



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Board Meeting Minutes – December 11, 2025

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

Board Chair Miguel Galarza called the meeting of the Contractors State License Board (CSLB) to order on December 11, 2025, at 1:00 p.m. at the Pople Pavillion, 250 Gateway Boulevard, South San Francisco, CA 94080.

Board Member Rodney Cobos led the Pledge of Allegiance, and a quorum was established.

Board Members Present

Miguel Galarza, Chair

Joël Barton

Rodney Cobos

Amanda Gallo

Diana Love

Michael Mark

Henry Nutt III

Steve Panelli

Josef Preciado

James Ruane

Mary Teichert

Alan Guy, Jacob Lopez and Thomas Ruiz had approved absences.

CSLB Staff Present

David Fogt, Registrar

Estelle Champlain, Chief Deputy Registrar

Rebecca May, Chief of Legislation

Steve Grove, Chief of Enforcement

Carol Gagnon, Chief of Licensing

Katherine White, Chief of Public Affairs

David Gower, Public Affairs Supervisor

Michael Jamnetski, Special Projects Manager

Amy Lawrence, Television Specialist

Katie Carrasco, Executive Analyst

DCA Staff Present

John Kinn, DCA Legal Counsel



Board Member Comment

Chair Miguel Galarza congratulated Katie Carrasco on her recent promotion to Executive Office Analyst. He said Carrasco has been a valued member of the team for the past year and a half, serving as an Office Technician in the Executive Office. This transition establishes a dedicated role focused on providing direct support to Board Members and ensuring full preparedness for upcoming Board Meetings. Chair Galarza asked those present to join him in welcoming Carrasco to her new position and recognizing her continued contributions to the organization.

Analyst Carrasco thanked the Board and reaffirmed her commitment to providing continued support.

Chair Galarza stated that Board Members take pride in engaging with staff and supporting efforts to provide customer education. In October, he was honored to participate for the fourth consecutive year in the CSLB Senior Scam Stopper event in Fremont. During this event, the CSLB outreach team shared critical information on common scams and strategies for seniors to protect themselves.

Chair Galarza also recognized Board Member Diana Love who recently met with Enforcement Staff at the Valencia Field Office to discuss how CSLB can contribute to workforce development and create opportunities for justice within the construction industry.

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

Chair Galarza proceeded with Item B for Items Not on the Agenda and Requests for Future Agenda Items, followed by Public Comments for Future Agenda Items.

Public Comment

Richard Markuson, representing the American Society of Civil Engineers (ASCE), addressed the Board to share findings from the recently released California Infrastructure Report Card, published every five years. He noted that California received an overall grade of C- across 17 evaluated categories, which he described as concerning. Markuson emphasized that improving infrastructure requires adequate funding and a strong contractor workforce. ASCE estimates that raising California's grade to a B+ would require approximately \$10 billion in infrastructure investment. He offered to provide additional briefings on the report's development and ASCE's recommendations for encouraging infrastructure funding, stressing that the state's economic vitality depends on robust infrastructure.

Board Member Comment

Board Member Mary Teichert acknowledged the comments regarding California's infrastructure challenges and emphasized the importance of determining CSLB's role in addressing these concerns, noting it is a significant issue for all stakeholders.

**Public Comment**

Thomas Felardo, a general contractor with over 40 years of experience and long-time participant in the SWIFT program, expressed concern about recent changes to program requirements. Specifically, he questioned the new restriction that SWIFT operation sites must be located a certain distance from schools, reportedly 1,500 feet. He noted that this requirement significantly limits available locations and may undermine enforcement efforts, which he considers essential for ensuring contractors are properly licensed and protecting vulnerable populations. Felardo requested clarification on the rationale behind this change and suggested reconsideration or modification of the policy to maintain the program's effectiveness.

C. Presentation of Plaques or Certificates of Recognition

Chair Galarza presented a certificate of recognition to CSLB Outreach Coordinator Kyra Hall for her outstanding public presentations and commended her for exemplifying CSLB's mission of public service and consumer protection. Hall joined CSLB in 2019 as a student assistant, and after two years with the Department of Education, returned in 2024. Chair Galarza noted Hall has been instrumental in organizing and delivering Senior Scam Stopper presentations statewide, educating Californians on hiring licensed contractors and preventing financial exploitation. He added that Hall's professionalism, positive attitude, and ability to connect with the public have made a significant impact.

Board Member Comment

Chair Galarza emphasized the value of Senior Scam Stopper events, noting that seniors often attend feeling anxious and uncertain, and are seeking reliable information. He encouraged participation in these events, describing them as worthwhile and impactful.

D. Executive

Chair Galarza introduced Item D, beginning with a review of the Joint and Quarterly September 5, 2025, Board Meetings and November Committee Meetings. The Chair proposed voting on the Joint and Quarterly September 5, 2025, Board Meetings Minutes as one item and the five Committee Meeting Summaries as a single item. The November Committee Meetings included Executive, Enforcement, and Public Affairs on November 17, 2025, and Licensing and Legislative on November 18, 2025.

1. Review and Possible Approval of Board Meeting Minutes and Committee Meeting Summaries

- a. **September 5, 2025, CSLB/NSCB Joint Board Meeting Minutes**
- b. **September 5, 2025, CSLB Quarterly Board Meeting Minutes**



Motion: To approve the September 5, 2025, CSLB/NSCB Board Meeting Minutes and CSLB Quarterly Board Meeting Minutes. Moved by Joël Barton; seconded by Rodney Cobos. Motion carried, 9-0-2.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado, and Mary Teichert.

NAY: None

ABSTAIN: Steve Panelli and James Ruane

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

Board Comment

There was no comment.

Public Comment

There was no comment.

- c. November 17, 2025, Executive, Enforcement and Public Affairs Teleconference Committee Meeting Summary**
- d. November 18, 2025, Licensing and Legislative Teleconference Committee Meeting Summary**

Motion: To approve the November 17 and 18, 2025, Executive, Enforcement, Public Affairs, Licensing and Legislative Committee Meeting Summaries. Moved by Henry Nutt III; seconded by Rodney Cobos. Motion carried, 7-0-4.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado.

NAY: None

ABSTAIN: Amanda Gallo, Steve Panelli, James Ruane, and Mary Teichert.

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

Board Comment

There was no comment.

Public Comment

There was no comment.



2. Registrar's Report

Chair Galarza transitioned to the Registrar's Report. The Registrar presented reports on topics, including Los Angeles County disaster response, an Enforcement review and related recommendations, an update on analytical studies regarding licensing practices and resource needs, and a review and discussion of construction lending practices.

a. Los Angeles County Disaster Response Update

Registrar David Fogt presented the Los Angeles County Disaster Response Update, which included a summary of CSLB's outreach, education, and enforcement efforts following the Los Angeles wildfires in January 2025. Drawing on lessons from the Camp Fire in 2018, CSLB prioritized proactive consumer education to minimize complaints. The strategy proved successful, with only 24 complaints received over the past 12 months, compared to approximately 400 after the Camp Fire. Two of these complaints involved unlicensed contractors.

Registrar Fogt noted how outreach has included key consumer protection tips, including hiring licensed contractors, ensuring contracts clearly describe the scope and timing of work, and avoiding progress payments that exceed the value of completed work. Additionally, it was noted that contracting without a license in a declared disaster area is a felony.

Registrar Fogt noted that the afternoon of December 11, Los Angeles District Attorney Nathan Hochman held a press conference announcing the arraignment of five unlicensed individuals seeking work in wildfire-affected areas, showing strong collaboration between CSLB enforcement staff and the district attorney's office.

Board Comment

There was no comment.

Public Comment

There was no comment.

b. Enforcement Audit Review and Recommendations

Registrar Fogt reported on the Enforcement Audit Review and recommendations that staff provided to improve enforcement processes and training. An Executive Office team, led by Enforcement



Chief Steve Grove, reviewed 346 consumer complaint cases across 12 offices to ensure consistent application of the law and identify opportunities for streamlining investigations. Key findings included Enforcement staff valued training opportunities with CSLB continuing in-house programs and collaborating with the Department of Consumer Affairs on an enforcement academy. Registrar Fogt noted many complaints involve financial crimes, such as contractors taking payments without completing work, and that CSLB plans to hire a forensic auditor to assist with financial investigations and prepare reports for potential criminal referrals. He added the completion of the Enforcement Modernization Plan remains a priority to improve efficiency and effectiveness.

Board Comment

There was no comment.

Public Comment

There was no comment.

c. Update Regarding Analytical Study on Unlicensed Practice and Resource Needs

Registrar Fogt provided an update on the analytical study championed by Board Member Michael Mark, noting initial challenges when Sacramento State declined to conduct the audit. CSLB's Examination Development staff, with comparable expertise, have taken on the project internally, eliminating the need for the previously approved \$200,000 consultant contract. The study focuses on three key areas, matching contractor license records with business license data to identify patterns, reviewing approximately 5,000 annual unlicensed practice complaints to identify opportunities for improved consumer education and website resources, and examining unlicensed contractor advertisements on digital platforms, with preliminary findings indicating up to 25 percent may be unlicensed. Registrar Fogt noted the report is expected by June and will include recommendations on resource needs for public outreach and enforcement staffing. Currently, CSLB has 27 proactive SWIFT investigators for 58 counties, highlighting potential staffing gaps.

Board Comment

There was no comment.

Public Comment

There was no comment.

**d. Review and Discussion Regarding Construction Lending Issues**

Registrar Fogt addressed construction lending concerns, noting significant issues where contractors receive direct payments from lenders before completing work, leaving consumers financially obligated without leverage to ensure performance. This problem, previously seen in the solar industry, is now emerging in accessory dwelling unit (ADU) projects. CSLB staff developed a legislative proposal aimed at tightening lending practices, though such measures would fall under banking and finance rather than CSLB's jurisdiction. A meeting with the Department of Financial Protection and Innovation (DFPI) was scheduled in December to explore potential collaboration. Key concerns include ensuring consumers understand agreements signed electronically (e.g., DocuSign), requiring hard copies or notarization, and addressing "loan stacking," where multiple loans are issued for the same project. While enforcement referrals to district attorneys are possible, recovering funds for consumers remains challenging.

Board Comment

Board Member Steve Panelli raised concerns about payment structures for manufactured home projects, citing an example of a \$340,000 project requiring \$10,000 upfront, \$130,000 at the midpoint, and the remainder upon completion. Member Panelli noted that these payments are scheduled automatically, regardless of actual construction progress, which can leave consumers paying significant amounts, sometimes over \$150,000, without visible work being performed on-site. He questioned whether such practices are fair and transparent, emphasizing the need for oversight to ensure consumers are not financially obligated for work that has not been completed or delivered.

Registrar Fogt acknowledged the concerns raised and suggested exploring collaboration with California Building Officials to provide consumers with clearer guidance on when progress payments are made based on inspection phases and off-site construction practices. He proposed leveraging inspection processes as a model for structuring payments based on verified work completion and recommended adding related information to CSLB's website to help consumers make informed decisions.



Member Panelli highlighted additional concerns regarding manufactured housing and ADUs. He noted that while the Department of Housing and Community Development enforces standards for manufactured homes, some units installed in California do not meet local county or city codes. Member Panelli also pointed out delays in utility connections, such as electricity, water, and gas, which can render completed units unusable for months after installation. He stressed the need for consumer awareness that off-site construction may not meet California standards and urged better guidance to ensure compliance and avoid costly mistakes.

Member Panelli raised another concern about accessibility for older consumers when filing online complaints, noting that many lack the technical skills or equipment to upload documents. He suggested providing alternative options, such as live assistance or in-person support, to ensure these individuals can effectively report issues. Member Panelli emphasized that face-to-face interaction often builds trust and clarity, particularly for seniors who may feel uncomfortable or misunderstood using digital platforms.

Registrar Fogt clarified that consumers currently have the option to mail supporting documents, such as contracts and payment records, which CSLB staff then scan for inclusion in complaint files. There are no plans to discontinue this practice. The Board is exploring additional options for consumers who prefer to submit documents electronically, while ensuring privacy and proper tracking for investigative purposes. Additionally, CSLB continues to prioritize in-person engagement, with staff conducting site visits and meeting directly with consumers to review concerns.

Board Member Henry Nutt III recommended tying consumer payments to verified installation progress to prevent upfront overpayments. He proposed requiring an independent evaluation of work completed (e.g., 30 or 50 percent) to trigger corresponding payments, thereby aligning disbursements with measurable milestones. Member Nutt III cautioned that large upfront payments can leave contractors cash-positive without sufficient incentive to complete projects, underscoring the need to link progress payments directly to documented work performed.

Registrar Fogt said there is consumer protection messaging regarding the prohibition that contractors do not request or accept payments exceeding the value of materials and work performed. In investigations, CSLB's Industry Expert Program typically assesses



whether payments align with completed work and whether sufficient contract balance remains for the consumer to hire another contractor to finish the project. Registrar Fogt underscored the need for clearer consumer guidance to evaluate payment schedules, noting a common issue where contracts highlight the \$1,000 deposit cap yet require a subsequent payment of up to 70 percent of the contract price, which far exceeds the value of work performed.

Member Panelli stressed the challenges of enforcing control over construction projects when work is performed outside California. While the state can regulate activities within its borders, it has little authority over projects executed in other states, even if they involve contracts tied to California.

Registrar Fogt shifted focus to the Berman bill, noting that the Board sponsored legislation last year that was incorporated into that bill. He emphasized that efforts are ongoing to make the bill more beneficial to consumers, and the ideas being discussed will be considered in that process.

Member Mark referred to the audit of 346 enforcement cases and highlighted the importance of staffing considerations, specifically hiring a forensic auditor to address white-collar crime in the construction industry. He suggested incorporating this into the upcoming strategic plan and proposed another audit to strengthen enforcement against violations. Additionally, Member Mark noted that forensic auditors could uncover issues like wage underpayment and refer such findings to appropriate agencies, such as the Division of Apprenticeship Standards or district attorney offices, ensuring deeper scrutiny of contractors' financial records when complaints arise. Member Mark expressed appreciation for the hard work on the study and noted that progress is on track with the Enforcement Committee's Strategic Plan. He thanked Registrar David Fogt and staff for their efforts.

Public Comment

Thomas Felardo, who develops ADUs, agreed with the previous points, emphasizing that many projects are not up to code in certain areas. He highlighted issues with progress payments, noting that current practices often lack clear percentage-based structures, leading to large, uneven payments. Felardo suggested implementing a system where independent inspectors or contractors verify work completion, similar to how banks handle major construction loans, to ensure payment amounts align with actual progress.



Board Member Comment

Member Panelli explained that banks handling large-scale projects, like high-rise buildings, release funds incrementally based on verified progress and signed approvals, rather than paying the full loan upfront. He contrasted this with ADU projects built off-site in factories, where homeowners and inspectors cannot directly observe progress, relying instead on schedules that may be delayed. Member Panelli said this lack of visibility creates challenges compared to on-site construction, where progress and compliance are easily verified through inspections and signatures.

Chair Galarza acknowledged that there has been substantive discussion during the meeting and suggested considering whether it would make sense to take further action or next steps based on the topics covered.

Registrar Fogt suggested that, given the pending bill and enforcement efforts, it may be worth considering additional legislation or collaborative solutions to address the issues discussed. He encouraged the group to work together to solve these problems.

Chair Galarza invited those interested in serving on a committee or group to discuss the matter before the meeting ends.

Public Comment

There was no comment.

3. Advisory Committee Reports

a. Update Regarding Muralists Exemption Resulting from Senate Bill 456 (Ashby)

Member Love reported on the Muralist Exemption Advisory Committee meeting held on November 7 to discuss SB 456, a new law effective January 1 that exempts muralists from contractor licensing when applying murals. The discussion clarified that the exemption covers activities directly related to creating the artwork, such as sealing, base coats, and protective coatings, but excludes structural repairs or installing fixed scaffolds, which require a licensed contractor. A stakeholder meeting on December 9 confirmed these interpretations and recommended CSLB issue an industry bulletin to clarify the exemption's scope for muralists, contractors, and public agencies. A draft bulletin was provided to the board for review.



Board Member Comment

Member Nutt discussed the advisory meeting, noting it was highly informative and clarified the nuances of mural work. He appreciated learning about the preparatory steps and conservation efforts, which are more aligned with art preservation than construction. Member Nutt also expressed confidence that the draft bulletin clearly defines the boundaries of the exemption and resolves any prior doubts.

Public Comment

There was no comment.

b. Review and Discussion of IT Advisory Committee Recommendation Regarding CSLB Mobile Application and Enforcement Modernization Plan

Chair Galarza thanked the Board Members for the briefing and transitioned the meeting to IT Advisory Committee Chair Nutt.

Committee Chair Nutt reported that the IT Advisory Committee met on November 17 to review ongoing and upcoming projects. The sole owner online application project is nearing completion, with a planned launch in spring 2026. The committee also discussed future priorities, including a possible mobile app and the Enforcement Modernization Project. He noted feedback from Nevada's Board indicated low mobile app adoption, as most users prefer using the Board's website. A demonstration of the enforcement project's proof of concept showcased workflow automation for intake and case management. Chair Nutt noted once the sole owner application is launched, staff will assess its impact and explore expanding online services to partnerships, corporations, and LLCs.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

4. Information Technology Update

Chair Galarza announced the next agenda item: the Information Technology Update and introduced Chief Deputy Registrar Estelle Champlain to present the update.

Chief Deputy Registrar Champlain stated that the IT Division successfully completed the Windows 11 upgrade in early November, becoming the first



DCA Board to do so, with zero downtime and no increase in service desk tickets. She noted the cloud-based Enterprise Document Management System (EDMS), implemented in May, has improved workflow efficiency, security, and record tracking, exceeding staff expectations. Future initiatives, including the Enforcement Modernization Project, will be built on the EDMS platform for consistency and cost-effectiveness. Chief Deputy Registrar Champlain shared the sole owner online application project remains on track for a spring 2026 launch. The IT team maintained progress during leadership transitions, and CSLB is in progress of hiring a new IT chief.

Board Member Comment

Member Nutt added that having access to real-time data and insights from the model was extremely helpful in avoiding unnecessary work and expenses. It allowed the team to focus on features that users actually utilize, ensuring resources were used efficiently and preventing wasted time and money.

Public Comment

There was no comment.

5. Budget Update

Chair Galarza moved to the next agenda item, the Budget Update, and introduced Chief of Legislation Rebecca May to present the update.

Chief May reported CSLB's authorized budget for the fiscal year 2024-25 is \$83 million, with year-end projections at \$96 million. Revenue collections reached \$481 million, a 2.3 percent increase from the prior year. The current fund balance is \$56.8 million, projected to grow to \$62 million by end of the year, equating to about eight months of reserves. Chief May noted the Construction Management Education Account continues to see increased donations, and grant disbursements were approved to rise from \$175,000 to \$225,000. Statistical summaries show a nearly 10 percent increase in original licenses issued and a 1.7 percent rise in renewals compared to two years ago.

Board Member Comment

Member Mark commended Budget Manager Stacey Paul for maintaining strong reserves, noting that the current eight-month reserve is excellent. He also acknowledged the legislative change effective January 1, which increases the reserve cap from six months to twelve months.

Public Comment

There was no comment.



6. Administration Update

Chair Galarza proceeded to the next agenda item, the Administration Update, and noted that Chief Deputy Registrar Champlain would present the update.

Chief Deputy Registrar Champlain reported CSLB averaged 30 vacancies out of 423.5 authorized positions in Quarter 1 (July-September), a 7 percent vacancy rate slightly above the 5 percent goal. Recruitment efforts continue, especially for hard-to-fill positions in high-cost areas. The Career Development and Mentoring Program Steering Committee outlined 2026 training goals focused on team dynamics, classification-specific courses, employee development, and leadership training. A supervisor's toolbox is being developed for CSLB's intranet, including training resources, performance appraisal examples, and corrective memo templates, with completion expected in December.

Board Member Comment

Member Love asked if the fiscal year runs July 31 through September.

Chief Deputy Registrar Champlain clarified that the fiscal year starts on July 1 and goes through June 30 of the next year.

Public Comment

There was no comment.

E. Legislation

Chair Galarza moved to Legislation, presented by Legislative Committee Chair Joël Barton.

1. Review and Discussion Regarding Section 100 Rulemakings

Chair Barton introduced agenda items regarding Section 100 rulemakings, which allow CSLB to make minor or non-substantive changes to the California Code of Regulations (CCR) without going through the full rulemaking process. In 2025, CSLB staff completed two Section 100 rulemakings, supporting the Board's Strategic Plan goal to review and amend regulations for clarity and currency. These changes have already been approved by the Office of Administrative Law and are currently in effect, so no Board action was requested.

**a. CCR Sections 831 and 883 – Updated Gender References**

Chief May outlined that staff received approval for two Section 100 rulemakings in 2025. Item 1A updated gender references in CCR sections 831 and 883 from “he/his” to “they/their,” effective June 26, 2025.

b. CCR Sections 827 and 828 – Removed Outdated Licensing Processing Times

Chief May stated Item 1B removed outdated licensing processing times in CCR sections 827 and 828, which were unnecessary after a 2003 statute repeal. Current regulations already specify timelines: notification upon receipt, a 5-day window for incomplete applications, and 115 days to determine eligibility. Licensing processing times are also posted weekly online. Additionally, the term “salesman” was updated to “salesperson.” This change became effective December 7, 2025.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

2. Review, Discussion, and Possible Action on 2025 Board-Sponsored Legislation

Chair Barton proceeded to review and discussion of 2025 board-sponsored legislation, starting with AB 521. This bill clarifies that CSLB is not liable for attorney fees or civil claims related to a contractor’s cash deposit filed in lieu of a license bond. AB 521 was signed into law and becomes effective January 1, 2026. Staff requested no Board action and Chief May provided an update on implementation.

a. AB 521 (Chapter 265, Statutes of 2025) Bond deposits: liability for legal fees and costs.

Chief May reported the implementation of AB 521 will be straightforward. CSLB staff will notify the supervising assistant attorney general so they can inform licensing and enforcement teams. Additionally, Public Affairs staff will include a summary of AB 521 in the next newsletter.

Board Member Comment

There was no comment.



Public Comment

There was no comment.

b. AB 559 (Berman, 2025): Contractors: home improvement contracts: prohibited business practices.

Chair Barton described the AB 559 (Berman) proposes adding ADUs to the definition of home improvement under contractor state license law. It also specifies that individuals violating progress payment provisions causing financial harm to customers could face a \$10,000 fine and possible license revocation. The bill faced opposition from ADU manufacturers concerned that down payment restrictions could negatively impact off-site custom building. As a result, the author designated AB 559 as a two-year bill to allow time to address these concerns before moving forward.

Chief May shared that staff met with the lead opposition, the Casita Coalition, on November 13 to explore legislative ideas to reduce consumer harm in the ADU industry. Suggestions included requiring payment and performance bonds or creating managed fund controls for ADU projects. Non-legislative improvements were also discussed, such as updating CSLB's ADU video, improving website accessibility, and issuing a consumer bulletin on safe hiring practices. No consensus was reached, but staff will continue working with the author and stakeholders to seek compromise. Staff recommended no Board action today and will provide updates.

Board Member Comment

Due to technical difficulties some comments were not captured.

Member Panelli highlighted that manufacturers are resisting regulations on progress-based payments because these rules would restrict their control over funds tied to project milestones. He prefers payment terms to be governed by individual contracts rather than standardized regulations, allowing them flexibility in managing production and progress without external mandates.

Board Chair Galarza suggested that legislators should consider whether strict regulations are necessary to prevent potential abuse by bad actors, even if such cases stem from past issues. He implied that oversight could serve as an alternative to unchecked spending or mismanagement during project progress.



Committee Chair Barton said he and Chief May plan to meet with legislators in February to present these concerns and explore possible solutions.

Board Chair Galarza emphasized that the intent is not to impose blanket control or assume wrongdoing by all parties. Instead, the focus is on addressing specific concerns about bad actors without painting everyone with a broad brush.

Public Comment

There was no comment.

c. SB 291 (Chapter 455, Statutes of 2025): Contractors: workers' compensation insurance.

Committee Chair Barton stated that SB 291, signed into law and effective January 1, 2026, increased penalties for filing false workers' compensation exemptions. The bill also directs the Board to assess the feasibility of creating an evidence-based process for determining exemption eligibility. It does not change the requirement for all licensees to carry workers' compensation insurance and confirms the end of the existing exemption by January 1, 2028. No Board action was requested on this item.

Chief May explained that the primary challenge in implementing SB 291 is determining how CSLB can verify eligibility before granting a workers' compensation exemption and reporting findings to the legislature by the end of 2026. Since the bill's passage, the Workers' Compensation Advisory Committee and Legislative Committee have recommended holding stakeholder meetings to define exemption criteria and preparing a draft report for legislative review, consulting with the State Compensation Insurance Fund, Department of Insurance, and Department of Industrial Relations to evaluate their pre-qualification models, and assessing the feasibility of application and renewal fees to fund eligibility reviews and compliance audits, supported by a workload analysis. Staff will also need to promulgate regulations for new penalty amounts, update the website and materials, and provide ongoing updates at future Board meetings.

Board Member Comment

There was no comment.

Public Comment

There was no comment.



d. SB 779 (Chapter 233, Statutes of 2025): Contractors: civil penalties.

Chair Barton stated SB 779 establishes or increases minimum civil penalties (enforcement fines) on citations and raises CSLB's reserve fund cap from six months to 12 months. Implementation of the increased minimum fines is delayed until July 1, 2026, to align with the start of the fiscal year. No Board action was recommended on this item.

Chief May confirmed that Enforcement managers will notify staff about the increased minimum civil penalties and update procedure manuals accordingly. Staff will track administrative law decisions that reduce penalties below statutory minimums. Public Affairs will update CSLB's website, revise printed materials, and issue an industry bulletin. Additionally, SB 779 requires staff to promulgate regulations to reflect updated minimum fine amounts.

Board Member Comment

Member Panelli asked whether a contract would be considered null and void if a required provision was omitted from the contract and then a complaint was filed, particularly in the context of someone wanting to cancel the agreement.

Due to technical difficulties some comments were not captured.

Registrar Fogt explained that failing to include required information in a contract can lead to two major issues: disciplinary action for noncompliance and difficulty pursuing restitution through the courts. If a contractor sues a customer, the consumer could argue they were not given proper cancellation rights, which would be an administrative violation and could also impact civil court proceedings.

Public Comment

Thomas Felardo inquired whether it's 3 days, 10 days, or another period for cancellation rights.

Board Member Comment

Chief May stated this requirement was not changed by the recent bill.

3. Review, Discussion, and Possible Action on 2025 Bill Implementation (non-sponsored)

Chair Barton stated that AB 1002, effective January 1, 2026, authorizes the Attorney General to petition the court to deny licensure or renewal for contractors or qualifying individuals who fail to pay workers full wages, do not



satisfy wage judgments, or violate wage payment orders. The Attorney General must notify CSLB before initiating such action, and CSLB may intervene or collaborate in the proceedings. If the Attorney General and/or CSLB action prevails, CSLB retains sole authority to suspend, revoke, or deny licensure or renewal. No Board action was requested on this bill.

a. AB 1002 (Chapter 567, Statutes of 2025): Contractors: failure to pay wages: discipline.

Chief May explained that Enforcement managers will ensure key enforcement staff are informed about the new law and update procedure manuals as needed. Public Affairs will issue an industry bulletin reminding licensees to comply with wage payment requirements.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

b. AB 1327 (Chapter 348, Statutes of 2025): Home improvement and home solicitation: right to cancel contracts: notice.

Chair Barton moved to AB 1327, effective January 1, 2026, which requires home improvement contracts to include the contractor's email address and permit buyers to cancel the contract via email. The contract must also provide a telephone number to help buyers locate and complete the "Notice of Cancellation." If the notice is not included or attached to the contract, buyers may file a complaint with CSLB. Staff recommends no action on this bill at this time.

Chief May explained that to implement AB 1327, enforcement managers will inform key enforcement staff about the new home improvement contract disclosure requirements and update procedure manuals as necessary. Public Affairs staff will revise CSLB's website and related materials to reflect these changes. Additionally, PAO staff will issue an industry bulletin to educate licensees on the new requirements.

Board Member Comment

There was no comment.



Public Comment

There was no comment.

c. SB 456 (Chapter 758, Statutes of 2025): Contractors: exemptions: muralists.

Chair Barton reported that SB 456, effective January 1, 2026, creates an exemption from contractor licensure for artists who paint murals. Staff recommended no action from the Board on this bill, as previously discussed during the Executive Update.

Chief May said to implement SB 456, Public Affairs staff will finalize and distribute an industry bulletin by the end of the year and update CSLB's website and other materials to reflect the new mural artist exemption. Enforcement managers will notify enforcement staff of the exemption and update procedure manuals as needed.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

d. SB 517 (Chapter 585, Statutes of 2025): Home improvement contract requirements: subcontractors.

Chair Barton discussed SB 517, effective January 1, 2026, which requires contractors to disclose the names, contact information, license number, and classification of any subcontractors in a home improvement contract upon request. The bill also clarifies that the prime or direct contractor remains ultimately responsible for the construction project. Staff recommended no action by the Board on this bill.

Chief May said to implement SB 517, enforcement managers will ensure staff are informed of the new home improvement contract requirements and update procedure manuals as needed. Public Affairs staff will conduct consumer and industry outreach, update CSLB's website and related materials, and distribute an industry bulletin detailing the new requirements.

Board Member Comment

Member Mark discussed the subcontractor request, asking whether this must come from the homeowner and is not automatically included in the contractor's standard contract.



Chief May explained the home improvement contract must state that the homeowner has the right to request this information.

Member Mark suggested while implementing this proposal, CSLB staff may want to consider issuing two separate bulletins. He suggested a contractor bulletin explaining that subcontractors may be provided upon homeowner request and that contracts must clearly state the homeowner's right to request this, along with a consumer bulletin, informing them that they have the right to request subcontractor information in their home improvement contract and can make this request directly to their prime contractor.

Public Comment

There was no comment.

4. Review, Discussion, and Possible Action on 2026 Proposed Legislation

Chair Barton proceeded to the next agenda item about two legislative proposals for consideration. By sponsoring these proposals, the Board authorizes staff to identify a legislator to carry the legislation on CSLB's behalf.

a. Proposal to Add Business and Professions Code Section (BPC) 7058.9 – Require Hazardous Substance Certification Prior to Conducting Debris Removal.

Chief May shared the first legislative proposal for the Board's consideration, which relates to debris removal during a declared disaster. This proposal is similar to SB 641 (Ashby), which CSLB supported last year but was ultimately vetoed due to unrelated provisions. The proposed legislation would specify that contractors may not engage in debris removal, including muck-out or ash-out, in a declared disaster area unless they hold an A - General Engineering Contractor license, a B - General Building Contractor license, or both a C-12 Earthwork and Paving classification and a C-21 Building/Moving Demolition classification. Additionally, contractors must pass CSLB's Hazardous Substance Removal Certification examination and comply with HAZWOPER requirements established by the Department of Industrial Relations. These requirements aim to ensure worker safety and mitigate health and environmental hazards caused by improper debris removal and disposal practices.



Chief May noted the proposal does not change existing law for debris removal outside disaster declarations. Staff respectfully requested that the Board consider sponsoring this proposal.

Board Member Comment

Board Member Amanda Gallo asked why the bill was vetoed.

Chief May stated the previous bill, SB 641, was much broader than the current proposal and was vetoed because of unrelated provisions, including licensing waivers during disasters for other Department of Consumer Affairs programs and state funding issues. The veto was not due to the CSLB-specific portion now being proposed.

Public Comment

Thomas Felardo asked whether the proposal is related to air quality control or asbestos concerns in disaster situations.

Board Member Comment

Chair Barton confirmed that would be correct.

Motion: To approve the Proposal to Add Business and Professions Code Section (BPC) 7058.9 – Require Hazardous Substance Certification Prior to Conducting Debris Removal. Moved by Miguel Galarza; seconded by James Ruane. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

NAY: None

ABSTAIN: None

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

b. Proposal to Amend BPC 7075.1 – Clarify Conditions for Possible Reissuance or Reassignment of a License Number.

Chair Barton moved to the next item, and asked Licensing Chief Carol Gagnon to present the second legislative proposal.

Chief Gagnon explained the second proposal concerns clarifying rules for reissuing contractor license numbers when a business



changes its corporate structure, such as moving to another state, merging, or converting entity types. She noted older license numbers are valuable because they reflect stability and help complete ongoing projects. Current law restricts when a license number can be reassigned for consumer protection, but ambiguities often prevent CSLB from transferring numbers, causing licenses to expire or require reapplication. Chief Gagnon stated this issue frequently arises when companies relocate and change state registration, resulting in license cancellation. The proposed clarification would protect businesses from losing long-established license numbers, ensure continuity for active projects, and help CSLB assist licensees through entity changes. Staff requested the Board's support to pursue this statutory change.

Board Member Comment

Due to technical difficulties some comments were not captured.

Chief Gagnon explained that clarifying the law would make the process easier for both licensees and CSLB staff and prevent situations where companies move to another state for tax purposes and unexpectedly receive a license cancellation notice after their Secretary of State registration ends.

Member Teichert asked whether the recommendation is to develop a legislative proposal that would then be reviewed and resubmitted for consideration.

Chief Gagnon confirmed they would draft language for the proposal and present it to the Board for review and discussion at a future meeting.

Member Teichert stated corporate restructuring does not change the core identity or operations.

Chief Gagnon expressed her agreement of its importance.

Registrar Fogt explained this issue arose due to frequent calls to CSLB from contractors confused about when a license number can be reissued. The goal is to prevent unnecessary suspensions and expired licenses caused by corporate status changes, such as moving to another state. CSLB intends to work with industry and license services to clarify the law and ensure contractors can maintain active licenses during restructuring.

**Public Comment**

Kim, a representative from License Experts LLC, noted that current law (BPC 7075.1) and CSLB's website already outline when a license can be reissued and the steps required, such as submitting a written request specifying the condition (e.g., merger or subsidiary changes), along with an original application and fees. Applicants must also provide documentation, like Secretary of State records, to verify the corporate changes. Kim emphasized that older license numbers are valuable and should remain eligible for reassignment as long as requirements are met and the application process is followed.

Motion: To approve the Proposal to Amend BPC 7075.1 to Clarify Conditions for Possible Reissuance or Reassignment of a License Number. Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

NAY: None

ABSTAIN: None

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

5. Review, Discussion, and Possible Action on 2026 Proposed Non-substantive Updates to Contractors State License Law

- a. **Business and Professions Code (BPC) Section 7026.12 – Remove Cross Reference to Repealed Statute.**
- b. **BPC Section 7071.18 (b) – Remove Obsolete Study Requirement.**
- c. **BPC Section 7074 (b) – Remove Reference to Exam Fee Collection.**
BPC Section 7139.3 (c) – Update Construction Management Education Account Advisory Committee Membership

Chair Barton proceeded to the final legislative agenda item, which involves reviewing proposed non-substantive updates to Contractors State License Law for 2026. Each year, the Senate Business, Professions and Economic Development Committee introduces an "omnibus" bill to make small, non-controversial, no-cost updates across programs under the Department of Consumer Affairs. This bill offers CSLB an opportunity to correct errors or



inconsistencies in Contractors Law, reducing confusion for staff and the public and improving compliance among licensees and applicants.

Chief May reported staff have identified four minor, non-substantive updates to the Contractors Law and seek approval to submit them for inclusion in the Senate Business, Professions, and Economic Development Committee's 2026 omnibus bill. The first update removes an obsolete cross-reference in BPC 7026.12 related to fire protection systems, as BPC 7026.13 was repealed in 2017. The second deletes a completed study requirement from SB 465 (2016) regarding reporting construction defect claims, which has already been submitted to the Legislature and remains available online. The third eliminates outdated language about rescheduling exam fees, as applicants now pay fees directly to PSI under the Board's sunset bill. Lastly, the fourth update revises BPC 7139.3 to reflect the merger and name change of two Construction Education Management Account advisory committee member organizations into United Contractors. Staff request the Board's support for these technical corrections.

Board Member Comment

Board Member Josef Preciado asked whether the last recommendation involves updating the name of an organization on the Construction Management Education Account Advisory Committee and ensuring the list of member organizations is accurate. He raised a concern about whether these changes could result in an even number of committee members, which might lead to split votes (e.g., 5-5). Member Preciado asked whether any adjustments or recommendations should be made to avoid potential deadlocks in decision-making.

Chief May acknowledged that if the committee's membership changes lead to an even number of voting members, any resulting voting deadlocks would represent a substantive issue rather than a minor technical correction.

Due to technical difficulties some comments were not captured.

Special Projects Manager Michael Jamnetski shared the committee currently has 10 member organizations due to the merger, and this has been the case for some time. While splits have occurred, adding or removing an organization to address voting balance would be a substantive change. The current recommendation is limited to updating the law to reflect the merged association's correct name, without altering the number of members.

Public Comment

There was no comment.



Motion: To approve four minor, non-substantive updates to the Contractors Law, to submit them for inclusion in the Senate Business, Professions, and Economic Development Committee's 2026 omnibus bill. Moved by Mary Teichert; seconded by Rodney Cobos. Motion carried, 10-0-1.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado, James Ruane and Mary Teichert.

NAY: Steve Panelli

ABSTAIN: None

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

The Board took a 10-minute break at 2:45 p.m. and reconvened at 2:55 p.m.

F. Enforcement

Chair Galarza proceeded to the Enforcement agenda items. Enforcement Committee Chair Mark was given the floor to lead this next section.

Chair Mark reported the first item on the Enforcement agenda was the Enforcement Program Statistical Update, starting on page 151 of the packet. While the packet contains a detailed statistical report, Enforcement Chief Grove provided key highlights during the meeting.

1. Enforcement Program Update

Chief Grove shared three key cases from the statistical update. First, a San Diego solar installation complaint was successfully mediated, resulting in a \$32,000 settlement after roof damage and misrepresentation of energy offset capabilities were discovered. Second, a church construction project in Paradise failed after a \$1 million contract was left incomplete, causing \$404,989 in financial injury and operational setbacks. CSLB pursued disciplinary action, leading to license revocation and restitution requirements. Third, in Calistoga, a swimming pool contractor's CEO diverted funds after the license was suspended, prompting license revocation, HIS registration cancellation, and referral for criminal prosecution, with an arrest warrant issued.

Chair Mark reported the Enforcement Division staffing and operational metrics for January 1 through October 31, 2025. During this period, 16,892 complaints were initiated, with a pending caseload of 5,484, exceeding the



optimum maximum of 4,895. The Intake Mediation Centers secured \$26.5 million in restitution, while CSLB-sponsored arbitration ordered an additional \$2.7 million. The Board aims to resolve all but 100 complaints within 270 days while 196 exceeded that timeframe, and supervisors are actively working to reduce aged cases.

Chair Mark stated that Enforcement was proactive by SWIFT's 26 sting operations, 352 sweep days, and 524 tips, resulting in 2,252 cases closed, with 664 leading to legal action and 891 advisory notices. Fewer stings occurred due to SWIFT's wildfire recovery support early in the year. Lastly, the Experience Verification Unit conducted 378 application investigations, with 187 approved, 73 withdrawn, 114 denied, and 4 appeals. No action was required of the Board.

Board Member Comment

Chair Mark highlighted the positive impact of proactive enforcement efforts in wildfire zones. Earlier, Registrar Fogt reported only 25 complaints related to recent fires, which contrasts with past disasters. This improvement is attributed to staff's proactive presence in southern California, preventing unlicensed contractors from operating in affected areas. Chair Mark also noted that during a prior tour, they observed how outreach and coverage standards helped educate consumers about avoiding unlicensed contractors.

Public Comment

There was no comment.

G. Licensing

Chair Miguel Galarza moved on to the Licensing items. Licensing Committee Chair Nutt was asked to provide the licensing update.

1. Licensing and Testing Program Update

Chair Nutt presented the Licensing and Testing Division update with assistance from Chief Gagnon. CSLB received over 12,000 applications last quarter (July-October), including nearly 5,000 for new licenses, 900 qualifier replacements, and 2,000 Home Improvement Salesperson additions. All processing times remained close to or under 3 weeks. Over 29,000 renewal applications were processed, and about 90 contractors affected by LA-area fires utilized the governor's executive order to defer renewal fees. Staff began contacting them in December for payment instructions. Nearly \$30 million more was recovered in 2024 compared to the prior year from the Judgments Unit, and staff remain current on judgments, liabilities, and bond claims.



Chief Gagnon reported CSLB had a record-breaking year, administering over 59,000 exams between November 2024 and October 2025, including 87 in Oregon and 181 at out-of-state centers. The Exam Development Unit released updated exams for C-5 Framing and Rough Carpentry and C-35 Lathing and Plastering, with six more item banks ready for PSI programming and nine additional exams in development. EDU is updating all code-based item banks to reflect the new Title 24 California Building Codes by January 2026.

Chief Gagnon noted Licensing staff are digitizing blueprint booklets used in trade exams to improve security and reduce costs with C-15 Flooring and C-55 Water Conditioning exams fully digitized and 19 more trades in development. CSLB also continues efforts to reduce language barriers: over 11,000 Spanish exams were administered between August 2024 and July 2025, primarily Law and Business, B-General Building, C-33 Painting, and C-39 Roofing.

Board Member Comment

Member Panelli inquired whether a Spanish-language version of the C-10 Electrical exam is available.

Chief Gagnon confirmed that there is currently no Spanish version of the C-10 Electrical exam. When the list of exams for translation was prioritized, Electrical ranked around 11th or 12th, so it has not yet been translated but remains on the list for future consideration.

Member Panelli asked if CSLB was currently working on the Spanish version of the C-10 Electrical exam.

Chief Gagnon explained that translating the C-10 Electrical exam is in progress but has been delayed due to limited resources. Currently, CSLB has only one exam specialist fluent in Spanish, who handles all translations and exam version creation. With ten exams pending translation, the workload is significant, and hiring another specialist would accelerate the process.

Member Barton noted that one challenge with translating exams into Spanish is the complexity of language nuances, such as writing style, interpretation, and slang, which makes selecting the correct words difficult.

Chief Gagnon shared that initial exam translations were done by a professional company but came back in European Spanish, which was unsuitable for California candidates. The in-house bilingual specialist



retranslated all 10 item banks into Latin American Spanish, the most commonly used variant in California. Similarly, application instructions and waiver forms have been translated by certified bilingual staff to ensure clarity and reduce language barriers.

Board Chair Galarza praised the CSLB team for their excellent work and highlighted how impressive it was that staff could navigate language challenges by discussing phrases and concepts in English when Spanish equivalents were unclear.

Member Barton noted that some technical items may not have direct Spanish equivalents, requiring staff to creatively bridge language gaps during translation.

Committee Chair Nutt expressed appreciation for the language accessibility efforts and questioned whether these challenges are unique to California or if similar scenarios occur in other states.

Chief Gagnon stated that other states face similar language challenges, with different languages being more prevalent, such as French in the Northeast. Regardless of the language, the shared goal is to make licensing processes accessible and reach a broader population of candidates.

Chair Nutt acknowledged that the discussion effectively addressed the complexities and nuances of language accessibility, highlighting its importance and relevance to the broader conversation.

Member Teichert asked whether AI tools, such as ChatGPT or cloud-based solutions, could be used to perform an initial pass on exam translations to save time, allowing staff to review and refine rather than develop translations from scratch.

Chief Gagnon explained that CSLB has explored using AI for initial translations, but strict DCA controls limited access to AI tools to prevent exam content from being exposed or shared externally. The process is still under review to determine when and how AI could be safely used. Even with AI assistance, translations require extensive human oversight, peer review, version checks, and test center validation, making bilingual staff essential for accuracy and ongoing updates.

Member Teichert suggested that if AI could handle the initial translation, the bilingual specialist could focus on reviewing and editing instead of doing all



the work from scratch. This approach might allow more exams to be translated with the same resources.

Chief Gagnon explained that while AI-assisted translation could help in theory, the main burden for the bilingual specialist is not just translation but coordinating subject matter expert workshops and reviewing technical content for accuracy. California benefits from having many bilingual SMEs willing to assist but managing 10 exams is still a heavy workload for one person. Although the team is currently limited, they continue to consider options for expanding capacity in the future, especially for high-priority exams like C-10 Electrical.

Chair Nutt emphasized that while AI has barriers, it's important to continue exploring its potential and investigate viable options to improve efficiency in exam translation processes.

Public Comment

There was no comment.

2. Review, Discussion and Possible Action to Award Construction Management Education Account Grants

Chair Nutt moved to the next agenda item. Each year, the Board reviews and approves Construction Management Education Account grant awards funded by voluntary licensee contributions. For 2026, the Department of Consumer Affairs approved increasing disbursement authority from \$100,000 to \$225,000, allowing more funding for institutions offering construction management education. This year, five public colleges submitted applications and will share the \$225,000, as recommended by the Construction Management Education Advisory Committee.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

Motion: To direct staff to distribute the 2026 CMEA grant awards to the identified colleges according to the staff recommendation, based on approval from the Department of Finance to expend \$255,000 from the CMEA account. Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0.



YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

NAY: None

ABSTAIN: None

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

Board Comment

There was no comment.

Public Comment

There was no comment.

3. Review and Discussion Regarding Surveying B-2 Residential Remodeling Contractors for Contracting and Licensing Goals

Chair Nutt proceeded to the next item, involving the B-2 Residential Remodeling trade, which was introduced in August 2021. The trade was created to provide a licensing pathway for contractors with multi-trade experience who could not qualify for the B-General Building license due to lack of structural or framing experience. Unlike the B license, which requires structural work and allows building homes and commercial structures, the B-2 license permits work in three or more unrelated trades outside walls and excludes structural work. Since its launch, over 1,300 B-2 licenses have been issued, but these contractors cannot gain the experience needed to upgrade to a B license. To address this, staff proposed surveying B-2 contractors to determine their goals, with results expected by March 2026. If many seek a pathway to a B license, options include creating a new certification allowing limited structural work (e.g., garages, sheds) under strict requirements.

Board Member Comment

Member Panelli supported conducting the survey but raised concerns about the proposed pathway for B-2 contractors to gain experience for a B license. He argued that allowing work on small structures like sheds does not ensure meaningful or inspected experience, unlike apprenticeships or supervised work, and questions how CSLB would verify competency before granting a B license. Additionally, Member Panelli noted inconsistencies in the B-2 scope: while the trade was created for handypersons doing multi-trade work such as changing plumbing fixtures, the current rules prohibit altering electrical, plumbing, or mechanical systems.



Chief Gagnon said she did not have the description in front of her.

Member Panelli clarified he was simply reading the description as written, emphasizing that his comments were based on the wording in the document rather than personal interpretation.

Chief Gagnon noted that if the survey results indicate a need for a certification pathway, the Board will need to invest significant effort in refining the language to ensure clarity and accuracy.

Member Panelli said he wants B-2 contractors to have a real opportunity to earn a B license through meaningful, inspected work rather than unverified projects like building sheds. He suggested allowing limited additions or work that requires permits and inspections, so performance can be verified through permit history and correction records. This would ensure quality and competency rather than relying on uninspected jobs as proof of experience.

Chair Nutt supported the survey but stressed the importance of validating the process to ensure that any pathway or certification truly confirms that contractors are qualified for the work.

Member Mark asked for clarification that B-2 contractors cannot perform any work behind walls themselves and that they must hire licensed subcontractors for specialized trades like plumbing or electrical. If a permit is required for such work, the B-2 contractor is responsible for ensuring a properly licensed subcontractor handles that portion.

Registrar Fogt explained that B-2 work is limited to remodeling tasks outside the walls, typically not requiring permits, such as painting or changing faucets. He noted that some B-2 applicants may be seeking a pathway to a full B license, but this is uncertain, which is why the survey is needed, to understand contractor goals and determine if the Board should revisit the issue.

Member Mark clarified that if the survey shows B-2 contractors want a pathway to a full B license, the Board should explore options to create such a pathway.

Registrar Fogt agreed and said the issue will be brought back to the Board for further discussion, emphasizing that addressing the concerns raised, particularly those mentioned by Member Panelli, that were very important.



Chair Nutt asked whether Member Mark wants additional language to be included to clearly define what constitutes “behind-the-wall” work in the B-2 trade description.

Member Mark believed the definition of “behind-the-wall” work is already covered in the existing code but suggested including the full statute in the materials for clarity, as the subset provided was incomplete.

Registrar Fogt noted there have not been significant complaints about the B-2 license and that it seems to be working well overall. However, some B-2 contractors are frustrated about not being able to obtain a full B license, and the survey will help determine whether this is a widespread issue or just a handful of cases for the Board to consider.

Chair Nutt asked whether the survey is expected to generate a significant response from B-2 contractors.

Chief Gagnon responded that they would make every effort to achieve a strong survey turnout by keeping it short, just two or three questions taking about five minutes to complete. The survey will be sent to all licensed B-2 contractors with reminder notifications to encourage participation, aiming to gather meaningful results on whether this issue is a concern.

Member Preciado asked a logistical question about the survey, specifically whether respondents will be able to select more than one option for the first question.

Chief Gagnon stated that they should be able to do that.

Member Preciado anticipated that some B-2 contractors may value the license for multiple reasons and suggested allowing respondents to select more than one option for the first survey question to capture a comprehensive understanding of their motivations.

Chief Gagnon agreed with the suggestion to allow multiple selections for the first survey question.

Member Panelli asked for clarification on approximately how many B-2 contractors currently hold licenses.

Chief Gagnon confirmed there are approximately 1,390 licensed B-2 contractors in California, which is considered a strong number since the classification was introduced in 2021.

**Public Comment**

Thomas Felardo raised two concerns: first, about handymen performing electrical and pool repairs without proper grounding, which poses safety risks and is difficult to control. Second, about Home Depot in Arizona offering a certification program for trades and referring certified individuals to customers, questioning why such a practice is allowed. Felardo expressed frustration that Home Depot should not be certifying individuals because they lack responsibility for licensing. He noted that when he called for clarification, he only received a response from Arizona, which is irrelevant to California, and emphasized concern about unlicensed work being performed on products locally.

Board Member Comment

Member Panelli explained that self-certifications by companies like Home Depot carry no legal weight. If someone performs work based on such certification without a proper license, they will face violations and fines for unlicensed activity. Furthermore, if a company is found promoting or enabling this, city attorneys could pursue legal action against that company.

Public Comment

Thomas Felardo requested that the Board investigate companies offering unauthorized certifications, such as Home Depot, to ensure compliance with licensing laws.

Motion: To direct staff to survey the 1,300 B-2 contractors to determine if they got this license as a pathway to gain experience towards a B General Building license or for another reason. Moved by Steve Panelli; seconded by Diana Love. Motion carried, 11-0.

YEA: Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Diana Love, Michael Mark, Henry Nutt III, Steve Panelli, Josef Preciado, James Ruane and Mary Teichert.

NAY: None

ABSTAIN: None

ABSENT: Alan Guy, Jacob Lopez, and Thomas Ruiz.

H. Public Affairs

Board Chair Miguel Galraza transitioned to Public Affairs and turned the discussion over to Public Affairs Committee Chair Love.



1. Public Affairs Program Update

Chair Love reported that the Public Affairs Office (PAO) managed media, industry, licensee, and consumer communications, including outreach, publications, newsletters, social media, and website content such as webcasts and videos. PAO continued to support Southern California wildfire survivors through social media posts, a toll-free disaster hotline, and participation in virtual workshops, including “Rebuilding with a Licensed Contractor” on September 13 and a rebuilding summit on November 15 where Registrar Fogt provided consumer protection guidance. Between August and October, PAO produced videos, responded to 12 media inquiries, and grew CSLB’s social media presence across Facebook, Instagram, X, and LinkedIn, with the most popular post in October highlighting the requirement to hire licensed contractors for permitted projects or jobs over \$1,000. Outreach events included statewide activities such as the Senior Scam Stopper in October, and publications released during this period included “How CSLB Protects the Public in Disaster Areas,” the California Licensed Contractor Newsletter, and bilingual consumer guides on stop orders. PAO also published internal communications recognizing staff achievements and morale-building events like the pumpkin decorating contest and chili cook-off. Additionally, the Public Information Center maintained wait times under the six-minute Board goal.

Board Member Comment

Member Nutt emphasized the importance of recognizing and acknowledging fun and positive activities for staff, noting that their work often involves handling complaints and interacting with unhappy individuals. Highlighting enjoyable moments may seem minor, but it plays a crucial role in staff well-being and morale. He stressed that this acknowledgment is important and wanted to make that point clear.

Chair Love shared that she presented certificates to the Valencia office, whose staff dressed as Minions for Halloween. She noted the team was colorful, united, and very excited to receive the award, and encouraged others to see the photo shared by Registrar Fogt.

Chair Love noted that Member Preciado served as a judge for CSLB’s pumpkin carving contest.

Member Preciado highlighted the camaraderie, creativity, and connectivity among staff, particularly at the Sacramento office, noting how topical and



engaging their activities were. He expressed enthusiasm about possibly participating in the chili tasting next time.

Public Comment

There was no comment.

2. Review and Discussion Regarding Information Available for Justice-Involved Individuals

Chair Love shared that CSLB provided resources for justice-involved individuals, those who have interacted with the criminal justice system as a defendant, to help them gain work experience before becoming eligible for licensure. This effort, discussed at the Public Affairs Committee meeting on November 17, 2025, includes posting 13 links on CSLB's website under a new "Justice-Involved Individuals Information" header. These resources include pre-apprenticeship programs and organizations such as the California Department of Corrections and Rehabilitation Career Technical Education, California Prison Industry Authority, Division of Apprenticeship Standards, State Building and Construction Trades programs, Second Call, Second Chance Program, Laborers' Training & Retraining Trust of Southern California, Fair Chance Hiring Initiative, Freedom Through Education, Anti-Recidivism Coalition, and Center for Employment Opportunities.

Board Member Comment

Chair Love asked if Registrar Fogt wanted to share anything about a prior conversation they had or if it should be addressed at another time.

Registrar Fogt confirmed CSLB strives to be transparent about opportunities for formerly incarcerated individuals to obtain licensure. He noted challenges for older individuals who may not be able to work as laborers and suggested a future meeting to review website resources and explore options. Registrar Fogt explained that in cases involving criminal convictions, decisions are sometimes referred to by an administrative law judge, allowing individuals to present community support and other evidence. He emphasized revisiting policies and to consider scenarios where offenses occurred decades ago and whether those individuals can regain licensure, including appropriate timeframes.

Chair Love noted concerns about formerly incarcerated individuals who are in their 60s or older upon release, questioning the practicality of requiring them to complete a four- to five-year apprenticeship program.



She raised the issue of what realistic employment opportunities and life expectancy considerations exist for these individuals to sustain a job.

Member Panelli suggested that a B-2 license could be a practical starting point for formerly incarcerated individuals, allowing them to begin working and sustaining themselves without the extensive requirements of a full apprenticeship. This could serve as an initial step before pursuing more advanced licensure later.

Registrar Fogt noted that different trades and types of criminal convictions may affect community acceptance. He added that, as a general rule, applicants with criminal convictions are unlikely to be approved for licensure if they are still on probation or parole.

Chair Love wondered if it would be possible to establish an apprenticeship program within the prison system, allowing incarcerated individuals to gain qualifying experience while still in prison to help them meet licensure requirements upon release.

Member Panelli stated that such apprenticeship programs within the prison system already exist.

Member Nutt acknowledged that apprenticeship programs in prisons exist but expressed uncertainty about how progress is tracked and whether there is a system to monitor individuals' readiness for reintegration into society.

Member Teichert emphasized the importance of leveraging Career Technical Education (CTE) programs and similar initiatives so individuals can leave prison with certifications and completed requirements. She noted that many groups, such as labor organizations, are willing to help connect these individuals to construction jobs, where there is high demand. While some work may be seasonal and income needs immediate, Member Teichert stressed the need to create clear pathways from prison programs to employment in trades, similar to successful firefighter programs. She also highlighted the challenge of ensuring these individuals are eligible for licensure after gaining experience and called for continued efforts to bridge the gap between training and actual job placement.

Member Nutt agreed that focusing on helping individuals transition into documented trades upon release is more realistic than expecting them to



immediately start a business. He emphasized that securing employment quickly is critical, making this a more practical pathway.

Member Teichert appreciated the idea of ensuring that individuals who work for several years after release do not face barriers to licensure due to their past background. She acknowledged concerns about background checks but emphasized the importance of not letting prior convictions block progress after demonstrated work experience.

Member Panelli noted that while older individuals may struggle with lengthy apprenticeship programs, many in their 30s and 40s can benefit from prison-based training programs in trades like plumbing or electrical work. These programs allow participants to demonstrate skills and potentially enter apprenticeship programs at an advanced level upon release, rather than starting from scratch. This approach helps integrate individuals into the workforce more quickly and effectively.

Member Mark explained that programs like MC3 are already being taught in jails, such as in San Joaquin County, providing incarcerated individuals with trade skills before release. One graduate recently became a first-year female apprentice, showing the program's success. He noted that construction work is strenuous, and the average apprentice age is currently 34. While these programs help individuals transition into apprenticeships, at least four years of experience is still necessary to qualify for licensure. He noted the practical path is entering a trade immediately after release rather than attempting to start a business.

Member Cobos stressed the importance of mentorship for formerly incarcerated individuals entering apprenticeship programs. He noted that guidance during the early years is crucial for helping them succeed and eventually transition into owning a business. Drawing from personal experience, Member Cobos emphasized that having someone to provide support and direction makes a significant difference.

Member Teichert noted that while some formerly incarcerated individuals may be older, many are at an appropriate age for construction work. She emphasized that some of the best workers in the industry have come from this background, highlighting their potential value to the workforce.

Chair Love thanked everyone for their input and expressed concern about ensuring individuals have jobs first, with the possibility of owning a business later if they are younger. She emphasized the importance of



employment for livelihood and looked forward to further discussions to streamline and clarify issues and concerns.

Public Comment

There was no comment.

I. Closed Session

- 1. Closed Session: Pursuant to Government Code section 11126(e)(1), the Board will move into closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: CA Solar Energy Industries Assn v. CSLB, San Diego County Superior Court, Case No. 37-2024-00029818.**

Closed Session began approximately 4:02 p.m. and closed 4:04 p.m.

J. Adjournment

Meeting adjourned at approximately 4:04 p.m.