



# CONTRACTORS STATE LICENSE BOARD

## BOARD MEETING MINUTES

### Board Meeting Minutes

#### **A. Call to Order, Roll Call, Establishment of Quorum, and Chair's Introduction**

Board Chair Diana Love called the meeting of the Contractors State License Board (CSLB) to order on September 14, 2023, at 9:00 a.m. at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board member Michael Mark led the Pledge of Allegiance, and a quorum was established.

#### Board Members Present

Diana Love, Chair  
Joël Barton  
Rodney Cobos  
David De La Torre  
Susan Granzella  
Amanda Gallo  
Alan Guy  
Michael Mark  
Steven Panelli  
James Ruane  
Miguel Galarza

Alan Guy arrived at 9:15 a.m. Jacob Lopez and Mary Teichert had approved absences.

#### CSLB Staff Present

David Fogt, Registrar  
Michael Jamnetski, Chief Deputy Registrar  
Yeaphana La Marr, Chief of Legislation  
Steve Grove, Chief of Enforcement  
Carol Gagnon, Chief of Licensing  
Katherine White, Chief of Public Affairs  
Stacey Paul, Budget Manager  
Mariah Rovera, Executive Analyst  
Amy Lawrence, Television Specialist  
Natalie Rosenberger, Information Officer  
Natalie Watmore, Information Officer

#### DCA Staff Present

John Kinn, DCA Legal  
Yvonne Durantes, Assistant Deputy Director of Board and Bureau Relations

**Public Visitors**

Davi Rodrigues  
Larissa Petrucci  
Rob Carrion  
Beverly Carr  
Rick Pires  
Phil Vermeulen

Chair Love introduced the newest member of the Board, Joël Barton.

Member Barton stated they currently serve as the Business Manager and Financial Secretary of International Brotherhood of Electrical Workers (IBEW) Local Union 11 in Los Angeles and the Secretary/Treasurer of the California State Association of Electrical Workers. Member Barton added that they have 47 years in the construction industry and looked forward to serving on the Board.

Chair Love also introduced the new Chief of Licensing Carol Gagnon, stating that Chief Gagnon has 17 years of experience at CSLB.

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

Phil Vermeulen of the Flasher Barricade Association suggested the Board allow for a backup qualifier on licenses when the original qualifier passes away. Vermeulen asked that the item be on a future agenda.

Davi Rodrigues expressed concern public awarding agencies are hiring unlicensed persons to install public art works such as murals, paintings, and statues. Rodrigues thanked CSLB for the letter that was posted on the CSLB website regarding contractor license requirements for creation and installation of artistic works.

**C. Presentation of Certificates of Recognition**

Chair Love presented certificates to more than 30 Licensing Division staff in recognition of their outstanding performance reducing the application processing time to under two weeks.

**Board Member Comment**

Member Miguel Galarza expressed their gratitude to staff on behalf of applicants and California contractors.

Chief Gagnon thanked staff and encouraged them to keep up the good work.

At 9:15 a.m. Chair Love called for a 5-minute break to take a group photo with Licensing staff.



*The meeting reconvened at 9:25 a.m.*

## **D. Executive**

### **1. Review and Possible Approval of the June 22 and 23, 2023, Board Meeting Minutes**

Chair Love asked for Board member edits to the June 22 and 23, 2023, Board Meeting Minutes. No edits were suggested by the Board.

**Motion:** To approve the June 22 and 23, 2023 Board Meeting Minutes. Moved by James Ruane; Alan Guy seconded. Motion carried, 10-0-1

**YEA:** Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Michael Mark, James Ruane.

**NAY:** None

**ABSTAIN:** Steven Panelli

**ABSENT:** Jacob Lopez, Mary Teichert

#### Board Member Comment

There was no comment.

#### Public Comment

There was no public comment.

### **2. Registrar's Report**

#### **a. Update on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study**

Registrar David Fogt informed the Board that CSLB has entered into a contract with Cooperative Personnel Services (CPS) to perform a workload and process improvement study in the Enforcement Investigation Centers and Intake Mediation Centers. Registrar Fogt also stated that CSLB had a Request for Proposal (RFP) with the Department of Consumer Affairs (DCA) and the RFP may be released to the public at the end of the week.

#### **b. National Association of State Contractors Licensing Agencies (NASCLA) Update**

Registrar Fogt provided a brief summary of their time serving as the president of NASCLA and provided examples of NASCLA's benefit to the state of California and CSLB.



**c. Review, Discussion and Possible Action on NASCLA Development of Public Safety Announcement Videos for Potential CSLB Rebranding in Issues of Consumer Protection Particularly in the Solar Industry, and the Benefits of Licensing**

Registrar Fogt introduced two NASCLA public safety announcement videos that they wanted the Board to consider for CSLB rebranding and distribution on CSLB's website and YouTube.

Board Member Comment

Chair Love stated that the videos were well put together.

Member Barton said the solar installation video is important not only because of the finance aspect but also for safety reasons.

Member James Ruane asked where the videos would be posted and available for contractor associations.

Registrar Fogt stated that NASCLA would be promoting these videos on their website and for California, they would be placed on the CSLB website and ask the California Solar and Storage Association to distribute them.

Member Amanda Gallo asked if there was a plan to have the videos translated into Spanish.

Registrar Fogt said they would recommend the video be translated.

Member Alan Guy asked whether there could be more emphasis on California's specific down payment laws in the video rather than being broader.

Registrar Fogt noted that other states have different rules when it comes to down payments, but they'll see what they could do with that part of the video.

Member Steven Panelli asked if it would be possible to distribute the videos to California building departments.

Registrar Fogt said that CSLB would work with California Building Officials Association (CALBO) about distributing the videos.

Member Panelli stated they could speak with their department for distribution and then work with the Public Utilities Commission and DPW to have it available.

Member David De La Torre suggested getting the video on social media such as Instagram.

Chair Love asked if the payment information that Member Guy suggested to specify needs to be left in the video.

Registrar Fogt clarified that Member Guy's recommendation was specific to California and will look into if that information can be added to the video.



Member Michael Mark asked if the videos shown were the final cut. Adding that the videos were a little too long for social media platforms and suggested a one-minute or less version in the future.

#### Public Comment

There was no public comment.

**Motion:** To rebrand the NASCLA videos with today's suggested edits as CSLB videos and post to the CSLB website. Moved by Rodney Cobos; David De La Torre seconded. Motion carried, 11-0.

**YEA:** Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Michael Mark, Steven Panelli, James Ruane.

**NAY:** None

**ABSENT:** Jacob Lopez, Mary Teichert

### **3. CSLB Budget Update**

Budget Manager Stacey Paul provided the Board with a summary of the budget for fiscal year 22-23 and provided the fund condition projections for budget year 24-25. Manager Paul also provided an update on the Construction Management Education Account (CMEA) fund condition, stating CSLB had submitted the necessary documents to authorize an increase in grant distributions for the current fiscal year. Manager Paul added CSLB should have the final CMEA update at the December meeting.

#### Board Member Comment

Member Susan Granzella commended Manager Paul on the fund reserve and said they were looking forward to the December report on PSI.

#### Public Comment

There was no public comment.

### **4. Administration Update Regarding Personnel and Facilities**

Chair Love announced the retirement of the Chief of Administration Mike Melliza.

Chief Deputy Registrar Michael Jamnetski provided a brief overview of the Administration Division's Personnel Unit and Business Services Unit. Chief Deputy Jamnetski highlighted the low vacancy rate of 7 percent, adding that during the pandemic CSLB's vacancy rate was as high as 14 percent. Chief Deputy Jamnetski also highlighted the training and development that the Administration Division tracks for the Board.

#### Board Member Comment

There was no comment.

Public Comment

There was no public comment.

**5. Information Technology Update**

Member Granzella provided the Information Technology (IT) update to the Board. Member Granzella stated that they are on the IT Advisory Committee with Member Gallo and have been meeting with Chief of Information Technology Jason Perez to discuss CSLB's business modernization goals. Member Granzella added that IT is making significant strides in updating CSLB's technology foundation to enhance operations and provided updates on Microsoft Teams Calls implementation and CSLB's call center migration to Amazon Web Services.

Member Granzella stated Chief Perez and the IT advisory committee would be meeting monthly to discuss modernization goals with vendors to help move paper-based processes online. Member Granzella said the vendor options will hopefully be presented at the December meeting for the Board to vote on.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

**6. Review, Discussion and Possible Action on Development and Status of CSLB's Draft 2024 Sunset Review Report**

Registrar Fogt provided background on the Sunset Review process with the California Legislature and noted that CSLB was last up for review in 2019. He noted the importance of the Sunset Report. Registrar Fogt noted a handout that described the prior issues that would be addressed in the Sunset Report. Registrar Fogt said the final report would need to be approved at the December 13, 2023, Board meeting.

As part of the Sunset Advisory Committee, Chair Love and Member Galarza met to discuss the report on September 5. Chair Love noted that Chief La Marr would explain the Sunset Report prior items and Member Galarza would explain the new issues.

Chief La Marr explained the prior issues, which included staffing challenges, board member vacancies, legislation implementation, fund reserves, pro rata, examination passage rates, licensing and certifications, disaster response, workers' compensation, tree worker safety, IT upgrades, technical changes to law, LLC filing, unsatisfied judgments, C-10 fee collection, and continuing CSLB.

Member Galarza then explained the new issues, which included reimbursement for industry expert costs, enforcement fine minimums, workers' compensation submission, hazardous substance certification, and license examination fee structure.

**Board Member Comment:**

Member Guy asked whether insurance companies will still be submitting workers' compensation certificates.

Registrar Fogt responded the online submission is still working but this is for those using a broker.

Vice Chair Mark asked whether this puts the onus on the contractor.

Registrar Fogt noted that if an insurance company doesn't file it timely, it can cause license maintenance issues for the contractor. Registrar Fogt said this would allow contractors to do it directly.

Member Mark asked what classifications do hazardous substance work and whether this issue would be expanding it to disaster zones.

Registrar Fogt said yes and noted what happened after the Paradise wildfire when it came to hazardous cleanup. They added that the current certification only applies to underground storage tanks.

Member Mark asked what would the fee increase be related to administrative fines.

Registrar Fogt said they would look at the consumer price index and noted contractors appeal the actions and get the fine reduced to the minimum. They asked Chief Deputy Registrar Jamnetski what the minimums would be.

Chief Deputy Registrar Jamnetski said it would be based off the CPI and noted that floor was last assessed in 2007. They noted it would be easier to adjust in statute.

Member Panelli asked whether the industry expert reimbursement would be a survey fee.

Registrar Fogt explained the increase in consumer complaints with many coming from the same contractors. He noted that many don't take care of their complaints and noted the industry experts who inspect the job sites. Registrar Fogt said the contractors should be reimbursing the costs and be held accountable.

Chief Grove added that enforcement has been overwhelmed with complaints and that contractors need to stop using CSLB as quality control.

*Chair Love called for a 5-minute break around 10:56 a.m.*

*The meeting reconvened at 11:01 a.m.*

**6. Review, Discussion and Possible Action on Development and Status of CSLB's Draft 2024 Sunset Review Report**

Chief La Marr explained the remaining new issues, including the 20 percent ownership requirement in Business and Professions Code section 7068.1, the cash in lieu of bond issue, and licensing tribes.



Registrar Fogt noted on BPC 7068.1 that Phil Vermeulen had suggested a multiple qualifier bond as part of this review.

Legal Counsel Kinn noted that the cash in lieu of bond issue that there would need to be a change in statute so CSLB is not treated as a surety.

Registrar Fogt noted that CSLB is a regulatory board and not a surety.

Chief La Marr said they discussed the bond proposal with the Legislature after the June meeting, but it was too late to get into legislation.

Chief La Marr explained the restrictions in CSLB law on licensing tribes and that this proposal would change that.

Registrar Fogt noted that staff will develop the new issues and bring them back to the Board for another meeting before December.

Chief Love said the Board will hold a virtual meeting before December related to the new issues.

#### Board Member Comment:

Member Guy asked if contractors have to have a California contractor's license to work on tribal land.

Chief La Marr explained they do not need a license to work on tribal land.

#### Public Comment:

Phil Vermeulen explained the percentages of ownership for someone being on three contractor licenses and that the only way the Board tracks is marking on an application the percentage of ownership being 20 percent. They said that rather than just marking the 20 percent box on the application, they should provide a qualifier bond. They also commented on the Karton case and showed their strong support for the proposal. They asked about tribes being federally recognized and how that would affect the proposal.

Chief La Marr said it only does if they're working on tribal or federal land. They explained how a tribe wants to work on a project on state land for which they would need a state license.

## **E. Legislation**

### **1. Review, Discussion and Possible Action on 2023 Pending Legislation**

*Items in agenda items E1a-g were heard out of order.*

Legislative Committee Chair Michael Mark provided an update on agenda item E1a: AB 143 (Committee on Budget) – State government and E1e: SB544 (Laird) – Badley Keene Open Meeting Act: teleconferencing.



**a. AB 143 (Committee on Budget) – State government.**

Committee Chair Mark informed the Board AB 143 was signed by Governor Gavin Newsom the night before the meeting and the Board will no longer consider taking a position on the bill.

Chief La Marr added the bill adds a section to the Business and Professions Code to create a registry of contractors who are licensed by other states who are active members of the military and stationed in California, amends the Bagley-Keene Open Meetings Act and amends the Labor Code to facilitate apprenticeships for women in construction. Chief La Marr stated AB 143 was effective immediately.

**Board Member Comment**

There was no comment.

**Public Comment**

There was no public comment.

**e. SB 544 (Laird) – Bagley-Keene Open Meeting Act: teleconferencing.**

Committee Chair Mark stated SB 544 was significantly amended since the Board took a support position on the bill at the June 22, 2023, meeting. Chair Mark explained the bill was amended to add a sunset date of January 1, 2023, and removed the concept of entirely remote meetings. Chief La Marr explained the amendments and they were substantial enough that staff are recommending the Board take action to revise their position to neutral.

**Motion:** To change the Board position to the staff recommended position of neutral for SB 544. Moved by Susan Granzella; Joël Barton seconded. Motion carried 11-0.

**YEA:** Diana Love, Joël Barton, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Michael Mark, Steven Panelli, James Ruane.

**NAY:** None

**ABSENT:** Jacob Lopez, Mary Teichert

**Board Member Comment**

There was no comment.

**Public Comment**

There was no public comment.

Committee Chair Mark informed the Board that Chief La Marr would provide status updates on the remaining bills listed on the meeting agenda.



**b. AB 336 (Cervantes, 2023) – Contractors: workers’ compensation insurance (classification codes on CSLB website)**

Chief La Marr informed the Board AB 336 had passed the Legislature and was presented to the Governor the day before the meeting.

**c. AB 968 (Grayson, 2023) - Single-family residential property: disclosures (work done on house prior to selling)**

No update was provided outside the meeting materials.

**d. AB 1204 (Holden, 2023) – Contractors: contracts: restrictions (on subcontracting to other subcontractors in same license class)**

Chief La Marr informed the Board AB 1204 was presented to the Governor on September 12 and had passed the Legislature.

**f. SB 601 (McGuire, 2023) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions (increasing civil penalty for progress payment violations and extending the statute of limitations for misdemeanor prosecution of licensees that aid and abet unlicensed persons)**

Chief La Marr informed the Board SB 601 had cleared the Assembly and was back in the Senate due to the amendments made by the Assembly to narrow the scope of the bill to only apply to CSLB and not all Department of Consumer Affairs (DCA) programs.

**g. SB 630 (Dodd, 2023) – Contractors State License Board: regulation of contractors (probationary authority and collection of licensee emails)**

Chief La Marr informed the Board that CSLB-sponsored bill SB 630 was signed by the Governor and is effective January 1, 2024.

## **F. Enforcement**

### **1. Enforcement Program Update**

Enforcement Committee Chair James Ruane introduced the Enforcement Program Statistical Update, providing updates on the Enforcement Division’s vacancy rate and complaint handling totals.

Chief of Enforcement Steve Grove provided highlights from a recently resolved case against former licensed general contractor David Forkosh that resulted in 10 criminal complaint filings. Chief Grove also highlighted Enforcement’s recently resolved case against solar contractor, Zenernet Installation Company, LLC. Zenernet has received 218 complaints ranging from no work done to complete installations but failed to obtain proper building permits. Chief Grove added that Zenernet’s case was being referred to the Attorney General’s criminal division for prosecution.



Committee Chair Ruane concluded the Enforcement update by informing the Board of the five-day enforcement academy that was held in July at Sacramento headquarters and added that the next academy would be held in October.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

**2. Consumer Satisfaction Survey**

Committee Chair Ruane updated the Board on the 2022-23 fiscal year consumer satisfaction survey results. Committee Chair Ruane informed the Board that the survey results had declined 18 percent overall, but CSLB was taking steps to resolve the identified issues, such as telework, training deficits, and the unprecedented amount of Disaster Recovery Centers CSLB had to staff during last year's winter storms. Committee Chair Ruane informed the Board that they had requested Chief Grove to schedule an Enforcement Committee meeting for October or November 2023 to further discuss opportunities to improve consumer satisfaction.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

**G. Licensing**

**1. Licensing and Testing Program Statistical Update**

Licensing Committee Chair Alan Guy provided an update on the Licensing Division's application units, including the current processing times. All applications except for Home Improvement Salesperson (HIS), adding new officers and name change forms were under 3 weeks. Committee Chair Guy informed the Board that license renewals are on track to rebound to 2021 numbers, with CSLB having already received 71,000 renewals in the first 7 months of the year. Committee Chair Guy also stated there had been a 3 percent increase in workers' compensation policies, believed to be a result of Board-sponsored SB 216 for mandated workers' compensation.

Committee Chair Guy informed the Board that PSI Exams had administered 43,467 between August 2022 and July 2023. In addition, CSLB expanded to two new test centers in Las Vegas, Nevada and Wilsonville, Oregon. Committee Chair Guy also explained that the Exam Development Unit released five updated exams since April 2023: C-17 Glazing, C-42 Sanitation System, C-46 Solar, C-53 Swimming Pool, and C-54 Ceramic and Mosaic Tile.

**Board Member Comment**

Member Gallo asked if the data collected from Enforcement Division regarding solar is used to update the solar exam.

Chief Gagnon explained that they do work with Enforcement when the issues involve a specific trade, but the current issues are with contractors being paid and not completing work, which relates more to the Law and Business Exam that is also updated every five years.

**Public Comment**

There was no public comment.

**2. Exam Translation Update**

Committee Chair Guy informed the Board that on August 1, 2023, PSI began administering the Law and Business exam in Spanish and nine more trade exams would follow in the next few months.

Committee Chair Guy also noted that CSLB staff is researching various letters and standard CSLB correspondence regarding licensure to be translated in Spanish. Additionally, the bond and fee letter had been translated and would be program for use shortly.

**Board Member Comment**

There was no comment.

**Public Comment**

There was no public comment.

**3. C-49 Exam Development and Implementation Update**

Committee Chair Guy provided the Board with an update on the new C-49 Tree and Palm classification. Committee Chair Guy reminded the members that the Board approved to develop the C-49 classification in April 2018 to ensure licensees would be tested on health and safety protocols in the tree service industry. Additionally, C-49 trade licensees would be able to plant, maintain and remove trees and palms. Committee Chair Guy concluded that the new classification would be effective January 1, 2024.

**Board Member Comment**

There was no comment.

**Public Comment**

There was no public comment.

**H. Public Affairs****1. Public Affairs Update**

Public Affairs Committee Chair Miguel Galarza provided the update for the Public Affairs Office (PAO). Committee Chair Galarza explained disaster response had been a key part of the CSLB's outreach efforts over the past year. PAO worked to educate business and property owners to prevent them from being harmed by unlicensed or unscrupulous contractors after a disaster and CSLB staff participated in seven disaster recovery centers throughout California. Committee Chair Galarza also provided an update on the various industry bulletins, videos, and news releases PAO has distributed. They highlighted PAO's prioritization of translating CSLB videos into Spanish.

Committee Chair Galarza concluded CSLB's Public Information Center had improved wait time for callers and noted the wait time in August averaged 7 minutes.

**Board Member Comment:**

There was no comment.

**Public Comment:**

There was no public comment.

**I. Closed Session**

Board Chair Love stated the Board would take a 10-minute break and return to closed session to conduct an evaluation of the performance of the Registrar.

The Board returned from closed session at approximately 12:45 p.m.

**J. Adjournment**

Chair Love adjourned the Board meeting at approximately 12:50 p.m.