



# CONTRACTORS STATE LICENSE BOARD

## BOARD MEETING MINUTES

### Board Meeting Minutes – September 5, 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 September 5, 2025, at 10:30 a.m. at the John C. Hall Hearing Room, 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

#### Board Members Present

Miguel Galarza, Chair  
Alan Guy, Vice Chair  
Joël Barton  
Rodney Cobos  
Amanda Gallo  
Jacob Lopez  
Diana Love  
Michael Mark  
Henry Nutt III  
Josef Preciado  
Thomas Ruiz

Steve Panelli, James Ruane and Mary Teichert 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  
Ingrid Witowski, Chief of Administration  
Katherine White, Chief of Public Affairs  
David Gower, Public Affairs Supervisor  
Michael Jamnetski, Special Projects Manager  
Stacey Paul, Budget Manager  
Raju Sah, Information Technology Program Manager  
Michael Collins, Information Technology Business Manager  
Tracy Brazil, Regulations Manager  
Amy Lawrence, Television Specialist  
Natalie Watmore, Information Officer  
Robin Williams, Executive Analyst

#### DCA Staff Present

John Kinn, DCA Legal Counsel



### Board Member Comments

Chair Galarza welcomed Estelle Champlain as CSLB's new Chief Deputy Registrar. Her background includes nine years of service in the U.S. Air Force in intelligence, counterterrorism operations, and training at the Air Force Officer Intelligence Course. She held multiple state service positions, including legislative work at the Department of Consumer Affairs, policy development at the Department of Health Care Services, Assistant Division Chief at the Department of Human Resources, and most recently, Project Administration Manager for the Pension Solution IT Project. Chair Galarza thanked her for her service and experience and invited her to provide remarks.

Chief Deputy Registrar, Estelle Champlain thanked the Board for the opportunity, expressed her honor in joining the organization, and conveyed her enthusiasm to contribute to serving the public.

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

#### Board Member Comment

There was no comment.

#### Public Comment

There was no comment.

### **C. Presentation of Plaques or Certificates of Recognition**

Chair Galarza presented a certificate of recognition to Robin Williams for his service to the Board. Williams began his state career as a student assistant in the Executive Office, primarily assisting Public Affairs. He was promoted to Office Technician and later to Staff Services Analyst, where he supported Board scheduling, meetings, and multi-vendor pilot projects. He recently accepted a position as an Associate Governmental Program Analyst with the Department of Consumer Affairs. Although he already started his new role, Williams returned to perform one final roll call at this meeting. Chair Galarza expressed appreciation for Williams' dedication and service and presented him with a certificate of recognition.

Executive Analyst Robin Williams thanked the Board, Executive team, and Public Affairs staff for their support and mentorship throughout his career.

Chair Galarza commended Williams for his contributions, noting the pride in seeing young professionals advance in public service. Chair Galarza then invited Board Members to share additional comments.

**Board Member Comment**

Board Member Thomas Ruiz congratulated Williams on his career advancement and thanked him for his professionalism and welcoming demeanor during their time on the Board.

Board Member Henry Nutt III praised Williams, noting that he made their transition onto the Board easier and extended best wishes in his future role.

Board Member Rodney Cobos thanked Williams for helping him manage Board meetings. He also thanked him for getting to know him personally outside of meetings and recognized his contributions to both the Board and individual members.

Board Member Michael Mark commended Williams for his reliability, noting that he consistently followed through on commitments.

Board Member Jacob Lopez congratulated Williams, noting his contributions to smooth transitions, accountability, and positive attitude.

Board Member Diana Love congratulated Williams and recalled supporting him when he first attained his staff position during her tenure as Chair. She expressed appreciation for Williams' responsiveness and ability to accommodate Board Members' needs.

Board Member Josef Preciado congratulated Williams and echoed the comments of fellow members

Board Member Joël Barton congratulated Williams and expressed gratitude for his service to the State of California and to the country through his prior military service.

Vice Chair Alan Guy thanked Williams, echoing the appreciation expressed by fellow members.

Registrar David Fogt praised Williams for his dedication and willingness to take on new assignments over the past three years.

Williams thanked Registrar Fogt and the Board Members for their comments.

**Public Comment**

Bryan Williams, also a CSLB employee, expressed appreciation and acknowledgment for the successes of his brother Robin.

**D. Executive****1. Review and Possible Approval of June 13, 2025, Board Meeting Minutes**



**Motion:** To approve the June 13, 2025, Board Meeting Minutes. Moved by Josef Preciado; seconded by Thomas Ruiz. Motion carried, 9-0-2.

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

**NAY:** None

**ABSTAIN:** Alan Guy and Jacob Lopez.

**ABSENT:** Steve Panelli, James Ruane and Mary Teichert.

**Board Comment**

There was no comment.

**Public Comment**

There was no comment.

**2. Registrar's Report**

Chair Galarza introduced agenda item, D2, which included a report for review and discussion. The first part covered the Workers' Compensation Advisory Committee Stakeholders Meeting held on May 5-7.

**a. Review, Discussion, and Possible Action Regarding Workers' Compensation Advisory Committee Stakeholder Meeting**

Registrar David Fogt provided scheduling updates, noting three Board Meetings planned for November (including a review of the strategic plan) and a tentative December 11 meeting in San Francisco to align with a Northern California Carpenters Union event. He discussed the Workers' Compensation Advisory Committee's August 26 meeting, focusing on concerns in the roofing industry. Roofing contractors are required to carry workers' comp insurance, but some are buying minimum policies without reporting payroll, raising fraud concerns. While CSLB cannot investigate insurance fraud, it can address licensing violations. The meeting included the Department of Insurance and State Compensation Insurance Fund (State Fund), though other invited agencies could not attend. Registrar Fogt concluded by inviting Committee Members Galarza and Barton to share their thoughts on next steps.

**Board Comment**

Committee Member Galarza highlighted concerns about workers' compensation enforcement in the roofing industry. He said State Fund has only about 130 auditors to cover all policyholders, including



5,000 roofing policies, which makes it impossible to adequately detect fraud. He said an issue is contractors carrying minimal policies but failing to report actual hours, often by misclassifying workers as 1099s. This creates broader problems with workers' compensation, employment taxes, and compliance. Member Galarza emphasized the need for collaboration with State Fund, Employment Development Department (EDD), and the Franchise Tax Board.

Committee Member Barton noted it may take years for all employers to comply with workers' compensation requirements, but said it's simply a cost of doing business, like licensing. He found it significant that State Fund policies still provide coverage for unreported employees in case of injury, which protects both employers and consumers. Member Barton said this coverage is an important benefit despite the costs.

Registrar Fogt suggested creating memorandums of understanding with State Fund and other agencies to improve referrals and collaboration on workers' compensation issues. He said consumer complaints and contractor interviews can reveal unreported employees, which points to premium insurance fraud. He said contractors often report wages more reliably to EDD than to insurers. Registrar Fogt recalled successful past partnerships with Department of Industrial Relations (DIR) and other agencies, crediting Eric Rood for his role in developing those agreements and publicly thanked him for his contributions.

#### Public Comment

Erin Rood emphasized the importance of addressing insurance premium fraud, saying that failing to report workers' compensation policies is a felony, whereas lacking a policy is a misdemeanor. Rood said he attended the Southern California Fraud Investigators Association and highlighted the role of district attorneys statewide in pursuing such cases. Rood cited past enforcement successes, including 58 convictions in Orange County for prevailing wage violations, and stressed the importance of continued collaboration with local unions and agencies on these issues.

#### Board Member Comment

Member Ruiz noted that workers' compensation issues extend beyond roofing to areas like tree trimming, where landscape companies often lack proper coverage. He suggested the committee consider expanding its focus and encouraged partnerships with compliance groups such as operators, laborers, and carpenters to help generate leads. Member Ruiz also said that while district



attorneys are pursuing some cases, efforts ultimately need to start with insurers.

Committee Member Galarza said misclassification is a major problem, and said an example of that is contractors doing roofing work but reporting it under other classifications like carpeting to lower rates. He said this misrepresentation creates significant issues and asked which committee should address these concerns, especially since some prior agreements have expired.

Registrar Fogt suggested moving forward with the matter through the Executive Committee, noting that Legislative Chief, Rebecca May would be very helpful in the process.

### **b. Wildfire Update**

Registrar Fogt delivered a wildfire recovery update, stressing the goal of preventing consumer harm during rebuilding. Registrar Fogt highlighted the permitting progress, reminded survivors of payment restrictions, and introduced a new outreach flyer developed with LA County and the Department of Consumer Affairs to protect consumers. He emphasized the importance of survivor-friendly enforcement to ensure licensed, insured contractors are used.

#### Board Member Comment

Vice Chair Guy discussed the recent wildfires, describing them as among the largest and most costly disasters in U.S. history. He praised the efforts to clean up more than 10,000 homes as a highly successful, coordinated effort among federal, state, and local agencies, completed in just six months. Member Guy commended CSLB's visible enforcement presence, noting it helped prevent unlicensed contractors from participating and contributed to the overall success of the recovery operation.

Chair Galarza emphasized the importance of communicating key information, noting the information that will be shared and published.

Registrar Fogt asked for clarification about who helped create the flyer and whether staff contributed to its development.

Chief of Public Affairs Katherine White explained that the flyer was created by Information Officer Natalie Watmore, with input from DCA and other agencies to highlight key information. It was also translated into Spanish, making it double-sided for broader accessibility, with similar materials provided in multiple languages for rebuilding efforts.



Chief White emphasized ongoing efforts to expand resources and outreach, both in print and online, to support affected communities.

Chair Galarza stated that the team was responsible for creating and placing informational placards throughout the affected area.

Chief White confirmed that additional signs were ordered to remind people to hire licensed contractors and warn against unlicensed activity. SWIFT placed the signs throughout fire-affected areas, and many are still visible months later, showing their lasting impact.

Member Lopez asked whether SWIFT would continue to be involved in the next phase of the recovery, now that cleanup is mostly complete and rebuilding of homes and businesses is beginning.

Registrar Fogt confirmed that SWIFT would resume proactive enforcement on August 25 and will continue conducting sweeps and following leads during the rebuilding phase. He cautioned about repeat offenders and predatory unlicensed contractors, noting past cases in Paradise. Registrar Fogt said the LA District Attorney's Office may conduct undercover operations, and contracting without a license in a declared disaster remains a felony.

Member Love shared their experience touring Altadena, describing it as heart-wrenching and devastating, particularly seeing seniors who lost everything. She emphasized the impact of the Board's work and contractors' efforts in helping people rebuild their lives. Member Love highlighted the extraordinary six-month recovery process and expressed gratitude for the opportunity to positively affect the community.

Board Member Amanda Gallo asked if CSLB is implementing any permanent measures or statewide strategies based on lessons learned from this disaster, noting the growing frequency of disasters and the use of outreach tools like flyers and specialized teams.

Registrar Fogt emphasized the importance of quickly providing wildfire survivors with guidance to avoid exploitation by contractors targeting their insurance payouts. Registrar Fogt explained that survivors need to first assess how much money they have for rebuilding, which may limit whether they can rebuild "like to like" or must consider alternatives like ADUs. He said the task force is working on workshops to guide survivors through key steps: securing plans, navigating permits, finding reputable architects and contractors, and checking contractor references thoroughly to ensure quality and protection during the rebuild process.



Public Comment

There was no comment.

**3. Budget Update**

Chair Galarza introduced the next agenda item, CSLB's budget.

Budget Manager Stacey Paul reported that in the last fiscal year (FY), the Board had a \$82.7 million budget and spent 99% (\$81.9 million), with \$6.3 million in mandatory external costs. Revenue reached \$100.6 million, the first-time surpassing \$100 million, resulting in a \$12.4 million surplus and a reserve balance of \$52.7 million. Projections show revenue of \$96 million and reserves of \$58 million (about seven months) by year-end. The Construction Management Education Account requested \$225,000 in grant disbursements, pending approval in December. The Governor's budget for FY 2025–2026 is \$83.3 million with 431 positions, including six new enforcement roles.

Statistical summaries showed increases in applications, renewals, and a 2% growth in license population. Manager Paul concluded the update by asking the Board if they had any questions.

Board Member Comment

Chair Galarza asked whether CSLB was instructed to make cuts during the California budget process and if any reductions were made.

Manager Paul confirmed CSLB was required to cut about \$1.1 million from its budget, which was managed through adjustments to stay within limits. She noted the tentative loss of 7.5 positions, though the official reduction has not yet been applied to the authorized position count. Final confirmation on the position cuts is expected in January, and the vacancies must remain unfilled in the meantime.

Chair Galarza asked whether CSLB's charter limits the amount of reserve funds it can hold and if it would be possible to maintain a full year's reserve.

Manager Paul explained that CSLB proposed legislation to raise the reserve limit to 12 months.

Chief May said the current statutory reserve limit is six months. Through SB 779, an amendment was proposed and approved at the last committee meeting to increase the reserve limit, providing CSLB with more financial flexibility.

Chair Galarza praised Manager Paul for her work.

Manager Paul confirmed that this is only possible when the organization is currently not operating at a deficit.



Chair Galarza said when they joined the Board six years ago, the organization was in a different situation and noted they currently have about one month's reserve.

Manager Paul noted that at one point in the past, the organization's reserve was as low as half a month.

Chair Galarza emphasized the dramatic financial turnaround and expressed gratitude, noting that future Board members will benefit from the progress made.

Member Cobos thanked staff for reviewing the budget with him and commended their efforts in managing budget cuts, adapting effectively, and keeping expenditures under budget.

Member Mark praised the improved budget reserves and highlighted the importance of adding six new enforcement positions. He also commended HR for reducing staff vacancies year after year, stressing the need to keep vacancies low to strengthen consumer protection and manage the budget effectively.

Manager Paul noted that securing the Budget Change Proposals (BCP) during a deficit year was challenging, but said teamwork led to success.

#### Public Comment

A member of the public briefly asked what the current vacancy rate is.

Manager Paul stated that the current vacancy rate is 1 percent.

The member of the public said that it is very good.

#### **4. Administration Update**

Chair Galarza directed attention to page 72 of the Board packet and said Administration Chief Ingrid Witowski would present her update.

Chief Witowski reported a 6 percent vacancy rate (26 of 425 positions) for FY 2024-2025. She said key initiatives included reinstating the Career Development and Mentoring Program, implementing a new onboarding schedule, and launching new training for managers on performance management, hiring practices, and supervision. A supervisor toolbox with resources is being developed for release by December 2025. Additionally, CSLB partnered with CSU Sacramento to study enforcement and unlicensed practice issues; after a transition, the Institute for Social Research will now handle the project under the same terms. The update concluded with an invitation for Board questions or comments.

**Board Member Comment**

Member Mark expressed interest in the enforcement staffing requirement study and suggested Chair Galarza add it as a future agenda item for the Enforcement Committee to address unlicensed practice.

**Public Comment**

There was no comment.

**5. Information Technology Update**

Chair Galarza introduced the Technology Upgrade update on page 79, noting that two Information Technology managers, Raju Sah and Michael Collins, would present the update.

IT Program Manager Raju Sah provided an IT update highlighting CSLB's efforts to modernize systems, secure infrastructure, and improve efficiency. Key points included the May 2025 launch of the Enterprise Document Management System (EDMS), replacing the old iOS system. EDMS has migrated nearly 500,000 documents, issued over a thousand licenses efficiently, and converted over 25 million files into searchable PDFs. The system centralizes document storage, improves search and retrieval, boosts efficiency, and offers long-term cost savings. The next phase aims to further automate business processes, including capturing entire application packets and processing payments electronically. Manager Sah provided an update on CSLB's IT system upgrades, focusing on security and compliance. All Windows 10 devices are being replaced with Windows 11 Enterprise, as Microsoft support for Windows 10 ends on October 14, 2025. The IT team tested Windows 11 for compatibility with all CSLB software and applications and began phased deployment at headquarters and remote sites, aiming to meet the compliance deadline.

IT Business Manager Michael Collins discussed the Online Sole Owner Application Project. The system's design and planning are complete, and core features are being built to integrate into CSLB's existing databases. Next steps include system design, workflow testing, and integration testing with legacy licensing and enforcement systems. The streamlined online application process is scheduled to launch in the first quarter of 2026. The IT team is updating systems to reflect new legislation compliance updates, including changes for reimbursement of expert investigation costs. This project is on track for full implementation by fall 2025. The update concluded with an invitation for questions.

Board Member Comment

Member Love asked whether the new online application system will include the capability for final signatures.

Manager Collins explained that the online application will be an interview-style process, guiding applicants step-by-step. After submitting all required information and documents, applicants can electronically sign the application and complete payment, finalizing the process with an automated confirmation.

Member Love asked if there would be an auto send receipt.

Manager Collins said the system will automatically generate a confirmation or “thank you” receipt once the application, signature, and payment are completed. He said applicants will receive email verification after completing their submission, be able to download a PDF of their application, and have the option to save progress to return later via email links directly to their last step.

Public Comment

There was no comment.

*Agenda Item E2.F went ahead of Agenda Item E.*

**Item E2F: AB 1341 (Hoover) Contractors: discipline: building law violations. (Adds prohibitions on unlicensed practice of architecture, landscape architecture, engineering, geology or geophysics, and land surveying to Contractors State License Law.)**

Chair Galarza said he would take an item out of order to discuss a legislative bill.

Legislative Committee Chair Barton discussed Assembly Bill 1341, saying it stalled in the Senate Appropriations Committee. The bill would have allowed CSLB to discipline contractors for unlicensed practice in related professions. While the Board had previously voted to support the legislation, opposition from labor groups raised concerns. No Board action is recommended, but public and stakeholder comments will help with future legislative analysis.

Board Member Comment

Member Ruiz, who is also a member of the laborers union, explained that their concern with AB 1341 was that it blurred the line between construction support activities (like using GPS, GPR, or drones for safety checks) and actual surveying work. Many contractors rely on ground-penetrating radar for tasks such as concrete cutting, and he said the bill’s wording raised fears these routine practices could be misclassified as unlicensed surveying. The



union proposed amendments to clarify this distinction, agreeing that true surveying should remain limited to licensed professionals.

#### Public Comment

Rob Carrion, representing Local 30 Operating Engineers, spoke in support of AB 1341, saying that work involving ground penetrating radar (GPR) for tasks like surveying, GPS data collection, and locating fixed works should only be performed under the direction of a licensed land surveyor. He said the bill clarified existing law rather than creating a jurisdictional conflict, ensuring CSLB could enforce proper licensing and protect the integrity of the surveying profession. Without this clarification, he warned, unlicensed activity would undermine public safety and contribute to the underground economy.

Eric Rood, representing Local 12 Operating Engineers, spoke in support of AB 1341, stressing that it would protect the public from structural failures and faulty designs caused by unqualified contractors. He said the bill ensures licensed professionals aren't undercut by unlicensed work, clearly defines CSLB's jurisdiction, and reduces disputes. He said the fiscal impact would be minimal, about \$21,000 annually for fewer than 20 referrals, with possible savings from reduced cross-agency investigations. He emphasized the bill is not an expansion of authority but a clarification, improving public safety, professional standards, and enforcement efficiency while reinforcing California's commitment to quality construction and consumer protection.

*The Board took a 30-minute break at 12:00 p.m. and reconvened at 12:30 p.m.*

Chair Galarza recognized Ted Rieger from Indoor Comfort News for his many years of covering CSLB and related topics. He noted that Rieger often worked behind the scenes without much recognition, but said his reporting has been valuable and appreciated. Since he is retiring, the Board publicly acknowledged his contributions and said his efforts will be missed, inviting him to share a few words about his final story and future plans.

Ted Rieger said he has been covering CSLB meetings for nearly 40 years, beginning with Registrar John Mahoney. He said Indoor Comfort News is published by the Institute of Heating and Air Conditioning Industries in Southern California, while he has worked as a freelance writer in Northern California. His reporting has focused on the Contractors Board and the Energy Commission. He thanked the Board for the recognition, noted he plans to write about this meeting and the legislative update before year's end, and expressed gratitude for the support he has received from the Board.



## **E. Legislation**

Legislative Committee Chair Barton explained that the legislature adjourns September 12, meaning all bills must pass both houses by then or be held for the year. He said no more committee hearings remain, and active bills are awaiting floor votes. Bills amended in the second house must return to their house of origin for concurrence before moving to the governor. The governor has until October 12 to sign or veto bills, which generally take effect January 1 unless otherwise stated. The legislature reconvenes in January.

### **1. Review, Discussion and Possible Action on 2025 Board-Sponsored Legislation**

Chair Barton introduced agenda item E1 on Board-sponsored legislation. Board Members also have copies of the bills and an updated status spreadsheet, which Chief May distributed and prepared.

#### **a. AB 521 (Carrillo) Bond deposits: liability for legal fees and costs. (Clarifies CSLB is not responsible for legal fees on civil claim against licensee cash deposit.)**

Chair Barton introduced AB 521. He said the bill has passed the legislature and is awaiting the governor's signature. AB 521 clarifies that CSLB is not responsible for legal fees on civil claims against cash deposits filed with the Board. Staff recommended no Board action.

#### Board Member Comment

There was no comment.

#### Public Comment

There was no comment.

#### **b. AB 559 (Berman) Contractors: home improvement contracts: prohibited business practices. (Updates definitions and penalties for accessory dwelling unit construction and contractors accepting money in advance of work performed or materials delivered.)**

Chair Barton introduced AB 559, explaining it would add accessory dwelling units (ADUs) to the definition of home improvement under contractor law and impose fines up to \$10,000 and possible license revocation for violating progress payment rules that harm customers.



He said the bill has become a two-year bill and will not move forward until January.

Chief May explained that AB 559 faced opposition from ADU manufacturers and builders, concerned that home improvement down payment restrictions could negatively affect off-site custom builds. CSLB staff tried to address these concerns with the bill's author but were unable to resolve them before the legislative year ended. CSLB Staff recommended no Board action for now and plan to continue working on the bill in the fall with the goal of advancing it in January.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**c. SB 291 (Grayson) Contractors: workers' compensation insurance. (Increases penalties for filing false exemptions from workers' compensation insurance requirements.)**

Chair Barton discussed the last Board-sponsored bill, SB 291. The bill is currently pending in the Assembly, and Chief May was asked to provide a brief update.

Chief May said SB 291 increases penalties for filing a false workers' compensation exemption and directs the Board to explore an evidence-based process for determining exemption eligibility. It does not alter the requirement for all licensees to carry workers' compensation insurance. Staff recommended no action but suggested the Chair consider convening the Workers' Compensation Advisory Committee to assess the feasibility of such an exemption.

Board Member Comment

Member Mark clarified that the previously discussed \$2,000 limit was removed. He explained that current rules remain in effect, with no changes to classifications until January 1, 2028.

Chief May explained that on January 1, 2028, current exemptions will end and said this bill does not create or extend any exemptions. Instead, it requires the Board to report to the legislature by January 1, 2027, on an evidence-based process for determining exemption eligibility.



Member Mark clarified that this meant the current workers' compensation requirements for C-8, C-20, C-22, C-39, and D-49 remain unchanged.

Chief May said the status quo remains in place but noted a significant change: penalties for filing a false exemption have been increased.

Public Comment

There was no comment.

**d. SB 779 (Archuleta) Contractors: civil penalties. (Increases minimum civil penalties on citations.)**

Chair Barton introduced SB 779, noting that it proposes increasing minimum civil penalties and raising the CSLB's reserve time cap from 6 to 12 months. He reminded the Board that this amendment was previously approved in June and recommended no action on the bill at this meeting.

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**2. Review, Discussion and Possible Action on Other Relevant 2025 Legislation**

Chair Barton moved to agenda item E2, covering other bills relevant to CSLB and the contracting profession. Since the Board has already taken positions on these bills, staff recommended no further action so no discussion is needed on all but three of these bills. Updates were provided on three bills, AB 483 (Irwin), AB 1341 (Hoover), and SB 456 (Ashby) for discussion with the Board and public. Chair Barton asked if Board Members had any questions or wanted to address any other bills listed in the meeting materials that would otherwise not be discussed.

Board Member Comment

There was no comment.

Public Comment

There was no comment.



**a. AB 483 (Irwin) Fixed term installment contracts: early termination fees. (Caps early termination fees in construction ongoing service agreements.)**

Chair Barton presented AB 483, which originally dealt with early termination fees and fixed-term installment contracts, but was amended on August 19 to include home improvement contracts, raising concerns about consumer harm and confusion. Since there was not time for the Board to meet, Chair Galarza and Chair Barton authorized staff to oppose unless amended. The author later amended the bill to exclude home improvement contracts, removing its impact on CSLB. Chair Barton recommended changing the Board's position from "oppose unless amended" to "neutral."

Board Member Comment

There was no comment.

Public Comment

There was no comment.

**Motion:** To take a neutral position on AB 483 (Irwin) Fixed term installment contracts: early termination fees. (Caps early termination fees in construction ongoing service agreements.) Moved by Michael Mark; seconded by Rodney Cobos. Motion carried, 11-0-0.

**YEA:** Miguel Galarza, Joël Barton, Rodney Cobos, Amanda Gallo, Alan Guy, Jacob Lopez, Diana Love, Michael Mark, Henry Nutt III, Josef Preciado, and Thomas Ruiz.

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Steve Panelli, James Ruane and Mary Teichert

**b. AB 485 (Ortega) Labor Commissioner: unsatisfied judgments: nonpayment of wages. (Requires state agencies to deny an application or renewal to an employer with any unsatisfied final judgment for nonpayment of wages.)**

*No discussion.*



- c. AB 742 (Elhawary) Department of Consumer Affairs: licensing: applicants who are descendants of slaves. (Requires the expediting of applications from descendants of American slaves.)**

*No discussion.*

- d. AB 1002 (Gabriel) Contractors: failure to pay wages: discipline. (Authorizes the Attorney General to file civil action for license suspension, revocation, or denial.)**

*No discussion.*

- e. AB 1327 (Aguiar-Curry) Home improvement and home solicitation: right to cancel contracts: notice. (Allows consumers to cancel a home improvement contract via email.)**

*No discussion.*

- f. AB 1341 (Hoover) Contractors: discipline: building law violations. (Adds prohibitions on unlicensed practice of architecture, landscape architecture, engineering, geology or geophysics, and land surveying to Contractors State License Law.)**

*Discussion regarding AB 1341 can be seen before Agenda Item E and was taken out of order.*

- g. SB 61 (Cortese) Private works of improvement: retention payments. (Limits the retention payment amount for a private work of improvement to five percent.)**

*No discussion.*

- h. SB 456 (Ashby) Contractors: exemptions: muralists. (Exempts murals from Contractors State License Law.)**

Chair Barton reviewed SB 456, which exempts muralists from needing a contractor license. The bill passed the legislature and awaits the governor's signature. The Board previously took a "neutral if amended" position, asking for clarification that muralists would still need to follow business requirements like providing workers' compensation for employees and complying with building permit requirements, and preclude the contracting for or subcontracting



licensed work. However, the author declined these amendments since there was no opposition, and the bill moved forward as written.

Registrar Fogt reported on ongoing stakeholder discussions about the muralist exemption. A virtual meeting is scheduled for September 25 to gather input. He noted complaints involving murals that included additional work, such as tile or ironwork, which would not be exempt. Staff aim to clarify the rules, determine what is exempt under the bill, and develop outreach materials for awarding agencies. Initial review indicates the exemption applies only to artwork itself, not related activities like surface preparation.

#### Board Member Comment

Member Love asked when the governor's deadline is to sign the bill.

Chair Barton said the deadline is October 12.

Member Love clarified that the governor's deadline to sign the bill is October 12, and the September 25 meeting is meant to inform the public about the law, not to influence the governor's decision.

Registrar Fogt emphasized that the meeting is not intended to influence the governor but to address stakeholder concerns, mainly from painting contractors, about uncertainties in what the bill exempts. He clarified it is not an effort to lobby the Board or governor.

Chief May noted that since the Board adopted a neutral position, there are no plans to lobby the governor.

Chair Barton said the upcoming meeting will be interesting and raised the broader question of where to draw the line between art and contracting.

Chief May announced that the meeting will be held on September 20 at 9 a.m. via Teams.

Chair Barton asked if the meeting information will be sent out to the Board.

Registrar Fogt said the exact meeting time still needs to be confirmed and asked if Member Gallo is interested in participating.



Member Gallo explained that local jurisdictions are concerned about art programs that hire muralists who are not licensed contractors. These projects, such as painting walls or utility boxes, engage communities, and there is worry that without the bill, these community benefits could be lost.

DCA Legal Counsel John Kinn explained that if more than two Board Members are interested in attending, a noticed meeting would be required; otherwise, the Chair could appoint up to two members to attend and report back at the next meeting.

Chair Galarza said Board Members Gallo and Nutt are both interested in attending the stakeholder meeting on September 25.

Member Nutt agreed with Chair Galarza.

Member Love said she was interested in attending the meeting as well.

Chair Galarza said he would decide later which Board Members would attend the meeting.

Public Comment

There was no comment.

- i. **SB 517 (Niello) Home improvement contract requirements: subcontractors. (Requires home improvement contracts to disclose whether a subcontractor will be used on a project.)**

*No discussion.*

- j. **SB 641 (Ashby) Department of Consumer Affairs: states of emergency: waivers and exemptions (Clarifies license classifications for debris removal.)**

*No discussion.*

- k. **SB 784 (Durazo) Home improvement loans: right to cancel. (Increases consumer protections for consumers securing financing for residential home improvement.)**

*No discussion.*

**F. Enforcement**

Chair Galarza moved on to agenda item F, regarding enforcement.

**1. Enforcement Program Update**

Enforcement Committee Chair Mark introduced agenda item F on enforcement.

Enforcement Chief Steve Grove shared three key highlights. First, a homeowner who paid \$19,500 for an ADU that was never built was fully refunded through CSLB mediation, while the contractor remained under investigation for licensing violations. Second, a contractor who received \$484,000 for an ADU who abandoned the project and lived in the partially constructed unit. An investigation resulted in revoking the contractor's license, \$60,000 in restitution to the homeowner, and \$5,000 in investigative costs. Third, a previously revoked licensee with criminal convictions was sentenced to one year in jail with two years of probation. While in custody, he continued contracting without a license, leading to additional charges. These cases highlight CSLB staff's commitment to protecting consumers and working closely with prosecutors to address criminal violations.

Chair Mark provided a statistical update about staffing, reporting that out of 228 positions in the division, 26 are vacant, which is higher than usual due to new special investigator positions and recent retirements, with recruitment underway. Between January 1 and June 30, 2025, CSLB opened 9,689 complaints, exceeding the optimum pending caseload of 4,895, with staff mediating cases resulting in \$14.8 million in restitution. As of July 10, 277 complaints were older than 270 days, and supervisors continue to manage backlog through case strategy discussions and reviews. Arbitration and disciplinary actions resulted in over \$2.3 million in restitution. The SWIFT team conducted 10 undercover operations, spent 190 days on investigations, responded to 269 leads, closed 1,361 cases, and issued 532 advisory notices, though operations were reduced due to wildfire disaster recovery support. The experience verification program investigated 236 applications, approving 115, pulling 44, denying 73, and receiving one appeal, demonstrating the effectiveness of targeted investigations. No Board action was required.

**Board Member Comment**

Member Barton said the Labor Enforcement Task Force inspected 72 contractors, finding 61 in non-compliance, which is an 85 percent rate, and expressed hope that more compliance efforts will follow.



Chair Mark emphasized the importance of collaboration between the Labor Enforcement Task Force, CSLB, and the Department of Insurance. By sharing information and coordinating efforts, these agencies aim to protect consumers and address the underground economy in the construction industry.

Member Love expressed concern about the large financial losses consumers face due to contractor misconduct and emphasized the need for CSLB to do more to educate the public. She suggested putting the onus on contractors, possibly through enforcement action if they fail to do so, to educate consumers about the protections available to them. Member Love said part of the responsibility for consumer awareness should fall on contractors to inform the public about their rules and limitations.

Registrar Fogt stressed the importance of licensed professionals serving as ambassadors by distributing educational materials to consumers when bidding for jobs, even if they don't win the contract. He said while it might be possible to require contractors to provide such materials, compliance could be a challenge given CSLB's limited enforcement resources. Registrar Fogt said the priority should be educating consumers about contract payment restrictions to prevent them from paying large sums before work is completed, ensuring consumers can make informed decisions.

Member Love suggested incorporating a requirement into the contractor application process where applicants must confirm they will provide consumers with specific information about their rights and protections. By checking a box, contractors would acknowledge this responsibility, and if a consumer later filed a complaint, CSLB could verify whether the contractor followed through and take appropriate action if they did not.

Registrar Fogt explained that CSLB receives nearly 1,300 consumer complaints each month, many involving contractors failing to provide legally required information in home improvement contracts. Although a sample home improvement contract with proper notices is now available on the CSLB website, many contractors remain noncompliant. With limited staff to address the high volume of complaints, resources are focused on the most serious cases. Registrar Fogt emphasized the need for better public education, greater contractor compliance, and support from industry associations to help distribute information and protect consumers.

Special Projects Manager Michael Jamnetski noted that in the early 2000s there was a checklist contractors were required to provide consumers in home improvement contracts under section 7159.3, but it was later removed



from the law. It was replaced by the current disclosures that are now incorporated directly into home improvement contracts.

Registrar Fogt recalled when the home improvement certification required contractors to answer 10 questions, but said compliance was only about 45 percent. This led to many licenses not being renewed, which the legislature and Registrar at the time viewed as harmful to the public. Ultimately, the program was discontinued due to the low compliance rate and its negative impact.

Member Love agreed with the need for public education but emphasized that most consumers are unaware of the Contractors State License Board and do not visit its website. Instead, they typically search online when hiring a contractor. Because of this, she said the responsibility for informing and protecting consumers must go beyond just the contractors.

Chair Mark highlighted that addressing the underground economy involves not only dealing with problematic licensed contractors but also recognizing the large number of unlicensed individuals being hired. Many of these cases go unreported because consumers often use informal referrals, like friends or family. He said the solution requires both increasing the number of licensed contractors and improving public education.

Member Love agreed that unlicensed contractors are a problem but said licensed contractors also bear responsibility. She said licensed professionals should take ownership in educating and informing consumers, especially since many consumers public are unaware of the CSLB or its role. Member Love stressed the need for contractors to solicit business honestly, professionally, and transparently to protect consumers and maintain trust.

#### Public Comment

There was no comment.

## **2. Review and Discussion Regarding the Multiple Offender Unit**

Chair Mark transitioned to the next agenda item, the review and discussion of the Multiple Offender Unit.

Chief Grove reported encouraging progress from CSLB's Multiple Offender Unit (MOU), created in 2023 in response to a 176 percent increase in solar complaints, many involving repeat offenders. The unit expedites complaint resolution by giving contractors 30 days to correct violations or face license suspension or revocation. Since its launch, the MOU has handled over 1,300 complaints, closed more than 700, filed 22 accusations, and recently became



a permanent division with added staff and ongoing recruitment. The complaint threshold for investigation has been lowered from 10 to 5, broadening its reach. As of August 2025, eight contractor licenses had been revoked or placed on probation, tied to 29 complaints. The MOU has completed 377 investigations in 2025 alone, easing caseloads in other CSLB divisions by consolidating repeat offender complaints under one investigator. Chief Grove concluded by expressing excitement for the unit's expanded role moving forward.

#### Board Member Comment

Chair Mark praised the Multiple Offender Unit for targeting the “bad apples,” noting that this focus helps reduce the overall enforcement caseload. He expressed optimism that with Robin Williams joining the unit and the addition of two funded staff positions, the unit's effectiveness and the number of cases resolved will continue to grow.

Registrar Fogt emphasized that contractors who take excessive deposits or frontload contracts face zero tolerance from CSLB. While a first offense may result in an advisory notice, repeat complaints are referred to the Multiple Offender Unit (MOU). The unit quickly addresses patterns of misconduct by posting disclosures online, taking formal administrative actions, and referring cases to district attorneys when necessary. This approach highlights the unit's effectiveness and sets a standard for all field staff to follow.

#### Public Comment

There was no comment.

### **G. Licensing**

Chair Galarza concluded the discussion and moved the meeting forward to action item G, focusing on licensing.

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

Licensing Committee Chair Nutt provided an update on the CSLB licensing and testing program. CSLB received over 12,000 applications in the last quarter (May–July), including more than 5,000 for new licenses. The Board's NASCLA trade exam waiver, approved in March, has resulted in one new license issued so far, with others still meeting requirements. North Carolina has signed a reciprocity agreement for certain residential remodeling trades.

Nutt noted processing times remain close to four weeks despite staff absences, with cross-training and requests for additional positions helping manage the workload. Over 50,000 applications were received in fiscal year



2024–2025, with 24,000 licenses issued and 19,000 still pending. Staff identified reasons for delays, including incomplete applications, unscheduled exams, exam failures, and unmet requirements, and are sending reminder letters to address inactivity. CSLB received over 31,000 applications in the last quarter, typical for the spring season, and assisted 17 contractors affected by the LA fires with deferred renewal fees.

Nutt shared that criminal background staff processed over 40,000 records, identifying about 5,700 with criminal history reports, while fingerprinting requirements continue to act as an effective deterrent. Additionally, almost \$30 million was reimbursed to agencies and the public in 2024, and staff remain current on processing judgments, outstanding liabilities, and bond payment plans. The update then transitioned to the testing program update, presented by Chief Gagnon.

Chief Gagnon highlighted a record-breaking year for CSLB, with over 58,000 exams administered by PSI between August 2024 and July 2025, including 95 at the Wilsonville, Oregon test center and 142 in other out-of-state centers. The Exam Development Unit released one updated exam for the C-23 ornamental metal trade and is programming five additional item banks, while nine more exams are in development. The unit also received updated Title 24 California building codes to refresh all code-based item banks within six months. CSLB is digitizing exam booklets, which include blueprints, charts, and other materials, to allow candidates to access them on-screen, beginning with the fully digitized C-15 flooring and floor covering exam, improving security and reducing costs.

Chief Gagnon noted Spanish-language exams continue to expand, with over 11,000 Spanish exams taken this year, including new releases for the B General Building and C-36 Plumbing trades. Translations of forms, letters, and application instructions are ongoing, including Hazardous Substance Removal certification instructions and waiver applications, as part of CSLB's strategic plan to reduce language barriers. Staff involved in these translation efforts were recently recognized for their work.

#### Board Member Comment

Board Chair Galarza mentioned the challenges with Spanish translations for exams. Translators found that some previous translations were done in European Spanish and did not match Latin American Spanish, which is more appropriate for CSLB candidates. Additionally, many candidates speak and read Spanish but learn trade terminology in English, so they may not recognize equipment names in Spanish. To address this, a toggle feature was



added to allow switching between Spanish and English during the exam, helping candidates better understand the questions.

Chief Gagnon stated the introduction of Spanish exams led to a 10 percent increase in pass rates, and adding a toggle option to view questions in both Spanish and English further improved the pass rate by 6 percent. This allows candidates to see tools and equipment terminology in the language they are most comfortable with.

Committee Chair Nutt praised staff for their effective work with Spanish-language exams, noting that listening to candidate feedback has improved outcomes, and highlighted that the positive results are reflected in the improved pass rates.

#### Public Comment

There was no comment.

## **2. Applicant Survey**

Chief Gagnon provided an update on the applicant survey, which has been conducted monthly since March 2020 to assess satisfaction with the licensing process. The survey includes questions on the licensing process, and since October 2024, additional demographic questions on education, experience, race/ethnicity, age, gender, disabilities, and military service. A Spanish version is also sent to relevant candidates. Over the past year, 15,342 surveys were emailed with 1,653 responses (11 percent response rate). High satisfaction levels were reported, with 92 percent saying they were treated courteously and 90 percent satisfied with CSLB service. Interestingly, only 57 percent used CSLB study guides, 59 percent used the law book, and 46 percent used the website. Demographics from 10 months of data showed that 11 percent of new licensees did not complete high school, 46 percent had a high school diploma, 18 percent attended trade school, and 16 percent completed an apprenticeship. Most had 6-15 years of trade experience, 55 percent identified as Hispanic/Latino, 37 percent as White/Caucasian, 38 percent obtained their license between ages 36-45, 94 percent were male, 2 percent had a disability, and 2 percent were veterans or spouses of disabled veterans.

*Members Jacob Lopez and Thomas Ruiz left the meeting at 1:30 p.m.*

#### Board Member Comment

There was no comment.

Public Comment

There was no comment.

**3. Consumer Satisfaction Survey**

Chair Nutt provided an update on the annual Consumer Satisfaction Survey, which assesses public satisfaction with CSLB's handling of complaints against licensed or unlicensed contractors. Over the past year, surveys were mailed to just over 10,000 complainants, with 1,100 responses received (11 percent). Of the eight satisfaction questions, five showed an increase from the previous year, two decreased, and one remained the same. The highest agreement (72 percent) was for being treated courteously, followed by 66 percent agreeing they were contacted promptly. Fifty-eight percent understood the outcome of their case, and 48 percent were satisfied with CSLB's service.

Chair Nutt noted slight increases were seen for questions on explanation of procedures and keeping respondents informed. A slight decrease was noted for courteous treatment, likely due to higher average caseloads, 1,300 per month compared to the 1,100 CSLB is set up to handle. The new Multiple Offender Unit is expected to reduce individual investigator caseloads by handling repeat-offender contractors collectively. Questions about timely processing and understanding outcomes increased, agreement that actions were appropriate remained the same, and one question showed a slight decrease. Enforcement is actively taking steps to address these concerns.

Enforcement Committee Chair Mark emphasized that the Consumer Satisfaction Survey represents real Californians and that CSLB enforcement takes these concerns seriously. While some cases take time, the overall improvements show that enforcement staff are enhancing their processes. CSLB has added consumer resources to the website, including a sample home improvement contract and a bilingual demand letter template, to help consumers clearly communicate concerns and understand contract expectations. Moving forward, CSLB plans to take several steps based on survey feedback, such as rebuilding the DCA Enforcement Training Program, provide customer service training as needed, review survey comments to identify further internal improvements or website additions, and assess the San Bernardino pilot case-handling procedures for broader implementation. Additionally, CSLB conducted an extensive audit of case closures across field offices to identify areas for improvement and potential staff training to better serve consumers.

**Board Member Comment**

Member Love asked whether questions about down payments being within legal limits would be added to the consumer survey or if there are additional survey questions not currently shown on the page.

Member Mark clarified that the issue of down payments being within legal limits is already addressed under existing home improvement laws.

Chief Grove noted that this requirement is included in a new sample contract now available on the CSLB website.

Member Love asked for clarification, confirming that the discussion is about the survey questions being sent out to applicants or consumers. Chair Mark stated that they are indeed referring to the actual survey questions being sent out.

Member Love asked whether the survey is an appropriate place to include a question about whether respondents were informed that down payments are within legal limits, seeking a simple yes-or-no response.

Chair Mark questioned which department is responsible for creating the survey, whether it is the Licensing or Public Affairs division.

Chief Gagnon stated that the survey has been handled by the Testing Division since 1993.

Chair Mark suggested that Chief Gagnon might be better suited to answer the question.

Member Love asked if it's possible to add a question to the survey.

Chief Gagnon said they were unsure if the survey was created by law, regulation, or simply in response to one, and noted that flexibility in adding questions may be limited. However, she was committed to looking into the matter further.

**Public Comment**

There was no comment.

**H. Public Affairs**

Chair Galarza announced moving on to the final agenda item before the closed session, which is Public Affairs, and handed it over to presented by Public Affairs Committee Chair Diana Love.



Chair Love circled back to legislation to thank Chief May for providing a helpful one-page cheat sheet and bill copies, noting it was very valuable and possibly a first for the Board. She also expressed appreciation for the CSLB pins, emphasizing pride in the logo and relief that it was not changed, as it represents contractors' work. Chair Love thanked the Board Chair and the Registrar for making the pins available.

Registrar Fogt explained that the idea for the CSLB pins came from Board Chair Galarza, and he arranged the order of 500 pins. After the Board Meeting, the pins will be distributed to all CSLB staff.

### **1. Public Affairs Program Update**

Chair Love delivered a detailed update on the Public Affairs Office (PAO). She explained that PAO manages media, licensee, and consumer communications, provides outreach, and produces publications, newsletters, webcasts, videos, and social media content. Recent efforts focused on wildfire recovery, including a disaster recovery workshop with LA County Public Works, updated "Rebuilding After a Disaster" resources, and a toll-free disaster hotline. PAO also expanded CSLB's social media presence, issued a press release about a sting targeting unlicensed contractors, and responded to 14 media inquiries. Between May and July, PAO attended outreach events statewide, published consumer resources in English and Spanish, and produced internal communications, including highlights of the Chair's first official site visit. The Public Information Center maintained wait times under six minutes. She concluded by noting the report was informational with no Board action required.

#### Board Member Comment

There was no comment.

#### Public Comment

There was no comment.

### **2. Review and Discussion Regarding Senior Scam Stopper Seminar Video**

Chair Love introduced Chief White, who would provide an update on CSLB's new Senior Scam Stopper seminar video, now available to the public and can be found on [YouTube](#).

Chief White introduced a collaborative video created by the outreach coordinator and television specialist. Released a month ago, the 10-minute video shares important information for seniors, and a short clip was shown as



an example. The full video is also available on the CSLB website's Senior Scam Stopper page.

#### Board Member Comment

Chair Galarza expressed appreciation for the new Senior Scam Stopper video, noting it would be useful for an upcoming October event they had forgotten about. He was glad the video provides a consistent, concise message for the public and can be used statewide when an in-person presenter isn't available.

Chair Love shared that they recently visited a senior center in Pasadena where the video was well received. She emphasized the value of having the video available but noted that live-spoken remarks, especially from the Chair, were also very well received by audiences.

#### 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.**

### **J. Adjournment**

*Meeting adjourned at approximately 2:03 p.m.*