BUSINESS. CONSUMER SERVICES



BUSINESS. CONSUMER SERVICES. AND HOUSING AGENCY • GOVERNOR EDMUND G. BROWN JR. **STRUCTURAL PEST CONTROL BOARD – Administration unit** 2005 Evergreen Street, Ste. 1500 Sacramento, CA 95815 P 916-561-8700 | F 916-263-2469 | <u>WWW.PESTBOARD.CA.GOV</u>



### **BOARD MEETING**

### REVISED (2<sup>nd</sup> REVISION) MEETING NOTICE and AGENDA

Wednesday, April 18, 2018 1:00 P.M. Thursday, April 19, 2018 1:00 P.M.

Department of Consumer Affairs Hearing Room 2005 Evergreen Street Sacramento, CA 95815

Contact Person: Susan Saylor (916) 561-8700

### Wednesday, April 18, 2018

- I. Roll Call / Establishment of Quorum
- II. Flag Salute / Pledge of Allegiance
- III. Public Comment for Items Not on the Agenda The Board may not discuss or take action on any matter raised during this public comment section that is not included on this agenda, except to decide whether to place the matter on the agenda of a future meeting. [Government Code Sections 11125, 11125.7(a)]
- IV. Petition for Reinstatement Morris Arthur Hiatt, OPR 20010, Branches 2 & 3
- V. Petition for Reinstatement Jason Erwin Schoenstein, FR 38469, Branches 2 & 3
- VI. Petition for Reinstatement Alonzo G. Contreras III, OPR 11760, Branch 3
- VII. <u>Closed Session</u> Pursuant to subdivision (c) (3) of Section 11126 of the Government Code, the Board Will Meet in Closed Session to Consider Reinstatements, Proposed Disciplinary Actions, and Stipulated Settlements

#### Return to Open Session

VIII. Recess until 1:00pm, April 19, 2018

### Thursday, April 19, 2018

- IX. Roll Call / Establishment of Quorum
- X. Flag Salute / Pledge of Allegiance
- XI. Public Comment for Items Not on the Agenda The Board may not discuss or take action on any matter raised during this public comment section that is not included on this agenda, except to decide whether to place the matter on the agenda of a future meeting. [Government Code Sections 11125, 11125.7(a)]

- XII. Review and Approval of the January 9, 2018 Board Meeting Minutes
- XIII. Executive Officer's Report
  - a. Licensing, Enforcement, Examination and Wood Destroying Organisms (WDO) Statistics
  - b. Survey Results
  - c. Sunset Review Update
  - d. Examination Development
- XIV. Update on Department of Consumer Affairs Internal Operational Audit of the Structural Pest Control Board
- XV. Regulations Update and Possible Action
  - a. Pesticide Disclosure Requirement Title 16, California Code of Regulations, section 1970.4
- XVI. Legislation Update and Possible Action
  - a. Assembly Bill 2986 (Cunningham) Structural Pest Control Pesticides
  - b. Assembly Bill 2422 (Bloom) Pesticides
  - c. Assembly Bill 2816 (Muratsuchi) Pesticides: Schoolsites
  - d. Senate Bill 1481 (Hill) Structural Pest Control: Certification
- XVII. Discussion of the Board's Annual Budget and Possible Action Regarding WDO Filing Fee Increase: Business and Professions Code section 8674 and Title 16, California Code of Regulations, section 1997
- XVIII. Update and Possible Action on Branch 1 Examination Occupational Analysis Cost and Logistics
- XIX. Update and Possible Action on Pre-Treatment Committee Recommendations
- XX. Research Advisory Panel Research Request for Proposals Update and Possible Action
- XXI. Discussion and Possible Action Regarding Unlicensed Performance of Termite Inspections by Home Inspectors
- XXII. Future Agenda Items
- XXIII. Board Calendar
- XXIV. <u>Closed Session</u> Pursuant to subdivision (a) (1) of Government Code section 11126 the Board Will Meet in Closed Session to Evaluate the Performance of the Executive Officer

#### **Return to Open Session**

XXV. Adjournment

The meeting may be cancelled or changed without notice. For verification, please check the Board's website at <u>www.pestboard.ca.gov</u> or call 916-561-8700. Action may be taken on any item on the agenda. Any item may be taken out of order to accommodate speakers and/or to maintain a quorum. Meetings of the Structural Pest Control Board are open to the public except when specifically noticed otherwise in accordance with the Open

Meeting Act. The public may take appropriate opportunities to comment on any issue before the Board at the time the item is heard, but the President may, at his discretion, apportion available time among those who wish to speak. The public may comment on issues not on the agenda, but Board Members cannot discuss any issue that is not listed on the agenda. If you are presenting information to the Board, please provide 13 copies of your testimony for the Board Members and staff. Copying equipment is not available at the meeting location.

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 the Structural Pest Control Board at (916) 561-8700 or email <u>pestboard@dca.ca.gov</u> or send a written request to the Structural Pest Control Board, 2005 Evergreen Street, Suite 1500, Sacramento, CA 95815. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.

This agenda can be found on the Structural Pest Control Board's Website at: www.pestboard.ca.gov

### MINUTES OF THE MEETING OF THE STRUCTURAL PEST CONTROL BOARD

January 9, 2018

The meeting was held at the Doubletree by Hilton Claremont, Mahogany Room 2<sup>nd</sup> Floor, 555 W Foothill Blvd, Claremont, California

### **Board Members Present:**

Darren Van Steenwyk, President Dave Tamayo, Vice President Mike Duran Curtis Good

### **Board Members Absent:**

Ronna Brand Naresh Duggal Servando Ornelas

### **Board Staff Present:**

Susan Saylor, Executive Officer David Skelton, Administrative Analyst

### **Departmental Staff Present:**

Sabina Knight, Legal Counsel

### **ROLL CALL / ESTABLISHMENT OF QUORUM**

Mr. Van Steenwyk called the meeting to order at 9:03 A.M. and Ms. Saylor called roll. Board members Van Steenwyk, Tamayo, Duran, and Good were present. Board members Brand, Duggal, and Ornelas were absent. A quorum of the Board was established.

### FLAG SALUTE / PLEDGE OF ALLEGIANCE

Mr. Van Steenwyk led everyone in a flag salute and recitation of the Pledge of Allegiance.

### PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Dean Grafillo, Director, Department of Consumer Affairs (DCA), introduced himself to the Board and outlined his approach to leadership as well as his vision and goals for the Department during his tenure. Mr. Grafillo introduced his staff and informed the Board of the upcoming dates for DCA's leadership program, pro-rata workshop, and board member training. Mr. Grafillo further stated that 2017 was a mandatory sexual harassment training year and that all employees and Board members were required to complete the training even if they had completed sexual harassment training in 2016.

In closing Mr. Grafillo stated that he was excited about the opportunity to work directly with the Board throughout the sunset review process and that he anticipated a successful extension of the Board's sunset date.

### PETITION FOR RECONSIDERATION CARL GAY-LYLES — FR 39325, BRANCH 2

Administrative Law Judge Ji-Lan Zang sat with the Board to hear the petition for reconsideration of Carl Gay-Lyles, Field Representative License Number 39325. Mr. Gay-Lyles was informed that he would be notified by mail of the Board's decision.

### <u>PETITION FOR REINSTATEMENT</u> JASON GRAYDON ANDERSON, SR. — OPR 11840, BRANCHES 2 AND 3

Administrative Law Judge Ji-Lan Zang sat with the Board to hear the petition for reinstatement of Jason Graydon Anderson, Sr. Mr. Anderson was informed that he would be notified by mail of the Board's decision.

### PETITION FOR MODIFICATION / TERMINATION OF PROBATION ANGEL SUAREZ — RA 49913, BRANCHES 2 AND 3

Administrative Law Judge Ji-Lan Zang sat with the Board to hear the petition for modification / termination of probation of Angel Suarez. Mr. Suarez was informed that he would be notified by mail of the Board's decision.

### **CLOSED SESSION**

Pursuant to subdivision (c)(3) of Government Code section 11126 the Board met in closed session to consider petitions for reinstatement, reconsideration, and modification of probation.

### **REVIEW AND APPROVAL OF THE OCTOBER 10, 2017 BOARD MEETING MINUTES**

Mr. Duran moved and Mr. Tamayo seconded to approve the minutes of the October 10, 2017 Board Meeting. Passed unanimously. (AYES: Van Steenwyk, Tamayo, Duran, Good. NOES: None. ABSTENTIONS: None.)

### EXECUTIVE OFFICER'S REPORT

Ms. Saylor reported to the Board on licensing, enforcement, examination, and wood destroying organism statistics, survey results, the Board's ongoing sunset review process, and examination development.

Ms. Saylor stated that the Board's licensing supervisor, Kibby Robinson, had accepted a position at a different state agency and that the hiring process for her replacement was ongoing. Ms. Saylor further stated that Board Specialist Fred Bartley would be retiring in May and that potential candidates to replace him will be those who scored highest on the specialist examination.

Mr. Van Steenwyk inquired about the ongoing sunset review process.

Ms. Saylor stated that as of yet the Board does not have a sunset review bill but that the first hearing would be held in February and a bill will certainly be in place before the next Board meeting in April.

### **REGULATIONS UPDATE AND POSSIBLE ACTION**

Ms. Saylor referred the Board to the regulatory update contained in the meeting materials and informed them that the amendments to Title 16, California Code of Regulations, section 1937.11 and the Board's disciplinary guidelines were approved by the Office of Administrative Law (OAL) and will be effective April 1, 2018.

Mr. Van Steenwyk asked when the rulemaking process would begin to adopt the board approved amendments to Title 16, California Code of Regulations, section 1970.4.

Ms. Saylor stated that staff would prioritize beginning the rulemaking process for both Title 16, California Code of Regulations, section 1970.4 and Title 16, California Code of Regulations section 1920.

### LEGISLATION UPDATE AND POSSIBLE ACTION

Ms. Saylor stated that there has been no movement on Assembly Bills (AB) 710 or 1687 which the Board had already taken oppose positions on.

Ms. Saylor stated that there is not a bill number for the Board's sunset bill yet.

### UPDATE AND POSSIBLE ACTION ON PRE-TREATMENT COMMITTEE RECOMMENDATIONS

Ms. Saylor presented the minutes from the April 15, 2015 Pre-Treatment Committee meeting.

Mr. Good stated that there is a lot of abuse in the performance of pre-treatments and that it should be addressed.

Mr. Tamayo stated that there needs to be a regulatory or legislative proposal to address pretreatment enforcement.

Ms. Knight recommended that the Board re-establish the Pre-Treatment Committee in order to develop proposals for pre-treatment enforcement.

Mr. Van Steenwyk stated that the Pre-Treatment Committee would be re-established and charged with developing pre-treatment enforcement proposals for the Board to consider.

### RESEARCH ADVISORY PANEL RESEARCH REQUEST FOR PROPOSALS UPDATE

Ms. Saylor stated that the Research Advisory Panel Request for Proposal (RFP) was undergoing DCA review and that it would be ready for distribution soon.

### FUTURE AGENDA ITEMS

The following were identified as future agenda items -

Pre-Treatment Committee recommendations.

RFP language and distribution.

The Board's sunset bill.

Any new legislation concerning the Board.

### BOARD CALENDAR

The next 4 meetings were scheduled for —

Wednesday, April 18 and Thursday, April 19, 2018 in Sacramento.

Tuesday, July 24 and Wednesday, July 25, 2018 in Claremont.

Tuesday, October 16, and Wednesday October 17, 2018 in Sacramento.

Tuesday, January 15 and Wednesday, January 16, 2019 in Claremont.

### **CLOSED SESSION**

Pursuant to subdivision (c) (3) of section 11126 of the Government Code, the board met in closed session to consider proposed disciplinary actions, and stipulated settlements.

### Return to Open Session

### ADJOURNMENT

The meeting was adjourned at 3:01 P.M.

Darren Van Steenwyk, President

Date

STRUCTURAL PEST CONTROL BOARD	FISCAL	YEAR	FISCAL YEAR		
STATISTICS FOR FEBRUARY 2018 Page 1 of 2	2017/		2016/2017		
		Year		Year	
EXAMINATION	<u>Monthly</u>	To Date	Monthly	To Date	
Field Representatives Scheduled	533	3,557	462	3,351	
Field Representatives Examined	346	2,791	334	2,546	
Field Representatives Passed	106	1,100		1,244	
Field Representatives Failed	240	1,691	180	1,302	
Operators Scheduled	44	311	27	231	
Operators Examined	34	280	36	209	
Operators Passed	23	168	19	135	
Operators Failed	11	112	17	74	
Applicators Scheduled	331	2,804	255	2,369	
Applicators Examined	256	2,268		1,949	
Applicators Passed	95	800			
Applicators Failed	161	1,468		1,052	
Field Representatives Passing Rate	31%	39%	46%	49%	
Operator Passing Rate	68%	60%		65%	
Applicators Passing Rate	37%	35%		46%	
LICENSING	· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·		
Field Representative Licenses Issued		054	102	1 025	
	98	954		1,025	
Operator Licenses Issued		113		96	
Company Registrations Issued	13			143	
Branch Office Registrations Issued	0			26	
Change of Registered Company Officers	<u></u>	14			
Change Of Qualifying Manager	5		1		
	86	1			
Duplicate Licenses Issued	60				
Upgrade Present License	22				
Change of Status Processed	30				
Address Change (Principal Office)	60				
Address Change (Principal Office)					
Address Change (Branch Office)	5				
Transfer of Employment Processed Change of Name	68		1		
	0		· · · · · · · · · · · · · · · · · · ·	11	
Change of Registered Company Name				101	
License Histories Prepared Down Grade Present License	24		-T		
Down Grade Present License	70	481	62	496	
LICENSES/REGISTRATIONS IN EFFECT					
Field Representative		12,166		11,507	
Operator		4,106	1	4,088	
Company Registration		3,058		3,050	
Branch Office		437		450	
Licensed Applicator		6,745	;[	7,171	
LICENSES/REGISTRATIONS ON PROBATION			1		
Companies		19	2	21	
Licensees		84	ŀ]	88	

STRUCTURAL PEST CONTROL BOARD STATISTICS FOR FEBRUARY 2018 Page 2 of 2	FISCAL 2017/		FISCAL YEAR 2016/2017		
LICENSES RENEWED	Monthly	Year To Date	Monthly	Year To Date	
Operator	0	295	0	111	
Field Representative	0	573	0	335	
Applicator	0	288	0	146	
LICENSES/ REGISTRATIONS CANCELED					
Operator	4	117	· 1	112	
Field Representative	4	929	13	938	
Company Registration	14	111	15	<u></u>	
Branch Office	4	10	15	24	
Applicator	0	23	6	1,152	
LICENSES DENIED					
Licenses	4	21	11	45	
INVESTICATIVE EINES DOODSSED					
INVESTIGATIVE FINES PROCESSED Fines Processed	\$6,455	\$41,422	\$0	\$0	
Penalty Assessment	<u>\$0,455</u> \$0			<u> </u>	
Pesticide Fines	\$6,850			\$95,026	
STAMPS SOLD					
Pesticide	6,110	48,396	4,410	45,360	
SEARCHES MADE					
Public	68	579	51	554	
Complaints		106	3	44	
BOND & INSURANCE					
Bonds Processed	20	200	16	158	
Insurance Processed	225	1864	220	1569	
Restoration Bonds Processed	2	5	0	3	
Suspension Orders	70	320	14	264	
Cancellations Processed	31	374	71	299	
Change of Bond/Insurance	52	346	43	229	
CONTINUING EDUCATION EXAMS					
Field Representative Examined	2	2	0	0	
Field Representative Passed	2				
Field Representative Failed	0		1		
Operator Examined	0	2	0	C	
Operator Passed					
Operator Failed					
Applicator Examined					
Applicator Examined Applicator Passed	0				
Applicator Failed					

### LICENSING UNIT SURVEY RESULTS April 18-19, 2018 – SPCB Meeting December 28, 2017 – April 4, 2018

Response cards are sent to licensees, registered companies, and applicants receiving the following services: Licensure, Renewal of License, Upgrade/Downgrade License, Change of Qualifying Manager, Bond/Insurance, Company Registration, Transfer of Employment, Change of Address, and Examination. Two hundred four survey cards were mailed during this reporting period. Eleven responses were received.

Question	Yes	No	N/A
1 Was staff courteous?	91%	9%	0%
2 Did staff understand your question?	91%	9%	0%
3 Did staff clearly answer your question?	82%	18%	0%
4 Did staff promptly return your telephone call?	55%	27%	18%
5 Did staff efficiently and promptly handle your transaction?	73%	27%	0%
6 How long did it take to complete its action on your file?* (Average)	29 0	days	

\*There were 6 responses to question 6.

Company Registration: 81 days average (2 responses)

**Operator License:** N/A (0 responses)

Field Representative License: N/A (0 responses)

Applicator License: 4 days average (2 responses)

Transfer of Employment: N/A (0 responses)

Change of Address: N/A (0 responses)

**Bond/Insurance:** N/A (0 responses)

Change of Qualifying Manager: N/A (0 responses)

**Examination:** 4 days average (2 responses)

Comments:

- Staff answered questions quickly and thoroughly.
- Frank hasn't returned my calls.
- DCA and examination unit's staff were a great help and prompt.

- Had to contact state representative as process was taking months. Company name 4-6 weeks and company registration 4-6 weeks. Board needs to hire more people.
- Frank Munoz pointed me in the right direction on how to obtain operator license. Thank you.
- On my company registration they lost my record. No call back. All they tell you is that it is a process and that it will take time.

## **WDO ACTIVITIES FILED**

	2014/15	2015/16	2016/17	2017/18	MO. AVG
July	122,803	121,639	111,086	124,000	117,984
August	112,400	112,511	121,000	128,400	114,506
September	116,100	115,977	119,089	119,000	116,710
October	123,250	123,409	125,804	124,100	122,164
November	94,750	100,779	118,121	117,000	104,018
December	95,373	105,326	106,000	96,100	99,353
January	88,247	83,209	96,000	94,900	91,038
February	97,884	97,100	95,000	96,900	95,412
March	124,448	122,261	127,300		119,755
April	131,292	128,201	122,120	5	125,221
Мау	116,578	123,028	132,900	к.	120,534
June	124,648	131,954	135,000		125,138
FY Total	1,347,773	1,365,394	1,409,420	900,400	1,351,834
AVG PER MO.	112,314	113,783	117,452	112,550	

### BACKGROUND PAPER FOR THE BOARD OF STRUCTURAL PEST CONTROL

(Joint Oversight Hearing, February 26, 2018, Senate Committee on Business, Professions and Economic Development and the Assembly Committee on Business and Professions)

### IDENTIFIED ISSUES, BACKGROUND AND RECOMMENDATIONS REGARDING THE BOARD OF STRUCTURAL PEST CONTROL

### BRIEF OVERVIEW OF THE BOARD OF STRUCTURAL PEST CONTROL

### History and Function of the Structural Pest Control Board

In 1935, the California Legislature passed the first Structural Pest Control Act (AB 2382, Chapter 823, Statutes of 1935). Added to the California codes, this Chapter was made effective January 1, 1936 and was to be administered by the California Pest Control Association. The new statute set standards for the pest control industry by mandating, among other provisions, that practitioners meet experience and Continuing Education (CE) requirements to meet the goals of comprehensive consumer protection. In 1941, the Structural Pest Control Act was codified in Division 3, Chapter 14 of the Business and Professions Code (BPC) commencing with Section (§) 8500, establishing the current version of the Structural Pest Control Board (SPCB).

On October 23, 2009, the SPCB was transferred from the Department of Consumer Affairs (DCA) to the Department of Pesticide Regulation (DPR). On July 1, 2013, the SPBC returned to DCA under the Governor's 2011-2012 Reorganization Plan (GRP) No. 2 and AB 1317 (Frazier, Chapter 352, Statues of 2013).

The SPCB's highest priority is the protection of the public through its licensing, regulatory, and disciplinary functions within the pest control industry (BPC § 8520.1).

The current SPCB mission, as stated in its 2015-2018 Strategic Plan, is as follows:

To protect the general welfare of Californians and the environment by promoting outreach, ducation and regulation of the structural pest management professions. The SPCB's vision is to strive to be the national regulatory leader of pest management.

In achieving these priorities, the SPCB follows its core values: 1) consumer protection, 2) efficiencies, 3) integrity, and 4) professionalism.

The SPCB issues three types of licenses for three different practice areas (branches) of pest control. The branch types are:

- *Branch 1 Fumigation* The practice relating to the control of household and wood-destroying pests or organisms by fumigation with poisonous or lethal gases.
- *Branch 2 General Pest* The practice relating to the control of household pests, excluding fumigation with poisonous or lethal gases.
- *Branch 3 Termite* The practice relating to the control of wood-destroying pests or organisms by the use of insecticides, or structural repairs and corrections, excluding fumigation with poisonous or lethal gases.

The license types are:

- *Applicator* An entry-level license category issued in Branch 2 and 3 only. An Applicator is an individual licensed by the SPCB to apply a pesticide, or any other medium to eliminate, exterminate, control, or prevent infestations or infections. Applicators cannot inject lethal gases used in fumigation.
- *Field Representative* A full journey-level license issued in all three branches. A Field Representative secures work, makes identifications, makes inspections, submits bids, and contracts for work on behalf of a registered company.
- *Operator* The highest level of licensure issued in all three branches. Depending on the license category, an Operator must have at least two years, or as many as four years, qualifying experience. Only a licensed Operator may qualify a company for registration by assuming responsibility for the company and its employees as the company Qualifying Manager.

### **Board Membership and Committees**

The SPCB is comprised of seven members, including three professional and four public members. The three professional members are licensed Operators appointed by the Governor. Two public members are appointed by the Senate Committee on Rules and one member is appointed by the Speaker of the Assembly. SPCB members receive a \$100-a-day per diem. Pursuant to BPC § 101.7, all DCA regulatory boards are required to meet at least three times each calendar year. BPC § 8523 requires SPCB to meet annually during the month of October and provides that special meetings may be called at any time.

Over the last four calendar years, the SPCB has had at least one annual meeting (October) and three special meetings each year. The SPCB has maintained quorum status at all board meetings and committee meetings and has not undergone any major changes since the last Sunset Review in 2014. All SPCB meetings and committee meetings are subject to the Bagley-Keene Open Meetings Act. There are currently no vacancies on the SPCB. The following is a listing of the current SPCB members:

SPCB Member	Appointment Date	Term Expiration Date	Appointing Authority	Professional or Public Member
<b>Darren Van Steenwyk, President</b> Mr. Van Steenwyk is from Lodi and is the SPCB's President. He has been technical director at Clark Pest Control since 2006. He held several positions at Univar USA from 2002 to 2006, including manager and sales representative. Van Steenwyk is a member of the U.S. Green Building Council, Northern California Chapter, Entomological Society of America, National Pest Management Association, Pest Control Operators of California and the California Association of Pest Control Advisers. Mr. Van Steenwyk is an industry member appointed by the Governor whose term expires June 1, 2019.	06/21/2016	06/01/2020	Governor	Professional
David Tamayo, Vice President Mr. Tamayo was elected to the Board of Directors of the Sacramento Municipal Utility District in 2014. He is a former board president of the Sacramento-Yolo Mosquito and Vector Control District, and is member of DPR's Pest Management Advisory Committee, US EPA's Pesticide Program Dialogue Committee, and National Pest Management Association's GreenPro Advisory Committee. Prior to working for the County, Mr. Tamayo owned a wholesale seafood business and was an electrician and whitewater rafting guide. He holds a BA in Zoology from UC Berkeley and an MS in Entomology and Nematology from the University of Florida, Gainesville.	09/09/2010	06/01/2020	Speaker of the Assembly	Public
Ronna Brand Ms. Brand is from Beverly Hills and is the founder and owner of Brand Realty. Ms. Brand has been state director for the California Association of Realtors since 2006. She was president of the Beverly Hills Greater Los Angeles Association of Realtors in 2007 and was founder and owner of Bicoastal Connections from 1980 to 1984.	05/18/2012	06/01/2021	Governor	Public
Naresh Duggal Mr. Duggal is from San Jose and has been a manager in the integrated pest management unit for Santa Clara County since 2002. Mr. Duggal was a quality assurance manager for the commercial division of Orkin Exterminating Inc. from 1999 to 2002. He served in multiple positions at Prism Professional Integrated Sanitation Management from 1994 to 1999, including technical support, quality assurance manager and staff entomologist.	05/18/2012	06/01/2017 (currently in grace period)	Governor	Public
Mike Duran Mr. Duran is from Indio and has been president of Duran's Termite and Pest Control Inc. since 1977. He has been a member and trustee for the Valley Sanitary District of Indio since 2003. Mr. Duran	05/18/2012	06/01/2019	Governor	Professional

was a member and trustee of the Mosquito and Vector Control and Sanitary District in Coachella Valley from 2004 to 2008. He established the Pest Control Operators Palm Springs chapter and served as president from 2001 to 2004. Mr. Duran served as a reserve police officer in the City of Indio from 1964 to 1967.				
Curtis Good Mr. Good is from Irvine and is president of Newport Exterminating, a company he has owned since 1982. He is a member of the Urban Pest Management Center of California and the Pest Control Operators of California.	06/29/2010	06/01/2021	Governor	Professional
Servando Ornelas Mr. Ornelas is from Los Angeles and is a Deputy Probation Officer and Adjunct Community College Professor specializing in environmental, economic, and contemporary issues. He is a graduate of East Los Angeles College and California State University at Los Angeles. Mr.	01/12/2017	06/01/2021	Speaker of the Assembly	Public
Ornelas holds a Master's degree in Mexican American studies. He currently sits on the boards of the Latino Educational Fund, and the East Los Angeles Community Youth Center. He is an advocate for safe pest control practices that promote the welfare of the public while enhancing the professionalism and economic growth of the pest control industry.				

The SPCB has three standing committees and three select committees. Two committees, the Research Advisory Panel and the Disciplinary Review Committee, are designated in statute. All other committees are formed as needed and committee members are appointed by the SPCB president.

### **Standing Committees**

- *Research Advisory Panel* The Panel is statutorily mandated by BPC § 8674(t). The Panel consists of one member of the SPCB, two representatives from the structural pest control industry, one representative from the DPR, and one representative from the University of California (California Code of Regulation (CCR) § 1919). The Panel is assigned by the SPCB on an as-needed basis to approve and to fund structural pest control research programs.
- *Disciplinary Review Committee* This committee is statutorily mandated by BPC § 8660. The committee consists of three members, including one member of the DPR, one member of the SPCB, and one licensed pest control Operator actively involved in the business of pest control who is selected by agreement of the other members. This committee was established for the purpose of reviewing appeals of orders issued by agricultural commissioner's acting under authority of BPC § 8617. The committee, as a county adjudicatory body, does not have the authority to suspend or revoke a license issued by the SPCB, as that authority rest solely with the SPCB.
- *Technical Advisory Committee* This committee considers any matter referred by the SPCB that requires SPCB action but is of such a technical nature that it requires substantial research, input,

and considerations by persons qualified in that specific topic to make recommendations to the SPCB.

### Select Committees

- Act Review Committee This committee meets as directed by the SPCB to deliberate and create additions, revisions, or deletions to the Structural Pest Control Act and the CCR. The committee is also tasked with recommending legislation as necessary to clarify the statute's purpose. Over the past four years, this committee has met over 30 times in order to update the Structural Pest Control Act.
- *Pre-Treat Committee* This committee was formed to address an industry trend of preconstruction termite treatments being performed at less than label rate of product.
- *Continuing Education Integrated Pest Management Committee* This committee was established to examine the SPCB's continuing education program and recommend changes that would place an increase emphasis on integrated pest management education and professional practice.

The SPCB does not belong to any national associations, but does collaborate and receive input in connection with rules, regulations, legislation, and pesticide use issues from a number of state and national associations, including the Association of Structural Pest Control Regulatory Officials (ASPCRO), the Pest Control Operators of California, the National Pest Management Association, and the California Agricultural Commissioners and Sealers Association (CACASA).

### Fiscal, Fund, and Fee Analysis

The SPCB is a special fund agency whose activities are funded through regulatory fees and license fees and is independent of the State General Fund. According to SPCB, each fiscal year (FY) the SPCB determines its fund balance by adding the difference between its actual current FY's expenditures and revenues to its beginning fund balance. This fund balance (or reserve) is then apportioned into the next FY cycle. BPC § 128.5 limits SPCB to a fund balance reserve of 24 months or less.

At the end of FY 2016/2017, the SPCB reports that it had a reserve balance of 5.0 months. However, the SPCB projects to have a fund reserve of 3.7 months at the end of FY 2017/2018 and 2.4 months at the end of FY 2018/2019. At this time, the SPCB has not requested any fee increases. SPCB's fund is discussed further in Issue #5.

Fund Condition						
(Dollars in Thousands)	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18*	FY 2018/19*
Beginning Balance	\$1,409	\$1,831	\$2,275	\$2,176	\$2,154	\$1,526
Revenues and Transfers	\$3,981	\$4,367	\$4,615	\$4,566	\$4,657	\$4,750
Total Revenue	\$3,981	\$4,367	\$4,615	\$4,566	\$4,657	\$4,750

The following is the past, current, and projected fund condition for the SPCB.

Budget Authority	\$4,474	\$4,508	\$5,071	\$4,788	\$4,869	\$4,966
Expenditures**	\$3,636	\$3,994	\$4,841	\$4,361	\$4,869	\$4,966
Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Accrued Interest, Loans to						
General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Loans Repaid from General						
Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fund Balance	\$1,734	\$2,201	\$2,041	\$2,154	\$1,617	\$1,082
Months in Reserve	5.2	5.4	5.3	5.0	3.7	2.4

\*Projected

\*\*Board expenditures only. Does not include disbursements to other state agencies.

The following is a breakdown of SPCB expenditures by program component.

Expenditures by Program Component (list dollars in thousands)								
	FY 20	13/14	FY 20	14/15	FY 20	15/16	FY 20	16/17
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement	\$728	\$751	\$825	\$708	\$908	\$1,021	\$946	\$622
Licensing & Examination	\$495	\$332	\$561	\$383	\$617	\$562	\$644	\$386
Administration *	\$583	\$193	\$652	\$194	\$710	\$289	\$739	\$126
DCA Pro Rata	N/A	\$555	N/A	\$671	N/A	\$734	N/A	\$898
Diversion (if applicable)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS	\$1,806	\$1,830	\$2,038	\$1,956	\$2,235	\$2,606	\$2,329	\$2,032

\*Administration includes costs for executive staff, board, administrative support, and fiscal services.

The SPCB is one of 40 entities within DCA. Through its divisions, DCA provides centralized administrative services to all boards, committees, commissions, and bureaus which are funded through a pro rata calculation that appears to be based on the number of authorized staff positions for an entity rather than actual number of employees. The SPCB paid DCA \$550,000 in pro rata for FY 2013/2014 which has steadily increased to \$898,000 for FY 2016/2017 or approximately 20.6% of the SPCB expenditures.

The SPCB administers three funds: (1) the Structural Pest Control Fund (Support Fund) (Fund Number 0775), (2) the Structural Pest Control Education and Enforcement Fund (Fund Number 0399), and (3) the Structural Pest Control Research Fund (Fund Number 0168). The SPCB's Support Fund and Education and Enforcement fund are appropriated by the Legislature. The SPCB's Research Fund is continuously appropriated pursuant to BPC § 8674(t)(1).

The Support Fund is the primary fund for the SPCB, accounting for approximately 75% of the SPCB's annual budget. Unlike most professional licensing boards that rely heavily on licensing fees for funding, the majority of the Support Fund comes from Wood-Destroying Pests and Organisms (WDO) filling fees. The WDO filing fee is a \$2.50 fee each time a pest control company inspects a property or completes work on a property. The SPCB has averaged approximately 1,274, 959 WDO filings every year over the last four FYs (FY 2013-2017).

The Education and Enforcement Fund is established by BPC § 8505.17 and is supported by the pesticide use report filing fee (BPC § 8674) and all proceeds from civil penalties collected by the board pursuant to BPC 8671. The cost of the pesticide use report filing fee of \$4.00 is set in regulation while the statutory maximum is \$5.00 (BPC § 8674(r)). The Education and Enforcement Fund is used by the SPCB for the purposes of training, reimbursement to the Director of Pesticide Regulations for work performed as the agent of the SPCB, and for expenses incurred by the Disciplinary Review Committee.. Average revenues from report filing fees and pesticides fines each year over the past four FYs (FY 2013-2017) has been \$423,509.

The Research Fund supports the research efforts of the Research Advisory Panel. An additional cost of \$2.00 per every pesticide use stamp purchased supports the Research Fund (BPC § 8674). Average number of pesticide use stamps bought each year over the past four FYs (FY 2013-2017) has been 71,164.

Applicator, Field Representative, and Operator license renewal fees are due triennially based from the day of issuance (BPC § 8674 and CCR § 1948). In order to support the implementation of Computer Based Testing (CBT), the SPCB authorized fee increases for each of its license types. Effective January 1, 2015, the Applicator exam fee increased from \$15 to \$55, the Field Representative exam fee increased from \$10 to \$50, and the Operator exam fee increased from \$25 to \$65.

The SPCB has not authored nor submitted any Budget Change Proposals (BCPs) in the past four years. In the 2014 Sunset Report, the SPCB indicated that it would pursue a BCP for FY 2014/15 or FY 2015/16 Budget Act to expand its program to include consumer arbitration and to seek position authority to establish at least two additional investigative positions. When the SPCB updated its 2015-2018 Strategic Plan, consumer arbitration and position authority was deferred for future consideration.

### **Staffing Levels**

According to the SPCB's organizational chart for FY 2017/2018, the SPCB has 29.5 authorized positions and no vacancies as of July 1, 2017. The SPCB reports that its workforce remains stable and there have been no major retention or recruitment issues.

### Licensing and Examination

As of June 30, 2017, the SPCB had 6,898 active Applicator licensees, 11,511 active Field Representative licensees, and 3,769 active Operator licensees. Each company and branch office must register with the SPCB (BPC § 8610). As of June 30, 2017, there were 3,047 Principal Registrations.

Beginning January 1, 2017, the SPCB inquires on each of its license applications as to the military and veteran status of both the applicant and if applicable, the applicant's spouse, bringing the board into compliance with BPC § 114.5. For each of the SPCB license types that have a training or an experience component, the SPCB accepts training or experience that was acquired during an applicant's time in the armed forces. However, the SPCB reported that there have been no applicants who have offered military education or experience towards the required experience necessary for licensure. The SPCB also reports that it receives at most one person per renewal period that has a cancelled or soon to be cancelled license and is unable to renew due to being away on active military duties.

If the applicant is already licensed in a different state, the SPCB sends a request to the applicant's current or previous employer requesting a license history on that state regulatory authority's letterhead. The SPCB licensing also requests a detailed statement from his/her employer stating the exact duties the individual performed and any certificates of training, schooling in pest control, and a penalty of perjury statement from the applicant. The SPCB licensing unit reviews that state's website to check whether 1) the rules and regulations and 2) education and experience requirements meet or exceed SPCB's requirements for licensure in California. If the application is approved, the applicant is scheduled to take the appropriate license examination.

The SPCB does not maintain reciprocal agreements with other states and therefore does not administer a national exam. The SPCB does not offer exams in language other than English because the applicant and licensee must be able to read and understand pesticide labels and comply with California labeling laws. For each license type, applicants must successfully pass written examination with a score of 70% or better.

	Applicator License Requirements				
	Education	Experience	Examination		
Branch 2/3	None	None	The examination will ascertain that an applicant has sufficient knowledge in pesticide equipment, pesticide mixing and formulation, pesticide application procedures, integrated pest management and pesticide label directions.		

Below are the requirements for each license and branch type.

	F	Field Representative License Requirer	nents
	Education	Experience	Examination
Branch 1	None	Six months' training and experience in the practice of fumigating with poisonous or lethal gases under the immediate supervision of an individual licensed to practice fumigating. Of this six months' experience, a minimum of 100 hours of training and experience must be in the area of preparation, fumigation, ventilation, and certification.	The examination will ascertain that an applicant is qualified in the use and understanding of the safety laws of the state, provisions of the Structural Pest Control Act, poisonous and other dangerous chemicals used in pest control, the theory and practice of pest control, and other state laws, safety or health measures, or practices as are reasonable within the scope of structural pest control.
Branch 2	None	A minimum of 40 hours of training and experience in the practice of pesticide application, Branch 2 pest identification and biology, pesticide application equipment, and pesticide hazards and safety practice, of which 20 hours are actual field work	The examination will ascertain that an applicant is qualified in the use and understanding of the safety laws of the state, provisions of the Structural Pest Control Act, poisonous and other dangerous chemicals used in pest control, the theory and practice of pest control, and other state laws, safety or health measures, or practices as are reasonable within the scope of structural pest control.

Branch 3	None	A minimum of 100 hours of training and	The examination will ascertain that an applicant is
		experience in the practice of pesticide	qualified in the use and understanding of the safety
		application, Branch 3 pest identification and	laws of the state, provisions of the Structural Pest
		biology, pesticide application equipment,	Control Act, poisonous and other dangerous
		pesticide hazards and safety practices,	chemicals used in pest control, the theory and
		structural repairs, and structural inspection	practice of pest control, and other state laws, safety
		procedures and report writing, of which 80	or health measures, or practices as are reasonable
		hours are actual field work.	within the scope of structural pest control.

Operator License Requirements					
	Education	Experience	Examination		
Branch 1	Successful completion of board-approved course in the areas of pesticides, pest identification and biology, contract law, rules and regulations, business practices, and fumigation safety.	Two years' actual experience in the practice relating to the control of household and wood-destroying pests or organisms by fumigation with poisonous or lethal gases. One- year of experience must have been as a licensed field representative in Branch 1 (B&P Section 8562).	Operators must complete a Pre-Op Course before taking the licensure exam. Must successfully pass written examination with a score of 70% or better. The examination will ascertain that the applicant is qualified in the use and understanding of the English language, including reading,		
Branch 2	Successful completion of board-approved course in the areas of pesticides, pest identification and biology, contract law, rules and regulations, and business practices.	Two years' actual experience in the practice relating to the control of household pests, excluding fumigation with poisonous or lethal gases. One-year of the required two years' experience must have been as a field representative in Branch 2.	writing, and spelling, the building and safety laws of the state and any of its political subdivisions, the labor laws of the state, the provisions of the Structural Pest Control Act, poisonous and other dangerous chemicals used in pest control, the theory and practice relating to the control of		
Branch 3	Successful completion of board-approved course in the areas of pesticides, pest identification and biology, contract law, rules and regulations, business practices, and construction repair and preservation techniques.	Four years' actual experience in the practice relating to the control of wood destroying pests or organisms by the use of insecticides, or structural repairs and corrections, excluding fumigation with poisonous or lethal gases. Two years of the required four years' experience must have been as a field representative in Branch 3.	household and wood destroying pests or organisms by fumigation with poisonous or lethal gases, and other state laws, safety or health measures, or practices that are reasonably within the scope of structural pest control, including an applicant's knowledge of the requirements regarding health effects and restrictions.		

The SPCB began computer based testing (CBT) in March 2014. CBT is available for all board examinations and is administered at 17 examinations sites in California and 22 locations nation-wide.

In the past few years, the SPCB has been working with the DCA's Office of Professional Examinations Services (OPES) to conduct Occupation Analysis (OA) for each of its licenses and update exams and study materials. On January 1, 2018, new exam was released for Field Representative Branch 2 and 3. The OPES has recently complete an OA for Operator Branch 2, is currently working on an OA for Operator Branch 3, and is scheduled to start an OA for Operator Branch 1 and Field Representative Branch 1. Working with OPES, the SPCB has successfully reduced the reference materials for licensure exams from 19 in 2011 to 8 in 2016. The SPCB continues to work with OPES as scheduled and will update study guide materials once all OA have been completed and when all examination question content have been validated.

In FY 2013/2014, pass rates for Field Representative licenses were low, with the pass rate for first-time takers averaging around 21% for Branch 1 and 26% for Branch 1. With the introduction of new exams and CBT, the pass rates have continued to increase. In FY 2016/2017, the pass rate for first-time takers for the Applicator license averaged at 51%, for Field Representative license between 37% -55%, and Operator license between 50%-80%.

Certificates of course completion must accompany the application for an Operator's license. Applications for licensure as a Field Representative and Operator must also be accompanied by a Certificate of Experience, completed and signed under penalty of perjury by the Qualifying Manager (licensed Operator) of the company under which the applicant gained the required training and experience. Any discrepancies noted by staff during the application review process as it relates to possible authenticity of the signature or experience qualifications are researched further by contacting Qualifying Managers to confirm accuracy of the information. License files are reviewed to confirm periods of employment. If experience is obtained from out-of-state employment, verification of licensure from that state regulatory agency is obtained.

Applicants must respond to the question on the application, "Have you ever been convicted of a felony or a misdemeanor other than a minor traffic infraction?" If yes, they are to attach a signed, detailed statement regarding all felonies and misdemeanor convictions in addition to live scan process. If the applicant responds "no" and the SPCB later receives a background check hit, the SPCB sends a written correspondence to the applicant requesting an explanation. For prior disciplinary actions, the SPCB reviews CAS records for pending complaints, citations, and accusations. If records reveal any pending actions or unsatisfied obligations, the applicant is asked to correct the issues. If the SPCB believes that an applicant has falsified any information in the application regarding criminal history or past/present disciplinary actions, the application will be referred for denial or a statement of issues. Pursuant to the Administrative Procedures Act, the applicant may appeal the Board's proposed action.

Effective July 1, 2004, all license applicants must be fingerprinted for a criminal history background check through the Board's Criminal Offender Record Information program. Because this law could not be enforced retrospectively, only applicants filing applications for licensure on or after July 1, 2004 and current licensees upgrading their licenses (i.e. upgrading a field representative license to an operator license) were subject to the requirements of this legislation. Effective February 29, 2016, the Board updated its policy by promulgating regulations (CCR § 1960) to require all licensees, whose licenses were issued on or before December 31, 2003, to submit to fingerprinting as soon as administratively feasible but no later than the date of licensure renewal beginning June 30, 2016 through June 30, 2018 therefore capturing any licensee not previously fingerprinted.

The SPCB processes approximately 99% of all applications and examination requests. All non-deficient applications are processed within 60 days. Applicants whose applications have been approved and who have successfully passed the examination have up to one year to complete their applications. Beyond one year, the application is void. According to the SPCB, processing delays are rare and if they do occur, they are usually due to a factor beyond the SPCB's control (i.e. fingerprints).

### **Continuing Education**

Licensees are required to complete CE specific to the branch they are licensed in every three years. Applicators are required to complete a total of 12 hours of CE, including six hours of pesticide application and use, four hours of SPCB rules and regulations, and two hours of integrated pest

management. Field Representatives and Operators are required to complete a total of 16 hours of CE, including four hours specific to each branch they are licensed in, eight hours of SPCB rules and regulations, two hours of integrated pest management, and two hours in any other category. No changes have been made to CE requirements in the past four years, but the SPCB is considering amending CE categories.

As a condition to renew a license, a licensee must certify on their license renewal form that he or she has completed the CE requirements. The SPCB has been working to auditing those who have not been audited before and have recently focused more on conducting audits of Operators to ensure they are held responsible for completing their CE.

The consequences for failing a CE audit depend on the severity of the failure and penalties range from corrective action (citation and fine) to disciplinary action (suspension or license revocation). During the last four FYs, the SPCB has issued 50 citations to Applicator licensees and 172 citations to Field Representative and Operator licensees for CE audit violations.

Number of CE Audits					
Fiscal Year	Applicator	Field Representative	Operator		
2014/15	52	397	756		
2015/16	121	No Audits	778		
2016/17	75	402	328		
2017/18	Pending	Pending	Pending		

The SPCB does not have authority to approve and license a school but does approve course content submitted by upstart and existing course providers for purposes of offering continuing education (CE) to licensees. The SPCB currently has 94 CE approved providers listed on its website at <a href="http://www.pestboard.ca.gov/ce/index.shtml">http://www.pestboard.ca.gov/ce/index.shtml</a>. SPCB investigators and in-house staff periodically audit CE course providers to ensure compliance with Board requirements. If a provider fails to comply with the standards adopted by the SPCB pursuant to CCR §§ 1950 and 1953, the SPCB has authority to withdraw or cancel the course offerings. The SPCB may also refer repeat violations to the oversight of other jurisdictions to discontinue or terminate any accreditations or licensure maintained by the provider. CE course oversight and audits are discussed further in Issue #6.

### **Enforcement**

The SPCB has established performance targets for its enforcement program of 10 days to complete complaint intake, 180 days from the time the complaint is received until the investigation is complete, and 540 days from the time the complaint is received and disciplinary decision is ordered. As of FY 2015/2016, the SPCB is meeting its target for intake cycle time and investigation cycle time, but is on average 16 days over its goal for disciplinary cycle time.

The SPCB's case prioritization policy is consistent with DCA's guidelines, appropriate for the license population it is charged to oversee. The SPCB applies cases by level of priority: 1) Urgent, 2) High, and

3) Routine. Urgent priority cases include fumigation deaths, arrests for convictions, or unlicensed activity (elder abuse or significant financial damages). High priority cases include probation violations, unlicensed activity (moderate financial damages), or fraud. Routine cases include advertising violations or improper inspections with minor or no financial damages.

The SPCB reports that intakes of complaints have remained steady over the past three years, averaging approximately 582 per year.

Over the last three years, the SPCB:

- Investigated and closed approximately 1,807 investigations
- Referred 201 cases to OAG for action
- Filed 167 accusations
- Revoke or accepted the surrender of 165 licenses
- Placed 63 licensees on probation

The Office of Administrative Law approved the SPCB's cite and fine authority in 1998 (CCR § 1920). In lieu of the SPCB filing formal disciplinary action for small or moderate violation, a citation without a fine or a citation with a fine is used alternatively. Violations must also not have involved misrepresentation, criminal acts, elder abuse, substantial financial damages, or other commonly recognized egregious violations to be considered for the cite and fine process. This process allows the SPCB to impose reasonable sanctions against licensees without the need to pursue formal discipline to suspend or revoke a license. This program also saves the state of California on the substantial costs associated with formal actions which are usually at least three times the costs of citation actions.

The SPCB issued an average of 163 citations and fines over the last three years. The five most common violations for which citations are issued include:

- CE Violation (BPC § 8593) Assessed 172 times
- Contract Violation (BPC § 8638) Assessed 127 times
- Inspection Report Violation (BPC § 8516) Assessed 116 times
- Completion Report Violation (BPC § 8518) Assessed 62 times
- Disregard of Specifications (BPC § 8635) Assessed 25 times

In the past four FY, the SPCB has participated in seven Disciplinary Review Committee matters. The Disciplinary Review Committee hears appeals regarding notices of proposed actions issued by local government pursuant to BPC § 8617. Apart from DRC, the SPCB held 15 informal conferences in the last three FY. The SPCB also received two requests for administrative appeals in the last four FYs but both appeals were withdrawn by the licensees and the citations have been complied with.

The SPCB began using the Franchise Tax Board (FTB) intercepts to collect outstanding fines in March 2015. It has submitted for collection 24 cases, including 11 cite and fine cases, 11 County Civil Penalty Assessments cases, one accusation decision cases, and one probation case. The total sum of cost recovery requested is \$20,4888.40 and the FTB has collected \$1,002.75.

The SPCB seeks cost recovery for each accusation case filed with the Attorney's General Office. However, the administrative law judge, based on court testimony and/or findings of fact, may or may not order cost recovery in the proposed decision. If the cost recovery order is contrary to the amount sought by the SPCB, the SPCB has no discretion to set aside the judge's decision unless it elects to non-adopt the proposed decision in its entirety. The SPCB historically has not attempted to set aside and issue its own decision if the issue is only cost recovery; decisions that are set aside involve other matters of law.

Over the last four fiscal years, the SPCB's average cost recovery order, whether issued by an administrative law judge or by SPCB stipulation, is approximately \$3,362 per case. This figure represents a total of 87 disciplinary cases, excluding the costs of statement of issues cases which are not recoverable.

### PRIOR SUNSET REVIEW: CHANGES AND IMPROVEMENTS

The SCPB was last reviewed by the Legislature through Sunset Review in 2013-2014. During the previous Sunset Review, 19 issues were raised. In December 2017, the SPCB submitted its sunset report to the Senate Committee on Business, Professions, and Economic Development and Assembly Committee on Business and Professions (Committees). In this report, the SPCB described actions it has taken since its prior review to address the recommendations made. The following are some of the more important programmatic and operational changes, enhancements, and other important policy decisions or regulatory changes made. For those which were not addressed and which may still be of concern to the Committees, they are addressed and more fully discussed under "Current Sunset Review Issues."

- <u>The SPCB updated its Strategic Plan.</u> After the SPCB learned it was being transferred from the DPR back to the DCA in 2012, the SPCB decided to hold the final approval of its *2011 Strategic Plan* because of the differing missions of the two departments. In 2014, the SPCB began meeting with the DCA's Strategic Organization, Leadership, and Individual Development Program (SOLID) to update its Strategic Plan and in July 2015 adopted its current *2015-2018 Strategic Plan*.
- <u>The SPCB is currently fully staffed.</u> In its 2014 Sunset Review Report, the SPCB expressed that it was having trouble recruiting and retaining job candidates for certain positions, namely professional class positions. At the time of the last Sunset Review, the SPCB had a staff of 28 with three vacant positions. As per DCA policy, the SPCB sought to reclassify certain positions as they became vacant from specialist class positions into generalist class positions in order to improve recruitment efforts. The SPCB reclassified four positions in its enforcement section beginning in FY 2015/2016. Since then, the SPCB has been able to fill its vacancies in a timely manner and is fully staffed as of July 1, 2017.
- <u>The SPCB is now posting board meeting materials on its website.</u> During the prior sunset review, the Committees noted that while the SPCB posted board meeting agendas and minutes on its website, it was not posting the materials or hand-outs which are used in preparation for the meetings and are referenced in meetings. Starting with the March 2014 board meeting, the SPCB has posted meeting materials for almost every meeting.
- <u>The SPCB has implemented CBT for its licensing examinations.</u> The SPCB began its CBT Pilot in March 2014. The SPCB contracts with a DCA approved vendor which serves a majority of other boards and bureaus under DCA. CBT is available for all board examinations, except CE

challenge examinations. The SPCB sought legislation in FY 2013/14,AB 1685 (Williams, Chapter 304, Statues of 2014 to increase fees to cover its reasonable administrative costs, which was not to exceed \$60 for an applicator exam, \$50 for a field representative exam, and \$50 for an operator exam.

- <u>The SPCB has deposited renewal fees previously in a special revenue account in the DPR to</u> <u>the SPCB's Support Fund.</u> In its 2014 Sunset Review Report, the SPCB noted that 85% of the Field Representative renewal fees for FY 2011/2012 and FY 2012/2013 were allocated to special revenue account, RAC 1258000-000: Renewal Fees, under the DPR. The SPCB was transferred from the DPR to DCA July 1, 2013 and the revenue in the special revenue account was deposited in the SPCB's Support Fund in FY 2012/2013.
- <u>The SPCB adopted regulations to require all licensees who have not previously been</u> <u>fingerprinted to be fingerprinted as a condition of license renewal.</u> On February 29, 2016 the SPCB adopted CCR §1960, requiring all licensees applying for renewal to submit a set of fingerprints for the purpose of conducting a criminal history record check. All licensees were notified that they would need to submit fingerprints as a condition of license renewal after CCR §1960 became effective on January 1, 2016. The SPCB also sends three notices to each affected licensee during their specific renewal period. All licenses should be fingerprinted by June 30, 2018.
- <u>The SPCB has been working to update all of its examinations in response to the 2013</u> <u>compromise of its examinations</u>. In February 2013, the SPCB learned that its examinations were compromised. DCA's Division of Investigation determined that the two individuals illegally obtained exam materials for 12 different state-administered exams and faced 24 felony charges. In response, the SPCB cancelled all six of its examinations for a one-month period, costing the SPCB approximately \$38,000. The SPCB has been working closely with DCA's OPES to update all the examinations and has since updated to CBT which offers the highest security available for testing.
- <u>The SPCB has sought legislation that extends the SPCB statute of limitations.</u> Since the 2014 Sunset Review Report, the SPCB has been unable to move forward with 11 cases due to the statute of limitations. In response to this issue, the SPCB sought legislation to allow the SPCB an additional six months to take disciplinary action for a total of 18 months. AB 1590 was chaptered and filed with the Secretary of State on September 25, 2017.

### CURRENT SUNSET REVIEW ISSUES FOR THE BOARD OF STRUCTURAL PEST CONTROL

The following are unresolved issues pertaining to the SPCB, or those which were not previously addressed by the Committees, and other areas of concern for these Committees to consider, along with background information concerning the particular issue. There are also recommendations the Committees' staff have made regarding particular issues or problem areas which need to be addressed. The SPCB and other interested parties, including the professions, have been provided with this Background Paper and can respond to the issues presented and the recommendations of staff.

# **ISSUE #1:** (STRATEGIC PLAN) What is the status of the SPCB's plans to update its 2015-2018 Strategic Plan?

**Background:** The SPCB's most recent Strategic Plan was approved in July 2015. In preparation, the SPCB met with the DCA's Strategic Organization, Leadership and Individual Development Program (SOLID) to approve the development of an updated plan in January 2014 and the SPCB began strategic planning sessions with SOLID in October 2014.

As the SPCB's current Strategic Plan will be complete at the end of the 2018 calendar year, the SPCB should make establishing a new Strategic Plan a priority.

<u>Staff Recommendation:</u> The SPCB should report on the status of goals established in the 2015-2018 Strategic Plan. Did the SPCB meet is strategic goals? The SPCB should also report on the status of updating its 2015-2018 Strategic Plan.

The Board has completed over 70 percent of its strategic goals. The Board is currently in communication with DCA's Strategic Planning staff to further assess its long-range and short-range objectives. The Board will meet and discuss these items at an upcoming 2018 board meeting with intention to extend current Strategic Plan in order to finish goals or to plan dates for a new Strategic Plan.

**<u>ISSUE #2:</u>** (RESEARCH PROJECTS) What is the status of the Research Advisory Panel and research projects?

**Background:** Requests for research by the SPCB are conducted by the Research Advisory Panel and are then presented to the SPCB for consideration and implementation. SPCB approved topics are then vetted through a request for proposals (RFP) process and are advertised statewide. Following award of the contract(s), information regarding the progress of research is published on the SPCB's website.

The SPCB's research is paid for through the Research Fund, which is supported through a \$2 fee on each pesticide use stamp purchased from the SPCB. Each year during the past three years, approximately 70,000 pesticide use stamps were purchased and approximately \$140,000 was added into the Research Fund. Typically, the SPCB waits to build up its Research Fund before initiating a research project.

According to the SPCB website, the SPCB has not conducted any major studies since 2011. The SPCB convened in January 2017 and approved the Research Advisory Committee's recommendations to submit a RFP to DCA's Contracts Unit. The topic of research involves studies surrounding the ingestion of rodenticides by non-target pests and best practices in the performance of integrated pest management. As of February 2018, the RFP is still pending approval from DCA before it can be release to University of California researchers.

In the past, the SPCB has conducted research on issues important to consumers and licensees. Since the SPCB continues to collect fees in order to fund research, the SPCB should ensure that it is properly serving its consumers and licensees by producing relevant research in a timely manner. DCA should ensure that it is providing its boards, including the SPCB, with the appropriate support to do so.

<u>Staff Recommendation:</u> The SPCB should update the Committees on the status of the RFP. The SPCB should also update the Committees on the total amount of funds in the Research Fund. The SPCB should further establish plans to ensure more frequent studies of relevant issues in the structural pest control industry are conducted.

Current Request for Proposal to be sent to Researcher at the Universities in CA is in final approval stage and will be released by May. Currently approximately \$1,000,000 in account. Currently, the board is mandated to conduct an annual meeting every October where annual items are reviewed and discussed, such as Policies and Procedures and board member elections are conducted. Staff plan to add this topic to the October annual meeting agenda as a standard item to be reviewed every October.

# **<u>ISSUE #3:</u>** (ONLINE MEETING MATERIALS) What steps does SPCB take to increase public accessibility to board and committee meetings?

**Background:** Webcasting is a commonly used and helpful tool for licensees, consumers, and other stakeholders to monitor boards in real-time and better participate when unable to physically attend meetings. While SPCB meetings are split between northern and southern California, there are only a few meetings per year and travel to and from meetings can be difficult. As a result, webcasting provides greater access. It also improves transparency and provides a level of detail that cannot be captured in the board-approved minutes.

During the last sunset review, the Committee raised the issue of SPCB's webcasting of board meetings, which was, and continues to be an issue for many of the entities within DCA. The SPCB reports that is started webcasting board meetings beginning with the October 2014 meeting, but notes that webcasting abilities are subject to DCA resources. Since then, the SPCB held 14 board meetings: eight in Sacramento, four in Southern California, and two telephonic meetings, only five of which were webcast. The SPCB has stated that due to the cost of renting webcasting technology at the locations where board meetings outside of Sacramento take place, the SPCB's policy is only to webcast its Sacramento meetings.

Furthermore, while the SPCB does post the agenda, materials, and often times minutes for committee meetings, the SPCB currently does not webcast committee meetings. As committees are often where important decisions are made for the SPCB, it may be beneficial to consumers and board stakeholders to be able to easily access those proceedings.

<u>Staff Recommendation:</u> The SPCB should advise the Committees on discussions with DCA to provide greater public access to its proceedings through webcasting. The SPCB should discuss efforts to webcast meetings held in locations other than Sacramento, as well as other efforts to increase public access to meetings.

Staff have contact DCA Communication Office and confirmed the availability of equipment and resources to begin webcasting meetings outside of Sacramento. The Board is now on calendar to webcast all future board meetings through 2019 and will webcast all future Committee meetings to increase public awareness.

## **<u>ISSUE #4:</u>** (BREEZE) Maybe more here like the SPCB is relying on outdated systems to track and analyze data?? What is the status of BReZE implementation by the SPCB?

**Background:** DCA has been working since 2009 on replacing multiple antiquated standalone IT systems with one fully integrated system. In September 2011, DCA awarded Accenture LLC with a contract to develop and implement a commercial off-the- shelf customized IT system, which it calls BreEZe. BreEZe is intended to provide applicant tracking, licensing, renewals, enforcement, monitoring, cashiering, and data management capabilities. In addition, BreEZe is web-enabled and designed to allow licensees to complete and submit applications, renewals, and the necessary fees through the internet. The public also will be able to file complaints, access complaint status, and check licensee information if/when the program is fully operational.

The project plan called for BreEZe to be implemented in three releases. The first release was scheduled for July 2012. The SPCB was originally scheduled for inclusion in Release 3 of the project. Under Special Project Report 3.1, which outlined the changing scope and cost of the BreEZe project, Release 3 was removed from the project entirely in 2015.

DCA currently has no formal plan to expand BreEZe to the 19 boards originally included in Release 3. Instead, DCA first intends to conduct a cost-benefit analysis for Release 3 boards (after Release 2 is completed in 2016) and then make a decision about whether programs previously slated for Release 3 of the project will come onto BreEZe and, if so, how that will be implemented. It is not clear whether the system has been evaluated to meet the needs of Release 3 entities like the SPCB, many of which are facing significant operational challenges due to their lack of dynamic IT capacity. The SPCB has contributed \$267,831 to the DCA in pro rata costs to support the BreEZe project from FY 2009/2010 to FY 2016/2017.

The SPCB continues to use outdated programs until a determination of future information technology efforts is made. According to SPCB, it is able to manage all day-to-day functions with its current system without setback or delay.

It would be helpful for the Committees to learn about SPCB's plans to upgrade IT systems. It would also be helpful to understand, particularly given the SPCB's fiscal issues as discussed later, what future costs are anticipated.

<u>Staff Recommendation:</u> The SPCB should advise the Committees on the status of SPCB's IT systems and upgrades, including any temporary workaround systems currently in place and the cost for these systems. The SPCB should update the Committees on if they expect to receive any refund from DCA for the pro rata the SPCB has paid for BreEZe.

In 2014, staff created a "work around" database in Microsoft Access to store, track and issue Citation and Fines along with track Civil Penalties levied by County Agricultural Commissioners. This program has assisted staff with an electronic means of tracking these penalties which we plan to continue to use until there is a new IT system deployed. This past July, DCA started holding meetings with Board management and staff to begin the process of Information Technology Modernization. Current "go live" date is established for January 1, 2021.

### **BUDGET ISSUES**

## **<u>ISSUE #5:</u>** (SPCB FUND AND RESERVES) What is the status of the SPCB's long-term fund condition?

**Background:** At the end of FY 2015/2016, the SPCB reported that it had a reserve balance of 5.0 months but projects to have a fund reserve of 3.7 months at the end of FY 2017/2018 and 2.4 months at the end of FY 2018/2019. Both the SPCB's fund balance and months in reserve are projected to have decreased to less than half of what they were two FY's ago. At this time, the SPCB has not requested any fee increases. Typically, boards and bureaus under DCA maintain a reserve level of at least six months to cover unanticipated costs, such as litigation.

Fund Condition						
(Dollars in Thousands)	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18*	FY 2018/19*
Beginning Balance	\$1,409	\$1,831	\$2,275	\$2,176	\$2,154	\$1,526
Revenues and Transfers	\$3,981	\$4,367	\$4,615	\$4,566	\$4,657	\$4,750
Total Revenue	\$3,981	\$4,367	\$4,615	\$4,566	\$4,657	\$4,750
Budget Authority	\$4,474	\$4,508	\$5,071	\$4,788	\$4,869	\$4,966
Expenditures**	\$3,636	\$3,994	\$4,841	\$4,361	\$4,869	\$4,966
Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Accrued Interest, Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Loans Repaid from General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fund Balance	\$1,734	\$2,201	\$2,041	\$2,154	\$1,617	\$1,082
Months in Reserve	5.2	5.4	5.3	5.0	3.7	2.4

\*Projected

\*\*SPCB expenditures only. Does not include disbursements to other state agencies

<u>Staff Recommendation:</u> The SPCB should update the Committees on its current fiscal situation and projected budget reserves. The SPCB should also identify appropriate solutions, including raising fees, controlling spending, or other steps that might be taken in order to ensure a stable reserve level.

These projections are based on the assumption that Board would be spending its entire spending authority in FY 17/18 and 18/19. The Board usually maintains a 5 month

reserve level. Management is conscientious of controlling spending and the Board usually reverts approximately \$400,000 each FY. Staff is looking at long term solutions in raising the statutory cap on wood destroying pest and/or organisms filing fee from \$3 to \$5 for a future regulatory fee increase, if necessary. This topic will be on the board agenda in July 2018.

### **LICENSING ISSUES**

# **<u>ISSUE #6:</u>** (CONTINUING EDUCATION AUDITS) Are there more effective means by which the SPCB can verify that CE was completed other than conducting random audits for a small number of licensees at the time of renewal?

**Background:** Every three years, active Applicator licensees are required to complete 12 hours of CE while Field Representative and Operators are required to complete 16 hours of CE. In recent years, the SPCB has focused the attention of its CE audits on Operators and this shift in resources has led to a decrease in audits of its other two license types, including no audits of Field Representative licensees in FY 2015/2016.

Verifying that licensees actually complete required CE is something that many boards struggle to achieve. Most boards rely on licensees to self-report at the time of renewal that the individual completed CE courses and provide information about those courses, including the CE provider, course description, and other data points. To confirm that an individual actually completed what they reported, boards like the SPCB conduct random audits of licensees. Given the workload associated with board staff verifying all of the information provided by licensees, the numbers of CE audits most boards conduct are extremely low, as compared to the number of licensees renewing licenses.

Number of CE Audits						
Fiscal Year Applicator		Field Representative	Operator			
2014/15	52	397	756			
2015/16	121	No Audits	778			
2016/17	75	402	328			
2017/18	Pending	Pending	Pending			

The new Executive Officer of the Board of Registered Nursing recently proposed an innovative solution to receipt of information from third-party sources, specifically uploading materials directly into a cloud that DCA manages. The SPCB may consider whether there are more efficient ways to ensure CE completion and to obtain primary source documentation from outside organizations, such as proof of completion provided directly to the SPCB through the DCA cloud.

<u>Staff Recommendation:</u> The SPCB should explore innovative methods to confirm CE completion and update the Committees on steps it is taking to streamline processes. Should the SPCB use other technologies the DCA might have to improve submission compliance and processing times for primary source documents?

Auditing of licensee's continuing education (CE) hours is efficient with CE providers automatically sending the Board listing of courses completed for all licensees in an electronic format that is easily searchable by Board staff. The Board usually audits 15% of all renewed applicants in the category of Applicator and Field Representatives. The Board holds Operators to a higher level of standard and averages auditing 35% of all renewed Operators.

# **<u>ISSUE #7:</u>** (CONTINUING EDUCATION PROVIDER AUDITS) Does the SPCB exercise enough oversight over CE providers?

**Background:** The SPCB does not have express authority to approve and license CE providers, but does approve course content submitted by upstart and existing course providers. SPCB investigators and inhouse staff periodically audit CE course providers, up to 12 times per year, to ensure compliance with SPCB requirements. If a provider fails to comply with the standards adopted by the SPCB, the SPCB has the authority to withdraw or cancel the course offering and/or refer repeat violators to the oversight of the BPPE.

The CE provider audit process may either be: 1) education or informational or 2) investigative. Educational or informational is a process by which SPCB's administrative or investigative staff responds to frequently asked questions or provides general guidance to the CE provider to ensure compliance with statutory or regulatory requirements.

The investigative process is initiated either proactively whereby CE providers are investigated randomly or, as issues are raised to the Board by formal or informal complaints, reactively to consider the imposition of course decertification or criminal prosecution. Board investigators use recognized investigative techniques and sources of information (i.e. law enforcement or the judicial system) to assist in gathering all facts associated with a given investigation to assess whether violations of law should be pursued.

The SCPB currently has a list of 94 approved CE course providers posted on its website. In its *2018 Sunset Review Report*, the SPCB did not include data on audits of CE providers and any actions that have been taken against a CE provider found to be not adhering to SCBP rules and regulations.

<u>Staff Recommendation:</u> The SPCB should report to the Committees on the number of CE provider audits it has conducted and any disciplinary action brought against a CE provider. The SPCB should also consider ways to improve oversight over CE providers.

There are 94 approved CE providers. Staff have audited 16 CE providers this fiscal year, just under 20%. Two warning letters were issued, no formal disciplinary action was

taken. Given this rate of compliance, the Board believes that additional oversight is not essential at this time and will continue to monitor CE provider at this percentage or higher.

### **ENFORCEMENT ISSUES**

# **ISSUE #8:** (ENFORCEMENT POWERS) SPCB reports that it is taking steps to increase authority for swift action against licensees. What is the status of those efforts? What are the current barriers to SPCB's enforcement efforts?

**Background:** In its 2018 Sunset Review Report, the SPCB stated that in order to combat the most significant challenges facing its enforcement division, the SPCB plans to seek to add or amend statute and regulations to give itself greater authority to levy sanctions against licensees and companies for failure to comply with the SPCB's laws and regulations in the following categories: license maintenance (i.e. Secretary of State filings, bonds, and insurance), timely filing of WDO inspection reports, production of records/retention, mandatory supervision, terms and conditions of probation, and eligibility for licensure reinstatement.

Specifically, the SPCB has stated that it is seeking legislation to gain statutory authority to: 1) automatically suspend any license or, with cause, revoke any license or registration based on noncompliance of citation; 2) automatically suspend any license or registration based on an owner's or licensee's failure to satisfy court judgments, arbitration awards, tax liens, and other lawfully imposed sanctions related to pest control profession; 3) require any person listed on the principle registration or branch office registration to take CE or SPCB-approved courses as a conditions of SPCB-issued citation; and 4) deny the renewal of a license based on an owner's or licensee's failure to comply with any provision of the Structural Pest Control Act. The SPCB also stated these enforcement goals in its *2015-2018 Strategic Plan*.

# <u>Staff Recommendation:</u> The SPCB should further elaborate on what are the more significant challenges the SPCB is facing. The SPCB should also update the Committees on why it plans to seek the statutory authority mentioned above and what the status of this legislation is?

The Board is not currently facing any immediate enforcement challenges. The Board is exceeding enforcement measures goals established by DCA in three of four categories. Consumer satisfaction survey results rate the Board at 99 percent satisfied. The Board has strategically focused in other program components to respond to other immediate consumer protection needs (i.e. fingerprinting and the passage of legislation governing the practice of pest control businesses (i.e. office supervision and inspection report requirements to be more transparent [including a consumer's three-day right to cancel contracts]). Pursuit of statutory authority for the above items is fittingly a long-term goal. These goals will be fully vetted by way of the Board's next strategic plan. The Board looks forward to working with the Committees to find common sense solutions to any upcoming enforcement challenge.

### **ISSUE #9:** (COMPLAINTS) SPCB's complaint intakes have increased since the prior review. What does SPCB attribute these increases to?

**Background:** In its 2014 Sunset Review Report, the SPCB noted that "since the housing crisis in 2008, complaints dropped to an all-time low of 377 in FY 2008/2009 but have steadily increased from that point forward to a high of 518 in FY 2012/2013". According to the SPCB's 2018 Sunset Review Report, complaints have continued to increase to a high of 594 in FY 2014/2015. At the time of the last sunset report, the SPCB believed that this increase in intake of complaints was due to California's economy, specifically "As-Is sales" and the underground pest control economy.

The SPCB believed that the rising trend of "As-Is" sales were nullifying the need for WDO inspections. "As-Is" sales are when the buyer, seller, or lender waives pest control contractual contingencies so that there are fewer requirements in the sale or purchase of a home. These waivers preclude the SPCB from maintaining substantive jurisdiction, even in cases where there may have been a WDO inspection performed. However, the SPCB notes that the use of "As-Is" sales appear to be on the decline due to a resurgence in the real estate market in California.

The SPCB also believed that the underground pest control economy, including both licensed and unlicensed practitioners, appeared to be growing. The SPCB believed this rise to be largely due to rising unemployment, a decline in savings and retirement, and the reduction of various income assistance programs. However, in its *2018 Sunset Review Report*, the SPCB reported that the presence of underground activity has not been significant in the structural pest control industry and contributes this to the result of rising employment and housing over the preceding three or four years.

In 2014 Sunset Review Report, the SPCB stated that in 2013 it began partnering with the Department of Industrial Relations, Division of Labor Standards Enforcement, and sibling agencies to counteract the negative effects of the underground economy. The SPCB also stated a number of plans to expand the scope of its enforcement operations. These ideas included researching private mediation, conciliation, and arbitration programs (or "alternative dispute resolutions programs") as an additional means to dispute resolution and to continue to maintain substantive jurisdiction on complaints, even for "As-Is" sales or when the purchase agreement contains waiver clauses. The SPCB also stated that in order to address underground economy efforts, the SPCB would seek position authority for at least two additional field investigators for its current staff of eight field investigators in FY 2014/205 or FY 2015/2016.

While the number of complaints has slightly decreased since from FY 2013/2014 to FY 2016/2017, complaints are still up approximately 11% from FY 2012/2013 and approximately 15% from 2008. The SPCB also included "increase proactive enforcement to effectively reduce the frequency of unlawful pest control services" as a goal in its *2015-2018 Strategic Plan*. However, the SPCB decided to postpone increasing the number of field enforcement staff and the creation of an arbitration program for a later date.

The SPCB allocates its resources to focus first on reactive complaints, or complaints filed by consumers, before pursuing proactive complaints, or complaints generated by audits, inspections, and investigations of unlicensed/underground activities. If the SPCB's current staff is unable to handle reactive complaints

and also take on active complaints, should the SPCB be continuing to look into ways to expand its enforcement abilities?

<u>Staff Recommendation:</u> The SPCB should update to the Committees why it believes there have been an increase in complaints since its last Sunset Review. The SPCB should also update the Committees on its collaborate efforts with Department of Industrial Relations, Division of Labor Standards Enforcement, and sibling agencies to counteract the negative effects of the underground economy. Should the SPCB consider increasing its field enforcement staff or creating an arbitration program? What are the SPCB's plans to expand its enforcement staff's abilities to pursue proactive complaints?

The increase in the number of complaints is attributed to the housing market rebound since the crash of 2008 and 2009. In addition, staff now attempts to resolve monetary complaints which were not reviewed and mediated in past years. Staff does work in collaborative efforts with Department of Industrial Relations and the Contractor's State License Board and is currently in agreement on upcoming "sting operations" with these offices. The Board has been able to redirect staff for these proactive investigations efforts.

# **ISSUE #10:** (EXEMPTION FROM LICENSURE) Should BPC § 8555(g) be amended by the SPCB to bring statute into compliance with the Merrifield v. Lockyer ruling.

**Background:** During the prior Sunset Review, the Committees noted that the Act exempts from licensure and regulation by the SPCB those people and businesses engaged in the live capture and removal or exclusion or exclusion of vertebrate pests, bees, or wasps from a structure without the use of pesticides (BPC 8555 § (g)). However, the law further excludes mice, rats, and pigeons from the definition of "vertebrate pests." This provision was added by AB 568 (Brown, Chapter 718, Statutes of 1995).

In 2008, BPC 8555(g) was held unconstitutional by the 9<sup>th</sup> circuit (Merrifield v. Lockyer, 547 F.3d 978, 900 (9<sup>th</sup> Cir. 2008). Alan Merrifield was an unlicensed operator of a pest control business and trade association. His business engaged in non-pesticide animal damage prevention and bird control. In 1997, he was sent a warning letter from the SPCB stating that his business activities required a license, because he advertised and conducted rodent proofing. Merrifield never applied for a license and claimed none was necessary for his business activity because he did not use pesticides.

In order to continue without a license, he filed a lawsuit against the SPCB and other state officials alleging a violation of Equal Protection, Due Process and privileges or Immunities Clauses of the Fourteenth Amendment. The 9<sup>th</sup> Circuit held that the application of the licensing exemption under BPC§ 8555(g) for individuals performing the live capture of vertebrae pests, bees, or wasps without the use of pesticides violated the equate protection clause of the 14<sup>th</sup> Amendment under the U.S. Constitution. The Court found that the inclusion of certain animals within the definition of vertebrae pests (bats, raccoons, skunks, and squirrels) but not others (mice, rats, or pigeons), lacked a rational basis.

During the previous Sunset Review, the SPCB noted that the distinction of vertebrate pests was used by the SPCB as a basis to differentiate those pests that invade structures and those that generally do not; the
latter being more appropriate under the authority of Fish and Wildlife licensure requirement. The SPCB also stated that in light of the Merrifield decision, it should no longer provide this distinction in statute.

Following the previous Sunset Review, the SPCB's Act Review Committee proposed to remove the exemption for mice, rats, and pigeons from the definition of "vertebrate pests" therefore bringing the live capture of such animals under the licensing authority of the SPCB. The Act Review Committee brought its recommendation to SPCB members during the SPCB's April 2014 meeting and the SPCB decided to stop enforcing BPC§ 8555(g) and seek legislation to amend BPC § 8555(g). However, the legislation never was actualized because the member office the SPCB was working with found that there was a lack of evidence of consumer harm. Considering the SPCB does not enforce BPC § 8555(g) and the statute has been found to be unconstitutional, should the SPBC consider seeking amendments?

# <u>Staff Recommendation:</u> The SPCB should advise the Committee on plans comply with the Merrifield decision.

The Board has, in fact, complied with the Merrifield decision such that persons involved in this occupation are no longer subject to pest control licensure. The Board is assessing whether any amendments to the Title and Practice Act are necessary to ensure that consumer protection remains paramount and that the practice of unlicensed practitioners do not expose them to undue harm. To this end, the Board will be reviewing and discussing in its July Board meeting the viability of licensing these professions or continuing with the status quo.

## **OTHER ISSUES**

**<u>ISSUE #11:</u>** (TECHNICAL CLEANUP) Should the structural pest control law be amended to make technical, non-substantive, and conforming changes as proposed by the SPCB?

**Background:** Separate from its 2018 Sunset Review Report, the SPCB has submitted to Committee staff a legislative proposal to clean up the existing laws governing the practice of structural pest control. The SPCB's proposal would make technical or non-substantive changes to certain provisions of the structural pest control law, delete existing provisions from that law that are no longer applicable, and would delete or amend other provisions to support the legislative intent.

The SPCB should work with Committee staff to identify what update changes should be made for inclusion in the legislative proposal. The SPCB should fully vet the proposed changes with all stakeholders so that there is no controversy surrounding the recommended amendments.

<u>Staff Recommendation:</u> The SPCB should work with staff to identify what updating changes should be made to structural pest control law. The SPCB should assure the Committees that all concerned individuals and interested parties have had an opportunity to express any concerns regarding the proposed changes, and that the concerns have been addressed, to the extent possible, by the SPCB.

The Act Review Committee finished meeting in March 2016 after meeting over 30 times to update and modernize the Pest Control Act. Their recommendations were vetted after every committee meeting at open board meetings and the topics were agendized. Should any concerns from the public or industry be brought to staff's attention, those items will be agendized for a board meeting and noticed accordingly.

### <u>CONTINUED REGULATION OF THE STRUCTURAL PEST CONTROL</u> <u>PROFESSION BY THE CURRENT STRUCTURAL PEST CONTROL BOARD</u>

**ISSUE #12: (CONTINUED REGULATION BY THE BOARD)** Should the licensing and regulation of structural pest control be continued and should the profession continue to be regulate by the current SPCB membership?

**Background:** The health, safety, and welfare of consumers are protected by the presence of a strong licensing and regulatory SPCB with oversight over the structural pest control industry.

This SPCB has experienced significant transitions over the last five years, including moving back to DCA from DPR in 2013. However, it appears that the SPCB has successfully traversed the transition and is making progress as a regulatory agency.

The Board should be continued with a four-year extension of its sunset date so that the Legislature may once again review whether the issues and recommendations in this Background Paper have been addressed.

<u>Staff Recommendation:</u> Recommend that the licensing and regulation of structural pest control continue to be regulated by the current SPCB members of the Structural Pest Control Board in order to protect the interests of the public and be reviewed once again in four years.



BUSINESS. CONSUMER SERVICES. AND HOUSING AGENCY • GOVERNOR EDMUND G. BROWN JR. STRUCTURAL PEST CONTROL BOARD-ADMINISTRATION UNIT 2005 EVERGREEN STREET, STE. 1500 SACRAMENTO, CA 95815 P 916-561-8700 | F 916-263-2469 | WWW.PESTBOARD.CA.GOV



# MEMORANDUM

DATE	March 27, 2018
то	Board Members
FROM	Susan Saylor, Executive Officer
SUBJECT	Agenda Item XIV. SPCB Internal Audit

During the time period from July 1, 2015 through June 30, 2017 the Structural Pest Control Board (SPCB) underwent an internal audit that was performed by the Department of Consumer Affairs Internal Audit Unit (DCA). The objective of this audit was to provide an assessment of the SPCB's operations and internal controls.

Enclosed in your meeting materials is DCA's internal audit report which identified four issues requiring corrective action, and SPCB's response to the internal audit report which outlines the corrective actions SPCB will take to remedy the issues.

To provide context for SPCB's performance in this internal audit, when another program in DCA underwent a similar assessment, eighteen issues requiring corrective action were identified including the inadequate safeguarding of social security numbers and confidential criminal offender information. Additionally, another program in DCA had fourteen issues that required corrective action including confidential information being inadequately safeguarded and failing to perform any continuing education audits. Out of the programs for which internal audit information was available, the SPCB had the fewest, and least serious, issues that were identified.



# California Structural Pest Control Board Operational Audit

DCA Internal Audit Office Report 2017-101 March 2018



1625 N. Market Blvd. Ste. N-324, Sacramento, CA 95834 P (916) 574-8190 F (916) 574-8609 | http://www.dca.ca.gov



March 7, 2018

Susan Saylor, Executive Officer Structural Pest Control Board 2005 Evergreen St., Ste. 1500 Sacramento, CA 95815

Subject: Draft Audit Report of the Operational Audit – Structural Pest Control Board

Dear Ms. Saylor:

Enclosed please find our final audit report for the Structural Pest Control Board (SPCB). The audit was performed at the request of the DCA audit committee to provide an assessment of the board's operations and internal controls. The audit test period was July 1, 2015, through June 30, 2017. The last day of field work was December 27, 2017.

SPCB responded to our draft report on February 14, 2018. This response is included in this report as Attachment 1. We concur with the corrective actions identified and implemented by SPCB as outlined in their response.

We will return to SPCB for follow-up reviews after 180-days and 360-days from the date of the final report to evaluate your progress in implementing the audit recommendations.

We appreciate the cooperation extended by SPCB's staff during the course of the audit. If you have any questions, please contact me at (916) 574-8192.

Sincerely,

Original signed by:

Annecia Wallace DCA Internal Audit Chief

cc: Dean R. Grafilo, Director Enclosure: Final Audit Report of the Operational Audit – Structural Pest Control Board

### Table of Contents

Report Summary	1
Background	2
Objectives, Scope and Methodology	3
Findings and Recommendations	4
<ul> <li>Cash Handling Internal Controls Need Improvement</li> <li>Personnel Files Lack Required Documents</li> <li>Nepotism Policy Not Followed</li> <li>Continuing Education Audit Not Completed for Field Representatives</li> </ul>	4 4 5 6
Attachment 1 – Structural Pest Control Board Response to Draft Report	

#### Report Summary

The Department of Consumer Affairs' (department) Internal Audit Office completed an operational audit of the Structural Pest Control Board (SPCB).

To evaluate the board's operations we interviewed pertinent personnel and reviewed relevant documentation and processes. We performed compliance testing of key functions and compared actual operations to applicable laws, regulations, and guidelines. Our audit test period was from July 1, 2015, through June 30, 2017.

Our audit revealed the board has a small number of operational deficiencies in its business operations. The following audit issues are addressed in greater detail under the Findings and Recommendations section of this report:

1. Incoming cash receipt internal controls could be improved. Almost half of receipts received lacked evidence of a secondary review. One receipt marked "cash" was not completed or voided. About one fifth of the receipts reviewed did not identify whether the amount received was cash, check, or money order.

Recommendation: SPCB should require two separate counts whenever cash is received, and additional training should be given to cashiering personnel regarding completion of state receipt books.

2. A review of official personnel files for SPCB revealed 23% of files reviewed did not contain duty statements for the employee. It was determined the missing duty statements were for long time employees (20+ years).

Recommendation: Duty statements should be signed by employees and placed in the official personnel files in DCA Human Resources.

3. A review of DCA nepotism policy revealed two SPCB employees share a residence, and had not filled out a form HR-04, Verification of Hiring Relatives.

Recommendation: SPCB should require the two employees to fill out forms HR-4, verification of hiring relatives.

4. All SPCB individual licensees (operators, field representatives, and applicators) must certify a certain number of continuing education hours taken every three years at the time of renewal. SPCB then audits a random selection of licensees to verify the veracity of the certifications. In 2015, SPCB did not audit any field representatives for continuing education.

Recommendation: SPCB should audit all categories of licensees for continuing education.

#### **Background**

The Structural Pest Control Board (SPCB) has been regulating the practice of Structural Pest Control since 1935, in one form or another. The Board itself is comprised of seven members, and currently operates under the jurisdiction of the Department of Consumer Affairs (DCA). The Board oversees the operations of:

- Licensing
- Examination
- Enforcement
- Continuing Education, and
- Education and outreach.

The authority for the Board's operations is found in the Structural Pest Control Act, Business and Professions Code, Division 3, Chapters 14, and 14.5.

Our audit included the areas of licensing, enforcement, strategic planning, and administrative internal controls over the cash receipts and personnel functions. The audit identified areas where controls were in place and working as intended. However, we also found areas where internal controls and compliance with the Business & Professions Code could be improved. If left uncorrected, these conditions increase the risk of inadequate internal controls, misappropriation, and errors or irregularities occurring. These conditions are described in the Findings and Recommendations section of this report.

#### **Objectives, Scope and Methodology**

The objectives and scope of this audit were to determine:

- Whether established policies and procedures exist to guide staff in effectively handling operational activities;
- Whether the Structural Pest Control Board (SPCB) has complied with applicable laws and regulations.

The following procedures were performed to address the audit objectives:

- An anonymous employee survey was utilized to determine what areas of concern could be identified by SPCB personnel; summarized and incorporated the results into our audit program;
- Interviewed key personnel, including SPCB staff to obtain their perspectives;
- Reviewed available written policies and procedures governing CBO's operations;
- Evaluated the SPCB strategic planning process;
- Evaluated the SPCB's compliance with DCA mandatory employee training policy;
- Reviewed cash receipts internal controls;
- Reviewed public disclosure of disciplinary action on the SPCB license look-up web page;
- Tested the internal controls and compliance with the Business & Professions Code governing the licensing process at the SPCB;
- Tested the internal controls and compliance with Disciplinary guidelines governing the Enforcement and disciplinary processes.

The results of our review are presented in the Findings and Recommendations section of this report.

#### Findings and Recommendations

#### 1. SPCB's cash handling internal controls should be improved

The SPCB needs to improve cash receipt handling. Internal controls were not sufficient in the following areas:

- Twenty two percent (44 of 199) of receipts reviewed did not have evidence of a secondary review when actual cash was received;
- One receipt marked "cash" and dated 3/2 was neither completed nor voided;
- Nineteen of the receipts did not identify if the money received was cash, check, or money order

State Administrative Manual (SAM) Section 8022, Cash, Documentation of Incoming Collections, states "Department records will contain information regarding the type of collection (such as cash, check, or money order) received from each payer. This information will be recorded so that it can be readily audited from receipts, reports of collections, or the registers, and will show the amount of the check or money order presented."

"To maintain accountability of these assets, all incoming collections will be documented by the person opening the mail."

Good internal control dictates that receipts in the cash receipts book are complete and accurate. Upon receipt of actual cash two separate staff must count the cash with one signing as the authorized signature and another initialing as reviewer.

State funds could be lost or misappropriated if an adequate accounting is not completed.

#### **Recommendation:**

SPCB management should provide additional training to cashiering staff addressing accuracy and completion of the cash receipts in the book. They should also ensure that two separate counts are completed and documented (signature and separate initials) when actual cash is received.

#### 2. <u>Personnel Files Lacked Required information</u>

Thirteen employee personnel files were selected for testing at DCA Human Resources. We found that three (23%) did not contain duty statements.

Department of Consumer Affairs, Departmental Procedures Memorandum PERS 04-04, Duty Statements, cites the following authority: Government Code (GC) Sections 12926 – 12926.1 and 12940 states that all boards, bureaus, programs, committees, and commission are required to have a signed duty statement on file for each position, which identifies the essential functions of the job.

A statement of essential job functions within a duty statement signed by the employees is evidence that the expectations of the position have been communicated.

#### **Recommendation:**

SPCB management should ensure new duty statements are created for the three employees whose files were deficient. The new statements should be signed by the employees and placed in the official personnel files and DCA Human Resources office.

#### 3. <u>SPCB had not complied with DCA Nepotism policy</u>

Two SPCB employees who live in the same home had not filed a form HR-04, verification of hiring relatives, with DCA Human Resources.

DCA Nepotism policy, PER 94-04, states in part, "It is the policy of the Department to prohibit the practice of nepotism in any department board, bureau, division, committee, commission, program or work unit. Employees who engage in nepotism, or conceal or fail to report a relationship may be subject to disciplinary action, up to and including dismissal."

The policy also states, "at a minimum, familial and personal relationships include those that exist by virtue of blood, marriage, adoption, or cohabitation."

#### **Recommendation:**

SPCB should file the form HR-04, Verification of Hiring Relatives, with the DCA Human Resources office for the two employees.

#### 4. SPCB did not include Field Representatives in the Continuing Education audit

To renew a license, each operator, field representative, or applicator must certify to a certain number of continuing education hours taken during the three years prior to renewal. Proof is not required at the time of renewal, but each licensee signs, under penalty of perjury, a statement certifying they have completed the required hours. SPCB then audits a random selection of each year's renewals in the year following the renewal. In 2016, SPCB audited operator and applicator continuing education hours, but did not complete the audit of field representative licenses. A random selection of 379 field representative licenses was selected, but SPCB did not complete the audit.

Title 16, Article 3.5, Section 1950, Continuing Education, states, "(a) Except as provided in section 1951, every licensee is required, as a condition of renewal of a license, to certify that he or she has completed the continuing education requirements set forth in this article. A licensee who cannot verify completion of continuing education by producing certificates of activity completion, whenever requested to do so by the Board, may be subject to disciplinary action under section 8641 of the code.

Field Representative licensees who certified they had taken required continuing education hours were not audited; past audits have shown some licensees are not truthful about courses taken; therefore, SPCB accepted all field representative renewals without verifying the veracity of any continuing education certified by the applicants. Although the SPCB intended to perform the audits and got as far as identifying a sample of field representative renewals, the audit was never completed.

The Board stated that, due to a deadline for fingerprint requirements for some licensees, staff had to be utilized in that capacity rather than the continuing education audit.

#### **Recommendation:**

The board should ensure all license types are part of the continuing education audit.

# Attachment 1 – SPCB Response to Draft Audit Report dated January 4, 2018



BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY . GOVERNOR EDMUND G, BROWN JR.

Structural Pest Control Board 2005 Evergreen Street, Suite 1500, Sacramento, CA 95815 P 916-561-8700 F 916-263-2469 | www.pestboard.ca.gov



# MEMORANDUM

DATE	February 14, 2018
то	Annecia Wallace DCA Internal Audit Office
FROM	Susan Saylor Executive Officer, SPCB
SUBJECT	Proposed Corrective Actions

Enclosed is the proposed corrective actions regarding the issues identified in the Operational Audit. All findings have been addressed and corrective actions are already being implemented by staff.

#### Structural Pest Control Board Operational Audit

#### **Corrective Actions:**

### 1. Findings: SPCB cash handling internal controls should be approved.

Corrective Action: On January 3, 2018, management spoke with all staff regarding the handling of money received at the front counter. Staff were reminded to have a secondary review when cash is received and to ensure the secondary reviewer initials the cash log. Staff were also reminded to complete all portions of the receipt when checks or cash are received at the front counter. These instructions were also placed inside of the cash log.

#### 2. Findings: Personnel Files Lacked Required Information

Corrective Action: Three employee Official Personnel Files were lacking duty statements. Two of the three duty statements have been signed by staff, management and forwarded to DCA Human Resources. The third duty statement will be signed by the staff member and management and forwarded to DCA Human Resources by the end of February 2018.

#### 3. SPCB had not complied with DCA Nepotism policy

Corrective Action: When SPCB management was initially informed of the relationship between two staff members several years ago, DCA Human Resources was immediately informed via phone and email. SPCB was unaware of the requirement to complete the HR-04 Verification of Hiring Relatives. The HR-04 was signed by both staff and forwarded to DCA Human Resources on December 12, 2017.

#### 4. SPCB did not include Field Representatives in the Continuing Education Audit

Corrective Action: Each year SPCB audits a percentage of Applicators, Field Representatives and Operators that renewed the prior year. In 2016, new legislation required all licensees who had not been previously fingerprinted, to complete Livescan prior to their renewal. Approximately 4,900 licensees were required to complete Livescan and SPCB staff had to flag, place holds and contact these licensees as well as review Livescan results. Multiple staff were assigned to this project and therefore a large audit of all license types was not achievable. With the Livescan project coming to an end, staff will once again resume audits on all license types.

## STRUCTURAL PEST CONTROL BOARD

#### **REGULATORY ACTION STATUS**

SECTION	SUBJECT	STATUS
1902	Definitions	April 1, 2018 - Staff Preparing Regulatory Proposal
	Addresses – Permits licensees to request a mailing address other than the address of record.	March 13, 1996 – Approved by the Office of Administrative Law
	Addresses – Requires applicators to report change of address.	August 12, 1996 – Approved by the Office of Administrative Law
1911	Change of Address / Employment	November 5, 2014 — Act Review Committee Recommended Change to Allow Companies to Notify the Board of Employee Disassociation
	Allow Employers to Notify Board of Employee Disassociation	July 1, 2017 – The Language Proposed by the Act Review Committee is Included in Senate Bill (SB) 800 to Amend B&P Code Section 8567 and Will Accomplish the Regulatory Effect of the Proposed Changes to CCR 1911

1912	Branch Office Registration – Section 100 Change. To change the phrase "A registered company who opens a branch shall" to "A registered company which opens a branch office shall"	Section 100 Change – Approved by the Office of Administrative Law on May 17, 2004
1914	Name Style – Delete Board's responsibility to disapprove confusingly similar name styles	December 16, 1998 – Public Hearing Disapproved by the Board April 4, 2003 - Public Hearing - Board voted to adopt February 14, 2004 Rulemaking File expired due to Executive Order Noticed for Public Hearing: April 8, 2005 Adopted by the Board. March 21, 2006 Approved by the Office of Administrative Law
1914	Name Style – Company Registration Will Prohibit the Approval or Use of a Company Name or Telephone Number That is the Same as the Name or Telephone Number of a Company Whose Registration has Been Surrendered	October 13, 2016 – Public Hearing was Conducted and Board Directed Staff to Begin Final Rulemaking Process October 2, 2017 – Approved by Office of Administrative Law and Effective January 1, 2018
1918	Supervision – Clarifies that a field representative or an operator can supervise. Supervision – Permits qualifying managers to supervise multiple locations.	August 12, 1996 – Approved by the Office of Administrative Law. December 16, 1998 – Public Hearing. Referred to Rules and Regulations Committee. August 6, 1999 – Modified language mailed. January 11, 2001 Public Hearing. Adopted by the Board. Rulemaking file not completed by deadline of December 1, 2001

1918	Re-states supervision of multiple locations, clarifies liability / responsibility of qualifying manager[s] & supervisor(s).	<ul> <li>April 4, 2003 Public Hearing, referred to Rules and Regs Committee. Committee meeting held September 17, 2003. Placed on agenda for October 17, 2003 Bd. Mtg. Modified Text mailed Nov. 19, 2003.</li> <li>Comments due Dec. 3, 2003. No comments rec'd. February 14, 2004 Rulemaking File expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. March 21, 2006 - Approved by the Office of Administrative Law.</li> </ul>
1919	Research Panel – Deletes reference to public board member on panel.	March 13, 1996 – Approved by the Office of Administrative Law.
1000	Cite & Fine – Authorizes board staff to issue citations and fines.	August 13, 1998 – Approved by the Office of Administrative Law.
1920	Cite & Fine – Amends to clarify no appeal after modification of decision.	October 15, 1999 – Public Hearing - Board voted to adopt.
1920 (e)(1)(2)(3)	Cite & Fine – Specifies that a second informal conference for a modified citation will not be allowed.	January 11, 2001 - Public Hearing - Board voted to adopt. December 1, 2001 Rulemaking File not completed by deadline. April 4, 2003 - Public Hearing - Board voted to adopt. February 14, 2004 Rulemaking File expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. March 21, 2006 - Approved by the Office of Administrative Law.

1920(b) 1920(e)(2)	Repealed specific criteria required in assessing fines in excess of \$2,500. Citations and Fines Allows the Board 30 Days Rather Than 10	<ul> <li>\$2,500 should no longer apply. Board approved on April 22, 2010.</li> <li>December 22, 2010 Notice, ISOR, Language, Std 399 submitted to Linda Otani for review/approval by DPR and Agency.</li> <li>April 12, 2011 DPR returned package with approval signatures.</li> <li>May 10, 2012 – Public Hearing – Board voted to adopt.</li> <li>March 22, 2013 rulemaking file filed with Office of Administrative Law</li> <li>May 8, 2013 – Disapproved by OAL</li> <li>Economic Impact Statement not included June 25, 2013 – 15 day notice to add</li> <li>Economic Impact Statement</li> <li>July 17, 2015 – Resubmitted to OAL</li> <li>August 8, 2013 – Approved by OAL</li> <li>Became Effective October 1, 2013</li> </ul>
	Citation - Assessment of Fines – SB 362 increased max fine amount to \$5000.	

1922	Civil Penalty Actions by Commissioners – Specifies penalty ranges. Penalty ranges serious, minor and moderate upped to mirror new law.	May 14, 1998 – Approved by the Office of Administrative Law. Noticed for Public Hearing: October 7, 2005. Adopted by the Board. August 25, 2006 – Approved by the Office of Administrative Law.
1922.3	Course requirements by County Agricultural Commissioners - Will place into regulation specific guidelines for licensee / County Ag Commissioners re: civil penalty actions.	Noticed for the April 23, 2004 Board Meeting. Approved by the Office of Administrative Law - July 6, 2005.
1923	Consumer Complaint Disclosure. DCA created new document: Public Information System – Disclosure.	July 18, 2003 - Public Hearing - Board approved to adopt after proposed language modified with a 15-day public comment period. Rulemaking file placed on hold due to Executive Order. Withdrawn by DCA Legal Dept. Noticed for Public Hearing: October 7, 2005. Board voted to not proceed. (Language needs re-drafting – (a)4(d)(A) and (B)(ii) – now conforms to healing arts situation, and, if [A] is satisfied – so is [B])
1934	Board Approved Operator's License Course – Specifies time period in which courses must be completed.	August 13, 1998 – Approved by the Office of Administrative Law.

1936	Operator and Field Representative License Applications Revisions to include military and veteran status, revised criminal history question, etc.	<ul> <li>March 27, 2014 – Staff directed by Board to begin rulemaking process to revise forms June 4, 2015 - Noticed for Public Hearing</li> <li>July 23, 2015 - Public Hearing – Adopted by Board.</li> <li>August 20, 2015 – To DCA for legal review.</li> <li>June 8, 2016 – 15 Day Notice of Modified Text issued to clarify that California ID in lieu of driver license is acceptable.</li> <li>October 12, 2016 – Approved and Effective January 1, 2017</li> </ul>
1936.1	Company Registration Form Revisions to include military and veteran status, revised criminal history question, etc.	<ul> <li>March 27, 2014 – Staff directed by Board to begin rulemaking process to revise forms</li> <li>June 4, 2015 - Noticed for Public Hearing</li> <li>July 23, 2015 - Public Hearing – Adopted by Board.</li> <li>August 20, 2015 – To DCA for legal review.</li> <li>June 8, 2016 – 15 Day Notice of Modified Text issued to clarify that California ID in lieu of driver license is acceptable.</li> <li>October 12, 2016 – Approved and Effective January 1, 2017</li> </ul>
1936.2	Applicator – Established by regulation the form for the applicator's license.	August 12, 1996 – Approved by the Office of Administrative Law.

1936.2	Applicator License Application Form Revisions to include military and veteran status, revised criminal history question, etc.	<ul> <li>March 27, 2014 – Staff directed by Board to begin rulemaking process to revise forms</li> <li>June 4, 2015 - Noticed for Public Hearing.</li> <li>July 23, 2015 - Public Hearing – Adopted by Board</li> <li>August 20, 2015 – To DCA for legal review.</li> <li>June 8, 2016 – 15 Day Notice of Modified Text issued to clarify that California ID in lieu of driver license is acceptable.</li> <li>October 12, 2016 – Approved and Effective January 1, 2017</li> </ul>
1937	Qualification of Applicant – Specifies minimum number of hours of training and experience. IPM training and experience – Requires that branch 2 and/or 3 applicants complete training and experience in structural Integrated Pest Management as part of their pre-licensing requirements	August 13, 1998 – Approved by the Office of Administrative Law. January 2008 – Noticed for Public Hearing to amend the current regulation. April 18, 2008 - Public Hearing - Board approved to adopt. June 26, 2008 - Rulemaking file submitted to DCA for Director review. November 18, 2008 – Clarification of the effective date needed for section 1950 of the rulemaking file. January 6, 2009 – Rulemaking file submitted to DCA for Director review. March 20, 2009 - Approved by the Office of Administrative Law.

1937.11	Disciplinary Guidelines – Incorporates by reference the Manual of Disciplinary Guidelines and Model Disciplinary Orders. Clean up language to change reference of UC Berkeley correspondence course to a CE course approved by board.	<ul> <li>April 14, 1997 – Approved by the Office of Administrative Law.</li> <li>Board approved on October 28, 2010.</li> <li>December 22, 2010 Notice, ISOR, Language, Std 399 submitted to Linda Otani for review/approval by DPR and Agency.</li> <li>April 12, 2011 DPR returned package with approval signatures.</li> <li>May 10, 2012 – Public Hearing - Board voted to adopt.</li> <li>March 22, 2013 rulemaking file filed with Office of Administrative Law</li> <li>May 8, 2013 – Disapproved by OAL</li> <li>Economic Impact Statement not included June 25, 2013 – 15 day notice to add Economic Impact Statement</li> <li>July 17, 2015 – Resubmitted to OAL</li> <li>August 8, 2013 – Approved by OAL</li> <li>Became Effective October 1, 2013</li> </ul>
1937.11	Revisions Regarding When Suspension Time Must be Served, Length of Probation, Tolling of Probation, etc.	October 13, 2016 – Public Hearing was Conducted and Board Directed Staff to Begin Final Rulemaking Process January 3, 2018 – Approved by Office of Administrative Law and Effective April 1, 2018.

1937.17	Customer Notification of Licensure – Adopts regulation requiring practitioner notification to customer of licensure.	October 15, 1999 – Public Hearing - Referred to committee. January 18, 2002 - Public Hearing adopted by the board with modified text. December 16, 2002 - Approved by the Office of Administrative Law.
1940 1941 1942	Applicator – Amends these actions to make distinction between field representatives, operators and applicators.	August 12, 1996 – Approved by the Office of Administrative Law.

1948	Applicator Renewal Fee – Establishes the fee for applicator license renewal. Applicator – Establish and specify fee for applicator's license and license renewal. Applicator license/renewal fee lowered to \$10, Operator license/renewal fee lowered to \$120.	June 26, 1998 – Public Hearing. Pending approval by Department of Finance. January 20, 2000 – Public Hearing - Board voted to adopt. March 13, 2002 disapproved by OAL. April 12, 2002 Public Hearing: Board voted to take no action. May 5, 2002: Rulemaking file submitted to the Director. July 7, 2002 file disapproved, DCA opposed approval due to Board's current fund condition. April 4, 2003 - Public Hearing - Board voted to adopt. February 14, 2004 Rulemaking File expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. April 2005 - DCA opposed proposal. Withdrawn from rulemaking file on April 28, 2005 for separate submission. Noticed for Public Hearing: October 7, 2005. Adopted by the Board. August 25, 2006 – Approved by the Office of Administrative Law.
	Field Representative – Increase field representative examination fee.	October 15, 1999 – Public Hearing - Adopted by the Board. January 20, 2000 Board decided to drop this section.
1950	Continuing Education - Deletes outdated renewal requirements.	August 12, 1996 - Approved by the Office of Administrative Law.

1950	Applicator Continuing Education – Establish and specify number and type of continuing education hours required for renewal of applicator's license. At April 2005 Hearing CE hours were changed to 12 hrs total, 8 covering pesticide application/use and 4 covering SPC Act & its rules & regulations or structural pest related agencies' rules & regulations.	June 26, 1998 - Public Hearing. Pending approval by Department of Finance. January 20, 2000 - Public Hearing Board voted to adopt. March 13, 2001 disapproved by the OAL. April 12, 2002 - Public Hearing. Board voted to adopt. Disapproved by the Director July 7, 2002. April 4, 2003 - Public Hearing - Board voted to proceed after 15-Day Notice. Notice mailed June 11, 2003, final comments due June 30, 2003. February 14, 2004 Rulemaking File expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Board voted to proceed after a 15- Day Notice. Notice mailed: May 27, 2005. March 21, 2006 - Approved by the Office of Administrative Law.
1950	Continuing Education - Deletes language	Change without Regulatory Effect -
	regarding Wood Roof Cleaning & Treatment Continuing Education - Hours.	Approved by the Office of Administrative Law effective March 26, 2002.
	Continuing Education - To establish four hours in ethics for license renewal of Operators and Field Representatives.	Noticed for April 23, 2004 Bd. Mtg. Matter considered and rejected at July 23, 2004 Special Mtg. Withdrawn July 2004 with Notice of Decision Not to Proceed.
1950	Continuing Education - Requires that branch 2 and/or 3 licensees gain continuing education hours in structural Integrated Pest Management as part of their license renewal requirements.	Noticed for the April 18, 2008 Board Meeting. April 18, 2008 - Public Hearing - Board approved to adopt after proposed language modified with a 15-day public comment period. June 26, 2008 - Rulemaking file submitted to DCA for Director review. November 18, 2008 - Clarification of the effective date needed for section 1950 of the rulemaking file. January 6, 2009 - Rulemaking file submitted to DCA for Director review. March 20, 2009 - Approved by the Office of Administrative Law.

1950	CE IPM Review Committee's Recommended Continuing Education Amendments	April 1, 2018 — Staff Preparing Regulatory Proposal
1950.1	Armed Services Exemption – Grants a one- year extension for a licensee to complete his/her continuing education requirements if his/her license expired while serving for the United States armed services.	Noticed for the January 23, 2009 Board Meeting. January 23, 2009 - Public hearing, Board voted to send out 15-day notice of modified text. February 9, 2009 – Notice of modified text sent out. June 10, 2009 - Rulemaking file submitted to DCA for Director review. August 5, 2009 – Received approved rulemaking file from DCA. August 5, 2009 – Final rulemaking file submitted to OAL. September 16, 2009 – Approved by the Office of Administrative Law

1950.5	CE IPM Review Committee's Recommended Continuing Education Amendments	April 1, 2018 — Staff Preparing Regulatory Proposal
1950.5(c),(d)(g),(h),[g)	Continuing Education - Requires that course providers administer a second examination.	March 13, 1996 - Approved by the Office of Administrative Law.
1950.5(c),(d)(g),(h),[g)	Continuing Education Requirements, Hour Value System, removal of language regarding wood roof cleaning and treatment.	March 26, 2002 - Approved by the Office of Administrative Law
1950.5	Hour Value System - Require all C.E. providers to administer written tests after licensees complete approved courses in technical or rules and regulations; equivalent activities will no longer be granted C.E.; Board mtg. attendance will drop to 4 hrs total C.E. credit - 1 hr General Ed and 1 hr Rules & Regs per meeting.	Noticed for the April 23, 2004 Board Meeting. Approved by the Office of Administrative Law - July 6, 2005.

1950.5	Hour Value System - Establish an hour value for board approved Integrated Pest Management courses.	Noticed for the April 18, 2008 Board Meeting. April 18, 2008 - Public Hearing - Board approved to adopt. June 26, 2008 - Rulemaking file submitted to DCA for Director review. November 18, 2008 – Clarification of the effective date needed for section 1950 of the rulemaking file. January 6, 2009 – Rulemaking file submitted to DCA for Director review. March 20, 2009 - Approved by the Office of Administrative Law.
1951	Continuing Education - Makes distinction between field representative, operators and applicators. Continuing Education – Licensing examination to replace continuing education	August 12, 1996 - Approved by the Office of Administrative Law. October 15, 1999 – Public Hearing - referred to committee. April 6, 2000 – Committee recommendations
	examination. Examination in Lieu of C.E To change references of operator/field representative to "licensee" and clarify that a passing score is 70% or higher.	Noticed for the April 23, 2004 Board Meeting. Approved by the Office of Administrative Law - July 6, 2005.
1953	CE IPM Review Committee's Recommended Continuing Education Amendments	April 1, 2018 — Staff Preparing Regulatory Proposal
1953(a)	Providers of Continuing Education - C.E. providers that providers do not charge an attendee fee to be exempt from the \$25 course approval fee. Thus eliminating financial burden to the provider. Adopt a revised form 43M-18.	January 11, 2001 - Public Hearing - Board voted to adopt. February 2001-DCA opposed proposal. July 18, 2003 - Public Hearing Board voted to adopt new form. March 17, 2004 Rulemaking file on hold due to Executive Order. Approved by Office Of Administrative Law on August 12, 2004.

1953(f)(3)	Approval of Activities - Revised Form.	July 18, 2003 Public Hearing - Board voted to adopt the revised form. Approved by Office Administrative Law, Section 100 Change effective on May 2, 2003.
1953(f)(3)	Section 100 Change – Typo. The dates for the form numbers were duplicated. Delete (New 5/87) and replace it with (Rev. 11/99) Revise the form - Return it back to 43M-38 (5/87). Current form (Rev.11/99) is obsolete.	Section 100 Change to OAL on May 13, 2004. Withdrawn June 17, 2004. Change requires language be re-noticed. Board needs to notice for public hearing.
	Correction of reversal of form numbers 43M- 38 and 43M-39 in language and 43M-39 given Rev.10/03 date.	Approved by the Office of Administrative Law - July 6, 2005
1953(3) (A)(C)(D)(E) (4)(g)	Approval of Activities - Clean up language in item (3)(A), define "syllabus" in item (3)(C), revision of form No 43M-39, and language regarding the cost of postage in item (3)(D), delete the words "or products" and language regarding the approval for meetings of in- house staff or employee training being approved in item (4)(g).	Noticed for April 23, 2004 Board Meeting. Approved by the Office of Administrative Law - July 6, 2005.
1953(f)(3)(D)	Approval of Activities - Remove the requirement that continuing education course providers provide course evaluation forms to students.	Noticed for the April 18, 2008 Board Meeting. April 18, 2008 - Public Hearing - Board approved to adopt. June 26, 2008 - Rulemaking file submitted to DCA for Director review. November 18, 2008 – Clarification of the effective date needed for section 1950 of the rulemaking file. January 6, 2009 – Rulemaking file submitted to DCA for Director review. March 20, 2009 - Approved by the Office of Administrative Law.

1960	Fingerprint Requirement – requires all licensees who have not previously been fingerprinted to do so upon license renewal Standards - Construction elements allowing	March 26, 2015 - Text Approved by Board Members June 4, 2015 - Noticed for Public Hearing July 23, 2015 - Public Hearing – Adopted by Board. August 20, 2015 – To DCA for review. December 1, 2015 – Approved by DCA, to Agency for review. January 21, 2016 – To OAL for final review. February 29, 2016 – Approved and effective.
	passage of fumigants.	voted to adopt with modifications. November 23, 2001 - Approved by the Office of Administrative Law.
1970	Fumigation Log - Delete the reporting requirements of the name and address of the guard, and delete the date and hour the police department was notified of fumigation. Rev. form 43M-47.	January 11, 2001 - Public Hearing - Board voted to adopt. Rulemaking file not complete by deadline of December 1, 2001. April 4, 2003 - Public Hearing. Due to errors in language, re-noticed for July 18, 2003 - Public Hearing. Board voted to adopt new language and revise log form number 43M-47. Approved by Office of Administrative Law on August 12, 2004.
1970	Add additional fumigant calculators on the Fumigation Log	Noticed for Public Hearing July 20, 2007. July 20, 2007 - Public Hearing. Board voted to adopt. September 26, 2007 language under DCA legal review by the Director. March 17, 2008 – Approved by the Director, filed with the Office of Administrative Law. April 29, 2008 – Approved by the Office of Administrative Law.

		July 18, 2003 - Board voted to place on October 17, 2003 board meeting agenda. October 17, 2003 Board voted not to adopt.
1970	Standards and Record Requirements - Fumigating contractors will be required to provide a complete fumigation log to its prime contractors and retain the log for 3 years.	Noticed for Public Hearing July 20, 2007. July 20, 2007 - Public Hearing. Board voted to adopt. September 26, 2007 language under DCA legal review by the Director. March 17, 2008 – Approved by the Director, filed with the Office of Administrative Law. April 29, 2008 – Approved by the Office of Administrative Law.
1970.3	Securing Against Entry - Includes clamshell locks and pins in general description of secondary locks.	March 13, 1996 - Approved by the Office of Administrative Law.
1970.4	Pesticide Disclosure Requirement - Requires primary contractor to retain OFN for three years.	July 28, 1995 - Board voted to adopt. Technical error - Necessary to re-notice all amendments.
	Pesticide Disclosure Requirement - Includes the required Occupants Fumigation Notice into regulation.	May 12, 1995 - Public Hearing. Referred to the Laws and Regulations Committee for further review. December 8, 1995 - Board adopted revision to the OFN. Technical error-Necessary to re-notice all amendments.
1970.4	Pesticide Disclosure Requirement - Requires primary contractor to retain Occupants Fumigation Notice (OFN) for three years. Includes the required OFN into regulation.	April 28, 1998 – Approved by the Office of Administrative Law.
	Pet Notification - Amends OFN to include notification regarding neighboring pets.	January 20, 2000 - Board voted to adopt. June 23, 2000 Board voted not to proceed. January 2005 Board voted to proceed. Noticed for Public Hearing July 15, 2005. December 30, 2005 – Approved by the Office of Administrative Law.

1970.4	Pesticide Disclosure Requirement Additional Updates Allowing Information About Pesticide Use to be Distributed Electronically.	October 8, 2015 – Language approved by the Board January 30, 2018 – Proposed Language Disapproved by DCA Legal
1970.4	Allows for signed Occupants Fumigation Notice to be in electronic format	January 15, 2015 - Text Approved by Board Members June 4, 2015 - Noticed for Public Hearing July 23, 2015 - Public Hearing. August 20, 2015 - To DCA for review. February 17, 2016 - To OAL for final review. March 22, 2016 - Approved to become effective July 1, 2016. Industry notified May 31, 2016.
1970.4	Disclosure Requirement – Include presence of conduit language on the OFN	Noticed for Public Hearing July 20, 2007. July 20, 2007 - Public Hearing. Board voted to adopt. September 26, 2007 language under DCA legal review by the Director. March 17, 2008 – Approved by the Director, filed with the Office of Administrative Law. April 29, 2008 – Approved by the Office of Administrative Law.
	Disclosure Requirement - Deletes language regarding Wood Roof Cleaning & Treatment Pesticide.	March 26, 2002 change without regulatory effect approved by the Office of Administrative Law.

1970.5	Aeration - Clarifies that a field representative or operator must be present during aeration. Amendment regarding when licensee is required to be present to correlate with DPR's CAP regulation. – DEAD 05/10/12	<ul> <li>August 12, 1996 – Approved by the Office of Administrative Law.</li> <li>December 22, 2010 Notice, ISOR, Language, Std 399 submitted to Linda Otani for review/approval by DPR.</li> <li>March 11, 2011 DPR request this regulation be repealed.</li> <li>April 28, 2011 Board voted to repeal regulation.</li> <li>May 10, 2012 – Public Hearing – Board voted to non-adopt proposed repeal of regulation.</li> </ul>
1970.6	Fumigation - Construction elements allowing passage of fumigants.	December 16, 1998 - Public Hearing - Action postponed until further input. June 18, 1999 - Board voted to adopt with modifications. November 23, 2001 - Approved by the Office of Administrative Law.
1971	Gas Masks – Removed the subsection concerning gas masks. B&P Code section 8505.15 was repealed January 1, 2008	<ul> <li>Noticed for Public Hearing July 24, 2009</li> <li>July 24, 2009 – Board members voted to carryover to next board meeting.</li> <li>October 22, 2009 – Board members voted not to proceed with amending the regulation.</li> </ul>
	Re-entry Requirements - Requires use of proper testing equipment and changes printing on re-entry notice from red to black.	March 13, 1996 - Approved by the Office of Administrative Law.
1973	Notice of Re-entry – Replace a product trade	Noticed for Public Hearing July 20, 2007. July 20, 2007 - Public Hearing. Board voted to adopt. September 26, 2007 language under DCA legal review by the Director.
1973	name with the active ingredient.	March 17, 2008 – Approved by the Director, filed with the Office of Administrative Law. April 29, 2008 – Approved by the Office of Administrative Law.

1974	Fumigation Warning Signs - Specifies size and placement of signs. Fumigation warning signs to include the name of the fumigant used and its active ingredient.	<ul> <li>March 13, 1996 - Approved by the Office of Administrative Law.</li> <li>Noticed for Public Hearing January 21, 2010 Public hearing held January 21,2010 – Board voted to adopt .</li> <li>May 18, 2010, Rulemaking File submitted to DPR for approval.</li> <li>September 23, 2010 DPR returned package with approval signatures.</li> <li>September 30, 2010 Rulemaking File submitted to OAL.</li> <li>November 8, 2010 approved by OAL</li> </ul>
1983(i)	Handling, Use and Storage of Pesticides - Clarification of bait station (rodenticide and avicide) reference.	December 16, 1998 - Public Hearing December 30, 1998 - Notice of Modification mailed. January 11, 2001 - Public Hearing - Board voted to adopt. Rulemaking File not complete by deadline date of December 1, 2001. April 4, 2003 - Public Hearing - Board voted to adopt. February 14, 2004 Rulemaking File expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. March 21, 2006 - Approved by the Office of Administrative Law.
1983(j)	Language regarding the removal of termite bait stations when a contract for service is terminated.	July 18, 2003 - Public hearing Board voted to adopt with proposed amendments. Approved by the Office of Administrative Law on August 12, 2004

1984	Proposed regulation to define structural Integrated Pest Management	October 2007 – Noticed for Public Hearing to adopt new section. March 10, 2008 – Final rulemaking file submitted to the Department. June 6, 2008 – Approved by the Director, filed with the Office of Administrative Law. July 9, 2008 - Approved by the Office of Administrative Law. Noticed for the January 23, 2009 Board Meeting. January 23, 2009 - Public hearing, Board voted to adopt with proposed amendments. June 10, 2009 - Rulemaking file submitted to DCA for Director review. August 5, 2009 – Received approved rulemaking file from DCA. August 5, 2009 – Final rulemaking file submitted to OAL. September 16, 2009 – Approved by the Office of Administrative Law
1990	Report Requirements - Defines separated reports and structural members, and addresses reporting requirements for carpenter ants/bees.	March 13, 1996 - Approved by the Office of Administrative Law.
1990	Report Requirements Under Section 8516 Makes various changes to clarify and update existing language.	January 14, 2016- Language approved by Board and staff instructed to begin the rulemaking process. April 1, 2018 - Staff Preparing Regulatory Proposal.
1990(g)	Report Requirements – Inspection of wooden decks.	April 28, 1998 - Approved by the Office of Administrative Law.
1990.1	Report Requirements - Repeal language under Section 8516.1(b) and (c)(1)(8).	March 26, 2002 change without regulatory effect - Approved by the Office of Administrative Law.
1991	Report Requirements - Eliminates requirement to cover accessible pellets and frass, and requires replacement of wood members no longer serving purpose to support or adorn the structure.	March 13, 1996 - Approved by the Office of Administrative Law.
--------------------------	--	--
1991(A)(B) (C)	Report Requirements - Specifies the restoration, refastening, removal or replacement of wooden decks, wooden stairs or wooden landings.	April 28, 1998 - Approved by the Office of Administrative Law.
1991(a)(5) 1991(a)(5)	Report Requirements – Allows for reinforcement of fungus infected wood and permits surface fungus to be chemically treated or left as is once the moisture is eliminated.	April 3, 1996 – Approved by the Office of Administrative Law.
	Report Requirements – Requires registered companies to report that local treatment and/or corrective work will not eradicate other undetected infestations which may be located in other areas of the structure.	October 6, 1995 – Public Hearing - Board voted to non-adopt. Referred to committee to consider the matter of an all-encompassing disclosure statement on all inspection reports addressing inaccessible areas and potential infection and infestations.
1991(a)(8)c)	Report Requirements - Local treatment	October 15, 1999 Public Hearing - Board voted to adopt. January 11, 2001 - Referred back to committee for comments. October 19, 2001 Public Hearing - Board voted to non-adopt, referred language back to committee. August 31, 2002 publication date expired. October 11, 2002 - Re-noticed -Public
1991 (cont.)	notification.	Hearing. Board voted to adopt. January 8, 2003 language under DCA legal review by the Director. February 21, 2003 filed with the Office of Administrative Law. Rulemaking file withdrawn from OAL March 27, 2003 pending a 15-Day Notice. File resubmitted to OAL. July 26, 2003 - Approved by the Office of Administrative Law.

1991(a)(9)	Report Requirement - Corrective Measures for extermination of a subterranean termite infestation and termite tubes. Exception for above ground termite bait stations.	January 11, 2001 Board voted to amend 1991(a)(9). October 19, 2001 Board passed unanimously to modify language with a 15- Day Notice. Notice mailed January 28, 2002, 1 year past the publication date. Bd. needs to re-notice. Noticed for Public Hearing July 15, 2005. December 30, 2005 – Approved by the Office of Administrative Law.
1991(13)(A) (B)(C)	Report Requirements - Delete specific recommendations regarding wooden decks, wooden stairs and landings. Language already exists in 1991(a)(5).	<ul> <li>October 19, 2001 Board voted to repeal the language. August 31, 2002 publication date expired.</li> <li>April 4, 2003 - Public Hearing. Board voted to go forward after 15-Day Notice. Notice mailed June 11, 2003, final comments due June 30, 2003. February 14, 2004 rulemaking file expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. March 21, 2006 - Approved by the Office of Administrative Law.</li> </ul>
1991(b)(10)	Report Requirements – Non-substantive correction to heading.	March 28, 2000 – Filed with the Office of Administrative Law. May 15, 2000 - Approved by the Office of Administrative Law.
1991	Report Requirements Makes Various Changes to the Language in Order to Promote Clarity and Consistency	January 14, 2016- Language approved by Board and staff instructed to begin the rulemaking process April 1, 2018 - Staff Preparing Regulatory Proposal

1992	Secondary Recommendations Changes Language to Specifically State That Secondary Recommendations Must be Listed on the Notice of Work Completed / Not Completed	January 14, 2016- Language approved by Board and staff instructed to begin the rulemaking process April 1, 2018 - Staff Preparing Regulatory Proposal					
1993(a)(b) (c)(d)(e)	Inspection - Specifies that reports shall comply With 8516 and defines different types of inspection reports. Also clarifies difference between duties performed by a field representative, operator and applicator.	March 13, 1996 - Approved by the Office of Administrative Law.					
	Inspection Reports - Clarifies that the requirement applies to licensed field representative and licensed operators, not license applicators.	August 12,1996 - Approved by the Office of Administrative Law.					
1993	Deletes language regarding the filing of stamps.	April 4, 2003 - Public Hearing - Board voted to adopt. February 14, 2004 rulemaking file expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. March 21, 2006 - Approved by the Office of Administrative Law.					
1993, 1998	Report Requirements – To eliminate reference to filing inspection reports and notices of work completed and require companies to file the address of properties inspected.	January 20, 2000 - Public Hearing Board voted to adopt. March 13, 2001 Rulemaking File disapproved by the Office of Administrative Law. April 4, 2003 - Public Hearing. Sec.1996 proceed with a 15-Day Notice, Sec. 1996.3 re-notice for July 18, 2003 meeting, Sec.1993 & 1998 Board voted to adopt. February 14, 2004 Rulemaking File expired due to Executive Order. Noticed for Public Hearing: April 8, 2005. Adopted by the Board. March 21, 2006 - Approved by the Office of Administrative Law.					

1993.1	Reinspection Language – To adopt section 1993.1 to require Wood Destroying Pest and Organism Inspection Reports to contain statement that work performed by others must be reinspected within ten days of request at a charge no greater than the original inspection fee.	May 22, 1998 – Rulemaking file disapproved by Office of Administrative Law. December 16, 1998 – Public Hearing. December 30, 1998 - Notice of Modifications mailed. January 11, 2001 - Public Hearing. Board voted to adopt. December 1, 2001 rulemaking file not completed by deadline. April 4, 2003 re-noticed for Public Hearing. Approved by the Office of Administrative Law – July 6, 2005.
1993.2	Bait Stations.	October 19, 2001 Board passed to adopt new language. Publication date expired. October 11, 2002 language re-noticed for Board meeting. December 23, 2002 rulemaking file under review. January 8, 2003 under DCA legal review by the Director. February 21, 2003 filed with the Office of Administrative Law. March 27, 2003 rulemaking file withdrawn from OAL pending a 15-Day Notice. July 26, 2003 - Approved by the Office of Administrative Law.
1993.2	Termite Bait Stations. Defines above and below ground termite bait stations as devices containing pesticide bait. Specifies that use of termite bait stations are a control service agreement.	October 13, 2016 – Public Hearing was Conducted and Board Directed Staff to Begin Final Rulemaking Process October 6, 2017 – Approved by Office of Administrative Law. Effective January 1, 2018

1993.3	In-Ground Termite Bait Stations.	October 12, 2001 Board passed to adopt new language. Publication date expired. Language re-noticed for October 11, 2002 Board meeting. Rulemaking package under review 12-23-02. January 8, 2003 – Under DCA legal review by the Director. February 21, 2003 filed with the Office of Administrative Law. March 27, 2003 rulemaking file withdrawn from OAL pending a 15-Day Notice. July 26, 2003 - Approved by the Office of Administrative Law.
1993.3	In-Ground Termite Bait Stations. Being repealed. Language in 1993.2 & 1993.4 make this section obsolete.	October 13, 2016 – Public Hearing was Conducted and Board Directed Staff to Begin Final Rulemaking Process October 6, 2017 – Approved by Office of Administrative Law. Effective January 1, 2018
1993.4	Termite Monitoring Devices. New section defining termite monitoring devices and providing guidelines for their installation and use.	October 13, 2016 – Public Hearing was Conducted and Board Directed Staff to Begin Final Rulemaking Process October 6, 2017 – Approved by Office of Administrative Law. Effective January 1, 2018
1996	Pre-Treatment - Specifies Pre-Treatment Inspection Report/Notice of Intent form. Inspection Report – Includes a first page of the Inspection Report for scanning purposes.	August 30, 1996 - Public Hearing. Amendment was not adopted. Board referred to Pre-Treatment Committee. August 13, 1998 – Approved by the Office of Administrative Law.

1996	Requirements for Reporting All Inspections Under Section 8516(b).	January 18, 2002 Public Hearing - Board voted to adopt. Form Rev. date completed 1- 15-03. April 4, 2003 Board again voted to adopt regulatory lang. Noticed for Public Hearing July 15, 2005. December 30, 2005 – Approved by the Office of Administrative Law.
	Revised Inspection Report Form and Standard Notice of work Completed and Not Completed.	December 16, 2002 - Approved by the Office of Administrative Law.
1996.1	Inspection and Completion Tags - The completion tag shall include the method(s) of treatment. Completion tag to include the trade name of any pesticide used and active ingredient.	July 18, 2003 Public Hearing - Board members voted to adopt. Rulemaking file placed on hold due to Executive Order. Approved by Office of Administrative Law August 12, 2004 Noticed for Public Hearing January 21, 2010 Public hearing held January 21,2010 – Board voted to adopt. May 18, 2010, Rulemaking File submitted to DPR for approval. September 23, 2010 DPR returned package with approval signatures. September 30, 2010 Rulemaking File submitted to OAL. November 8, 2010 approved by OAL.
	Completion Notice – Includes a first page of the Completion Notice for scanning purposes.	August 13, 1998 – Approved by the Office of Administrative Law.
1996.2	Revised Completion Notice Form.	January 18, 2002 Public Hearing - Adopted by the Board. December 16, 2002 - Approved by the Office of Administrative Law.

1996.3	Requirements for Reporting property addresses. Adopt new language that will provide guidelines of what is required when filing the WDO form with the Board. Increase filing fee to \$2.00 on form Increase filing fee to \$2.50 on form	<ul> <li>March 17, 2003 Rulemaking file on hold due to Executive Order.</li> <li>July 18, 2003 Public Hearing - Board voted to adopt after a 15-Day Notice of modified language.</li> <li>Approved by Office of Administrative Law July 13, 2004</li> <li>Noticed for Public Hearing July 24, 2009 July 24, 2009 – Board voted to adopt.</li> <li>Sept. 3, 2009 – Rulemaking file submitted to DCA for review.</li> <li>January 21, 2010, Board considered 15-day comments to increase fee to \$2.50. Board voted to adopt at \$2.50 per activity.</li> <li>May 20, 2010 Office of Administrative Law approves Rulemaking File to increase fee to \$2.50 effective July 1, 2010.</li> </ul>
1997	Filing Fee – Inspection Reports and Completion Notices. Filing Fee – Inspection Reports and Completion Notices – Fee increase.	October 15, 1996 – Approved by the Office of Administrative Law. December 16, 1998 – Public Hearing Adopted by Board. Rulemaking file not submitted based on recommendations from DCA that fee increase not necessary to fund condition.

	Filing Fee – WDO Activity Filing Fee.	December 16, 1999 – Non-substantive change without regulatory effect filed with the Office of Administrative Law. January 28, 2000 - Approved by the Office of Administrative Law.				
1997		Noticed for Public Hearing July 24, 2009 July 24, 2009 Board voted to adopt. Sept. 3, 2009 – Rulemaking file submitted to DCA for review.				
	Filing Fee – Increase WDO Activity Filing Fee to \$2.00.	Dec. 28, 2009 – Board passed unanimously to modify language with a 15-Day Notice. Notice mailed on December 29, 2009, final comments due January 13, 2010				
	15-Day Modified Text to increase fee to \$2.50 per activity effective July 1, 2010	January 21, 2010, Board considered 15-day comments to increase fee to \$2.50. Board voted to adopt at \$2.50 per activity. May 20, 2010 Office of Administrative Law approves Rulemaking File to increase fee to \$2.50 effective July 1, 2010.				
1000 5	Advertising Guidelines.	June 18, 1999 – Public Hearing August 27, 1999 – Modified language mailed November 22, 2001 approved by the Office of Administrative Law. September 24, 2002 non-substantive change without regulatory effect approved by the Office of Administrative Law.				
1999.5		October 2007 – Noticed for Public Hearing to amend the current regulation. January 2008 – Board moved to request further analysis by Legal Counsel and staff. June 26, 2008 - Rulemaking file submitted to DCA for Director review.				

1999.5 (cont.)	Include an introductory statement to clarify the purpose of the regulation. Clarify that certain subsections pertain only to Branch 3 companies.	<ul> <li>September 11, 2008 - Rulemaking file submitted to OAL for approval. October 24, 2008 - Rulemaking file disapproved by OAL.</li> <li>February 19, 2009 - Task Force meeting held to discuss OAL's disapproval</li> <li>March 2009 - Extension granted by OAL.</li> <li>June 2, 2009 - Resubmittal submitted to DCA for Director review.</li> <li>June 8, 2009 - Resubmittal submitted to OAL for approval.</li> <li>July 17, 2009 - Approved by OAL</li> </ul>
----------------	---	--



continuing to retain a driver if he or she is convicted of, among other things, any one of a number of specified sex offenses, any burglary of the first degree, or human trafficking. The bill would additionally prohibit a transportation network company from contracting with, employing, or retaining a driver if he or she has been convicted, within the previous 7 years, of, among other things, any burglary of the second degree, any specified crime committed against an elder or a dependent adult, any assault or battery, or shoplifting. The bill would also extend the period of time for the disqualifying offense of a conviction for driving under the influence of alcohol or drugs from within the previous 7 to 10 years.

(2) Because a violation of the act and these provisions is a crime and this bill would expand the scope of the act, this bill would impose a state-mandated local program.

(3) 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.

Existing law establishes the Structural Pest Control Board within the Department of Consumer Affairs to define, license, and regulate structural pest control operators. Existing law defines pesticide to include any spray adjuvant and any substance, or mixture of substances, intended to be used for preventing, destroying, repelling, or mitigating any pest or organism.

This bill would make a nonsubstantive change to that provision.

Vote: majority Appropriation: no Fiscal Committee: noves Local Program: noves

### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

#### SECTION 1. Section 5445.2 of the Public Utilities Code is amended to read:

**5445.2.** (a) (1) A transportation network company shall conduct, or have a third party conduct, a local and national criminal background check for each participating driver that shall include both of the following:

(A) The use of a multistate and multijurisdiction criminal records locator or other similar commercial nationwide database with validation.

(B) A search of the United States Department of Justice National Sex Offender Public Web site.

(2) A transportation network company shall not contract with, employ, or retain a driver if he or she meets either of the following criteria:

(A) Is currently registered on the United States Department of Justice National Sex Offender Public Web site.

- (B) Has been convicted of any of the following offenses:
- (i) A violent felony, as defined in Section 667.5 of the Penal Code.

(ii) A violation of Section 11413, 11418, 11418.5, or 11419 of the Penal Code.

(iii) Any offense enumerated in subdivision (c) of Section 290 of the Penal Code.

(iv) Section 530.5 of the Penal Code.

(v) Any burglary of the first degree.

(vi) Subdivision (a) of Section 236.1 of the Penal Code.

(vii) Subdivision (a) of Section 266h or subdivision (a) of Section 266i of the Penal Code.

- (viii) Subdivision (b) or (c) of Section 368 of the Penal Code.
- (ix) Section 29800 or Section 29900 of the Penal Code.

(x) Section 186.10 of the Penal Code.

(3) A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within the previous seven years:

- (A) Misdemeanor assault Assault or battery.
- (B) A domestic violence offense.

(C)Driving under the influence of alcohol or drugs.

(D)

(C) A felony violation of Section 18540 of the Elections Code, or of Section 67, 68, 85, 86, 92, 93, 137, 138, 165, 518, 530, or 18500 of, subdivision (a) of Section 484 of, subdivision (a) of Section 487 of, or subdivision (b) of Section 25540 of, the Penal Code.

(D) Any burglary of the second degree.

(E) Subdivision (d) or (e) of Section 368 of the Penal Code.

(F) Section 23103, as specified in Section 23103.5, of the Vehicle Code.

(G) Section 459.5 of the Penal Code.

(H) Subdivision (a) of Section 484 of the Penal Code.

(4) A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of driving under the influence of alcohol or drugs within the previous 10 years.

(4)

(5) Paragraphs (2) and (3) (2), (3), and (4) apply with respect to a conviction of any offense committed in another jurisdiction that includes all of the elements of any of the offenses described or defined in those paragraphs.

#### (5)

(6) This section shall not be interpreted to prevent a transportation network company from imposing additional standards.

(b) A transportation network company that violates, or fails to comply with, this section is subject to a penalty of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each offense.

(c) (1) Notwithstanding Section 1786.12 of the Civil Code, an investigative consumer reporting agency may furnish an investigative consumer report to a transportation network company about a person seeking to become a participating driver, regardless of whether the participating driver is to be an employee or an independent contractor of the transportation network company.

(2) Paragraph (7) of subdivision (a) of Section 1786.18 of the Civil Code does not apply to an investigative consumer report furnished to a transportation network company pursuant to paragraph (1).

**SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SECTION 1.Section 8504.1 of the Business and Professions Code is amended to read:

8504.1."Pesticide" includes any of the following:

(a)Any spray adjuvant.

(b)Any substance, or mixture of substances, that is intended to be used for preventing, destroying, repelling, or mitigating any pest or organism.



An act to amend Section 12798 of the Food and Agricultural Code, relating to pesticides: grants. An act to amend Section 12978.7 of the Food and Agricultural Code, relating to pesticides.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2422, as amended, Bloom. Agricultural pest control research. Pesticides: use of anticoagulants.

Existing law regulates the use of pesticides and authorizes the Director of Pesticide Regulation to adopt regulations to govern the possession, sale, or use of any pesticide, as prescribed. Existing law prohibits the use of any pesticide that contains one or more of specified anticoagulants in wildlife habitat areas, as defined. Existing law exempts from this prohibition the use of these pesticides for agricultural activities, as defined. Existing law requires the director, and each county agricultural commissioner under the direction and supervision of the director, to enforce the provisions regulating the use of pesticides. A violation of these provisions is a misdemeanor.

This bill would expand this prohibition to include a pesticide containing any anticoagulant and would also prohibit the use of a pesticide containing an anticoagulant in the entire state. The bill would authorize a qualified applicator to submit an application to the Department of Pesticide Regulation to use a pesticide that contains one of specified anticoagulants for a particular pest infestation but would authorize the department to approve the application only if the qualified applicator demonstrates that he or she exhausted specified alternatives to the use of the pesticide and the use of the pesticide is required as a final treatment for the pest infestation. The bill would also authorize the use of a pesticide containing a specified anticoagulant if the State Department of Public Health determines that there is a public health emergency due to a pest infestation and the Department of Pesticide Regulation determines that controlling or eradicating the pest infestation requires the use of a pesticide containing an anticoagulant. The bill would expand the exemption for agricultural activities to include activities conducted in certain locations.

To the extent the bill would impose additional duties on county agricultural commissioners, and because the bill would expand the definition of a crime, this bill 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Existing law regulates pesticide use and generally provides that, except for specified provisions that are within the jurisdiction of the Secretary of Food and Agriculture, the enforcement of these provisions is the duty of the Director of Pesticide Regulation. Existing law requires the Department of Food and Agriculture to establish a competitive grants program to make funds available to qualified public and private entities to conduct pest management research projects.

This bill would make a nonsubstantive change to these latter provisions.

Vote: majority Appropriation: no Fiscal Committee: noyes Local Program: noyes

### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1**. (a) The Legislature finds and declares all of the following:

(1) Wildlife, including birds of prey, mountain lions, bobcats, fishers, foxes, coyotes, and endangered species such as the northern spotted owl, pacific fisher, and San Joaquin kit fox, are an irreplaceable part of California's natural ecosystems. As predators of small mammals, they play an important role in regulating and controlling the population of rodents throughout the state to improve public health and welfare.

(2) Millions of people annually visit California for the purposes of viewing and photographing wildlife, and these visits contribute millions of dollars to California's economy.

(3) Urban areas are increasingly being used by predatory mammals and birds of prey and the public enjoys seeing them and values these animals and the ecosystem services they provide.

(4) The ecosystem services provided by native wildlife predators are a public trust, just like clean air and water. We, as California residents, are obligated to conserve these wildlife populations for future generations of Californians.

(5) Scientific research and state studies have found rodenticides in over 75 percent of animals tested. These rodenticides lead to direct mortality and chronic long-term health impacts for natural predators, nontarget organisms, and endangered species and further steps are needed to reduce rodenticide exposure in nontarget animals.

(6) Rodenticides can be counterproductive to rodent control by poisoning, harming, and killing natural predators that help regulate rodent populations throughout California.

(b) It is the intent of the Legislature in enacting this act to ensure that aquatic, terrestrial, and avian wildlife species remain a fully functional component of the ecosystems they inhabit and move through in California.

(c) This act shall be known, and may be cited, as the California Natural Predator Protection Act of 2018.

SEC. 2. Section 12978.7 of the Food and Agricultural Code is amended to read:

**12978.7.** (a) Except as provided in <u>subdivision</u> subdivisions (c), (d), and (e), the use of any pesticide that contains <u>one or more of the following anticoagulants</u> an anticoagulant is prohibited in <u>a wildlife habitat area</u>: this state. Anticoagulants include, but are not limited to, the following:

(1) Brodifacoum.

- (2) Bromadiolone.
- (3) Difenacoum. Chlorophacinone.

(4) Difethialone. Difenacoum.

(5) Difethialone.

<del>(b)</del>

(6) As used in subdivision (a), a "wildlife habitat area" means any state park, state wildlife refuge, or state conservancy. Diphacinone.

(7) Warfarin.

<del>(c)</del>

(b) State agencies are directed to encourage federal agencies to comply with subdivision (a).

(c) (1) A qualified applicator licensed pursuant to Chapter 8 (commencing with Section 12201) of Division 6 may submit an application to the department pursuant to this subdivision to use a pesticide that contains an anticoagulant described in paragraphs (1) to (7), inclusive, of subdivision (a) for a particular pest infestation.

(2) The department may approve an application only if the qualified applicator satisfies the requirement described in paragraph (3) and the use of the pesticide is required as a final treatment for the pest infestation. The qualified applicator shall only use the pesticide authorized for use by the department for the pest infestation described in the application.

(3) To be eligible for an exemption pursuant to this subdivision, a qualified applicator shall demonstrate to the department that he or she exhausted all of the following alternatives to the use of a pesticide that contains an anticoagulant described in paragraphs (1) to (7), inclusive, of subdivision (a) to control the pest infestation:

(A) Using trash containers and dumpsters that are tightly sealed and using locks on the dumpsters if unauthorized access is a problem.

(B) Cleaning up any spillage in trash areas daily.

(C) Sealing all access holes in buildings or under foundations.

(D) Trapping and removing the rodents.

(E) Cleaning up rodent waste.

(F) Finding and sealing access ways to inside the building.

(G) Removing all food sources, including, but not limited to, pet food and bird feeders, and using sealed containers for any edible material stored outside such as horse feed.

(H) Removing susceptible rodent habitat and food sources such as ivy, wood piles, and fruit dropped from trees and removing tree limbs touching and overhanging buildings.

(d) This section does not apply to the use of a pesticide that contains an anticoagulant described in paragraphs (1) to (7), inclusive, of subdivision (a) if the State Department of Public Health determines that there is a public health emergency due to a pest infestation and the Department of Pesticide Regulation determines that controlling or eradicating the pest infestation requires the use of a pesticide that contains an anticoagulant described in paragraphs (1) to (7), inclusive, of subdivision (a).

<del>(d)</del>

(e) (1) This section does not apply to the use of pesticides for agricultural activities, as defined in Section 564.

(2) For purposes of paragraph (1), "agricultural activities" include activities conducted in any of the following locations:

(A) Warehouses used to store foods for human or animal consumption.

(B) Agricultural food production sites, including, but not limited to, slaughterhouses and canneries.

(C) Factories, breweries, wineries, or any other location where rodent or pest populations need to be controlled for food safety or agricultural purposes.

<del>(e)</del>

(f) This section does not preempt or supersede any federal statute or the authority of any federal agency.

**SEC.** 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SECTION 1.Section 12798 of the Food and Agricultural Code is amended to read:

12798.(a)The department shall establish a competitive grants program to make funds available to qualified public and private entities to conduct pest management research projects. All of the research related to pest management funded by the department shall be administered pursuant to this program.

(b)Research conducted pursuant to this section shall have the further development of alternative pest management practices and methods and the further development of pest exclusion detection and eradication methods as priorities. Before making research awards, the department shall assess existing research activities and developments in integrated pest management, alternatives to pesticides, and other alternative pest management practices and methods, including, but not limited to, cultural, biological, and biotechnological research.

(c)(1)The secretary shall establish a Pest Management Research Committee that shall award all funds under the competitive grants program.

(2)The primary objective of the committee is the further development of pest prevention activities and alternative pest management practices, techniques, and methods that exclude serious pests, as determined by the committee, which detect and quickly eliminate small infestations of foreign pests, and which reduce pesticide use, minimize or eliminate pesticide residues, or result in the use of safer pesticides. In achieving that objective, the committee shall encourage the development and use of biological controls, integrated pest management, biotechnology, cultural, pest prevention, and other alternative pest management methods that are environmentally sound and economically viable.

(3)The committee shall consist of the following 12 persons, who shall serve at the pleasure of the secretary:

(A)The Secretary or his or her designee, who shall serve as chairperson.

(B)The President of the University of California or his or her designee.

(C)The Chancellor of the California State University or his or her designee.

(D)Two members who represent the agricultural community, one of whom is an experienced organic farmer and one of whom is knowledgeable and experienced in alternative pest management techniques.

(E)Two members who represent pest management researchers, one of whom represents California's public and private colleges and universities and one of whom represents California's independent research community, both of whom are knowledgeable in pest prevention, control, eradication, and pest management.

(F)One member who represents public interest organizations, qualified in environmental or public health, or both, and knowledgeable in alternative pest management techniques.

(G)One member who represents the Office of Environmental Health Hazard Assessment, with experience in public health or toxicology.

(H)One member who represents county agricultural commissioners, knowledgeable and experienced in alternative pest management techniques and pest prevention, control, and eradication.

(I)One member who represents the Department of Pesticide Regulation, with experience in pest management systems.

(J)One member who represents the State Department of Health Services, with experience in public health.

(4)The committee shall award funds based upon a competitive application process that meets the eligibility of fulfilling, and has the ability to fulfill, the objectives of this section.

(5)The approval of research proposals shall be made by a majority vote of the membership of the committee.

(d)For any proposals funded pursuant to this section, the department shall require reasonable accountability, including performance standards, periodic reports, deadlines, and payments conditioned on compliance with performance standards and deadlines.

(e)Funding for second and subsequent years of a multiyear award shall be contingent upon satisfactory completion by the grantee of the prior year grant awards.

(f)In order to facilitate the utilization of pest management practices and methods developed pursuant to this section, the secretary shall cooperate with qualified public and private entities to provide outreach consultation, information dissemination, and educational services to the agricultural community and other interested parties.



Existing law, the Healthy Schools Act of 2000, requires that the preferred method of managing pests at schoolsites, as defined, is to use effective, least toxic pest management practices and requires schoolsites to maintain records of all pesticides used at the schoolsite for a period of 4 years. Existing law requires schools to provide all staff and parents or guardians of pupils enrolled at a school written notification of, among other things, expected pesticide use at that schoolsite. Existing law requires the Department of Pesticide Regulation to establish an integrated pest management training program in order to facilitate the adoption of a model integrated pest management program and least-hazardous pest control practices by schoolsites and requires certain persons who, in the course of their work, intend to apply a pesticide at a schoolsite to annually complete a training course provided by that department.

This bill would prohibit the indoor and outdoor use of pesticides on a schoolsite, except as specified, unless a local public health officer determines that a public health emergency exists requiring emergency application of a pesticide. If a public health officer determines that a public health emergency exists requiring emergency application of a pesticide, the bill would prohibit the pesticide from being sprayed, released, deposited, or applied indoors on a schoolsite while pupils are present or connected through the same ventilation system, or outdoors on a schoolsite while pupils are located in, on, or adjacent to the area of the pesticide application.

Existing law provides for the administration and operation of juvenile court schools to serve pupils who are placed in juvenile detention facilities and specified other facilities and to provide the juvenile court school pupils with quality education and training.

This bill would make nonsubstantive changes to these provisions.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known, and may be cited, as the Healthy Schools Act of 2018.

SEC. 2. The Legislature hereby finds and declares all of the following:

(a) Pesticides have been linked to numerous acute and chronic illnesses, including cancer and asthma.

(b) According to the federal Centers for Disease Control and Prevention, children between 6 and 11 years of age have higher levels of commonly used pesticides in their bodies than any other age group, with an average of six pesticides per child. According to research conducted by the University of California, San Francisco, children's diseases and conditions linked to pesticide exposure, which include learning disabilities, cancer of the brain and leukemia, birth defects, and asthma, have increased dramatically over the past 30 years. Because children's bodies and brains are still developing, exposure to pesticides can have irreversible detrimental effects. Our greatest care and caution in the use of pesticides should be employed when children are present.

(c) Recognizing the impact of pesticides on the school community, the Department of Pesticide Regulation has developed an Internet Web site, written training materials, and conducted regional training sessions to assist schools that have chosen to adopt least-toxic integrated pest management techniques and to eliminate use of the most dangerous pesticides. Many school districts and pest control operators have implemented integrated pest management programs that operate with greatly reduced use of pesticides. Many schools, maintenance staff, and pest control operators have made substantial progress since 2000 in reducing the use of pesticides on school campuses.

(d) However, many California public schools continue to use highly toxic pesticides. One-third of school districts use at least one nonexempt pesticide, as measured by the report titled, 2010 Integrated Pest Management Survey of California School Districts, prepared for the Department of Pesticide Regulation. From 2004 to 2010, surveys indicated no change in the proportion of school districts that use those less desirable pesticide practices, and 61 percent of school districts that responded to the 2010 survey stated that they were still broadcast spraying pesticides, one of the highest risk practices for exposing children and staff and contaminating the environment. Of the school districts that claimed to be implementing integrated pest management practices, 56 percent stated that the costs were the same or less than using chemical-intensive methods.

(e) According to the State Department of Education, there are over 1,000 school districts, and over 10,000 schools in California serving over 6,200,000 pupils.

(f) It is necessary to take precautionary measures to protect the health and safety of California schoolchildren and teachers, and better ensure a safe learning and working environment.

SEC. 3. Section 17610.2 is added to the Education Code, to read:

**17610.2.** (a) The indoor use of a pesticide on a schoolsite, excluding family day care homes, as defined in Section 1596.78 of the Health and Safety Code, is prohibited unless a local public health officer determines that a public health emergency exists requiring emergency application of a pesticide.

(b) For purposes of this section, "pesticide" does not include any of the following:

(1) Antimicrobial pesticides and products.

(2) Rodent bait used in a tamper-resistant, secured container.

(3) Ready-to-use gel formulations of insecticide applied in areas inaccessible to pupils and the general public.

(4) Insect bait used in a tamper-resistant container, or placed in an area inaccessible to pupils and the general public.

(5) Pesticides classified by the federal Environmental Protection Agency as exempt under Section 152.25 of Title 40 of the Code of Federal Regulations.

(6) Boric acid and disodium octaborate tetrahydrate.

(7) Horticultural soaps and oils containing no synthetic pesticides or synergists and exempt under Section 25(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136w(b)).

(c) If a local public health officer determines that a public health emergency exists requiring emergency application of a pesticide pursuant to subdivision (a), the pesticide shall not be sprayed, released, deposited, or applied indoors on the schoolsite while pupils are present or connected through the same ventilation system.

(d) This section does not abrogate the authority of county health officers, the Department of Food and Agriculture, mosquito and vector control districts, the State Department of Public Health, or other state agencies that are responsible for pest management decisions that may affect public schools in California.

(e) This section does not preclude a school district from adopting or enforcing stricter pesticide use policies.

SEC. 4. Section 17610.3 is added to the Education Code, to read:

**17610.3.** (a) The outdoor use of a pesticide on a schoolsite, excluding family day care homes, as defined in Section 1596.78 of the Health and Safety Code, is prohibited unless a local public health officer determines that a public health emergency exists requiring emergency application of a pesticide.

(b) For purposes of this section, "pesticide" does not include any of the following:

(1) Antimicrobial pesticides and products.

(2) An aerosol product exempt under Section 25(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136w(b)) with a direct spray, in a container of 18 fluid ounces or less, when used to protect individuals from an imminent threat from stinging and biting arthropods.

(3) Insect or rodent bait used in a tamper-resistant, secured container.

(4) Pesticides classified by the federal Environmental Protection Agency as exempt under Section 152.25 of Title 40 of the Code of Federal Regulations.

(5) Boric acid and disodium octaborate tetrahydrate.

(6) Horticultural soaps and oils containing no synthetic pesticides or synergists and exempt under Section 25(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136w(b)).

(7) Activities undertaken at a school by participants in the state program of agricultural career technical education, pursuant to Article 7 (commencing with Section 52450) of Chapter 9 of Part 28 of Division 4 of Title 2, if the activities are necessary to meet the curriculum requirements prescribed in Section 52454. Nothing in this subdivision relieves schools participating in the state program of agricultural career technical education of any duties pursuant to this section for activities that are not directly related to the curriculum requirements of Section 52454.

(8) Agricultural uses.

(c) If a local public health officer determines that a public health emergency exists requiring emergency application of a pesticide pursuant to subdivision (a), the pesticide shall not be sprayed, released, deposited, or applied outdoors on the schoolsite while pupils are located in, on, or adjacent to the area of the pesticide application.

(d) This section does not abrogate the authority of county health officers, the Department of Food and Agriculture, mosquito and vector control districts, the State Department of Public Health, or other state agencies that are responsible for pest management decisions that may affect public schools in California.

(e) This section does not preclude a school district from adopting or enforcing stricter pesticide use policies.

SECTION 1. Section 48645 of the Education Code is amended to read:

48645.(a)The purpose of this article is to provide for the administration and operation of public schools in juvenile halls, juvenile homes, day centers, juvenile ranches, juvenile camps, regional youth educational facilities, or Orange County youth correctional centers in existence and providing services before January 1, 1990, established pursuant to Article 23 (commencing with Section 850), Article 24 (commencing with Section 894) of Chapter 2 of Part 1 of Division 2, or Article 9 (commencing with Section 1850) of Chapter 1 of Division 2.5, of the Welfare and Institutions Code or in any group home

housing 25 or more children placed pursuant to Sections 362, 727, and 730, of the Welfare and Institutions Code or in any group home housing 25 or more children and operating one or more additional sites under a central administration for children placed pursuant to Section 362, 727, or 730 of the Welfare and Institutions Code, with acceptable school structures at one or more centrally located sites to serve the single or composite populations, and to provide the juvenile court school pupils detained with quality education and training.

(b)Nothing in this section shall be construed as indicating that it is the intent of the Legislature to prevent juvenile court school pupils who are housed in group homes from enrolling in regular public schools, or that it is the intent of the Legislature to transfer the responsibility for any costs associated with the operation of group homes to the counties.

(c)The Orange County Office of Education shall only provide educational services in youth correctional centers for individuals up to 19 years of age.



### LEGISLATIVE COUNSEL'S DIGEST

SB 1481, as introduced, Hill. Structural pest control: certification.

Existing law establishes the Structural Pest Control Board within the Department of Consumer Affairs to define, license, and regulate structural pest control operators and companies. Existing law prohibits a registered company or licensee from commencing work on a contract relating to the absence or presence of wood destroying pests or organisms until an inspection has been made, as provided, and an inspection report has been delivered to the person requesting the inspection and to the property owner.

Existing law authorizes a person who orders an inspection report to also request a certification on whether evidence of the absence or presence of wood destroying pests or organisms was found and requires the registered company preforming the inspection to provide this certification, as specified. Existing law requires the certification to state that the property is free of evidence of active infestation or infection in the visible and accessible areas when the inspection report discloses infestation or infection and the notice of work indicates that all recommendations to remove that infestation or infection, and to repair damage caused by it, have been completed. Existing law makes a violation of these provisions a crime.

This bill would also require the certification to state that the property is free of evidence of active infestation or infection in the visible and accessible areas when a reinspection report indicates that all recommendations to remove that infestation or infection, and to repair damage caused by it, have been completed. Because a violation of the bill's requirements would be a crime, the bill 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 Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### SECTION 1. Section 8519 of the Business and Professions Code is amended to read:

**8519.** Certification as used in this section means a written statement by the registered company attesting to the statement contained therein relating to the absence or presence of wood-destroying pests or organisms and, listing such recommendations, if any, which appear on an inspection report prepared pursuant to Section 8516, and which relate to (1) infestation or infection of wood-destroying pests or organisms found, or (2) repair of structurally weakened members caused by such infestation or infection, and which recommendations have not been completed at the time of certification.

Any registered company which makes an inspection report pursuant to Section 8516, shall, if requested by the person ordering the inspection report, prepare and deliver to that person or his or her designated agent, a certification, to provide:

(a) When the inspection report prepared pursuant to Section 8516 has disclosed no infestation or infection: "This is to certify that the above property was inspected on \_\_\_\_\_ (date) in accordance with the Structural Pest Control Act and rules and regulations adopted pursuant thereto, and that no evidence of active infestation or infection was found in the visible and accessible areas."

(b) When the inspection report prepared pursuant to Section 8516 discloses infestation or infection and the notice of work completed prepared pursuant to Section 8518 8158, or when the reinspection report prepared pursuant to Section 8516, indicates that all recommendations to remove that infestation or infection and to repair damage caused by that infestation or infection have been completed: "This is to certify that the property described herein is now free of evidence of active infestation or infection in the visible and accessible areas."

(c) When the inspection report prepared pursuant to Section 8516 discloses infestation or infection and the notice of work completed prepared pursuant to Section 8518 indicates that the registered company has not completed all recommendations to remove that infestation or infection or to repair damage caused by it: "This is to certify that the property described herein is now free of evidence of active infestation or infection in the visible and accessible areas except as follows: \_\_\_\_\_ (describing infestations, infections, damage or evidence thereof, excepted)."

This certificate shall be accompanied by a copy of the inspection report prepared pursuant to Section 8516, and by a copy of the notice of work completed prepared pursuant to Section 8518, if any notice has been prepared at the time of the certification, or the certification may be endorsed on and made a part of that inspection report or notice of work completed.

**SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



BUSINESS. CONSUMER SERVICES. AND HOUSING AGENCY • GOVERNOR EDMUND G. BROWN JR. **STRUCTURAL PEST CONTROL BOARD-ADMINISTRATION UNIT** 2005 EVERGREEN STREET, STE. 1500 SACRAMENTO, CA 95815 P 916-561-8700 | F 916-263-2469 | <u>WWW.PESTBOARD.CA.GOV</u>



## MEMORANDUM

DATE	March 19, 2018
то	Board Members
FROM	Susan Saylor, Executive Officer
SUBJECT	Agenda Item XVII. SPCB Annual Budget / WDO Filing Fee

One of the issues (Issue #5) raised in the SPCB's 2018 Sunset Review Background paper was the long-term status of SPCB's fund condition. Based on current projections, the SPCB is projected to have 1.1 months in reserve balance by fiscal year 2018/2019. Typically, boards and bureaus within the Department of Consumer Affairs maintain a reserve balance of 6 months to be prepared for unanticipated costs.

The staff recommendation of the Senate Business, Professions, and Economic Development Committee and Assembly Committee on Business and Professions was for the SPCB to identify solutions to ensure the SPCB maintains an adequate reserve balance going forward.

Enclosed in your board packages is proposed language to amend Business and Professions Code section 8674 to raise the cap on the Wood Destroying Organisms filing fee from \$3 to \$5.

Also enclosed in your board packages is proposed language for California Code of Regulations, Title 16, section 1997 raising the Wood Destroying Organism filing fee from \$2.50 to \$3.00. Based on current projections this fee increase would add 1.5 months to the SPCB's reserve fund in fiscal year 2019/2020.

## 0775 - Structural Pest Control Fund Analysis of Fund Condition (Dollars in Thousands)

2018-19 Governor's Budget		CTUAL 013-14	CTUAL 014-15	CTUAL 015-16	CTUAL 016-17	2	CY 2017-18	E	vernor's Budget BY 018-19
BEGINNING BALANCE	\$	1,363	\$	\$ 2,201	\$ 2,041	\$	2,154	\$	1,289
Prior Year Adjustment	_\$	46	\$ 97	\$ 74	\$ 135	\$	-	\$	-
Adjusted Beginning Balance	\$	1,409	\$ 1,831	\$ 2,275	\$ 2,176	\$	2,154	\$	1,289
REVENUES AND TRANSFERS									
Revenues:									
4121200 Delinquent fees	\$	6	\$ 6	\$ 4	\$ 5	\$	6	\$	6
4127400 Renewal fees	\$	222	\$ 204	\$ 229	\$ - 220	\$	227	\$	227
4129200 Other regulatory fees	\$	3,472	\$ 3,584	\$ 3,554	\$ 3,649	.\$	3,538	\$	3,538
4129400 Other regulatory licenses and permits	\$	172	\$ 399	\$ 658	\$ 669	\$	685	\$	685
4140000 Sales of documents	\$	-	\$ 2	\$ 4	\$ 3	\$	-	\$	-
4143500 Miscellaneous services to the public	\$	1	\$ 2	\$ -	\$ 2	\$	2	\$	2
4163000 Income from surplus money investments	\$	5	\$ 5	\$ 9	\$ 15	\$	15	\$	15
4170400 Sale of fixed assets	\$	1	\$ 2	\$ -	\$ -	\$	-	\$	-
4171400 Miscellaneous revenues	\$	2	\$ 1	\$ 1	\$ 1	\$	18	\$	18
4171500 Escheat of unclaimed checks and warrants	\$	1	\$ 8	\$ 3	\$ 2	\$	2	\$	2
4173000 Penalty Assessments	\$	-	\$ 1	\$ 102	\$ 	\$	-	\$	-
4173500 Settlements/Judgements (Non Anti-Trust)	\$	99	\$ 153	\$ 51	\$ -	\$	-	\$	
Totals, Revenues	\$	3,981	\$ 4,367	\$ 4,615	\$ 4,566	\$	4,493	\$	4,493
Totals, Revenues and Transfers	\$	3,981	\$ 4,367	\$ 4,615	\$ 4,566	\$	4,493	\$	4,493
Totals, Resources	\$	5,390	\$ 6,198	\$ 6,890	\$ 6,742	\$	6,647	\$	5,782
EXPENDITURES Disbursements:			 -	 					-
1110 Department of Consumer Affairs Regulatory Boards Program Expenditures (State Operations)	\$	3,123	\$ 3,443	\$ 4,077	\$ -	\$		\$	-
1110 Department of Consumer Affairs Regulatory Boards Departmental Pro Rata (State Operations)	\$	513	\$ 551	\$ 764	\$ -	\$	-	\$	-
1111 Department of Consumer Affairs Program Expenditures (State Operations)	\$	-	\$ -	\$ -	\$ 3,606	\$	4,155	\$	4,101
1111 Department of Consumer Affairs Departmental Pro Rata (State Operations)	\$	-	\$ -	\$ -	\$ 755	\$	878	\$	899
3930 Department of Pesticide Regulation (State Operations)	\$	-	\$ -	\$ -	\$ -				
8880 Financial Information System for California (State Operations)	\$	20	\$ 4	\$ 8	\$ 5	\$	6	\$	1
9892 Supplemental Pension Payments	\$		\$ -	\$ -	\$ -	\$	- 1	\$	49
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$	-	\$ -	\$ -	\$ 222	\$	319	\$	316
Total Disbursements	\$	3,656	\$ 3,998	\$ 4,849	\$ 4,588	\$	5,358	\$	5,366
FUND BALANCE			 		 				
Reserve for economic uncertainties	\$	1,734	\$ 2,201	\$ 2,041	\$ 2,154	\$	1,289	\$	416
Months in Reserve		5.2	5.4	5.3	4.8		2.9		1.1

Prepared 4.4.18

## **Business and Professions Code, Division 3, Chapter 14**

8674. The fees prescribed by this chapter are the following:

(a) A duplicate license fee of not more than two dollars (\$2).

(b) A fee for filing a change of name of a licensee of not more than two dollars (\$2).

(c) An operator's examination fee of not more than one hundred dollars (\$100).

(d) An operator's license fee of not more than one hundred fifty dollars (\$150).

(e) An operator's license renewal fee of not more than one hundred fifty dollars (\$150).

(f) A company registration fee of not more than one hundred twenty dollars (\$120).

(g) A branch office registration fee of not more than sixty dollars (\$60).

(h) A field representative's examination fee of not more than seventy-five dollars (\$75).

(i) A field representative's license fee of not more than forty-five dollars (\$45).

(j) A field representative's license renewal fee of not more than forty-five dollars (\$45).

(k) An applicator's examination fee of not more than sixty dollars (\$60).

(I) An applicator's license fee of not more than fifty dollars (\$50).

(m) An applicator's license renewal fee of not more than fifty dollars (\$50).

(n) An activity form fee, per property address, of not more than three dollars (\$3 5).

(o) A fee for certifying a copy of an activity form of not more than three dollars (\$3).

(p) A fee for filing a change of a registered company's name, principal office address, or branch office address, qualifying manager, or the names of a registered company's officers, or bond or insurance of not more than twenty-five dollars (\$25) for each change.

(q) A fee for approval of continuing education providers of not more than fifty dollars (\$50).

(r) A pesticide use report filing fee of not more than five dollars (\$5) for each pesticide use report or combination of use reports representing a registered structural pest control company's total county pesticide use for the month.

(s) A fee for approval of continuing education courses of not more than twenty-five dollars (\$25).

(t) (1) Any person who pays a fee pursuant to subdivision (r) shall, in addition, pay a fee of two dollars (\$2) for each pesticide use stamp or stamp number purchased from the board.

Notwithstanding any other law, the fee established pursuant to this subdivision shall be deposited into the Structural Pest Control Research Fund that is hereby continued in existence and continuously appropriated to be used only for structural pest control research.

(2) A charge for administrative expenses of the board in an amount not to exceed 5 percent of the amount collected and deposited in the Structural Pest Control Research Fund may be assessed against the fund. The charge shall be limited to expenses directly related to the administration of the fund.

(3) The board shall, by regulation, establish a five-member research advisory panel, including, but not limited to, representatives from the Structural Pest Control Board, the structural pest control industry, the Department of Pesticide Regulation, and the University of California. The panel, or other entity designated by the board, shall solicit on behalf of the board all requests for proposals and present to the panel all proposals that meet the criteria established by the panel. The panel shall review the proposals and recommend to the board which proposals to accept. The recommendations shall be accepted upon a two-thirds vote of the board. The board shall direct the panel, or other entity designated by the board, to prepare and issue the research

contracts and authorize the transfer of funds from the Structural Pest Control Research Fund to the applicants whose proposals were accepted by the board.

(4) A charge for requests for proposals, contracts, and monitoring of contracted research shall not exceed 5 percent of the research funds available each year and shall be paid from the Structural Pest Control Research Fund.

## California Code of Regulations, Title 16, Division 19

## § 1997. WDO Inspection and Completion Activity Fee.

Pursuant to the provisions of section 8674 of the Business and Professions Code, the following fee is determined, set and established:

(1) Activity Reporting fee per Property Address \$1.50. Effective July 1, 201019, the Activity Reporting fee per Property Address is \$2.503.00.

Note: Authority cited: Sections 8525 and 8674, Business and Professions Code. Reference: Sections 8518 and 8674, Business and Professions Code.

# July 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24 SPCB Meeting (Claremont)	25 SPCB Meeting (Claremont)	26	27	28
29	30	31				

## October 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16 SPCB Meeting (Sacramento)	17 SPCB Meeting (Sacramento)	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

# January 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
		SPCB Meeting (Claremont)	SPCB Meeting (Claremont)			
20	21	22	23	24	25	26
27	28	29	30	31		

# **April 2019**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
	75	76	77	78	79	80
7	8	9	10	11	12	13
81	82	83	84	85	86	87
14	15	16	17	18	19	20
88	89	90	91	92	93	94
21	22	23	24	25	26	27
95	96	97	98	99	100	101
28	29	30				
102	103	104				