



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 June 22, 2023, at 1:00 p.m. via Webex teleconference.

Board Members Present

Mary Teichert, Chair

Rodney Cobos

David De La Torre

Susan Granzella

Amanda Gallo

Alan Guy

Diana Love

Michael Mark

James Ruane

Johnny Simpson

Miguel Galarza

Miguel Galarza arrived at 1:11 p.m. Rodney Cobos arrived at approximately 2:30 p.m. Steven Panelli had an approved absence.

CSLB Staff Present On Site

David Fogt, Registrar

Michael Jamnetski, Chief Deputy Registrar

Katherine White, Chief of Public Affairs

Jason Perez, Chief of Information Technology

CSLB Staff Present via Webex

Yeaphana La Marr, Chief of Legislation

Steve Grove, Chief of Enforcement

Carol Gagnon, Licensing Manager

Stacey Paul, Budgets Manager

Americo Garcia, Public Affairs Manager

Mariah Rovera, Executive Analyst

DCA Staff Present On Site

John Kinn, DCA Legal

Board Vice Chair Diana Love led the Board in the Pledge of Allegiance. A quorum was established.



Chair Teichert announced that board member Amanda Gallo has been appointed to join Member Susan Granzella on the Information Technology Committee.

Chair Teichert thanked the United Brotherhood of Carpenters and President Pete Rodriguez for hosting the board meeting and supporting Jacob Lopez in joining the board.

Western District Vice President Pete Rodriguez welcomed the Board to the Carpenters International Training Center (ITC). Rodriguez highlighted the services of the ITC campus and discussed the importance of educating, developing, and training students. Rodriguez emphasized the support for CSLB to assist in maintaining the pursuit of an equitable and fair contractors' industry.

Member Galarza joined the meeting at 1:11 p.m.

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

Public Comment

Davi Rodriguez expressed concern public awarding agencies are hiring unlicensed persons to install public art works such as murals, paintings, and statues. Rodriguez questioned why the board is not doing more to enforce license requirements for public artwork projects.

C. Presentation of Certificates of Recognition – May Include Oral Presentations Commemorating Board Members

Board Member Comment

Chair Teichert recognized Board member Johnny Simpson whose term is ending at the end of June 2023. Chair Teichert explained Member Simpson is one of the longest serving members and thanked them for their work and contribution to CSLB and the state of California.

Registrar Fogt thanked Member Simpson for their support over the past 8 years and for his leadership during the COVID-19 pandemic as board chair.

Member Galarza thanked Member Simpson for their help and expressed appreciation for their valued knowledge.

Member Granzella discussed Member Simpson's direction and thanked them for their efforts.



Vice Chair Love thanked Member Simpson and expressed appreciation for their work.

Member Mark thanked Member Simpson.

Chair Teichert thanked Member Simpson and congratulated them on their retirement.

Public Comment

There was no public comment.

D. Executive

1. Review and Possible Approval of the March 21, 2023, Board Meeting Minutes

Chair Teichert asked for Board member edits to the March 21, 2023, Board Meeting Minutes. No edits were suggested by the Board.

Motion: To approve the March 21, 2023, Board Meeting Minutes. Moved by Alan Guy; James Ruane seconded. Motion carried, 11-0.

YEA: Mary Teichert, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Rodney Cobos, Steven Panelli

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

2. Review, Discussion, and Action on Nominations Committee Recommendations for Election 2023-2024 Board Officers

Chair Teichert explained during the March 21, 2023, Board meeting the appointing of Member Granzella and Member De La Torre to a nomination committee to recommend to the board a slate of officers for Chair, Vice Chair, and Secretary for the next fiscal years starting July 1, 2023.

Chair Teichert turned the floor to Member De La Torre for their recommendation. Member Mark recommended Member Love for Chair, Member Mark for Vice Chair, and Member Galarza for Secretary.



Vice Chair Love explained their 25 years of experience and work history throughout 58 counties and volunteering with populations including children, youth, seniors, disabled, and veterans. Vice Chair Love expressed their focus on the protection of individuals' rights, health, safety, housing, and with legislation. Vice Chair Love emphasized the vitality of these protections in relation to CSLB. Vice Chair Love expressed their appreciation and gratitude for their role as a public member, secretary, and vice chair. Vice Chair Love detailed adding language to the mission statement and to be a member of an all-woman board in 2021. Vice Chair Love stated their ambition to serve as the Chair in continuing CSLB's mission, vision, and values providing protection to consumers.

Motion: To approve Diana Love for the nomination of Chair. Motion carried, 11-0.

YEA: David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Rodney Cobos, Steven Panelli

Motion: To approve Michael Mark for the nomination of Vice Chair. Motion carried, 11-0.

Member Mark expressed appreciation for the members of the Board. Member Mark stated they are looking forward to continued collaboration and working with the Board.

YEA: David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Rodney Cobos, Steven Panelli

Motion: To approve Miguel Galarza for the nomination of Secretary. Motion carried, 11-0.

Member Galarza explained this is their 31st year being a contractor. Member Galarza emphasized the importance of consumer protection and expressed appreciation of the privilege of being the licensing committee chair. Member Galarza referenced serving on the reciprocity advisory committee with Member Ruane. Member Galarza stated being honored to be considered for the nomination of Secretary and vowed to advocate for underrepresented contractors and women in construction.

YEA: David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson, Mary Teichert

NAY: None

ABSENT: Rodney Cobos, Steven Panelli

**Board Member Comment**

There was no comment.

Public Comment

There was no public comment.

3. 2023 Sunset Subcommittee Appointments.

Registrar Fogt updated the Board that CSLB will have to provide an update to a 67-question questionnaire. Registrar Fogt recommended Chair Teichert appoint a two-person advisory committee for staff to work with to draft responses for board consideration at the September Board Meeting.

Chair Teichert appointed Vice Chair Love and Member Galarza to be on the board Sunset Hearing advisory committee.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

4. Registrar's Report**a. Review, Discussion and Possible Action on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study.**

Registrar Fogt updated the Board on retaining a consultant to perform an enforcement workload and process improvement study. Registrar Fogt reported the price of the consultant came back \$7,000 less than the board-approved \$75,000.

Registrar Fogt stated the second consultant needed to research the cope of unlicensed practice and disaster related recourse needs may take up to a year to acquire through the request for proposal process. If a consultant cannot be found, the board may need to consider raising the \$75,000 cap.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

**5. CSLB Budget Update**

Budget Manager Stacey Paul updated the Board on the 2022-23 fiscal year budget. Paul explained the annual budget spending was \$2 million less than the authorized \$80 million and reported a projection of \$92.5 million in revenue, increasing reserves to \$17 million. Paul explained CSLB is spending less than the expected 80 percent budget authority while bringing in 20 percent more revenue than the prior year. Paul projected the 2022-23 budget reserves ending at \$17.2 million with an increase to \$20.4 million in the 2023-24 budget year.

Manager Paul confirmed an increase in new HIS applications and that active licenses were remaining steady.

Manager Paul also highlighted the Construction Management Education Account (CMEA) fund spending authority was successfully increased to \$175,000.

Board Member Comment

Member Mark asked if staff responding declared emergencies is related to the overtime budget being higher than usual.

Manager Paul confirmed the overtime budget is attributed to the disaster response efforts. They also confirmed CSLB had received \$1.3 million in reimbursement for disaster response efforts.

Member Granzella asked if the exam proctors funds were residual funds from the PSI testing center transition.

Manager Paul confirmed those funds were from the PSI transition.

Member Granzella asked if the savings from the transition from PSI to exam proctors will be evaluated and what line item would include the actual cost of PSI.

Manager Paul confirmed the line item is under operating expenses.

Member Granzella asked what the \$11 million under personnel services was for.

Manager Paul confirmed it was applicable to the Attorney General's Office and OAH administrative hearings related to enforcement.

Member Galarza asked if the monthly reserves were tracked and what the optimal month fund balance is.

Manager Paul replied the statute provides for CSLB to have a three-to-six-month fund reserve balance.

Member Guy asked if there is a cause for concern regarding a 19 percent decrease in license issuance.

Manager Paul directed the question to Licensing and referenced backlog being attributed to licenses being issued.



Registrar Fogt asked Licensing Manager Carol Gagnon to explain the low application issuance stats.

Manager Gagnon cited a COVID-related application processing backlog attributed to low licensing issuance. They confirmed the license issuance numbers are improving now that there is more staff to help process applications.

Gagnon explained that with PSI, candidates have the option to select their own testing dates. Many applicants pick an extended date, perhaps to provide them more time to study for the exam. This has also contributed to the license issuance decrease.

Public Comment

There was no public comment.

6. Review, Discussion, and Possible Action on 2022-24 Administrative and Information Technology Strategic Plan Objectives

Chief Deputy Registrar Michael Jamnetski provided the update on the administrative and information technology Strategic Plan objectives.

Strategic Plan Item 5.1: Regularly report to the Board on IT security to protect and secure CSLB sensitive data.

Chief Deputy Registrar Jamnetski said CSLB security policy and enhancement updates have been reported to the Board at regularly scheduled quarterly meetings since August 2022.

Strategic Plan Item 5.2: Research and develop tools in addition to existing annual surveys that will provide the Board and staff with feedback on the public's perception of staff performance and customer service.

Chief Deputy Registrar Jamnetski stated that CSLB has added a "How is CSLB doing?" comment and suggestion box to each of CSLB's public counters to track and receive feedback on how CSLB is assisting consumers and licensees. CSLB IT is working on the development of a survey for the online renewal processes. Chief Deputy Registrar Jamnetski also noted how this objective is related to a Public Affairs objective on improving website experience and a consumer group is being scheduled to discuss improvements.

Strategic Plan Item 5.3: Replace the automated phone system to ensure callers can speak to a representative in a timely fashion.

Chief Deputy Registrar Jamnetski explained the importance of replacing the current automated phone system. An Amazon Connect demo was held in early April to show how the cloud-based platform would work and eventually replace the current automated phone system.



Strategic Plan Item 5.4: Improve staff recruitment, onboarding, and training/team building for staff development.

Chief Deputy Registrar Jamnetski noted that CSLB is seeking to reclassify existing Consumer Services Representative (CSR) positions in the Enforcement Division to the more broadly used Staff Services Analyst (SSA) classification, which will enhance staff recruitment by increasing the candidate pool to fill vacancies.

Strategic Plan Item 5.5: Evaluate applicant and licensee online logins or profiles to help tailor the content to the user, track submissions/interactions, etc.

Chief Deputy Registrar Jamnetski said this item will receive a verbal update shortly from IT Chief Jason Perez.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

7. Administration Update Regarding Personnel and Facilities

Chief Deputy Registrar Jamnetski explained CSLB's efforts to reduce vacancies from 10 percent to 9 percent. Chief Deputy Registrar Jamnetski highlighted employee recruitment efforts by the Public Affairs Office using social media and job fairs to reach candidates and fill CSLB vacancies.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

8. Information Technology Update

Chief of Information Technology Jason Perez updated the Board on the status of the Business Modernization Initiative. Chief Perez informed the Board that unforeseen events have caused delays in the progress of the initiative and explained the efforts being made to achieve the objectives and projected September as the deadline for the updated plan.

Chief Perez updated the Board on CSLB security enhancements by introducing more robust firewalls and intrusion systems to prevent unauthorized access, conducting regular security audits to identify vulnerabilities and risks, and a partnership with DCA to implement regular employee awareness and programs throughout CSLB. Chief Perez



affirmed CSLB's continued commitment to regularly assessing and enhancing security measures against potential threats.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

9. Review, Discussion and Possible Action on 2022 Board Member Administrative Procedure Manual, Chapter 6, Legislation (Board Policy), Changes

Chair Teichert directed the Board to the updated language for this item that was provided as a hard copy for Board members and displayed on the Webex meeting and asked for Chief of Legislation Yeaphana La Marr to explain the recommended proposal.

Chief La Marr explained the recommended proposal to amend the Board Member Administrative Procedure Manual will allow staff flexibility to conduct legislative work between board meetings to effectively communicate to the legislature the board's position and carry out the goals of the board.

Chief La Marr stated in the event that time constraints preclude board action, the Board delegates to the chair of the legislative committee the authority to take action on legislation that would change Contractors State License Law that impacts a previously established board policy or affects the public's health, safety, or welfare. Prior to taking a position on legislation, the registrar or legislative division chief, after consultation with the registrar, shall consult with the ~~board chair and the~~ chair of the legislative committee. The Board shall be notified of such action as soon as possible.

All staff proposals for legislation shall include a statement of the policy or purpose the legislative proposal is intended to achieve. If the Board approves a proposal for staff to seek authorship of a legislative bill, the board's approval shall extend authorization for staff to:

- Locate and secure a legislative author for the bill;
- Communicate in public hearings and in written letters the Board's support for any bill introduced based on that proposal as a "board sponsored" bill;
- Negotiate amendments, both technical and substantive, as long as the amendments are in furtherance the policy or purpose identified in the proposal on which the board previously took a position.



Motion: To adopt staff recommendation to amend page 16 of Board Member Administrative Procedure Manual per staff recommendation. Moved by James Ruane. Seconded by Alan Guy. Motion carried, 11-0.

YEA: Mary Teichert, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Rodney Cobos, Steven Panelli

Board Member Comment

Member Granzella asked how the changes will be communicated to the board.

Registrar Fogt responded the board will be updated regarding legislation status at the next scheduled meeting. They confirmed this amendment is only to streamline the process by requiring consultation with the board chair or vice chair in for minor, not controversial issues.

Public Comment

No public comment.

E. Legislation

1. Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives

Chief La Marr updated the board on Strategic Plan 3.1 - Legislative Day. Chief La Marr explained scheduling conflicts and the legislative calendar prevented the hosting of a Legislative Day in 2023. Chief La Marr stated that Senior Scam StopperSM seminars were useful for Board Members to meet legislators and staffers. Chief La Marr mentioned that there will be an opportunity for board members to meet with legislators during the next fiscal year's Sunset Review.

Chief La Marr updated the board on Strategic Plan 3.6 - Review and collaborate with local and state government to determine if CSLB's hazardous and asbestos certification remain viable and are effective in protecting consumers in declared disaster areas and noted beginning stakeholder consultations near the July 29, 2023, deadline.

2. Review, Discussion, and Possible Action on 2023 Pending Legislation

a. AB 336 (Cervantes, 2023) – Contractors: workers' compensation insurance (classification codes on CSLB renewal)

Legislative Committee Chair Galarza summarized AB 336 applies to licensees who are required to have workers' compensation insurance. The bill would require licensees to



provide their top three workers' comp codes by payroll to CSLB at the time of license renewal and without them, would prohibit license renewal.

Chief La Marr updated the board on the status of AB 336 stating on April 27 the bill was amended to remove any responsibility for incorrectly reported codes and that CSLB is not responsible for verifying or investigating the accuracy of those codes.

Chief La Marr recommended the board take a neutral position, explaining the bill is expected to be heard in the committee appropriations Monday, June 26.

Motion: To change position from neutral to "Support" of AB 336. Moved by Michael Mark. Seconded by Johnny Simpson. Motion does not pass.

YEA: David De La Torre, Jacob Lopez, Michael Mark, Johnny Simpson.

NAY: Mary Teichert, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Diana Love, James Ruane

ABSENT: Rodney Cobos, Steven Panelli

Motion: To take a neutral position for AB 336. Moved by Mary Teichert. Seconded by Susan Granzella. Motion carried, 11-0.

YEA: Mary Teichert, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Rodney Cobos, Steven Panelli

Board Member Comment

Member Mark expressed support for the bill and asked which requested amendments the sponsor did not complete.

Chief La Marr explained the consumer protection value was not established.

Chair Teichert expressed support for a neutral stance.

Legislative Chair Galarza concurred with Chair Teichert's neutral stance.

Member Mark stated he was in support of this bill.

Chair Teichert expressed the amendments didn't cover enough of the codes to demonstrate value to the public.

Member Simpson explained the importance of finding a resolution to protect contractors and the public.

Member Guy stated the bill supports contractors but doesn't improve consumer protection.

**Public Comment**

Mario Wilson of Western Steel Council expressed support for AB 336 and requested a support position from the Board.

Mitchell (last name not obtained) expressed support for AB 336 and requested CSLB take a support position.

Rodney Cobos joined the meeting.

b. AB 968 (Grayson, 2023) – Single-family residential property: disclosures (Work done on house prior to selling)

Chair Galarza explained the language of AB 968 stating the bill requires sellers of property purchased within the previous 18 months to disclose to the new buyer and room additions, modifications or alterations made to the property and turn over all permits obtained for the work performed, disclosing the name and contact information of contractors who performed the work.

Chief La Marr summarized the bill and stated it is intended to address house flippers and applies to sellers who sell a home within 18 months of purchase to disclose a list of alterations or modifications and provide an explanation of the exact modifications and contractor information who completed the work. Chief La Marr recommended a support position.

Motion: To take a support position for AB 968. Moved by Mary Teichert. Seconded by David De La Torre. Motion carried, 12-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson

NAY: None

ABSENT: Steven Panelli

Board Member Comment

Vice Chair Love asked if real estate agreements will be upgraded or amended to make sure that the disclosures are identified in escrow, prior to a buyer signing.

Chief La Marr confirmed disclosures will be present prior to a buyer signing.

Public Comment

There was no public comment.

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

Chief La Marr explained AB 1204 was presented in March when the board decided to watch the bill to give the sponsors time to address board concerns. At that time, the bill did not specify when the prohibition would apply or to whom. Chief La Marr stated staff provided technical assistance to the sponsors and the Assembly Committee on Business and Professions to clarify when this prohibition applies and to which contractor. AB 1204 was amended on April 27, 2023, to specify that the bill would prohibit specialty contractors from subcontracting in the same specialty classification unless that subcontractor has employees, and the prohibition applies to each single project. Chief La Marr stated the bill is intended to address employee misclassification, which is not enforced by CSLB. Chief La Marr stated the consumer protection value is undetermined, but the bill does not impact CSLB fiscally.

Chief La Marr stated staff recommends a neutral position by the board.

Motion: To take a neutral position for AB 1204. Moved by Susan Granzella. Seconded by Diana Love. Motion carried, 11-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Steven Panelli

Board Member Comment

Chair Galarza expressed support for a neutral position for AB 1204.

Public Comment

There was no public comment.

d. AB 1383 (Ortega) – Contractors: discipline: noncompliance with child support

Chair Galarza explained the bill author has removed the bill from consideration and is no longer moving, so a full analysis was not included in the meeting packet.

Board Member Comment

There was no comment.

Public Comment

There was no public comment.

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

Chief La Marr stated SB 544 would adopt a remote meeting option if the board provides the public with the means to hear, observe, and participate in the meeting through publicized conference call or online platforms. The board would also need to have at least one physical site posted on the agenda and meet other requirements. Chief La Marr explained that because SB 544 would go into effect January 1, 2024, the next two board meetings would require full in-person participation. Although this bill would not be effective immediately, this bill would provide flexibility in meeting planning, increase public participation, and increase the pool of those who could serve as a board member. Chief La Marr suggested the board take a support position and requested the board to grant staff authority to work with the Legislative Committee Chair to apply that position if this bill were to be amended so long as the concept of permissible remote meetings was held intact.

Motion: To take staff recommendation in a support position for SB 544. Moved by Diana Love. Seconded by Mary Teichert. Motion carried, 11-1.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane.

NAY: Johnny Simpson

ABSENT: Steven Panelli

Board Member Comment

Member Granzella asked how the California Commission of Aging became the sponsor for SB 544.

Chief La Marr explained not knowing the exact reason, but other state agencies were pleased the CCA sponsored SB 544.

Chief Deputy Registrar Jamnetski replied the CCA may have been interested in the benefit in the idea of remote access to the meetings.

Member Simpson expressed not being in support of SB 544.

Member Ruane stated SB 544 relates to the Brown Act.

Public Comment

There was no public comment.

f. SB 601 (McGuire) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions

Chief La Marr explained SB 601 requires new payment and performance bond requirements in declared disaster areas. The bill was amended to replace bonding



requirements with an increase in civil penalties for requesting and or receiving excessive down payments and or progress payments that exceed the value of work performed in declared disaster areas. Payment violations contribute to financial hard occurring by job abandonment or poor workmanship.

Chief La Marr also mentioned the statute of limitations will be increased for misdemeanor violations from one year to three years.

Motion: To take a position of support for SB 601. Moved by Alan Guy. Seconded by James Ruane. Motion carried, 11-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Steven Panelli

Board Member Comment

Chair Galarza asked who receives the \$5,000.

Chief La Marr responded the local jurisdiction of the prosecuting county receives the funds.

Public Comment

There was no public comment.

g. SB 630 (Dodd) – Contractors State License Board: regulation of contractors

Chief La Marr updated the board on the status of SB 630 relating to CSLB's ability to obtain and protect licensee email addresses and revoke licenses for failure to take prescribed courses included in a disciplinary order. Chief La Marr confirmed the board voted to support the bill that is scheduled for hearing June 27. Chief La Marr explained that the support position previously taken still stands and has not been amended.

Board Member Comment

Member Granzella asked if the email addresses will be displayed on CSLB's website.

Chief La Marr confirmed the language of the bill protects the email addresses from disclosure.

Public Comment

There was no public comment.



3. Review, Discussion and Possible Action on Amendments to Business and Professions Code Section 7071.4 to Address Board Exposure to Risk of Liability for Attorney Fees in Litigation Involving a Deposit in Lieu of Bond (Karton v. Ari Design & Construction (61 Cal.App.5th 734 (2021)))

Chair Galarza explained due to a decision in the matter of Karton v. Ari Construction and Design, CSLB could be exposed to financial liability for attorneys' fees in civil cash deposit cases. Chair Galarza stated the Board was named as a codefendant in a consumer versus contractor civil case involving a deposit in lieu of bond and is liable for up to \$100,000 in attorneys' fees. Chair Galarza mentioned staff are proposing amendments to Business and Professions Code section 7071.4 that would clarify that CSLB should not be responsible for attorney fees and introduced Chief La Marr to provide a summary.

Chief La Marr explained Business and Professions Code section 7071.4 allows licensees who do not wish to file a bond acquired through a surety to make a deposit with CSLB in lieu of the bond. Additionally, subdivision (g) prohibits cash in lieu of bond deposits from release unless as determined by the court. In these cases, the law treats CSLB as a surety. Chief La Marr explained Karton v. Ari Construction set the precedent that sureties could be responsible for attorney fees. Chief La Marr explained the proposal would ensure CSLB is not responsible for legal fees associated with any civil action where a cash deposit is made in lieu of a bond. Chief La Marr explained staff are requesting the approval to share this proposal with members of legislature to seek an author or to include this proposal as a new issue in the sunset report.

DCA Attorney John Kinn added the appellate court ruled in the Karton case, the party who aggressively defended rather than released the bond should be reprimanded; however, there are no allegations against CSLB in any of these cases. Attorney Kinn also stated that CSLB advised that the cash in lieu of bond be deposited with the court as soon as possible, and as a matter of court procedure, to limit potential exposure. This procedure has been accepted by the deputy attorney generals who represent CSLB.

Motion: To take a position of support to amend Business and Professions Code Section 7101.4. Moved by Johnny Simpson. Seconded by David De La Torre. Motion carried, 11-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Steven Panelli

**Board Member Comment**

Member Guy asked about the percentage of cash deposits versus bonds that are in place.

Chief Deputy Registrar Jamnetski replied that he does not have an exact number because there are many cash deposits still on file that are in their statutory retention period for a consumer to make a claim; however, this requires a consumer to file a court case, and CSLB only receives at most between 5 and 10 court case notifications a year.

Public Comment

There was no public comment.

1. Regulations

a. Review, Discussion and Possible Action on Sprinkler Fitters Association of California Petition (Pursuant to Government Code Sections 11340.6 and 11340.7) to Amend Section 832.16 of Title 16, Division 8, Article 3 of the California Code of Regulations (C-16 Fire Protection Contractor Classification) to Include “Fire Fighter Air Replenishing Systems”

Chair Galarza directed the board to page 99 of the board packet and explained that CSLB received a petition for the adoption of regulations dated May 11, 2023, from the Sprinkler Fitters Association of California, regarding California Code of Regulations Section 832.16. Member Galarza explained the petition requests an amendment to 832.16, which describes the scope of the C-16 Fire Protection Contractor, the petition would add fire fighter air replenishing systems (FARS) to work that the C-16 classification is authorized to perform.

Chair Galarza introduced Attorney Kinn to provide additional information.

Attorney Kinn explained the Board received the petition under the Administrative Procedure Act (APA) asking for additional language in the classification of C-16 without an explanation other than the requested language is not currently in any regulation. Attorney Kinn noted that the C-36 Plumbing Contractor classification includes work that is generally described by FARS. Attorney Kinn described the petition and questioned whether it left unanswered why the proposed amendment to the regulation was necessary or warranted, as the APA requires petitions to state the substance of the regulation, the reason for request, and the reference to the authority of the board to act. Attorney Kinn explained the proposal lacks information showing the necessity, benefits, or consequences to other classifications or how the proposal would benefit or protect the public. Attorney Kinn stated that staff has recommended a denial of the petition based on merits without prejudice to the opportunity to request reconsideration or reintroduce the issue in the future.

Chair Galarza explained there are two options of solution. [If the Board agrees with the staff recommendation to deny the petition as presented in the meeting materials, the



Board may take the following action]: Deny the petition based on the grounds set forth in the meeting materials and other grounds raised at the meeting and transmit the denial to the Office of Administrative Law within 30 days.

Chair Galarza explained option two. [If the Board approves the petition and considers the proposed text acceptable as presented in the meeting materials, the Board may take the following action]: Grant the petition, approve the proposed regulatory text and changes to Section 832.16 as provided in the materials, and direct staff to submit all approved text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review. If no adverse comments are received, authorize the Registrar to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package, and schedule the matter for public hearing. If no adverse comments are received during the 45-day comment period or at the hearing, authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed amendments to Section 832.16, as noticed.

Motion: To adopt staff recommendation to deny the petition to amend Section 832.16 of Title 16, Division 8, Article 3 of the California Code of Regulations (C-16 Fire Protection Contractor Classification) to include "Fire Fighter Air Replenishing Systems." Moved by Mary Teichert. Seconded by Johnny Simpson. Motion carried, 11-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Steven Panelli

Board Member Comment

There was no Board Member comment.

Public Comment

Richard Markuson from the Plumbing, Heating and Cooling Contractors Association and the California Chapters of the American Fire Sprinkler Association stated support for the staff recommendation and offered cooperation working with all interested parties in the event the proposal is moved forward.

b. Review, Discussion and Possible Action on Section 100 Rulemaking Proposal to Raise Fine Maximums to Conform to Business and Professions Code Section 7099.2

Chair Galarza explained the proposal would amend California Code of Regulations Section 884 to raise the maximum civil penalties for certain violations to the Contractors State License Law.



Chair Galarza introduced Chief La Marr to summarize the proposal.

Chief La Marr explained Business and Professions Code section 7110 establishes a contractor's willful or deliberate disregard for state and local building permit laws is a violation of the Contractors State License Law. Chief La Marr cited AB 1747 that added section 7110 to the list of violations for which a maximum penalty can be up to \$30,000 and stated staff is requesting authorization to initiate the rulemaking process to amend Title 16, section 884, so the civil penalty thresholds conform to BPC section 7099.2. Chief La Marr stated the section 100 allows non-substantive amendments to be made without subject to notice and 45-day public comment period. Chief La Marr noted the amendments are considered non-substantive and without regulatory effect.

Motion: To adopt staff recommendation to approve the proposed regulatory text for CCR section 884, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and authorize staff to make non-substantive changes to the text and/or rulemaking package as needed throughout the process. Moved by Michael Mark. Seconded by David De La Torre. Motion carried, 12-0.

YEA: Mary Teichert, Rodney Cobos, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Diana Love, Michael Mark, James Ruane, Johnny Simpson.

NAY: None

ABSENT: Steven Panelli

Board Member Comment

There was no Board Member Comment.

Public Comment

There was no public comment.

Board took break for 15 minutes from 3:30 to 3:45 p.m.

F. Enforcement

1. Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives

Enforcement Committee Chair Michael Mark updated the board on the status of the Enforcement Division's Strategic Objectives established for 2022-2024 CSLB Strategic Plan and directed the board to page 114 of the board packet.

**Strategic Plan Item 2.1**

Chair Mark stated Strategic Plan Item 2.1 leverages current enforcement tools to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses. Chair Mark explained information about the bill that would implement this was provided during the Legislation Update.

Strategic Plan Item 2.2

Chair Mark stated Strategic Plan Item 2.2 is to research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies. Chair Mark explained this item was summarized during the Registrar's Update.

Strategic Plan Item 2.3

Chair Mark stated Strategic Plan Item 2.3 is to coordinate educational workshops with agency partners to assist applicants and licensees in complying with Contractors State License Law (CSLL) and other business requirements.

Chair Mark explained an educational workshop is scheduled at CSLB headquarters for September 11, 2023, and an educational workshop is scheduled for Southern California September 18. Chair Mark stated there is a commitment from the Chief of the Labor Enforcement Task Force (LETf) for LETf to participate in these workshops.

Strategic Plan Item 2.4

Chair Mark stated Strategic Plan Item 2.4 is to review and create a structured enforcement training program with enforcement academy to achieve statewide investigation and legal action consistency.

Chair Mark stated Enforcement Academies are currently scheduled with one for Northern and Central region staff and one for Southern region staff. Both academies will be conducted by the deputy attorney general liaisons, Brent Jex and Christine Lee, and the Northern and Central Enforcement Academy will take place July 17-21, 2023, at CSLB Headquarters in Sacramento. The Southern Enforcement Academy will take place October 16-20, 2023, in the Norwalk office.

Chair Mark also stated the academy will provide an overview of the Department of Consumer Affairs and CSLB's Enforcement Division organization, unit functions, and responsibilities, as well as an overview of the Attorney General's Office and administrative processes.

Strategic Plan Item 2.5

Chair Mark stated Strategic Plan Item 2.5 is to research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce CSLL requirements.



Chair Mark explained an Enforcement Quality Assurance Unit (QA) was recreated in 2022 and four Special Investigators assigned to the QA Unit are designated to perform public works investigations as part of their duty statement.

Strategic Plan Item 2.6

Chair Mark explained Strategic Plan Item 2.6 is to continue to enforce workers' compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees. This remains an Enforcement objective.

2. Enforcement Program Update

Chair Mark directed the board to page 119 in the board packet and introduced Chief of Enforcement Steve Grove to provide the update.

Chief Grove highlighted two successful criminal investigations. Chief Grove reported the first conviction relates to a contractor using unlicensed subcontractors, who illegally obtained over \$220,000 of a consumer's money.

Chief Grove explained in the other case, the contractor illegally requested an excessive down payment of \$105,000 in down payment. Both investigations resulted in convictions.

Chair Mark updated the board on CSLB's vacancies and complaint statistics. Chair Mark cited 21 vacancies and stated staff are working to fill those vacancies. Chair Mark discussed CSLB average complaints have increased from 1,100 to 1,300 monthly from 2022 to 2023 and attributed the increase primarily to residential solar complaints being filed against a small number of solar contractors who are receiving excessive amounts of complaints. Chair Mark explained Enforcement staff are working very hard to keep up with consumer complaints and noted the Special Investigators are averaging nine closures per month, just shy of the goal of 10 and added CSRs assigned to Intake and Mediation Centers are beating expectations by exceeding more than 20 complaint resolutions monthly, resulting in more than \$25 million in restitution for financially injured parties. Chair Mark stated a Board goal is to appropriately disposition all but 100 complaints within 270 days of receipt and as of April 2023, 308 complaints exceeded 270 days in age.

Chair Mark updated the Board on the proactive enforcement, citing 17 undercover sting operations, 257 sweep days, and responded to 818 leads with investigators closing 2,694 investigations with 741 of those resulting in administrative or criminal legal action. Chair Mark highlighted SWIFT investigators had been redirected to assist with the victims of the 2022-2023 winter storms by staffing more than 50 Local Assistance and Disaster Recovery Centers across the state. Chair Mark added that SWIFT is collaborating with the National Association of State Contractors Licensing Agencies (NASCLA) to perform multi-state proactive enforcement.

Board Member Comment

There was no Board Member comment.

**Public Comment**

There was no public comment.

3. Update on the Solar Restitution Program

Chair Mark updated the Board on the Solar Energy System Restitution Program. Chair Mark explained the program has received 632 claims of which 320 were approved for a total payout of just over \$4 million, with 37 remaining claims pending. Chair Mark cited the average payout for an approved claim of just over \$12,000. Due to the limitation on remaining funds, claims received after December 31, 2023, are not being processed at this time. Chair Mark explained the program has been a success, benefitting hundreds of Californians and thanked the staff who worked on the program.

Board Member Comment

Member Granzella asked if there were other ways to fund the Solar Energy System Restitution Program.

Registrar Fogt suggested working with the CPUC to find strategies to continue to fund the program. Due to the state budget deficit, it is unlikely general funding will be available.

Member Guy asked if the board had considered working with lenders and holding them accountable for releasing funds to contractors who don't have a license or who haven't completed the work.

Registrar Fogt responded and noted meetings with PACE and other green funding lenders. The lenders generally responded they were duped and do not have funds available for consumer restitution. Staff emphasized the need for the lenders to confirm work completed before paying directly to the contractor.

Chair Mark attributed the bulk of the complaints coming from the same few contractors and commended Enforcement staff for helping with consumer protection.

Public Comment

There was no public comment.

G. Licensing**1. Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Program Strategic Plan Objectives**

Licensing Committee Chair Jim Ruane provided an update for Licensing and Testing Objectives.

**Licensing and Testing Objective 1.1**

Chair Ruane explained Objective 1.1 is to assess barriers to licensure for women and minorities and create an outreach plan to community colleges, construction management programs, labor unions, and workforce development groups to increase licensee diversity and create a better understanding of applicants and licensees. Chair Ruane explained progress with this project is ongoing with the Public Affairs and Executive Division's outreach goals for employee recruitment.

Licensing and Testing Objective 1.2

Chair Ruane stated Objective 1.2 is to study and appraise existing and prospective reciprocity agreements to determine if they are needed and whether qualifying criteria for reciprocity agreements need to be updated or codified legislatively. Chair Ruane stated the reciprocity agreements between California, Nevada and Louisiana have specific qualifying conditions, thus, there has been a discrepancy between contractors coming to California versus those who leave. Chair Ruane explained receiving over 2,000 requests from other states for license verification from 2022 through May 2023.

Licensing Manager Gagnon noted the exam administration for all 47 trades will be available through PSI in Las Vegas, Nevada and Wilsonville, Oregon. Manager Gagnon cited the reason for the expansion makes it easier for applicants to test near their home.

Licensing and Testing Objective 1.5

Chair Ruane stated Objective 1.5 is to partner with Public Affairs to streamline and eliminate jargon on CSLB licensing webpages, handouts, publications, and forms to reduce user confusion and processing times. Chair Ruane cited easier accessibility to documents and clearer explanations to application processes as the reason for this objective.

Board Member Comment

Board Chair Teichert expressed appreciation for the effort of gathering data to understand the demographics of existing licensees.

Public Comment

There was no public comment.

2. Licensing and Testing Program Statistical Update

Chair Ruane updated the Board on the stats of the Licensing and Testing Program and stated the number of applications received in the most recent quarter was higher than the previous three quarters. Chair Ruane added that currently processing times are between three and four weeks; those numbers increased during the first quarter of 2023 due to vacancies that resulted from retirements and promotions. Chair Ruane emphasized the goal is to drop all processing times below three weeks and maintain



this level. Chair Ruane reported that as of June 16, processing times have dropped below three weeks, and he acknowledged staff's hard work for this accomplishment.

Chair Ruane invited Licensing Manager Gagnon to speak to the decrease in pending applications by fiscal year 2021-22.

Manager Gagnon explained the decrease is attributed to COVID restrictions being lifted, PSI testing centers offering more testing time availability, and more fully trained staff have been able to speed up processing of applications.

Chair Ruane noted the calendar year total renewals for 2022 showed 117,694 received, which reflects an approximate 6 percent decline from the last two calendar years, but the general active license populations appear stable for now and cited staff is consistently monitoring this matter. Chair Ruane added an update regarding CSLB's license application experience verification program and stated, as of last summer, the Licensing Division referred most of the experience investigations to the Enforcement Division and in the first quarter of 2023, closed over 30 cases per month.

Chair Ruane provided an update on a reduction in licensees in certain licensing classifications because of new workers' compensation insurance requirements for specific classifications.

Chair Ruane concluded the Licensing and Testing analysis update with a brief overview of the transition to PSI on July 1, 2022, and stated that as of May 2023, PSI Exams had administered 37,638 exams and there are 4,790 exams scheduled and currently there are no backlogs in testing.

Chair Ruane directed the board to page 151 of the board packet and stated CSLB has moved 47 written examinations to PSI and explained the process is running smoothly. Chair Ruane reported that to remove barriers to licensure, CSLB has worked with a vendor to translate 47 study guides to Spanish and have them available on CSLB's website and are also in process of translating the Law and Business exam into Spanish and will have it available by August 2023.

Manager Gagnon explained as of August 2023, the Law and Business Exam will be available in Spanish in test centers and nine Spanish trade exams will be available by the end of the year. Manager Gagnon cited the 10 exams are the most requested exams for a translator and the move to Spanish saves CSLB about \$60,000 annually. Manager Gagnon also stated testing times should improve with the new Spanish exams by reducing waiting times for a translator to be approved.

Board Member Comment

There was no Board Member comment.

Public Comment

There was no public comment.

**H. Public Affairs****1. Update, Review, Discussion and Possible Action on 2022-24 Public Affairs Strategic Plan Objectives**

Chief of Public Affairs Katherine White updated the Board on Strategic Plan items.

Public Affairs Strategic Plan Update 4.1

Chief White stated Public Affairs Strategic Plan 4.1 focuses on expanding CSLB's online presence to educate both consumers and the industry by constantly researching and exploring the best ways to deliver CSLB's messages to the industry while also reaching out to underserved communities through targeted outreach efforts.

Public Affairs Strategic Plan Update 4.2

Chief White stated Public Affairs Strategic Plan Update 4.2 focuses on establishing a CSLB-specific new board member orientation. Chief White explained that staff have been developing narrative overviews that cover legislative processes, licensing and testing functions, and enforcement procedures. Overviews will be included in the welcome binder provided to new Board members, offering a convenient and informative resource.

Public Affairs Strategic Plan Update 4.3

Chief White stated Public Affairs Strategic Plan Update 4.3 focuses on enhancing the user experience through website content updates, improved accessibility, and navigation and explained planning to meet with consumer groups in August to gather valuable input, ensuring CSLB's website caters to the specific needs of the targeted audience.

Public Affairs Strategic Plan Update 4.4

Chief White stated Public Affairs Strategic Plan Update 4.4 emphasizes the development of video tutorials designed to reduce errors for consumers, licensees, and applicants by providing clear instructions on various processes, such as completing forms.

Public Affairs Strategic Plan Update 4.5

Chief White stated Public Affairs Strategic Plan Update 4.5 involves establishing communication channels with C-20 and C-38 contractors, aligning with Governor Newsom's carbon reduction goals. Chief White explained the Public Affairs Office has already issued industry bulletins on related matters, and CSLB will coordinate with Member Mark in scheduling an industry meeting for October.

Board Member Comment

There was no Board Member comment.

**Public Comment**

There was no public comment.

2. Public Affairs Update

Public Affairs Committee Chair Alan Guy updated the Board on the status of the Public Affairs Office (PAO). Chair Guy explained that PAO is responsible for media, industry, licensee, and consumer communications, as well as outreach. Chair Guy also stated PAO provides proactive public relations, responds to media inquiries, and develops and distributes publications and newsletters, while also conducting education and outreach for consumers and contractors.

Chair Guy highlighted PAO's efforts for creating content for CSLB's social media channels and website, including webcasts, videos and conducting workshops and seminars for disaster survivors and contractors, while presenting speeches to service groups and organizations.

Chair Guy stated the disaster response has been a key effort over the past year as CSLB works to educate consumers, so they are not harmed by unlicensed or unscrupulous contractors after a disaster. Chair Guy explained in the latter half of 2022 and early 2023, CSLB staffed and participated in 43 disaster recovery centers throughout California. Chair Guy mentioned PAO's outreach efforts have been vast, including contact with legislator offices, building departments, and construction industry associations. Staff also participated in a multi-agency task force established by the California Governor's Office of Emergency Services (Cal OES).

Chair Guy highlighted PAO's digital services, focusing on creating informative videos for consumers, licensees, and applicants. Chair Guy explained these videos cover topics such as online license renewal, hiring contractors for seniors, contractor advertising guidelines, and celebrating Women in Construction Week. The videos are shared on social media platforms and archived on CSLB's website.

Chair Guy provided insight into the PAO's growing social media presence and noted its following has grown by 7 percent. On YouTube, PAO produced 29 videos and CSLB's video library on the platform earned nearly 75,000 views over the past year, providing increased engagement with applicants, licensees, the news media, and other stakeholders. Chair Guy highlighted Facebook posts reaching 52,000 people and another 40,000 on Instagram and Twitter.

Chair Guy directed the board to page 171 of the packet and pointed out the media relations efforts with PAO responding to 37 inquiries and issued 17 news releases between July 1 and April 30, while media coverage has focused on various topics, including disaster-related reminders, sting operation results, solar scams, and legal actions against unlicensed contractors. Chair Guy noted PAO hired an Outreach Coordinator recently, and that has facilitated more in-person Senior Scam StopperSM Seminars around the state.

Chair Guy mentioned PAO's Graphic Design Unit has completed several publications and reports, including the release of the 2023 California Contractor License Law &



CSLB

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Reference Book and Fast Facts related to disaster response. Chair Guy added Public Affairs Office also writes and publishes content for internal communications and has published 16 employee intranet articles, highlighted employee and organizational accomplishments, and provided access to forms, policies, reports, and other important information for CSLB staff.

Chair Guy concluded that although the Public Information Center has experienced varying wait times due to supervisor turnover and staff absences, improvements have been observed since May and into June, and staff expects continued improvement with the upcoming recruitment of additional staff.

I. Adjournment

Motion: To adjourn. Moved by David De La Torre. Seconded by Diana Love. Motion carried.

Meeting adjourned at 4:36 p.m.

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

Nevada State Contractors Board (NSCB) Chair Boyd Martin called the meeting of the Contractors State License Board (CSLB) to order on June 23, 2023, at 8:30 a.m. via Webex teleconference.

Board Members Present

Mary Teichert, Chair
David De La Torre
Miguel Galarza
Susan Granzella
Amanda Gallo
Alan Guy
Diana Love
Michael Mark
Steve Panelli (Webex)
James Ruane (Webex)
Johnny Simpson

Rodney Cobos has an approved absence.

CSLB Staff Present On Site

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Katherine White, Chief of Public Affairs
Jason Perez, Chief of Information Technology

CSLB Staff Present via Webex

Yeaphana La Marr, Chief of Legislation
Steve Grove, Chief of Enforcement
Carol Gagnon, Licensing Manager
Stacey Paul, Budgets Manager
Americo Garcia, Public Affairs Manager
Mariah Rovera, Executive Analyst

DCA Staff Present On Site

John Kinn, DCA Legal

NSCB Chair Boyd Martin led the Board in the Pledge of Allegiance. A quorum was established.

Chair Martin welcomed members of CSLB to the meeting.



B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests (Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

CSLB Board Chair Teichert welcomed the public and explained the rules. Chair Teichert asked all comments to be held to three minutes and specified that Nevada law prohibits Board members from discussing any matter brought up during public comment. Board members are not allowed to act on any item not on the agenda and asked if an application, complaint, or disciplinary charges pending is before the Board, to not discuss the details of the case or pending complaint.

Public Comment

There was no public comment.

C. Joint Discussion with Nevada State Contractors Board (NSCB)

1. Presentation by CSLB Chair Mary Teichert Regarding Women in Construction and Discussion Concerning Opportunities to Recruit Women in Leadership Roles

Chair Teichert discussed the current situation in California with women in construction and explained workforce development opportunities. Chair Teichert explained that 50 percent of the population is women, less than 11 percent of the construction population are women, and less than 8 percent of license qualifiers, CEOs, and presidents are women. Chair Teichert stated CSLB started gathering demographic information on licensees to help research ideas to increase opportunities to expand the population of the construction industry. Chair Teichert stated there is a need for women in construction and cited an aging workforce, infrastructure needs, and an array of construction jobs that create opportunities and demand for qualified and capable workers. Chair Teichert highlighted the opportunity to promote self-employment, childcare support/options, and the ability to control their environment as reasons woman should consider a construction career. Chair Teichert emphasized eliminating obstacles such as workplace harassment, stereotypes, and promoting a positive workplace culture to help encourage participation. Chair Teichert also stated sponsoring, actively advocating, and providing networking and training opportunities will help provide solutions that can help.

Board Member Comment

Nevada Chair Martin asked how California advocates for women in construction.

Chair Teichert responded and stated making training and guidance publicly available and by using massive outreach techniques.



Member Panelli stated a coloring book made by a female plumber has been sent out to local schools for use as a resource when explaining the benefits of a construction career.

Chair Teichert thanked Member Panelli.

Member Ruane explained a sponsored program that takes children to facilities to show them the opportunities that are available in the construction industry versus the traditional school to college.

Chair Teichert thanked Member Ruane.

Member Mark agreed with Chair Teichert and stated that the trades are going into schools to explain the benefits of transitioning from school into the construction industry. Member Mark explained gaining perspective will help change the culture.

Chair Teichert agreed and expressed their appreciation for the outreach being done in high schools.

Member Lopez explained they have invested a lot of resources into educating members about females in the industry and stated changing the culture by starting with leadership.

Chair Teichert expressed appreciation for their statement and agreed and explained making change at home is also a contributor to accomplishing the goal of introducing women into the industry.

Public Comment

Leslie Mujica, executive director of IBEW/NECA/Labor Management and Cooperation Committee – Las Vegas Power Professionals, stated appreciation for the Women in Construction presentation and explained childcare being the biggest priority to getting women to engage in the industry.

Steve Miller expressed having outreach with the Board and would like to be a part of promoting the outreach efforts with CSLB.

Nevada Board Member Comment

Nevada Executive Officer Margi Grein explained Nevada's inspiration to identify ways to encourage women to join the construction workforce. Grein stated over the years the board has been more intent on connecting underserved groups, including women, with construction industry counterparts. Grein highlighted two programs, Hammers and Hope events and workforce development programs, as techniques to pursue their interests for reaching women in the construction industry.



2. Discussion Regarding NSCB and CSLB Laws and Processes Related to Applicant Background Checks and Requirements for Licensure

Nevada's former director of investigations, Paul Rozario, gave a presentation on the NSCB applicant background requirement checks for licensure. Rozario explained the origin of background checks and provided analysis on upward trending data for applicants with criminal histories versus those without.

Rozario explained proposed Assembly Bill 363 would restrict what their board can do with a criminal conviction. The legislation did not pass.

Rozario further explained that five years ago the board initiated a background interview due to the number of license denial appeals being initiated. Rozario stated the interview has sped up the application process while reducing the number of appeals by 80 percent and streamlining staff work volume.

Registrar Fogt thanked Rozario and provided a background to the origin of fingerprinting applicants in California. Registrar Fogt explained a convicted felon misled CSLB by obtaining a false ID, false SSN, and misreporting criminal history, which resulted in the person obtaining a license and defrauding more than 70 consumers. Registrar Fogt explained California legislation was implemented to fingerprint applicants and stated that now more than 60 percent of applicants have been fingerprinted. Registrar Fogt emphasized the fingerprinting program provides CSLB the ability to deny licensure and take action for specified criminal convictions upon discovery of violent and harmful crimes committed by applicants and noted that less serious crimes are always considered for licensure.

3. Discussion and Comparison of NSCB and CSLB Requirements Concerning Workers' Compensation Insurance

Registrar Fogt stated workers' compensation insurance is a challenge in California because of the cost. Contractors that do not have workers' compensation insurance have an unfair competitive advantage over contractors that comply with workers' compensation insurance requirements.

Registrar Fogt noted the existence of an uninsured benefit employers trust fund that business with workers' compensation insurance pay into to provide coverage for workers employed by an uninsured employer.

Registrar Fogt discussed legislation that mandated C-39 roofing contractors have workers' compensation and recent legislation that added four more classifications (C-8, C-20, C-22, D-49) to the mandatory workers' comp requirement. Registrar Fogt added that as of January 1, the specified licenses without workers' compensation insurance are not renewed and the license classification will be removed from the licenses July 1, 2023.

Member Mark pointed out that although there was a drop in applications for C-39 roofing classification there is an observed uptick as of late and expects the same for the other four classifications as well. Member Mark added the importance of protecting



consumers from accidental work-related injuries and mentioned an increase in civil penalties that should increase compliance with workers' compensation requirements. Member Mark stated that unfortunately there are still a large percentage of contractors falsely claiming they have no employees, which is leading CSLB to take a more aggressive enforcement approach. Member Mark emphasized the importance of protecting consumers as to the need to enforce the mandated workers' compensation insurance policy.

Board Member Comment

There was no Board Member comment.

Nevada Board Member Comment

Nevada Licensing Administrator Susan Broili Kamesch commented that Nevada possesses specific language mandating that original licenses and all renewals have workers' comp and explained without proof a renewal or issuance will not be processed. Kamesch stated there is an affidavit that allows for exemption; however, they haven't had any issues with false reports. Kamish added the Division of Industrial Relations notifies NSCB of any lapses in coverage after 30 days and added if there are two violations in a five-year period there is a severe penalty that provided for license revocation.

4. Presentation Related to the Brightline West Rail Project and Discussion Concerning Nevada/California Partnerships Regarding Cross Border Projects

Sarah Watterson of Brightline West Rail Project gave a presentation to the Boards on the California-Nevada rail project. Watterson explained the importance and significance of train systems and highlighted the company beginning in 2014 with the first phase from Miami to Palm Beach being completed in 2018 and projected to be done in August 2023. Watterson mentioned Las Vegas and Southern California as places of interest for expansion. Watterson detailed the significance of how China built their railway system and explained the opportunity to build something similar in America by emphasizing convenience, flexibility, and the experience they've created using hospitality such as sleeping areas, cargo areas for bikes, and luxury. Watterson explained a 218-mile system between Las Vegas and Rancho Cucamonga is being built with expected trip times of two hours compared to four to eight hours of driving. The railway will reduce safety concerns and provide environmental and economic benefits. Watterson claimed the project costs \$12 billion, in which \$600 million is already invested. The railway should be operational in four years (2028).

Board Member Comment

Vice Chair Diana Love asked what the anticipated average ticket cost is and will there be a train stop at the Palmdale station.

Watterson confirmed about \$100 per ticket each way and the train should connect to Palmdale and Victorville.



Nevada Board Member Louis Polish Jr. asked how big the trains are, how many passengers per train, and how many trains are expected daily.

Watterson explained about 450 to 900 passengers per train if coupled together, with times being early morning to midnight and running about 35 trains per day on the hour.

Member Polish thanked Watterson for their presentation and President Joe Biden for the infrastructure bill. Also mentioned the importance for creating jobs and stimulating economic growth.

Watterson emphasized the importance of reducing traffic and creating convenience for local commuters.

Member Polish asked how many tracks.

Watterson confirmed a single track with 56 miles of passing rail.

Member Polish asked how the lack of electricity is being addressed.

Watterson explained the construction of substations, increasing capacity and building redundancy to prevent any issues of blackout.

Vice Chair Love asked if the costs adjust based on destination and distance.

Watterson confirmed the \$100 was for the whole trip from Vegas to Southern California so the ticket process will vary based on location and distance.

Vice Chair Love asked will there be reduced rates for student and seniors.

Watterson stated reduced senior and student rates will be considered.

Vice Chair Love asked will there be parking.

Watterson confirmed yes.

Member Mark affirmed Watterson as a woman in construction and thanked them for their time.

Nevada Board Member Bryan Cowart asked how the construction begins on a project of such size.

Watterson explained starting with road work and breaking the construction into several different phases.

Public Comment

There was no public comment.



5. Discussion Concerning the Public Benefit of Licensure and Efforts to Promote Consumer Awareness Regarding the Importance of Hiring Licensed Contractors

Member Alan Guy stated licensing agencies, such as CSLB and NSCB, protect public health and safety by ensuring that contractors meet minimum standards and are current on code requirements. Member Guy explained both boards are dedicated to promoting consumer awareness through CSLB's key outreach utilizing Senior Scam StopperSM seminars and getting information out to consumers at Disaster Recovery Centers around the state, to ensure disaster survivors do not get scammed and that they choose licensed contractors when getting their homes repaired. Member Guy noted CSLB's Public Affairs Office works with Licensing on the monthly *Get Licensed to Build* virtual workshop, providing key details about how to apply for a California contractor's license.

Public Affairs Chief Katherine White explained CSLB wants to reach out to middle and high school students to show them how construction can be a viable career and mentioned that Nevada has built sustainable partnerships with schools around the Silver State with trade-based curriculum programs and connecting students to industry professionals.

Chief White confirmed CSLB wants to expand its efforts to encourage women in construction and mentions NSCB has held its annual Hammers and Hope events in both regions of Nevada for the past few years during National Women in Construction Week, featuring a panel of female professionals across the construction industry who share their testimonies, experiences, and insights on employment opportunities and expectations for a variety of positions.

Member Guy provided an update in the upcoming year, stating the focus is on developing messaging that emphasizes the role licensures play on consumer protection by providing databases to verify contractor credentials and helping consumers regarding complaints. Member Guy mentioned industry integrity and providing publications and resources, working with the Department of Industrial Relations and other agencies to encourage worker safety. Member Guy stated the market benefits by promoting a fair marketplace and by encouraging underserved groups to pursue licensure.

NSCB Public Information Officer Jennifer Lewis discussed Hammers and Hope and explained offering mentorship opportunities helping women understand how their skill sets connect to construction positions. Lewis explained their events are empowering and provide meetings to increase engagement and interest in the construction industry and offer workforce development discussions in the local middle and high schools to help spread awareness.

6. Discussion Concerning NSCB and CSLB Partnering Opportunities

Executive Officer Grein spoke to the collaboration between the two boards on operational levels that promote consistency across the borders of Nevada and California.



Registrar Fogt expressed appreciation for the working relationship with the Nevada staff and Board and stated it has been very effective.

Member Mark explained that the priority is to ensure consumers are protected and cited at a Tahoe sting operation where unlicensed contractors were identified for enforcement action.

Registrar Fogt explained Nevada and California have played a lead role over the years in the multi-state NASCLA stings and sweep operations. Registrar Fogt emphasized the importance of the multi-state enforcement operation is to convey the commitment to a nationwide effort to protect consumers. Registrar Fogt thanked the Nevada Board and staff for their effort and commitment.

Member Mark explained stings yield discoveries of other criminal history of the violating contractors and expressed hiring a licensed contractor limits harm to older consumers.

D. Adjournment

Motion: To adjourn Nevada meeting. Moved by Chair Martin. Seconded by Member Kent Lay. Motion carried.

Motion: To adjourn California meeting. Moved by David De La Torre. Seconded by Mary Teichert.

Meeting adjourned at 11:04 a.m.