

**Introduced by Senator Machado**

February 23, 2001

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An act to amend Sections 7139.1, 7139.2, and 7139.3 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 929, as introduced, Machado. Contractors.

Existing law, the Contractors' State License Law, provides that the Contractors' State License Board in the Department of Consumer Affairs is responsible for the licensing and regulation of contractors. The board is responsible for promulgating regulations assessing civil penalties for violations of this law. Existing law requires fees and penalties collected pursuant to this law to be deposited in the Contractors' License Fund. The Construction Management Education Account is an account in the Contractors' License Fund that contains funds used to promote construction management education. The Construction Education Account Advisory Committee, made up of 11 specified members, recommends grant awards to promote construction management education.

This bill would require civil penalties collected pursuant to the board's regulations to be deposited in the Construction Management Education Account instead of in the Contractors' License Fund. The bill would also increase the membership of the Construction Education Account Advisory Committee from 11 to 13, and would require one member to be appointed from the California State Council of Laborers and one member to be appointed from the State Building and Construction Trades Council of California.

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

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

1 SECTION 1. Section 7139.1 of the Business and Professions  
2 Code is amended to read:

3 7139.1. The Legislature hereby finds and declares all of the  
4 following:

5 (a) There is a demand and increasing need for construction  
6 management education programs and resources within the  
7 postsecondary education system that prepare graduates for the  
8 management of construction operations and companies regulated  
9 by the Contractors’ State License Law and enforced by the  
10 Contractors’ State License Board.

11 (b) Although construction management programs do exist  
12 within the state university system, these programs are woefully  
13 underfunded and insufficiently funded to provide training on  
14 state-of-the-art management information systems for either  
15 graduates or extension programs for continuing education of  
16 licensed contractors. Construction industry associations have  
17 provided some assistance through direct grants and scholarships,  
18 but the industrywide service of these programs and the need for  
19 additional assistance mandates broad based industrywide support.

20 (c) It is the intent of the Legislature that by enabling contractors  
21 to designate a portion of their licensure fee and providing a format  
22 for contractors to contribute funds to construction management  
23 education, this article will receive broad based industry support.  
24 In addition, this article allows the contractor to demonstrate the  
25 importance of construction management education. This  
26 assistance will enable greater development of construction  
27 management curricula and will improve the overall quality of  
28 construction by providing construction management training to  
29 California licensed contractors and their current and future  
30 management personnel.

31 (d) *It is the intent of the Legislature to ensure reliable funding*  
32 *of the Construction Management Education Account by*  
33 *designating money from civil penalties to be deposited into that*  
34 *account.*

35 SEC. 2. Section 7139.2 of the Business and Professions Code  
36 is amended to read:

37 7139.2. (a) There is hereby created the Construction  
38 Management Education Account (CMEA) as a separate account in



1 the Contractors' License Fund for the purposes of construction  
2 management education. Funds in the account shall be available for  
3 the purposes of this article upon appropriation by the Legislature.

4 (b) The Contractors' State License Board shall allow a  
5 contractor to contribute twenty-five dollars (\$25) to the  
6 Construction Management Education Account at the time of the  
7 contractor license fee payment. The license fee form shall clearly  
8 display this alternative on its face and shall clearly inform the  
9 licensee that this provision is a contribution to the Construction  
10 Management Education Account and is in addition to the fees.

11 (c) The board may accept grants from federal, state, or local  
12 public agencies, or from private foundations or individuals, in  
13 order to assist it in carrying out its duties, functions, and powers  
14 under this article. Grant moneys shall be deposited into the  
15 Construction Management Education Account.

16 (d) *Civil penalties collected pursuant to the regulations*  
17 *authorized by Section 7099.2 shall be deposited in the*  
18 *Construction Management Education Account for the purpose of*  
19 *promoting education in the construction industry.*

20 SEC. 3. Section 7139.3 of the Business and Professions Code  
21 is amended to read:

22 7139.3. (a) The board may award grants to qualified public  
23 postsecondary educational institutions for the support of courses  
24 of study in construction management.

25 (b) Any organization of contractors, or organization of  
26 contractor organizations, incorporated under Division 2  
27 (commencing with Section 5000) of the Corporations Code may  
28 request the board to award grants pursuant to subdivision (a)  
29 directly to qualified public postsecondary educational institutions  
30 of its choice. However, the total amount of money that may be  
31 awarded to one public postsecondary educational institution  
32 pursuant to subdivision (a) may not exceed an amount equal to 25  
33 percent of the total funds available under this article.

34 (c) The board shall establish an advisory committee to  
35 recommend grant awards. The advisory committee shall be known  
36 as the Construction Management Education Account Advisory  
37 Committee and shall consist of ~~11~~ 13 members, with at least one  
38 representative from each of the following: Associated General  
39 Contractors of California, Associated Builders and Contractors,  
40 California Building Industry Association, National Electrical



1 Contractors Association, Plumbing-Heating-Cooling  
 2 Contractor’s Association, Southern California Contractor’s  
 3 Association, Associated General Contractors of San Diego,  
 4 Engineering and Utility Contractors Association, Engineering  
 5 Contractors Association, California Sheet Metal and Air  
 6 Conditioning Contractor’s Association, *California State Council*  
 7 *of Laborers, State Building and Construction Trades Council of*  
 8 *California*, and one member representing the California State  
 9 University and University of California construction management  
 10 programs accredited by the American Council for Construction  
 11 Education. Advisory committee member terms shall be for three  
 12 years and the representatives shall be appointed by each identified  
 13 group. Members of the advisory committee shall not receive per  
 14 diem or reimbursement for traveling and other expenses pursuant  
 15 to Section 103.

16 (d) The mission of the Construction Management Education  
 17 Account Advisory Committee is to maintain, and increase the  
 18 quality and availability of, education programs for the  
 19 construction industry. The primary focus is to provide financial  
 20 resources not now available to accredited construction  
 21 management programs in California colleges and universities to  
 22 maintain and upgrade facilities and provide greater access by the  
 23 industry to modern construction standards and management  
 24 practices. The advisory committee shall do all of the following:

- 25 (1) Confirm the qualifications of programs applying for grants.
- 26 (2) Award less than full grants when the account has
- 27 insufficient funds to award full grants to all qualifying programs.
- 28 (3) Receive and review year-end reports of use and impact of
- 29 funds.
- 30 (4) Affirm applications for American Council for Construction
- 31 Education accreditation and, when funds are available, award
- 32 grants to complete the accreditation process.
- 33 (5) Promote close ties between feeder junior colleges and
- 34 four-year construction management programs.
- 35 (6) Support development of new educational programs with
- 36 specific emphasis on outreach to the construction industry at large.

