



CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800-321-CSLB (2752)
www.cslb.ca.gov

STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

December 21, 2009

To: All parties Interested in CSLB regulations
From: Jonathan Buttle, CSLB Executive Office
Subject: Proposed CSLB licensing fee increase regulation package

Enclosed is the regulation package for proposed increases to CSLB licensing fees. You have received this package because you have requested notification of proposed changes to regulation. Included in this package are the following:

- Copy of the proposed language;
- Notice of Proposed Changes in the Regulation; and
- Initial Statement of Reasons.

Please note that CSLB will be holding a hearing on Thursday, February 11, 2010, at 1 p.m. at its office located at 9821 Business Park Drive, Sacramento, CA 95827. It will take place in the John C. Hall hearing room located on the first floor. Any interested persons may present statements or arguments regarding the proposed action. Alternatively, written comments may be presented (which can be submitted by mail, facsimile, or e-mail) to CSLB no later than 5 p.m. on Thursday, February 11, 2010, or at the hearing.

If you have any questions or comments, please feel free to contact me by phone at (916) 255-1953 or by email at jbuttle@cslb.ca.gov.

Thank you.

Jonathan Buttle
CSLB Executive Division

CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE

Title 16, Division 8
Article 1.5. Revenue

Amend Section 811 in Division 8 of Title 16 of the California Code of Regulations to read as follows:

§811. Fees

(a) Prior to July 1, 2011, ~~the~~ the fee for:

- (1) ~~(a)~~ An application for an original license in a single classification is \$250.
- (2) ~~(b)~~ An application for each additional classification is \$50.
- (3) ~~(c)~~ An application to replace a responsible managing officer or employee is \$50.
- (4) ~~(d)~~ Rescheduling an examination is \$50.
- (5) ~~(e)~~ Scheduling or rescheduling an examination pursuant to Business and Professions Code Section 7137(c) is \$50.
- (6) ~~(f)~~ Initial license of an active or inactive license is \$150.
- (7) ~~(g)~~ Renewal of an active license that expires on or before June 30, 2011, is \$300.
- (8) ~~(h)~~ Renewal of an inactive license that expires on or before June 30, 2011, is \$150.
- (9) ~~(i)~~ An application for a home improvement salesperson registration is \$50.
- (10) ~~(j)~~ Renewal of a home improvement salesperson registration is \$75.
- (11) ~~(k)~~ An application for an asbestos certification examination is \$50.
- (12) ~~(l)~~ An application for a hazardous substance removal or remedial action certification examination is \$50.

(b) As of July 1, 2011, the fee for:

- (1) An application for an original license in a single classification is \$300.

- (2) An application for each additional classification is \$75.
- (3) An application to replace a responsible managing officer or employee is \$75.
- (4) Rescheduling an examination is \$60.
- (5) Scheduling or rescheduling an examination pursuant to Business and Professions Code Section 7137(c) is \$60.
- (6) Initial license of an active or inactive license is \$180.
- (7) Renewal of an active license that expires on or after July 1, 2011, is \$360.
- (8) Renewal of an inactive license that expires on or after July 1, 2011, is \$180.
- (9) Reactivation of an inactive license is the full amount of the renewal fee for an active license.
- (10) An application for a home improvement salesperson registration is \$75.
- (11) Renewal of a home improvement salesperson registration is \$75.
- (12) An application for an asbestos certification examination is \$75.
- (13) An application for a hazardous substance removal or remedial action certification examination is \$75.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7137 and 7076.5, Business and Professions Code).

**TITLE 16. CONTRACTORS STATE LICENSE BOARD
DEPARTMENT OF CONSUMER AFFAIRS**

NOTICE IS HEREBY GIVEN that the Contractors State License Board (CSLB) is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827 at 1 pm on Thursday, February 11, 2010. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by CSLB at its office not later than 5:00 p.m. on February 11, 2010, or at the hearing. CSLB, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference Citations: Pursuant to the authority vested by Sections 7008 of the Business and Professions (B&P) Code, and to implement, interpret or make specific Sections 7137 of said Code, CSLB is considering changes to Division 8 of Title 16 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Amend Section 811 – Fees.

B&P Code Section 7008 authorizes CSLB to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the B&P Code. Further, B&P Code Section 7137 specifies that CSLB may charge licensing fees and requires CSLB to set the level of those fees by regulation not to exceed specified amounts.

This proposal would amend the existing regulation by increasing the following licensing and examination fees charged by CSLB, starting on July 1, 2011:

Fee	Current Amount	Proposed Amount	Proposed Increase
Application for Original Contractor's License	\$250.00	\$300.00	\$50.00
Application to Add a Supplemental Classification or to Replace the Responsible Managing Officer or Employee on an Existing License	\$50.00	\$75.00	\$25.00
Rescheduling an Examination	\$50.00	\$60.00	\$10.00
Initial License Fee	\$150.00	\$180.00	\$30.00
Renewal - Contractor's License (Biennial)	\$300.00	\$360.00	\$60.00

Renewal - 4-Year Inactive License	\$150.00	\$180.00	\$30.00
Reactivate Contractor's License	\$300.00	\$360.00	\$60.00
Home Improvement Salesperson (HIS) Registration Fee	\$50.00	\$75.00	\$25.00
Asbestos Certification Fee	\$50.00	\$75.00	\$25.00
Hazardous Substance Removal Certificate	\$50.00	\$75.00	\$25.00
Delinquent Renewal - Contactor's License /1	\$150.00	\$180.00	\$30.00
Delinquent Renewal - 4-Year Inactive License /1	\$75.00	\$90.00	\$15.00
Delinquent Renewal - HIS Registration /1	\$25.00	\$37.50	\$12.50

/1 Delinquent renewal fees are not included in the proposed regulation because B&P Code Section 7137 (f) sets the delinquency fee as a percentage of the applicable renewal fee:

"The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration."

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: CSLB would incur special-fund costs from implementing the increased fees as a result of updating notices and publications that list its licensing fee schedule. These updates would require programming changes for computer-generated forms and revising a small number of print publications. These costs are anticipated to be minor and absorbable by CSLB (totaling no more than \$50,000). CSLB revenue from contractor licensing fees would increase by an average of \$10.2 million per fiscal year starting in FY 2011/12.

Nondiscretionary Costs/Savings to Local Agencies: None

Local Mandate: The proposed regulatory action does not impose a mandate on local agencies or schools.

Cost to Any Local Agency or School District for Which Government Code Section 17561 Requires Reimbursement: None

Business Impact:

CSLB has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. In making this determination, CSLB relied on the fact that, under the revised regulatory language, licensees would be required to pay only \$60 in additional renewal fees every two years.

Impact on Jobs/New Businesses:

CSLB has determined that this regulatory proposal will not have a significant impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

Cost Impact on Representative Private Person or Business:

The cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action and that are known to CSLB are only those costs that must be borne by applicants for licensure as contractors or by licensed contractors renewing their licenses or applying for additional classifications as described in the Informative Digest.

Effect on Housing Costs: No significant effect.

EFFECT ON SMALL BUSINESS

CSLB has determined that the proposed regulations would affect small businesses that are subject to the payment of licensure fees under the chapter.

CONSIDERATION OF ALTERNATIVES

CSLB must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposal described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing.

INITIAL STATEMENT OF REASONS AND INFORMATION

CSLB has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from CSLB at 9821 Business Park Drive, Sacramento, California 95827, or by accessing the website at www.cslb.ca.gov.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below.

CONTACT PERSON

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Jonathan Buttle
Address: 9821 Business Park Drive
Sacramento, CA 95827
Telephone No.: (916) 255-1953
Fax No.: (916) 364-0130
E-Mail Address: jbuttle@cslb.ca.gov

The backup contact person is:

Name: Betsy Figueira
Address: 9821 Business Park Drive
Sacramento, CA 95827
Telephone No.: (916) 255-3369
Fax No.: (916) 255-6335
E-Mail Address: bfigueira@cslb.ca.gov

Website Access: Materials regarding this proposal can be found at www.cslb.ca.gov.

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

INITIAL STATEMENT OF REASONS

Hearing Date: February 11, 2010

Subject Matter of Proposed Regulations: Fees

Section Affected: Title 16, California Code of Regulations (CCR), Section 811

Specific Purpose of each adoption, amendment, or repeal

This regulatory action amends Section 811 of Article 1.5 of Division 8 of Title 16 of the CCR. Specifically, this regulatory action:

Article 1.5. Fees

Amend Section 811. The existing language of Section 811 sets the amount of the fees that the Contractors State License Board (CSLB) charges to process applications, issue and renewal licenses, registrations, and certifications, and schedule and reschedule examinations.

The proposed regulatory action would increase the amount of those fees up to their statutory maximums as of July 1, 2011. This action is needed to ensure that CSLB has sufficient operating revenue to fund the operation of its licensing and regulatory programs as required by statute.

Factual Basis/Rationale

§ 811. Fees.

Business and Professions (B&P) Code Section 7008 authorizes CSLB to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of Division 3, Chapter 9 of the B&P Code (the Contractors' State License Law). Further, B&P Code Section 7137 specifies that CSLB may charge licensing fees and requires CSLB to set the level of those fees by regulation not to exceed specified levels.

Revenue generated by licensing fees (along with civil penalties and interest) is deposited into the Contractors' License Fund (CLF) for support of CSLB. Licensing fees have not been increased since 1993 (excepting delinquent renewal fees, which were increased to 50 percent of the renewal fees from no more than \$25 per Chapter 982/1999). The revenue generated by the current level of licensing fees as specified in Section 811 is no longer sufficient to support the operation of its licensing and regulatory programs. Projections by CSLB indicate that a sustained imbalance between revenues and expenditures will result in CLF becoming insolvent in FY 2012/13. As a result, CSLB is proposing to raise its licensing fees in order to ensure

that sufficient revenue is available to continue its licensing and regulatory operations.

This proposal would amend the existing regulation by increasing the following licensing fees charged by CSLB, starting on July 1, 2011:

Fee	Current Amount	Proposed Amount	Proposed Increase
Application for Original Contractor's License	\$250.00	\$300.00	\$50.00
Application to Add a Supplemental Classification or to Replace the Responsible Managing Officer or Employee on an Existing License	\$50.00	\$75.00	\$25.00
Rescheduling an Examination	\$50.00	\$60.00	\$10.00
Initial License Fee	\$150.00	\$180.00	\$30.00
Renewal - Contractor's License (Biennial)	\$300.00	\$360.00	\$60.00
Renewal - 4-Year Inactive License	\$150.00	\$180.00	\$30.00
Reactivate Contractor's License	\$300.00	\$360.00	\$60.00
Home Improvement Salesperson (HIS) Registration Fee	\$50.00	\$75.00	\$25.00
Asbestos Certification Fee	\$50.00	\$75.00	\$25.00
Hazardous Substance Removal Certificate	\$50.00	\$75.00	\$25.00
Delinquent Renewal - Contractor's License /1	\$150.00	\$180.00	\$30.00
Delinquent Renewal - 4-Year Inactive License /1	\$75.00	\$90.00	\$15.00
Delinquent Renewal - HIS Registration /1	\$25.00	\$37.50	\$12.50

/1 Delinquent renewal fees are not included in the proposed regulation because B&P Code Section 7137 (f) sets the delinquency fee as a percentage of the applicable renewal fee:

"The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration."

The July 1, 2011, implementation date for the licensing fee increases was chosen in order to insure that CSLB will have sufficient revenue to maintain CLF's solvency for the maximum period of time before CSLB is required to seek a statutory fee increase. It should be noted that CSLB has an outstanding loan to the General Fund of \$10 million, which was authorized in the 2008 Budget Bill (Chapter 268/2008). Language in the 2008 Budget Bill specifically states that repayment of the loan shall be made so that programs supported by CLF are not impacted through reduction in services or increased fees. If this loan is not paid back during the first six months of calendar year 2011, CSLB projects that CLF will be unable to support the full amount of the projected FY 2011/12 budget and CSLB would not be able to implement any fee increases. Therefore, this proposal assumes that the loan will be paid back in full with accrued interest no later than July 1, 2011.

Underlying Data

Attachment 1 details CLF analysis of fund condition through FY 2012/13. Based on revenue and expenditure projections, CSLB anticipates that its fund reserve will be completely depleted in FY 2012/13. The analysis of fund condition assumes that all revenue projections are realized and that the budgets in fiscal years 2009/10 and later are completely expended. Further, it assumes that revenue will be relatively static going forward, while the CSLB budget is anticipated to increase two percent each fiscal year starting in FY 2010/11 to account for increases in costs beyond the control of CSLB.

Attachment 2 details the amounts of the proposed fee increases by fee type. As noted above, this proposal increases all licensing fees to their statutory maximum. The reason for this level of increase is to ensure that CLF stays solvent for the maximum amount of time before an additional fee increase is needed (which would require action by the Legislature).

Attachment 3 is the CLF analysis of fund condition containing the proposed revenue increases. Using the same assumptions as in Attachment 1, CSLB projects that the proposed fee increases will maintain the CLF's solvency through FY 2016/17.

Business Impact

This regulation will not have a significant adverse economic impact on businesses including the ability of California businesses to compete with businesses in other states.

The cost increase to a licensed contractor renewing his or her license would be \$60 every two years (from \$300 to \$360), an increase of 20 percent over current fee levels; an applicant for an original license who passes the exam (if required) on the first attempt would pay an additional \$80 (from \$400 to \$480 for the application fee and initial license fee), an increase of 20 percent over current fee levels.

Specific Technologies or Equipment

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

No reasonable alternative to the regulation would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.

Set forth below are the alternatives which were considered and the reasons each alternative was rejected:

Alternative 1: Reduce spending. Expenditures are projected to be greater than revenue by approximately \$3.4 million in FY 2009/10, by approximately \$9.2 million in FY 2010/11, and by more than \$11 million in FY 2011/12. As noted above, with one exception, none of CSLB licensing fees have been increased since 1993. By contrast,

expenditures have increased on average two percent per fiscal year between FY 2002/03 and FY 2009/10 and are projected to increase at a rate of two percent per fiscal year starting in FY 2011/12. These budget increases have been the result of both discretionary (restoring lost positions and funding) and nondiscretionary expenditure increases (statewide and Department of Consumer Affairs pro rata charges, state Attorney General hourly rate increases, etc.). CSLB cannot reduce the expenditures that support its licensing and enforcement programs because these reductions would negatively impact its ability to process applications in a timely manner, to license qualified applicants, and to provide consumer protection through its enforcement activities.

Alternative 2: Raise fees incrementally. Increasing all licensing fees by one-half of their statutory maximum starting on July 1, 2011, and then increasing them again, to the statutory maximum on July 1, 2013, would leave CLF insolvent early in FY 2015/16 (given revenue and expenditure assumptions). CSLB would need to seek legislation to increase the current licensing fee ceilings two fiscal years earlier than would otherwise be required in order to avert significantly reducing expenditures (with resulting decreases to essential operations such as application processing and enforcement activities) so that spending does not exceed available resources.

Alternative 3: Increase fees beginning January 1, 2012. This alternative was considered to account for possible delay in repayment of the \$10 million General Fund loan. As noted above, language authorizing the loan in the 2008 Budget Bill requires repayment of the loan so as not to impact any of the CLF's supported programs through increased fees. If the fee increase is delayed until January 1, 2012, CLF would be left with a reserve of approximately \$947,000 (well less than one month operating reserve) at the end of FY 2015/16 and would become insolvent early in FY 2016/17.

ATTACHMENT 1

0735 - Contractors State License Board Analysis of Fund Condition

(Dollars in Thousands)

Fund Condition with final 2008-09 close and
proposed FY 2009-10 budget

	ACTUAL 2008-09	2009-10	2010-11	2011-12	2012-13
BEGINNING BALANCE	\$ 35,607	\$ 23,609	\$ 20,128	\$ 10,904	\$ 10,175
Prior Year Adjustment	\$ 754	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 36,361	\$ 23,609	\$ 20,128	\$ 10,904	\$ 10,175
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	\$ 139	\$ 139	\$ 140	\$ 140	\$ 140
125700 Other regulatory licenses and permits	\$ 11,269	\$ 11,295	\$ 11,404	\$ 11,404	\$ 11,404
125800 Renewal fees	\$ 36,556	\$ 35,296	\$ 36,196	\$ 35,300	\$ 36,200
125900 Delinquent fees	\$ 2,182	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 116	\$ 181	\$ 181	\$ 181	\$ 181
150300 Income from surplus money investments	\$ 632	\$ 395	\$ 214	\$ 200	\$ -
160400 Sale of fixed assets	\$ 4	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 51	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 29	\$ -	\$ -	\$ -	\$ -
164300 Penalty assessments	\$ 859	\$ 800	\$ 810	\$ 810	\$ 810
Totals, Revenues	\$ 51,837	\$ 50,283	\$ 51,122	\$ 50,212	\$ 50,912
Transfers from Other Funds					
F00001 Proposed GF Loan Repayment				\$ 10,612	
Transfers to Other Funds					
T00001 GF Loan	(\$10,000)	\$ -	\$ -		
Totals, Revenues and Transfers	\$ 41,837	\$ 50,283	\$ 51,122	\$ 60,824	\$ 50,912
Totals, Resources	\$ 78,198	\$ 73,892	\$ 71,250	\$ 71,728	\$ 61,087
EXPENDITURES					
Disbursements:					
1110 Program Expenditures (State Operations)	\$ 54,587	\$ 53,724	\$ 60,346	\$ 61,553	\$ 62,784
0840 State Controller (State Operations)	\$ 2	\$ 40			
9670 Equity Claims / Board of Control (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 54,589	\$ 53,764	\$ 60,346	\$ 61,553	\$ 62,784
FUND BALANCE					
Reserve for economic uncertainties	\$ 23,609	\$ 20,128	\$ 10,904	\$ 10,175	\$ (1,697)
Months in Reserve	5.3	4.0	2.2	2.0	-0.3

NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED
- B. EXPENDITURE GROWTH PROJECTED AT 2% IN FY 2011-12
- C. INTEREST ESTIMATED AT 2.0%.
- D. PROPOSED FY 2009-10 BUDGET INCLUDES REDUCTIONS FOR ESTIMATED FURLOUGH (\$4.4 million) AND OE&E SAVINGS (\$1.3 million).
- E. FY 2010-11 EXPENDITURE ASSUMES FURLOUGHS END JULY 1, 2010, AND OE&E SAVINGS ARE RESTORED AS OF JULY 1, 2010.
- F. EXPENDITURES INCLUDE CSLB SHARE OF PICKRED SETTLEMENT FOR PEOPLE v MIKHITARIAN, et al, ALONG WITH COSTS FOR PROPOSED FY 2010-11 BCPs.

ATTACHMENT 2

	FEE AMOUNTS			WORKLOAD AND REVENUE					
	Current	Proposed	Difference	2011/12	2012/13	2013/14	2014/15	2015/16	
Original Cont Applications	\$250.00	\$300.00	\$50.00	Number of Applications 23,800	23,800	23,850	23,850	23,900	
				Increased Revenue	\$1,190,000	\$1,180,000	\$1,182,500	\$1,192,500	\$1,195,000
Sup & RME/RMO Apps	\$50.00	\$75.00	\$25.00	Number of Applications 11,110	11,221	11,301	11,301	11,301	
				Increased Revenue	\$277,750	\$280,528	\$282,519	\$282,525	\$282,525
Re-Exam Applications	\$50.00	\$60.00	\$10.00	Number of Applications 24,400	24,400	24,644	24,669	24,918	
				Increased Revenue	\$244,000	\$244,000	\$246,440	\$246,690	\$249,157
Initial License	\$150.00	\$180.00	\$30.00	Number of Applications 19,300	19,300	19,300	19,452	19,647	
				Increased Revenue	\$579,000	\$579,000	\$579,000	\$583,560	\$589,398
Biennial Renewal Contractor	\$300.00	\$360.00	\$60.00	Number of Applications 109,600	113,000	110,148	113,565	110,200	
				Increased Revenue	\$6,576,000	\$6,780,000	\$6,808,880	\$6,813,900	\$6,612,000
4-Yr Timely Inactive	\$150.00	\$180.00	\$30.00	Number of Applications 15,800	18,800	15,900	14,914	15,800	
				Increased Revenue	\$474,000	\$664,000	\$477,000	\$447,420	\$474,000
Reactivate License	\$300.00	\$360.00	\$60.00	Number of Applications 1,785	1,800	1,800	1,800	1,800	
				Increased Revenue	\$107,100	\$108,000	\$108,000	\$108,000	\$108,000
Reg. Fee-HIS	\$50.00	\$75.00	\$25.00	Number of Applications 5,300	5,300	5,300	5,300	5,300	
				Increased Revenue	\$132,500	\$132,500	\$132,500	\$132,500	\$132,500
Biennial Renewal HIS	\$75.00	\$75.00	\$0.00	Number of Applications N/A	N/A	N/A	N/A	N/A	
				Increased Revenue	N/A	N/A	N/A	N/A	
Asbestos Cert	\$50.00	\$75.00	\$25.00	Number of Applications 300	300	305	310	310	
				Increased Revenue	\$7,500	\$7,500	\$7,625	\$7,750	\$7,750
Hazard Cert	\$50.00	\$75.00	\$25.00	Number of Applications 285	290	296	296	298	
				Increased Revenue	\$7,125	\$7,250	\$7,400	\$7,450	\$7,450
Delinquent Renewal Contactor	\$150.00	\$180.00	\$30.00	Number of Applications 13,200	13,200	13,200	13,200	13,200	
				Increased Revenue	\$396,000	\$396,000	\$396,000	\$396,000	\$396,000
Delinquent HIS Renewal	\$25.00	\$37.50	\$12.50	Number of Applications 290	300	300	300	300	
				Increased Revenue	\$3,625	\$3,750	\$3,750	\$3,750	\$3,750
Delinquent 4-Yr Inactive	\$75.00	\$90.00	\$15.00	Number of Applications 2,530	2,530	2,530	2,530	2,530	
				Increased Revenue	\$37,950	\$37,950	\$37,950	\$37,950	\$37,950
Total fee increase					\$10,032,650	\$10,330,478	\$10,079,564	\$10,259,995	\$10,095,478

ATTACHMENT 3

**0735 - Contractors State License Board
Analysis of Fund Condition**

(Dollars in Thousands)

Fund Condition with final 2008-09 close

Revenue increase begins July 1, 2011

	ACTUAL 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
BEGINNING BALANCE	\$ 35,607	\$ 23,609	\$ 20,128	\$ 10,904	\$ 20,408	\$ 19,243	\$ 15,819	\$ 12,443
Prior Year Adjustment	\$ 754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 36,361	\$ 23,609	\$ 20,128	\$ 10,904	\$ 20,408	\$ 19,243	\$ 15,819	\$ 12,443
REVENUES AND TRANSFERS								
Revenues:								
125600 Other regulatory fees	\$ 139	\$ 139	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140
125700 Other regulatory licenses and permits	\$ 11,269	\$ 11,295	\$ 11,404	\$ 11,404	\$ 11,404	\$ 11,518	\$ 11,633	\$ 11,633
125800 Renewal fees	\$ 36,556	\$ 35,296	\$ 36,196	\$ 35,300	\$ 36,200	\$ 35,400	\$ 36,500	\$ 35,500
125900 Delinquent fees	\$ 2,182	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 116	\$ 181	\$ 181	\$ 181	\$ 181	\$ 181	\$ 181	\$ 181
150300 Income from surplus money investments	\$ 632	\$ 395	\$ 214	\$ 400	\$ 377	\$ 310	\$ 244	\$ 127
160400 Sale of fixed assets	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164300 Penalty assessments	\$ 859	\$ 800	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810	\$ 810
Totals, Revenues	\$ 51,837	\$ 50,283	\$ 51,122	\$ 50,412	\$ 51,289	\$ 50,536	\$ 51,665	\$ 50,568
Proposed fee increases (various)				\$ 10,033	\$ 10,330	\$ 10,060	\$ 10,280	\$ 10,085
Transfers from Other Funds								
F00001 Proposed GF Loan Repayment				\$ 10,612				
Transfers to Other Funds								
T00001 GF Loan								(\$10,000)
Totals, Revenues and Transfers	\$ 41,837	\$ 50,283	\$ 51,122	\$ 71,057	\$ 61,619	\$ 60,616	\$ 61,945	\$ 60,663
Totals, Resources	\$ 78,168	\$ 73,882	\$ 71,250	\$ 81,961	\$ 82,027	\$ 79,659	\$ 77,764	\$ 73,106
EXPENDITURES								
Disbursements:								
1110 Program Expenditures (State Operations)	\$ 54,587	\$ 53,724	\$ 60,346	\$ 61,553	\$ 62,784	\$ 64,040	\$ 65,321	\$ 66,627
0840 State Controller (State Operations)	\$ 2	\$ 40						
9670 Equity Claims / Board of Control (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 54,589	\$ 53,764	\$ 60,346	\$ 61,553	\$ 62,784	\$ 64,040	\$ 65,321	\$ 66,627
FUND BALANCE								
Reserve for economic uncertainties	\$ 23,609	\$ 20,128	\$ 10,904	\$ 20,408	\$ 19,243	\$ 15,819	\$ 12,443	\$ 6,479
Months in Reserve	5.3	4.0	2.2	4.0	3.7	3.0	2.3	1.2

NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED.
- B. EXPENDITURE GROWTH PROJECTED AT 2% IN FY 2011-12.
- C. INTEREST ESTIMATED AT 2.0%.
- D. PROPOSED FY 2009-10 BUDGET INCLUDES REDUCTIONS FOR ESTIMATED FURLOUGH AND CELE SAVINGS.
- E. EXPENDITURES INCLUDE CSLB SHARE OF PICKRED SETTLEMENT FOR PEOPLE v MIKHITARIAN, et al. ALONG WITH COSTS FOR PROPOSED FY 2010-11 BCPs.

