



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 Mary Teichert called the meeting of the Contractors State License Board (CSLB) to order on December 8, 2022, at 12:04 p.m. at Contractors State License Board Headquarters, 9821 Business Park Drive, Sacramento, CA 95827, and San Francisco Water – Contractors Assistance Center, 150 Executive Park Boulevard, Suite 1300, San Francisco, CA 94134.

Board Secretary Michael Mark led the Board in the Pledge of Allegiance. A quorum was established.

Board Members Present

Mary Teichert, Chair
David De La Torre
Miguel Galarza
Susan Granzella
Alan Guy
Jacob Lopez

Diana Love
Michael Mark
Steven Panelli
James Ruane
Johnny Simpson

Board Member Rodney Cobos had an approved absence.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Steve Grove, Chief of Enforcement
Jason Perez, Chief of IT
Mike Melliza, Chief of Administration
Foad Gharahgozlou, Chief of Licensing
Katherine White, Chief of Public Affairs
Mariah Rovera, Executive Staff

DCA Staff Present

John Cumming, DCA Legal
Christopher Pirrone, DCA Legal

B. Public Comment

James Alvarez voiced their concerns regarding licensing policies in the state and had proposals for optimization current policies. James Alvarez voiced their concerns with SB 216 (Dodd, Chapter 978, Statutes of 2022) and SB 607 (Min, Chapter 367, Statutes of 2021).



C. Recognition

Board Chair Teichert recognized CSLB staff member Pedro Duenas of the CSLB Testing Examination Development Unit. Duenas has been with the Examination Development Unit since 2017, helping manage the development of 10 to 14 trade examinations. Duenas recently completed the development of the new C-49 Tree and Palm classification.

Board Member Comment:

Chair Teichert thanked Duenas for their effective work and emphasized the importance of the new classification.

Board member Diana Love thanked Duenas for their efficient and important work.

Public Comment:

There were no public comments.

D. Executive

1. Review and Possible Approval of the August 30 & 31, 2022, Board Meeting Minutes

Chair Teichert asked for Board member edits to the August 30 & 31, 2022, Board Meeting Minutes. No edits were suggested by the Board.

Motion: To approve the August 30 & 31, 2022 Board Meeting Minutes. Moved by Michael Mark; David De La Torre seconded. Motion carried.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Mary Teichert, Chair	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Alan Guy	✓				
Susan Granzella	✓				
Jacob Lopez	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane				✓	
Johnny Simpson	✓				



Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

2. Registrar’s Report

- a. Disaster Response Modernization Plan**
- b. Enforcement Workload Study Proposal**

Registrar David Fogt summarized their meeting with State Senate Majority Leader Mike McGuire regarding opportunities for their office to assist CSLB with disaster response and enforcement and legislative issues. Registrar Fogt provided staff recommendation, to hire two consultants: 1) Strategic Objective 2.2 – Research the scope of unlicensed practice and resource needs; 2) Perform an Enforcement workload study. Two motions were presented to the Board.

Board Member Comment:

Board Member Michael Mark said they appreciate the leadership understanding the need for two separate consultants. Member Mark asked if this study would be the same line-item budget as the original study.

Chief Deputy Registrar Michael Jamnetski said yes, it would be the same line item.

Public Comment:

There was no public comment.

Motion: Amend the Board motion made August 30, 2022, as follows: Authorize the expenditure of up to \$75,000 to hire a private consultant to: Research the scope of unlicensed practice, review resource needs to address unlicensed practice, and review resource needs to respond to declared disasters. Moved by Michael Mark; seconded by Diana Love. Motion carried.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Mary Teichert, Chair	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Alan Guy	✓				
Susan Granzella	✓				
Jacob Lopez	✓				
Diana Love	✓				
Michael Mark	✓				



BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Steve Panelli	✓				
James Ruane	✓				
Johnny Simpson	✓				

Motion: Authorize the expenditure of up to \$100,000 to hire a private consultant to perform a Special Investigator workload study. Moved by Susan Granzella; seconded by James Ruane. Motion carried.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Mary Teichert, Chair	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Alan Guy	✓				
Susan Granzella	✓				
Jacob Lopez	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
James Ruane	✓				
Johnny Simpson	✓				

Board Member Comment:

Member Mark wanted to clarify that the goal will be to hire a consultant for \$50,000 if possible.

Registrar Fogt said the goal would be to get it done close to the \$50,000 range if possible but if absolutely necessary spend up to \$100,000.

Chair Teichert stated they agree with the general sentiment of spending less money and being prudent with CSLB resources and emphasized the need to get a solid, reliable study.

Public Comment:

There was no public comment.

3. CSLB Budget Update

Chief Deputy Registrar Jamnetski introduced the CSLB Budget Update on page 45 of the Board packet. They explained the first page summarizes the projected budget and expenditures for fiscal year 22/23. Chief Deputy Registrar Jamnetski highlighted the Board’s revenue increase of 21% over the prior year due to the new fee increase that was implemented in January 2022 and mentioned the first quarter reflects the license population is staying stable and not declining.

**Board Member Comment:**

Member Susan Granzella mentioned a few years ago CSLB had an alarmingly small reserve and commended Budget Manager Stacey Paul for their work to build up the CSLB reserve. Member Granzella also asked if the \$7.1 million expenditures and reductions were in the budget today and are there other expenses CSLB would need to anticipate.

Registrar Fogt stated the Board's \$7.1 million reduction goal was achieved and continued reduction is no longer needed because of the fee increase.

Member Mark commended Manager Paul for their work regarding the budget and mentioned they would like to see a six-month reserve eventually.

Public Comment:

Blanca Gomez, city council member in the County of San Bernardino, commented on the need for CSLB to provide Spanish resources for licensing, testing, licensing application requirements. Gomez highlighted the importance to make CSLB study guides and training resources available in Spanish to ensure Spanish-speaking applicant success in obtaining a contractor's license.

4. Administration Update Regarding Personnel and Facilities

Chief of Administration Mike Melliza introduced the CSLB Administration Update on page 54 of the Board packet. Chief Melliza provided transaction, vacancy, and employee recruitment updates from the Personnel Unit. Chief Melliza highlighted CSLB's participation in a job fair at B.T. Collins U.S. Army Reserve Center in Sacramento in partnership with the Employment Development Department (EDD) on November 8, 2022. Chief Melliza also provided facility and contract and procurement updates from the Business Services Unit, including the notable closures of CSLB test centers in Norwalk, San Jose, San Bernardino, and San Diego.

Board Member Comment:

Member Mark asked if the vacancy rate will return to the FY 2019-20 level.

Chief Melliza said that CSLB is working very hard to lower the vacancy levels with proactive activities, partnering with EDD and CalHR for job fairs, especially in underrepresented communities, but currently it is a challenging job market.

Public Comment:

There was no public comment.



5. Information Technology Update

Chief of Information Technology Jason Perez introduced the CSLB IT Update on page 61 of the Board packet. Chief Perez highlighted IT's next business modernization project, the ability for applicants to submit Sole Owner license applications online. Chief Perez also emphasized CSLB's commitment to security and highlighted the next generation virtual private network (VPN) that will encrypt all network traffic.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

E. Enforcement

1. Review, Discussion and Possible Action on Enforcement Strategic Objective 2.2 Regarding Researching the Scope of Unlicensed Practice and Evaluation of Enforcement Resources

Enforcement Committee Chair Michael Mark informed the Board that agenda item E-1 was previously covered in the Registrar Report (D-2).

2. Enforcement Program Update

Committee Chair Mark provided a brief staff vacancy update, stating Enforcement Division had 26 vacant positions as of November 3, which is a vacancy rate of 11 percent. Eight of the vacant positions had candidates selected and pending approval for hire.

Committee Chair Mark provided two recent investigative highlights from the Enforcement Division. The first case involved Eco Technology and their scheme to defraud multiple homeowners in the greater Los Angeles area. The second case involved Jay Soderling of Aurora Ridge Homes and their indictment by the Butte County District Attorney's Office that included contracting without a license in a declared disaster area. Soderling allegedly defrauded multiple survivors of the 2018 Camp Fire in Paradise, California.

Committee Chair Mark summarized the Enforcement Division's complaint handling and the Statewide Investigative Fraud Team (SWIFT) statistics. Committee Chair Mark also highlighted two training programs that were attended by CSLB investigators, one event was hosted by the National Association of State Contractors' Licensing Association (NASCLA) and the other was provided by the Council on Licensure, Enforcement and Regulation.

**Board Member Comment:**

There were no comments.

Public Comment:

There were no public comments.

3. Update on the Joint Agency Solar Task Force

Committee Chair Mark explained the Joint Agency Solar Task Force is composed of CSLB, the California Public Utilities Commission (CPUC), and the Department of Financial Protection and Innovation (DFPI). The group is focused on preventative outreach and education of solar consumers and the solar industry. Committee Chair Mark provided a summary of CSLB accomplishments in the last 30 days: placing an alert on the CSLB website regarding contract payment restrictions, issuing an industry bulletin reminding contractors of home contract requirements and issuing a press release announcing that a CSLB investigation resulted in three people being charged with burglary, grand theft, and diversion of construction funds.

Board Member Comment:

There were no comments.

Public Comments:

There were no public comments.

4. Update on the Solar Energy System Restitution Program

Committee Chair Mark provided a summary of the Solar Energy System Restitution Program (SESRP) and the recent workgroup meeting that was held by PG&E regarding SESRP funds current condition. Committee Chair Mark also provided a statistical summary of the fund.

Registrar Fogt explained with the current number of open claims may expend the balance of the restitution fund and CSLB would not be accepting new claims after December 31, 2022, to ensure that there would be funds to pay restitution to claims that have already been received.

Committee Chair Mark mentioned that success of solar restitution program had created outside interest in creating a fund for consumers who were financially harmed due to projects funded through the Property Assessed Clean Energy (PACE) program. They explained Senator Robert Hertzberg and five assemblymembers have requested a fund budget of \$65 million.

Public Comment:

Stacey Tutt, attorney with National Housing Law Group and a member of Clean Energy Justice Coalition, mentioned a budget request for a PACE restitution fund was



submitted this year seeking \$60 million in restitution and \$5 million to help with the administration of the fund.

An unidentified commenter through the WebEx chat expressed that “the down payment needs to change depending on the project, no 10 percent or \$1,000.”

Registrar Fogt stated that on residential property, the down payment is restricted to \$1,000 or 10 percent but can’t exceed \$1,000. A problem in the solar industry is the proceeding progress payment, after the down payment, being up to 75 percent of the contract price.

Committee Chair Mark mentioned that CSLB is looking for new sting houses. Member Mark also commented that they attended the Enforcement supervisors meeting with all the program managers and supervisors and enjoyed the lively conversation.

Board Member Comment:
There were no comments.

F. Licensing

1. Review, Discussion and Possible Action to Grant Construction Management Education Account Awards

Licensing Committee Chair James Ruane announced the staff recommendation for the 2023 Construction Management Education Account disbursement.

Motion: Authorize the CMEA grant disbursements for 2023. Move by Miguel Galarza; seconded by David De La Torre. Motion carried.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Mary Teichert, Chair	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Alan Guy	✓				
Susan Granzella	✓				
Jacob Lopez	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
James Ruane	✓				
Johnny Simpson	✓				

Board Member Comment:
There were no comments.



Public Comment:

There were no public comments.

2. Review, Discussion and Possible Action on Licensing & Testing Strategic Plan Objective 1.1 Regarding Assessing Barriers to Licensure and Outreach to Increase Licensing Diversity

a. Review and Discussion Regarding Document Translation

Committee Chair Ruane explained CSLB is working with vendors to increase access for candidates who are more comfortable using Spanish than English and has translated all 47 CSLB study guides into Spanish. The study guides will be made available on the CSLB website mid-January. Committee Chair Ruane also highlighted the work with the IT Division and PSI Exams to translate 8 exams into Spanish by late spring of 2023, exams include the Law and Business Exam and seven trade exams.

b. Review and Discussion Regarding Possible Need for Regulatory Rulemaking Regarding Translator Restrictions

Committee Chair Ruane explained applicants may bring an approved translator to PSI Exams to provide oral translation of CSLB Law and Trade examinations. Committee Chair Ruane stated the Licensing Division is reviewing the current translator form to determine if there is a need to draft regulations to implement examination security requirements without being overly restrictive of translation services. The Licensing Division will present a plan or possible translator form revisions to the Licensing Committee for consideration.

Board Member Comment:

Member Love asked if the Board would be addressing the translator restrictions at the current meeting.

Registrar Fogt stated that the form is currently under review and recommendations will be made at the next Licensing Committee meeting or the Board meeting in March 2023.

Public Comment:

There were no public comments.

3. Licensing and Testing Program Update

Committee Chair Ruane introduced the Licensing and Testing Program Update and statistical summary on page 98 of the Board packet. Committee Chair Ruane provided processing times, license issuance and renewal updates, highlighting the over 18%



increase of issued licenses. They also explained the renewal processing times are currently less than one week due in part to online renewal services.

Committee Chair Ruane informed the Board that as of January 1, 2023, per Senate Bill 216, the following classifications now require workers' compensation insurance; C-8 – Concrete, C-20 – Warm-Air Heating, Ventilating and Air-Conditioning, D-49 – Tree Service and C-22 – Asbestos Abatement. On November 1, 2022, CSLB mailed 28,594 notification letters to the licensees that hold these classifications.

Examination Development Manager Carol Gagnon provided a summary of Consumer Satisfaction and Applicant Surveys from July 2021 to June 2022. Manager Gagnon explained these surveys are emailed to consumers whose complaints have been closed and applicants whose license was recently issued.

Board Member Comment:

There were no comments.

Public Comment:

Vince Cefalu, Old Republic Surety Company, had questions regarding bond processing times, the new bond form, and the availability of the new form for surety companies.

Chief of Licensing Foad Gharahgozlou explained the bond current processing times and requested Cefalu provide their contact information in the chat and CSLB would reach out directly.

Call-in #7 (no identification was provided) suggested making more Licensing resources available in Spanish. The Latinx community needs Spanish literature to help remove barriers to licensure.

G. Public Affairs

1. Public Affairs Update

Public Affairs Committee Chair Alan Guy presented the Public Affairs Update on page 144 of the Board packet. Committee Chair Guy provided updates regarding Public Affairs disaster response, video production and social media outreach. They highlighted the monthly production of "Get Licensed to Build" webcasts in English and Spanish and the promotion of the videos on all CSLB social media accounts. Committee Chair Guy also mentioned the Public Affairs Office's work with California legislators on consumer and Senior Scam Stopper workshops.

Board Member Comment:

There was no comment.

Public Comment:

Jason (WebEx Call-in) had concerns about the new bond requirements.



2. Review, Discussion and Possible Action of Public Affairs Strategic Objective 4.4 Regarding the Development of Video Tutorials for Consumers, Applicants and Licensees

Chief of Public Affairs Katherine White presented the two videos that CSLB Television Specialist Amy Lawrence developed in 2022; “CSLB Quick Tips: Renew Your License Online” and “CSLB Quick Tips: Gardeners vs. Landscapers” (*video was presented in Spanish*). Chief White explained the Public Affairs Office continues to develop and update videos for licensees and consumers.

Board Comment:

Member Mark stated they thought the video was very well produced.

Public Comment:

There were no public comments.

3. Review, Discussion and Possible Action of Public Affairs Strategic Objective 4.5 Regarding Contractors on Energy Work in Line with Carbon Reduction Goals

Chief White informed the Board that CSLB was planning an industry stakeholder meeting by the end of the year with C-20 and C-36 stakeholders to discuss emerging technologies, possible need for classification regulatory updates and consumer/industry outreach opportunities and to review enforcement compliance strategies.

Board Member Comment:

There were no comments.

Public Comment:

There were no public comments.

H. Legislation

1. Review, Discussion, and Possible Action of 2023-24 Legislative Proposals

a. Authority to Automatically Reimpose License Revocation for Failure to Complete Terms and Conditions of Probation

Legislative Committee Chair Miguel Galarza provided the Legislative Update on page 163 of the Board packet.

Committee Chair Galarza explained that at the August 2022 meeting, the Board approved the Enforcement Committee’s recommendation to request a legislative



proposal authorizing CSLB to automatically revoke a license subject to a formal disciplinary order if the receiving respondent does not complete a specified instructional course.

Motion: Approve sponsorship of a legislative proposal that would codify CSLB’s existing disciplinary probation authority in CSLB’s practice act and provide that failure to complete probation by taking specific courses or examination results in reimposing revocation. Further authorize staff to secure a legislative author and work with the proposal language and stakeholders as appropriate to facilitate the passage of the described proposal through the legislature. Moved by David De La Torre; seconded by Alan Guy. Motion carried.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Mary Teichert, Chair	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Alan Guy	✓				
Susan Granzella	✓				
Jacob Lopez	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
James Ruane	✓				
Johnny Simpson	✓				

Board Member Comment:

There were no comments.

Public Comment:

There were no public comments.

b. Authority to Require Applicants and Licensees to Report their Current Email Address to the Board at the Time of Application and Renewal

Committee Chair Galarza explained CSLB is transitioning to provide applicants and licensees the ability to perform transactions online and provide important updates, notices, and bulletins by listserv email notification. Committee Chair Galarza added that CSLB proposal is based on a recent bill, Senate Bill 1120, which required licensees provide email addresses to the Board of Professional Engineers, Land Surveyors and Geologists, alongside the California Land Surveyors Association.

Board Member Comment:

Chair Teichert asked if it would be beneficial fiscally to not have to mail items or would CSLB still mail and email the information.



Chief Deputy Jamnetski said CSLB would draft policy on what would be sent out via email and what information would still be sent through the mail.

Motion: Approve sponsorship of a legislative proposal to require license and registration holders to provide email addresses, if available, at the time of initial licensure and renewal to the Board. Further authorize staff to secure a legislative author and work with the proposal language and stakeholders as appropriate to facilitate the passage of the described proposal through the legislature. Moved by David De La Torre; seconded by Steven Panelli. Motion carried.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Mary Teichert, Chair	✓				
Rodney Cobos			✓		
David De La Torre	✓				
Miguel Galarza	✓				
Alan Guy	✓				
Susan Granzella	✓				
Jacob Lopez	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
James Ruane	✓				
Johnny Simpson	✓				

Board Member Comment:

Member David De La Torre stated they believed this would be very cost effective and prudent to delivering important information to licensees.

I. Closed Session

Board Chair Teichert stated the Board would move into closed session to conduct an evaluation of the performance of the registrar.

Chair Teichert explained the Board would return from closed session to adjourn, but the adjournment would not be livestreamed.

J. Adjournment

Board Chair Teichert adjourned the Board meeting at approximately 3:00 p.m.