

AMENDED IN ASSEMBLY JUNE 19, 2001

AMENDED IN SENATE APRIL 19, 2001

AMENDED IN SENATE APRIL 16, 2001

SENATE BILL

No. 929

Introduced by Senator Machado

February 23, 2001

An act to amend Sections ~~7139.1 and 7139.2~~ of 7139, 7139.1, 7139.2, 7139.3, 7139.4, 7139.5, 7139.8, and 7139.9 of, and to amend the heading of Article 8.5 (commencing with Section 7139) of Chapter 9 of Division 3 of, the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 929, as amended, 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.

This bill would change the name of the Construction Management Education Account to the "Construction Education ~~Account.~~" *Account,* and would make funds in the account available for construction education programs. The bill would authorize the board to transfer specified revenue to the Construction Education Account.

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. *The heading of Article 8.5 (commencing with*
2 *Section 7139) of Chapter 9 of Division 3 of the Business and*
3 *Professions Code is amended to read:*

4
5 Article 8.5. ~~The Construction Management Education~~
6 ~~Sponsorship Act of 1991~~

7 SEC. 2. *Section 7139 of the Business and Professions Code is*
8 *amended to read:*

9 7139. This article shall be known as the Construction
10 ~~Management Education Sponsorship Act of 1991.~~

11 SEC. 3. Section 7139.1 of the Business and Professions Code
12 is amended to read:

13 7139.1. The Legislature hereby finds and declares all of the
14 following:

15 (a) There is a demand and increasing need for construction
16 education programs and resources within the postsecondary
17 education system that prepare graduates for ~~the~~ construction
18 operations and companies regulated by the Contractors' State
19 License Law and enforced by the Contractors' State License
20 Board.

21 (b) Although construction education programs do exist within
22 the state university system, these programs are woefully
23 underfunded and insufficiently funded to provide training on
24 state-of-the-art information systems for either graduates or
25 extension programs for continuing education of licensed
26 contractors. Construction industry associations have provided
27 some assistance through direct grants and scholarships, but the
28 industrywide service of these programs and the need for additional
29 assistance mandates broad based industrywide support.

30 (c) It is the intent of the Legislature that by enabling contractors
31 to designate a portion of their licensure fee and *by* providing a
32 format for contractors to contribute funds to construction
33 education, this article will receive broad based industry support.
34 In addition, this article allows the contractor to demonstrate the
35 importance of construction education. This assistance will enable



1 greater development of construction education curricula and will
2 improve the overall quality of construction by providing
3 construction training to California licensed contractors and their
4 current and future personnel.

5 ~~SEC. 2.~~

6 SEC. 4. Section 7139.2 of the Business and Professions Code
7 is amended to read:

8 7139.2. (a) There is hereby created the Construction
9 Education Account (CEA) as a separate account in the
10 Contractors' License Fund for the purposes of construction
11 education. Funds in the account shall be available for the purposes
12 of this article upon appropriation by the Legislature. Any
13 reference in any law to the Construction Management Education
14 Account shall be deemed a reference to the Construction
15 Education Account.

16 (b) The Contractors' State License Board shall allow a
17 contractor to contribute twenty-five dollars (\$25) *or more* to the
18 Construction Education Account at the time of the contractor
19 license fee payment. The license fee form shall clearly display this
20 alternative on its face and shall clearly inform the licensee that this
21 provision is a contribution to the Construction Education Account
22 and is in addition to the fees.

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

28 (d) The board may transfer revenue received from other
29 funding sources, including, but not limited to, donations,
30 penalties, settlements, and gifts, to the Construction Education
31 Account for the purpose of promoting education in the
32 construction industry. *The transfer of revenue to the Construction*
33 *Education Account shall not exceed 1 percent of the board's*
34 *annual operating budget.*

35 SEC. 5. Section 7139.3 of the Business and Professions Code
36 is amended to read:

37 7139.3. (a) The board may award grants to qualified public
38 postsecondary educational institutions for the support of courses
39 of study in construction ~~management~~ education.



1 (b) Any organization of contractors, or organization of
 2 contractor organizations, incorporated under Division 2
 3 (commencing with Section 5000) of the Corporations Code may
 4 request the board to award grants pursuant to subdivision (a)
 5 directly to qualified public postsecondary educational institutions
 6 of its choice. However, the total amount of money that may be
 7 awarded to one public postsecondary educational institution
 8 pursuant to subdivision (a) may not exceed an amount equal to 25
 9 percent of the total funds available *each year* under this article.

10 (c) The board shall establish an advisory committee to
 11 recommend grant awards. The advisory committee shall be known
 12 as the Construction ~~Management~~ Education Account Advisory
 13 Committee and shall consist of 11 members, with at least one
 14 representative from each of the following: Associated General
 15 Contractors of California, Associated Builders and Contractors,
 16 California Building Industry Association, National Electrical
 17 Contractors Association, Plumbing-Heating-Cooling
 18 Contractor’s Association, Southern California Contractor’s
 19 Association, Associated General Contractors of San Diego,
 20 Engineering and Utility Contractors Association, Engineering
 21 Contractors Association, California Sheet Metal and Air
 22 Conditioning Contractor’s Association, and one member
 23 representing the California State University and University of
 24 California construction management programs accredited by the
 25 American Council for Construction Education. Advisory
 26 committee member terms shall be for three years and the
 27 representatives shall be appointed by each identified group.
 28 Members of the advisory committee shall not receive per diem or
 29 reimbursement for traveling and other expenses pursuant to
 30 Section 103.

31 (d) The mission of the Construction ~~Management~~ Education
 32 Account Advisory Committee is to maintain, and increase the
 33 quality and availability of, education programs for the
 34 construction industry. The primary focus is to provide financial
 35 resources not *now presently* available to accredited construction
 36 ~~management~~ *education* programs in California colleges and
 37 universities to maintain and upgrade facilities and provide greater
 38 access by the industry to modern construction standards and
 39 management practices. The advisory committee shall do all of the
 40 following:



1 (1) Confirm the qualifications of programs applying for grants.

2 (2) Award less than full grants when the account has
3 insufficient funds to award full grants to all qualifying programs.

4 (3) Receive and review year-end reports of use and impact of
5 funds.

6 (4) Affirm applications for American Council for Construction
7 Education accreditation and, when funds are available, award
8 grants to complete the accreditation process.

9 (5) Promote close ties between feeder junior colleges and
10 four-year construction ~~management~~ *education* programs.

11 (6) Support development of new educational programs with
12 specific emphasis on outreach to the construction industry at large.

13 *SEC. 6. Section 7139.4 of the Business and Professions Code*
14 *is amended to read:*

15 7139.4. Qualified public postsecondary educational
16 institutions shall provide postsecondary construction ~~management~~
17 *education* programs at the baccalaureate or higher level that either
18 award or provide one of the following:

19 (a) A bachelor of science construction management degree
20 accredited by the American Council for Construction Education.

21 (b) A degree with an American Council for Construction
22 Education accredited option, including, but not limited to,
23 engineering technology and industrial technology.

24 (c) A bachelor of science or higher degree program
25 documenting placement of more than 50 percent of their graduates
26 with California licensed contractors. The placement of a person
27 who holds a master or doctorate degree in the faculty of a
28 construction program shall be counted as though placed with a
29 California licensed contractor.

30 (d) The development of a construction ~~management~~ *education*
31 curriculum to meet the American Council for Construction
32 Education criteria.

33 *SEC. 7. Section 7139.5 of the Business and Professions Code*
34 *is amended to read:*

35 7139.5. ~~Grants~~ *Depending on the fund balance, grants* shall
36 be made pursuant to this article to public postsecondary
37 educational institutions that meet the qualifications specified in
38 Section 7139. 4 in the following amounts:



1 (a) ~~Three~~ *Up to three* thousand dollars (\$3,000) per graduate
2 during the past academic year for institutions qualifying under
3 subdivision (a) of Section 7139.4.

4 (b) ~~Three~~ *Up to three* thousand dollars (\$3,000) per graduate
5 during the past academic year for institutions qualifying under
6 subdivision (b) of Section 7139.4.

7 (c) ~~Three~~ *Up to three* thousand dollars (\$3,000) per graduate
8 placed with California licensed contractors during the past
9 academic year for institutions qualifying under subdivision (c) of
10 Section 7139.4. These funds shall be used for the purpose of
11 becoming accredited by the American Council for Construction
12 Education and shall be available for up to three years. The board
13 may continue to provide this grant to an institution that in its
14 judgment is meeting the intent of this act and is continuing its
15 development towards accreditation.

16 (d) Institutions qualifying under subdivision (d) of Section
17 7139.4 may receive a grant in an amount up to twenty-five
18 thousand dollars (\$25,000) per year for up to two years.
19 Thereafter, these institutions may receive grants based upon the
20 criteria described in subdivisions (a) to (c), inclusive. The board
21 may continue to award a grant to an institution that in its judgment
22 is meeting the intent of this article and is continuing its
23 development towards accreditation.

24 *SEC. 8. Section 7139.8 of the Business and Professions Code*
25 *is amended to read:*

26 7139.8. The president of each public postsecondary
27 educational institution receiving a grant under this article shall
28 submit, with its respective request for a grant each year following
29 the initial year for which grants are issued, a report to the board
30 delineating the amount of the past grant awarded from the
31 Construction ~~Management~~ Education Account to that institution
32 and the utilization of those funds. The report shall include, but not
33 be limited to, the following:

34 (a) The number of graduates placed with the California
35 licensed contractors during the previous academic year.

36 (b) The expected enrollment in construction ~~management~~
37 *education* courses in the upcoming academic year.

38 (c) Continuing education and extension courses offered during
39 the previous academic year and their enrollments.



1 *SEC. 9. Section 7139.9 of the Business and Professions Code*
2 *is amended to read:*
3 7139.9. The board may allocate up to fifteen thousand dollars
4 (\$15,000) per year from the Construction Management Education
5 Account for the administration of this article.

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