



CONTRACTORS STATE LICENSE BOARD

JUNE 21, 2024 BOARD MEETING MINUTES

Special Board Teleconference 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 June 21, 2024, at 8:33 a.m. at the Contractors State License Board Valencia Field Office, 25360 Magic Mountain Parkway, Suite 250, Santa Clarita, CA 91355.

Board Member Meeting Locations

Contractors State License Board (San Francisco Field Office)
301 Junipero Serra Blvd.
Suite 206
San Francisco, CA 94127

Contractors State License Board (Norwalk Field Office)
12501 East Imperial Hwy.
Suite 630
Norwalk, CA 90650

Contractors State License Board (Sacramento Headquarters)
9821 Business Park Drive
Sacramento, CA 95827

Contractors State License Board (Valencia Field Office)
25360 Magic Mountain Parkway
Suite 250
Santa Clarita, CA 91355

Board Vice Chair Michael Mark led the Board in the Pledge of Allegiance, and a quorum was established.

Board Members Present

Diana Love, Chair
Jöel Barton
Rodney Cobos
Miguel Galarza
Susan Granzella
Alan Guy
Michael Mark
Henry Nutt III
Steve Panelli
James Ruane



Amanda Gallo, Jacob Lopez, Thomas Ruiz and Mary Teichert had excused absences.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Katherine White, Chief of Public Affairs
Jason Perez, Chief of Information Technology
Steve Grove, Chief of Enforcement
Carol Gagnon, Chief of Licensing
Tracy Brazil, Regulations Manager
Robin Williams, Executive Analyst
Natalie Rosenberger, Information Officer
Natalie Watmore, Information Officer

DCA Staff Present

John Kinn, DCA Legal

Members of the Public Present

Rick Pires

B. Presentation Finding of Necessity for Special Meeting (Gov. Code, § 11125.4).

Note: The Board will determine whether the delay necessitated by providing notice 10 days prior to a meeting pursuant to Government Code section 11125 would impose a substantial hardship on the body or that immediate action is required to protect the public interest

Motion: Motion to Adopt the Following Findings of Substantial Hardship and Necessity for Special Meeting:

- The Board finds that providing 10 days' advance notice of this meeting would pose a substantial hardship on the Board and that immediate action is required to protect the public interest, in that next Tuesday, June 25, 2024, the board's "sunset" extension bill SB 1455 is being heard for the last time in a policy committee of the legislature and the Board has not yet communicated its full support of the bill.
- If the Board does not support the sunset extension bill, there is substantial risk that the legislature will also not support it, or the bill will not be passed out of the Assembly Business and Professions Committee. If this occurs, CSLB could be "sunsetting" and cease to exist. If the Board waits 10 days before taking a position at a regularly noticed public meeting, the bill will have been heard in the legislature before the Board meeting and without a record of the Board's support.



- If the Board is “sunsetting” it would harm the public, which has an interest in the Board continuing its mandate of protecting the public by setting minimum standards for contractor licensure, by disciplining licensees, and by removing bad contractors from the marketplace.
- The board’s next quarterly meeting is planned for September 2024, approximately three months after the scheduled sunset bill hearing.
- Considering the bill hearing next Tuesday, there is insufficient time for the Board to provide 10 days’ advance notice of a meeting, and today’s meeting on shortened notice is necessary to timely communicate the Board’s position before hearing.

Moved by Rodney Cobos; Michael Mark seconded. Motion carried, 10-0-0.

YEA: Diana Love, Jöel Barton, Rodney Cobos, Miguel Galarza, Alan Guy, Susan Granzella, Michael Mark, Henry Nutt III, Steve Panelli, James Ruane

NAY: None

ABSTAIN: None

ABSENT: Amanda Gallo, Jacob Lopez, Thomas Ruiz, Mary Teichert

Public Comment

There was no public comment.

Board Member Comment

There was no board member comment.

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

Public Comment

There was no public comment.

**D. Review, Discussion, and Possible Action on Senate Bill 1455 (Ashby):
Contractors: Licensing – CSLB Sunset Extension Bill**

Registrar David Fogt explained that at the June 13 Board Meeting in Orange County, the board discussed SB 1455 and mentioned doing an insufficient good job of explaining the benefits of SB 1455. Registrar Fogt stated SB 1455 extends the board’s sunset date from 2025 to 2029 and that the CSLB is not the sponsor of the bill, and that its author is Senate Business and Professions Chair Angelique Ashby. Registrar Fogt



mentioned that CSLB will cease to exist on January 1, 2025, if not extended by SB 1455. Registrar Fogt listed the benefits of the bill and stated it includes almost all the board's new issues in need of legislative fixing.

Registrar Fogt explained Board members were concerned with SB 1455 extending the workers' compensation insurance mandate implementation from January 1, 2026, to January 1, 2028. They added Board members' concern is also derived from 117,000 licensees with exemptions already in place, posing a consumer protection issue. Registrar Fogt stated the board voted in support of SB 1455 with the request to amend the bill to return the mandatory workers' compensation compliance date to January 1, 2026. Registrar Fogt added the 2028 extension in the sunset bill should have not been a surprise since Senator Dodd carried the CSLB-sponsored SB 216 that currently requires workers' compensation insurance for five classifications and there have been complaints from licensees about having to purchase workers' compensation insurance although they don't have employees. They stated that the cost of the workers' compensation insurance ranges from \$2,000 to \$7,000 a year and doesn't benefit licensees without workers.

Registrar Fogt noted that CSLB held two stakeholder meetings to discuss strategies and a plan to address these concerns, but the meetings were not successful. Registrar Fogt added that Senator Dodd introduced SB 1071 that would unwind SB 216 by permitting licensees to file an exemption for workers' compensation insurance, which would impact the five classifications currently required to have workers' compensation insurance. Registrar Fogt mentioned there was no industry opposition for SB 1071 and the amendment to SB 1455 takes the place of SB 1071.

Registrar Fogt added that the language in SB 1455 is beneficial to CSLB because it does not repeal the current mandatory workers' compensation requirements for the five classifications, rather it provides CSLB until January 2027 for CSLB to identify a method for licensees to avoid purchasing workers' compensation insurance when they do not have employees. Registrar Fogt added the bill does not mandate that CSLB determine a certain number of contractors that should be exempt, but only requires that CSLB makes a good faith effort to identify if there are licensees who are working under a certain dollar amount that do not have employees that may qualify for an exemption. Registrar Fogt stated the CSLB has a two-person Advisory Committee well equipped to take the lead on the study.

Registrar Fogt mentioned the extension further benefits CSLB because CSLB is at risk of losing 10 percent of licensees with the mandatory workers' compensation requirement. Registrar Fogt noted the staffing resources are significant to handle workers' compensation insurance policies since receiving more policies will require more staff to check for accuracy. Registrar Fogt stated the state budget crisis is limiting



the ability to hire staff and the extension may offer more time to accommodate CSLB staffing needs.

Registrar Fogt clarified when staff found out about the mandatory compliance date. They recalled the April 17 and 18, 2024, board meeting and noted the language was added to the Senate bill on the 18th, but this information was not included in the packet or discussed during the meeting. But staff were aware of the amendment to SB 1455 and testified in support of the Senate Bill 1455 on April 22 in support of the Senate bill, and there was no industry opposition. Registrar Fogt added there will be a one-year cleanup period for any legislative concerns that may arise. They concluded SB 1455 is needed to extend CSLB and the work performed is important to the protection of consumers. Registrar Fogt thanked Senator Ashby and the Sunset Review Committee for including CSLB's legislative needs and the consideration of a four-year extension for CSLB. Registrar Fogt added the staff recommendation is for full support.

Motion: Motion to fully support SB 1455, the CSLB's Sunset Extension bill, so that CSLB staff may testify to that position at the bill's hearing in the Assembly on Tuesday, June 25, 2024. Moved by Steve Panelli; Alan Guy seconded. Motion carried, 9-0-1.

YEA: Diana Love, Rodney Cobos, Miguel Galarza, Alan Guy, Susan Granzella, Michael Mark, Henry Nutt III, Steve Panelli, James Ruane

NAY: None

ABSTAIN: Jöel Barton

ABSENT: Amanda Gallo, Jacob Lopez, Thomas Ruiz, Mary Teichert

Public Comment

There was no public comment.

Board Member Comment

Member Jöel Barton asked is there a way to find out why the amendment was added and which legislator added it.

Registrar Fogt stated the amendment was added in relationship to the Dodd bill, and the Dodd bill did not proceed because the amendment would be added to the sunset bill so that the board would study if there were licensees who don't have workers and to extend the compliance date to 2028 as a resolution to the Dodd bill (SB 1071) not proceeding.

Member Barton asked if an abstention vote would count regarding the two thirds requirement.



DCA Legal John Kinn stated that an abstention vote would not affect the action.

Member Cobos asked if the motion was for an amendment to change the dates.

Registrar Fogt stated the motion was to fully support SB 1455.

Vice Chair Mark stated the motion is for full support of SB 1455 as written and that this is a valid reason so that CSLB can continue as a board.

Member Barton stated they cannot vote in support of a motion that does not shorten the effective date of the workers' compensation requirement, and as long as their vote does not affect the action, they will abstain.

E. Adjournment

Chair Love adjourned the Board meeting at approximately 9:09 a.m.