for application for licensure shall be one hundred
4 dollars (\$100).

5 (4) The fee for the board-administered clinical examination, if
6 the board chooses to adopt this examination in regulations, shall
7 be one hundred dollars (\$100). The fee for the California law and
8 ethics examination shall be one hundred dollars (\$100).

9 (A) An applicant who fails to appear for an examination, after
10 having been scheduled to take the examination, shall forfeit the
11 examination fees.

12 (B) The amount of the examination fees shall be based on the
13 actual cost to the board of developing, purchasing, and grading
14 each examination and the actual cost to the board of administering
15 each examination. The written examination fees shall be adjusted
16 periodically by regulation to reflect the actual costs incurred by
17 the board.

18 (5) The fee for rescoring an examination shall be twenty dollars
19 (\$20).

20 (6) The fee for issuance of an initial license shall be a maximum
21 of one hundred fifty-five dollars (\$155).

22 (7) The fee for license renewal shall be a maximum of one
23 hundred fifty-five dollars (\$155).

24 (8) The fee for inactive license renewal shall be a maximum of
25 seventy-seven dollars and fifty cents (\$77.50).

26 (9) The renewal delinquency fee shall be a maximum of
27 seventy-five dollars (\$75). A person who permits his or her license
28 to expire is subject to the delinquency fee.

29 (10) The fee for issuance of a replacement registration, license,
30 or certificate shall be twenty dollars (\$20).

31 (11) The fee for issuance of a certificate or letter of good
32 standing shall be twenty-five dollars (\$25).

33 (12) The fee for issuance of a retired license shall be forty dollars
34 (\$40).

35 (b) With regard to license, examination, and other fees, the
36 board shall establish fee amounts at or below the maximum
37 amounts specified in this chapter.

38 SEC. 13. Section 4996.6 of the Business and Professions Code
39 is amended to read:

1 4996.6. (a) Licenses issued under this chapter shall expire no
2 more than 24 months after the issue date. The expiration date of
3 the original license shall be set by the board.

4 (b) To renew an unexpired license, the licensee shall, on or
5 before the expiration date of the license, complete the following
6 actions:

7 (1) Apply for a renewal on a form prescribed by the board.

8 (2) Pay a two-year renewal fee prescribed by the board.

9 (3) Certify compliance with the continuing education
10 requirements set forth in Section 4996.22.

11 (4) Notify the board whether he or she has been convicted, as
12 defined in Section 490, of a misdemeanor or felony, or whether
13 any disciplinary action has been taken by any regulatory or
14 licensing board in this or any other state, subsequent to the
15 licensee's last renewal.

16 (c) To renew an expired license within three years of its
17 expiration, the licensee shall, as a condition precedent to renewal,
18 complete all of the actions described in subdivision (b) and pay a
19 delinquency fee.

20 (d) A license that is not renewed within three years after its
21 expiration may not be renewed, restored, reinstated, or reissued
22 thereafter; however, the former licensee may apply for and obtain
23 a new license if he or she satisfies all of the following requirements:

24 (1) No fact, circumstance, or condition exists that, if the license
25 were issued, would justify its revocation or suspension.

26 (2) He or she submits an application for licensure.

27 (3) He or she takes and passes the current licensing
28 examinations.

29 (4) He or she submits the licensure application fees and the fee
30 for initial license issuance.

31 (5) He or she complies with the fingerprint requirements
32 established by board regulation.

33 SEC. 14. Section 4996.17 of the Business and Professions
34 Code is amended to read:

35 4996.17. (a) (1) Experience gained outside of California shall
36 be accepted toward the licensure requirements if it is substantially
37 the equivalent of the requirements of this chapter.

38 (2) Commencing January 1, 2014, an applicant with education
39 gained outside of California shall complete an 18-hour course in
40 California law and professional ethics. The content of the course

1 shall include, but not be limited to, the following: advertising,
2 scope of practice, scope of competence, treatment of minors,
3 confidentiality, dangerous patients, psychotherapist-patient
4 privilege, recordkeeping, patient access to records, state and federal
5 laws related to confidentiality of patient health information, dual
6 relationships, child abuse, elder and dependent adult abuse, online
7 therapy, insurance reimbursement, civil liability, disciplinary
8 actions and unprofessional conduct, ethics complaints and ethical
9 standards, termination of therapy, standards of care, relevant family
10 law, therapist disclosures to patients, differences in legal and ethical
11 standards in different types of work settings, and licensing law
12 and process.

13 (b) The board may issue a license to any person who, at the time
14 of application, holds a valid active clinical social work license
15 issued by a board of clinical social work examiners or
16 corresponding authority of any state, if the person passes, or has
17 passed, the licensing examinations as specified in Section 4996.1
18 and pays the required fees. Issuance of the license is conditioned
19 upon all of the following:

20 (1) The applicant has supervised experience that is substantially
21 the equivalent of that required by this chapter. If the applicant has
22 less than 3,200 hours of qualifying supervised experience, time
23 actively licensed as a clinical social worker shall be accepted at a
24 rate of 100 hours per month up to a maximum of 1,200 hours.

25 (2) Completion of the following coursework or training in or
26 out of this state:

27 (A) A minimum of seven contact hours of training or coursework
28 in child abuse assessment and reporting as specified in Section 28,
29 and any regulations promulgated thereunder.

30 (B) A minimum of 10 contact hours of training or coursework
31 in human sexuality as specified in Section 25, and any regulations
32 promulgated thereunder.

33 (C) A minimum of 15 contact hours of training or coursework
34 in alcoholism and other chemical substance dependency, as
35 specified by regulation.

36 (D) A minimum of 15 contact hours of coursework or training
37 in spousal or partner abuse assessment, detection, and intervention
38 strategies.

39 (3) Commencing January 1, 2014, completion of an 18-hour
40 course in California law and professional ethics. The content of

1 the course shall include, but not be limited to, the following:
2 advertising, scope of practice, scope of competence, treatment of
3 minors, confidentiality, dangerous patients, psychotherapist-patient
4 privilege, recordkeeping, patient access to records, state and federal
5 laws related to confidentiality of patient health information, dual
6 relationships, child abuse, elder and dependent adult abuse, online
7 therapy, insurance reimbursement, civil liability, disciplinary
8 actions and unprofessional conduct, ethics complaints and ethical
9 standards, termination of therapy, standards of care, relevant family
10 law, therapist disclosures to patients, differences in legal and ethical
11 standards in different types of work settings, and licensing law
12 and process.

13 (4) The applicant's license is in good standing and is not
14 suspended, revoked, restricted, sanctioned, or voluntarily
15 surrendered in any state.

16 (5) The applicant is not currently under investigation in any
17 other state, and has not been charged with an offense for any act
18 substantially related to the practice of social work by any public
19 agency, entered into any consent agreement or been subject to an
20 administrative decision that contains conditions placed by an
21 agency upon an applicant's professional conduct or practice,
22 including any voluntary surrender of license, or been the subject
23 of an adverse judgment resulting from the practice of social work
24 that the board determines constitutes evidence of a pattern of
25 incompetence or negligence.

26 (6) The applicant shall provide a certification from each state
27 where he or she holds a license pertaining to licensure, disciplinary
28 action, and complaints pending.

29 (7) The applicant is not subject to denial of licensure under
30 Section 480, 4992.3, 4992.35, or 4992.36.

31 (c) The board may issue a license to any person who, at the time
32 of application, holds a valid, active clinical social work license
33 issued by a board of clinical social work examiners or a
34 corresponding authority of any state, if the person has held that
35 license for at least four years immediately preceding the date of
36 application, the person passes, or has passed, the licensing
37 examinations as specified in Section 4996.1, and the person pays
38 the required fees. Issuance of the license is conditioned upon all
39 of the following:

1 (1) Completion of the following coursework or training in or
2 out of state:

3 (A) A minimum of seven contact hours of training or coursework
4 in child abuse assessment and reporting as specified in Section 28,
5 and any regulations promulgated thereunder.

6 (B) A minimum of 10 contact hours of training or coursework
7 in human sexuality as specified in Section 25, and any regulations
8 promulgated thereunder.

9 (C) A minimum of 15 contact hours of training or coursework
10 in alcoholism and other chemical substance dependency, as
11 specified by regulation.

12 (D) A minimum of 15 contact hours of coursework or training
13 in spousal or partner abuse assessment, detection, and intervention
14 strategies.

15 (2) Commencing January 1, 2014, completion of an 18-hour
16 course in California law and professional ethics. The content of
17 the course shall include, but not be limited to, the following:
18 advertising, scope of practice, scope of competence, treatment of
19 minors, confidentiality, dangerous patients, psychotherapist-patient
20 privilege, recordkeeping, patient access to records, state and federal
21 laws related to confidentiality of patient health information, dual
22 relationships, child abuse, elder and dependent adult abuse, online
23 therapy, insurance reimbursement, civil liability, disciplinary
24 actions and unprofessional conduct, ethics complaints and ethical
25 standards, termination of therapy, standards of care, relevant family
26 law, therapist disclosures to patients, differences in legal and ethical
27 standards in different types of work settings, and licensing law
28 and process.

29 (3) The applicant has been licensed as a clinical social worker
30 continuously for a minimum of four years prior to the date of
31 application.

32 (4) The applicant's license is in good standing and is not
33 suspended, revoked, restricted, sanctioned, or voluntarily
34 surrendered in any state.

35 (5) The applicant is not currently under investigation in any
36 other state, and has not been charged with an offense for any act
37 substantially related to the practice of social work by any public
38 agency, entered into any consent agreement or been subject to an
39 administrative decision that contains conditions placed by an
40 agency upon an applicant's professional conduct or practice,

1 including any voluntary surrender of license, or been the subject
2 of an adverse judgment resulting from the practice of social work
3 that the board determines constitutes evidence of a pattern of
4 incompetence or negligence.

5 (6) The applicant provides a certification from each state where
6 he or she holds a license pertaining to licensure, disciplinary action,
7 and complaints pending.

8 (7) The applicant is not subject to denial of licensure under
9 Section 480, 4992.3, 4992.35, or 4992.36.

10 (d) An applicant who obtained his or her license or registration
11 under another jurisdiction may apply for licensure with the board
12 without taking the clinical examination specified in Section 4996.1
13 if both of the following conditions are met:

14 (1) The applicant obtained a passing score on the clinical
15 licensing examination set forth in regulation as accepted by the
16 board.

17 (2) The applicant's license or registration in that jurisdiction is
18 active, in good standing at the time of his or her application, and
19 is not revoked, suspended, surrendered, denied, or otherwise
20 restricted or encumbered.

21 SEC. 15. Section 4999.12.5 of the Business and Professions
22 Code is amended to read:

23 4999.12.5. (a) (1) The title "professional clinical counselor
24 intern" or "professional clinical counselor registered intern" is
25 hereby renamed "associate professional clinical counselor" or
26 "registered associate professional clinical counselor," respectively.
27 Any reference in any statute or regulation to a "professional clinical
28 counselor intern" or "professional clinical counselor registered
29 intern" shall be deemed a reference to an "associate professional
30 clinical counselor" or "registered associate professional clinical
31 counselor."

32 (2) Any reference in this chapter to the term "intern" means
33 "associate."

34 (b) Nothing in this section shall be construed to expand or
35 constrict the scope of practice of a person licensed or registered
36 pursuant to this chapter.

37 SEC. 16. Section 4999.32 of the Business and Professions
38 Code is amended to read:

39 4999.32. (a) This section shall apply to applicants for licensure
40 or registration who begin graduate study before August 1, 2012,

1 and complete that study on or before December 31, 2018. Those
2 applicants may alternatively qualify under paragraph (2) of
3 subdivision (a) of Section 4999.33.

4 (b) To qualify for licensure or registration, applicants shall
5 possess a master's or doctoral degree that is counseling or
6 psychotherapy in content and that meets the requirements of this
7 section, obtained from an accredited or approved institution, as
8 defined in Section 4999.12. For purposes of this subdivision, a
9 degree is "counseling or psychotherapy in content" if it contains
10 the supervised practicum or field study experience described in
11 paragraph (3) of subdivision (c) and, except as provided in
12 subdivision (d), the coursework in the core content areas listed in
13 subparagraphs (A) to (I), inclusive, of paragraph (1) of subdivision
14 (c).

15 (c) The degree described in subdivision (b) shall contain not
16 less than 48 graduate semester or 72 graduate quarter units of
17 instruction, which shall, except as provided in subdivision (d),
18 include all of the following:

19 (1) The equivalent of at least three semester units or four and
20 one-half quarter units of graduate study in each of the following
21 core content areas:

22 (A) Counseling and psychotherapeutic theories and techniques,
23 including the counseling process in a multicultural society, an
24 orientation to wellness and prevention, counseling theories to assist
25 in selection of appropriate counseling interventions, models of
26 counseling consistent with current professional research and
27 practice, development of a personal model of counseling, and
28 multidisciplinary responses to crises, emergencies, and disasters.

29 (B) Human growth and development across the lifespan,
30 including normal and abnormal behavior and an understanding of
31 developmental crises, disability, psychopathology, and situational
32 and environmental factors that affect both normal and abnormal
33 behavior.

34 (C) Career development theories and techniques, including
35 career development decisionmaking models and interrelationships
36 among and between work, family, and other life roles and factors,
37 including the role of multicultural issues in career development.

38 (D) Group counseling theories and techniques, including
39 principles of group dynamics, group process components,
40 developmental stage theories, therapeutic factors of group work,

1 group leadership styles and approaches, pertinent research and
2 literature, group counseling methods, and evaluation of
3 effectiveness.

4 (E) Assessment, appraisal, and testing of individuals, including
5 basic concepts of standardized and nonstandardized testing and
6 other assessment techniques, norm-referenced and
7 criterion-referenced assessment, statistical concepts, social and
8 cultural factors related to assessment and evaluation of individuals
9 and groups, and ethical strategies for selecting, administering, and
10 interpreting assessment instruments and techniques in counseling.

11 (F) Multicultural counseling theories and techniques, including
12 counselors' roles in developing cultural self-awareness, identity
13 development, promoting cultural social justice, individual and
14 community strategies for working with and advocating for diverse
15 populations, and counselors' roles in eliminating biases and
16 prejudices, and processes of intentional and unintentional
17 oppression and discrimination.

18 (G) Principles of the diagnostic process, including differential
19 diagnosis, and the use of current diagnostic tools, such as the
20 current edition of the Diagnostic and Statistical Manual, the impact
21 of co-occurring substance use disorders or medical psychological
22 disorders, established diagnostic criteria for mental or emotional
23 disorders, and the treatment modalities and placement criteria
24 within the continuum of care.

25 (H) Research and evaluation, including studies that provide an
26 understanding of research methods, statistical analysis, the use of
27 research to inform evidence-based practice, the importance of
28 research in advancing the profession of counseling, and statistical
29 methods used in conducting research, needs assessment, and
30 program evaluation.

31 (I) Professional orientation, ethics, and law in counseling,
32 including professional ethical standards and legal considerations,
33 licensing law and process, regulatory laws that delineate the
34 profession's scope of practice, counselor-client privilege,
35 confidentiality, the client dangerous to self or others, treatment of
36 minors with or without parental consent, relationship between
37 practitioner's sense of self and human values, functions and
38 relationships with other human service providers, strategies for
39 collaboration, and advocacy processes needed to address

1 institutional and social barriers that impede access, equity, and
2 success for clients.

3 (2) In addition to the course requirements described in paragraph
4 (1), a minimum of 12 semester units or 18 quarter units of advanced
5 coursework to develop knowledge of specific treatment issues,
6 special populations, application of counseling constructs,
7 assessment and treatment planning, clinical interventions,
8 therapeutic relationships, psychopathology, or other clinical topics.

9 (3) Not less than six semester units or nine quarter units of
10 supervised practicum or field study experience that involves direct
11 client contact in a clinical setting that provides a range of
12 professional clinical counseling experience, including the
13 following:

14 (A) Applied psychotherapeutic techniques.

15 (B) Assessment.

16 (C) Diagnosis.

17 (D) Prognosis.

18 (E) Treatment.

19 (F) Issues of development, adjustment, and maladjustment.

20 (G) Health and wellness promotion.

21 (H) Other recognized counseling interventions.

22 (I) A minimum of 150 hours of face-to-face supervised clinical
23 experience counseling individuals, families, or groups.

24 (d) (1) (A) An applicant whose degree is deficient in no more
25 than two of the required areas of study listed in subparagraphs (A)
26 to (I), inclusive, of paragraph (1) of subdivision (c) may satisfy
27 those deficiencies by successfully completing post-master's or
28 postdoctoral degree coursework at an accredited or approved
29 institution, as defined in Section 4999.12.

30 (B) Notwithstanding subparagraph (A), no applicant shall be
31 deficient in the required areas of study specified in subparagraphs
32 (E) or (G) of paragraph (1) of subdivision (c).

33 (2) Coursework taken to meet deficiencies in the required areas
34 of study listed in subparagraphs (A) to (I), inclusive, of paragraph
35 (1) of subdivision (c) shall be the equivalent of three semester units
36 or four and one-half quarter units of study.

37 (3) The board shall make the final determination as to whether
38 a degree meets all requirements, including, but not limited to,
39 course requirements, regardless of accreditation.

1 (e) In addition to the degree described in this section, or as part
2 of that degree, an applicant shall complete the following
3 coursework or training prior to registration as an intern:

4 (1) A minimum of 15 contact hours of instruction in alcoholism
5 and other chemical substance abuse dependency, as specified by
6 regulation.

7 (2) A minimum of 10 contact hours of training or coursework
8 in human sexuality as specified in Section 25, and any regulations
9 promulgated thereunder.

10 (3) A two semester unit or three quarter unit survey course in
11 psychopharmacology.

12 (4) A minimum of 15 contact hours of instruction in spousal or
13 partner abuse assessment, detection, and intervention strategies,
14 including knowledge of community resources, cultural factors,
15 and same gender abuse dynamics.

16 (5) A minimum of seven contact hours of training or coursework
17 in child abuse assessment and reporting as specified in Section 28
18 and any regulations adopted thereunder.

19 (6) A minimum of 18 contact hours of instruction in California
20 law and professional ethics for professional clinical counselors
21 that includes, but is not limited to, instruction in advertising, scope
22 of practice, scope of competence, treatment of minors,
23 confidentiality, dangerous clients, psychotherapist-client privilege,
24 recordkeeping, client access to records, dual relationships, child
25 abuse, elder and dependent adult abuse, online therapy, insurance
26 reimbursement, civil liability, disciplinary actions and
27 unprofessional conduct, ethics complaints and ethical standards,
28 termination of therapy, standards of care, relevant family law,
29 therapist disclosures to clients, and state and federal laws related
30 to confidentiality of patient health information. When coursework
31 in a master's or doctoral degree program is acquired to satisfy this
32 requirement, it shall be considered as part of the 48 semester unit
33 or 72 quarter unit requirement in subdivision (c).

34 (7) A minimum of 10 contact hours of instruction in aging and
35 long-term care, which may include, but is not limited to, the
36 biological, social, and psychological aspects of aging. On and after
37 January 1, 2012, this coursework shall include instruction on the
38 assessment and reporting of, as well as treatment related to, elder
39 and dependent adult abuse and neglect.

1 (8) A minimum of 15 contact hours of instruction in crisis or
2 trauma counseling, including multidisciplinary responses to crises,
3 emergencies, or disasters, and brief, intermediate, and long-term
4 approaches.

5 (f) This section shall remain in effect only until January 1, 2019,
6 and as of that date is repealed, unless a later enacted statute that
7 is enacted before January 1, 2019, deletes or extends that date.

8 SEC. 17. Section 4999.33 of the Business and Professions
9 Code is amended to read:

10 4999.33. (a) This section shall apply to the following:

11 (1) Applicants for licensure or registration who begin graduate
12 study before August 1, 2012, and do not complete that study on
13 or before December 31, 2018.

14 (2) Applicants for licensure or registration who begin graduate
15 study before August 1, 2012, and who graduate from a degree
16 program that meets the requirements of this section.

17 (3) Applicants for licensure or registration who begin graduate
18 study on or after August 1, 2012.

19 (b) To qualify for licensure or registration, applicants shall
20 possess a master's or doctoral degree that is counseling or
21 psychotherapy in content and that meets the requirements of this
22 section, obtained from an accredited or approved institution, as
23 defined in Section 4999.12. For purposes of this subdivision, a
24 degree is "counseling or psychotherapy in content" if it contains
25 the supervised practicum or field study experience described in
26 paragraph (3) of subdivision (c) and, except as provided in
27 subdivision (f), the coursework in the core content areas listed in
28 subparagraphs (A) to (M), inclusive, of paragraph (1) of
29 subdivision (c).

30 (c) The degree described in subdivision (b) shall contain not
31 less than 60 graduate semester or 90 graduate quarter units of
32 instruction, which shall, except as provided in subdivision (f),
33 include all of the following:

34 (1) The equivalent of at least three semester units or four and
35 one-half quarter units of graduate study in all of the following core
36 content areas:

37 (A) Counseling and psychotherapeutic theories and techniques,
38 including the counseling process in a multicultural society, an
39 orientation to wellness and prevention, counseling theories to assist
40 in selection of appropriate counseling interventions, models of

1 counseling consistent with current professional research and
2 practice, development of a personal model of counseling, and
3 multidisciplinary responses to crises, emergencies, and disasters.

4 (B) Human growth and development across the lifespan,
5 including normal and abnormal behavior and an understanding of
6 developmental crises, disability, psychopathology, and situational
7 and environmental factors that affect both normal and abnormal
8 behavior.

9 (C) Career development theories and techniques, including
10 career development decisionmaking models and interrelationships
11 among and between work, family, and other life roles and factors,
12 including the role of multicultural issues in career development.

13 (D) Group counseling theories and techniques, including
14 principles of group dynamics, group process components, group
15 developmental stage theories, therapeutic factors of group work,
16 group leadership styles and approaches, pertinent research and
17 literature, group counseling methods, and evaluation of
18 effectiveness.

19 (E) Assessment, appraisal, and testing of individuals, including
20 basic concepts of standardized and nonstandardized testing and
21 other assessment techniques, norm-referenced and
22 criterion-referenced assessment, statistical concepts, social and
23 cultural factors related to assessment and evaluation of individuals
24 and groups, and ethical strategies for selecting, administering, and
25 interpreting assessment instruments and techniques in counseling.

26 (F) Multicultural counseling theories and techniques, including
27 counselors' roles in developing cultural self-awareness, identity
28 development, promoting cultural social justice, individual and
29 community strategies for working with and advocating for diverse
30 populations, and counselors' roles in eliminating biases and
31 prejudices, and processes of intentional and unintentional
32 oppression and discrimination.

33 (G) Principles of the diagnostic process, including differential
34 diagnosis, and the use of current diagnostic tools, such as the
35 current edition of the Diagnostic and Statistical Manual, the impact
36 of co-occurring substance use disorders or medical psychological
37 disorders, established diagnostic criteria for mental or emotional
38 disorders, and the treatment modalities and placement criteria
39 within the continuum of care.

1 (H) Research and evaluation, including studies that provide an
2 understanding of research methods, statistical analysis, the use of
3 research to inform evidence-based practice, the importance of
4 research in advancing the profession of counseling, and statistical
5 methods used in conducting research, needs assessment, and
6 program evaluation.

7 (I) Professional orientation, ethics, and law in counseling,
8 including California law and professional ethics for professional
9 clinical counselors, professional ethical standards and legal
10 considerations, licensing law and process, regulatory laws that
11 delineate the profession's scope of practice, counselor-client
12 privilege, confidentiality, the client dangerous to self or others,
13 treatment of minors with or without parental consent, relationship
14 between practitioner's sense of self and human values, functions
15 and relationships with other human service providers, strategies
16 for collaboration, and advocacy processes needed to address
17 institutional and social barriers that impede access, equity, and
18 success for clients.

19 (J) Psychopharmacology, including the biological bases of
20 behavior, basic classifications, indications, and contraindications
21 of commonly prescribed psychopharmacological medications so
22 that appropriate referrals can be made for medication evaluations
23 and so that the side effects of those medications can be identified.

24 (K) Addictions counseling, including substance abuse,
25 co-occurring disorders, and addiction, major approaches to
26 identification, evaluation, treatment, and prevention of substance
27 abuse and addiction, legal and medical aspects of substance abuse,
28 populations at risk, the role of support persons, support systems,
29 and community resources.

30 (L) Crisis or trauma counseling, including crisis theory;
31 multidisciplinary responses to crises, emergencies, or disasters;
32 cognitive, affective, behavioral, and neurological effects associated
33 with trauma; brief, intermediate, and long-term approaches; and
34 assessment strategies for clients in crisis and principles of
35 intervention for individuals with mental or emotional disorders
36 during times of crisis, emergency, or disaster.

37 (M) Advanced counseling and psychotherapeutic theories and
38 techniques, including the application of counseling constructs,
39 assessment and treatment planning, clinical interventions,
40 therapeutic relationships, psychopathology, or other clinical topics.

1 (2) In addition to the course requirements described in paragraph
2 (1), 15 semester units or 22.5 quarter units of advanced coursework
3 to develop knowledge of specific treatment issues or special
4 populations.

5 (3) Not less than six semester units or nine quarter units of
6 supervised practicum or field study experience that involves direct
7 client contact in a clinical setting that provides a range of
8 professional clinical counseling experience, including the
9 following:

10 (A) Applied psychotherapeutic techniques.

11 (B) Assessment.

12 (C) Diagnosis.

13 (D) Prognosis.

14 (E) Treatment.

15 (F) Issues of development, adjustment, and maladjustment.

16 (G) Health and wellness promotion.

17 (H) Professional writing including documentation of services,
18 treatment plans, and progress notes.

19 (I) How to find and use resources.

20 (J) Other recognized counseling interventions.

21 (K) A minimum of 280 hours of face-to-face supervised clinical
22 experience counseling individuals, families, or groups.

23 (d) The 60 graduate semester units or 90 graduate quarter units
24 of instruction required pursuant to subdivision (c) shall, in addition
25 to meeting the requirements of subdivision (c), include instruction
26 in all of the following:

27 (1) The understanding of human behavior within the social
28 context of socioeconomic status and other contextual issues
29 affecting social position.

30 (2) The understanding of human behavior within the social
31 context of a representative variety of the cultures found within
32 California.

33 (3) Cultural competency and sensitivity, including a familiarity
34 with the racial, cultural, linguistic, and ethnic backgrounds of
35 persons living in California.

36 (4) An understanding of the effects of socioeconomic status on
37 treatment and available resources.

38 (5) Multicultural development and cross-cultural interaction,
39 including experiences of race, ethnicity, class, spirituality, sexual

1 orientation, gender, and disability and their incorporation into the
2 psychotherapeutic process.

3 (6) Case management, systems of care for the severely mentally
4 ill, public and private services for the severely mentally ill,
5 community resources for victims of abuse, disaster and trauma
6 response, advocacy for the severely mentally ill, and collaborative
7 treatment. The instruction required in this paragraph may be
8 provided either in credit level coursework or through extension
9 programs offered by the degree-granting institution.

10 (7) Human sexuality, including the study of the physiological,
11 psychological, and social cultural variables associated with sexual
12 behavior, gender identity, and the assessment and treatment of
13 psychosexual dysfunction.

14 (8) Spousal or partner abuse assessment, detection, intervention
15 strategies, and same gender abuse dynamics.

16 (9) A minimum of seven contact hours of training or coursework
17 in child abuse assessment and reporting, as specified in Section
18 28, and any regulations promulgated thereunder.

19 (10) Aging and long-term care, including biological, social,
20 cognitive, and psychological aspects of aging. This coursework
21 shall include instruction on the assessment and reporting of, as
22 well as treatment related to, elder and dependent adult abuse and
23 neglect.

24 (e) A degree program that qualifies for licensure under this
25 section shall do all of the following:

26 (1) Integrate the principles of mental health recovery-oriented
27 care and methods of service delivery in recovery-oriented practice
28 environments.

29 (2) Integrate an understanding of various cultures and the social
30 and psychological implications of socioeconomic position.

31 (3) Provide the opportunity for students to meet with various
32 consumers and family members of consumers of mental health
33 services to enhance understanding of their experience of mental
34 illness, treatment, and recovery.

35 (f) (1) (A) An applicant whose degree is deficient in no more
36 than three of the required areas of study listed in subparagraphs
37 (A) to (M), inclusive, of paragraph (1) of subdivision (c) may
38 satisfy those deficiencies by successfully completing post-master's
39 or postdoctoral degree coursework at an accredited or approved
40 institution, as defined in Section 4999.12.

1 (B) Notwithstanding subparagraph (A), no applicant shall be
2 deficient in the required areas of study specified in subparagraphs
3 (E) or (G) of paragraph (1) of subdivision (c).

4 (2) Coursework taken to meet deficiencies in the required areas
5 of study listed in subparagraphs (A) to (M), inclusive, of paragraph
6 (1) of subdivision (c) shall be the equivalent of three semester units
7 or four and one-half quarter units of study.

8 (3) The board shall make the final determination as to whether
9 a degree meets all requirements, including, but not limited to,
10 course requirements, regardless of accreditation.

11 SEC. 18. Section 4999.42 of the Business and Professions
12 Code is amended to read:

13 4999.42. To qualify for registration as an associate, an applicant
14 shall have all of the following qualifications:

15 (a) The applicant shall have earned a master's or doctoral degree
16 as specified in Section 4999.32 or 4999.33, as applicable. An
17 applicant whose education qualifies him or her under Section
18 4999.32 shall also have completed the coursework or training
19 specified in subdivision (e) of Section 4999.32.

20 (b) The applicant shall not have committed acts or crimes
21 constituting grounds for denial of licensure under Section 480.

22 (c) The board shall not issue a registration to any person who
23 has been convicted of a crime in this or another state or in a
24 territory of the United States that involves sexual abuse of children
25 or who is required to register pursuant to Section 290 of the Penal
26 Code or the equivalent in another state or territory.

27 SEC. 19. Section 4999.53 of the Business and Professions
28 Code is amended to read:

29 4999.53. (a) Effective January 1, 2016, a registrant or an
30 applicant for licensure as a professional clinical counselor shall
31 pass the following examinations as prescribed by the board:

32 (1) A California law and ethics examination.

33 (2) A clinical examination administered by the board, or the
34 National Clinical Mental Health Counselor Examination if the
35 board finds that this examination meets the prevailing standards
36 for validation and use of the licensing and certification tests in
37 California.

38 (b) Upon registration with the board, an associate professional
39 clinical counselor shall, within the first year of registration, take
40 an examination on California law and ethics.

1 (c) A registrant or an applicant for licensure may take the clinical
2 examination or the National Clinical Mental Health Counselor
3 Examination, as established by the board through regulation, only
4 upon meeting all of the following requirements:

5 (1) Completion of all required supervised work experience.

6 (2) Completion of all education requirements.

7 (3) Passage of the California law and ethics examination.

8 (d) This section shall become operative on January 1, 2016.

9 SEC. 20. Section 4999.60 of the Business and Professions
10 Code is amended to read:

11 4999.60. (a) This section applies to persons who are licensed
12 outside of California and apply for licensure on or after January
13 1, 2016.

14 (b) The board may issue a license to a person who, at the time
15 of submitting an application for a license pursuant to this chapter,
16 holds a valid license in good standing as a professional clinical
17 counselor, or other counseling license that allows the applicant to
18 independently provide clinical mental health services, in another
19 jurisdiction of the United States, if all of the following conditions
20 are satisfied:

21 (1) The applicant's education is substantially equivalent, as
22 defined in Section 4999.63.

23 (2) The applicant complies with subdivision (c) of Section
24 4999.40, if applicable.

25 (3) The applicant's supervised experience is substantially
26 equivalent to that required for a license under this chapter. The
27 board shall consider hours of experience obtained outside of
28 California during the six-year period immediately preceding the
29 date the applicant initially obtained the license described above.
30 If the applicant has less than 3,000 hours of qualifying supervised
31 experience, time actively licensed as a professional clinical
32 counselor shall be accepted at a rate of 100 hours per month up to
33 a maximum of 1,200 hours if the applicant's degree meets the
34 practicum requirement described in subparagraph (C) of paragraph
35 (1) of subdivision (b) of Section 4999.63 without exemptions or
36 remediation.

37 (4) The applicant passes the examinations required to obtain a
38 license under this chapter. An applicant who obtained his or her
39 license or registration under another jurisdiction may apply for

1 licensure with the board without taking the clinical examination
2 if both of the following conditions are met:

3 (A) The applicant obtained a passing score on the clinical
4 licensing examination set forth in regulation as accepted by the
5 board.

6 (B) The applicant's license or registration in that jurisdiction is
7 active, in good standing at the time of his or her application, and
8 is not revoked, suspended, surrendered, denied, or otherwise
9 restricted or encumbered.

10 SEC. 21. Section 4999.61 of the Business and Professions
11 Code is amended to read:

12 4999.61. (a) This section applies to persons who apply for
13 licensure or registration on or after January 1, 2016, and who do
14 not hold a license as described in Section 4999.60.

15 (b) The board shall accept education gained from an out-of-state
16 school for purposes of satisfying licensure or registration
17 requirements if the education is substantially equivalent, as defined
18 in Section 4999.62, and the applicant complies with subdivision
19 (c) of Section 4999.40, if applicable.

20 (c) The board shall accept experience gained outside of
21 California for purposes of satisfying licensure or registration
22 requirements if the experience is substantially equivalent to that
23 required by this chapter.

24 SEC. 22. Section 4999.62 of the Business and Professions
25 Code is amended to read:

26 4999.62. (a) This section applies to persons who apply for
27 licensure or registration on or after January 1, 2016, and who do
28 not hold a license as described in Section 4999.60.

29 (b) For purposes of Section 4999.61, education is substantially
30 equivalent if all of the following requirements are met:

31 (1) The degree is obtained from an accredited or approved
32 institution, as defined in Section 4999.12, and consists of, at a
33 minimum, the following:

34 (A) (i) For an applicant who obtained his or her degree within
35 the timeline prescribed by subdivision (a) of Section 4999.33 the
36 degree shall contain no less than 60 graduate semester or 90
37 graduate quarter units of instruction.

38 (ii) Up to 12 semester or 18 quarter units of instruction may be
39 remediated, if missing from the degree. The remediation may occur
40 while the applicant is registered as an associate.

1 (B) For an applicant who obtained his or her degree within the
2 timeline prescribed by subdivision (a) of Section 4999.32 the
3 degree shall contain no less than 48 graduate semester or 72
4 graduate quarter units of instruction.

5 (C) Six semester or nine quarter units of practicum, including,
6 but not limited to, a minimum of 280 hours of face-to-face
7 supervised clinical experience counseling individuals, families, or
8 groups.

9 (D) The required areas of study listed in subparagraphs (A) to
10 (M), inclusive, of paragraph (1) of subdivision (c) of Section
11 4999.33.

12 (i) (I) An applicant whose degree is deficient in no more than
13 six of the required areas of study listed in subparagraphs (A) to
14 (M), inclusive, of paragraph (1) of subdivision (c) of Section
15 4999.33 may satisfy those deficiencies by successfully completing
16 graduate level coursework at an accredited or approved institution,
17 as defined in Section 4999.12. Coursework taken to meet any
18 deficiencies shall be the equivalent of three semester units or four
19 and one-half quarter units of study.

20 (II) Notwithstanding subclause (I), no applicant shall be deficient
21 in the required areas of study specified in subparagraphs (E) or
22 (G) of paragraph (1) of subdivision (c) of Section 4999.33.

23 (ii) An applicant who completed a course in professional
24 orientation, ethics, and law in counseling as required by
25 subparagraph (I) of paragraph (1) of subdivision (c) of Section
26 4999.33 that did not contain instruction in California law and ethics
27 shall complete an 18-hour course in California law and professional
28 ethics that includes, but is not limited to, instruction in advertising,
29 scope of practice, scope of competence, treatment of minors,
30 confidentiality, dangerous clients, psychotherapist-client privilege,
31 recordkeeping, client access to records, state and federal laws
32 relating to confidentiality of patient health information, dual
33 relationships, child abuse, elder and dependent adult abuse, online
34 therapy, insurance reimbursement, civil liability, disciplinary
35 actions and unprofessional conduct, ethics complaints and ethical
36 standards, termination of therapy, standards of care, relevant family
37 law, and therapist disclosures to clients. An applicant shall
38 complete this coursework prior to registration as an associate.

39 (iii) An applicant who has not completed a course in professional
40 orientation, ethics, and law in counseling as required by

1 subparagraph (I) of paragraph (1) of subdivision (c) of Section
2 4999.33 shall complete this required coursework, including content
3 in California law and ethics. An applicant shall complete this
4 coursework prior to registration as an associate.

5 (2) The applicant completes any units required by subdivision
6 (c) of Section 4999.33 not already completed in his or her education
7 as follows:

8 (A) At least 15 semester units or 22.5 quarter units of advanced
9 coursework to develop knowledge of specific treatment issues or
10 special populations. This coursework is in addition to the course
11 requirements described in subparagraph (D) of paragraph (1).

12 (B) Coursework shall be from an accredited or approved school,
13 college, or university as defined in Section 4999.12.

14 (3) (A) The applicant completes the following coursework not
15 already completed in his or her education:

16 (i) A minimum of 10 contact hours of training in human
17 sexuality, as specified in Section 25 and any regulations
18 promulgated thereunder, including the study of the physiological,
19 psychological, and social cultural variables associated with sexual
20 behavior, gender identity, and the assessment and treatment of
21 psychosexual dysfunction.

22 (ii) A minimum of 15 contact hours of instruction in spousal or
23 partner abuse assessment, detection, intervention strategies, and
24 same-gender abuse dynamics.

25 (iii) A minimum of seven contact hours of training or
26 coursework in child abuse assessment and reporting as specified
27 in Section 28 and any regulations promulgated thereunder.

28 (iv) A minimum of 10 contact hours of instruction in aging and
29 long-term care, including biological, social, cognitive, and
30 psychological aspects of aging. This coursework shall include
31 instruction on the assessment and reporting of, as well as treatment
32 related to, elder and dependent adult abuse and neglect.

33 (B) This coursework may be from an accredited or approved
34 school, college, or university as defined in Section 4999.12, or
35 from a continuing education provider that is acceptable to the board
36 as defined in Section 4999.76. Undergraduate coursework shall
37 not satisfy this requirement.

38 (4) The applicant completes the following coursework not
39 already completed in his or her education from an accredited or
40 approved school, college, or university as defined in Section

1 4999.12, or from a continuing education provider that is acceptable
2 to the board as defined in Section 4999.76. Undergraduate
3 coursework shall not satisfy this requirement.

4 (A) At least three semester units, or 45 hours, of instruction
5 regarding the principles of mental health recovery-oriented care
6 and methods of service delivery in recovery-oriented practice
7 environments, including structured meetings with various
8 consumers and family members of consumers of mental health
9 services to enhance understanding of their experiences of mental
10 illness, treatment, and recovery.

11 (B) At least one semester unit, or 15 hours, of instruction that
12 includes an understanding of various California cultures and the
13 social and psychological implications of socioeconomic position.

14 (5) An applicant may complete any units and course content
15 requirements required under paragraphs (2), (3), or (4) not already
16 completed in his or her education while registered with the board
17 as an associate.

18 SEC. 23. Section 4999.63 of the Business and Professions
19 Code is amended to read:

20 4999.63. (a) This section applies to persons who apply for
21 licensure or registration on or after January 1, 2016, and who hold
22 a license as described in Section 4999.60.

23 (b) For purposes of Section 4999.60, education is substantially
24 equivalent if all of the following requirements are met:

25 (1) The degree is obtained from an accredited or approved
26 institution, as defined in Section 4999.12, and consists of the
27 following:

28 (A) (i) For an applicant who obtained his or her degree within
29 the timeline prescribed by subdivision (a) of Section 4999.33 the
30 degree shall contain no less than 60 graduate semester or 90
31 graduate quarter units of instruction.

32 (ii) Up to 12 semester or 18 quarter units of instruction may be
33 remediated, if missing from the degree. The remediation may occur
34 while the applicant is registered as an associate.

35 (B) For an applicant who obtained his or her degree within the
36 timeline prescribed by subdivision (a) of Section 4999.32 the
37 degree shall contain no less than 48 graduate semester or 72
38 graduate quarter units of instruction.

39 (C) Six semester or nine quarter units of practicum, including,
40 but not limited to, a minimum of 280 hours of face-to-face

1 supervised clinical experience counseling individuals, families, or
2 groups.

3 (i) An applicant who has been licensed for at least two years in
4 clinical practice, as verified by the board, is exempt from this
5 requirement.

6 (ii) An out-of-state applicant who has been licensed for less
7 than two years in clinical practice, as verified by the board, who
8 does not meet the practicum requirement, shall remediate the
9 requirement by demonstrating completion of a total of 280 hours
10 of face-to-face supervised clinical experience, as specified in
11 subparagraph (K) of paragraph (3) of subdivision (c) of Section
12 4999.33. Any postdegree hours gained to meet this requirement
13 are in addition to the 3,000 hours of experience required by this
14 chapter, and shall be gained while the applicant is registered with
15 the board as an associate.

16 (D) The required areas of study specified in subparagraphs (A)
17 to (M), inclusive, of paragraph (1) of subdivision (c) of Section
18 4999.33.

19 (i) (I) An applicant whose degree is deficient in no more than
20 six of the required areas of study specified in subparagraphs (A)
21 to (M), inclusive, of paragraph (1) of subdivision (c) of Section
22 4999.33 may satisfy those deficiencies by successfully completing
23 graduate level coursework at an accredited or approved institution,
24 as defined in Section 4999.12. Coursework taken to meet any
25 deficiencies shall be the equivalent of three semester units or four
26 and one-half quarter units of study.

27 (II) Notwithstanding subclause (I), no applicant shall be deficient
28 in the required areas of study specified in subparagraphs (E) or
29 (G) of paragraph (1) of subdivision (c) of Section 4999.33.

30 (ii) An applicant who completed a course in professional
31 orientation, ethics, and law in counseling as required by
32 subparagraph (I) of paragraph (1) of subdivision (c) of Section
33 4999.33 that did not contain instruction in California law and ethics
34 shall complete an 18-hour course in California law and professional
35 ethics that includes, but is not limited to, instruction in advertising,
36 scope of practice, scope of competence, treatment of minors,
37 confidentiality, dangerous clients, psychotherapist-client privilege,
38 recordkeeping, client access to records, state and federal laws
39 relating to confidentiality of patient health information, dual
40 relationships, child abuse, elder and dependent adult abuse, online

1 therapy, insurance reimbursement, civil liability, disciplinary
2 actions and unprofessional conduct, ethics complaints and ethical
3 standards, termination of therapy, standards of care, relevant family
4 law, and therapist disclosures to clients. An applicant shall
5 complete this coursework prior to registration as an associate.

6 (iii) An applicant who has not completed a course in professional
7 orientation, ethics, and law in counseling as required by
8 subparagraph (I) of paragraph (1) of subdivision (c) of Section
9 4999.33 shall complete this required coursework, including content
10 in California law and ethics. An applicant shall complete this
11 coursework prior to registration as an associate.

12 (2) The applicant completes any units required under subdivision
13 (c) of Section 4999.33 not already completed in his or her education
14 as follows:

15 (A) At least 15 semester units or 22.5 quarter units of advanced
16 coursework to develop knowledge of specific treatment issues or
17 special populations. This coursework is in addition to the course
18 requirements described in subparagraph (D) of paragraph (1).

19 (B) Coursework shall be from an accredited or approved school,
20 college, or university as defined in Section 4999.12.

21 (3) The applicant completes the following coursework not
22 already completed in his or her education:

23 (A) A minimum of 10 contact hours of training in human
24 sexuality, as specified in Section 25 and any regulations
25 promulgated thereunder, including the study of the physiological,
26 psychological, and social cultural variables associated with sexual
27 behavior, gender identity, and the assessment and treatment of
28 psychosexual dysfunction.

29 (B) A minimum of 15 contact hours of instruction in spousal
30 or partner abuse assessment, detection, intervention strategies, and
31 same-gender abuse dynamics.

32 (C) A minimum of seven contact hours of training or coursework
33 in child abuse assessment and reporting as specified in Section 28
34 and any regulations promulgated under that section.

35 (D) A minimum of 10 contact hours of instruction in aging and
36 long-term care, including biological, social, cognitive, and
37 psychological aspects of aging. This coursework shall include
38 instruction on the assessment and reporting of, as well as treatment
39 related to, elder and dependent adult abuse and neglect.

1 (E) This coursework may be from an accredited or approved
2 school, college, or university as defined in Section 4999.12, or
3 from a continuing education provider that is acceptable to the board
4 as defined in Section 4999.76. Undergraduate coursework shall
5 not satisfy this requirement.

6 (4) The applicant completes the following coursework not
7 already completed in his or her education from an accredited or
8 approved school, college, or university as defined in Section
9 4999.12, or from a continuing education provider that is acceptable
10 to the board as defined in Section 4999.76. Undergraduate
11 coursework shall not satisfy this requirement.

12 (A) At least three semester units or 45 hours of instruction
13 regarding the principles of mental health recovery-oriented care
14 and methods of service delivery in recovery-oriented practice
15 environments, including structured meetings with various
16 consumers and family members of consumers of mental health
17 services to enhance understanding of their experience of mental
18 illness, treatment, and recovery.

19 (B) At least one semester unit or 15 hours of instruction that
20 includes an understanding of various California cultures and the
21 social and psychological implications of socioeconomic position.

22 (5) An applicant may complete any units and course content
23 requirements required by subparagraph (D) of paragraph (1) or
24 paragraphs (2), (3), and (4) not already completed in his or her
25 education while registered with the board as an associate, unless
26 otherwise specified.

27 SEC. 24. Section 4999.118 of the Business and Professions
28 Code is amended to read:

29 4999.118. A licensee or registrant shall give written notice to
30 the board of a name change, giving both the old and new names.
31 The written notice shall be submitted to the board within 30 days
32 of the issuance of a new government-issued photographic
33 identification. The licensee or registrant shall certify the
34 information is correct by signing a statement under penalty of
35 perjury. A copy of both of the following documents evidencing
36 the change shall be submitted with the notice:

37 (a) A current government-issued photographic identification.

38 (b) The legal document authorizing the name change, such as
39 a court order or a marriage certificate.

1 SEC. 25. Section 4999.120 of the Business and Professions
2 Code is amended to read:

3 4999.120. The board shall assess fees for the application for
4 and the issuance and renewal of licenses and for the registration
5 of associates to cover administrative and operating expenses of
6 the board related to this chapter. Fees assessed pursuant to this
7 section shall not exceed the following:

8 (a) The fee for the application for examination eligibility shall
9 be up to two hundred fifty dollars (\$250).

10 (b) The fee for the application for associate registration shall
11 be up to one hundred fifty dollars (\$150).

12 (c) The fee for the application for licensure shall be up to one
13 hundred eighty dollars (\$180).

14 (d) The fee for the board-administered clinical examination, if
15 the board chooses to adopt this examination in regulations, shall
16 be up to two hundred fifty dollars (\$250).

17 (e) The fee for the law and ethics examination shall be up to
18 one hundred fifty dollars (\$150).

19 (f) The fee for the issuance of a license shall be up to two
20 hundred fifty dollars (\$250).

21 (g) The fee for annual renewal of an associate registration shall
22 be up to one hundred fifty dollars (\$150).

23 (h) The fee for two-year renewal of licenses shall be up to two
24 hundred fifty dollars (\$250).

25 (i) The fee for issuance of a retired license shall be forty dollars
26 (\$40).

27 (j) The fee for rescoring an examination shall be twenty dollars
28 (\$20).

29 (k) The fee for issuance of a replacement license or registration
30 shall be twenty dollars (\$20).

31 (l) The fee for issuance of a certificate or letter of good standing
32 shall be twenty-five dollars (\$25).

33 SEC. 26. Section 5094 of the Business and Professions Code
34 is amended to read:

35 5094. (a) In order for education to be qualifying, it shall meet
36 the standards described in subdivision (b) or (c) of this section.

37 (b) At a minimum, education shall be from a degree-granting
38 university, college, or other institution of learning accredited by
39 a regional or national accrediting agency included in a list of these
40 agencies published by the United States Secretary of Education

1 under the requirements of the Higher Education Act of 1965 as
2 amended (20 U.S.C. Sec. 1001 et seq.).

3 (c) Education from a college, university, or other institution of
4 learning located outside the United States may be qualifying
5 provided it is deemed by the board to be equivalent to education
6 obtained under subdivision (b). The board may require an applicant
7 to submit documentation of his or her education to a credential
8 evaluation service approved by the board for evaluation and to
9 cause the results of this evaluation to be reported to the board in
10 order to assess educational equivalency.

11 (d) The board shall adopt regulations specifying the criteria and
12 procedures for approval of credential evaluation services. These
13 regulations shall, at a minimum, require that the credential
14 evaluation service (1) furnish evaluations directly to the board, (2)
15 furnish evaluations written in English, (3) be a member of the
16 American Association of Collegiate Registrars and Admissions
17 Officers, NAFSA: Association of International Educators, or the
18 National Association of Credential Evaluation Services, (4) be
19 used by accredited colleges and universities, (5) be reevaluated by
20 the board every five years, (6) maintain a complete set of reference
21 materials as specified by the board, (7) base evaluations only upon
22 authentic, original transcripts and degrees and have a written
23 procedure for identifying fraudulent transcripts, (8) include in the
24 evaluation report, for each degree held by the applicant, the
25 equivalent degree offered in the United States, the date the degree
26 was granted, the institution granting the degree, an English
27 translation of the course titles, and the semester unit equivalence
28 for each of the courses, (9) have an appeal procedure for applicants,
29 and (10) furnish the board with information concerning the
30 credential evaluation service that includes biographical information
31 on evaluators and translators, three letters of references from public
32 or private agencies, statistical information on the number of
33 applications processed annually for the past five years, and any
34 additional information the board may require in order to ascertain
35 that the credential evaluation service meets the standards set forth
36 in this subdivision and in any regulations adopted by the board.

37 SEC. 27. Section 5680.1 of the Business and Professions Code
38 is amended to read:

39 5680.1. Except as otherwise provided in this chapter, a license
40 that has expired may be renewed at any time within five years after

1 its expiration on filing of an application for renewal on a form
2 prescribed by the board, and payment of all accrued and unpaid
3 renewal fees. If the license is renewed more than 30 days after its
4 expiration, the licenseholder, as a condition precedent to renewal,
5 shall also pay the delinquency fee prescribed by this chapter.
6 Renewal under this section shall be effective on the date on which
7 the application is filed, on the date on which all renewal fees are
8 paid, or on the date on which the delinquency fee, if any, is paid,
9 whichever last occurs. If so renewed, the license shall continue in
10 effect through the date provided in Section 5680 that next occurs
11 after the effective date of the renewal, when it shall expire if it is
12 not again renewed.

13 SEC. 28. Section 5680.2 of the Business and Professions Code
14 is amended to read:

15 5680.2. A license that is not renewed within five years after
16 its expiration may not be renewed, restored, reissued, or reinstated
17 thereafter, but the holder of the expired license may apply for and
18 obtain a new license if:

19 (a) No fact, circumstance, or condition exists which, if the
20 license were issued, would justify its revocation or suspension.

21 (b) The holder of the expired license pays the fees required of
22 new applicants.

23 (c) The holder of the expired license takes and passes the current
24 California Supplemental Examination.

25 SEC. 29. Section 7075.1 of the Business and Professions Code
26 is amended to read:

27 7075.1. (a) No license, regardless of type or classification,
28 shall be transferable to any other person or entity under any
29 circumstances.

30 (b) A license number may be reissued after cancellation,
31 revocation, suspension, or expiration beyond the renewal period
32 specified in Section 7141, only under the following circumstances:

33 (1) To an individual upon application.

34 (2) To a partnership upon application if there is no change in
35 the partners or partnership structure.

36 (3) To a corporation upon application if there is no change in
37 the status of the corporation as registered with the Secretary of
38 State.

1 (4) To a limited liability company upon application if there is
2 no change in the status of the company as registered with the
3 Secretary of State.

4 (c) A license number may be reissued or reassigned to a different
5 entity only under the following conditions:

6 (1) To a corporation when the parent corporation has merged
7 or created a subsidiary, the subsidiary has merged into the parent
8 corporation, or the corporation has changed its filing status with
9 the Secretary of State from a domestic corporation to a foreign
10 corporation or from a foreign corporation to a domestic corporation,
11 and the new entity is being formed to continue the business of the
12 formerly licensed corporation.

13 (2) To a limited liability company when the parent limited
14 liability company has merged or created a subsidiary, the subsidiary
15 has merged into the parent limited liability company, or the limited
16 liability company has changed its filing status with the Secretary
17 of State from a domestic limited liability company to a foreign
18 limited liability company or from a foreign limited liability
19 company to a domestic limited liability company, and the new
20 entity is being formed to continue the business of the formerly
21 licensed limited liability company.

22 (3) To an individual when the individual is an immediate family
23 member of a licensed individual who is deceased or absent and
24 the license is required to continue an existing family contracting
25 business.

26 (4) To a corporation or limited liability company when created
27 by immediate members of an individual licensee's family to
28 continue an existing deceased or absent individual licensee's
29 contracting business.

30 (5) To a corporation or limited liability company when the
31 corporation or limited liability company is formed by an individual
32 licensee and the individual licensee maintains ownership directly
33 or indirectly of shares or membership interests evidencing more
34 than 50 percent of the voting power.

35 (6) To a limited liability company that is formed by a
36 corporation to continue the business of the corporation subsequent
37 to the cancellation of the corporate entity's license, provided the
38 personnel listed for each entity are the same.

39 (d) For purposes of this section, an immediate family member
40 of a deceased or absent licensed individual is either a spouse,

1 father, mother, brother, sister, son, daughter, stepson, stepdaughter,
2 grandson, granddaughter, son-in-law, or daughter-in-law.

3 SEC. 30. Section 7145.5 of the Business and Professions Code
4 is amended to read:

5 7145.5. (a) The registrar may refuse to issue, reinstate,
6 reactivate, or renew a license or may suspend a license for the
7 failure of a licensee to resolve all outstanding final liabilities, which
8 include taxes, additions to tax, penalties, interest, and any fees that
9 may be assessed by the board, the Department of Industrial
10 Relations, the Employment Development Department, the
11 Franchise Tax Board, or the State Board of Equalization.

12 (1) Until the debts covered by this section are satisfied, the
13 qualifying person and any other personnel of record named on a
14 license that has been suspended under this section shall be
15 prohibited from serving in any capacity that is subject to licensure
16 under this chapter, but shall be permitted to act in the capacity of
17 a nonsupervising bona fide employee.

18 (2) The license of any other renewable licensed entity with any
19 of the same personnel of record that have been assessed an
20 outstanding liability covered by this section shall be suspended
21 until the debt has been satisfied or until the same personnel of
22 record disassociate themselves from the renewable licensed entity.

23 (b) The refusal to issue a license or the suspension of a license
24 as provided by this section shall be applicable only if the registrar
25 has mailed a notice preliminary to the refusal or suspension that
26 indicates that the license will be refused or suspended by a date
27 certain. This preliminary notice shall be mailed to the licensee at
28 least 60 days before the date certain.

29 (c) In the case of outstanding final liabilities assessed by the
30 Franchise Tax Board, this section shall be operative within 60 days
31 after the Contractors' State License Board has provided the
32 Franchise Tax Board with the information required under Section
33 30, relating to licensing information that includes the federal
34 employer identification number, individual taxpayer identification
35 number, or social security number.

36 (d) All versions of the application for contractors' licenses shall
37 include, as part of the application, an authorization by the applicant,
38 in the form and manner mutually agreeable to the Franchise Tax
39 Board and the board, for the Franchise Tax Board to disclose the
40 tax information that is required for the registrar to administer this

1 section. The Franchise Tax Board may from time to time audit
2 these authorizations.

3 (e) In the case of outstanding final liabilities assessed by the
4 State Board of Equalization, this section shall not apply to any
5 outstanding final liability if the licensee has entered into an
6 installment payment agreement for that liability with the State
7 Board of Equalization and is in compliance with the terms of that
8 agreement.

9 SEC. 31. Section 7599.54 of the Business and Professions
10 Code is amended to read:

11 7599.54. (a) Except as provided by Section 7599.56, every
12 agreement, including, but not limited to, lease agreements,
13 monitoring agreements, and service agreements, including all
14 labor, services, and materials to be provided for the installation of
15 an alarm system, shall be in writing. Except as provided by Section
16 7599.56, all amendments subject to the provisions of this section
17 to an initial agreement shall be in writing. Each initial agreement
18 shall contain, but not be limited to, the following:

19 (1) The name, business address, business telephone number,
20 and license number of the licensed alarm company operator and
21 the registration number of any alarm agent who solicited or
22 negotiated the agreement.

23 (2) The approximate dates when the work will begin and be
24 substantially completed.

25 (3) A description of the work to be done, a description of the
26 materials to be used, and the agreed consideration for the work.

27 (4) A disclosure that alarm company operators are licensed and
28 regulated by the Bureau of Security and Investigative Services,
29 Department of Consumer Affairs, including the bureau's current
30 address and contact information.

31 (5) A description of the alarm system including the major
32 components thereof and services to be provided to the purchaser
33 once the alarm is installed, including response or monitoring
34 services, if any.

35 (6) Other matters agreed to by the parties of the contract. The
36 agreement shall be legible and shall be in a form as to clearly
37 describe any other document which is to be incorporated into the
38 contract, and, before any work is done, the client shall be furnished
39 with a copy of the written agreement signed by the licensee.

1 (7) A statement setting forth that upon completion of the
2 installation of the alarm system, the alarm company shall
3 thoroughly instruct the purchaser in the proper use of the alarm
4 system.

5 (8) In the event a mechanic's lien is to be utilized, a
6 notice-to-owner statement which shall describe, in nontechnical
7 language and in a clear and coherent manner using words with
8 common and everyday meaning, the pertinent provisions of this
9 state's mechanics' lien laws and the rights and responsibilities of
10 an owner of property and a contractor thereunder, including the
11 provisions relating to the filing of a contract concerning a work of
12 improvement with the county recorder and the recording in the
13 office of a contractor's payment bond for private work.

14 (9) For residential agreements entered into on or after January
15 1, 2017, that include an automatic renewal provision renewing the
16 agreement for a period of more than one month, a clear and distinct
17 disclosure shall be included separate from the terms and conditions
18 of the agreement advising the consumer that the agreement he or
19 she is entering into contains an automatic renewal provision. The
20 disclosure shall include the length of time of the renewal term and
21 specify that failure to provide notification of nonrenewal to the
22 licensee, as required in the agreement, will result in the automatic
23 renewal of the agreement. The consumer shall acknowledge being
24 advised of the automatic renewal provision by signing or initialing
25 the disclosure. The disclosure may be included on the same
26 document as the three-day right to cancel form required by Section
27 1689.7 of the Civil Code. The automatic renewal provision shall
28 be void and invalid without a separate acknowledgment of the
29 disclosure by the consumer.

30 (10) In addition to the above, every initial residential sales and
31 lease agreement, the total cost which over the time period fixed
32 by the agreement exceeds two hundred fifty dollars (\$250),
33 including the cost of all labor, service, or material to be provided
34 by the licensee for the installation, shall include, but not be limited
35 to, the following:

36 (A) A schedule of payments showing the amount of each
37 payment as a sum in dollars and cents. This schedule of payments
38 shall be referenced to the amount of work for services to be
39 performed or to any materials or equipment to be supplied.

1 (B) If the payment schedule contained in the agreement provides
2 for a downpayment to be paid to the licensee by the owner or the
3 tenant before commencement of the work, that downpayment shall
4 not exceed one thousand dollars (\$1,000) or 10 percent of the
5 contract price, excluding finance charges, whichever is the lesser.

6 (C) In no event shall the payment schedule provide that the
7 licensee receive, nor shall the licensee actually receive, payment
8 in excess of 100 percent of the value of the work performed on
9 the project at any time, excluding finance charges, except that the
10 licensee may receive an initial downpayment authorized by
11 subparagraph (B). A failure by the licensee, without legal excuse,
12 to substantially commence work within 20 days of the approximate
13 date specified in the contract when work is to commence, shall
14 postpone the next succeeding payment to the licensee for that
15 period of time equivalent to the time between when substantial
16 commencement was to have occurred and when it did occur.

17 (D) A notice-to-owner statement which shall describe, in
18 nontechnical language and in a clear and coherent manner using
19 words with common and everyday meaning, the pertinent
20 provisions of this state's mechanics' lien laws and the rights and
21 responsibilities of an owner of property and a contractor thereunder,
22 including the provisions relating to the filing of a contract
23 concerning a work of improvement with the county recorder and
24 the recording in the office of a contractor's payment bond for
25 private work.

26 (E) A description of what constitutes substantial commencement
27 of work pursuant to the contract.

28 (F) A disclosure that failure by the licensee, without legal
29 excuse, to substantially commence work within 20 days from the
30 approximate date specified in the agreement when the work will
31 begin is a violation of the Alarm Company Act.

32 (G) A disclosure informing the buyer of any potential permit
33 fees which may be required by local jurisdictions concerning the
34 monitoring of an existing alarm system.

35 (H) This section shall not be construed to prohibit the parties
36 to a residential alarm system sale contract from agreeing to a
37 contract or account subject to Chapter 1 (commencing with Section
38 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

39 (b) A violation of this section or failure to commence work
40 pursuant to subparagraph (F) of paragraph (10) of subdivision (a)

1 may result in a fine of one hundred dollars (\$100) for the first
2 violation and a fine of five hundred dollars (\$500) for each
3 subsequent violation.

4 SEC. 32. Section 7713 of the Business and Professions Code
5 is amended to read:

6 7713. A crematory shall at all times employ a licensed
7 crematory manager to manage, supervise, and direct its operations.

8 (a) Every crematory shall designate a licensed crematory
9 manager to manage the crematory, and shall report the designation
10 to the bureau within 10 days of the effective date. Any change in
11 the designated manager shall be reported to the bureau within 10
12 days. Notwithstanding any provision of this chapter to the contrary,
13 licensed crematories within close geographical proximity of each
14 other may request the bureau to allow a licensed crematory
15 manager to manage, supervise, and direct the business or profession
16 of more than one facility.

17 (b) The designated crematory manager shall be responsible for
18 exercising direct supervision and control over the operations,
19 employees, and agents of the crematory as is necessary to ensure
20 full compliance with the applicable provisions of this code, the
21 Health and Safety Code, and any regulations adopted thereto.
22 Failure of the designated crematory manager or the licensed
23 crematory to exercise that supervision or control shall constitute
24 a ground for disciplinary action.

25 (c) A crematory may employ, in addition to the designated
26 crematory manager, additional licensed crematory managers.
27 However, only one licensed crematory manager may be appointed
28 as the designated crematory manager of the crematory.

29 SEC. 33. Section 8567 of the Business and Professions Code
30 is amended to read:

31 8567. (a) Should a field representative or applicator change
32 his or her employment, or should an operator enter the employ of
33 a registered company, or being already employed by a registered
34 company change his or her employment, or being employed by a
35 registered company leave that employment and enter the pest
36 control business on his or her own behalf, he or she shall notify
37 the registrar on a form prescribed by the board and issued by the
38 registrar in accordance with rules and regulations adopted by the
39 board. The registrar shall register the change in his or her records.

1 (b) If a field representative, operator, or applicator fails to notify
2 the registrar within 30 days of the date a change of employment
3 occurs, a registered company may notify the registrar, on a form
4 prescribed by the board, that the field representative, operator, or
5 applicator is no longer associated with the registered company.

6 SEC. 34. Section 22352 of the Business and Professions Code
7 is amended to read:

8 22352. At the time of filing the initial certificate of registration,
9 a registrant shall pay the following fees to the county clerk:

10 (a) A fee of one hundred dollars (\$100).

11 (b) A fee to cover the actual costs of processing the completed
12 request for live scan when submitted with the initial certificate of
13 registration.

14 (c) A fee to cover the actual cost of issuing a registered process
15 server identification card.

16 SEC. 35. Section 1010 of the Evidence Code is amended to
17 read:

18 1010. As used in this article, "psychotherapist" means a person
19 who is, or is reasonably believed by the patient to be:

20 (a) A person authorized to practice medicine in any state or
21 nation who devotes, or is reasonably believed by the patient to
22 devote, a substantial portion of his or her time to the practice of
23 psychiatry.

24 (b) A person licensed as a psychologist under Chapter 6.6
25 (commencing with Section 2900) of Division 2 of the Business
26 and Professions Code.

27 (c) A person licensed as a clinical social worker under Chapter
28 14 (commencing with Section 4991) of Division 2 of the Business
29 and Professions Code, when he or she is engaged in applied
30 psychotherapy of a nonmedical nature.

31 (d) A person who is serving as a school psychologist and holds
32 a credential authorizing that service issued by the state.

33 (e) A person licensed as a marriage and family therapist under
34 Chapter 13 (commencing with Section 4980) of Division 2 of the
35 Business and Professions Code.

36 (f) A person registered as a psychological assistant who is under
37 the supervision of a licensed psychologist or board certified
38 psychiatrist as required by Section 2913 of the Business and
39 Professions Code, or a person registered as an associate marriage
40 and family therapist who is under the supervision of a licensed

1 marriage and family therapist, a licensed clinical social worker, a
2 licensed psychologist, or a licensed physician and surgeon certified
3 in psychiatry, as specified in Section 4980.44 of the Business and
4 Professions Code.

5 (g) A person registered as an associate clinical social worker
6 who is under supervision as specified in Section 4996.23 of the
7 Business and Professions Code.

8 (h) A person registered with the Board of Psychology as a
9 registered psychologist who is under the supervision of a licensed
10 psychologist or board certified psychiatrist.

11 (i) A psychological intern as defined in Section 2911 of the
12 Business and Professions Code who is under the supervision of a
13 licensed psychologist or board certified psychiatrist.

14 (j) A trainee, as defined in subdivision (c) of Section 4980.03
15 of the Business and Professions Code, who is fulfilling his or her
16 supervised practicum required by subparagraph (B) of paragraph
17 (1) of subdivision (d) of Section 4980.36 of, or subdivision (c) of
18 Section 4980.37 of, the Business and Professions Code and is
19 supervised by a licensed psychologist, a board certified psychiatrist,
20 a licensed clinical social worker, a licensed marriage and family
21 therapist, or a licensed professional clinical counselor.

22 (k) A person licensed as a registered nurse pursuant to Chapter
23 6 (commencing with Section 2700) of Division 2 of the Business
24 and Professions Code, who possesses a master's degree in
25 psychiatric-mental health nursing and is listed as a
26 psychiatric-mental health nurse by the Board of Registered
27 Nursing.

28 (l) An advanced practice registered nurse who is certified as a
29 clinical nurse specialist pursuant to Article 9 (commencing with
30 Section 2838) of Chapter 6 of Division 2 of the Business and
31 Professions Code and who participates in expert clinical practice
32 in the specialty of psychiatric-mental health nursing.

33 (m) A person rendering mental health treatment or counseling
34 services as authorized pursuant to Section 6924 of the Family
35 Code.

36 (n) A person licensed as a professional clinical counselor under
37 Chapter 16 (commencing with Section 4999.10) of Division 2 of
38 the Business and Professions Code.

39 (o) A person registered as an associate professional clinical
40 counselor who is under the supervision of a licensed professional

1 clinical counselor, a licensed marriage and family therapist, a
2 licensed clinical social worker, a licensed psychologist, or a
3 licensed physician and surgeon certified in psychiatry, as specified
4 in Sections 4999.42 to 4999.46, inclusive, of the Business and
5 Professions Code.

6 (p) A clinical counselor trainee, as defined in subdivision (g)
7 of Section 4999.12 of the Business and Professions Code, who is
8 fulfilling his or her supervised practicum required by paragraph
9 (3) of subdivision (c) of Section 4999.32 of, or paragraph (3) of
10 subdivision (c) of Section 4999.33 of, the Business and Professions
11 Code, and is supervised by a licensed psychologist, a
12 board-certified psychiatrist, a licensed clinical social worker, a
13 licensed marriage and family therapist, or a licensed professional
14 clinical counselor.

15 SEC. 36. Section 11165.7 of the Penal Code is amended to
16 read:

17 11165.7. (a) As used in this article, "mandated reporter" is
18 defined as any of the following:

19 (1) A teacher.

20 (2) An instructional aide.

21 (3) A teacher's aide or teacher's assistant employed by a public
22 or private school.

23 (4) A classified employee of a public school.

24 (5) An administrative officer or supervisor of child welfare and
25 attendance, or a certificated pupil personnel employee of a public
26 or private school.

27 (6) An administrator of a public or private day camp.

28 (7) An administrator or employee of a public or private youth
29 center, youth recreation program, or youth organization.

30 (8) An administrator, board member, or employee of a public
31 or private organization whose duties require direct contact and
32 supervision of children, including a foster family agency.

33 (9) An employee of a county office of education or the State
34 Department of Education whose duties bring the employee into
35 contact with children on a regular basis.

36 (10) A licensee, an administrator, or an employee of a licensed
37 community care or child day care facility.

38 (11) A Head Start program teacher.

39 (12) A licensing worker or licensing evaluator employed by a
40 licensing agency, as defined in Section 11165.11.

- 1 (13) A public assistance worker.
- 2 (14) An employee of a child care institution, including, but not
3 limited to, foster parents, group home personnel, and personnel of
4 residential care facilities.
- 5 (15) A social worker, probation officer, or parole officer.
- 6 (16) An employee of a school district police or security
7 department.
- 8 (17) A person who is an administrator or presenter of, or a
9 counselor in, a child abuse prevention program in a public or
10 private school.
- 11 (18) A district attorney investigator, inspector, or local child
12 support agency caseworker, unless the investigator, inspector, or
13 caseworker is working with an attorney appointed pursuant to
14 Section 317 of the Welfare and Institutions Code to represent a
15 minor.
- 16 (19) A peace officer, as defined in Chapter 4.5 (commencing
17 with Section 830) of Title 3 of Part 2, who is not otherwise
18 described in this section.
- 19 (20) A firefighter, except for volunteer firefighters.
- 20 (21) A physician and surgeon, psychiatrist, psychologist, dentist,
21 resident, intern, podiatrist, chiropractor, licensed nurse, dental
22 hygienist, optometrist, marriage and family therapist, clinical social
23 worker, professional clinical counselor, or any other person who
24 is currently licensed under Division 2 (commencing with Section
25 500) of the Business and Professions Code.
- 26 (22) An emergency medical technician I or II, paramedic, or
27 other person certified pursuant to Division 2.5 (commencing with
28 Section 1797) of the Health and Safety Code.
- 29 (23) A psychological assistant registered pursuant to Section
30 2913 of the Business and Professions Code.
- 31 (24) A marriage and family therapist trainee, as defined in
32 subdivision (c) of Section 4980.03 of the Business and Professions
33 Code.
- 34 (25) An unlicensed associate marriage and family therapist
35 registered under Section 4980.44 of the Business and Professions
36 Code.
- 37 (26) A state or county public health employee who treats a minor
38 for venereal disease or any other condition.
- 39 (27) A coroner.

1 (28) A medical examiner or other person who performs
2 autopsies.

3 (29) A commercial film and photographic print or image
4 processor as specified in subdivision (e) of Section 11166. As used
5 in this article, “commercial film and photographic print or image
6 processor” means a person who develops exposed photographic
7 film into negatives, slides, or prints, or who makes prints from
8 negatives or slides, or who prepares, publishes, produces, develops,
9 duplicates, or prints any representation of information, data, or an
10 image, including, but not limited to, any film, filmstrip, photograph,
11 negative, slide, photocopy, videotape, video laser disc, computer
12 hardware, computer software, computer floppy disk, data storage
13 medium, CD-ROM, computer-generated equipment, or
14 computer-generated image, for compensation. The term includes
15 any employee of that person; it does not include a person who
16 develops film or makes prints or images for a public agency.

17 (30) A child visitation monitor. As used in this article, “child
18 visitation monitor” means a person who, for financial
19 compensation, acts as a monitor of a visit between a child and
20 another person when the monitoring of that visit has been ordered
21 by a court of law.

22 (31) An animal control officer or humane society officer. For
23 the purposes of this article, the following terms have the following
24 meanings:

25 (A) “Animal control officer” means a person employed by a
26 city, county, or city and county for the purpose of enforcing animal
27 control laws or regulations.

28 (B) “Humane society officer” means a person appointed or
29 employed by a public or private entity as a humane officer who is
30 qualified pursuant to Section 14502 or 14503 of the Corporations
31 Code.

32 (32) A clergy member, as specified in subdivision (d) of Section
33 11166. As used in this article, “clergy member” means a priest,
34 minister, rabbi, religious practitioner, or similar functionary of a
35 church, temple, or recognized denomination or organization.

36 (33) Any custodian of records of a clergy member, as specified
37 in this section and subdivision (d) of Section 11166.

38 (34) An employee of any police department, county sheriff’s
39 department, county probation department, or county welfare
40 department.

1 (35) An employee or volunteer of a Court Appointed Special
2 Advocate program, as defined in Rule 5.655 of the California Rules
3 of Court.

4 (36) A custodial officer, as defined in Section 831.5.

5 (37) A person providing services to a minor child under Section
6 12300 or 12300.1 of the Welfare and Institutions Code.

7 (38) An alcohol and drug counselor. As used in this article, an
8 “alcohol and drug counselor” is a person providing counseling,
9 therapy, or other clinical services for a state licensed or certified
10 drug, alcohol, or drug and alcohol treatment program. However,
11 alcohol or drug abuse, or both alcohol and drug abuse, is not, in
12 and of itself, a sufficient basis for reporting child abuse or neglect.

13 (39) A clinical counselor trainee, as defined in subdivision (g)
14 of Section 4999.12 of the Business and Professions Code.

15 (40) An associate professional clinical counselor registered
16 under Section 4999.42 of the Business and Professions Code.

17 (41) An employee or administrator of a public or private
18 postsecondary educational institution, whose duties bring the
19 administrator or employee into contact with children on a regular
20 basis, or who supervises those whose duties bring the administrator
21 or employee into contact with children on a regular basis, as to
22 child abuse or neglect occurring on that institution’s premises or
23 at an official activity of, or program conducted by, the institution.
24 Nothing in this paragraph shall be construed as altering the
25 lawyer-client privilege as set forth in Article 3 (commencing with
26 Section 950) of Chapter 4 of Division 8 of the Evidence Code.

27 (42) An athletic coach, athletic administrator, or athletic director
28 employed by any public or private school that provides any
29 combination of instruction for kindergarten, or grades 1 to 12,
30 inclusive.

31 (43) (A) A commercial computer technician as specified in
32 subdivision (e) of Section 11166. As used in this article,
33 “commercial computer technician” means a person who works for
34 a company that is in the business of repairing, installing, or
35 otherwise servicing a computer or computer component, including,
36 but not limited to, a computer part, device, memory storage or
37 recording mechanism, auxiliary storage recording or memory
38 capacity, or any other material relating to the operation and
39 maintenance of a computer or computer network system, for a fee.
40 An employer who provides an electronic communications service

1 or a remote computing service to the public shall be deemed to
2 comply with this article if that employer complies with Section
3 2258A of Title 18 of the United States Code.

4 (B) An employer of a commercial computer technician may
5 implement internal procedures for facilitating reporting consistent
6 with this article. These procedures may direct employees who are
7 mandated reporters under this paragraph to report materials
8 described in subdivision (e) of Section 11166 to an employee who
9 is designated by the employer to receive the reports. An employee
10 who is designated to receive reports under this subparagraph shall
11 be a commercial computer technician for purposes of this article.
12 A commercial computer technician who makes a report to the
13 designated employee pursuant to this subparagraph shall be deemed
14 to have complied with the requirements of this article and shall be
15 subject to the protections afforded to mandated reporters, including,
16 but not limited to, those protections afforded by Section 11172.

17 (44) Any athletic coach, including, but not limited to, an
18 assistant coach or a graduate assistant involved in coaching, at
19 public or private postsecondary educational institutions.

20 (45) An individual certified by a licensed foster family agency
21 as a certified family home, as defined in Section 1506 of the Health
22 and Safety Code.

23 (46) An individual approved as a resource family, as defined in
24 Section 1517 of the Health and Safety Code and Section 16519.5
25 of the Welfare and Institutions Code.

26 (b) Except as provided in paragraph (35) of subdivision (a),
27 volunteers of public or private organizations whose duties require
28 direct contact with and supervision of children are not mandated
29 reporters but are encouraged to obtain training in the identification
30 and reporting of child abuse and neglect and are further encouraged
31 to report known or suspected instances of child abuse or neglect
32 to an agency specified in Section 11165.9.

33 (c) Except as provided in subdivision (d), employers are strongly
34 encouraged to provide their employees who are mandated reporters
35 with training in the duties imposed by this article. This training
36 shall include training in child abuse and neglect identification and
37 training in child abuse and neglect reporting. Whether or not
38 employers provide their employees with training in child abuse
39 and neglect identification and reporting, the employers shall

1 provide their employees who are mandated reporters with the
2 statement required pursuant to subdivision (a) of Section 11166.5.

3 (d) Pursuant to Section 44691 of the Education Code, school
4 districts, county offices of education, state special schools and
5 diagnostic centers operated by the State Department of Education,
6 and charter schools shall annually train their employees and persons
7 working on their behalf specified in subdivision (a) in the duties
8 of mandated reporters under the child abuse reporting laws. The
9 training shall include, but not necessarily be limited to, training in
10 child abuse and neglect identification and child abuse and neglect
11 reporting.

12 (e) (1) On and after January 1, 2018, pursuant to Section
13 1596.8662 of the Health and Safety Code, a child care licensee
14 applicant shall take training in the duties of mandated reporters
15 under the child abuse reporting laws as a condition of licensure,
16 and a child care administrator or an employee of a licensed child
17 day care facility shall take training in the duties of mandated
18 reporters during the first 90 days when he or she is employed by
19 the facility.

20 (2) A person specified in paragraph (1) who becomes a licensee,
21 administrator, or employee of a licensed child day care facility
22 shall take renewal mandated reporter training every two years
23 following the date on which he or she completed the initial
24 mandated reporter training. The training shall include, but not
25 necessarily be limited to, training in child abuse and neglect
26 identification and child abuse and neglect reporting.

27 (f) Unless otherwise specifically provided, the absence of
28 training shall not excuse a mandated reporter from the duties
29 imposed by this article.

30 (g) Public and private organizations are encouraged to provide
31 their volunteers whose duties require direct contact with and
32 supervision of children with training in the identification and
33 reporting of child abuse and neglect.

34 SEC. 37. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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AGENDA ITEM D-3

Review, Discussion, and Possible Action to Recommend to the Board the Initiation of a Rulemaking to Amend Title 16, California Code of Regulations (16 CCR) Sections 853, 858.1, 858.2, 869, 869.9, and 872 (Renewal Application Form, Blanket Performance and Payment Bond Requirements, Application for Approval of Blanket Performance and Payment Bond, Criteria for Rehabilitation, Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure, and Disclosure of General Liability Insurance)





CONTRACTORS STATE LICENSE BOARD

TITLE 16, CALIFORNIA CODE OF REGULATIONS

CONTRACTORS STATE LICENSE BOARD ORIGINALLY PROPOSED LANGUAGE SUMMARY

California Code of Regulations Title 16, Division 8

CCR Section	Proposed Action	Reason/Justification
853	Revise language to add a provision allowing for the emailing of license renewal notifications and to clarify provisions relating to delinquent renewals	<p>Business and Professions Code (BPC) section 7140 sets forth provisions for renewing an unexpired license. Section 7141 relates to renewing an expired license, including when a delinquency fee would be due.</p> <p>These changes are proposed in order to expand outreach regarding license renewals, to comply with the Code, and to clarify these provisions for licensees.</p>
858.1	Revise the bond form used for a blanket performance and payment bond	<p>The holder of a blanket performance and payment bond is exempt from various home improvement contract requirements relating to down payments and progress payments, as provided in BPC section 7159.5 (a)(8). Section 7159.5 (a)(8) refers to Section 7159, which defines “home improvement contract” with a provision that the project’s contract(s) exceed five hundred dollars (\$500).</p> <p>The blanket bond form is being revised to refer to that code section for the home improvement contract definition and to incorporate a reference to the five hundred dollar (\$500) contract amount. The form revisions will also provide a space for the total amount of the blanket bond that is sufficient to pay the aggregate sum of all contracts covered thereunder.</p> <p>These changes are proposed in order to comply with the Code and to clarify these provisions for licensees and surety companies.</p>



858.2	Revise the minimum time period of licensure required to hold a blanket performance and payment bond from five years to two years	<p>SB 1479 (Stats. 2016, Ch. 634) recently revised BPC section 7159.5 (a)(8) to allow licensees to apply for approval to hold a blanket bond after just two (2) years of active licensure rather than the existing five-year requirement.</p> <p>These changes are proposed in order to comply with the Code and to clarify these provisions for licensees.</p>
869	Revise criteria for rehabilitation in relation to applicants with prior criminal conviction(s)	<p>BPC general provision section 480 was revised by AB 2396 (Stats. 2014, Ch. 737) with the inclusion of additional Penal Code sections to consider when determining if an applicant with prior criminal conviction(s) has been sufficiently rehabilitated for licensure.</p> <p>These changes are proposed in order to comply with the Code and to clarify these provisions for applicants.</p>
869.9	Revise criteria for date of reapplication after denial of application based on prior criminal conviction(s)	<p>AB 2396 also changed BPC section 480 with the addition of Penal Code sections to consider when determining the earliest date a previously denied applicant with prior criminal conviction(s) may reapply for licensure.</p> <p>These changes are proposed in order to comply with the Code and to clarify these provisions for applicants.</p>
872	Revise provisions for disclosure of general liability insurance information in home improvement contracts	<p>BPC section 7159 (e)(1) contains the general liability insurance disclosure provisions that are also included in existing Section 872 (a). The duplicative provisions are being removed.</p> <p>In 2012, CSLB began licensing limited liability companies (LLC), which are the only business entity type of contractors to have specific liability insurance requirements. Language is being added to include LLC liability insurance requirements.</p> <p>These changes are proposed in order to comply with the Code and to clarify these provisions for licensees.</p>



**CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE**

**California Code of Regulations
Title 16, Division 8**

Article 5. Renewal of License

Amend Section 853 as follows:

§853. Renewal Application Form

(a) The Registrar shall mail to each licensee, prior to the expiration of the license, a renewal form with complete instructions for renewal of the license. In addition, for each licensee for which the Board has an email address of record, the Board may send a notice regarding the license expiration and the renewal form to the email of record.

(b) A renewal application ~~is delinquent if not postmarked by~~ and fee must be postmarked or hand-delivered to the Board's headquarters office on or before the expiration date of the license. Failure to comply with the requirements of this subsection shall result in the renewal application being deemed delinquent.

(c) An incomplete renewal application shall be returned to the licensee by the Registrar with an explanation of the reasons for its rejection. ~~If the~~ The licensee shall resubmit the completed renewal application to the Board postmarked or hand-delivered to the Board's headquarters office ~~is not returned on or~~ before the expiration date of the license. ~~, the license shall expire~~ Failure to comply with this subsection shall result in the expiration of the license as provided in Section 7140 of the Code.

(d) An expired license shall not be renewed until any accrued delinquency fee has been paid.

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7137, 7140, and 7141, Business and Professions Code.



Article 6. Bonds

Amend Section 858.1 as follows:

§858.1. Blanket Performance and Payment Bond Requirements

(a) A blanket bond that is filed on behalf of a licensee to satisfy the provisions of Section 858 shall be underwritten for a dollar amount that is sufficient to cover one-hundred percent (100%) of the home improvement contracts for which the licensee has an obligation.

(b) Upon written request by a licensee, the Registrar is authorized to approve a blanket bond that is capped according to the schedule listed under subsection (c) provided the following conditions are met:

(1) The licensee, or the parent company of the licensee, is required to submit annual reports (Form 10-K) to the United States Securities and Exchange Commission (U.S. SEC).

(2) Upon the filing of a request that the blanket bond be capped, a copy of the most recently filed Form 10-K shall be submitted to the Registrar. Thereafter, a copy of any Form 10-K report shall be submitted to the Registrar within 10 days of filing with the U.S. SEC.

(3) The net worth of the applicable firm shall, initially and annually thereafter, be not less than 10 times the sum of the blanket bond as determined by the Registrar. Each net worth calculation shall be applicable to the period for which the most recent Form 10-K report was submitted to the U.S. SEC.

(c) The blanket bonds for which a request has been submitted under subsection (b) shall comply with the following schedule:

(1) If a licensee, or the parent company of a licensee, is classified as a “large accelerated filer” by the U.S. SEC, the amount of the blanket bond shall be \$10 million.



(2) If a licensee, or the parent company of a licensee, is classified as an “accelerated filer” by the U.S. SEC, the amount of the blanket bond shall be \$5 million.

(3) If a licensee, or the parent company of a licensee, is classified as a “non-accelerated filer” by the U.S. SEC, the amount of the blanket bond shall be \$1 million.

(d) A licensee who is granted approval of a blanket bond pursuant to subsections (b) and (c) is not subject to the biennial financial reporting requirement specified under Section 858.4(a)(2). However, the qualifier's certification statement must be submitted biennially as specified under that section.

(e) For the purpose of executing the qualifier's certification statement required under Section 858.2(a)(4), the provisions of subsections (a), (b), and (c) of Section 858.1 shall be referenced collectively as “the 100% rule.”

On the date that this section becomes effective, any licensee that has a blanket bond on file with the Board that fails to comply with the 100% rule shall achieve compliance not later than 90 days after the effective date of the section. The Registrar is authorized to rescind the approval of the blanket bond in accordance with the provisions of Section 858.8 of this Article if the licensee fails to comply with any provision of this section.

(f) The form of the blanket bond specified under this section is subject to the approval of the Registrar and shall conform to the following with regard to content:

This bond shall be filed with the Registrar of Contractors

State of California

Contractors State License Board

Surety Code: _____

Bond No.: _____

License No.: _____

BLANKET PERFORMANCE AND PAYMENT BOND

~~13B-39 (Rev. 08/11)~~



(Business and Professions Code Section 7159.5)

The term of this bond is _____ to _____,

KNOW ALL BY THESE PRESENTS: That _____.

(Business Name as Shown on the License)

whose address for service is

_____.

(Street Address)

(City)

(State)

(Zip Code)

as Principal, and _____.

(Name of Surety)

a corporation organized under the laws of the State of _____

and authorized to transact a general surety business in the State of California, as

Surety, are held and firmly bound unto each owner or tenant of a residence or dwelling

unit as the beneficiaries with whom the Principal, as of the date of this bond and

thereafter, enters into a home improvement contract as defined in Section ~~7151.2~~ 7159

of the Business ~~&~~ and Professions Code for repairing, remodeling, altering, converting,

~~or~~ modernizing, or adding to such building or structure; and the aggregate contract price

specified in one or more improvement contracts including all labor, services, and

materials to be furnished by the Principal as the contractor exceeds five hundred dollars

(\$500). ~~_____ Dollars (_____)~~ in ~~in~~ the just and full

sum of the amount of each individual contract for which sum, well and truly to be paid,

we bind ourselves, our heirs, executors, successors, and assigns, jointly and severally,

firmly by these presents. The liability for all contracts covered hereunder shall have an

aggregate sum not to exceed the total amount of this bond, herein prescribed in the

amount of

_____ (\$ _____).

(BOND DOLLAR AMOUNT)



THE CONDITION OF THE OBLIGATION IS SUCH, That, WHEREAS, Sections 7159 and 7159.5 of the Business & Professions Code provide for bonding requirements for contractors entering into contracts covered by these provisions of law, AND, WHEREAS, the Principal desires to file a blanket guarantee to operate as security in accordance with Section 995.020 of the Code of Civil Procedure, to cover the performance and payment of all obligations resultant from such contracts in order to conduct business under the exemptions specified under paragraph (8) of subdivision (a) of Section 7159.5 of the Business & Professions Code.

NOW THEREFORE, if the Principal shall well and truly perform and fulfill all the understandings, covenants, terms, conditions, and agreements of said contracts, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contracts; and if the Principal shall promptly make payments to all persons, whether or not in direct contractual relationship with Principal, supplying labor or material or both for the prosecution of the work provided in said contracts, then this obligation is to be void; otherwise, it is to remain in full force and effect as though separate bonds in the full amount of the contract price had been written on the individual contracts.

PROVIDED, HOWEVER, this bond is issued subject to the following express conditions:

1. This bond may be cancelled by the surety in accordance with the provisions of Sections 996.310 et seq. of the Code of Civil Procedure.
2. This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and shall continue beyond that period and every succeeding license period or periods for which said Principal may hold this license or until the effective date of rescission of the Registrar's approval of the bond, after which liability hereunder shall cease in accordance with provisions of Section 996.360 of the Code of Civil Procedure.
3. This bond to become effective _____

(Date)



4. Even though this bond may be in effect for more than one year, the surety's aggregate liability for all contracts covered hereunder shall in no event exceed the amount set forth above.

5. The surety signing this bond is jointly and severally liable on the obligations of the bond, the obligations of the statutes providing for this bond, and the applicable provisions of the Code of Civil Procedure regarding bonds.

(Name of Surety)

(Address for Service)

I declare under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of attorney. I further declare that I have relied upon the "Qualifier's Certification Statement" to determine that, as of the date of execution, the penal sum of this bond is a good faith valuation of the funds required to safeguard the financial interests of the beneficiaries relative to the obligations for which this bond is posted.

Executed in _____, _____ on _____,
(City and State) (Date)

under the laws of the State of California.

Certificate of Authority # _____

Signature of Attorney-in-Fact _____

Printed or Typed Name of Attorney-in-Fact _____

Address of Attorney-in-Fact _____

Telephone Number of Attorney-in-Fact (_____) _____

Signature of Principal (Qualifier for the License) _____

[13B-39 \(rev. 05/17\)](#)

Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7151.2, 7159, and 7159.5, Business and Professions Code.



Amend Section 858.2 as follows:

§858.2. Application for Approval of Blanket Performance and Payment Bond

(a) A licensee seeking approval of a blanket bond shall meet the applicable conditions specified under this Article and submit to the Board an Application for Approval of Blanket Performance and Payment Bond, form 13B-35 (11/2011), that includes the following information:

- (1) The name and address of the licensee as listed on the license record and the license number.
- (2) The name of every person listed on the license record of the applicant who, as specified under Section 7068 of the Code, is acting as a qualifier for the license.
- (3) The reviewed year-end financial statements and a report prepared by a certified public accountant (CPA) duly licensed by the California Board of Accountancy or licensed by another state board of accountancy. The reviewed financial statements shall include supplemental information related to the liquidity ratios of the licensee's business and shall particularly include the current ratio and the quick ratio, the calculations for which are specified under subparagraphs (A) and (B) below. The review report, or a separate supplementary report, shall include an explanation that the information has been subject to the review of the CPA. The review report shall cover the two fiscal years immediately preceding application for approval of the blanket bond, and should be prepared in accordance with the current Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accounts.
 - (A) Current ratio calculation: current assets; divided by current liabilities.
 - (B) Quick ratio calculation: current assets minus inventory; divided by current liabilities.
- (4) A certification statement, signed under penalty of perjury by the qualifier for the license, which shall conform to the following language:

QUALIFIER'S CERTIFICATION STATEMENT

(Unless otherwise noted, all section references are to the California Business & Professions Code.)



The undersigned declares that, in accordance with Sections 7068 and 7068.1 of the Code, he or she is a qualifier for the licensee identified below (hereafter referred to as "licensee") and is responsible for exercising the direct supervision and control of the licensee's operations as is necessary to secure full compliance with the laws and regulations that are under the jurisdiction of the Contractors State License Board. As a qualifier of the licensee, the undersigned has reviewed sufficient financial information to execute this certification as it pertains to the licensee's home improvement sales and services that are subject to the home improvement contract requirements specified under Section 7159 of the Code. As of close of business on _____ the

(Date)

blanket performance and payment bond (bond) number _____ issued by

(Bond Number)

_____ as surety is, according to my comprehension

(Name of Surety Company)

of the data derived from the licensee, in an aggregate amount that is sufficient to comply with the "100% rule" as specified in the provisions of Section 858.1 of Title 16, Division 8 of the California Code of Regulations. The undersigned also certifies that he or she will monitor the relevant business activity of the licensee; exercise due diligence to secure ongoing compliance with the 100% rule; and notify the Registrar within 30 days of the licensee's refusal, failure, or inability to comply with the 100% rule.

The undersigned also certifies that, upon approval of the blanket bond by the Registrar, the contract forms that will be used by the licensee for all transactions which are subject to Section 7159 of the Code will contain a notice which informs the property owner that a blanket performance and payment bond is on file with the Registrar of Contractors, or in lieu thereof, a notice that clearly identifies the name and address of the surety that has issued the blanket performance and payment bond.

As a qualifying individual for the licensee, I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on _____ at _____, _____.



(Date)

(City and State)

(Name of Licensee as it Appears on the License)

(License Number)

(Printed Name of Qualifier)

(Signature of Qualifier)

(b) A licensee shall be licensed in this state in an active status for not less than ~~five~~two (2) years prior to submitting the application provided for by this section.

(c) Except as otherwise provided under this subsection, an application for approval of a blanket bond shall not be accepted for consideration if any member of the personnel of record of the licensee, or any home improvement salespersons registered to the licensee, was found to have been responsible for, participated in, or otherwise culpable relative to any legal action that is subject to disclosure under Section 7124.6(e)(2) or 7124.6 (e)(3) of the Code, or is named on a license that is suspended pursuant to Section 7071.17 of the Code.

(1) Any person who, after the effective date of the most recent disciplinary order applicable to that individual, is listed on an active license for three (3) consecutive years with no violations resulting in disciplinary action may make application as provided under this Article.

(d) The application shall be signed by the person qualifying on behalf of the licensee who has executed the qualifier's certification statement required under this section. In the case of a responsible managing employee qualifier, the application shall also be signed by the owner, partner, or current corporate officer.

(e) The application shall be accompanied by a blanket bond that complies with the provisions of Section 858.1 of this Article and is underwritten by a surety that has been admitted in the State of California.



Note: Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7068, 7068.1, [7071.17](#), 7124.6, 7159, and 7159.5, Business and Professions Code.

Article 7. Special Provisions

Amend Section 869 as follows:

§869. Criteria for Rehabilitation

(a) When considering the denial, suspension, or revocation of a license pursuant to Division 1.5 (commencing with Section 475) of the code, the Board in evaluating the applicant's or licensee's rehabilitation and present eligibility for a license will consider the following criteria:

(1) Subject to the provisions of subsection (a)(2), an applicant or licensee may be determined to be rehabilitated if he or she meets the following criteria:

(A) For felony convictions that are substantially related to the qualifications, functions, or duties of a licensee as defined in Section 868, seven (7) years have passed from the time of release from incarceration or completion of probation if no incarceration was imposed, without the occurrence of additional criminal activity or substantially-related acts.

(B) For misdemeanor convictions that are substantially related to the qualifications, functions, or duties of a licensee as defined in Section 868, three (3) years have passed from the time of release from incarceration or completion of probation if no incarceration was imposed, without the occurrence of additional criminal activity or substantially-related acts.

(C) For acts that are substantially related to the qualifications, functions, or duties of a licensee as defined in Section 868, three (3) years have passed from the time of commission of the act(s), without the occurrence of criminal activity or additional substantially-related acts.



(2) The amount of time needed to demonstrate rehabilitation under subsection (a)(1) may be increased or decreased by taking into account the following:

(A) The nature and severity of the crime(s) or act(s) that are under consideration as, or that were, the grounds for denial, suspension, or revocation.

(B) Evidence of any crime(s) or act(s) committed subsequent to the crime(s) or act(s) that are under consideration as, or that were, the grounds for denial, suspension, or revocation, which also could be considered as grounds for denial, suspension, or revocation.

(C) The time that has elapsed since commission of the crime(s) or act(s) that are under consideration as, or that were, the grounds for denial, suspension, or revocation.

(D) The extent to which the applicant or licensee has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant or licensee.

(E) Consistent work history subsequent to the release from incarceration, or the completion of probation if no incarceration was imposed, or subsequent to the time of commission of the act(s).

(F) Documents or testimony from credible individuals who have personal knowledge of the applicant's or licensee's life and activities subsequent to the time of commission of the crime(s) or act(s) who can attest to the applicant's or licensee's present fitness for licensure.

(G) If applicable, evidence of [a plea of guilty or of nolo contendere, a verdict of guilty, or a conviction having been withdrawn, set aside, or dismissed, and records having been sealed or expunged](#) ~~document proceedings~~ pursuant to Section 1203.4, [1203.4a](#), or [1203.41](#) of the Penal Code.

(H) Other relevant evidence, if any, of rehabilitation submitted by the applicant or licensee. For example, relevant evidence may include evidence of recovery from drug and/or alcohol addiction or abuse or completion of a drug and/or alcohol aversion program if the crime(s) or act(s) related to or involved drug and/or alcohol use; or



evidence of completion of an anger management program if the crime(s) or act(s) demonstrated the applicant's or licensee's inability to control one's temper.

(b) When considering a petition for reinstatement of the license of a contractor, the Board shall evaluate evidence of rehabilitation submitted by the petitioner, considering those criteria specified in subsection (a).

Note: Authority cited: Sections 482 and 7008, Business and Professions Code.

Reference: Sections 480, 482, 490, 496, 7066, 7069, 7073, 7123, and 7124, Business and Professions Code; [and Sections 1203.4, 1203.4a, and 1203.41, Penal Code.](#)

Amend Section 869.9 as follows:

§869.9. Criteria to Aid in Determining Earliest Date a Denied Applicant May Reapply for Licensure

(a) For an applicant who is denied licensure pursuant to subdivision (a) of Section 480 of the Business and Professions Code, the date of reapplication shall be set by the registrar at not less than one year nor more than five years after the denial. When computing the date for reapplication, the time shall commence from the effective date of the decision if an appeal is made or from the service of the notice under Section 485(b) if a request for hearing is not made. The registrar will consider the following criteria when setting the reapplication date of an individual who was denied a license:

(1) For felony convictions that are substantially related to the qualifications, functions, or duties of a licensee as defined in Section 868, seven (7) years have passed from the time of release from incarceration or completion of probation if no incarceration was imposed, without the occurrence of additional criminal activity or substantially-related acts.

(2) For misdemeanor convictions that are substantially related to the qualifications, functions, or duties of a licensee as defined in Section 868, three (3) years have passed from the time of release from incarceration or completion of probation if no incarceration was imposed, without the occurrence of additional criminal activity or substantially-related acts.



- (3) For acts that are substantially related to the qualifications, functions, or duties of a licensee as defined in Section 868, three (3) years have passed from the time of commission of the act(s), without the occurrence of criminal activity or additional substantially-related acts.
- (4) The nature and severity of the crime(s) or act(s) that were the grounds for denial.
- (5) Evidence of any crime(s) or act(s) committed subsequent to the crime(s) or act(s) that were the grounds for denial, which also could be considered as grounds for denial.
- (6) The time that has elapsed since commission of the crime(s) or act(s) that were the grounds for denial.
- (7) The extent to which the applicant or licensee has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant.
- (8) Consistent work history subsequent to the release from incarceration, or the completion of probation if no incarceration was imposed, or subsequent to the time of commission of the act(s).
- (9) Documents or testimony from credible individuals who have personal knowledge of the applicant's life and activities subsequent to the time of commission of the crime(s) or act(s) who can attest to the applicant's present fitness for licensure.
- (10) If applicable, evidence of [a plea of guilty or of nolo contendere, a verdict of guilty, or a conviction having been withdrawn, set aside, or dismissed, and records having been sealed or expunged](#)~~ment proceedings~~ pursuant to Section 1203.4, [1203.4a, or 1203.41](#) of the Penal Code.
- (11) Other relevant evidence, if any, of eligibility for reapplication submitted by the applicant. For example, relevant evidence may include evidence of recovery from drug and/or alcohol addiction or abuse or completion of a drug and/or alcohol aversion program if the crime(s) or act(s) related to or involved drug and/or alcohol use; or evidence of completion of an anger management program if the crime(s) or act(s) demonstrated the applicant's or licensee's inability to control one's temper.



(b) Nothing in this section shall preclude the registrar from denying the license of an applicant who was previously denied a license and who is eligible for reapplication in accordance with this section.

Note: Authority cited: Sections 482, 7008 and 7073, Business and Professions Code.
Reference: Sections 480, 482, [485](#), 486, 496, 7066, 7069, 7073, and 7124, Business and Professions Code; [and Sections 1203.4, 1203.4a, and 1203.41, Penal Code](#).

Amend Section 872 as follows:

§872. Disclosure of General Liability Insurance.

~~(a) As used in this regulation, “home improvement contract” is defined in Code Section 7151.2. The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract. The heading shall be printed in at least 14 point type, the questions in at least 12 point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. **This is 14-point type. This is 12-point type.** *This is 11-point type in italics.*~~



~~This is 14 point type. This is 12-point type. This is 11-point type in italics.~~



~~Pursuant to Bus. & Prof. §7159.3 (SB 2029), home improvement contractors must provide this notice and disclose whether or not they carry commercial general liability insurance.~~



~~**Information about Commercial General Liability Insurance.**~~

~~**Did your contractor tell you whether he or she carries Commercial General Liability Insurance?**~~

~~*Home improvement contractors are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the bid, if there is one, and the contract.*~~

~~**What does this insurance cover?**~~

~~*Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.*~~

~~**Is this insurance required?**~~

~~*No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?*~~

~~**How can you make sure the contractor is insured?**~~

~~*If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.*~~

~~**What about a contractor who is self-insured?**~~

~~*A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance?*~~

~~For more information about Commercial General Liability Insurance, contact the **Contractors State License Board** at **www.cslb.ca.gov** or call **800-321-CSLB (2752)**.~~

~~(b) The following statement must accompany every contract described type, the questions in at least 12-point type, and the comments in italics in Code Section 7164. The heading shall be printed in at least 14-point of at least 11-point type. The text should be bold where indicated.~~

Pursuant to Bus. & Prof. §7159.3 (SB 2029), home improvement contractors must provide this notice and disclose whether or not they carry commercial general liability insurance.



~~This is 14-point type. This is 12-point type. This is 11-point type in italics.~~



~~Pursuant to Bus. & Prof. § 97164 (SB 2029), contractors building single-family residences for owners who intend to occupy the home for at least a year must provide this notice and disclose whether or not they carry commercial general liability insurance.~~



~~**Information about Commercial General Liability Insurance**~~

~~**Did your contractor tell you whether he or she carries Commercial General Liability Insurance?**~~

~~*Contractors building single-family residences for owners who intend to occupy the home for at least a year are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the contract.*~~

~~**What does this insurance cover?**~~

~~*Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.*~~

~~**Is this insurance required?**~~

~~*No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?*~~

~~**How can you make sure the contractor is insured?**~~

~~*If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.*~~

~~**What about a contractor who is self-insured?**~~

~~*A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance?*~~

~~For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).~~

Information about Commercial General Liability Insurance.

Did your contractor tell you whether he or she carries Commercial General Liability Insurance?

Home improvement contractors are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the bid, if there is one, and the contract.

What does this insurance cover?



Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.

Is this insurance required?

No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

How can you make sure the contractor is insured?

If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.

What about a contractor who is self-insured?

A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance?

For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).

(**ba**) The following statement must accompany every contract described in **Code** Section 7164 **of the Code**. The heading shall be printed in at least 14-point **bold** type, the questions in at least 12-point **bold** type, and the comments in italics of at least 11-point type. The text should be **bold** where indicated. **This is 14-point bold type. This is 12-point bold type.** *This is 11-point type in italics.*

(**b**) Pursuant to **Section Bus. & Prof. §7164 of the Code (SB 2029)**, contractors building single-family residences for owners who intend to occupy the home for at least a year must provide this notice and disclose whether or not they carry **C**ommercial **G**eneral **L**iability **I**nsurance.



Information about Commercial General Liability Insurance

Did your contractor tell you whether he or she carries Commercial General Liability Insurance?

Contractors building single-family residences for owners who intend to occupy the home for at least a year are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the contract.

_____ does not carry Commercial General

(CONTRACTOR'S NAME)

Liability Insurance.

_____ carries Commercial General

(CONTRACTOR'S NAME)

Liability Insurance.

The insurance company is _____.

(COMPANY NAME)

You may call the insurance company at _____ to verify coverage.

(TELEPHONE NUMBER)

_____ is self-insured.

(CONTRACTOR'S NAME)

_____ is a limited liability company

(CONTRACTOR'S NAME)

that carries Commercial General Liability Insurance or maintains other security as
required by law.

The insurance company is _____.

(COMPANY NAME)

You may call the insurance company at _____ to verify coverage.

(TELEPHONE NUMBER)

For more information about Commercial General Liability Insurance, contact the
Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).

**What does this insurance cover?**

Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.

Is this insurance required?

~~*It is required for limited liability companies that hold a contractor license. However, it is optional for sole ownership, partnership, corporate, and joint venture licensees. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?*~~

How can you make sure the contractor is insured?

If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.

What about a contractor who is self-insured?

A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance?

~~*For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).*~~

Note: Authority cited: Sections 7008, 7159.3, and 7164, Business and Professions Code. Reference: Sections [7151.2](#) and [7164](#), Business and Professions Code.

AGENDA ITEM D-4

Update and Discussion on Implementation of SB 1039 (Hill, 2016) – Fee Increase



AGENDA ITEM D-5

Update and Discussion on Implementation of SB 465 (Hill, 2016) – Study and Report Requirement





SB 465 (Hill, Chapter 372. Statutes of 2016) Settlement Reporting

Senate Bill (SB) 465 requires CSLB to report to the Legislature, by January 1, 2018, the results of a study to determine if regulations requiring licensees to report judgments, arbitration awards against them, or settlement payments of claims for construction defects they have made in excess of a certain amount to be determined by CSLB, would enhance its ability to protect the public.

Timeline for SB 465 Settlement Reporting Study

- **March 2017 – May 2017**
 - Research/collect available settlement data
 - Review the process of boards/bureaus with similar reporting requirements and evaluate the statistical data of cases that originated from settlement reporting
 - Study criteria used by insurers or others to differentiate between settlements that are for nuisance value and those that are not
 - **June 2017 - August 2017**
 - Conduct mini-stakeholder meetings with main supporters and main opponents of SB 465
 - **September 2017**
 - Examine the fiscal impact to CSLB (staff costs, industry expert costs, attorney general's office costs, etc.)
 - **October 2017 - November 2017**
 - Compile study findings and prepare initial draft of report
 - **December 2017**
 - Present study findings at December 2017 CSLB Board meeting (date TBD)
 - Prepare final draft of report
 - **January 2018**
 - Submit report of study to Legislature on or by January 1, 2018
- ❖ **A subcommittee appointed to work on this study consists of CSLB Board members Joan Hancock and Nancy Springer**

AGENDA ITEM E

Licensing



AGENDA ITEM E-1

Licensing Program Update

- a. License and LLC Applications Workload Update
- b. Workers' Compensation Recertification Statistics
- c. Experience Verification and Judgment Unit Overview
- d. Licensing Information Center Statistics
- e. Fingerprinting/Criminal Background Unit Statistics
- f. Licensing Processing Time Statistics





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 fiscal year. This information is obtained from CSLB's internal Teale database.

Total Number of Applications Received Per Month

	May 2016	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar	Apr
Original Exam	1,191	922	1,077	1,162	1,096	1,189	1,049	1,021	1,109	733	1,180	1,290
Original Waiver	765	538	541	649	596	653	325	432	475	357	758	679
Add Class	359	269	290	327	315	331	306	313	390	330	353	373
Qualifier Replacer	206	133	173	200	207	218	165	194	191	214	242	186
Home Improvement	802	793	818	867	808	785	726	703	651	896	960	953
Received Per Month	3,323	2,655	2,899	3,205	3,022	3,176	2,571	2,663	2,816	1,797	3,493	2,191
3-Month Totals			8,877			9,403			8,050			7,481

Total Applications Received – Prior Fiscal Years

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Original Exam	10,542	10,005	10,185	11,098	12,702
Original Waiver	7,124	6,791	7,719	7,858	8,383
Add Class	4,609	4,158	3,854	3,880	4,068
Qualifier Replacer	2,191	2,295	2,259	2,279	2,399
Home Improvement	6,279	7,525	9,522	12,557	12,421
Total Received	30,745	30,774	33,539	37,672	39,973



The charts below provide the total number of applications processed by the Application units each month and fiscal year. This information is obtained from CSLB’s internal Teale database.

Total Number of Applications Processed Per Month

	May 2016	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar	Apr
Original Exam	1,593	2,045	1,627	1,328	1,003	1,051	1,040	863	835	932	1,052	1,144
Original Waiver	778	956	806	959	716	701	448	494	662	690	749	813
Add Class	323	329	308	326	303	292	221	287	242	342	394	179
Qualifier Replacer	223	276	239	179	258	267	342	207	185	190	264	238
Home Improvement	564	555	350	581	391	552	428	359	377	382	448	499
Total Per Month	3,481	4,161	3,330	3,373	2,671	2,863	2,479	2,210	2,301	2,536	2,907	2,873

Total Applications Processed – Prior Fiscal Years

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Original Exam	9,883	8,304	12,563	16,571	12,622
Original Waiver	6,603	7,714	8,487	9,595	8,536
Add Class	4,620	4,227	4,378	4,134	4,149
Qualifier Replacer	2,168	2,216	2,334	2,544	2,732
Home Improvement	3,725	4,018	3,990	6,880	7,437
Total Processed	26,999	26,479	31,752	39,724	35,476

Applications are “processed” whenever any of the following actions occur:

- Application review is completed; application is accepted or “posted” and examination(s) are scheduled.
- Application review is completed; bond and fee notification letter requesting issuance requirement(s) sent.
- Application review is completed; all issuance requirements met and license issued.
- Enforcement division flags a member of the application personnel; application is referred to Case Management.
- Application is referred to Judgment unit; application personnel are matched with an outstanding liability, judgment, or payment of claim on an existing license.
- Application is referred to Family Support unit; member of application personnel is out of compliance with child or family support judgment or order.



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 transaction, and public information unit documents 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.

The time-to-process for applications and renewals includes an approximate two-day backlog that accounts for the required cashiering and image-scanning tasks that must be completed before an application or document can be processed.

Average Weeks to Initial Processing By Month

	May 2016	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar	Apr
Original Exam	7.3	3.5	2.5	3.0	3.5	4.0	4.5	5.0	5.0	5.0	5.5	6.5
Original Waiver	3.5	4.0	4.5	2.6	1.6	2.0	2.4	4.1	3.3	3.5	4.1	3.3
Add Class	3.1	4.0	3.0	3.0	1.5	2.0	2.0	1.5	2.0	2.1	2.0	1.5
Qualifier Replacer	5.0	5.5	1.0	2.5	1.5	1.5	2.0	1.0	1.5	2.0	1.5	1.5
Home Improvement	2.0	1.5	1.5	1.0	0.5	1.5	3.0	1.5	2.0	2.1	2.1	3.0
Renewal	2.1	2.5	2.0	2.5	3.5	2.0	3.3	3.0	3.0	3.5	3.5	1.5
Add New Officer	1.6	4.0	2.5	1.0	2.0	1.0	1.5	2.5	2.0	2.0	2.0	1.5
Address/ Name Change	2.1	4.0	2.5	1.0	1.5	1.0	1.3	2.5	2.0	1.5	2.0	1.5
Bond / Bond Exemption	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1.0	0.6	2.0	1.6
Workers Comp / Exempt	1.0	0.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.7	2.3
Certified License History	0.7	1.2	1.2	1.2	2.0	0.8	0.5	2.1	0.7	0.0	0.1	0.1
Copies of Documents	0.9	0.6	0.5	0.0	0.2	0.3	1.2	0.2	0.0	0.1	0.4	0.0
CORI Review*	2.5	3.5	4.0	4.5	4.4	4.3	1.1	1.4	1.2	2.4	2.2	1.8

*Outside CSLB Control-DOJ/FBI timeframe



Disposition of Applications by Fiscal Year - As of May 1, 2017

Fiscal Year	Number of Apps Received	Processed & Issued	Void	Pending
2015-16	39,973	25,114	12,361	2,498*

The Application Disposition chart shown above illustrates the number of applications received in the last fiscal year 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 replacer, and home improvement salesperson applications. This report allows staff to monitor the disposition of applications and to identify any applications that require special attention. This information is obtained from CSLB’s internal Teale database.

In fiscal year 2015-16, the Licensing division received a combined total of 39,973 applications. As of May 1, 2017, 25,114 applications were processed and licenses issued; 12,361 applications were processed and voided; and 2,498 applications remain pending.

*The reasons an application may be classified as pending include:

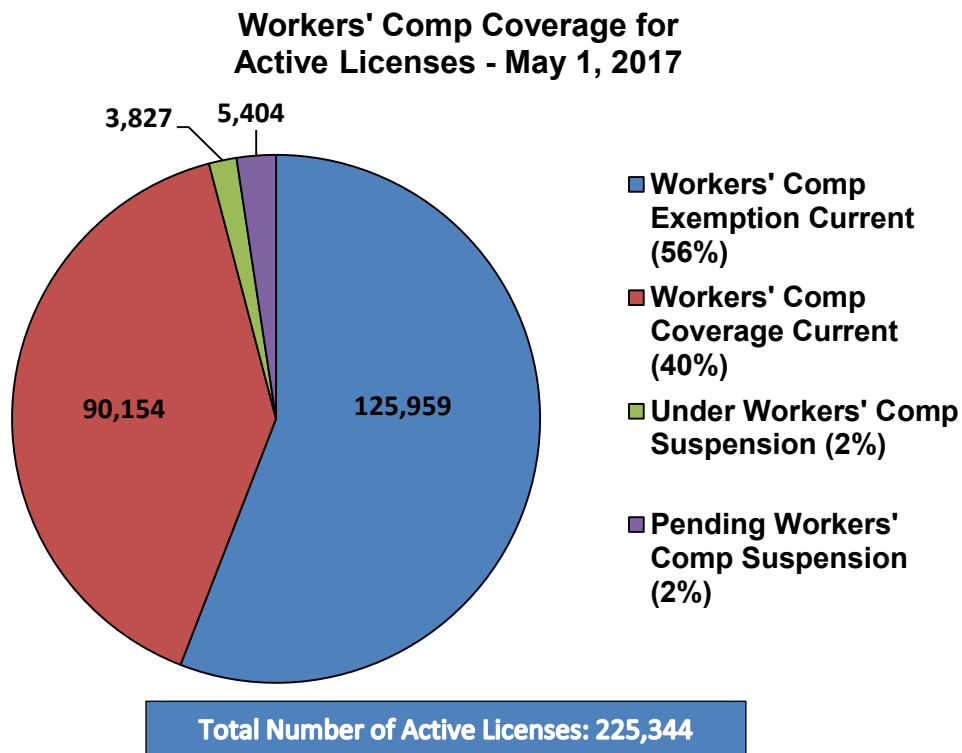
- The applicant does not pass the exam, but is still within the 18-month window during which he or she must pass the examination.
- The application is in the experience verification process.
- The application is not yet cleared by CSLB’s Criminal Background unit.
- The applicant has not submitted final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



WORKERS' COMPENSATION RECERTIFICATION

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

This chart provides a snapshot of workers' compensation coverage for active licenses. This information is obtained from CSLB's internal Teale database.



The chart on the following page provides the current workers' compensation coverage (policies and exemptions) on file for active licenses by classification and the percentage of exemptions per classification. This information is obtained from CSLB's internal Teale database.

**Active License Classifications Workers' Comp Status – As of May 1, 2017**

	Classification	Exemptions on File	WC Policies on File	Total Policies & Exemptions	% of Total with Exemptions
A	General Engineering	5,660	8,409	14,069	40%
B	General Building	63,629	35,625	99,254	64%
C-2	Insulation and Acoustical	297	821	1,118	27%
C-4	Boiler Hot Water	212	579	791	27%
C-5	Framing / Rough Carp	497	281	778	64%
C-6	Cabinet-Millwork	2,804	1,714	4,518	62%
C-7	Low Voltage Systems	2,106	2,558	4,664	45%
C-8	Concrete	2,503	3,184	5,687	44%
C-9	Drywall	1,279	1,616	2,895	44%
C10	Electrical	13,946	10,170	24,116	58%
C11	Elevator	39	147	186	21%
C12	Earthwork & Paving	1,027	1,241	2,268	45%
C13	Fencing	689	772	1,461	47%
C15	Flooring	3,765	3,131	6,896	55%
C16	Fire Protection	743	1,289	2,032	37%
C17	Glazing	1,097	1,563	2,660	41%
C20	HVAC	6,289	4,852	11,141	56%
C21	Building Moving Demo	490	1,013	1,503	33%
C22	Asbestos Abatement	5	233	238	2%
C23	Ornamental Metal	423	544	967	44%
C27	Landscaping	4,774	5,870	10,644	45%
C28	Lock & Security Equipment	162	189	351	46%
C29	Masonry	1,105	1,292	2,397	46%
C31	Construction Zone	46	189	235	20%
C32	Parking Highway	193	284	477	40%
C33	Painting	8,839	6,170	15,009	59%
C34	Pipeline	178	292	470	38%
C35	Lath & Plaster	664	1,057	1,721	39%
C36	Plumbing	8,786	6,010	14,796	59%
C38	Refrigeration	961	902	1,863	52%
C39	Roofing	0	3,984	3,984	0%
C42	Sanitation	386	537	923	42%
C43	Sheet Metal	449	1,001	1,450	31%
C45	Signs	395	419	814	49%
C46	Solar	476	633	1,109	43%
C47	Gen Manufactured House	232	183	415	56%
C50	Reinforcing Steel	65	168	233	28%
C51	Structural Steel	420	928	1,348	31%
C53	Swimming Pool	1,100	1,173	2,273	48%
C54	Tile	3,556	2,513	6,069	59%
C55	Water Conditioning	134	165	299	45%
C57	Well Drilling	356	485	841	42%
C60	Welding	576	405	981	59%
C61	Limited Specialty	7,618	8,755	16,373	47%
ASB	Asbestos Cert	330	723	1,053	31%
HAZ	Hazardous Cert	571	1,249	1,820	31%



FINGERPRINTING/CRIMINAL BACKGROUND UNIT

As mandated in January 2005, CSLB continues to fingerprint all applicants for licensure. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide Criminal Offender Record Information (CORI) to CSLB for in-state convictions and for out-of-state and federal convictions, respectively.

From fiscal year 2005-06 through fiscal year 2010-11, CSLB received 240,907 transmittals from DOJ that included clear records and conviction information. During that time, the Criminal Background Unit (CBU) staff received CORI files for 40,608 applicants, an indication that DOJ and/or the FBI had a criminal conviction(s) on record for that individual. As a result, CBU denied 1,015 applications and issued 668 probationary licenses; 497 applicants appealed their denials.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the results are delayed. This does not necessarily indicate a conviction, as sometimes the results reveal a clear record. Most delays are resolved within 30 days; however, some continue for 60 or 90 days, or more. 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.

Below is a breakdown of CBU statistics for the past five fiscal years, as well as the current fiscal year. This information is obtained from CSLB's internal Teale database.

Criminal Background Unit Statistics

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17*	TOTALS
DOJ Records Received	18,805	18,270	20,395	28,434	32,323	31,053	149,280
CORI RAPP Received	3,997	3,663	3,768	4,686	6,268	5,421	27,803
Denials	70	67	37	40	52	49	315
Appeals	39	36	23	21	27	25	171
Probationary Licenses Issued	146	71	76	97	72	86	548

*as of April 30, 2017



EXPERIENCE VERIFICATION UNIT

Business and Professions Code section 7068(g) and California Code of Regulations 824 requires CSLB to investigate a minimum of 3 percent of applications received to review applicants' claimed work experience.

Since implementation in September 2014, the Experience Verification unit staff has been assigned and completed 1,988 applications for experience verification.

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

	May 2016	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar	Apr
Withdrawn	2	5	2	1	5	15	11	12	9	9	19	13
Verified	33	34	38	42	44	41	27	18	22	22	20	24
Denied	26	20	25	44	34	30	13	11	14	15	16	14
Appealed	1	3	3	1	2	5	4	0	1	2	1	2
Pending	103	154	132	129	116	75	77	85	71	81	77	84

The chart on the next page provides the breakdown for appeals, denials, withdrawals, experience verification, and pending applications by classification as of April 30, 2017.



Experience Verification By Classification – As of Apr. 30, 2017

Classification	Appealed	Withdrawn	Verified	Denied	Pending	Total
A General Engineering	15	32	38	25	4	114
B General Building	71	219	351	304	26	971
C-2 Insulation/Acoustic	0	1	2	0	0	3
C-4 Boiler Hot Water	0	0	3	0	0	3
C-5 Framing/Rough Carp	0	1	3	3	1	8
C-6 Cabinet-Millwork	0	2	8	2	1	13
C-7 Low Voltage	0	2	16	2	2	22
C-8 Concrete	0	7	17	10	0	34
C-9 Drywall	2	0	2	9	1	14
C-10 Electrical	4	16	94	33	14	161
C-12 Earthwork/Paving	0	3	8	5	0	16
C-13 Fencing	0	0	2	5	0	7
C-15 Flooring	1	2	12	7	1	23
C-16 Fire Protection	0	2	4	0	2	8
C-17 Glazing	0	3	5	4	1	13
C-20 HVAC	5	9	48	18	5	85
C-21 Bldg.Moving/Demo	0	2	3	4	2	11
C-22 Asbestos	0	2	3	1	0	6
C-23 Ornamental Metal	0	2	1	0	0	3
C-27 Landscaping	3	8	32	25	4	72
C-28 Lock/Security Equip	0	0	3	0	1	4
C-29 Masonry	0	1	4	2	0	7
C-31 Construction Zone	0	0	0	1	0	1
C-32 Parking Highway	0	2	2	0	0	4
C-33 Painting	1	6	48	17	3	75
C-34 Pipeline	1	0	1	0	0	2
C-35 Lath-Plaster	1	0	2	5	0	8
C-36 Plumbing	4	9	61	16	6	96
C-38 Refrigeration	0	0	0	1	1	2
C-39 Roofing	2	5	8	7	1	23
C-42 Sanitation	0	4	1	1	0	6
C-43 Sheet Metal	0	1	1	0	0	2
C-45 Sign	0	0	3	0	0	3
C-46 Solar	1	1	8	3	1	14
C-47 Manufact. Housing	0	0	1	1	0	2
C-50 Reinforcing Steel	0	0	1	0	0	1
C-51 Structural Steel	1	1	3	1	1	7
C-53 Swimming Pool	1	3	2	6	1	13
C-54 Tile	0	8	18	8	3	37
C-57 Well Drilling	0	2	5	4	0	11
C-60 Welding	0	2	9	1	0	12
C-61 Limited Specialty	1	9	44	14	3	71
Total	114	367	877	545	85	1,988



LICENSING INFORMATION CENTER (LIC)

LIC Support Services

CSLB’s Licensing Information Center is the first point of contact for applicants, consumers, licensees, and governmental agencies needing information relative to licensing laws, hiring a contractor, licensing application information, and the status of an application. The LIC receives, on average, 13,000 calls monthly. Staff that respond to calls must have knowledge of all licensing transaction processes in order to assist callers with correct and complete information.

Licensing Information Center Call Data by Month

Inbound Activity	May 2016	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar	Apr
Calls Received	12,997	13,797	13,504	15,578	13,324	13,689	13,034	12,395	16,283	16,271	17,408	14,052
Calls Answered	12,571	13,395	13,172	15,247	13,042	13,421	12,754	11,916	14,673	14,046	14,423	12,024
Caller Abandoned	409	401	331	331	192	267	279	460	1,575	2,217	2,874	1,944
Longest Wait Time	07:22	02:58	04:15	03:40	03:18	03:17	03:37	11:25	13:13	19:52	21:07	21:02
Shortest Wait Time	00:44	00:12	00:24	00:15	00:26	00:15	00:19	00:20	01:15	02:20	03:06	04:58
Avg. Wait Time	04:10	04:02	01:36	01:19	01:04	01:10	01:29	01:42	06:12	10:06	12:38	10:23

Licensing Information Center Call Data - Prior Fiscal Years

Inbound Activity	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Calls Received	155,956	148,650	148,639	158,096	160,996	155,774
Calls Answered	135,932	122,507	137,027	153,417	153,316	151,852
Caller Abandoned	19,924	26,114	11,581	4,300	7,558	3,815
Longest Wait Time	16:10	22:04	15:06	04:33	09:54	05:33
Shortest Wait Time	01:23	03:32	01:15	00:19	00:31	00:17
Average Wait Time	06:00	09:49	04:49	01:48	04:35	04:07



JUDGMENT UNIT

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

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

The chart on the following page provides 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 - SAVINGS TO PUBLIC

	May-16	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-17	Feb	Mar	Apr
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Outstanding Liabilities (From California State Agencies)

Initial	81	63	46	60	72	70	73	72	56	60	96	67
Suspend	60	55	69	58	38	52	60	53	67	60	50	49
Reinstate	40	39	36	38	31	36	41	43	36	40	38	32
Monetary Savings to Public	1,257,418	1,195,547	1,624,304	1,497,293	2,114,873	1,416,055	2,914,450	1,540,364	1,136,471	1,472,028	1,418,350	932,850

Final Judgments (From Court Actions)

Initial	65	68	71	76	103	72	66	76	70	61	107	132
Suspend	12	16	27	27	33	27	42	38	34	27	27	21
Reinstate	69	64	60	72	49	88	77	64	74	66	81	61
Monetary Savings to Public	894,366	2,862,405	2,080,931	1,936,473	1,922,000	1,865,559	2,174,668	1,356,191	2,695,465	1,458,645	1,714,660	732,538

Payment of Claims (From Bonding [Surety] Companies)

Initial	129	151	134	142	153	144	129	167	146	166	175	157
Suspend	82	62	66	73	63	54	72	80	80	58	85	60
Reinstate	113	117	115	124	97	109	96	112	107	120	149	110
Monetary Savings to Public	764,460	710,483	726,172	714,448	665,705	634,256	575,262	742,107	705,706	732,065	934,249	725,447
Combined Monetary Savings	2,915,852	4,768,062	4,431,407	4,148,214	4,702,578	3,915,870	5,664,380	3,638,662	4,537,642	3,662,738	4,067,259	2,390,835

AGENDA ITEM E-2

Discussion Regarding Processing of Renewals and Compliance with Workers' Compensation Insurance or Recertification (Exemption) Requirements





Workers' Compensation Unit Update

The Workers' Compensation Unit (WC Unit) within the Licensing division experienced processing delays as a result of multiple vacancies between December 2016 and March 2017. During this period, WC certificate processing time averaged 3.8 weeks from document receipt to its placement on the license record. The division regards a processing time of two weeks to be "current," and any period longer than that constitutes a "backlog."

Between April 3, 2017 and May 8, 2017, the WC Unit decreased processing times by over a week, maintaining a processing delay of 2.7 weeks in this period. As of May 30, 2017, the WC Unit is processing documents dated May 15, 2017, a period of just over two weeks, which meets the unit's goals. The processing times for all Licensing units are published on the CSLB website and updated every Monday.

Licensing Chief Laura Zuniga will provide an update at the June 15, 2017, Board meeting about the implementation of processing improvements, which include the creation of a fillable smart form for workers' compensation certificates intended to reduce errors and that can be submitted via email, and the eventual electronic submission of certificates so that the license record will be updated automatically.

Below is some general information about the processing of workers' compensation certificates.

- More than 90,000 active licensees maintain a workers' compensation certificate with CSLB. Between 2012 and 2017, CSLB received the greatest number of certificates in the months of January, April, June, and October.
- When a certificate expires or is cancelled, CSLB sends a notice stating that the licensee has 45 days to submit a new certificate or the license will be suspended (retroactively) to the date of the expiration or cancellation.
- If the effective date of the policy on a new certificate is later than the expiration date of the expired or cancelled certificate, a break in workers' compensation coverage shows in the license record.
- A break in workers' compensation coverage is not a break in license standing, as the Licensing division does not verify in each case if each licensee with a "break in coverage" was required by law (had employees) to have insurance in that period.
- In 2016, CSLB received 154,542 Workers' Compensation Certificates and 21,512 Workers' Compensation Exemptions for processing. Six-and-a-half



program technicians are allotted for processing certificates and exemptions.

- Approximately 75 percent of certificates are submitted by mail, fax, hand-delivery, or email; the remainder are filed electronically by the State Compensation Insurance Fund (SCIF).
- Staff must individually print all certificates received via email so that they may be sorted with all other certificates by date received. Each day the email address receives up to 1,000 emails, or more.
- Between 20 percent and 25 percent of all certificates received, by whatever means, are submitted in duplicate or are rejected. The same amount of processing time is required to “reject” a WC certificate as to accept a certificate and place it on the license record.
- Certificates are processed when first handled and either applied to the license or returned to the licensee, with explanation. Because certificates are third party and cannot be connected via barcode to a license upon receipt (unlike other licensing documents), when certificates are returned to the licensee for correction and then resubmitted to CSLB they must be treated as new documents, and are processed in the order received.

AGENDA ITEM E-3

Discussion Regarding Methods of Service of Notice When Contacting Licensees and Applicants Regarding CSLB Licensing and Enforcement Matters



AGENDA ITEM E-4

Discussion Regarding the State's Bark Beetle Infestation and State Actions Taken to Address Licensure Issues and the Removal of Infected Trees





This agenda item is presented for the Board's discussion regarding the millions of trees in California that are dead, dying, or diseased as a result of the prolonged drought and the bark beetle infestation.

Background

In 2003, CSLB supported Governor Davis' Proclamation of a State of Emergency (copy attached) issued to address the imminent fire danger that existed in Riverside, San Bernardino, and San Diego counties. The Proclamation, in part, provided an exemption from CSLB license requirements for CAL FIRE licensed timber operators and an exemption from CAL FIRE timber operator license requirements for CSLB licensed tree service contractors in order to remove the extraordinary number of dead, dying, and diseased trees within thousands of acres in the declared disaster area.

In 2005, Governor Schwarzenegger extended the directions, orders, and authorities of the 2003 Proclamation to include affected areas of Los Angeles County (copy attached).

In 2015, Governor Brown issued a new proclamation (copy attached) on the statewide drought and the bark beetle infestations that existed across broad areas of the state that have caused an estimated 22 million dead trees and tens of millions more likely to die by the end of that year. This proclamation did not specifically mention CSLB licensing relating to tree removal.

In November 2016, the U.S. Forest Service estimated that more than 102 million trees in California have been killed since 2010 as a result of this epidemic. The 2016 Incident Action Report of the Tree Mortality Task Force, established by the Governor's Office in response to the State of Emergency Proclamation, includes a map (copy attached) that shows high hazard zones of drought-related tree mortality. While there are 10 counties identified as high priority counties, the Tier One High Hazard Zones are scattered throughout the state.

Tree Removal Licensure

It is staff's understanding that two agencies license for tree removal in California. CSLB issues the C-61/D-49 Tree Service license and the C-27 Landscaping license, both of which allow contractors to prune or remove trees or stumps. In addition, the California Department of Forestry and Fire Protection (CAL FIRE) issues timber operator licenses for the cutting or removal of timber or solid wood forest products from timberlands for commercial purposes.

There are currently:

- 2,595 active D-49 Tree Service licenses;
- 11,425 active C-27 Landscaping licenses; and
- Approximately 900 licensed timber operators.



There may be some overlap in these licensing populations – some licensed timber operators may also be licensed by CSLB as D-49 Tree Service or C-27 Landscaping contractors. However, licensed timber operators are typically exempt from CSLB licensure pursuant to Public Resources Code (PRC) section 4578.

Below are the basic licensing requirements for D-49 Tree Service and C-27 Landscaping contractors licensed by CSLB and for timber operators licensed by CAL FIRE.

CSLB D-49 Tree Service Contractor	CSLB C-27 Landscaping Contractor	CAL FIRE Licensed Timber Operator*
4 years of journeyman level or higher experience performing tree service work	4 years of journeyman level higher of experience performing landscaping work	2-day training class AND verification of at least 3,000 hours (approximately 1.5 years) of work experience in at least 2 different timber operation areas
Pass Law & Business examination – no trade examination for D classes	Pass Law & Business examination AND pass trade examination	-
\$15,000 Contractor Bond	\$15,000 Contractor Bond	-
If contractor has employees, carry Workers' Compensation coverage or have exemption on file	If contractor has employees, carry Workers' Compensation coverage or have exemption on file	\$1 million commercial general liability insurance
\$480 application/initial license fee for 2-year period	\$480 application/initial license fee for 2-year period	\$125 application fee
\$360 biennial renewal for active license	\$360 biennial renewal for active license	\$100 annual renewal for active license
To practice, must comply with state and local building codes	To practice, must comply with state and local building codes	To practice, must comply with CAL FIRE statutes and regulations, possibly including requirement to submit a timber harvesting plan prepared by a registered professional forester to CAL FIRE

* Licensed Timber Operators have several different types of licenses depending on the kind of timber operations they are authorized to conduct. Licenses that begin with the letter "A" authorize the licensee to conduct any type of operations; those that begin with the letter "B" restrict the licensee to only the removal of minor forest products, such as firewood and Christmas trees; and those that begin with the letter "C" restrict the licensee to only conduct timber operations on their own property only. The table above shows the requirements for type "A" timber operator licenses.



CSLB

BARK BEETLES

Staff Recommendation

CSLB staff will continue to provide information and input to the Business, Consumer Services, and Housing Agency as requested. No Board action is required at this time.

EXECUTIVE DEPARTMENT

STATE OF CALIFORNIA



PROCLAMATION
by the
Governor of the State of California

WHEREAS, conditions of extreme peril to the people, property and environment exist within the Riverside, San Bernardino and San Diego Counties due to imminent fire danger caused by the extraordinary number of dead, dying and diseased trees resulting from prolonged drought, overstocked forests and infestation by bark beetles and other decay organisms; and

WHEREAS, the Board of Forestry and Fire Protection declared a Zone of Infestation for bark beetle control within these three counties; and

WHEREAS, the outbreak of the infestation has caused the death of trees and other vegetation on thousands of acres, resulting in conditions of imminent fire danger in these counties and the potential for erosion and other environmental damage; and

WHEREAS, Riverside, San Bernardino and San Diego Counties have proclaimed local emergencies, committed funds for tree removal and other fire abatement measures, and Riverside and San Bernardino Counties have each created a Mountain Area Safety Task Force to provide a coordinated multi-agency response to dead, dying and diseased trees and vegetation; and

WHEREAS, by reason of their magnitude these conditions are beyond the control of the services, personnel, equipment and facilities of the three counties, thereby requiring a proclamation of a state of emergency; and

WHEREAS, Riverside, San Bernardino and San Diego Counties have requested a state Proclamation of Emergency in order to expedite removal of dead, dying and diseased trees and vegetation, and to assist in providing evacuation routes and fire safe evacuation centers; and

WHEREAS, unless the risks posed by dead, dying and diseased trees and other vegetation are immediately reduced, there will be an increasingly great risk to life and property from catastrophic fire in an area with limited routes for the evacuation of people and emergency response; and

WHEREAS, the number of contractors available to perform tree removal work for private landowners is insufficient to accomplish the work within the time necessary, and

WHEREAS, under the authority of the Emergency Services Act, section 8558(b) of the Government Code, I find that a State of Emergency exists within Riverside, San Bernardino, and San Diego Counties.

NOW, THEREFORE, I, GRAY DAVIS, Governor of the State of California, in accordance with the authority vested in me by the Emergency Services Act, and in particular, sections 8625 and 8558(b) of the Government Code, HEREBY PROCLAIM A STATE OF EMERGENCY to exist within Riverside, San Bernardino, and San Diego Counties.

Pursuant to this Proclamation, I issue these orders to be effective immediately:

IT IS ORDERED that the California Department of Forestry and Fire Protection ("CDF"), in consultation with California Department of Transportation, the California Environmental Protection Agency, the Department of Fish

and Game, the South Coast Air Quality Management District, the Lahontan, Santa Ana and San Diego Regional Water Quality Control Boards and other state and local agencies as appropriate, shall immediately:

- * Assist local jurisdictions in the three counties to prepare public safety plans that provide adequate evacuation routes and fire safe evacuation centers;
- * In cooperation with other appropriate state and local entities, expedite the clearing of dead, dying and diseased trees and other vegetation that interfere with emergency response and evacuation needs;
- * Reinforce firefighting resources available in the three counties, including assuring that aircraft and fire crews will be immediately available in the event of a fire; and
- * Redirect existing resources to assist landowners by giving forest stewardship advice and oversight of tree removal.

IT IS FURTHER ORDERED that all state agencies and departments shall provide personnel, equipment and facilities to assist CDF, as directed by the Office of Emergency Services in consultation with the Department of Finance.

IT IS FURTHER ORDERED that to implement this Proclamation, CDF may enter into contracts and arrangements for the procurement of materials, goods, and services. Pursuant to Government Code section 8571, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended to the extent they would prevent, hinder, or delay the clearing of public evacuation corridors, fire evacuation centers, and routes for emergency response as necessary to mitigate the effects of this emergency.

IT IS FURTHER ORDERED that CDF, in consultation with all appropriate state and local agencies, shall immediately work to improve public evacuation corridors, fire evacuation centers and routes for emergency response. Pursuant to Government Code section 8567, CDF is hereby authorized to enter onto private property as it deems necessary to remove and dispose of dead, dying and diseased trees and vegetation that threaten public evacuation corridors, fire evacuation centers, and routes for emergency response.

IT IS FURTHER ORDERED that, to assist and encourage landowners to meet their responsibilities for removing dead, dying and diseased trees and clearing fuel breaks on their lands, pursuant to Government Code section 8571, the requirement for submitting notices to CDF under the provisions of Title 14, California Code of Regulations, sections 1038(b) and (c), prior to beginning timber operations for the removal of dead, dying and diseased trees or the cutting or removal of trees to create fuel breaks and the limitation on the removal of dead, dying, or diseased trees to ten percent of the average volume per acre are hereby suspended. All other provisions of these regulations shall remain in effect.

IT IS FURTHER ORDERED that to expand the number of contractors available to perform services to property owners for cutting and removing trees for fire safety purposes by authorizing use of tree service contractors licensed to perform tree removal work under Business and Professions Code sections 7000 et seq., in addition to timber operators licensed under the Public Resources Code to perform timber operations, pursuant to Government Code section 8571, the provisions of Public Resources Code section 4571(a) providing that only licensed timber operators may perform timber operations are hereby suspended. A licensed timber operator need not obtain a contractor's license under the Business and Professions Code in order to carry out work under this Proclamation.

IT IS FURTHER ORDERED that the Office of Emergency Services work with the Federal Emergency Management Agency to redirect excess federal hazard mitigation funds for the purpose of reducing the fire and other hazards caused by the dead, dying and diseased trees and vegetation.

IT IS REQUESTED that the Public Utilities Commission direct utility companies with transmission lines in Riverside, San Bernardino and San Diego Counties to ensure that all dead, dying and diseased trees and vegetation are completely cleared from their utility right-of-ways to mitigate the potential fire danger.

This Proclamation and these Orders are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable in law or equity, against the State of California, its departments, agencies or other entities, its officers or employees, or any other person.



IT IS FURTHER ORDERED that as soon as hereafter possible, this proclamation be filed in the Office of Secretary of State and that widespread publicity and notice be given to this proclamation.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this the seventh day of March 2003.

/s/ Gray Davis

Governor of California

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA



A PROCLAMATION
BY THE GOVERNOR OF THE STATE OF CALIFORNIA

WHEREAS, on March 7, 2003, a State of Emergency was proclaimed to address the extreme peril to people, property and the environment within the Counties of Riverside, San Bernardino and San Diego because of the fire danger caused by the extraordinary number of dead, dying and diseased trees resulting from prolonged drought conditions and the infestation by bark beetles and other decay organisms; and

WHEREAS, areas of Los Angeles County are also under a similar threat of imminent wildfires because of the dead and dying vegetation in certain forested areas; and

WHEREAS, state agencies, local governments and the private sector must take immediate action to ensure that adequate measures are taken to reduce the fire risk in that county; and

WHEREAS, I have been requested by the chairman of the Los Angeles County Board of Supervisors and the supervisor representing the impacted area to proclaim a State of Emergency to facilitate the mitigation of the fire danger in that county.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, in accordance with the authority vested in me by the Emergency Services Act, and in particular, sections 8625 and 8556(b) of the Government Code, I HEREBY PROCLAIM A STATE OF EMERGENCY to exist within Los Angeles County.

Pursuant to this Proclamation, I extend the directions, orders and authorities of the March 7, 2003 Proclamation of a State of Emergency to include affected areas of Los Angeles County.

I FURTHER DIRECT that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Proclamation.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 6th day of January, 2005.

Arnold Schwarzenegger
ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:

Kevin Shelley
KEVIN SHELLEY

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS the State of California is experiencing record drought conditions, which have persisted for the last four years; and

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and

WHEREAS a lack of precipitation over the last four years has made trees in many regions of California susceptible to epidemic infestations of native bark beetles, which are constrained under normal circumstances by the defense mechanisms of healthy trees; and

WHEREAS these drought conditions and resulting bark beetle infestations across broad areas have caused vast tree mortality in several regions of the state, with the United States Forest Service estimating that over 22 million trees are dead and that tens of millions more are likely to die by the end of this year; and

WHEREAS recent scientific measurements suggest that the scale of this tree die-off is unprecedented in modern history; and

WHEREAS this die-off is of such scale that it worsens wildfire risk across large regions of the State, presents life safety risks from falling trees to Californians living in impacted rural, forested communities, and worsens the threat of erosion across watersheds; and

WHEREAS such wildfires will release thousands of tons of greenhouse gas emissions and other harmful air pollutants; and

WHEREAS the circumstances of the tree die-off, by reason of its magnitude, is or is likely to be beyond the control of the services, personnel, equipment and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the California Government Code, I find that conditions of extreme peril to the safety of persons and property exist within the State of California due to these events; and

WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, section 8625 of the California Government Code, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist within the State of California.

IT IS HEREBY ORDERED THAT:

1. The Department of Forestry and Fire Protection, the California Natural Resources Agency, the California Department of Transportation, and the California Energy Commission shall immediately identify areas of the State that represent high hazard zones for wildfire and falling trees using best available science and geospatial data.
2. State agencies, utilities, and local governments to the extent required by their existing responsibilities to protect the public health and safety, shall undertake efforts to remove dead or dying trees in these high hazard zones that threaten power lines, roads and other evacuation corridors, critical community infrastructure, and other existing structures. Incidental vegetation such as shrubs that restrict access for safe and efficient removal of the dead and dying trees also may be removed. The Department of Forestry and Fire Protection shall issue emergency guidelines setting forth the relevant criteria, and the California Conservation Corps shall assist government entities in implementing this directive to the extent feasible.
3. The Department of Forestry and Fire Protection shall identify potential storage locations for removed trees across impacted areas in partnership with federal agencies and local jurisdictions.
4. The California Department of Transportation shall formally request immediate assistance through the Federal Highway Administration's Emergency Relief Program, Title 23, United States Code section 125, in order to obtain federal assistance for removal of dead and dying trees that are adjacent to highways.
5. The Department of General Services will identify state facilities, and the California Department of Transportation shall identify highway and road corridors, where woodchips produced from dead trees can be used as mulch.
6. The Governor's Office of Emergency Services and the Department of Forestry and Fire Protection shall work with impacted counties to distribute portable equipment across high hazard zones so that isolated communities can remove and process wood waste locally where appropriate.
7. The California Air Resources Board and the California Department of Forestry and Fire Protection shall work together and with federal land managers and the United States Environmental Protection Agency to expand the practice of prescribed burns, which reduce fire risk and avoid significant pollution from major wildfires, and increase the number of allowable days on a temporary basis to burn tree waste that has been removed in high hazard areas.

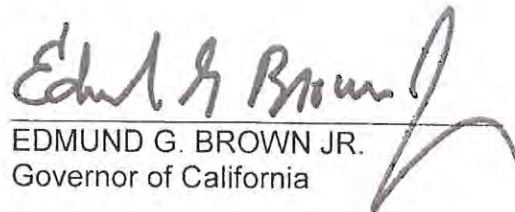
8. The California Public Utilities Commission shall utilize its authority to extend contracts on existing forest bioenergy facilities receiving feedstock from high hazard zones.
9. The California Public Utilities Commission shall take expedited action to ensure that contracts for new forest bioenergy facilities that receive feedstock from high hazard zones can be executed within six months, including initiation of a targeted renewable auction mechanism and consideration of adjustments to the BioMat Program defined pursuant to Public Utilities Code section 399.20. No later than six months after the BioMat program begins, the California Public Utilities Commission shall evaluate the need for revisions to the program to facilitate contracts for forest bioenergy facilities.
10. The California Public Utilities Commission shall prioritize facilitation of interconnection agreements for forest bioenergy facilities in high hazard zones, and shall order the use of expedited mediation or other alternative dispute resolution processes when conflicts delay development of projects.
11. The California Energy Commission shall prioritize grant funding from the Electric Program Investment Charge for woody biomass-to-energy technology development and deployment, consistent with direction from the California Public Utilities Commission.
12. The California Department of Forestry and Fire Protection, the California Energy Commission, and other appropriate agencies shall work with land managers to estimate biomass feedstock availability, storage locations, and volumes that may be available for use as bioenergy feedstock at existing and new facilities.
13. The California Department of Forestry and Fire Protection and the California Energy Commission shall work with bioenergy facilities that accept forest biomass from high hazards zones to identify potential funds to help offset higher feedstock costs.
14. The California Department of Resources Recycling and Recovery and the California Department of Forestry and Fire Protection will work with affected counties and existing wood product markets to determine the feasibility for expanded wood product markets in California.
15. For purposes of carrying out directives 1, 2, and 5 through 8, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension applies to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions.

16. In order to ensure that equipment and services necessary for emergency response can be procured quickly, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended as necessary to carry out this Proclamation. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.
17. For purposes of this Proclamation, Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of the Government Code is suspended for the development and adoption of regulations or guidelines needed to carry out the provisions in this Order. Any entity issuing regulations or guidelines pursuant to this directive shall conduct a public meeting on the regulations and guidelines prior to adopting them.
18. The Office of Emergency Services shall provide local government assistance as appropriate under the authority of the California Disaster Assistance Act, California Government Code section 8680 et seq. and California Code of Regulations, title 19, section 2900 et seq.
19. State agencies shall actively monitor tree removal efforts directed by this Proclamation to assess their effectiveness in protecting forest health and strengthening forest resilience.

This Proclamation is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 30th day of October 2015.


EDMUND G. BROWN JR.
Governor of California

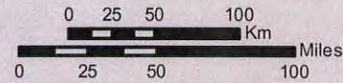
ATTEST:

ALEX PADILLA
Secretary of State

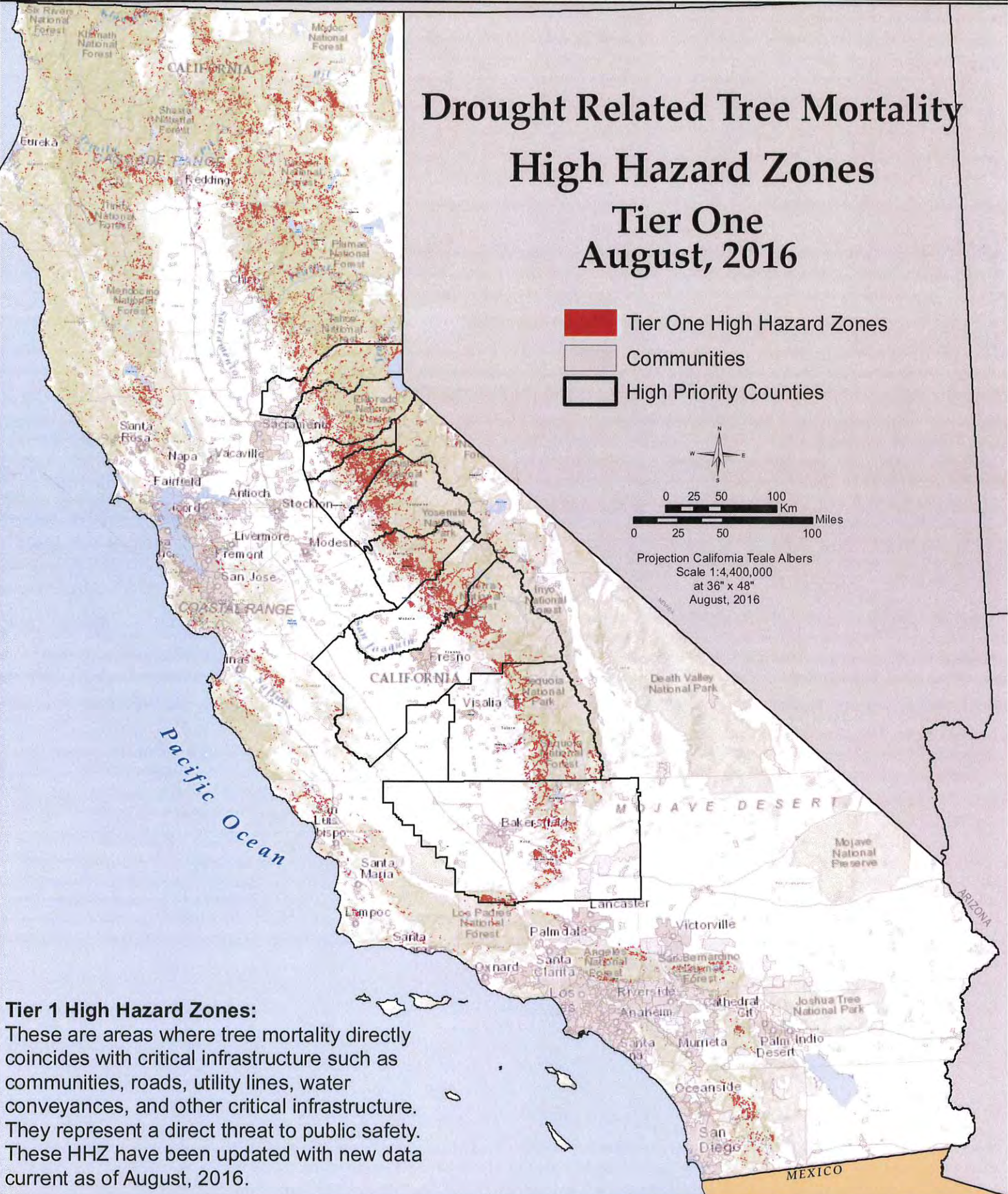


Drought Related Tree Mortality High Hazard Zones Tier One August, 2016

- Tier One High Hazard Zones
- Communities
- High Priority Counties



Projection California Teale Albers
Scale 1:4,400,000
at 36" x 48"
August, 2016



Tier 1 High Hazard Zones:

These are areas where tree mortality directly coincides with critical infrastructure such as communities, roads, utility lines, water conveyances, and other critical infrastructure. They represent a direct threat to public safety. These HHZ have been updated with new data current as of August, 2016.

AGENDA ITEM E-5

Testing Program Update

- a. Examination Administration Unit Update
- b. Examination Development Unit Highlights





CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 46 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response (IVR) messages received by CSLB that are related to testing.

Number of Examinations Scheduled Per Month May 2016 - April 2017

May 2016	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar	Apr	Total
3,464	3,659	3,804	4,305	4,542	3,821	3,949	3,751	3,960	3,649	4,087	3,960	46,387

Test Center Status

CSLB maintains test centers in the following locations:

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

Examination Administration Unit Staffing

EAU has one Office Technician vacancy in the Oxnard Test Center.

Number of Examinations Scheduled by Test Center May 2016 – April 2017

Test Center	Number of Examinations Scheduled
Berkeley	5,518
Fresno	2,580
Norwalk	11,438
Oxnard	5,759
Sacramento	5,321
San Bernardino	7,133
San Diego	4,652
San Jose	3,986
Total	46,387

Spring Staff Training

EAU held its biannual staff training in San Jose on April 20-21, 2017.



EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

Licensure examinations involve two ongoing phases: occupational analysis and examination development. This cycle must be completed every five to seven years for each of CSLB’s examinations.

The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The cycle starts with interviews of a sample of active California licensees statewide. EDU staff then conducts two workshops with these subject matter experts, along with online surveys about job tasks and relevant knowledge. The result is a validation report that includes an examination outline, which serves as a blueprint for constructing examination versions/forms.

The examination development phase involves numerous workshops to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.

EDU released a new Law and Business examination in April 2017 and a new C-54 Ceramic and Mosaic Tile examination in May 2017.

EXAMINATION PROGRAMS IN PROGRESS AS OF JUNE 1, 2017	
Occupational Analysis	Examination Development
C-21 Building Moving and Demolition	C-2 Insulation and Acoustical
C-46 Solar	C-4 Boiler, Hot Water Heating and Steam Fitting
C-57 Well Drilling	C-7 Low Voltage Systems
	C-12 Earthwork and Paving
	C-16 Fire Protection
	C-32 Parking and Highway Improvement
	C-53 Swimming Pool
	HAZ Hazardous Substance Removal

Examination Development Unit Staffing

EDU has one vacancy, a Personnel Selection Consultant I.



Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process.

Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email one month after the initial request is sent.

An annual Consumer Satisfaction Survey Report is produced each spring. The 2016 report appears in the Enforcement section of this packet.

AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Enforcement Program Update

- a. Consumer Investigation Highlights
- b. Statewide Investigative Fraud Team (SWIFT) Highlights
- c. General Complaint Handling Statistics
- d. Case Management Statistics
- e. Statewide Investigative Fraud Team Statistics

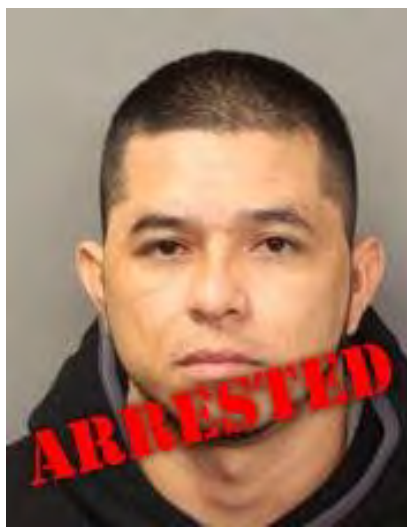




CONSUMER INVESTIGATION HIGHLIGHTS

“Most Wanted” Unlicensed Contractor Arrested in Oregon

Over the past three years, unlicensed contractor Adan Rivas victimized more than two dozen Bay Area families by promising landscape and tree removal services, taking excessive deposits, and then abandoning the job. Rivas usually focused his attention on more affluent neighborhoods in Alameda, Contra Costa, and Santa Clara Counties, often targeting elderly victims. Rivas was added to CSLB’s Most Wanted in July 2015. However, five aliases and at least six different company names, made Rivas difficult to find.



Adan Rivas

A Peace Officer assigned to the CSLB Special Investigations Unit (SIU) worked closely with the Santa Clara District Attorney’s office in an effort to locate Rivas, who had moved his operation to Oregon. On April 17, 2017, Rivas and his sister were arrested in Medford, Oregon on new landscaping-scam charges. At the request of the Santa Clara District Attorney’s office, Rivas was extradited to California to face felony and misdemeanor charges in the 15 cases now filed by the SIU Peace Officer. Charges are also expected against Rivas’ sister, who requested and accepted payment checks from the victims. So far, CSLB is aware of \$250,000 in losses to Rivas’ victims in Santa Clara and Contra Costa counties. Bail has been set for Rivas at \$330,000, and his first hearing in Santa Clara County is scheduled for late May 2017.

Contractor Suspended and Charged after Fatal Accident

On May 19, 2017, CSLB suspended the license of Czirban Concrete Construction, based on a Penal Code 23 ruling by Monterey County Superior Court Judge Mark E. Hood, which allowed the license suspension pending the outcome of a criminal case against sole owner Ian Nathaniel Czirban. One of Czirban’s employees, Robert Reagan,



was killed on July 26, 2016, after a bulldozer he was using to cut a fire line during the Soberanes Wildfire tipped over and pinned him to the ground. Czirban was not licensed to perform the work being done (he had only a C-8 Concrete license); he also had a false workers' compensation exemption on file with CSLB. Czirban faces criminal charges in Monterey County for insurance fraud, filing false or forged documents, tax evasion, and failure to maintain workers' compensation coverage.



Scene of fatal accident at Soberanes Wildfire

The Family that Seals Together, Steals Together

In March 2017, the Northern Statewide Investigative Fraud Team (SWIFT) conducted a sting operation to target a family-operated sealcoating scam. Members of the Costello family from Texas were apparently traveling cross country, victimizing consumers along the way. SWIFT reacted quickly when a 68-year old widow in Wilton reported that the group had offered to seal her driveway with "leftover materials" for the "great" price of \$16,000. SWIFT arranged for the homeowner to invite the unlicensed company back to the home to collect a check. When suspects Christine Nevils Costello and Sandra Costello arrived, SWIFT and Sacramento County District Attorney investigators were waiting for them. Both suspects were arrested, and charged with financial elder abuse, grand theft, burglary, theft by false pretenses, conspiracy, and contracting without a license. In the purse of one female suspect, district attorney investigators found and seized almost \$46,000 in cash and an estimated \$200,000 in jewelry and watches. CSLB's Public Affairs office issued a press release after the arrest, and two additional victims from Wilton came forward. SWIFT investigated the additional cases, which resulted in more charges against members of the Costello family. On May 1, 2017, Christine and Sandra Costello pled guilty to attempted grand theft, and were sentenced to 30 days in jail. Restitution in the amount of \$22,925 was ordered withheld from the cash seized at the time of their arrest.



On April 11, 2017, SWIFT learned that four other members of the Costello family had just completed another suspect pavement-sealing job in Gilroy. The Costellos had quoted the homeowner \$3,500 for the work, but demanded \$15,000 when they were done. After talking to SWIFT, the homeowner arranged for the Costellos to return to the home for final payment, When they arrived SWIFT investigators issued Notices to Appear for the contracting violations, and the Santa Clara County district attorney is pursuing criminal charges of grand theft and theft by false pretenses. SWIFT is also cooperating with law enforcement agencies in Oregon and Nevada, where the Costellos have been active.

Subject Arrested at CSLB Headquarters Pleads Guilty

Investigators from Northern SWIFT assisted in the arrest of revoked licensee William Alan Huffman on March 30, 2017, at CSLB headquarters in Sacramento. Investigators had learned through a tip that Huffman had obtained a new contractor's license in January 2017, but had failed to disclose his March 2016 criminal conviction for insurance fraud when he applied for the license. SWIFT obtained a warrant for Huffman's arrest, and invited him to CSLB headquarters to "review his license application." When he arrived investigators from the Sacramento County District Attorney's office took Huffman into custody on two warrants, including a felony no-bail warrant for violation of probation. Huffman was transported to the Sacramento County Jail by DA investigators and booked. In May 2017, SWIFT learned that Huffman pled guilty, and was sentenced to two years' in prison.

RMO-for-Hire Faces Revocation of License

An Enforcement Representative (ER) from the North Sacramento Investigative Center (IC) investigated a complaint about a \$43,000 home remodel in Martinez. Although the ER could not establish a financial injury to the homeowner, the investigator became suspicious when he interviewed the Responsible Managing Officer (RMO) of the company and learned that he had never been to the construction site and had no detailed information about the project. The RMO explained that he attends semi-monthly meetings for the contracting company and is paid \$100 per meeting, but knows



little about the overall operations. When the ER subsequently interviewed the chief executive officer/president, the officer admitted that the company's revenue exceeded two million dollars during 2016. The ER also determined that the RMO was not listed on the Secretary of State's records for the corporation. Having established that the RMO failed to demonstrate 20 percent ownership of the licensed company and failed to exercise the responsibility of a qualifying individual, the ER recommended that CSLB file an accusation to revoke the license. The accusation is currently being processed by the Case Management Unit.

Revoked Well Driller Arrested on \$600,000 Warrant

CSLB's investigation of 20 consumer complaints resulted in the revocation of Edward Mitchell Jr.'s license on April 26, 2016. Even with no license, Mitchell continued to take excessive deposits for well drilling work he never completed. CSLB received consumer complaints against Mitchell from Merced, Madera, and Humboldt counties. CSLB investigators worked with the Merced County District Attorney's office, and a felony arrest warrant for Mitchell was issued; but Mitchell could not be found. In early April 2017, an ER in the Santa Rosa Investigative Center received information regarding Mitchell's location and formulated an arrest plan with the Humboldt County District Attorney's office. On April 5, 2017, Mitchell was arrested on a \$600,000 warrant for 14 felony counts of theft by false pretenses and 14 counts of diversion of construction funds. Mitchell was transferred to Merced County and booked, with bail set at \$250,000.



Pest Inspection Grows into \$34,000 of Elder Abuse

When United Design Builders, Inc., told a 76-year old senior citizen with Alzheimer's who lives in Los Angeles that they would take care of her pest problem, she was under the impression that they were licensed for pest control. An SIU investigator in Norwalk learned that an unregistered salesperson had the senior sign a \$2,500 contract to spray for termites and replace some damaged wood. A few days later, company salespeople preyed upon the senior's fear of bugs to pressure her into a change order to upgrade



the home's foundation. The salespeople continued to recommend additional, unnecessary work, resulting in a final contract price of \$42,880. When the homeowner explained that she could not afford the cost, the salespeople offered to arrange financing, leading to two new loans and a credit card bill totaling \$34,020.

When the elderly victim did not make timely payments, she started receiving calls, letters, and threats from creditors. She called her brother for help who, after obtaining power of attorney, contacted the contractor and creditors on his sister's behalf. The contractor offered to settle the complaint by paying off the victim's loans, but required as a condition that no one contact CSLB. The offer was refused, and a complaint was filed. With the assistance of the family, a Special Investigations Unit Peace Officer interviewed the victim and conducted an in-depth investigation. The investigator has referred the licensee and the two salespeople for criminal prosecution, and CSLB has referred the license for an accusation for revocation. CSLB also referred the case to the Structural Pest Control Board for additional sanctions.

Three Suspects Face 50 Felony Charges for \$800,000 in Fraud

On April 3, 2017, an Enforcement Representative (ER) and a Peace Officer from the Santa Rosa Investigative Center, along with officers from the Santa Rosa Police Department, apprehended three felony suspects after completion of a multi-agency investigation related to their alleged construction fraud. Tony Goodwin of Forestville, Anthony Irvin of Santa Rosa, and Samuel Williams of Santa Rosa have been charged with 50 counts of grand theft, burglary, elder abuse, conspiracy, and diversion of construction funds. A tip from the City of Santa Rosa Building Department, which had received multiple complaints from homeowners who had hired one or more of the trio, led to the initiation of the investigation. The investigation determined that the three suspects worked together and left an extensive trail of theft and financial abuse. Ten victims were identified (several of whom were elderly), and financial injuries of over \$812,000 were discovered. The suspects were booked into the Sonoma County Main Adult Detention Facility.



Tony Joseph Goodwin



Samuel Williams



Anthony Joseph Irvin



GENERAL COMPLAINT-HANDLING STATISTICS (FY 2016-17)

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 3,480. As of May 2017, the pending caseload was 3,649.

To ensure timely mediation and screening of complaints, the optimal caseload for all Consumer Services Representatives (CSRs) is 1,380. As of May 2017, 1,680 complaints were assigned to CSRs. The excessive complaint inventory is due to high CSR vacancies.

To ensure timely handling of complaints that warrant formal investigation, the optimal working caseload for Enforcement Representatives (ERs) assigned to the Board's eight Investigative Centers (ICs) is 35 cases per ER. ER's currently average 36 cases. CSLB has 60 ERs in its eight ICs, with an optimal capacity for 2,100 open complaints. As of May 2017, there were 1,969 cases assigned to ERs. The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER/CSR	Maximum Number of Cases per Classification
ERs	60	10	4	35	2,100
CSRs	23	20	2	60	1,380
TOTAL					3,480



Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. To date, in fiscal year 2016-17, Enforcement staff's settlement efforts have resulted in over \$15 million in restitution to financially-injured parties as shown in the following chart:

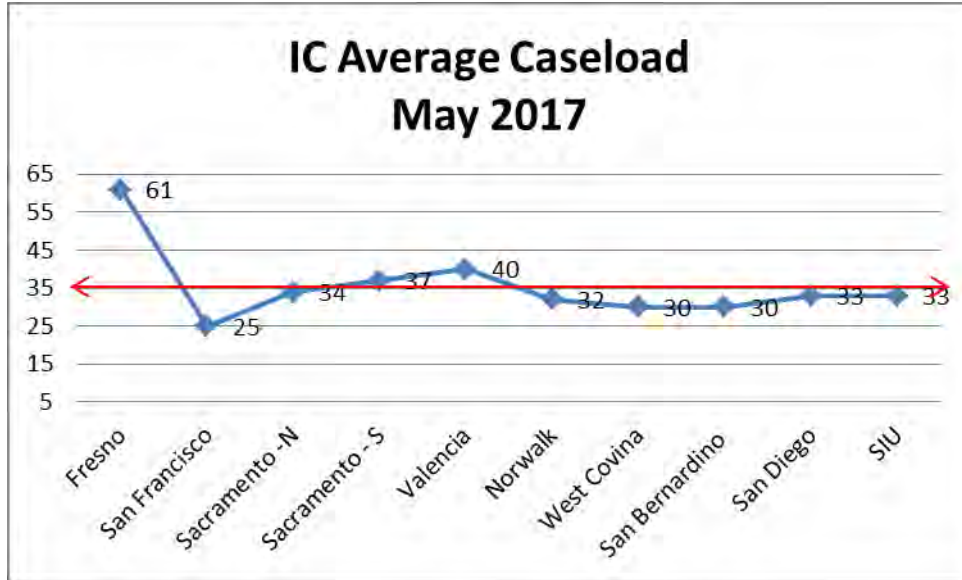
IC Financial Settlement Amount (FY 16/17)	\$ 5,847,237.54
IMC Financial Settlement Amount (FY 16/17)	\$ 9,192,057.07

Investigation of Consumer Complaints

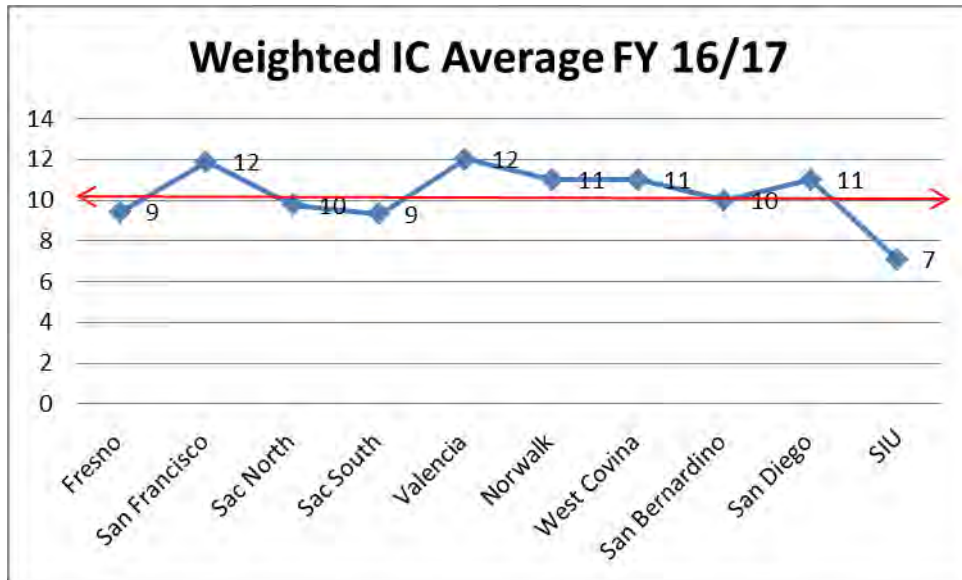
To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending caseloads, and investigation-closing disposition. For fiscal year 2016-17, Investigative Center ERs have consistently achieved the Board's goal of 10 complaint closures per month, and effective case distribution among the eight ICs and the Special Investigations Unit (SIU) has resulted in a manageable, ongoing caseload of approximately 35 cases per ER.



The following chart tracks open IC investigations. The goal is for each ER in the ICs to carry between 30 and 40 pending cases. At the beginning of May 2017, the statewide average was 36 cases.

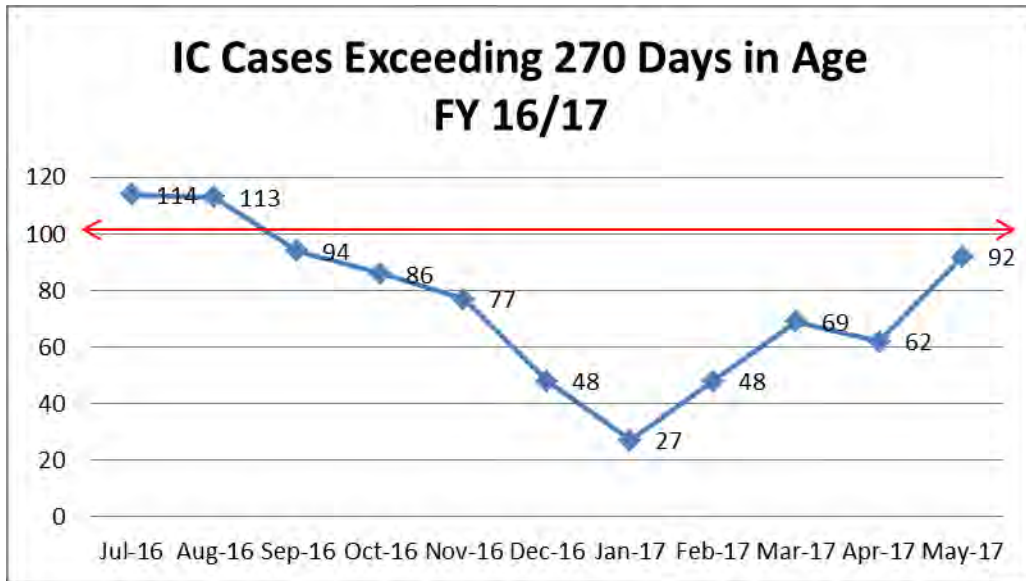


The following chart confirms that the IC ER's maintained a weighted closing average of 10 closures per month.

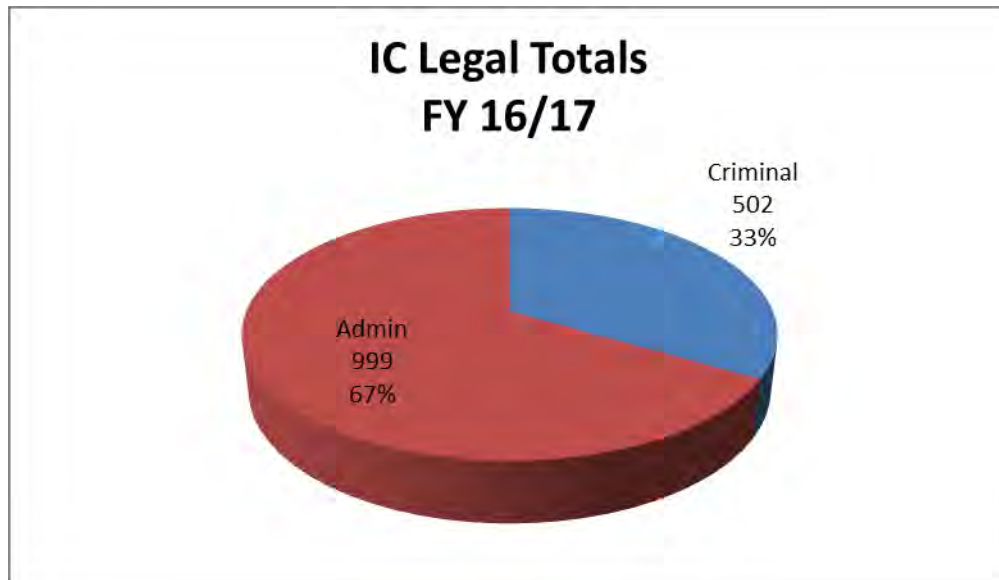




Historically, the Enforcement division has more than 3,000 consumer complaints under investigation at any given time. The Board’s goal is to appropriately disposition all but 100 complaints within 270 days of receipt. The effective management of pending complaints by Enforcement division staff has resulted in consistently meeting this goal.



For FY 2016-17, the Enforcement division Investigative Centers referred 33 percent, or 502, of the 1,501 legal action investigations, to district attorneys for criminal prosecution. The following chart depicts the percentage of completed investigations that resulted in an administrative or criminal legal action.





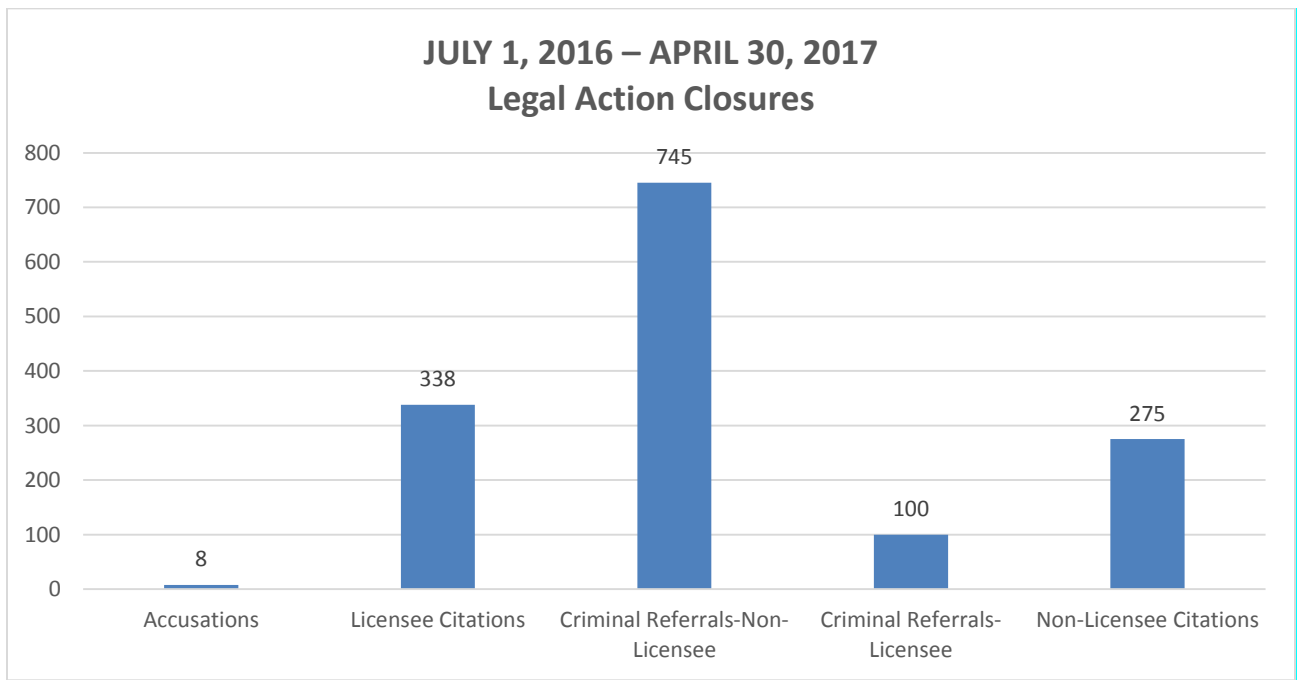
Statewide Investigative Fraud Team

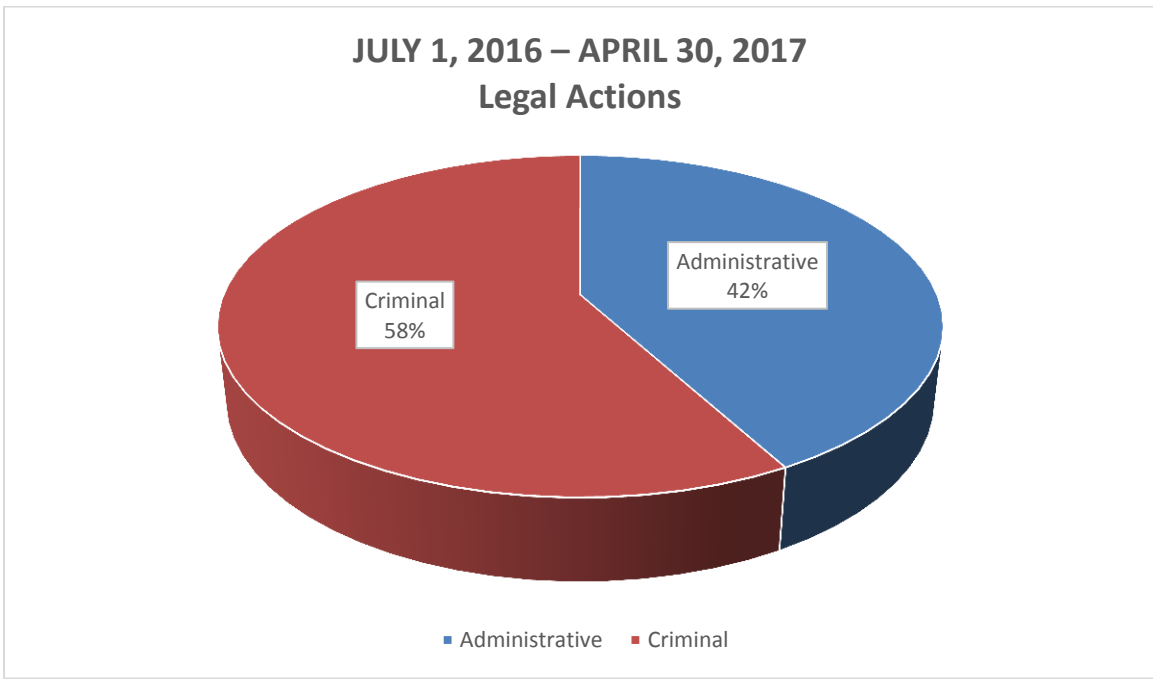
CSLB’s Statewide Investigative Fraud Team (SWIFT) is comprised of Enforcement Representatives (ERs) who enforce license and workers’ compensation insurance requirements at active jobsites, and who conduct enforcement sweeps and undercover sting operations targeting unlicensed persons. To date, for FY 2016-17, SWIFT has conducted 73 sting operations in partnership with other state agencies, law enforcement, district attorneys, building departments and code enforcement officials. Also, in partnership with other state and local agencies, SWIFT has conducted 235 sweep days in various counties this fiscal year.

Legal Action Closures

From July 1, 2016 to April 30, 2017, SWIFT has closed 2,951 cases as a result of stings, sweeps, and leads, of which 1,466 resulted in an administrative or criminal legal action.

Below is a breakdown of legal action closures.





DA Referrals

SWIFT often refers criminal cases to local prosecutors for prosecution. Criminal referrals occur as a result of sting, where a Notice to Appear was issued, or as a result of a lead, or sweep operation. To date, for FY 2016-17, SWIFT has referred 845 cases to local District Attorney’s Offices for criminal prosecution.

JULY 1, 2016 – APRIL 30, 2017 CRIMINAL REFERRALS	
Licensee Criminal Referrals	100
Non-Licensee Criminal Referrals	745



Citations

Since July 1, 2016, SWIFT has issued 613 licensee and non-licensee citations and has assessed \$470,800 in non-licensee citation civil penalties. (Licensee citations are issued by Case Management staff.)

Citation Amounts Assessed

**July 1, 2016 – April 30, 2017
Citation Amounts Assessed**

FY 2016-17 Non-Licensee Citations				
	Northern SWIFT	Fresno SWIFT	Southern SWIFT	Totals
July 2016	\$19,750	\$12,500	\$14,500	\$46,750
Aug 2016	\$34,300	\$1,500	\$13,700	\$49,500
Sept 2016	\$30,300	\$7,750	\$17,750	\$55,800
Oct 2016	\$2,250	\$18,200	\$13,000	\$33,450
Nov 2016	\$19,900	\$8,500	\$3,750	\$32,150
Dec 2016	\$24,150	\$24,000	\$750	\$48,900
Jan 2017	\$22,850	\$7,450	\$12,500	\$42,800
Feb 2017	\$33,000	\$9,500	\$19,500	\$62,000
Mar 2017	\$12,100	\$6,750	\$35,000	\$53,850
April 2017	\$12,600	\$10,000	\$23,000	\$45,600
FY TOTALS	\$211,200	\$106,150	\$153,450	\$470,800

Stop Orders

A stop order is a legal demand to cease all employee labor at a jobsite due to workers' compensation insurance violations until an appropriate policy is received. Failure of a contractor to comply with a Stop Order is a misdemeanor criminal offence, punishable by up to 60 days in county jail or by a fine of up to \$10,000, or both. Between July 1, 2016 and April 30, 2017, SWIFT issued 384 Stop Orders to licensed and unlicensed individuals for using employee labor without having a valid workers' compensation policy.



CASE MANAGEMENT FY 2016-17

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,052	658
Citations Appealed	455	258
Citation Compliance	979	392
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	313	
Settled	167	
Civil Penalties Collected	\$1,685,197	
Legal Fee Savings	\$2,575,426	
ARBITRATION		
Arbitration Cases Initiated	746	
Arbitration Decisions Received	562	
Licenses Revoked for Non-Compliance	70	
Arbitration Savings to the Public – Restitution	\$2,704,402	
ACCUSATIONS/STATEMENT OF ISSUES		
Revocations by Accusation	277	
Accusation Restitution Paid to Injured Persons	\$499,987	
Statement of Issues (Applicants Denied)	66	
Cost Recovery Received	\$323,295	
Number of Cases Opened	322	
Number of Accusations/Statement of Issues Filed	195	
Number of Proposed Decisions Received	79	
Number of Stipulations Received	54	
Number of Defaults Received	56	
Number of Decisions Mailed	311	

**EDUCATION AND TRAINING UPDATE**

In response to identified needs and staff requests, the Enforcement division continues to expand the offerings of its highly successful training program. The Enforcement division's training coordinator has partnered with subject matter experts from within and outside CSLB to offer courses that have received uniformly positive reviews from attending staff.

The new SWIFT sweep training included guest speakers from the Amador County District Attorney's office who made presentations regarding the successful prosecution of criminal cases. The guest Deputy District Attorney complimented the recent quantity and quality of cases received.

Training classes already completed or planned for calendar year 2017 are listed below.

2017 Completed Training

- SWIFT Sting Training
- Career Advancement Training
- CSLB Enforcement Academy (#6)
- SWIFT Sweep Training (Northern SWIFT unit)

2017 Future Training

- CSLB Enforcement Academy (#7)
- Career Advancement Training (for all interested CSLB staff)
- SWIFT Sweep Training (Central and Southern SWIFT units)
- Safety and Security Awareness Training (for all interested CSLB staff)

AGENDA ITEM F-2

Update and Discussion on Workers' Compensation Enforcement Strategies, Resources and Accomplishments





Background of 2016 Workers' Compensation Pilot Program

Prior to issuance of a California contractor license, applicants are required to have on file with the Contractors State License Board (CSLB) either a Certificate of Workers' Compensation Insurance or a Certificate of Self-Insurance (issued by the Department of Industrial Relations). With the exception of C-39 (roofing) contractors, a contractor who does not employ anyone subject to the workers' compensation laws of California may file an exemption request with CSLB and certify that they are not required to carry the insurance.

Percentage of Licensees with a Workers' Compensation Exemption

In late 2015, CSLB determined that 57 percent of all licensees had exemptions from workers' compensation (WC) insurance on file, including 53 percent of licensees in the six classifications most likely to require employees:

- "A" General Engineering – 39 percent with exemptions
- C-8 Concrete – 44 percent with exemptions
- C-10 Electrical – 58 percent with exemptions
- C-20 HVAC – 56 percent with exemptions
- C-36 Plumbing – 59 percent with exemptions
- C-46 Solar – 39 percent with exemptions

2016 Pilot Program Results

Utilizing the Board-approved strategies to enforce WC requirements, the Enforcement division in 2016 identified 143 contractors with a WC exemption on file and evidence of employee labor on their webpages. Staff identified the contractors through research of public works contractors and analysis of incoming complaints in Intake and Mediation, the six classifications listed above, and the construction monitor database.

Following this, the Enforcement division sent an "educational compliance" letter to the 143 contractors with WC exemptions who were identified as likely to have employee labor. The letter informed these contractors that CSLB planned to increase enforcement of workers' compensation compliance and encouraged them, if they did have employees, to comply with the law by obtaining a workers' compensation insurance policy.

The compliance rate of the letter was about 10 percent, with 12 contractors obtaining a WC policy or sending in proof of an existing WC policy, and 15 contractors filing



new WC exemptions. The Enforcement division will continue to use the educational compliance letter in selected cases.

2017 Research and Revised Targeting

Average Cost of Contract

At its February 10, 2017, meeting, Enforcement Committee members requested additional information regarding the typical dollar amount of contracts involved in complaints against contractors with a WC exemption on file.

Enforcement division staff reviewed all complaints against exempt contractors for a representative three-month period (October 1, 2016 through January 5, 2017). Of the approximately 2,100 licensee complaints received during this period, 750 – or 36 percent – were against contractors with a WC exemption on file. Of these 750 complaints, the average cost of the contracts involved was **\$47,693**, which signifies the performance of relatively extensive work.

B-General Building Contractor Research

CSLB records indicate that 63,324 (64 percent) B-General Builder contractors statewide have a workers' compensation insurance exemption on file.

At the March 13-14, 2017, Board meeting staff was asked to research whether B-General Building contractors with a WC exemption on file were subcontracting work to other licensed contractors or employing workers without workers' compensation insurance.

Enforcement staff interviewed 20 consumers, along with other witnesses, who had filed complaints against B-General Building contractors with a workers' compensation exemption on file to determine if they employed or subcontracted work to other licensed contractors on the construction project subject to the complaint. The investigation determined that 15 of the contractors employed workers and that five used licensed subcontractors.

Sacramento County Pilot Program

In a further effort to address the problem of false WC exemptions, the Enforcement division conducted a proactive enforcement pilot project in Sacramento County during the first quarter of 2017. For this pilot project, CSLB identified four license classifications that generally use multiple employees to perform outdoor (i.e., readily observable) construction. The targeted classifications and their corresponding WC insurance exemption rates are shown in the chart below:



Sacramento County Licensees			
License Classification	Number of Entities	Number With WC Exemption	Percent With WC Exemption
C-8 (Concrete)	252	118	47%
C-12 (Earthwork and Paving)	46	26	57%
C-27 (Landscaping)	512	238	46%
C-61 / D-49 (Tree Service)	107	41	38%

CSLB's Statewide Investigative Fraud Team utilized the following strategies to conduct the WC targeted enforcement program in 2017 in Sacramento County:

- Research CSLB and public databases to acquire information on contractors in the targeted classifications with a Sacramento business address who claim a WC exemption.
- Call, visit, or observe the work locations (a business address or active construction site) of those contractors claiming a WC exemption to determine if they use employee labor.
- Using an approved script, contact the exempt licensee in an undercover capacity to determine if they profess to have workers.

The percentage of contractors filing a false exemption from workers compensation insurance in the targeted classifications is shown in the chart below:

Percentage of Contractors Claiming WC Exemption with Employees

License Classification	Number of Contractors with WC Exemption	Number of Exempt Contractors with Employees	Percentage Filing False Exemption
C-8 (Concrete)	41	25	61%
C-12 (Earthwork and Paving)	12	2	17%
C-27 (Landscaping)	53	33	62%
C-61/D-49 (Tree Service)	23	16	70%

**Future Strategies**

- Assess the Sacramento County pilot project's effectiveness and, if successful, duplicate this enforcement strategy in other counties experiencing a high number of WC exemptions in targeted classifications.
- Provide data to interested parties, including legislators and industry representatives, to publicize the high number of false exemptions in classifications that require workers. These parties may want to consider proposing legislation to require mandatory WC coverage for additional worker-intensive classifications (similar to the existing requirement for C-39 Roofing contractors).
- Meet with staff at the Bureau of Real Estate to address real estate agents who represent non-owner/builder house flippers that refer contractors who are unlicensed and/or uninsured.
- Work closely with California building officials to identify house flippers who use unlicensed contractors or who do not qualify for the owner/builder exemption.

Tree Trimmer Undercover Operation

In June 2017, staff scheduled an undercover enforcement operation targeting C-61 / D-49 Tree Service contractors suspected of employing workers without a workers' compensation insurance policy. The results of the sting will be presented at the June 15, 2017 Board meeting.

AGENDA ITEM F-3

Update and Discussion on Consumer Satisfaction Survey





CONTRACTORS STATE LICENSE BOARD
REPORT ON THE

CONSUMER SATISFACTION SURVEY:
2016 COMPLAINT CLOSURES
(January to December)

Report Date: May 2016

Executive Summary

The Consumer Satisfaction Survey Report is based on surveys of individuals who have filed complaints with the Contractors State License Board (CSLB) Enforcement division against licensed or unlicensed contractors. These surveys assess the public's satisfaction with CSLB's handling of their complaints. The original benchmark survey began with complaints that were closed in 1993, and assessment of consumer satisfaction has continued since that time. The present report measures consumer satisfaction for complaints closed in calendar year 2016.

Eight of the nine questions on the 2016 survey were identical to those used since 1993, and the same seven point agreement scale was used. From 1993-2009, 4,800 complainants (400 per month) were selected randomly to receive surveys. In 2010, the survey's format and sampling method were changed. Beginning with 2010, CSLB began to email the survey to all consumers with closed complaints who had provided email addresses. In 2016, 7,899 complainants provided email addresses, of which 7,715 were deemed valid. Surveys were sent out in individual monthly batches throughout 2016 and early 2017.

In 2016, a total of 1,657 complainants, 21 percent of those surveyed, responded to the questionnaire, a rate similar to that of previous years.

Major Findings and Comparison with Previous Years

Table 1 summarizes the survey results from consumers with complaints closed in 2016. The table also includes the annual ratings for the eight consumer satisfaction questions (service categories) over the last four years.

In 2012, the lowest agreement (57%) was for the question, "The action taken in my case was appropriate," whereas the highest agreement (85%) was for the question related to being treated courteously, a consistent pattern for the last five years. From 2015 to 2016, three service categories showed a 2 percent increase, one service category showed a 3 percent increase, one service category showed a 1 percent decrease, and three service categories remained unchanged.

TABLE 1: HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2012-2016)

Questionnaire Statements	Percent Agreement by Calendar Year				
	2012	2013	2014	2015	2016
1. The CSLB contacted me promptly after I filed my complaint.	81%	77%	80%	77%	77%
2. The procedures for investigating my complaint were clearly explained to me.	75%	72%	75%	74%	76%
3. The CSLB kept me informed of my case's progress during the investigation.	69%	63%	66%	66%	68%
4. I was treated courteously by the CSLB's representative(s).	85%	82%	83%	84%	87%
5. My complaint was processed in a timely manner.	67%	61%	65%	66%	65%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	69%	67%	69%	70%	70%
7. The action taken in my case was appropriate.	57%	54%	58%	56%	58%
8. I am satisfied with the service provided by the CSLB.	61%	58%	63%	62%	62%

With regard to the most recent data, the following service category showed a 3 percent increase in satisfaction from 2015 to 2016:

- Question 4: “was treated courteously.”

No other service category changed more than 2 percent.

Forty-two percent of survey respondents selected “yes” to Question 9, “Before hiring, I inquired about my contractor’s license status with the CSLB,” the same as in 2015.

The vast majority of complaints were filed by a non-industry consumer. Over 80 percent involved a licensed contractor. More than 80 percent of the complaints addressed home improvement repairs or remodeling.

In order to examine possible response bias, a comparison was made between the 7,715 surveyed complainants and the 1,657 respondents, regarding complaint outcome. Forty-nine percent of the complaints in the total survey sample were closed in favor of the complainant. Similarly, 49 percent of the survey responses came from those whose complaints had positive outcomes. The 2016 results, therefore, show no indication of positive or negative response bias.

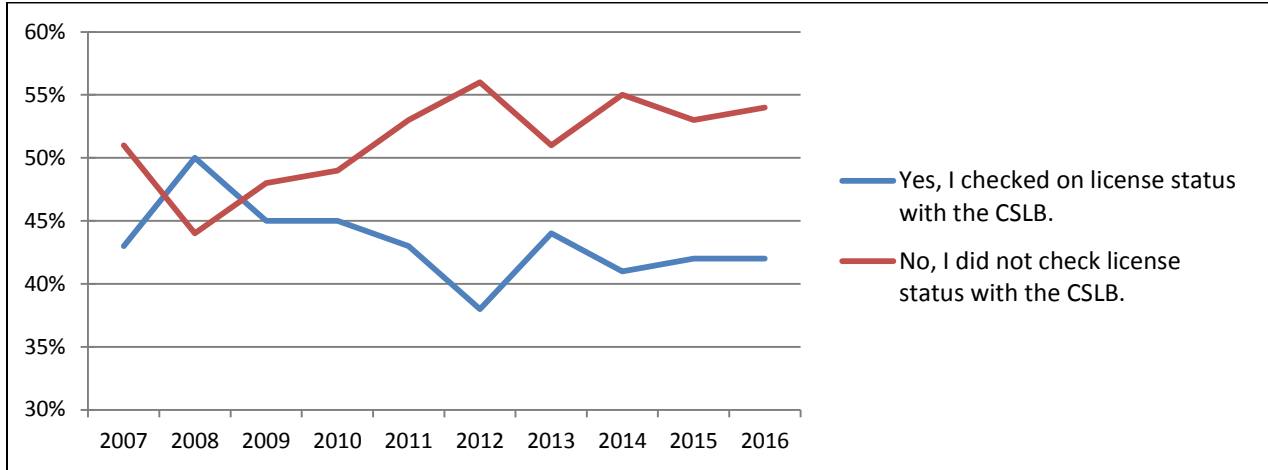
History

In 1994 the Contractors State License Board began a program to improve consumer satisfaction with CSLB's enforcement program. A cornerstone of this effort was a survey to solicit feedback from individuals who filed complaints with the Board. The first postcard survey, covering complaint closures from 1993, was designed to serve as a benchmark in an ongoing evaluation program as well as to identify areas in need of improvement. These ongoing surveys have been conducted by CSLB's Testing division. The present report covers complaints closed between January and December 2016 and compares these results with the previous four years.

In 2012, the lowest agreement (57%) was for the question, "The action taken in my case was appropriate," whereas the highest agreement (85%) was for the question related to being treated courteously, a consistent pattern over the last five years.

The Consumer Satisfaction Survey also provides a convenient method for polling consumers on other issues. Since 2000, the survey has been used to estimate the percentage of complainants who inquired about the contractor's qualifications with CSLB. Agreement with this question has ranged from 29 percent in 2000 to 42 percent in 2016. In 2007, this question was rephrased from "Before hiring, I inquired about my contractor's *qualifications* with the Contractors State License Board" to "Before hiring, I inquired about my contractor's *license status* with the CSLB," and the answer choices changed from an agreement scale to a yes/no format. Since 2007, between 38 percent and 50 percent of respondents endorsed this statement (a mean of 43.3 percent). Figure 1 shows these results by year.

Figure 1



In 2007, Question 10, an open-ended follow-up to Question 9, was added to assess the reasons why some consumers did not inquire about the license status of their contractors with CSLB. The responses to Question 10 were reviewed and sorted into twelve comment categories. In 2010, CSLB eliminated this question.

Project Design

Questionnaire Description

The nine-item 2016 questionnaire was developed in Survey Monkey and included eight questions assessing customer service. Seven of them related to specific aspects of the complaint process, and one was about overall satisfaction. These questions were virtually identical to those used since 1994. Complainants were asked to rate the questions on a seven-point agreement scale that provided three levels of agreement with a question (strongly agree, agree, and mildly agree), and three levels of disagreement (strongly disagree, disagree, and mildly disagree). The rating scale also included a "neutral" point. The final question addressed whether or not consumers inquired with CSLB about their contractor's license status prior to hiring and required a yes/no response. The questionnaire also provided space for written comments. A copy of the questionnaire is attached as Appendix A.

Before receiving the survey, each complainant's email address was linked with his/her case number to allow for an analysis of survey responses by the nature of the complaint. The information from complaint files also helped to determine whether or not the respondent sample was representative of the larger group of complainants.

Sampling Procedure

In calendar year 2016, CSLB completed the investigation or mediation process for 19,991 complaints filed by consumers against licensed and unlicensed contractors, 85 more than in 2015. Complainants who provided CSLB with an email address were selected from all of the closed complaint files in 2016. Duplicate complainants and clearly incorrect email addresses were removed from the sample prior to emailing, leaving a total sample of 7,715. Surveys of consumers whose complaints were closed in that month were emailed throughout 2016 and early 2017.

Analysis Procedure

Combining the three "Agreement" points, and then dividing this number by the total number of respondents, determined the level of agreement with each service category question. This procedure provided the proportion of respondents who agreed with the question.

The complaint number attached to each complainant's email address linked response ratings with specific characteristics of the complaint itself. This allowed assessment of complainant satisfaction in the context of the ultimate outcome of the complaint.

The complaint files also helped to determine whether or not the consumers who responded to the survey were representative of the total sample. Analysts developed a profile for the respondent group and compared it to the profile for the total sample. Close correspondence between the two profiles would confirm a representative (unbiased) consumer response.

Complainants' Comments

In previous survey years, comments were hand-entered into a database and assigned one or more subject-specific codes (comment category). The majority of comments elaborated on the questionnaire statements; the remaining comments presented additional areas of consumer concern. Some complainants used the comment space to request contact by a CSLB representative, to indicate that they were unsure about the outcome of their case, or to provide positive remarks about CSLB representatives who handled their cases. These surveys were forwarded to CSLB Enforcement staff. Since 2010, all of the comments have been typed by the complainants themselves, thereby reducing the need to first decipher handwriting and then enter and code the comments.

Results

Response Rate

In 2016, the total number of survey responses, 1,657, was 21 percent of those selected for the sample. The response rate for this survey has ranged from 17-31 percent, which is considered standard for this type of survey.

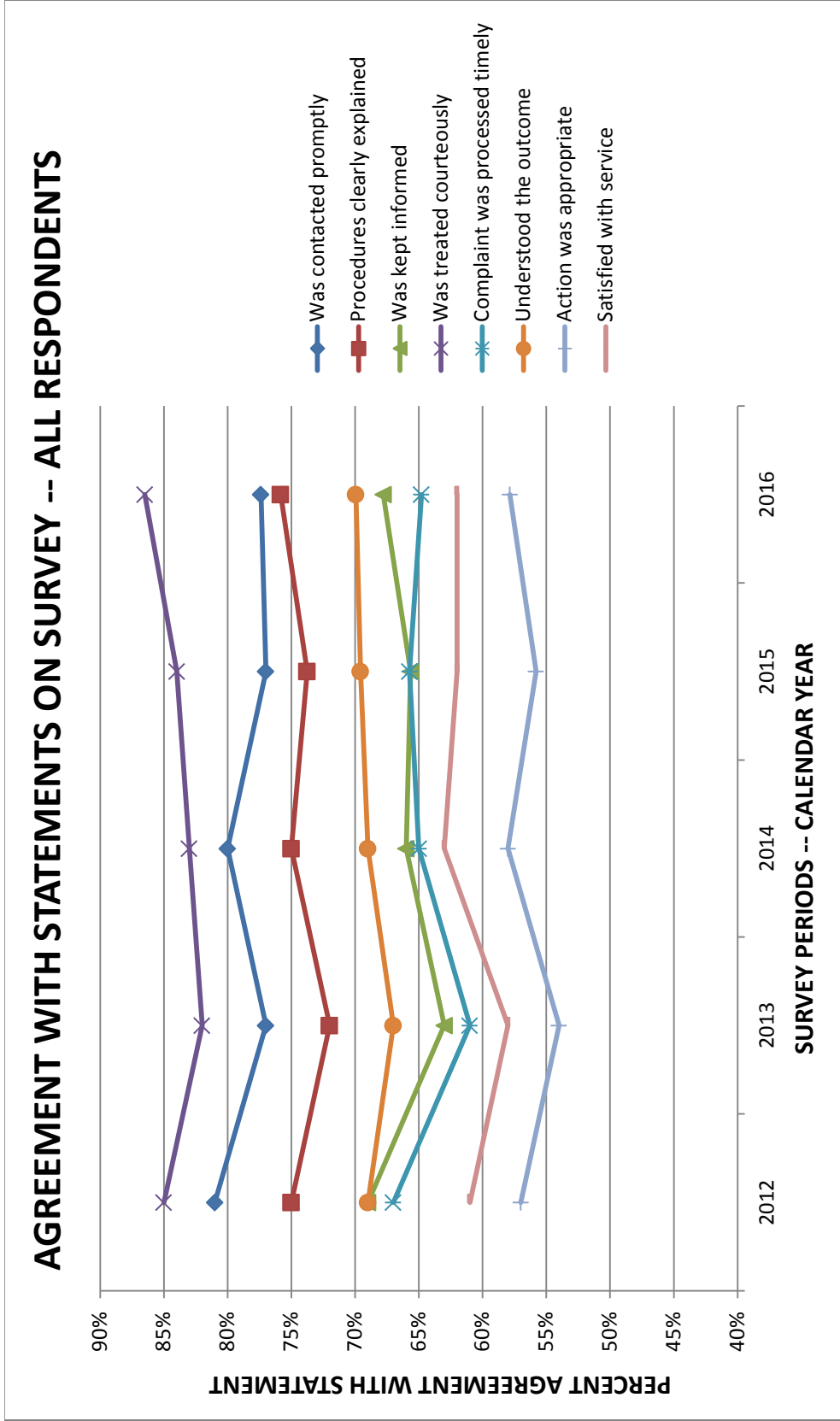
Consumer Agreement with Questionnaire Statements

Appendix B (Table B-1) contains the detailed results for the 2016 Consumer Satisfaction Survey, indicating the individual percentages for each "agreement" category. Table 1 of the Executive Summary presents the satisfaction ratings for the 2016 survey, along with results from 2012 to 2015. This same information is presented in graph form in Figure 2.

Contractor Qualifications

The question addressing contractor qualifications was included to assess the need for public education in this area. Question 9 asked, "Before hiring, I inquired about my contractor's qualifications with the Contractors State License Board." See Figure 1.

FIGURE 2
HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY
(2012 - 2016) LINE GRAPH PRESENTATION



Complainant's Comments

Sixty-three percent of the responding complainants chose to include comments with their survey responses, a percentage consistent with past results. As in previous years, the comments ranged from requests for follow up, additional information about the status of complainants' cases, and feedback regarding CSLB representatives. The comments also included suggestions for procedure changes regarding the CSLB complaint process. All comments were forwarded to the CSLB Enforcement staff for review.

Sampling Validity

In survey research, respondents to a survey may not be representative of the overall group, which can occur when a particular segment of the sample is more motivated to respond to the survey. In order to examine possible response bias, a profile was developed for the 7,715 surveyed complainants and compared to the 1,657 complainants who responded to the survey. The profile, contained in Appendix C, demonstrates that the responding group and the sample group both had 49 percent positive complaint outcomes.

Response Trend

Forty-nine percent of the total sample had outcomes in favor of the complainants, and 49 percent of the survey respondents had outcomes in their favor. The results from 2012, 2013, 2014, and 2015 also indicated the absence of a positive response bias.

Change in Sampling Method

Beginning in 2010, CSLB altered the sampling method from random sampling to convenience sampling. Random sampling is preferred for most surveys to ensure that the sample is representative of the overall population of interest. It assumes that characteristics such as gender, age, socioeconomic status, etc. are equally distributed across the survey population and, therefore, will be equally distributed across a random sample.

Convenience sampling selects participants based on their availability to the researcher. As applied to the CSLB Consumer Satisfaction Survey, using an email survey rather than a paper and pencil survey reduces costs and saves staff time and, thereby, makes the most convenient sample those complainants who had provided their email addresses. While convenience sampling can induce bias in a

survey, depending on the topic, there is no reason to expect that consumers who provided their email addresses to CSLB would have different opinions on the satisfaction measures assessed by the current survey from those who did not provide email addresses.

TECHNICAL APPENDICES

Appendix A: CONSUMER SATISFACTION SURVEY QUESTIONNAIRE
Appendix B: DETAILED RESULTS OF CONSUMER SATISFACTION SURVEY
Appendix C: CONSUMER COMPLAINT PROFILE

APPENDIX A

Consumer Satisfaction Survey Questionnaire

Consumer Satisfaction Survey month/year

1. Introduction Section

Dear Consumer:

As part of our ongoing efforts to improve service to consumers, we are conducting a survey to monitor the quality of service provided to consumers who have filed a complaint with the Contractors State License Board.

Your name was selected from our complaint files that were recently closed.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed. Of course, we would also like to hear how we are serving you well.

When you are done just click on the "DONE" button at the bottom of the last page to forward your responses on to the Board.

Thank you for taking the time to participate in this survey!

Contractors State License Board

Consumer Satisfaction Survey month/year

2. Survey instructions and questions

Please have the person most familiar with the complaint complete the survey. Select the response that shows how much you agree with each statement on the survey.

We are identifying your response with your complaint number to provide specific information about CSLB operations. YOUR IDENTITY WILL BE KEPT COMPLETELY CONFIDENTIAL UNLESS YOU REQUEST CONTACT FROM THE CSLB.

	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE
The CSLB contacted me promptly after I filed my complaint.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The procedures for investigating my complaint were clearly explained to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The CSLB kept me informed of my complaint's progress during the investigation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I was treated courteously by the CSLB's representative(s).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My complaint was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the outcome of the investigation (whether or not I agree with the action taken).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The action taken in my case was appropriate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with the service provided by the CSLB.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Before hiring, I inquired about my contractor's license status with the CSLB.

YES

NO

Comments (please include any areas that you feel our staff could improve in and/or examples of superior service to you):

APPENDIX B

Detailed Results of Consumer Satisfaction Survey

Consumer Satisfaction Survey Report - Table B-1

Overall Results of Consumer Satisfaction Survey 2016 Complaint Closures

QUESTION ASKED	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE	NO RESPONSE
1. Was contacted promptly	575 (35%)	545 (33%)	156 (9%)	87 (5%)	88 (5%)	96 (6%)	102 (6%)	8 (.5%)
2. Procedures clearly explained to me	583 (35%)	499 (30%)	164 (10%)	105 (6%)	80 (5%)	108 (7%)	104 (6%)	14 (.9%)
3. Was kept informed	509 (31%)	419 (26%)	181 (11%)	117 (7%)	113 (7%)	142 (9%)	155 (9%)	21 (1.3%)
4. Was treated courteously	939 (57%)	424 (26%)	58 (4%)	104 (6%)	31 (2%)	29 (2%)	58 (4%)	14 (.9%)
5. Complaint was processed timely	551 (34%)	350 (21%)	157 (10%)	143 (9%)	88 (5%)	137 (8%)	207 (13%)	24 (1.5%)
6. Understood the outcome	635 (39%)	429 (26%)	74 (5%)	134 (8%)	64 (4%)	93 (6%)	198 (12%)	30 (1.8%)
7. Action was appropriate	559 (34%)	306 (19%)	74 (5%)	135 (8%)	70 (4%)	125 (8%)	354 (22%)	34 (2.1%)
8. Satisfied with service	628 (38%)	287 (18%)	97 (6%)	119 (7%)	66 (4%)	135 (8%)	300 (18%)	57 (1.5%)

	YES	NO	NO RESPONSE
9. Checked contractor's license status with CSLB	698 (42.1%)	902 (54.4%)	57 (3.4%)

APPENDIX C

Complaint Profile

Complaint Profile
(January - December 2016)

Code	Description		% of Respondent Sample (943)	% of Survey Sample (8845)
L20	Insufficient Evidence		24%	25%
L70	Settled in Screening (CSR)	[+]	18%	17%
L90	No Further Action		14%	14%
L50	Settled in Investigation (Deputy)	[+]	8%	8%
N20	Insufficient Evidence (Non-Licensee)		6%	6%
L1C	Citation	[+]	5%	5%
L7M	Mandatory Arbitration	[+]	4%	5%
L80	Minor Violation – Warning	[+]	4%	4%
N10	Prosecutor (Non-Licensee)	[+]	3%	3%
L30	No Jurisdiction		3%	3%
N60	Citation (Non-Licensee)	[+]	3%	3%
L1A	Accusation	[+]	2%	2%
N30	No Jurisdiction (Non-Licensee)		2%	1%
N40	No Further Action (Non-Licensee)		2%	2%
L40	No Violation		1%	< 1%
L60	License Already Revoked	[+]	1%	1%
N50	No Further Action – Warning	[+]	1%	1%
L10	Prosecutor	[+]	< 1%	< 1%
L7A	Voluntary Arbitration	[+]	< 1%	1%

AGENDA ITEM G

Public Affairs



AGENDA ITEM G-1

Public Affairs Program Update

- a. Online Highlights
- b. Video/Digital Services
- c. Social Media
- d. Media Relations Highlights
- e. Publication/Graphic Design Highlights
- f. Industry/Licensee Outreach Highlights
- g. Consumer/Community Outreach Highlights
- h. Employee Relations





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, as well as outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam StopperSM and Consumer Scam StopperSM seminars, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and employee Intranet content, including webcasts and video.

STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant. The Student Assistant position is currently vacant.

ONLINE HIGHLIGHTS

CSLB Website Statistics

Month	Sessions	Users	Page Views	Pages / Session	Ave. Session Duration	Bounce Rate	% New Sessions
May 2016	701,317	311,272	4,790,258	6.83	5:50	21.48%	31.66%
June	713,305	312,912	4,881,141	6.84	5:52	21.42%	31.32%
July	665,958	299,745	4,506,949	6.77	5:47	21.96%	31.92%
August	757,710	333,115	5,124,500	6.76	5:49	21.92%	31.72%
September	691,649	312,887	4,634,443	6.70	5:42	23.04%	32.30%
October	667,049	312,201	4,564,788	6.84	5:45	22.54%	34.15%
November	655,047	306,479	4,365,059	6.66	5:37	25.92%	33.87%
December	598,416	268,380	4,091,057	6.84	5:52	22.80%	31.45%
January 2017	740,028	333,487	5,059,165	6.84	5:52	22.83%	33.05%
February	705,514	319,216	4,779,734	6.77	5:47	22.76%	32.31%
March	803,742	343,747	5,419,090	6.74	5:50	21.66%	30.54%
April	727,901	329,593	4,910,084	6.75	5:38	21.67%	32.32%
12-Month Average	702,303	2315,253	4,760,522	6.78	5:47	22.47%	32.19%
12-Month Total	8,427,636	3,783,034	57,126,268	Not Applicable	Not Applicable	Not Applicable	Not Applicable



Types of Devices – By Percentage

Month	All Users			New Users Only		
	Desktop	Mobile	Tablet	Desktop	Mobile	Tablet
May 2016	74.98%	21.23%	3.80%	65.47%	28.88%	5.64%
June	75.32%	21.11%	3.57%	66.09%	28.46%	5.45%
July	74.16%	21.98%	3.87%	64.88%	29.37%	5.75%
August	75.01%	21.39%	3.60%	65.61%	28.98%	5.41%
September	74.70%	21.73%	3.58%	65.83%	28.92%	5.25%
October	74.52%	21.93%	3.55%	66.35%	28.59%	5.07%
November	76.56%	20.22%	3.22%	70.13%	25.53%	4.34%
December	74.75%	22.00%	3.25%	64.78%	30.24%	4.98%
January 2017	74.92%	21.66%	3.41%	66.30%	28.73	4.97%
February	74.09%	22.44%	3.46%	65.89%	29.11%	5.00%
March	73.61%	23.00%	3.39%	63.58%	31.27%	5.15%
April	73.91%	22.63%	3.46%	65.88%	29.17%	4.95%
12 Month Avg.	74.69%	21.79%	3.52%	65.90%	28.94%	5.16%

Location of Users – May 1 2016 – April 30, 2017

Country	% of Sessions
United States	98.34%
India	0.42%
Philippines	0.24%
Canada	014%
Mexico	0.12%
United Kingdom	0.05%
Pakistan	0.03%
Israel	0.03%
Japan	0.03%
Australia	0.03%

State	% of Sessions
California	85.76%
Texas	1.91%
Oregon	1.01%
New York	0.96%
Arizona	0.87%
Colorado	0.84%
Illinois	0.73%
Nevada	0.73%
Florida	0.70%
Washington	0.63%



The 25 Most Viewed Pages on CSLB Website – Ranked by Page Views

(does not include homepage, or online services pages, including instant license check)

Page Title	MOST RECENT			
	Jan. – March 2017	Oct. – Dec. 2016	July – Sept. 2016	April – June 2016
Forms and Applications	1	1	1	1
Contractor Home Page	2	2	2	2
Licensing Classifications	3	4	4	4
Consumer Home Page	4	3	3	3
Mechanics Lien Release Forms	5	5	5	5
Contact CSLB	6	6	6	6
Applicant Home Page	7	8	8	7
“B” General Building Contractor	8	7	7	8
License Application	9	9	9	9
Maintain License	10	10	10	11
Exam Application Info	11	11	11	10
Before Applying for a License	12	13	13	12
Filing a Complaint	13	12	12	13
Guides and Publications	14	14	14	14
Examination Study Guides	15	15	15	16
C-61 Limited Specialty	16	16	16	15
About Us FAQs	17	18	18	18
Hire a Contractor	18	17	17	17
Renew Your License	19	23	21	22
Contractor Laws	20	21	20	21
“A” General Contractors	21	22	23	20
Mechanics Liens Industry Bulletin	22	19	19	19
C-10 Electrical Contractor	23	20	22	23
Licensing Info Center Calling Tips	24	24	25	-
License Experience Requirements	25	25	-	-
C-27 Landscaping Contractor	-	-	24	25
Journeyman FAQs	-	-	-	24



VIDEO/DIGITAL SERVICES

Public Meetings

- *Board Meetings – Webcasts*

A live webcast was provided for the quarterly Board meeting held in Sacramento on March 13, 2017.

A live webcast was provided for the Legislative Committee meeting held in Sacramento on May 19, 2017.



CSLB Legislative Committee Meeting May 19, 2017



CSLB Quarterly Board Meeting March 13, 2017

PAO continues to use a lower third graphic displayed during Board and Committee meeting live streams. The design displays CSLB’s logo, the meeting date, agenda item, and the name and title of each CSLB official. This element makes it easier for viewers to follow along during the meeting and find content in archived videos.

Live Viewers for Recent Meeting Webcasts

Date	Event	Live Viewers
September 19, 2016	Quarterly Board Meeting – Day 1	115
September 20, 2016	Quarterly Board Meeting – Day 2	66
October 28, 2016	Committee Meetings	78
November 3, 2016	Committee Meetings	34
December 8, 2016	Quarterly Board Meeting	88
February 10, 2017	Committee Meetings	24
February 17, 2017	Committee Meetings	16
March 17, 2017	Quarterly Board Meeting	132
May 19, 2017	Legislative Committee Meeting	93

Social Media

Followers on CSLB’s Social Media Channels

Date	Facebook	Twitter	YouTube	Periscope	Linkedin	Instagram	Flickr
November 2010	86	50	2	-	-	-	-
November 2011	731	638	20	-	-	-	-
November 2012	1,139	1,040	282	-	-	-	-
November 2013	1,457	1,349	343	-	-	-	-
November 2014	1,796	1,622	352	-	-	-	-
November 2015	2,228	1,824	434	10	14	-	-
November 2016	2,909	2,123	600	62	59	12	7
May 23, 2017	3,150	2,309	655	46	98	60	9

CSLB continues to use a variety of infographics to post information and engage audiences on the board’s social media pages. Below are examples of infographics recently posted on Facebook, Twitter, Instagram, and LinkedIn:



The use of infographics has increased our social media engagement by 67.5% in comparison to posts without graphics.

Instagram Growth

CSLB continues to use Instagram as a visual tool to connect with followers. As the significance of images on the Internet grows in conjunction with the use of smartphones, CSLB continues to expand the use of social media platforms and to communicate in as many ways as possible.

CSLB Instagram posts received an average of 193 “impressions” between April 27, 2017 and May 24, 2017.



Facebook Growth

Between April 27, 2017 and May 24, 2017, CSLB “reached” 14,737 people on its Facebook page.

- 67 percent of those who “react” to CSLB on Facebook are male; 31 percent female.
- 57 percent of CSLB’s Facebook fans are between the ages of 35 and 54.
- Most viewed posts:
 - Northridge Sting Press Release - 4.8K reach

05/22/2017
2:51 pm



Investigators from CSLB used illegal ad
vertisements to help them catch 14 sus

- #TuesdayTips for Advertising - 3.6K reach

05/16/2017
4:13 pm



#TuesdayTips Advertisements are not li
mited to newspapers, online bulletin bo

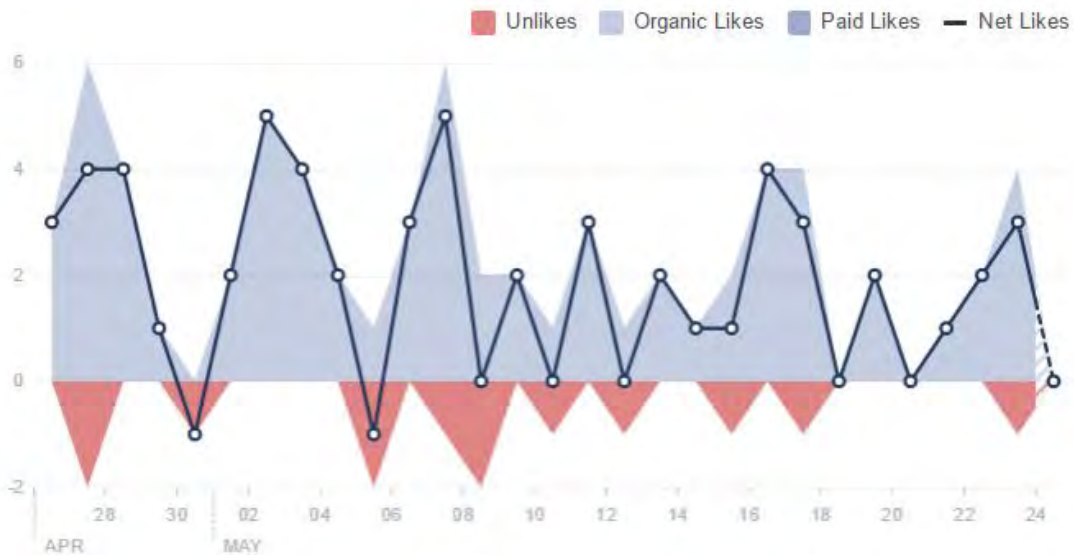
- Madera Sting Press Release - 1.5K reach

01/13/2017
3:11 pm



Check out CSLB's Chief of Publi
c Affairs, Rick Lopes, discussing

The following chart shows the net growth per day from April 27, 2017 to May 24, 2017 for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas represent individuals who have “liked” CSLB at one point, but subsequently “un-liked” CSLB.





Twitter Growth

Between April 27, 2017 and May 24, 2017, CSLB gained 28 followers on Twitter, growing from 2,194 to 2,222.

- 71 percent of CSLB Twitter followers are male; 29 percent female.
 - The number of female followers has decreased by 4 percent since the March 2017 Board meeting.
- Tweets receive an average of 21.2K impressions (views) per month.
- Top tweets:

#TBT Golden Gate Bridge – 1.33K impressions



Student Assistant Job Vacancy – 1.32K impressions



Periscope Growth

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



YouTube Growth

CSLB's YouTube Channel received 1,774 views between April 27, 2017 and May 24, 2017, an average of 63 visitors per day. Viewers watched a combined total of 7,224 minutes of video. CSLB gained 26 followers on YouTube, growing from 629 to 655 since the March 2017 Board meeting.

- CSLB has had 228,059 views since the page was created in 2009.
- 90 percent of CSLB YouTube viewers are male; 10 percent female.
 - The percentage of male followers has increased by 5 percent since the March 2017 Board meeting.
- 42 percent of viewers find CSLB videos through "suggested videos" on YouTube, 17 percent from external links, 20 percent from YouTube search, and 21 percent use other methods.

Flickr Growth

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of May 24, 2017, CSLB has 272 photos available for download on Flickr.

LinkedIn Growth

PAO actively posts current job vacancies to LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase exposure and act as an effective recruiting tool to attract quality employees for CSLB positions.

Email Alert Feature

In May 2010, PAO launched a website feature that allows people to subscribe to their choice of four types of CSLB email alerts:

- *California Licensed Contractor* newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

PAO added a CSLB Job Openings category in May 2016, and an email containing all current CSLB job openings is sent out on a weekly basis.

The total subscriber database currently stands at 26,613, which includes 169 new accounts since the Board's March 2017 meeting.



Date	Industry Bulletins	Meeting Notices	CLC Newsletter	News Releases	Job Openings
May 2010	185	187	103	277	-
May 2011	2,390	1,531	3,141	2,361	-
May 2012	4,387	2,879	5,212	4,015	-
May 2013	5,089	3,341	5,975	4,660	-
May 2014	6,027	4,017	6,947	5,538	-
May 2015	6,459	4,273	7,293	5,852	-
May 2016	6,866	4,479	7,575	6,096	17
May 2017	7,410	4,573	7,857	6,468	305

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. That database now consists of addresses for 146,400 licensees, which brings the combined database to 173,013 addresses.

MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between November 1, 2016 and May 31, 2017, PAO staff responded to 130 media inquiries, providing information and/or interviews to a variety of media outlets.

The following chart breaks down these calls by month:

Month	# of Media Inquiries
November 2016	24
December 2016	6
January 2017	15
February, 2017	32
March, 2017	18
April, 2017	17
May, 2017	18
Total	130

Media Events

None since the March 2017 Board meeting.

**News Releases**

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between February 1, 2017 and June 1, 2017, PAO distributed 16 news releases.

Release Date	# of Media Inquiries
February 2, 2017	CSLB Finds Contractors Lacking Licenses and Workers' Comp Insurance in Merced County
February 15, 2017	Rainy Weather Doesn't Deter Flood of Those Illegally Trying to Contract for Home Improvement Jobs in Santa Clara County
February 17, 2017	CSLB Investigators Find Repeat Offenders During Undercover Sting
March 6, 2017	CSLB Sting Nets 21 Unlicensed Contractors Proving Consumers May Pay a Bigger Price If They Don't "Check the License First"
March 8, 2017	CSLB Issues Statewide Consumer Alert After Winter Storms Attract Traveling Groups of Unlicensed Pavers to California
March 28, 2017	CSLB Warns Southland Homeowners to Avoid Risky Business
April 3, 2017	Unlicensed Contractors Pour in During CSLB Undercover Sting Operation in Roseville
April 6, 2017	CSLB Finds Suspects Violating Contracting Laws in Morro Bay
April 7, 2017	CSLB Investigation Leads to Arrest of Three Sonoma County Men, Now Facing Upwards of Fifty Charges
April 17, 2017	CSLB Undercover Sting Unveils Unlicensed Workers in Newbury Park
April 21, 2017	Contractors State License Board Reaches Settlement to Revoke License of General Contractor in Berkeley Balcony Collapse Case
April 21, 2017	CSLB Sting Exposes Fraudulent use of Contractor License
April 26, 2017	Visalia Undercover Sting Spotlights Importance of License, Insurance When Hiring a Home Improvement Contractor
May 3, 2017	CSLB Undercover Sting Operation Shows Need to "Check the License First"
May 17, 2017	Illegal Advertisements Help CSLB Track Down Unlicensed Contractors for Northridge Undercover Sting
June 1, 2017	Contractors State License Board Releases Materials from Berkeley Balcony Collapse Investigation



PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS

The following is an update of publication (print and online) and graphic design projects either completed or in progress since the March 2017 Board meeting.

Completed

- 2016 *Accomplishments & Activities* Report
- March 13-14, 2017 Board Meetings Packet
- May 19, 2017 Legislative Committee Meetings Packet
- Mandatory Arbitration Program Guide
- Voluntary Arbitration Program Guide

In Production

- What Seniors Should Know before Hiring a Contractor Brochure
- A Consumer Guide to Filing Construction Complaints Brochure
- Building A Career as a Licensed Contractor Brochure

In Development

- Consumer Publication
- Contractor Publication
- Applicant Publication
- Building Official Information Guide

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

No newsletters have been issued since the March 2017 Board meeting. A new issue is currently in production.

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins, which are sent out via email on an as-needed basis to more than 7,400 people and interested parties. Distribution includes those who signed-up to receive the bulletins through CSLB’s Email Alert System. Between February 1, 2017 and June 1, 2017, PAO distributed three industry bulletins.

Release Date	Bulletin Title
February 28, 2017	Earthquake Brace + Bolt Program Expands in 2017
March 22, 2017	CSLB Launches New Online Forms
May 1, 2017	CSLB Announces New Fee Schedule



CONSUMER/COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars

CSLB’s Senior Scam StopperSM seminars have been offered throughout the state since 1999, in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations. Seminars provide information about construction-related scams and how seniors can protect themselves when hiring a contractor. Seniors are a vulnerable audience, often preyed upon by unlicensed or unscrupulous contractors.

Sessions feature expert speakers from many local, state, and federal agencies, who present broader topics, including identity theft, auto repair fraud, Medicare fraud, foreign lotteries, and mail fraud.

The following seminars have been conducted and/or scheduled for March 2017 through July 2017:

Date	Location	Legislative / Community Partner(s)
March 3, 2017	Santa Ana	Asm. Tom Daly
March 9, 2017	Lakewood	Sen. Tony Mendoza
March 10, 2017	Mission Viejo	Sen. Patricia Bates Asm. Bill Brough
March 17, 2017	Seal Beach	Asm. Travis Allen
March 22, 2017	Claremont	Asm. Chris Holden
March 23, 2017	Fresno	Fresno County Supervisor. Andres Borgeas
March 24, 2017	Anaheim	Asm. Tom Daly
March 29, 2017	Clovis	Millennium Housing (Mobile Home Park)
April 7, 2017	Roseville	Sen. Jim Nielsen Asm. Kevin Kiley
April 11, 2017	Citrus Heights	U.S. Rep. Ami Bera
April 13, 2017	Van Nuys	Asm. Adrian Nazarian
April 18, 2017	San Diego	U.S. Rep. Scott Peters
April 28, 2017	San Jose	Sen. Jim Beall Asm. Evan Low Santa Clara Co. Supervisor. Donald Rocha
May 5, 2017	Clovis	Asm. Jim Patterson
May 11, 2017	Union City	Sen. Bob Wieckowski Asm. Bill Quirk
May 12, 2017	Pacifica	Asm. Kevin Mullin
May 18, 2017	Brentwood	Asm. Jim Frazier
May 19, 2017	Santee	Sen. Joel Anderson



May 25, 2017	Lynwood	Sen. Ricardo Lara
May 30, 2017 AM	North Hollywood	Asm. Raul Bocanegra
May 30, 2017 PM	Sun Valley	Asm. Raul Bocanegra
May 31, 2017 AM	Mission Hills	Asm. Raul Bocanegra
May 31, 2017 PM	Pacoima	Asm. Raul Bocanegra
June 1, 2017	Sylmar	Asm. Raul Bocanegra
June 15, 2017	Castro Valley	Sen. Bob Wieckowski Asm. Bill Quirk
June 16, 2017	Fremont	Sen. Bob Wieckowski Asm. Bill Quirk Asm. Kansen Chu
June 20, 2017	Riverside	Asm. Sabrina Cervantes
June 22, 2017	Chula Vista	Sen. Ben Hueso
June 23, 2017	San Bernardino County	Asm. Jay Obernolte
June 26, 2017	Norco	Asm. Sabrina Cervantes
June 30, 2017	Jurupa Valley	Asm. Sabrina Cervantes
July 7, 2017	Irvine	Asm. Steven Choi
July 24, 2017	Rowland Heights	Sen. Josh Newman
July 25, 2017	Orange County	Sen. Josh Newman
July 26, 2017	San Diego	Sen. Joel Anderson
July 27, 2017 AM	South El Monte	Asm. Ian Calderon
July 27, 2017 PM	Orange County	Sen. Josh Newman
July 28, 2017	Long Beach	Sen. Ricardo Lara Asm. Miguel Santiago
July 31, 2017 AM	Los Angeles	Asm. Miguel Santiago
July 31, 2017 PM	Los Angeles	Asm. Miguel Santiago

Consumer Scam StopperSM Seminars

From March 2017 through May 2017, CSLB staff spoke/staffed booths for the following organizations/events and conducted Consumer Scam StopperSM seminars:

Date	Location	Organization / Event
March 3-5, 2017	Fresno	Fresno Home Show
March 7, 2017	Rossmoor	Consumer Scam Stopper Sons in Retirement
March 8, 2017	Redding	Shasta Co. District Atty. Fraud Prevention Fair



March 14, 2017	Oakland	Consumer Scam Stopper Natl. Assn. of Retired & Veteran Railway Employ.
April 13, 2017	Sacramento	Sacramento Co. Adult Protective Services Resource Fair
April 22, 2017	Pasadena	2017 Conference on Healthy Aging
April 24, 2017	Los Angeles	California Financial Literacy Month Resource Fair
April 25, 2017	Pleasanton	Plumbing Heating Cooling Contractors Expo 2017
April 28, 2017	Long Beach	California District Attorney Assn.
April 28, 2017	Pleasanton	Association of Defense Counsel of Northern CA
April 29, 2017	Del Mar	Plumbing Heating Cooling Contractors Expo 2017
May 2, 2017	Carmel	Monterey Co. Fire Prevention Officers Assn.
May 3, 2017	Sacramento	Associated Roofing Contractors of Northern CA
May 3, 2017	Los Angeles	California Public Utilities Commission Small Business Expo
May 5, 2017	Redding	Shasta Co. Builders Exchange
May 5, 2017	West Sacramento	West Sacramento Senior Resource Fair
May 10, 2017	Yreka	Senior Services & Fraud Prevention Fair
May 18, 2017	Coachella	Latino Mixer w/Senator Jeff Stone (small business expo)
May 23, 2017	San Dimas	Consumer Scam Stopper San Dimas Senior Center
May 31, 2017	San Jose	DIR Tree Trimming Seminar

EMPLOYEE RELATIONS

Intranet (CSLBin)

CSLBin, the employee-only Intranet site, was launched in November 2013. Stories and photos highlight employee and organizational accomplishments. In addition to employee news, the site also is kept current with the latest forms, policies, reports, and other information used by CSLB staff around the state.

Recent articles include the announcement of CSLB’s new Registrar David Fogt, the arrest of revoked licensee William Allan Huffman, and information on the new email system upgrade. PAO also recognized the Testing division’s 10 year celebration of using SCORE and acknowledged CSLB’s Norwalk IMC’s “Superstars.”

In addition to these articles, new documents were added as resources for staff, including the new fee schedule chart and a link to the 2016 *Accomplishment & Activities* report.



CSLB Gets New Registrar

05.01.17

Congratulations to **Dave Fogt** for his appointment as our new Registrar of Contractors! Dave's appointment takes effect on Tuesday, May 2, 2017 and was announced by **Board Chair Agustin Beltran**.



"We think Dave offers a terrific combination of skills that make him the right choice to lead us at this important time in the Board's history," said Mr. Beltran. "He's got a strong handle on many of the issues facing the Board, and has repeatedly demonstrated his willingness to work tirelessly protecting consumers."

Dave, who got his painting contractor's license in 1986 (now inactive), joined CSLB in February 1990. He worked in a number of enforcement positions, including running southern SWIFT and the former Santa Ana district office.

Dave was named Enforcement Chief in October 2001, and has served in that position for the past 15½ years.

SWIFT Turns Tables on Former Licensed Contractor

04.04.17

A former licensee thought he was coming to CSLB to get a new contractor license, but the tables turned when SWIFT investigators discovered William Alan Huffman had entered fraudulent information on his license application.

Mr. Huffman was arrested last Thursday at CSLB headquarters in Sacramento, and was held without bail until his court appearance on April 4. He faces three felony charges, including perjury, after allegedly lying on his application for a new CSLB license.



Get ready for a technology upgrade!

05.03.17

The countdown to our email upgrade, which is also known as Microsoft Office 365 (O365), has begun. Everything from current email will be migrated to the new email (i.e. email, calendar, contacts, distribution lists). All email rules/policies will remain the same (i.e. 90 days for system folders, 24 months for personal folders, etc.)



What do you need to do?

TCSLB email will be migrated to Microsoft O365 on Tuesday, May 9 after 5:00pm. When you access email (O365) on Wednesday, May 10; you will receive a Microsoft Outlook message stating "The Microsoft Exchange Administrator has

made a change that requires you to quit and restart Outlook" (screen shot below). This same message will appear for those users who access email remotely via CSLB's Citrix.

After Outlook restarts, you should be connected to the new O365 email system to use email as normal.



After a Decade, SCORE Still Earns a Perfect "10"

04.07.17

This year marks the 10th anniversary of the State Contractors Official Regulatory Examination (SCORE), CSLB's testing administration software. SCORE was initially developed by CSLB's IT staff and implemented in 2006-07. In honor of the steadfast technology, **Testing division Chief Wendi Balvanz**, and **Testing Managers Natalie Chernich** and **Carol Gagnon** sported handcrafted ribbons while celebrating the longevity of the program. Their faces lit up with smiles while reminiscing about life before SCORE and the time and effort they put into implementing the program.



"I never forget how long SCORE has been around, because it is the same age as my daughter," said Carol. "I remember coming to SCORE planning meetings when she was one month old!"

CSLB began using computerized testing 27 years ago. Back in those days, eight separate programs were required to administer a test. These programs used a disk operating system, which was difficult to use. The test monitor would have to read a speech giving instructions to candidates before every test.

AGENDA ITEM H

Executive



AGENDA ITEM H-1

Review and Possible Approval of March 13-14, 2017, and March 30, 2017 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

DAY 1

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

Board Chair Agustin Beltran called the meeting of the Contractors State License Board (CSLB) to order at 1:30 p.m. on Monday, March 13, 2017, at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento CA, 95827.

Board member Marlo Richardson led the Board in the Pledge of Allegiance. A quorum was established.

Board Members Present

Agustin Beltran, Chair
Marlo Richardson, Secretary
Linda Clifford
David De La Torre
David Dias
Susan Granzella

Joan Hancock
Pastor Herrera Jr.
Ed Lang
Michael Layton
Frank Schetter
Johnny Simpson

Board Members Excused

Kevin Albanese
Paul Schifino
Nancy Springer

CSLB Staff Present

Cindi Christenson, Registrar
Amy Cox-O'Farrell, Chief Deputy Registrar
Ashley Caldwell, Information Officer
Jessie Flores, Deputy Chief of Enforcement
David Fogt, Chief of Enforcement
Claire Goldstene, Public Affairs Staff
Michael Jamnetski, Licensing Staff
Gina Zayas, Information Technology Chief
Brianna Brewer, Executive Staff
Wendi Balvanz, Chief of Testing

Laura Zuniga, Chief of Licensing
Kristy Schieldge, DCA Legal Counsel
Aaron Schultz, Executive Staff
Ricardo DeLaCruz, DCA Personnel
Mike Melizza, Chief of Administration
Stacey Paul, Budget Analyst
Natalie Watmore, Information Officer
Rick Lopes, Chief of Public Affairs
Kate Le, Licensing Staff

Public Visitors

Eric Crandall
Minda Hoffman
Rick Pires
Beverly Carr

Phil Vermulen
Marc Connerly
Chris Walker
William Bird (telephone conference)



Board Chair Augie Beltran congratulated CSLB Registrar Cindi Christenson on her upcoming retirement and presented her a plaque of appreciation for her over 35 years of state service, the last two years as CSLB Registrar. Ms. Christenson thanked Board members and CSLB staff for their assistance and guidance during her time with the Board. Board member Joan Hancock commended Ms. Christenson for her professional accomplishments and for being a strong female role model.

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

William Bird, via telephone conference, provided Board members with an overview of his complaint against contractors that performed interior renovations without permits and his past correspondence with CSLB staff, supplemented by written material. Mr. Bird requested that action be taken against those who perform construction without the required permits, as shoddy work created multiple visible violations and health hazards.

Board Chair Augie Beltran assured Mr. Bird that the Registrar would follow up with him about the issue.

C. DISCUSSION AND POSSIBLE ACTION REGARDING OPTIONS FOR INCREASING THE EXEMPT PAY LEVEL FOR THE CSLB REGISTRAR

Ricardo DeLaCruz, Personnel Officer for the Department of Consumer Affairs (DCA), provided Board members a handout explaining the process to increase the Registrar exempt level and pay, along with salary comparisons among executive officers for other boards and bureaus. Mr. DeLaCruz reviewed the current Registrar exempt level, noting that it was last changed on June 1, 1997. He also provided options by which the Board can increase the current level.

DCA Legal Counsel Kristy Schieldge requested clarification as to what actions Board members would need to take to increase the salary level. Mr. DeLaCruz explained that Board members would need to vote on the salary level increase they deem appropriate, and submit a recommendation to DCA Human Resources requesting a salary increase based on the growth and demands of CSLB operations.

Kristy Schieldge recommended appointing a two-person Board member advisory committee to determine and justify the salary increase level, and return with recommendations to the full Board.

Board member Pastor Herrera Jr. requested that DCA Personnel provide general guidance about the salary increase process to the two-person committee. Mr. DeLaCruz assured the Board that DCA Personnel staff will be available to assist.

Board members asked how often salary increases occur for the Registrar, and if the Board will determine an annual or fixed salary increase. Mr. DeLaCruz responded that



salary levels increase through cost of living adjustments, however, the CSLB Board cannot increase the base-level salaries for each salary “band.” To increase the base salary for the Registrar the Board would need to develop a justification to categorize the position at another “band” level.

MOTION: To authorize a two-person advisory committee to determine, justify, and make recommendations to the full Board for establishing the exempt pay level for the Registrar position. Linda Clifford moved; Ed Lang seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

Board Chair Augie Beltran appointed Susan Granzella and Linda Clifford to the Exempt Salary Advisory Committee.

D. LEGISLATION

1. Review and Possible Approval of February 17, 2017, Legislation Committee Meeting Summary Report

Acting Chief of Legislation Laura Zuniga reviewed the February 17, 2017, summary report, noting changes to the strategic plan, updates on legislative proposals, and the implementation of 2016 legislation.

MOTION: To approve the February 17, 2017, Legislation Committee Meeting Summary Report. Linda Clifford moved; David De La Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

2. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Legislative Objectives

Laura Zuniga noted proposed changes to legislative strategic plan objectives 3.1, 3.2, 3.4, and 3.5, and presented the Legislative Committee motion for the Board to approve these proposed changes.

MOTION: To approve changes to the 2017-18 legislative strategic plan objectives as follows:

- 3.1 Present Draft Proposal to Reorganize Contractors’ State License Law (I)**
New target date of May 2017
- 3.2 Research Increased Penalties for Predatory Business Practices, Misrepresentation of Services, or Need of Services (I)**
New target date of May 2017
- 3.4 Further Define Examination Waiver Criteria (I)**
New target date of May 2018
- 3.5 Research Alternative Fee Structures (B)**
Remove

The motion carried unanimously, 12–0.



NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

3. Update on Implementation of SB 1039 (Hill, 2016) – Fee Increase

Laura Zuniga noted that Governor Brown signed SB 1039, which authorized CSLB to raise its fees. She also provided an update on the implementation of the 10 percent fee increase, effective July 1, 2017, and reviewed some of the fee increase amounts.

4. Update on Implementation of SB 465 (Hill, 2016) – Study and Report Requirement

Executive Analyst Brianna Brewer provided an update on the implementation of SB 465, which requires CSLB to report to the Legislature, by January 1, 2018, the results of a study to determine if regulations requiring licensees to report judgments, arbitration awards, or settlement payments of those claims would enhance CSLB’s ability to protect the public. Ms. Brewer provided a timeline for completion of the report and announced that Board members Joan Hancock and Nancy Springer have been appointed as subcommittee members to assist with the study. Findings will be presented at the December 2017 Board meeting.

5. Update on Implementation of SB 66 (Leyva, 2016) – Information Sharing

Laura Zuniga reviewed the requirements of SB 66 to share licensee information with community colleges, and informed the Board that legislation – AB 1053 (Calderon) – has been introduced this year to limit that reporting to the last four digits of the Social Security number as an identifying agent, rather than the entire number.



6. Review, Discussion and Possible Action on 2017 Legislation:

Laura Zuniga gave an overview of 2017 Legislation as it relates to CSLB.

- AB 349 (McCarty) Department of Consumer Affairs: Licensure Applicants
- AB 703 (Flora) Professions and Vocations: Licenses: Fee Waivers
- AB 996 (Cunningham) Contractors Licensing Board Web Site: Search Function
- AB 1005 (Calderon) Department of Consumer Affairs
- AB 1053 (Calderon) Professions and Vocations: Education and Licensure
- AB 1070 (Gonzalez) Contractors
- AB 1190 (Obernolte) Department of Consumer Affairs: BreEZe System
- AB 1357 (Chu) Home Inspectors: Roofing Contractors: Roof Inspections
- SB 247 (Morrell) Professions and Vocations: Licenses: Military Service
- SB 486 (Monning) Contractors State License Law: Letter of Admonishment
- SB 496 (DeLeon) Department of Consumer Affairs: Regulatory Boards
- SB 721 (Hill) Contractors: decks and balconies: inspection

Legal Counsel Kristy Schieldge noted that AB 349, which seeks to expedite the application process for occupational licensing for those from certain countries, may pose a constitutional issue related to Government Code section 12944, which prohibits the state from discriminating by virtue of national origin. She suggested that Ms. Zuniga reach out to the author’s office and inform them of this potential issue. Ms. Zuniga responded that this legislation, if passed, would affect all DCA boards and bureaus and that a response from DCA may be more appropriate.

Regarding AB 1005, Pastor Herrera Jr. asked about the role of the Office of Professional Examination Services in conducting occupational analysis of every profession and vocation subject to a licensing examination. Ms. Zuniga explained that the organization is under the umbrella of DCA, and that they assist DCA boards with developing exams for licensure.

Ms. Zuniga reviewed SB 486 (Monning), legislation sponsored by CSLB that would provide CSLB authority to issue a letter of admonishment, which would constitute an intermediate form of discipline between an advisory notice and criminal charges.

MOTION: To support SB 486 (Monning). Linda Clifford moved; Pastor Herrera Jr. seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				

Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

E. PUBLIC AFFAIRS

1. Review and Possible Approval of February 17, 2017, Public Affairs Committee Meeting Summary Report

Public Affairs Committee Chair David Dias reviewed the February 17, 2017, Summary Report, noting target date adjustments for three strategic plan objectives, the removal of one objective as complete, and the proposed addition of two objective items. Mr. Dias also noted that strategic plan objective 4.8 should read: “create a guideline for journeyman/applicants,” with a target date of September 2017.

MOTION: To approve, as amended, the February 17, 2017, Public Affairs Committee Meeting Summary Report. Ed Lang moved; Frank Schetter seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	



2. Public Affairs Program Update

Chief of Public Affairs Rick Lopes provided the Public Affairs update, noting that the office is now fully staffed with the hiring of a new Information Officer, Natalie Watmore.

In response to a question from Board member Pastor Herrera Jr. at the February 17, 2017 Public Affairs Committee meeting about the means by which consumers file complaints, Mr. Lopes reported that in fiscal year 2015-16, 35 percent of complaints were filed online and 65 percent by mail or in-person. For fiscal year 2016-17 to date, the figures are 38 percent online and 62 percent by mail or in-person.

Mr. Lopes reviewed website use statistics and noted a change in the presentation of this information, ranking the pages by popularity, and comparing rankings to previous months. Mr. Lopes reported that CSLB continues to improve its social media presence, and the use of infographics has helped increased engagement on the Board's seven social media channels. Mr. Lopes reported that PAO responded to 72 media inquiries between November 1, 2016, and February 23, 2017, along with his participation in two media events – one with Los Angeles City Attorney Mike Feuer and one at an evacuation center set-up to assist those affected by flooding in San Jose. He also noted PAO's work with Enforcement division staff on a sting targeting a group of alleged transient criminals who traveled to California from Texas.

Mr. Lopes also noted that between November 15, 2016 and February 23, 2017, PAO issued four industry bulletins and that the 2017 edition of the *California License Law and Reference Book* is now available.

Mr. Lopes informed the Board about CSLB participation in a Local Assistance Center for San Jose flood victims and thanked Enforcement staff for their work at the center, which was open daily from February 25, 2017 through March 4, 2017. Lastly, he announced the current 2017 schedule for Senior Scam StopperSM events.

Joan Hancock asked if stories can be linked on the Senior Scam Stopper webpage. Mr. Lopes agreed to have PAO staff review and update the page.

3. Review and Discussion Regarding Consumer Outreach Materials for Purchasing or Leasing a Solar Energy System

Mr. Lopes updated the Board about PAO's work to create an information portal on the website for consumers either looking to purchase or lease a solar energy system, which provides the best information available with online resources and that can be updated quickly. The materials are expected to be online by the end of March 2017.



Public Comment

Chris Walker expressed concern about the high percentage of electricians or HVAC contractors with a WC exemption on file. He suggested that when the Public Affairs Office engages in public outreach, staff should inform consumers about workers' compensation fraud, especially when contractors certify that they have no employees yet employees are present at jobsites.

4. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Public Affairs Objectives

Chief of Public Affairs Rick Lopes noted proposed changes to strategic plan objectives 4.1, 4.2, 4.5, 4.8, and 4.9, and presented the Public Affairs Committee motion to approve these proposed changes.

MOTION: To approve changes to the 2017-18 Public Affairs strategic plan objectives as follows:

- 4.1 Complete Flagship Consumer Publication (E)**
New target date of June 2017
- 4.2 Complete Flagship Contractor Publication – for Licensees (E)**
New target date of November 2017
- 4.5 Develop Orientation Videos for New Staff/Board Members (I)**
New target date of June 2018
- 4.8 Complete Flagship Contractor Publication – for Journeymen/Applicants (E)**
Proposed. Target date of September 2017
- 4.9 Develop New License Application Video (E)**
Proposed. Target date of December 2017

The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				

Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

F. LICENSING

1. Review and Possible Approval of February 10, 2017, Licensing Committee Meeting Summary Report

Licensing Committee Chair Susan Granzella reviewed the Licensing Committee Meeting Summary Report.

MOTION: To approve the February 10, 2017, Licensing Committee Meeting Summary Report. Johnny Simpson moved; Joan Hancock seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

2. Licensing Program Update

Susan Granzella noted that a staffing shortage has created a backlog in workers' compensation certification approvals and noted that staff is working to develop process improvements.



Chief of Licensing Laura Zuniga provided the Licensing program update, and formally introduced new Licensing staff members, Mike Jamnetski and Katie Le. Ms. Zuniga reported that changes to the registration requirements for home improvement salespersons has led to a decline in the number of applications, but that the total number of HIS renewals has increased compared to prior fiscal years.

Ms. Zuniga reviewed statistics related to workers' compensation coverage. Board member Johnny Simpson expressed concern that 56 percent of licensed contractors have an exemption from the requirement to carry workers' compensation insurance, as many jobs require more than one person. He suggested random workers' compensation stings. Ms. Zuniga responded that the Enforcement division could look into the matter.

Pastor Herrera Jr. requested a comparison of the 2017 statistics regarding workers' compensation coverage for active licenses with previous years for Board members to analyze.

Ms. Zuniga concluded the update by reviewing statistics from the fingerprint/criminal background unit, experience verification unit, licensing information center, and judgments.

3. Testing Program Update

Testing Chief Wendi Balvanz provided the Testing division update and announced that the new C-27 landscaping exam was released in February 2017.

Ms. Balvanz also presented the results of the consumer satisfaction survey from January 2016 through November 2016, which is sent to consumers following closure of a complaint, and noted that responses to five out of eight questions indicated increased satisfaction ratings from the prior year.

4. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Licensing and Examination Objectives

Laura Zuniga noted proposed changes to Licensing strategic plan objectives 1.1, 1.3, 1.7, 1.8, and 1.9 and presented the Licensing Committee's motion to approve these proposed changes.

Board member Pastor Herrera Jr. suggested retaining Licensing strategic plan objective 1.7 (research handyman exemption) until an occupational analysis has been conducted or until the Licensing Committee has more fully considered raising the \$500 threshold for licensure—separating handyman work from contracting work—as many handypersons who perform basic repairs are concerned about the need for a license to execute certain work. Board member Linda Clifford responded that the issue of a handyperson exception will be considered when the Licensing Committee considers



raising the \$500 threshold for licensure, even if the item is removed from the strategic plan.

MOTION: To approve changes to the 2017-18 Licensing strategic plan objectives as follows:

- 1.1 Revise Application Package and Related Outreach Material (E)**
New target date of March 2017
- 1.3 Identify Specific Criteria for Examination Waiver and Application Review (B)**
New target date of March 2017
- 1.7 Research Handyman Exemption (B)**
Remove
- 1.8 Review CSLB License Reciprocity Agreements (B)**
Proposed
- 1.9 Review Feasibility of Process to Review License Denials**
Proposed

The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	



5. Discussion and Possible Action Regarding the Little Hoover Commission Report: *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*

Licensing Committee Chair Susan Granzella outlined the Committee’s proposed motion to add review of CSLB’s reciprocity agreements and how other states handle California licensees to the 2017–18 Licensing strategic plan.

MOTION: To approve the Licensing Committee recommendation to add a review of the feasibility of developing an informal process for the review of license denial to the 2017-18 Licensing strategic plan objectives. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

6. Discussion Regarding CSLB License Classifications and Regulations that Authorize Contractors to Install Energy Storage Systems

Licensing Committee Chair Susan Granzella informed the Board that Frank Schetter previously requested this topic be discussed at the February 10, 2017, Licensing Committee meeting; however, at that meeting Mr. Schetter informed the Committee that he did not wish to pursue this topic at this time.

G. ENFORCEMENT

Enforcement Committee Chair Marlo Richardson commented on significant enforcement actions, and expressed appreciation for the continued focus on staff training.



1. Review and Possible Approval of February 10, 2017, Enforcement Committee Meeting Summary Report

Enforcement Committee Chair Marlo Richardson reviewed the February 10, 2017, Enforcement Committee Meeting Summary Report. Legal Counsel Kristy Schieldge noted the following amendment to the report: The motion for item F should read, “To recommend for consideration by the full Board an addition to the strategic plan to pursue increasing the C-10 license renewal fee \$20.”

MOTION: To recommend, as amended, approval of the February 10, 2017, Enforcement Committee Meeting Summary Report. Linda Clifford moved; David De La Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

2. Enforcement Program Update

Chief of Enforcement David Fogt provided an update regarding the February 10, 2017, Enforcement Committee request to determine the typical dollar amount of contracts involved in complaints against unlicensed contractors. A review of consumer-filed complaints against non-licensees for a representative three-month period established an average contract amount of \$16,612.

3. Update on Workers’ Compensation Enforcement Strategies, Resources and Accomplishments

Chief Fogt provided an update regarding the 2016 workers’ compensation pilot program and revised targeting for 2017.



As requested by the Enforcement Committee at the February 10, 2017, meeting, Chief Fogt presented information regarding the typical dollar amount of contracts involving a consumer-filed complaint against a contractor with a workers' compensation (WC) exemption on file. The average contract amount during a representative three-month period was \$47,693.

Board member Joan Hancock requested that staff determine the classification of contractors with a WC exemption identified in the analysis because it is not uncommon for general building contractors to subcontract work. Chief Fogt assured the Board that this information would be included in the report under development for the June 2017 Board meeting.

4. CSLB's Solar Task Force Update Regarding Consumer Complaints and Enforcement Objectives

Chief Fogt provided an update date regarding CSLB Solar Task Force activities, and confirmed scheduled meetings within the next 30 days with solar industry funding entities and national contractors to address consumer complaints and industry concerns.

5. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Enforcement Objectives

Chief Fogt noted that the six existing Enforcement objectives are on target for completion, and provided an update regarding enforcement of electrician certification.

Enforcement Committee Chair Marlo Richardson reviewed the Enforcement Committee recommendation to add to the Enforcement strategic plan pursuing a \$20 fee increase for C-10 electrical license renewals to fund electrician certification enforcement.

MOTION: To approve changes to the Enforcement 2017-18 Enforcement strategic plan as follows:

2.7 Increase C-10 Electrical License Renewals by \$20 to Fund Electrician Certification Enforcement

Proposed new objective

The motion carried unanimously, 12-0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				



David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	

H. EXECUTIVE

1. Review and Possible Approval of December 8, 2016, Board Meeting Minutes

Board Chair Augie Beltran presented the December 8, 2016, Board meeting minutes. Linda Clifford noted that her initials were included in the “public visitors” section of the Board meeting minutes, and suggested they be removed.

MOTION: To approve, as amended, the December 8, 2016, Board meeting minutes. David Dias moved; David De La Torre seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer				✓	



2. Registrar’s Report

a. Tentative 2017 Board Meeting Schedule

June 15-16, 2017 — two-day joint California-Nevada Board meeting in Garden Grove

b. Report on 2016-2018 Strategic Plan

Ms. Christenson advised that the Public Affairs staff will compile the revised 2016-18 strategic plan, as approved by the Board today, and distribute to Board members.

3. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Administration Objectives


Chief of Administration Mike Melliza reviewed the proposed changes to Administrative strategic plan objectives 6.1, 6.4, 6.5, and 6.9.

MOTION: To approve changes to the 2017-18 Administration strategic plan objectives as follows:

- 6.1 Partner with DCA to Implement Live Captioning Contract (E)**
Remove item; completed
- 6.4 Evaluate Enforcement Division Staffing Levels (B)**
Remove item; part of ongoing work
- 6.5 Enhance Onboarding and Orientation Program for New Staff, Managers, and Board Members (I)**
New target date of June 2018 to coincide with Public Affairs’s objective item 4.5
- 6.9 Review Consumer Service Representative Job Classification (B)**
Remove item; have sufficient pool of qualified applicants and is no longer necessary

Linda Clifford moved; Frank Schetter seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				

	CSLB	BOARD MEETING MINUTES				
Joan Hancock	✓					
Pastor Herrera Jr.	✓					
Ed Lang	✓					
Michael Layton	✓					
Marlo Richardson	✓					
Frank Schetter	✓					
Paul Schifino					✓	
Johnny Simpson	✓					
Nancy Springer					✓	

4. Administration Update Regarding Personnel and Facilities

Chief of Administration Mike Melliza updated the Board on personnel and facilities. Mr. Melliza noted the completion of 28 personnel transactions, including 14 internal promotions. He also explained that the Administration division continues to analyze the new examination and certification online system (ECOS), and work with DCA to streamline recruitment efforts. Personnel will now make available for all CSLB staff the successful course focused on career advancement that it developed with the Enforcement division. Mr. Melizza thanked Board member Marlo Richardson for her support of these efforts.

Mr. Melliza reported a decline in fiscal year 2016-17 second quarter staff vacancies, and noted that recently administered exams for Enforcement Supervisor I/II, Enforcement Representative II, and Consumer Services Representative produced quality candidate pools.

CSLB has received approval of the plans to renovate the San Bernardino office, and the Department of General Services (DGS) is entering into negotiations to renew the lease for the Sacramento headquarters office on behalf of CSLB, which will include a number of renovations. Mr. Melliza reported that CSLB is awaiting approval from DCA and DGS of the Fleet Acquisition Plan submitted to replace nine vehicles.

5. 2016-18 Strategic Plan Update; Discussion and Possible Action on 2017-18 Information Technology Objectives

Gina Zayas, Chief of Information Technology, reviewed the proposed changes to the IT strategic plan objectives 5.1, 5.2, 5.4, 5.5, 5.6, 5.7, and 5.8.

MOTION: To approve changes to the 2017-18 Information Technology strategic plan objectives as follows:



- 5.1 Implement Internal Group to Prioritize and Execute IT Projects (E)**
Remove as complete
- 5.2 Conduct Needs Assessment to Determine Requirements for New Licensing/Enforcement Computer System**
New target date of February 2018
- 5.4 Implement Online Application for Home Improvement Salesperson (I)**
New target date of June 2018
- 5.5 Implement ePayment Expansion to San Bernardino Office (E)**
New target date of May 2017
- 5.6 Research Options to Replace Current Imaging and Workflow Automated System (IWAS) (I)**
Remove and combine with objective 5.2
- 5.7 Implement Online ePayment System (E)**
New target date of September 2018
- 5.8 Implement SCORE 2.0 Programming (E)**
New target date of December 2018

Linda Clifford requested clarification about the difference between ePayment expansion to the San Bernardino office and online ePayment. Cindi Christenson responded that objective 5.5 is to implement ePayment kiosks in the San Bernardino office and objective 5.7 is to implement an online payment system via the website.

Joan Hancock moved; Ed Lang seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese				✓	
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	

Johnny Simpson	✓				
Nancy Springer				✓	

6. Information Technology Update

Gina Zayas noted the availability of new interactive forms online intended to help prevent mistakes by ensuring that required text fields are filled out appropriately, thus reducing returns for corrections; three “smart forms” were launched the week of March 12, 2017. Ms. Zayas reviewed how the upcoming fee increase will be handled on CSLB applications, forms, and in the TEALE (internal document) system. She also reviewed strategies for the future online licensing system project, the successful implementation of the new digital phone system, and Interactive Voice Response System call frequencies.

Susan Granzella requested examples of the effectiveness of the implementation of smart forms. Ms. Zayas will provide this information.

Pastor Herrera Jr. asked how CSLB is making the public aware of the availability of the on-line interactive home improvement salesperson (HIS) forms. Ms. Zayas stated that Public Affairs highlighted the new forms on CSLB’s website.

7. Budget Update

Budget Analyst Stacey Paul provided the budget update, noting that through January 2017, CSLB had expended 55 percent of its budget, while revenue had increased 2.6 percent compared to this time last fiscal year. She also gave a breakdown of the final revised Governor’s budget for the current fiscal year. Ms. Paul noted that the fiscal impact from the upcoming fee increase will provide a healthy reserve in future fiscal years. She also reviewed the Construction Management Education Account (CMEA), which has been on hold since 2014 due to insufficient funds, and informed the Board that with increased donations CSLB may be able to disburse grant awards to schools in fiscal year 2018-19. Lastly, Ms. Paul reviewed CSLB’s statistical summary, which showed no major issues.

8. Appointment of Board Officer Nomination Committee

Board Chair Augie Beltran appointed Ed Lang and David Dias to the Board Officer Nomination Committee.

Recess

The Board recessed at 4:19 p.m.



DAY 2

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

Board Chair Agustin Beltran called the meeting of the Contractors State License Board (CSLB) to order at 9:07 a.m. on Tuesday, March 14, 2017, at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento CA, 95827.

Board member Kevin Albanese led the Board in the Pledge of Allegiance. A quorum was established.

Board Members Present

Agustin Beltran, Chair
Kevin Albanese, Vice Chair
Marlo Richardson, Secretary
Linda Clifford
David De La Torre
David Dias
Susan Granzella
Joan Hancock

Pastor Herrera Jr.
Ed Lang
Mike Layton
Marlo Richardson
Frank Schetter
Johnny Simpson
Nancy Springer

Board Members Excused

Paul Schifino

CSLB Staff Present

Cindi Christenson, Registrar
Amy Cox-O'Farrell, Chief Deputy Registrar
Aaron Schultz, Executive Staff
Laura Zuniga, Legislation/Licensing Chief

Missy Vickrey, Enforcement Staff
Norine Marks, DCA Legal Counsel
Nicole Le, DCA Personnel

Public Visitors

No public visitors

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

There was no public comment.



C. CLOSED SESSION: PURSUANT TO SECTION 11126 (a)(1) OF THE GOVERNMENT CODE, THE BOARD WILL MEET IN CLOSED SESSION TO CONSIDER THE POSSIBLE SELECTION, APPOINTMENT OR EMPLOYMENT OF A REGISTRAR, INCLUDING THE APPOINTMENT OR EMPLOYMENT OF AN INTERIM REGISTRAR OR ACTING REGISTRAR

Board Chair Augie Beltran announced that the meeting would move from open session to closed session, and requested that all attendees, except Board members, DCA legal counsel, and DCA personnel officers, leave the room.

D. Adjournment

MOTION: To adjourn the March 13-14, 2017, CSLB Board meeting. Ed Lang moved; Linda Clifford seconded. The motion carried unanimously, 14–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton	✓				
Marlo Richardson	✓				
Frank Schetter	✓				
Paul Schifino				✓	
Johnny Simpson	✓				
Nancy Springer	✓				

Board Chair Augie Beltran adjourned the meeting at approximately 1:50 p.m.

Augie Beltran, Chair

Date

David R. Fogt, Registrar

Date



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

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

Board Chair Agustin Beltran called the meeting of the Contractors State License Board (CSLB) to order at 9:04 a.m. on Thursday, March 30, 2017, at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento CA, 95827.

Board members recited the Pledge of Allegiance. A quorum was established. Board members Kevin Albanese, David Dias, Pastor Herrera Jr., and Paul Schifino each indicated establishment of their teleconference location.

Teleconference Locations:

Pastor Herrera Jr.
Contractors State License Board
12501 East Imperial Highway, Suite 600
Hearing Room B
Norwalk, CA 90650

Paul Schifino
Anvil Steel Corp./Jr. Steel Company
134 West 168th Street
Gardena, CA 90248

David Dias
Sheet Metal Workers International Assoc.
Local Union No. 104
2610 Crow Canyon Road, Suite 300
San Ramon, CA 94583

Kevin Albanese
Joseph J. Albanese, Inc.
851 Martin Avenue
Santa Clara, CA 95050

Board Members Present

Agustin Beltran, Chair
Kevin Albanese, Vice Chair
Linda Clifford
David De La Torre
David Dias
Susan Granzella

Joan Hancock
Pastor Herrera Jr.
Ed Lang
Frank Schetter
Paul Schifino
Nancy Springer

Board Members Excused

Michael Layton
Marlo Richardson
Johnny Simpson

CSLB Staff Present

Cindi Christenson, Registrar
Dave Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Laura Zuniga, Legislative Chief
Mike Melliza, Administration Chief
Wendi Balvanz, Testing Chief

Stacey Paul, Budget Analyst
Missy Vickrey, Enforcement Staff
Aaron Schultz, Executive Assistant
Brian Estonilo, IT Staff
Ricardo DeLaCruz, DCA Personnel



Public Visitors

No public visitors

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

There was no public comment.

C. CLOSED SESSION: PURSUANT TO SECTION 11126 (a)(1) OF THE GOVERNMENT CODE, THE BOARD WILL MEET IN CLOSED SESSION TO CONSIDER THE POSSIBLE SELECTION, APPOINTMENT OR EMPLOYMENT OF A REGISTRAR, INCLUDING THE APPOINTMENT OR EMPLOYMENT OF AN INTERIM REGISTRAR OR ACTING REGISTRAR

Board Chair Augie Beltran announced that the meeting would move from open session to closed session, and requested that all attendees, except Board members, DCA legal counsel, and DCA personnel officers, leave the room.

D. Adjournment

MOTION: To adjourn the March 30, 2017, CSLB Board meeting. Ed Lang moved; Linda Clifford seconded. The motion carried unanimously, 12–0.

NAME	YEA	NAY	ABSTAIN	ABSENT	RECUSAL
Kevin J. Albanese	✓				
Augie Beltran	✓				
Linda Clifford	✓				
David De La Torre	✓				
David Dias	✓				
Susan Granzella	✓				
Joan Hancock	✓				
Pastor Herrera Jr.	✓				
Ed Lang	✓				
Michael Layton				✓	
Marlo Richardson				✓	
Frank Schetter	✓				
Paul Schifino	✓				
Johnny Simpson				✓	
Nancy Springer	✓				



Board Chair Augie Beltran adjourned the meeting at approximately 10:05 a.m.

Augie Beltran, Chair

Date

David R. Fogt, Registrar

Date

AGENDA ITEM H-2

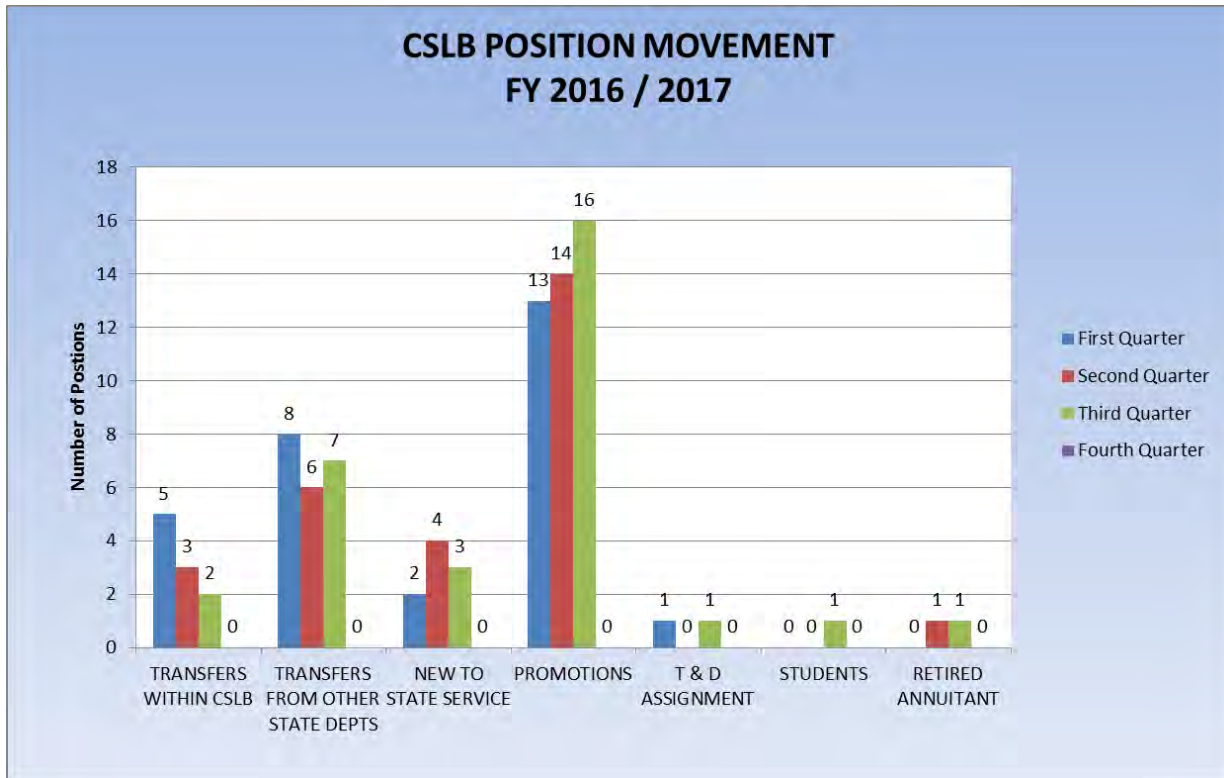
Personnel, Facilities and Administration Update





Personnel Update

During the third quarter of fiscal year 2016-17, CSLB personnel staff completed 31 recruitment transactions, which included the addition of seven new employees from other state agencies, three employees new to state service, one retired annuitant, and one student assistant. Within CSLB, 16 employees were promoted, two transferred units, and one accepted a training and development assignment.

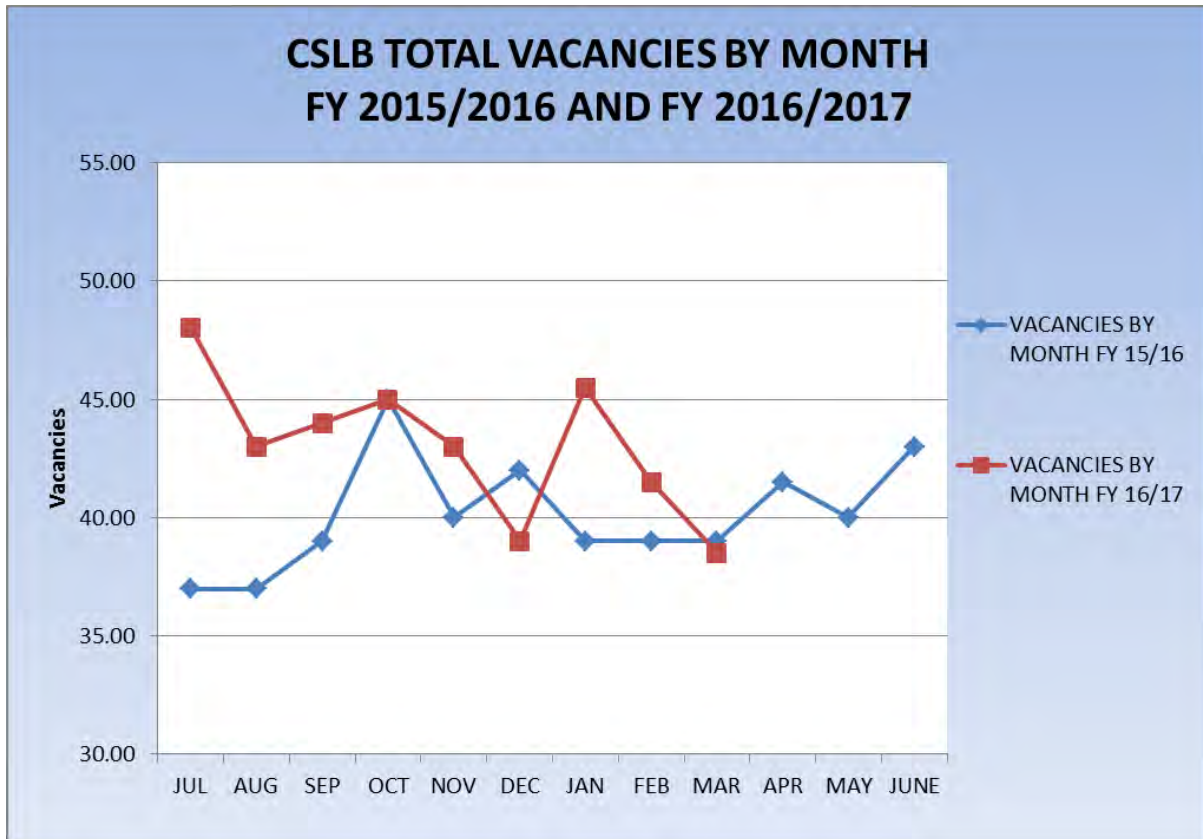


In April 2017, the Personnel unit revised the CSLB Hiring Guide to reflect the current processes and procedures related to the state's new examination and certification online system (ECOS), which is the system applicants use to apply for state civil service examinations and vacant positions. Personnel staff also developed a graphic representation that shows the complete recruitment process step-by-step. The Personnel unit continues to participate in DCA's "Job Posting Pilot Program," which allows CSLB to create job controls and post vacancies in ECOS to help streamline the Board's recruitments.

In June 2017, the Personnel unit will host another session of the Career Consulting class. The course covers how to apply for jobs on the new CalHR jobs website, complete an application package, and prepare for an interview, as well as how to maximize one's potential in state service. The Career Consulting class is open to all



CSLB employees located at Headquarters and in Northern California field offices. Another session will be scheduled for staff in the Southern California field offices.



As illustrated in the graph above, third-quarter vacancies in fiscal year 2016-17 declined between January 2017 and March 2017. Personnel staff continue to work closely with DCA and CSLB management to minimize delays in recruitment efforts and scheduling examinations. Recruitment efforts to fill all vacant positions are ongoing.

Examinations

The Enforcement Representative II examination was conducted in April 2017 and results were released in May 2017. The Enforcement Representative I exam is scheduled for June 3, 2017, in Southern California and on June 10, 2017 in Sacramento. Staff expects the Enforcement Representative I/II examinations to be held again in November and/or December 2017.

DCA and CalHR offer several other examinations throughout the year as shown in the table on the following page.



ENFORCEMENT		
Consumer Services Representative	Last exam administered in:	August 2016
	Tentative exam date:	TBD
Enforcement Representative I	Last exam administered in:	June 2016
	Tentative exam date:	June 2017
Enforcement Representative II	Last exam administered in:	April 2017
	Tentative exam date:	TBD
Enforcement Supervisor I/II	Last exam administered in:	August 2016
	Tentative exam date:	TBD
INFORMATION TECHNOLOGY		
Assistant/Associate/Staff Information Systems Analyst (CalHR)		Continuous
Systems Software Specialist I/II/III (CalHR)		Continuous
LICENSING		
Supervising Program Technician III (CalHR)		Continuous
TESTING		
Personnel Selection Consultant I/II	Last exam administered in:	November 2015
	Tentative exam date:	June 2017
Test Validation & Development Specialist I/II	Last exam administered in:	August 2015
	Tentative exam date:	June/July 2017
ALL CSLB		
Information Officer I, <i>Specialist</i> (CalHR)		Continuous
Management Services Technician (CalHR)		Continuous
Office Services Supervisor (CalHR)		TBD
Office Technician (CalHR)		Continuous
Office Assistant (CalHR)		Continuous
Program Technician I/II/III (CalHR)	Last exam administered in:	May 2017
	Tentative exam date:	TBD
Associate Governmental Program Analyst/ Staff Services Analyst (CalHR)		Continuous
Staff Services Analyst Transfer Exam	Tentative exam dates:	March/June Sept./December
Staff Services Manager I/II/III (CalHR)		Continuous



Business Services

Facilities

San Bernardino – The contractor is continuing work on the Testing data room and the new space for the investigation unit. A new air conditioning unit will be installed in the data room to ensure that the equipment remains cool. The contractor is completing the painting, flooring, and installation of new doors in the new space for the investigation unit. After this area is complete work will begin on the current suite, which will include new paint and carpet.

Projected Completion Date: **August 2017**

San Diego – The Fire Marshall has signed and approved the final plans. Modifications for this office include: new carpet, paint, modular modifications, and the installation of an additional side window.

Projected Completion Date: **January 2018**

Sacramento Headquarters – The Department of General Services space planner completed the final proposed plans to present to the current lessor to begin lease renewal negotiations. Proposed upgrades/modifications for inclusion in the lease renewal include: a new security kiosk in the front lobby, a new card reader system, replacement of all current projectors, a new media room, a new secured cage in the warehouse for modular furniture, and new paint and carpet.

Projected Completion Date: **December 2018**

Oxnard – The Department of General Services space planner is preparing new floor plans for approval by CSLB, which will include new carpet and paint in the Enforcement and Testing suites. The Testing suite will receive new key card access. along with twelve storage cubes.

Projected Completion Date: **December 2017**

San Francisco – The Department of General Services space planner submitted final plans to DCA and is submitting the plans to the Fire Marshal. Upgrades/modifications include paint touch-up, a new sink and garbage disposal, new cabinets, and an electrical vehicle charging station.

Projected Completion Date: **September 2018**



Valencia – The Department of General Services space planner is preparing new floor plans for CSLB approval, which will include: a second exit door, new paint and carpet, adding the state seal/DCA signage to the front door, installation of corner guards on the walls, cleaning and waxing of the flooring, and a request for five dedicated state vehicle parking stalls.

Projected Completion Date: **January 2018**

Fresno – The Department of General Services space planner is preparing new floor plans for CSLB approval. The Leasing Officer will negotiate the lease and request a few minor changes, which include touch-up paint, installation of plates on all doors, corner guards throughout the office, an exhaust fan in the break room, and installation of storage cubes in the Testing suite.

Projected Completion Date: **September 2018**

Contracts and Procurement

Contracts in Process:

- Issuance of a new request for proposal for a three-year contract for statewide arbitration services;
- California Highway Patrol contract to provide security services for various meetings and Testing offices;
- CalHR contract to provide evaluations for potential new Peace Officers
- Maintenance contract for mail machines at Headquarters and field offices

Procurements in Process:

- Purchase of office furniture for the Norwalk office
- Purchase of a work table for the San Bernardino Testing office
- Purchase of sit/stand desk units for Sacramento Headquarters
- Purchase of an air conditioner unit for the San Jose data room
- Purchase of ergo equipment for Sacramento Headquarters
- Purchase of a pallet lifter
- Purchase of warehouse inventory management system

Executed Contracts/Procurement:

- Debt collection services for the citation program
- Locksmith for Headquarters
- Maintenance for inserter machine

**Fleet**

CSLB submitted its Fleet Acquisition Plan (FAP) to DCA on April 18, 2017, which is currently being reviewed by DGS. Staff expects a decision on the request before the end of the 2016-17 fiscal year. If approved, the vehicles will be delivered in the winter of 2017. The FAP includes the following:

- 3 Ford Fusions (1 – West Covina IC, 1 – Norwalk IC, 1 – Fresno SWIFT)
- 6 Chevrolet Impalas (1 – San Bernardino, 2 – Sacramento IC South, 1 – Norwalk IC, 2 – Norwalk SWIFT)

AGENDA ITEM H-3

Information Technology Update





Online Smart Forms

Information Technology and Licensing staff have been working together to update CSLB forms and on February 16, 2017, CSLB released ten interactive smart forms that are fully ADA compliant. Among these are: original license application, licensing application waivers, joint venture reissues, licensing number reissue, add class application, and several others. These interactive forms will help reduce the number of incomplete forms CSLB returns to applicants for correction. Nine additional online interactive forms are currently going through user's acceptance test (UAT), after which any necessary changes will be made and they will be released (scheduled for June 2017).

Fee Increase Project – SB 1039

The respective Licensing forms, e-Payment kiosk programs, CSLB webpages, and TEALE License applications have been updated; the forms were developed into online interactive smart forms which will reduce the number of applications returned for correction. The new fees take effect July 1, 2017.

License Search by Location Project – SB 2486

SB 2486 requires CSLB to provide consumers the ability to search for licensed contractors by zip code, geographical location, and professional discipline/trade. CSLB IT has begun the analysis and data collection process for this project.

Future CSLB Online Licensing System Project

In an effort to meet its strategic plan objective to determine the requirements for a new licensing/enforcement computer system, CSLB business consulting unit staff continue to prepare "as-is" and "to-be" business processes, conducting business requirements gathering sessions, and preparing business requirements documentation for a potential online licensing application, whether BreEZe or another online licensing solution.

Interactive Voice Response (IVR) System

CSLB's IVR is an interactive, self-directed telephone system that provides valuable information to consumers, contractors, and others. It allows callers to request forms or pamphlets that are sent to them immediately, check a license status and history, and check the status of an application. The IVR also provides consumers with information about how to file complaints, as well as how to become a licensed contractor. In addition, the IVR gives callers the option to speak to call center agents in Sacramento or Norwalk.

The IVR system offers dozens of possible menu options. Following is a list of the top 20 IVR requests from March 15, 2017 through May 15, 2017.



Top 20 IVR Requests - Mar 15, 2017 – May 15, 2017

IVR Statistics	Mar 2017	Apr 2017	May 2017	Total
IVR calls received	43,569	42,468	38,917	124,954
Monthly average				41,651

Top 20 IVR Requests	3 Month Totals			
Contractor or Want to Become Contractor	21,371	20,669	18,202	60,242
Info on Maintaining or Changing License	13,843	13,288	11,610	38,741
Contractor's License Check	11,852	11,245	10,531	33,628
License Number Not Known	5,359	5,031	4,640	15,030
Contractor License Application	4,945	4,744	4,190	13,879
About License Renewal	4,712	4,426	3,734	12,872
About Making Changes to License	4,287	4,264	3,710	12,261
Hire or Problem with Contractor	3,827	3,835	3,569	11,231
About Continuing Requirements	3,563	3,246	3,049	9,858
For Changes to Existing Licenses	2,646	2,630	2,276	7,552
Reschedule Exam Date	2,110	2,103	2,092	6,305
License Requirements	2,118	2,025	1,850	5,993
Info on Problems with Contractor	1,751	1,776	1,776	5,303
Info about Bond or Workers' Comp Requirements	1,806	1,638	1,559	5,003
General Application & Examination Info	1,719	1,642	1,468	4,829
For Changing the Business Structure of an Existing	1,413	1,417	1,291	4,121
To Fax Forms, or To Order Forms by Mail	1,326	1,289	1,220	3,835
Info about Workers' Comp Requirements	1,395	1,250	1,184	3,829
License Complaint Information	867	926	757	2,550
For Adding Classifications, Certifications or Chan	847	851	732	2,430

AGENDA ITEM H-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2016-17 CSLB Budget and Expenditures

Through April 30, 2017, CSLB spent or encumbered \$48.4 million, roughly 77 percent of its FY 2016-17 budget. This chart details the CSLB FY 2016-17 budget, including expenditures through April 30, 2017:

EXPENDITURE DESCRIPTION	FY 2016-17 APPROVED BUDGET	APRIL 2017 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	23,870,000	18,171,860	5,698,140	23.9%
Board Members	16,000	11,200	4,800	30.0%
Temp Help	860,000	488,933	371,067	43.1%
Exam Proctor	41,000	123,538	-82,538	-201.3%
Overtime	146,000	97,178	48,822	33.4%
Staff Benefits	11,520,000	9,066,994	2,453,006	21.3%
TOTALS, PERSONNEL	36,453,000	27,959,703	8,493,297	23.3%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	17,790,000	16,191,181	1,598,819	9.0%
Exams	436,000	221,178	214,822	49.3%
Enforcement	8,540,000	4,506,625	4,033,375	47.2%
TOTALS, OE&E	26,766,000	20,918,984	5,847,016	21.8%
TOTALS	63,219,000	48,878,687	14,340,313	22.7%
Scheduled Reimbursements	-353,000	-171,252	-181,748	
Unscheduled Reimbursements		-341,228	341,228	
TOTALS, NET REIMBURSEMENTS	62,866,000	48,366,207	14,499,793	23.1%

❖ Revenue

CSLB received the following revenue amounts through April 30, 2017:

Revenue Category	Through 04/30/2017	Percentage of Revenue	Change from prior year (04/30/2016)*
Duplicate License/Wall Certificate Fees	\$88,501	0.2%	-5.4%
New License and Application Fees	\$10,191,179	19.5%	7.9%
License and Registration Renewal Fees	\$37,851,922	72.6%	-0.4%
Delinquent Renewal Fees	\$2,020,127	3.9%	-0.6%
Interest	\$81,762	0.2%	0.0%
Penalty Assessments	\$1,812,307	3.4%	16.4%
Misc. Revenue	\$112,556	0.2%	15.3%
Total	\$52,158,354	100.00%	1.5%

* License & Registrations Renewals Fees are based on 2-year cycle (comparative data is from FY 2014-15, a peak renewal year).



❖ **CSLB Fund Condition**

Below is the fund condition for the Contractors’ License Fund, which shows the final FY 2015-16 reserve (\$19 million – approximately 3.5 months’ reserve), along with the projected reversion amounts for current year (CY) 2016-17 through budget year (BY) 2018-19. This chart includes the projected additional revenue resulting from the passage of SB 1039, which authorizes CSLB to increase fees, as well as the budget change proposal costs associated with the settlement bill, SB 465, starting in BY 2017-18 and ongoing:

	Final FY 2015-16	Projected CY 2016-17	Projected BY 2017-18	Projected BY+1 2018-19
Beginning Balance	\$23,799	\$19,040	\$14,614	\$13,403
Prior Year Adjustment	\$252	\$0	\$0	\$0
Adjusted Beginning Balance	\$24,051	\$19,040	\$14,614	\$13,403
Revenues and Transfers				
Revenue	\$56,030	\$58,279	\$56,742	\$58,849
Statutory Fee Increase, effective July 1, 2017			\$6,530	\$6,762
Totals, Resources	\$80,081	\$77,319	\$77,886	\$79,014
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$60,929	\$59,500	\$60,690	\$61,904
Leg BCP (Staffing & Attorney General Aug)			\$510	\$494
Financial Info System Charges	\$112	\$81	\$83	\$83
Statewide Pro Rata (State Operations)		\$3,124	\$3,200	\$3,200
Total Expenditures	\$61,041	\$62,705	\$64,483	\$65,681
Fund Balance				
Reserve for economic uncertainties	\$19,040	\$14,614	\$13,403	\$13,333
Months in Reserve	3.5	2.7	2.4	2.4

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% renewal license fee growth, based on prior 2-year cycle.
- 3) Assumes expenditures in CY 2016-17 based on budgeted authority and then assumes growth projected at 2% starting in BY 2017-18, and then ongoing.



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

CMEA grant awards have been suspended since July 2014 for insufficient funds. Since then donations to the fund have showed a steady increase. Assuming that this growth in contributions continues it is anticipated that in FY 2018-19 the fund will be healthy enough to begin disbursing the annual minimum of \$150,000 in grant awards.

Below is the CMEA fund condition, which shows the final FY 2015-16 reserve (\$161,000 – approximately 12 months’ reserve), along with the projected reversion amounts for current year (CY) 2016-17 through budget year (BY) 2018-19:

	Final FY 2015-16	Projected CY 2016-17	Projected BY 2017-18	Projected BY+1 2018-19
Beginning Balance	\$ 85	\$ 161	\$ 245	\$ 335
Prior Year Adjustment	-\$1	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 84	\$ 161	\$ 245	\$ 335
Revenues and Transfers				
Revenue	\$77	\$84	\$90	\$96
Totals, Resources	\$ 161	\$ 245	\$ 335	\$ 431
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$0	\$0	\$0	\$10
Local Assistance Grant Disbursements	\$0			\$150
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 160
Fund Balance				
Reserve for economic uncertainties	\$ 161	\$ 245	\$ 335	\$ 271
Months in Reserve	12.1	18.4	25.1	20.3

Notes:

- 1) All dollars in thousands.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2013-14	2014-15	2015-16	2016-17
July	2,850	2,805	3,398	3,513
August	3,084	3,004	3,419	3,749
September	2,682	3,207	2,955	3,668
October	2,719	3,177	3,484	3,844
November	2,435	2,542	3,143	3,080
December	2,315	2,944	3,058	3,260
January	2,832	2,958	2,862	3,282
February	3,030	3,568	4,027	3,087
March	3,025	3,978	3,952	4,059
April	3,987	3,878	4,045	4,081
Total	28,959	32,061	34,343	35,623
			<i>% Change from Prior FY</i>	3.7%

Original Applications Received

	2013-14	2014-15	2015-16	2016-17
July	1,546	1,450	1,593	1,618
August	1,505	1,399	1,631	1,811
September	1,424	1,562	1,351	1,692
October	1,420	1,588	1,596	1,842
November	1,276	1,204	1,490	1,374
December	1,224	1,441	1,400	1,453
January	1,497	1,479	1,297	1,584
February	1,579	1,749	2,035	1,090
March	1,653	1,957	2,041	1,938
April	1,743	1,729	1,941	1,969
Total	14,867	15,558	16,375	16,371
			<i>% Change from Prior FY</i>	0.0%
			<i>% of Apps Rcvd are Original Apps</i>	46.0%

Original Licenses Issued

	2013-14	2014-15	2015-16	2016-17
July	1,008	1,248	1,155	1,245
August	845	1,275	1,098	1,334
September	1,023	1,036	1,030	1,329
October	970	1,247	954	1,403
November	759	724	866	1,407
December	812	887	965	1,036
January	971	1,225	904	1,241
February	819	1,078	888	1,072
March	921	1,139	1,185	1,423
April	971	971	1,386	1,111
Total	9,099	10,830	10,431	12,601
			<i>% Change from Prior FY</i>	20.8%
			<i>% Licenses Issued of Original Apps Rcvd</i>	77.0%



Licenses Renewed		<i>PEAK</i>		<i>PEAK</i>	
	2013-14	2014-15	2015-16	2016-17	
July	11,751	10,079	11,584	10,394	
August	9,313	11,505	8,611	11,069	
September	8,016	11,584	10,292	9,215	
October	8,481	8,448	8,501	9,842	
November	8,674	6,467	6,881	7,618	
December	8,672	11,886	11,885	9,147	
January	10,279	9,847	7,206	8,958	
February	10,294	8,045	11,381	8,800	
March	9,305	12,291	11,911	12,317	
April	13,174	10,647	10,029	11,853	
Total	97,959	100,799	98,281	99,213	
		<i>% Change from Peak FY 2014-15</i>			<i>-1.6%</i>

Original HIS Registrations Issued					
	2013-14	2014-15	2015-16	2016-17	
July	328	520	894	350	
August	323	605	658	581	
September	300	497	624	391	
October	287	635	533	552	
November	280	583	580	428	
December	274	476	596	359	
January	287	410	499	377	
February	344	497	614	382	
March	251	703	587	448	
April	453	638	733	499	
Total	3,127	5,564	6,318	4,367	
		<i>% Change from Prior FY</i>			<i>-30.9%</i>

HIS Registrations Renewed					
	2013-14	2014-15	2015-16	2016-17	
July	150	158	167	188	
August	150	147	140	271	
September	101	187	133	252	
October	152	158	152	257	
November	143	117	111	168	
December	124	143	175	285	
January	140	179	89	235	
February	140	87	200	196	
March	179	197	159	561	
April	155	242	292	354	
Total	1,434	1,615	1,618	2,767	
		<i>% Change from Prior FY</i>			<i>71.0%</i>



License Population by Status

	April 2015	April 2016	April 2017
Active	223,134	224,257	225,344
Inactive	61,713	59,953	58,007
Subtotal	284,847	284,210	283,351
Other*	478,832	489,819	503,219
Expired	409,685	416,754	428,416
Expired % of Other	85.6%	85.1%	85.1%
Grand Total	763,679	774,029	786,570

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

HIS Registration Population by Status

	April 2015	April 2016	April 2017
Active	12,211	14,563	17,062
Other*	91,667	69,630	72,229
Total	103,878	84,193	89,291

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

Complaints By Fiscal Year

	2012-13	2013-14	2014-15	2015-16
Received	18,101	18,203	19,722	18,685
Reopened	844	786	820	821
Closed	19,118	18,875	20,016	19,736
Pending (As of June 30)	3,762	3,893	4,458	4,258

CSLB Position Vacancies

	April 2016	April 2017
Administration	3.0	3.0
Executive/Public Affairs	1.0	2.5
IT	2.0	2.0
Licensing/Testing	10.5	7.0
Enforcement	21.0	21.0
Total	37.5	35.5

AGENDA ITEM H-5

Update, Discussion and Possible Action on 2016-18 Strategic Plan





CONTRACTORS STATE LICENSE BOARD

2016-18 STRATEGIC PLAN – 2017 UPDATE

In 2016 the Contractors State License Board (CSLB) voted to conduct formal strategic planning sessions every other year, which would lead to a two-year Strategic Plan. Previously these planning sessions were held annually. In the off-year, the Board would review and vote on suggested updates to action items.

A formal strategic session was conducted in March 2016, resulting in the 2016-18 Strategic Plan. In March 2017 Board members voted on proposals to update action plan items. The updated action plan items are included in this report.

CURRENT GOALS AND OBJECTIVES

CSLB has identified the following objectives to help meet its goals. These objectives are assigned with a priority status of (E) Essential, (I) Important, or (B) Beneficial.

Licensing & Testing Objectives

ITEM	TARGET	DESCRIPTION
1.1 Revise Application Package and Related Outreach Material (E)	March 2017	In conjunction with Public Affairs, update package of application materials to decrease confusion, increase compliance, and reduce the time to issue new licenses
1.2 Conduct Comparative Study of Pass/Fail Rates of Contractor License Exams in Other States (I)	March 2017	Educate and inform Board members and the public about how California pass/fail rates compare with other states
1.3 Review CSLB license reciprocity agreements	September 2017	In response to Little Hoover Commission report on barriers to occupational licensing, review existing CSLB license reciprocity agreements and how other states handle CSLB licensees
1.4 Review feasibility of process to review license denials	December 2017	In response to Little Hoover Commission report on barriers to occupational licensing, review possibility of establishing an informal process to review license denials
1.5 Identify Specific Criteria for Examination Waiver and Application Review (B)	May 2018	In conjunction with Enforcement division, develop criteria to review waiver applications that better identify potentially fraudulent submissions (see Objective 3.4)
1.6 Research and Implement Measures to Reduce Initial Application Processing Times (E)	July 2018	Examine current processes, procedures, staffing levels, and other issues to identify ways to speed up the time it takes to issue new licenses



Enforcement Objectives

ITEM	TARGET	DESCRIPTION
2.1 Formalize Strategy to Identify Licensee Misuse of Workers' Compensation Insurance Requirement Exemption (E)	March 2017	In conjunction with Public Affairs Office, develop education and enforcement program targeted at licensees who employ workers while having a workers' compensation exemption on-file with CSLB
2.2 Reduce Legal Action Expenditures While not Compromising Consumer Protection (E)	July 2017	Develop partnerships with prosecutors and other government agencies to leverage resources, and provide a letter of admonishment for lesser offenses
2.3 Expand Proactive Enforcement Targets (B)	July 2017	Develop strategies and partnerships to include public works projects and larger contractors in proactive enforcement efforts
2.4 Update Civil Penalties Assessments (E)	December 2017	Review penalty guidelines to determine if they have kept up with inflation and consumer protection requirements
2.5 Increase C-10 Electrical License Renewals by \$20 to fund Electrician Certification Enforcement	January 2019	Conduct regulatory hearings and IT programming to provide for a \$20 increase on all C-10 Electrical license renewals

Legislative Objectives

ITEM	TARGET	DESCRIPTION
3.1 Present Draft Proposal to Reorganize Contractors' State License Law (I)	May 2017	Closely examine and reorganize current law to create a more logical flow and make it more user-friendly; cleaning up and clarifying language as needed
3.2 Research Increased Penalties for Predatory Business Practices, Misrepresentation of Services, or Need of Services (I)	May 2017	In conjunction with the Enforcement division, examine appropriateness of existing penalties in statute and regulation and determine if there is a need for changes
3.3 Develop and Implement Regulatory Proposal to Formalize Experience Requirement Criteria (E)	June 2017	In conjunction with the Licensing division, clarify the accepted verifiable experience requirements necessary for licensure to help ensure that qualified applicants are able to test for a license
3.4 Further Define Examination Waiver Criteria (I)	May 2018	In conjunction with the Licensing division, thoroughly review statutory waiver authority and develop regulations to clarify examination waiver criteria, possibly including methods to prevent fraudulent submissions (see Objective 1.5)



3.5 Review Home Improvement Contract Provisions (I)	June 2018	Identify ways to simplify and improve clarity of provisions in Business and Professions Code section 7159
3.6 Increase Fees (E)	July 2018	Increase statutory authority and limits; follow-up with regulations for future increases within statutory limits

Public Affairs Objectives

ITEM	TARGET	DESCRIPTION
4.1 Develop Solar Outreach Material (I)	March 2017	Create CSLB website page to link consumers to most reliable solar-related information, supplemented by newly created CSLB material
4.2 Complete Flagship Consumer Publication (E)	July 2017	Update of <i>What You Should Know Before You Hire a Licensed Contractor</i> booklet
4.3 Complete Flagship Contractor Publication – for Journeymen/ Applicants (E)	October 2017	Update and redesign of <i>Blueprint for Becoming a California Licensed Contractor</i> targeted toward journeymen, applicants, and licensees
4.4 Complete Flagship Contractor Publication – for Licensees (E)	December 2017	Creation of new publication targeted toward licensees
4.5 Develop New License Application Video (E)	December 2017	Update website video reviewing how to complete license application
4.6 Develop Orientation Videos for New Staff/Board Members (I)	June 2018	Produce series of videos to be used as part of efforts to introduce staff and Board members to CSLB (see Administrative Objective 6.3)
4.7 Develop Schedule for Opt-In, “Find a Contractor” Website Feature (E)	June 2018	Work with IT to develop a web-based feature that enables consumers to obtain a list of available licensed contractors in specific license classifications for specific geographic locations
4.8 Expand Consumer Scam Stopper Outreach Program (B)	June 2018	Look for opportunities to expand CSLB’s face-to-face outreach to groups other than seniors

Information Technology Objectives

ITEM	TARGET	DESCRIPTION
5.1 Implement ePayment Expansion to San Bernardino Office (E)	May 2017	Establish ePayment in San Bernardino after completion of building improvements



5.2 Upgrade Investigator Cell Phones and Acquire Tablets (I)	Cell Phones: December 2016 Tablets: December 2017	Provide investigators working in field with equipment that improves usability, increases their use of electronic documentation, and offers more effective access to information (may be affected by cell phone refresh date)
5.3 Conduct Needs Assessment (business requirements gathering) to Determine Requirements for New Licensing/Enforcement Computer System, Which Includes the Current Imaging and Workflow Automated System (IWAS) (I)	February 2018	Work with various CSLB units, including Cashiering, Testing, Licensing, and Enforcement to ensure current and future computer needs are met. Also, examine available solutions to replace system currently used to scan all incoming license-related paperwork into CSLB's computer system
5.4 Implement Online Application for Home Improvement Salesperson (I)	June 2018	Create system to allow applicants to submit applications, registration renewals, and to associate-disassociate online (may be affected by Teale)
5.5 Implement Online ePayment System (E)	September 2018	Expand ePayment system, currently only available in CSLB offices, by allowing 16 payment types to be made online by credit card
5.6 Implement SCORE 2.0 Programming (E)	December 2018	Conduct cost benefit analysis to determine requirements for a new/upgraded exam development and administration system

Administration Objectives

ITEM	TARGET	DESCRIPTION
6.1 Develop Succession Planning, Mentoring, and Upward Mobility Program for Staff (E)	June 2017	Assess job requirements and skills of existing employees and seek to fill the gaps between needs and skills with targeted training and development activities
6.2 Assess/Enhance Security and Safety Procedures for All CSLB Facilities (I)	June 2017	Examine the security and safety of all CSLB facilities to identify and enhance areas that require improvements
6.3 Enhance Onboarding and Orientation Program for New Staff, Managers, and Board Members (I)	June 2018	Increase communication and foster cohesive mission-oriented work culture
6.4 Research and Implement a Special Investigator Classification Series (E)	June 2018	Examine feasibility of establishing new classification to improve recruitment and retention of Enforcement staff
6.5 Pursue Salary Differentials in Regions with Higher Living Costs (E)	June 2018	Define and pursue opportunities to pay competitive wages in high cost of living sections of the state to improve recruitment and reduce employee vacancies in these areas



<p>6.6 Determine Requirements and Procure Equipment for Full Service Broadcast Studio (I)</p>	<p>June 2018</p>	<p>In conjunction with Public Affairs Office, identify and purchase necessary equipment needed for video/audio production (timing is dependent on CSLB Headquarters building lease negotiations)</p>
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AGENDA ITEM H-6

Registrar's Report

a. Tentative 2017 Board Meeting Schedule

- September 2017 – Dates To Be Determined
Monterey
- December 2017 – Dates To Be Determined
San Jose



AGENDA ITEM H-7

Election of 2017–18 Board Officers



AGENDA ITEM I

Recess



JUNE 16, 2017
GARDEN GROVE, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

DAY 2



AGENDA ITEM A

Call to Order, Roll Call and Establishment of Quorum

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

KEVIN J. ALBANESE

ED LANG

AGUSTIN BELTRAN

MIKE LAYTON

LINDA CLIFFORD

MARLO RICHARDSON

DAVID DE LA TORRE

FRANK SCHETTER

DAVID DIAS

PAUL SCHIFINO

SUSAN GRANZELLA

JOHNNY SIMPSON

JOAN HANCOCK

NANCY SPRINGER

PASTOR HERRERA JR.



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

Joint Discussion with Nevada State Contractors Board (NSCB)



AGENDA ITEM C-1

Discussion Regarding CSLB and NSCB Operational and Structural Comparisons

- a. Board Member Composition
- b. Budget
- c. License Population
- d. License Fee Schedule
- e. Criminal Background Checks
- f. Insurance Requirements
- g. Reciprocity with Other States
- h. Consumer Restitution Programs





CONTRACTORS STATE LICENSE BOARD

CSLB AND NSCB OPERATIONS

	California	Nevada
Year Started	1929	1941
# of Board Members	15	7
Board Member Makeup	10 Public Members <ul style="list-style-type: none"> • One Labor Representative • One Building Official • One Senior Citizen Organization Five Contractor Members <ul style="list-style-type: none"> • One "A" Engineering Contractor • Two "B" General Contractors • Two "C" Specialty Contractors 	1 Public Member 6 Contractor Members
Budget (fiscal year 2015-16)	\$62,866,000	\$6,565,800
Staff Size	403	65
# of Licensees (As of April 30, 2017)	283,351	15,278 Active
# of New Applications (fiscal year 2015-16)	18,690	1,593
# of Renewal Applicants (fiscal year 2015-16)	118,407	7,059
Cost of Original Application/Exam	\$530 Effective 7/1/17	\$300 Non-Refundable \$600 Biennial
Time Until License is Renewed	Two Years	Two Years
Criminal Background Checks	Yes	Yes
Cost of Renewal	\$400 Effective 7/1/17	\$600
Surety Bond	Yes	Yes
Workers' Compensation Insurance	Yes	Yes
General Liability Insurance	No	No
Handyman Exemption	Yes Less Than \$500	Yes Less Than \$1,000
Reciprocity with Other States	Yes Arizona, Nevada, Utah	Yes Arizona, California, Utah
# or Licenses Issued with Reciprocity Between California and Nevada (fiscal year 2015-16)	Unknown (<60) Nevada to California	Unknown California to Nevada
# of Complaints (fiscal year 2015-16)	18,690	1,832 Licensed 1,383 Unlicensed
Amount of Restitution Recovery (fiscal year 2015-16)	\$36,972,300	\$797,500 Recovery Fund



CSLB

POTENTIAL CSLB 2017 LEGISLATIVE PROPOSALS

# of Licenses Revoked (fiscal year 2015-16)	230	46
Residential Recovery Fund	No	Yes

AGENDA ITEM C-2

Discussion Regarding Construction Industry Economics

- a. California Housing Construction Statistics
- b. Nevada Housing Construction Statistics
- c. Increasing Housing Costs and Supply Shortage
- d. Skilled Workforce Development and Construction Education Opportunities



TED: The Economics Daily

FONT SIZE:  PRINT: 

TED HOME

TOPICS

ARCHIVE BY YEAR

ARCHIVE BY PROGRAM

ABOUT TED

Search TED

Go

Employment in professional and business services increased in most states for year ending April 2017

MAY 25, 2017

From April 2016 to April 2017, employment in professional and business services, education and health services, and leisure and hospitality increased for most states and the District of Columbia. Employment in information decreased for most states and the District of Columbia. New Hampshire (6.8 percent) and Vermont (6.3 percent) experienced the largest over-the-year percentage increases in leisure and hospitality; Iowa recorded the largest percentage decrease in information (-7.5 percent).

CHART IMAGE

CHART DATA

Percent change in industry employment for states and the District of Columbia, not seasonally adjusted, April 2016–April 2017

State	Mining and logging ^(p)	Construction ^(p)	Manufacturing ^(p)	Trade, transportation, and utilities ^(p)	Information ^(p)
Alabama	4.3	-0.4	1.6	-0.9	-4.3
Alaska	-11.9	-8.4	-16.0	-2.3	-3.1
Arizona	-1.7	4.3	1.4	0.7	-0.7
Arkansas	-4.8	-0.4	2.3	1.0	-3.7
California	-7.4	5.0	-0.8	0.8	-1.0
Colorado	-7.2	1.0	-0.3	2.3	-0.6
Connecticut	0.0	3.1	0.0	0.1	-3.1
Delaware	(1)	3.9	0.8	0.0	2.2
District of Columbia	(1)	-7.0	0.0	0.0	-1.8
Florida	-1.7	6.7	3.0	2.4	0.4
Georgia	7.4	3.3	0.6	2.3	2.5
Hawaii	(1)	-0.3	-2.9	1.8	7.1
Idaho	-8.8	4.4	3.3	1.3	3.3
Illinois	0.0	-4.9	-0.9	-0.8	1.2
Indiana	3.2	1.5	1.0	0.7	-4.9
Iowa	8.7	-3.3	-1.8	0.7	-7.5
Kansas	-1.5	-1.6	-1.1	-0.1	-4.8
Kentucky	-7.6	3.1	2.3	1.3	6.2
Louisiana	-10.3	6.8	-2.0	-0.7	-5.4
Maine	5.9	5.3	-0.2	0.3	-3.9
Maryland	0.0	0.8	-0.2	0.5	-2.9
Massachusetts	-9.1	1.2	-0.9	0.5	1.5
Michigan	1.4	4.4	0.8	-0.5	1.4
Minnesota	14.0	2.7	0.1	0.4	2.2
Mississippi	0.0	-8.3	-0.8	1.0	-6.6
Missouri	0.0	-1.7	0.4	0.9	-6.4
Montana	0.0	1.1	1.6	0.5	1.6
Nebraska	10.0	1.6	-0.2	0.6	5.4
Nevada	2.2	12.7	4.2	1.0	-2.7
New Hampshire	0.0	8.8	0.0	-0.3	0.0
New Jersey	7.7	-1.5	1.7	0.8	-0.7

State	Mining and logging^(p)	Construction^(p)	Manufacturing^(p)	Trade, transportation, and utilities^(p)	Information^(p)
New Mexico	-2.5	6.0	-3.3	0.2	-1.5
New York	2.0	0.5	-3.3	-0.2	0.8
North Carolina	3.6	0.2	-0.6	0.8	-4.1
North Dakota	10.1	3.0	-2.8	-2.1	4.5
Ohio	-1.8	1.0	0.2	0.6	3.1
Oklahoma	2.9	0.7	0.1	-2.4	-1.4
Oregon	0.0	9.2	1.3	1.0	1.2
Pennsylvania	-8.0	1.0	-1.4	0.3	-2.0
Rhode Island	0.0	10.9	0.7	1.2	-6.1
South Carolina	4.9	4.0	3.1	2.0	-4.3
South Dakota	11.1	5.1	-1.9	0.0	1.7
Tennessee	7.5	5.7	1.6	1.8	0.4
Texas	2.1	0.5	1.9	1.4	-4.6
Utah	-9.2	3.1	3.0	4.0	-0.8
Vermont	0.0	-2.1	-4.0	-0.5	-2.2
Virginia	1.3	0.6	-0.3	0.1	-4.5
Washington	4.9	5.6	-2.5	3.4	4.3
West Virginia	-2.9	-1.6	-2.4	-2.3	1.1
Wisconsin	2.7	0.8	1.8	0.1	-4.3
Wyoming	0.0	-4.7	0.0	-3.0	0.0

Footnotes:

(1) Mining is combined with construction.

(p) = Preliminary.

California Housing Units 1954-2016

Year	Single Family Units	Multi Family Units	Total Units
1954	168,970	38,933	207,903
1955	188,434	33,391	221,825
1956	145,462	39,078	184,540
1957	115,449	60,193	175,642
1958	126,778	76,901	203,679
1959	161,399	83,872	245,271
1960	124,698	75,538	200,236
1961	122,115	95,444	217,559
1962	122,975	128,051	250,926
1963	131,546	190,472	322,018
1964	113,425	155,430	268,855
1965	95,690	82,426	178,116
1966	65,406	33,969	99,375
1967	67,842	43,603	111,445
1968	86,816	72,931	159,747
1969	80,119	104,111	184,230
1970	71,362	124,306	195,668
1971	113,348	143,328	256,676
1972	123,990	156,861	280,851
1973	102,734	114,130	216,864
1974	76,205	53,321	129,526
1975	89,823	41,913	131,736
1976	140,051	81,061	221,112
1977	174,845	95,911	270,756
1978	143,088	101,570	244,658
1979	127,478	82,555	210,033
1980	86,650	58,327	144,977
1981	60,278	44,316	104,594
1982	51,160	34,486	85,656
1983	102,509	70,060	172,569
1984	112,839	112,006	224,845
1985	114,202	158,115	272,317
1986	146,569	168,000	314,569
1987	136,128	117,043	253,171
1988	162,167	93,392	255,559
1989	162,651	75,096	237,747
1990	103,819	60,494	164,313
1991	73,809	32,110	105,919
1992	76,187	21,220	97,407

Year	Single Family Units	Multi Family Units	Total Units
1993	69,901	14,755	84,656
1994	77,115	19,932	97,047
1995	68,689	16,604	85,293
1996	74,923	19,360	94,283
1997	84,780	26,936	111,716
1998	94,298	31,409	125,707
1999	101,711	38,426	140,137
2000	105,595	42,945	148,540
2001	106,902	41,855	148,757
2002	123,865	43,896	167,761
2003	138,762	56,920	195,682
2004	151,417	61,543	212,960
2005	155,322	53,650	208,972
2006	108,021	56,259	164,280
2007	68,409	44,625	113,034
2008	33,050	31,912	64,962
2009	25,454	10,967	36,421
2010	25,526	19,236	44,762
2011	21,641	25,702	47,343
2012	27,560	31,665	59,225
2013	36,991	48,481	85,472
2014	37,089	48,755	85,844
2015	44,896	53,337	98,233
2016	49,208	51,753	100,961

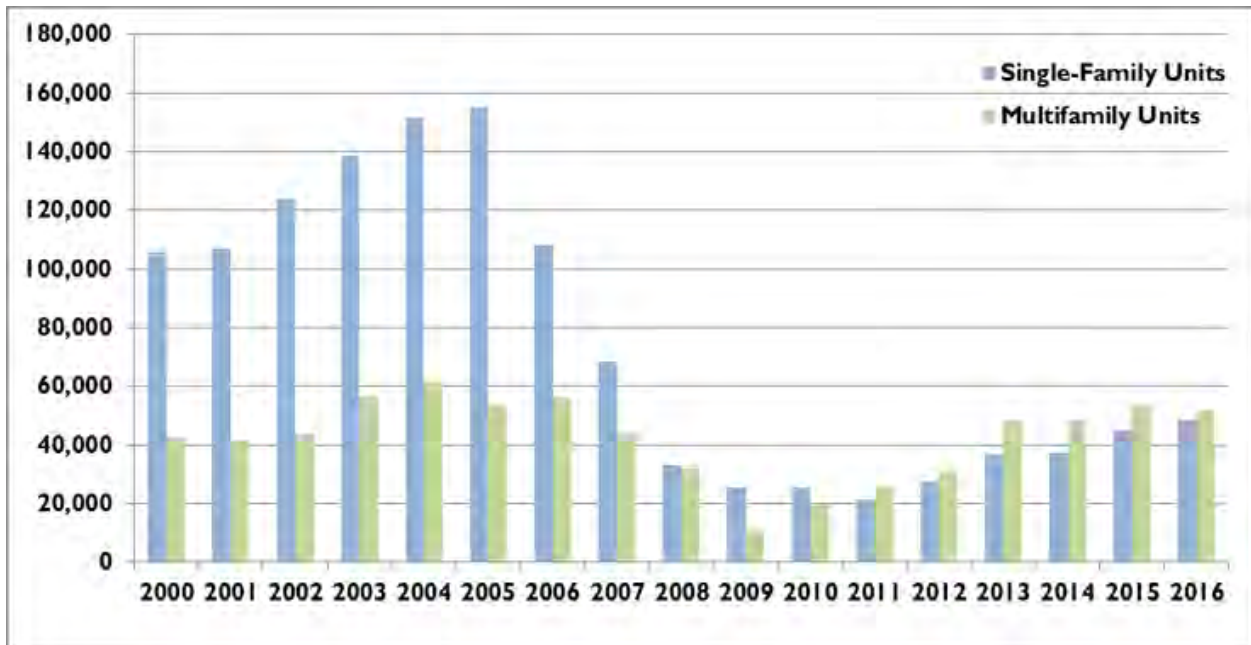
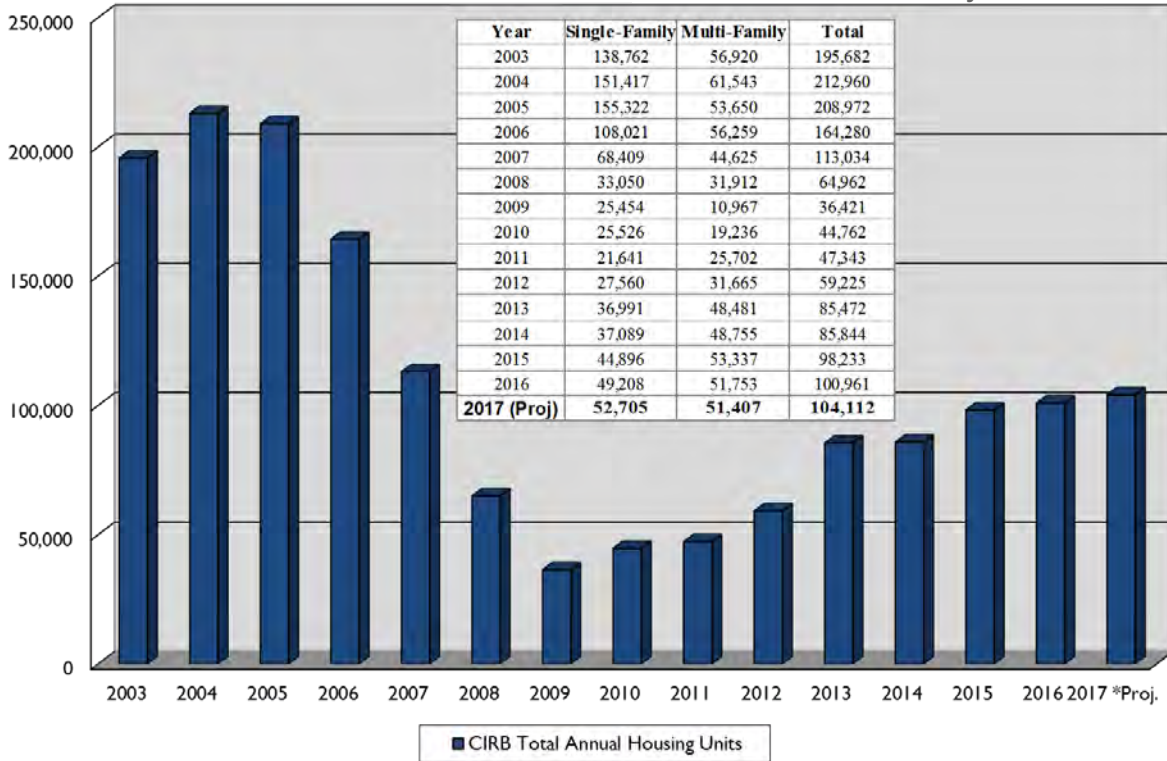


CALIFORNIA HOUSING STATISTICS



HOUSING PRODUCTION IN CALIFORNIA 2003-2017*

Source: Construction Industry Research Board



Source: Construction Industry Research Board

RESEARCH NOTES



Research & Analysis
Bureau

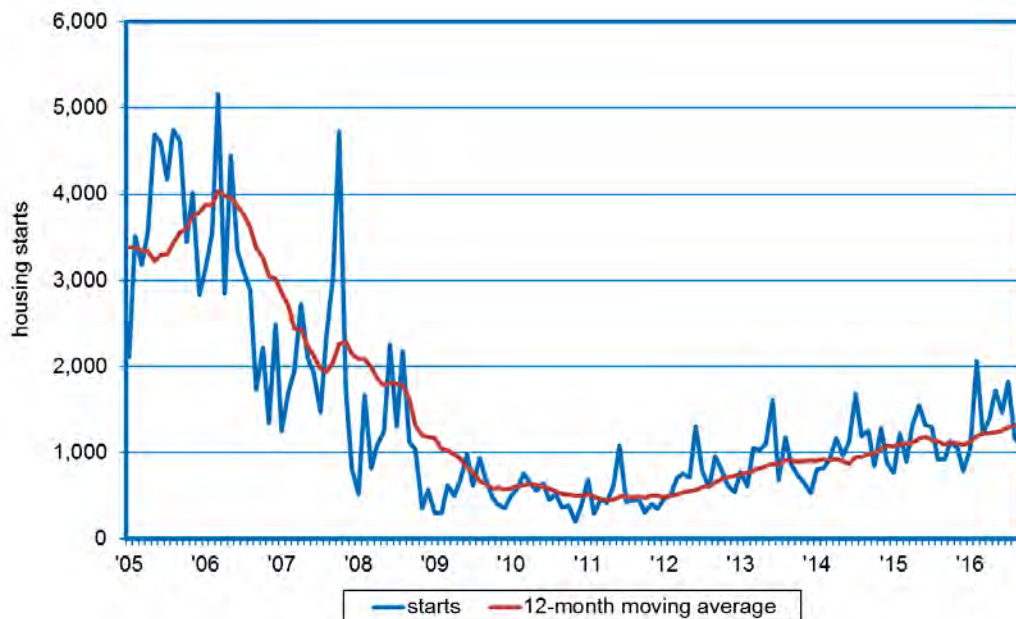
Nevada's Premier Source of Workforce & Economic Information and Analysis



Housing Starts
Hayley Smith-Kirkham, Economist

Note: 2016:82
December 5, 2016

Nevada Privately-Owned Housing Starts Continue Trending Up; Improvement Evident Beginning in 2012



- Privately-owned housing starts in Nevada peaked at around 4,000/month in early 2006, prior to the recession. However, as the downturn unfolded, starts bottomed out at around 500/month throughout much of 2010 and 2011. Between 2006 and 2011, roughly 100,000 construction jobs were lost in Nevada.
- Housing starts have been steadily gaining ground since the trough, and currently stand at about 1,300/month, the highest level of activity since late 2008. About 25,000 jobs have been added back to construction payrolls.
- So far this year, housing starts are up by more than 25% compared to a year ago. That compares to just a four percent gain in the nation as a whole. In fact, housing starts growth in Nevada has exceeded national growth in four of the past five years, typically by a rather wide margin.
- Recent trends point to an ongoing recovery from the housing boom and subsequent bust of the late 2000s. All things considered, the pace of the recovery is perhaps best described as moderate but sustainable; arguably a better scenario than the unprecedented conditions which preceded the economic downturn. Housing's recent recovery is reflected in construction payrolls.

AGENDA ITEM C-3

Discussion Regarding California Little Hoover Commission's Report: Jobs for Californians: Strategies to Ease Occupational Licensing Barriers (October 2016)

- a. Overview of Report
- b. Reciprocity Opportunities with Other States
- c. Options for Removing Barriers to Licensure





CONTRACTORS STATE LICENSE BOARD

LITTLE HOOVER COMMISSION REPORT

On October 4, 2016, following three public hearings, the Little Hoover Commission released its report, *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*, noting that, while occupational licensing provides many health and safety benefits to consumers, licensing requirements can also act as a barrier to prevent some people from practicing.

The report also discusses the effects of occupational licensing on consumer prices, indicating that licensing increases wages in those professions by 5 percent to 15 percent, costing consumers nationwide more than \$200 billion a year. Finally, the 33-page report discusses these impacts in varying depth, including the harm to four groups where licensing requirements often bar entry into their chosen profession:

1. Former offenders, who may not know if their criminal history is disqualifying;
2. Military spouses who move frequently and must oftentimes recomplete California requirements for a profession they have practiced for years in other states;
3. Veterans who may be required to duplicate education and training completed while on active military duty;
4. Foreign-trained workers whose education and training is difficult to apply to California standards.

The full report can be viewed here: <http://www.lhc.ca.gov/studies/234/Report234.pdf>; a summary follows.



JOBS FOR CALIFORNIANS: STRATEGIES TO EASE OCCUPATIONAL LICENSING BARRIERS

REPORT #234, October 2016



LITTLE HOOVER COMMISSION

DEDICATED TO PROMOTING ECONOMY AND EFFICIENCY IN CALIFORNIA STATE GOVERNMENT

Little Hoover Commission

Pedro Nava
Chairman

Jack Flanigan
Vice Chairman

Scott Barnett

David Beier†

Anthony Cannella
Senator

Chad Mayes
Assemblymember

Don Perata

Sebastian Ridley-Thomas*
Assemblymember

Richard Roth
Senator

Jonathan Shapiro

Janna Sidley

Helen Torres

Sean Varner

Former Commissioners Who Served During The Study

Loren Kaye*

David Schwartz*

Sumi Sousa

† Served as subcommittee chair

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Administrative Analyst

Sierra Grandbois
Intern

Aleksander Klimek
Intern

To Promote Economy and Efficiency

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives...

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the Governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

Contacting the Commission

All correspondence should be addressed to the Commission Office:

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Sacramento, CA 95814
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littlehoover@lhc.ca.gov

This report is available from the Commission's website at www.lhc.ca.gov.

LETTER FROM THE CHAIR

October 4, 2016

The Honorable Edmund G. Brown, Jr.
Governor, State of California

The Honorable Kevin de León
President pro Tempore of the Senate
and members of the Senate

The Honorable Anthony Rendon
Speaker of the Assembly
and members of the Assembly



The Honorable Jean Fuller
Senate Minority Leader

The Honorable Chad Mayes
Assembly Minority Leader

Dear Governor and Members of the Legislature:

One out of every five Californians must receive permission from the government to work. For millions of Californians, that means contending with the hurdles of becoming licensed. Sixty years ago the number needing licenses nationally was one in 20. What has changed? What once was a tool for consumer protection, particularly in the healing arts professions, is now a vehicle to promote a multitude of other goals. These include professionalism of occupations, standardization of services, a guarantee of quality and a means of limiting competition among practitioners, among others. Many of these goals, though usually well intentioned, have had a larger impact of preventing Californians from working, particularly harder-to-employ groups such as former offenders and those trained or educated outside of California, including veterans, military spouses and foreign-trained workers.

In its study on occupational licensing, the Commission sought to learn whether the state properly balances consumer protection with ensuring that Californians have adequate access to jobs and services. It learned the state is not always maintaining this balance, as evidenced by discrepancies in requirements for jobs that pose similar risks to the consumer. Manicurists, for example, must complete at least 400 hours of education, which can cost thousands of dollars, and take a written and practical exam before becoming licensed. In contrast, tattoo artists simply register with their county's public health department and take an annual bloodborne pathogens class, which can be completed online for \$25.

The effects of occupational licensing extend well beyond people encountering hurdles to entering an occupation, the Commission learned. When government limits the supply of providers, the cost of services goes up. Those with limited means have a harder time accessing those services. Consequently, occupational licensing hurts those at the bottom of the economic ladder twice: first by imposing significant costs on them should they try to enter a licensed occupation and second by pricing the services provided by licensed professionals out of reach. The Commission found that over time, California has enacted a thicket of occupational regulation that desperately needs untangling in order to ease barriers to entering occupations and ensure services are available to consumers of all income levels.

Fortunately, there is an effort underway to review licensing laws and adopt evidence-based approaches to consumer protection: The White House is providing \$7.5 million in grant funding for a consortium of states to assess whether their current levels of occupational regulation are appropriate.

California should be part of this effort. Additionally, the state should consider the impact of licensing on groups disproportionately harmed by these regulations, including:

- Former offenders. Witnesses testified there is no evidence demonstrating that having a criminal record is related to providing low quality services. Unnecessary restrictions on criminal convictions simply punish again people who have already served their time.
- Military spouses. When military spouses cannot transfer their licenses across state lines due to state restrictions, they spend precious time and resources re-completing requirements they already have, or taking, in all likelihood, a lower-paying, lower-skilled job. Married service members overwhelmingly report their spouse’s ability to maintain a career affects their decision to remain in the military.
- Veterans. Veterans often face difficulty transferring their military education and experience into civilian licensing requirements. Sometimes they must repeat these requirements for a job they have been performing for years. Taxpayers then pay twice for them to learn the same set of skills: once while in the military and again through the G.I. Bill.
- Foreign-trained workers. Like veterans, foreign-trained workers often have difficulty translating their education and experience into state licensing requirements and often take lower-skilled jobs instead. With worker shortages looming in mid- and high-skilled professions, the state should embrace these workers instead of erecting barriers to keep them out of jobs.

Examining and assessing California’s occupational regulations does not mean stripping consumer protection. Rather, experts should consider whether the current level of regulation strikes the appropriate balance between protecting consumers and limiting access to occupations and services.

California once tried an ambitious restructuring of its boards and commissions, including many licensing boards, as part of the 2004 California Performance Review. Governor Arnold Schwarzenegger, informed by the work of the California Performance Review, sent a Governor’s Reorganization Plan to the Little Hoover Commission in January 2005 that went far beyond a review of occupational regulation: It was a complete overhaul of the state’s boards and commissions. Facing insurmountable hurdles, Governor Schwarzenegger withdrew the plan from consideration a month later. No comprehensive attempts at reform have occurred since.

By participating in a more focused review of occupational regulation, potentially subsidized and supported by the federal government, by beginning reforms where the barriers are egregious and worker shortages loom, and by taking action based on the recommendations of independent experts, the state can avoid repeating the errors of the past and position itself to make a long-term difference for Californians.

The Commission respectfully submits these findings and recommendations and stands prepared to help you take on this challenge.

Sincerely,



Pedro Nava
Chair, Little Hoover Commission

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EXECUTIVE SUMMARY

Californians rely on occupational regulation to protect them. Doctors must prove proficiency in medical knowledge before they treat patients. Electricians must demonstrate they know their trade before they wire a house. Yet for all these important protections, there is a flip side of occupational licensing: The requirements to prove proficiency often serve as a gate, keeping people out of occupations.

Licensing is more stringent than other types of occupational regulation because not being able to obtain a license means someone cannot practice the profession. Certification or registration allows practitioners to demonstrate they meet certain standards of quality or allows the state to know certain types of businesses are operating without barring people from the occupation.

Since Statehood: A Jumble of Licensing Politics

When the Commission began its study on occupational licensing in California, it aimed to learn whether the State of California is striking the appropriate balance between protecting consumers and erecting barriers to entry into occupations. It found more than 165 years of accumulated regulations creating a nearly impenetrable thicket of bureaucracy for Californians. No one could give the Commission a list of all the licensed occupations in California. Licensing is heavily concentrated within the Department of Consumer Affairs, but it also is scattered throughout other government departments and agencies. Want to become a registered nurse? Go to the Board of Registered Nursing. Want to become a licensed vocational nurse? Go to the Board of Vocational Nursing and Psychiatric Technicians. Want to become a certified nursing assistant? Go to the Department of Public Health.

The Commission found that the licensing boards within the Department of Consumer Affairs are semi-autonomous, governed by a rulemaking process. But their considerable autonomy results in no holistic vision on how occupations should be regulated in California. Licensing authorities under the Department of Consumer Affairs undergo a sunset review process every four years to determine whether the authority is best serving Californians. If not, legislative fixes are made or the licensing authority is dissolved. But even when a licensing authority is disbanded it may not be gone for good. When the Legislature eliminated the Board of Barbering and Cosmetology in 1997, Senator Richard Polanco resurrected it with legislation in 2002.

This is the heart of problems the Commission found with occupational licensing: The process often is a political activity instead of a thoughtful examination of how best to protect consumers. Multiple witnesses told the Commission that consumers are not key players in creating and governing licensing regulations, even though the regulations are ostensibly made in their interest. Occupational licensing is not about consumers going to the Legislature and asking for protection, said one witness. It is about practitioners telling legislators that consumers need to be protected from them. Substantial benefits accrue to practitioners of licensed occupations. Working in occupations licensed in some, but not all, states raises wages by 5 percent to 8 percent. Working in occupations licensed in all states drives up wages by 10 percent to 15 percent, witnesses told the Commission.

Effects of Licensing on Consumer Prices

It stands to reason that if wages within licensed professions increase, so will costs to consumers. Witnesses shared research showing that, depending on occupation, instituting licenses raised consumer

prices by 5 percent to 33 percent. One Commission witness estimated that licensing costs consumers more than \$200 billion a year nationally. Meanwhile, there is not necessarily a corresponding increase in consumer safety due to licensing. Researchers reported to the Commission that for many occupations, bad outcomes did not increase when licensing restrictions were relaxed to make it easier to enter those occupations.

Some Groups are More Vulnerable to Licensing Regulations

The Commission learned that certain groups are especially vulnerable to licensing regulations:

- **Former offenders** must withstand scrutiny that is not always straightforward and typically have no advance guidance on whether a conviction will disqualify them from an occupation.
- **Military spouses** can spend a year or two recompleting requirements to meet California-specific regulations for a job they have practiced for years in other states. By the time they become licensed in California, their spouse is soon transferred to a new state.
- **Veterans**, too, often have to redo education and training that taxpayers already paid for while they were in the military. The state has enacted many bills to make it easier for veterans to become licensed. But that legislation has gaps: it is predominately directed at the Department of Consumer Affairs and not other licensing authorities, and no one tracks implementation.
- **Foreign-trained workers**, particularly bilingual professionals, are well suited to ease California's impending worker shortages. But they face many of the same obstacles as veterans: their education and experience abroad is difficult to apply to state licensing requirements.

Legitimate Arguments for Licensing

It would be unfair to characterize all attempts to license an occupation as a means to artificially inflate wages for licensed practitioners. Witnesses made compelling arguments to the Commission about why their

occupations should be licensed. Commercial interior designers, for example often do building code-impacted design work – moving walls that entail electrical, lighting, HVAC and other changes. They design the layout of prisons, where the safety of correctional officers and inmates is on the line. Even though the people performing this commercial work typically have extensive educational and work experience, city and county inspectors do not recognize their unlicensed voluntary credentials. Architects or engineers must sign off on their plans, resulting in time and cost delays.

Other advocates see licensing as a vehicle to professionalize an occupation. This is particularly true of low-wage caretaker occupations, often practiced by minorities. Licensing presents opportunities for practitioners to offer government-guaranteed quality of care in return for being treated like professionals.

Finally, many pleas for the health and safety benefits of licensing are, indeed, genuine. Different people are willing to accept different degrees of risk. As long as humans are allowed to practice an occupation, there will be human errors and bad outcomes. Stricter levels of regulation often will reduce, but never completely eliminate, those errors and outcomes. Where is the line for acceptable risk? One person might be comfortable with *caveat emptor*, while another might see a consumer threat that must be regulated.

California Needs a Holistic Regulatory Strategy

California needs a holistic well-reasoned strategy for regulating occupations. The specific details of who can and cannot practice will vary by occupation. But the underlying principles of what level of consumer protection the state hopes to achieve – and how difficult or easy it should be to enter occupations – should be set by state policymakers and implemented across all occupations. The Commission offers eight recommendations as guiding principles and a way forward. The first four recommendations address systemic issues in how California licenses occupations and governs its regulatory process. The last four recommendations offer ways to make it easier to enter licensed occupations without overhauling California's licensing structure or lowering standards.

Recommendations

Data Collection

It is difficult to assess the impact of licensing regulations on various demographic groups because no one collects demographic data for people who work in many licensed occupations or apply for licenses. Anecdotal reports say minorities are often negatively and disproportionately affected by licensing regulations. But without demographic information it is impossible to know for sure.

The Commission recommends collecting demographic information on licensed workers and applicants so policymakers better understand the impact of regulations on different groups of Californians. Yet safeguards must accompany the collection and analysis of demographic data. Race or gender should not be part of information officials consider when deciding to issue a license or when making disciplinary decisions. Demographic data will have to be tied to specific applicants in order to understand outcomes, such as whether they are issued a license or what reason they were denied. Modifying multiple IT systems used by licensing authorities to ensure this information is not visible to licensing and enforcement personnel will come with costs. The Legislature should ensure the department receives the funds necessary for this enterprise. Finally, supplying this demographic information should be voluntary, and not a requirement for licensure.

Recommendation 1: The Legislature should authorize the mandatory collection of demographic information for license applications across all licensed occupations in California, including those outside of the Department of Consumer Affairs. This demographic information should not be made available to staff members issuing licenses or conducting enforcement actions, but should be studied in the aggregate to determine the impact of licensing requirements on various demographic groups.

Comprehensive Licensing Review

California has created occupational licensing regulations for more than 165 years. It is long past time for a comprehensive review of these accumulated rules to determine whether gains for consumer health and safety justify the barriers they present to entering occupations.

This review should specifically analyze barriers to former offenders, military spouses, veterans and people with education, training or experience outside California. Federal funding exists to perform this analysis and California is invited to participate in a consortium applying for this funding. California should not pass up the opportunity.

Recommendation 2: The State of California should join a consortium of states organizing to attain federal funding to review their licensing requirements and determine whether those requirements are overly broad or burdensome to labor market entry or labor mobility. As part of this process, the state should consider whether there are alternative regulatory approaches that might be adequate to protect public health and safety, including, but not limited to, professional certification.

Reciprocity

License transferability across state lines is important to people who need immediately to begin working following a move to California. It is particularly important to military spouses, who move frequently. Licensing authorities should grant reciprocity to applicants licensed in other states. In occupations with dramatically differing requirements across the country, California should grant partial reciprocity to states with similar requirements as its own. California should start by assessing reciprocity in the occupations facing significant worker shortages, such as teachers and nurses. There may be some licenses for which California's standards are so unique that reciprocity is not an option, and in those cases, the licensing authority should justify why reciprocity or partial reciprocity is not feasible.

Recommendation 3: The Legislature should require reciprocity for all professionals licensed in other states as the default, and through the existing sunset review process, require boards to justify why certain licenses should be excluded. Specifically, licensing boards should be required to:

- Identify whether licensing requirements are the same or substantially different in other states.
- Grant partial reciprocity for professionals licensed in states with appropriately comparable testing and education requirements.

Sunrise and Sunset Review

In the sunrise review process, a group trying to become licensed supplies the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions and Economic Development with evidence demonstrating that consumers are best protected by licensing the occupation in question. In the sunset review process, the two committees evaluate information submitted by the licensing authority to determine its performance and whether it still continues to present the best method of consumer protection. The committees will introduce legislative bills to fix problems found during the review.

Though the Commission was impressed with the professionalism and dedication of the business and professions committee staff, the two committees are inundated with information that they must verify and analyze in a relatively short period of time. Some have suggested that the state might benefit from the automatic sunset of licensing authorities periodically, perhaps every four or eight years. Licensing authorities and their performance would then be scrutinized by the entire Legislature when bills to reauthorize them were introduced – a more robust process than tasking the two committees with reviewing licensing authorities. Short of that, the Legislature should provide additional resources to enhance the committees’ capacity to verify and analyze the information used in the sunrise and sunset reviews. It also should authorize audits when the business and professions committees deem necessary.

Recommendation 4: The Legislature should provide additional resources, in the form of additional staff or outside support, to assist the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions and Economic Development in verifying and evaluating information for sunrise and sunset reviews. The Legislature should request the California State Auditor conduct an audit when warranted.

Former Offenders

Californians with convictions on their record face several challenges when trying to become licensed. Most licensing authorities do not list specific convictions that

automatically disqualify people. Those decisions are made on a case-by-case basis. This provides flexibility to allow people into occupations from which they might otherwise be excluded. Yet it also results in people investing time and money for education and training for occupations they might never be allowed to practice. The Commission recommends making publicly available the list of criteria by which applicants are evaluated. While it might not provide a firm answer to potential applicants on whether they will qualify, it will provide more information with which they can assess their educational decisions.

Applicants also sometimes face difficulty when asked to list their convictions. If significant time has passed since the conviction, if they had substance use disorders or mental health problems at the time or if they pled to a different charge than they remembered being arrested for, the convictions they list on their application might not match what returns on a background check. Even when this mistake is unintentional they can be disqualified for lying on their application. When criminal conviction history is required, the Commission recommends asking only for official records and not relying on applicants’ memories. The Commission also urges expediting the background check fee waiver process so lower-income applicants can begin working sooner.

Applicants who are denied a license may engage in an appeals process, but many find it intimidating. Further, some licensing authorities rely on an administrative law hearing to process denials. The Commission learned that some applicants – particularly those who are legally unsophisticated or have lower levels of education – believe that the appeals process involves simply explaining the red flags on their application. Most are unprepared for an encounter with a judge and state attorney. The Commission recommends creating an intermediate appeals process where applicants can explain the problems with their application before encountering an administrative law hearing.

Recommendation 5: With the Department of Consumer Affairs serving as a clearinghouse of best practices and providing guidance to other departments as needed, all licensing authorities should take the following steps to make it easier for former offenders to gain employment:

- Post on their website the list of criteria used to evaluate applicants with criminal convictions so that potential applicants can be better informed about their possibilities of gaining licensure before investing time and resources into education, training and application fees.
- When background checks are necessary, follow the Department of Insurance model and require applicants with convictions to provide certified court documents instead of manually listing convictions. This will prevent license denials due to unintentional reporting errors. The State of California also should expedite the fee-waiver process for all low-income applicants requesting background checks.
- Follow the Bureau of Security and Investigative Services model and create an informal appeals process between an initial license denial and an administrative law hearing.

Implementation of Veteran and Military Spouse Legislation

California has passed many laws to make it easier for veterans and military spouses to become licensed quickly and easily. These laws are summarized in the box to the right. Some of these laws have only just begun to take effect, and others, the Commission heard anecdotally, are not having the intended effects. Veterans and military spouses still face delays in receiving licenses. Helping veterans transition to civilian jobs has long been a goal of state policymakers. Military spouses' ability to get and hold jobs is important in retaining experienced military personnel: A U.S. Department of Defense witness testified that the military loses good people because of spouses having difficulty finding work, making it a national security issue. The Commission recommends that the Legislature authorize a research institute to study the implementation of laws designed to ease transitions of veterans and their spouses. The study should determine if they are being implemented effectively, identify how to bridge gaps between the intent of the legislation and current outcomes, and show how to better educate veterans and military spouses about these licensing benefits.

RECENT VETERAN AND MILITARY SPOUSE LICENSING BILLS

These bills were designed to make it faster and easier for veterans and military spouses to become licensed. Some have only recently taken effect, while others, anecdotally, have not been as effective as lawmakers hoped. The Commission recommends a study on the implementation of these bills:

SB 1226 (2014, Correa): Requires Department of Consumer Affairs (DCA) boards to expedite licensure of honorably-discharged veterans. Took effect July 1, 2016.

AB 186 (2014, Maienschein): Requires DCA boards to issue 12-month temporary licenses to military spouses with out-of-state licenses for the following occupations: registered nurse, vocational nurse, psychiatric technician, speech-language pathologist, audiologist, veterinarian, all licenses issued by the Board for Professional Engineers, Land Surveyors and Geologists and all licenses issued by the Medical Board.

AB 1057 (2013, Medina): Requires DCA boards to renew licenses that expire while an individual is on active duty without penalties or examination.

AB 1588 (2012, Atkins): Requires DCA boards to waive renewal fees for licenses that expire while the practitioner is on active duty.

AB 1904 (2012, Block): Requires DCA boards to expedite licensure for military spouses.

AB 2462 (2012, Block et al.): Requires the Chancellor of the California Community College to determine which courses should receive credit for prior military experience, using the descriptors and recommendations provided by the American Council on Education.

AB 2783 (2010, Salas et al.): Requires DCA boards to promulgate regulations to evaluate and credit military education, training, and experience if applicable to the profession.

Recommendation 6: The Legislature should authorize a research institute, in conjunction with federal partners as needed, to study the implementation of recent legislation that requires the Department of Consumer Affairs to ease or waive licensing requirements for veterans and military spouses. The review should identify gaps between the intent of the laws and outcomes, and issue recommendations for executive or legislative action to bridge those gaps. The review also should assess the effectiveness of licensing authorities' outreach campaigns to inform veterans of their eligibility for expedited licensing.

Bridge Education

Many people who move to California meet most of the state's licensing requirements, but fall short on a few components. Few options exist for them to quickly make up those missing requirements. The state has created a promising model with its veteran field technician-to-nurse program, in which nursing programs lose authorization to teach nursing if they do not fast track veterans. The state should replicate this model for all veterans and those qualified outside California in other occupations. This should begin in occupations facing worker shortages.

Recommendation 7: The Legislature should require California colleges and training academies to create bridge education programs for veterans and workers trained outside of California to help them quickly meet missing educational requirements. Specifically:

- California licensing boards and other departments providing licenses and credentials should identify common educational gaps between the qualifications of returning service members and state licensing requirements.
- California colleges should create and offer programs to fill these gaps and expedite enrollment – or risk losing authorization for these programs.

Interim Work and Apprenticeship Models

There are models to help people work while they are meeting California requirements for licensing or improving their skills to progress up a career path. In the California Teacher Credentialing Commission model, teachers licensed outside of California are allowed to work immediately, but must complete their missing requirements during the five years before their license needs to be renewed.

Additionally, the Department of Industrial Relations' Division of Apprenticeship Standards has a promising apprenticeship model. Individuals complete supervised hands-on training during apprenticeships and receive pay for the work they do. This model, applied as a bridge training program, would allow people to work and earn a living while completing missing requirements. It also would provide an income while training individuals wishing to improve their skills and education for upward mobility. The Legislature would have to adjust occupational practice acts to allow apprenticeships in some occupations. But since many of these occupations already allow or require student practicums, this represents a language change and not a shift in consumer protection.

Recommendation 8: The State of California should develop interim work and apprenticeship models to provide opportunities for people missing certain qualifications to work while meeting their requirements, and to promote upward mobility within career paths.

AGENDA ITEM C-4

Discussion Regarding Requirements for Reporting of or Studying Civil Judgments, Arbitration Awards or Settlements



AGENDA ITEM C-5

Emerging Industry and Enforcement Trends

- a. Discussion Concerning Solar Construction and Related Enforcement Trends
- b. Discussion Regarding Unlicensed Activity and the Practice of “House-Flipping”



AGENDA ITEM D

Adjournment

