

MINUTES OF THE
SPECIAL MEETING OF THE
STRUCTURAL PEST CONTROL BOARD
JULY 23, 2004

The meeting was held on Friday, July 23, 2004, at the Department of Consumer Affairs, 400 R Street, First Floor Hearing Room, Sacramento, California, commencing at 9:05 AM with the following members constituting a quorum:

Jean Melton, President
Michael Roth, Vice President
Cris Arzate
Bill Morris
Mustapha Sesay
Ken Trongo

Board staff present:

Kelli Okuma, Executive Officer
Susan Saylor, Assistant Executive Officer
Carl Smitley, Enforcement
Barbara Howe, Licensing

Departmental staff present:

Kurt Heppler, Legal Counsel
Robert Miller, Legal Counsel (Closed Session only)

Board Liaison Deputy Attorney General Christina Thomas was also in attendance.

I. ROLL CALL

Ms. Saylor read the roll call.

II. REINSTATEMENT HEARING

The Board sat with Administrative Law Judge Ann E. Sarli and Deputy Attorney General Paul V. Bishop to hear the Petition for Reinstatement of Ralph Maldonado, Field Representative's License No. 16517. The petitioner was informed he would be notified by mail of the Board's decision.

III. FLAG SALUTE

Ms. Melton led everyone in the flag salute.

IV. APPROVAL OF THE MINUTES OF THE APRIL 22 AND 23, 2004 BOARD MEETING

Mr. Roth moved and Mr. Arzate seconded to approve the minutes as amended.
Passed unanimously.

V. EXECUTIVE OFFICER'S REPORT

Ms. Saylor reported on the following:

- Pursuant to the mandatory background checks effective July 1, 2004, staff ensured all license applications received in the office on or before June 30 were issued before the July 1 deadline. Because of this push, there had been some delay in issuing company registrations, name style approvals, Applicator's Licenses, etc. As of this date, 148 Applicator Applications had been received and processed, including notification to nineteen individuals whose applications were incomplete. Applications for Applicator's Examination/Licenses have been processed within one to two days from receipt and an Examination Notification letter mailed. Upon receiving results from the County Agricultural Commissioners, the Applicator's License was issued after live scan results from the Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) were received and reviewed.
- As of July 22, the Board had received 750 results from DOJ and the FBI, which indicated individuals were submitting fingerprint requests ahead of time.
- The Budget had not been signed yet.
- The Wood Destroying Organisms (WDO) database for company use went online May 3, 2004. User ID's and passwords were sent to all Branch 3 companies and as of this morning, 300 companies were using the online system. To date, 98,000 activities had been submitted via the Internet. Another WDO meeting was scheduled at the Board, Thursday, July 29, 2004, with Board staff and the Board's vendor. Pest control companies that already use or were interested in using the WDO online program were welcome to attend and offer input and/or suggestions.
- An Applicant Tracking System (ATS) meeting was held July 21, 2004. The ATS represents the first phase of the Board's ability to enable electronic-based testing throughout California in multiple locations by tracking examination applications from the date of receipt. The project will require one staff person to devote four hours per day for at least the next two months.
- Licensing statistics and survey results were reviewed with the Board members.

Ms. Okuma reported on the following:

- Board Liaison Deputy Attorney General Robert Eisman was reassigned to another unit within the Attorney General's Office. Ms. Christina Thomas replaced him as the Board's liaison and was in attendance. She worked with Mr. Eisman for some time and therefore had some understanding of the types of issues the Board faces. She welcomed Ms. Thomas and stated the Board was looking forward to working with her.
- The Department approved a Retired Annuitant position. Carl Smitley was hired in the position to coordinate the enforcement program. He had previously worked as a Board Specialist from 1985 until he went to the Medical Board in 1995, and then subsequently retired from state service.
- Staff members were introduced: Dennis Ohlsson, Board Specialist, Melissa Sowers-Roberts, Field Representative Specialist, Carolyn Albers, Paralegal, Pat Pendleton, Purchasing Specialist, Patty Jensen, Consumer Services Representative, Karen Sanders, Travel Claims / Contracts Specialist and Nancy Gaytan, Paralegal.
- The contract for the Research Grant was ready for review and submission to the Department.
- The existing Branch 1 license examinations for both Field Representatives and Operators had been reviewed and updated. By next month the updated examinations should be in place.
- The Pre-Treatment Committee will be scheduled soon and Mr. Smitley would be attending those meetings.
- There was an unlicensed activity case in Northern California where a District Attorney took the case; the individual was recently arrested and given a \$500,000 bail. His first hearing was scheduled for August 13, 2004 and staff would be monitoring and working with the DA's Office on that case.
- The Board was up this year for Sunset Review and the Joint Committee of Boards, Bureaus and Commissions would be expecting the Board's report on September 1. Most Board staff were working on certain elements of the report and combining data and responding to questions. The report would be compiled and submitted to Board Members for review and input prior to the September 1 deadline. It was anticipated the Joint Committee would meet and conduct public hearings for those Boards up for Sunset during the 2004 interim recess, which would probably be November. The Joint Committee would then submit its report to the Department of Consumer Affairs (DCA) and if there was a concurrence that the Board should continue, they would submit legislation for the 2005 session. DCA would then submit its report to the legislature and bills would be introduced to extend or repeal those effective dates.
- Approximately \$800,000 was in the Research Fund. It would be approximately three months before the Board could release the Research Fund Proposal (RFP). The issue of identifying and designating an entity to replace UC Berkeley will be agendized for the next meeting.
- The Board was currently going through an audit by DCA. The audit started in May and significant time was currently being spent reviewing all functions and processes. A report would be furnished in late September.

- The Department of Finance (DOF) and the Office of Administrative Hearings (OAH) had increased their billing hourly rates, effective July 1, 2004. Board staff will monitor the affect on the enforcement budget. There were no provisions to ask for additional money if the Board could not handle the increase.
- Complaint statistics and survey results were reviewed with the Board members.
- A Rule Making file was submitted to the Office of Administrative Law (OAL) that included the adoption of section 1923, Consumer Complaint Disclosure. DCA had numerous public hearings to look into what they felt overall should be disclosed to the public and recommended specific language for adoption, which the Board had agreed with, but by the time the Rule Making file was submitted there had been a change in administration. The current administration wanted to revisit the recommended complaint disclosure, so section 1923 was withdrawn from the Rule Making file. The remainder of that file, however, went forward, OAL approved it and it was now on file at the Secretary of State's Office. The updated regulations included the revision of Continuing Education (CE) activities, the revised Fumigation Log, the regulation that addresses In-Ground Bait Station removal, the amendment of the Inspection and Completion Tag to include other methods and the address reporting specifications for the WDO Activity filing with the Board. Staff was currently preparing notification to the industry to advise them of these changes.
- The California Performance Review report would not be released until the Budget was approved, although there would be some recommendation regarding overall re-organization, which would affect all departments within the state. There was a December deadline for CPR to submit recommended changes to the Legislature. If the re-organization did go forward, public hearings would take place.
- An article in the Summer 2004 Real Estate Bulletin entitled: "Pest control reports. Full disclosure a must!" was reviewed with the Board members.
- Assembly Bill 1725 will increase the authority for the County Agricultural fines from \$1,000 to \$5,000, was moving forward.
- Assembly Bill 1926, the Fish and Game Commission's trapping license exemption, was currently parked waiting for the next legislative session. The Fish and Game Commission has begun a promulgation of regulations to address an exemption for Structural Pest Control Board licensees from the trapping license requirement, specifically naming nine or ten vertebrate pests which licensees might trap, such as: gophers, squirrels, moles, mice, opossums, skunks, fox, voles, or raccoons. The bill goes to hearing on August 6, 2004, with an adoption hearing set for August 27. The Board is sending a letter in support of the proposed regulation, as it is consistent with the Board's support of the statutory amendment.
- Assembly Bill 2142, Home Inspectors, a bill introduced to allow home inspectors who are also Structural Pest Control Board licensees to make repairs, was not moving forward.
- Assembly Bill 1006, the Healthy Schools Act, was pulled from consideration.
- Assembly Bill 2095, the Fire Ant legislation, was moving forward.
- Senate Bill 1914 sets a time limit for petitions for reconsideration, was moving forward.

- Senate Bill 1735, which reinstates positions cut from State service, was on suspense.

VI. STRATEGIC PLAN UPDATE

Ms. Okuma reported on the 2004 Strategic Plan in each Board member's packet.

Objective 1.1: Improve channels of communication with the Executive Branch and key industry associations.

Deliverable 1.1.1 The request for approval for out-of-state travel to attend the National Pest Management Association annual meeting was rejected by DCA, who felt the rejection was consistent with the Administration's directive from last year – to not attend conferences and conventions; however, one staff member, Ms. Melton, would attend the Association of Structural Pest Control Regulatory Officials (ASPCRO) convention next month.

Deliverable 1.1.2 The Pre-Treatment Committee communicated with ASPCRO for its recommendations.

Deliverable 1.1.3 Identify key staff people within the Executive Branch to contact: no progress has been made yet.

Deliverable 1.1.4 Send information on Structural Pest Control Board (SPCB) issues and actions to key Executive Branch staff: no progress has been made yet.

Objective 1.2: Increase public attendance at board meetings: no progress has been made yet, although still within the target date for this objective.

Objective 1.3: Increase the number of members of the public serving on committees: no progress to report at this time.

Objective 1.4: Increase the Legislature's awareness of the SPCB and its programs and benefits to the public in order to establish a working relationship between the Board and the Legislature: no progress to report at this time.

Objective 1.5: Develop and implement a program to educate the public about the application of new/emerging structural pest control products and services and their use: no progress to report at this time.

Objective 2.1: Complete the process for filing Wood Destroying Organism (WDO) activities online: this had been completed. There was an amendment

to the associated costs, which was a \$154,000 cost every two years for maintenance and upgrades to the system.

- Objective 2.2:** Conduct a written survey to determine what licenses are doing with regard to industry practice: the additional question asked to be added at the last Board meeting will be implemented once the Budget is signed.
- Objective 2.3:** Implement the recommendations of the Ad Hoc Committee on Education regarding: 1) uniform standards for approving and not approving educators and allocations of credit; and 2) ways to restructure the means and methods of providing CE to licensees: the regulations are still going through the process.
- Objective 2.4:** Review and rewrite the statutes and regulations to ensure their effectiveness: there is no further progress to report other than the fact that Mr. Robert Eisman is no longer our Deputy Attorney General Liaison and is unable to continue on the project. Ms. Christina Thomas would not be able to pick up where Mr. Eisman left off because of staffing issues. Board staff was currently reviewing the product Mr. Eisman did compile and some recommendations would be made at the next Board meeting.
- Objective 2.5:** Bring license fees into alignment with licensing costs to assure that fees are equitable: no progress to report at this time.
- Objective 3.1:** Achieve needed disposition of complaints in order to protect consumers and meet statutory requirements: a Budget Change Proposal had been submitted seeking approval for augmentation of an additional enforcement position to act as the Enforcement Lead.
- Objective 4.1:** Implement computer-based testing (CBT) as a means for improving the exam process: Ms. Saylor reported earlier that the first step is to obtain the ATS system.
- Objective 5.1:** Begin recording conversations between Board staff and the public for quality control purposes: staff met with DCA's Telecommunications Unit and vendors and then the Telecommunications Unit felt that a one-on-one meeting with Ms. Okuma was warranted in order to proceed, which was not coordinated yet.
- Objective 5.2:** Implement a quality control system to assure competent, efficient, accurate, impartial and courteous service to all Board constituents: no progress to report at this time.

Objective 5.3: Complete a review of the Board's internal operations to identify opportunities for improvement and/or cost reduction: no progress to report at this time.

Mr. Morris asked if there was anything the Board Members could do to help in meeting the objectives and target dates of the Strategic Plan.

Ms. Okuma replied that both she and Ms. Saylor had spoken about meeting current deadlines in light of diminished staff, in addition to such added projects as the Sunset Review, Internal Audits and implementation of the WDO system. The WDO system had taken at least 80% of Ms. Saylor's time for almost a year, and probably 50% or more of other staff's time. Now the ATS looks like it will also require 50-80% of staff time. Clearly, meeting the target due dates in the Strategic Plan would be a challenge.

Mr. Morris asked if the Board Members should reconsider some of the goals, objectives and timetables, as they may be too aggressive at this time.

Ms. Okuma replied she felt everyone had taken a lot of thought and preparation in putting the Strategic Plan together, so she personally would not wish the Board to amend any part of the plan other than to maybe re-evaluate target dates.

Mr. Roth suggested not having the Strategic Plan meeting this year.

Ms. Okuma replied maybe a two-year plan in this instance might be warranted.

Mr. Morris felt the Strategic Planning meeting should go forward with the goal to revise and take a closer look at target dates.

Mr. Heppler suggested that if a meeting of this nature were conducted it would need to be fully noticed in accordance with applicable government codes, as the adoption of public policy in such a manner would require notice.

Mr. Morris moved and Mr. Roth seconded to have staff put together a consideration for revising target dates contained in the existing Strategic Plan and to consider amendments to that plan at the next Board Meeting. Passed by majority (Ayes – Mr. Arzate, Ms. Melton, Mr. Morris, Mr. Roth, Mr. Sesay. Nay – Mr. Trongo).

Ms. Okuma suggested the Board proceed with its Strategic Planning meeting in November, with its focus on re-evaluating target dates and possibly making modifications to the existing plan, instead of concentrating on creating additional goals and objectives. If as a result of their discussion the Board Members felt there were additional specific goals that needed to be met, those would be added to the existing plan.

After some discussion, Mr. Sesay moved and Mr. Arzate seconded to rescind the Board's previous action. Passed unanimously.

VII. RECOMMENDATION THAT THE BOARD CONSIDER A LEGISLATIVE AMENDMENT TO REPEAL REINSPECTION REQUIREMENT PER BUSINESS AND PROFESSIONS CODE SECTION 8516 (b)

Mr. Brasiel, Termite Consultant, commented that prior to the amendment of 8516(b) of the statute, pest control operators took care of their own problems. He felt this amendment was an anti-business statute. His recommendation was to either change, repeal or drop the amendment. He had a problem with “reinspecting repairs,” as he did not know what he was supposed to be re-inspecting; he felt reinspection of “concealed areas” caused a double charge to the consumer, and the pest control operator was being placed in the position of law enforcement; he had a problem with “inspection of work in progress” and stated his insurance company specifically excluded this. He felt inspecting repairs was beyond the scope of all licensees of the Structural Pest Control Board.

John Van Hooser, Ultratech Division, agreed that reinspecting was something that no other industry had and if something were to be done it should be to do away with “reinspecting work done by others.” He felt Mr. Brasiel was after the regulation and should instead be after the statute.

In response to a question posed by Mr. Roth, Mr. Brasiel stated the statute had been placed on the books in 1980, about 25 years ago; it had been put into place without a public outcry; the industry had always self-regulated itself; it was an anti-business statute, and it did not allow the licensee the right to refuse service to someone, although many other businesses had that right. The statute was never necessary; it served no actual purpose for the industry or for a fair consumer, and needed to be abolished.

Mr. Morris questioned how the consumer would then go about getting a reinspection of their job, if the statute were abolished.

John Van Hooser, Ultratech Division, commented that before the bill was passed, the pest control company reinspected work done by others and if this law were off the books they would still reinspect work done by others. The point was the right to refuse to reinspect.

Ed Ackerman, Able Exterminators, Inc., commented that as a licensee, he was the expert and he should be the one to tell the consumer whether something needed to be reinspected or not. He felt this wording gave the consumer or the contractor the right to demand the opening of a concealed area, leaving the company without the right to refuse. He felt the words “If ... is desired” should be taken out and the sentence changed to read: “if we require.”

Ms. Okuma commented she had placed this item on the agenda for the Board to consider, because after she read Mr. Brasiel’s letter dated June 18, 2004, she felt he was stating that the Board had a bad law in the first place and was now compounding it with a bad regulation. She felt Mr. Brasiel was asking the Board to consider a statutory amendment legislatively to repeal that law.

In reply to Mr. Roth's question of whether section 1993.1 had already been adopted, she responded she did not believe OAL had approved the regulation.

Mr. Trongo asked Mr. Brasiel if he had another alternative than to just get rid of the law.

Mr. Brasiel stated the regulation could be revised. He questioned what he was inspecting when he was inspecting repairs, as there is no statute or regulation telling him what inspecting for repairs means. He did not believe they were licensed to inspect repairs, never had been licensed to inspect repairs and did not certify repairs, although frequently companies would state they did. He further commented that some contractors did not know how to make repairs and he did not feel he should be supervising work for the consumer.

Mr. Heppler stated it was within the purview of the Agency that promulgated the regulation to withdraw that regulation. It was also provided in the government code that any person could petition an agency to change a regulation. However, the Board was not constitutionally allowed to just override, enlarge or somehow negate an enactment by the legislature. As the purpose of a regulation was to essentially make specific or to interpret the law, the Board did not have the power to negate what the legislature told it to do. He commented to Mr. Brasiel that if he was asking if the Board could amend, change or repeal that legislation, section 8516, the answer was no – the Board did not have that power. If his comments were more directed to the regulation 1993.1, the re-inspection language, this was something the Board could take action on.

Mr. Brasiel commented that he was asking to change the regulation, which was within the Board's power, but what he would like even more was the next time a bill was sent to change a statute, as is occasionally done, that the Board attach an appeal with it. He did not feel this warranted a stand-alone issue to go to the legislature, but if it was tagged with another issue, he felt it might get done. He again stated that the regulation was way off base and had nothing to do with the reinspection of a present and active infestation but had everything to do with repair work itself and he was not licensed to do that.

Mr. Heppler commented that if the Board wished, it could direct staff and staff counsel to closely investigate the issue of continuing with section 8516, and undergo a rewrite focusing on the necessity, viability and relevance of section 8516 in the code, as one of the objectives in the Strategic Plan related to a rewrite and analysis of existing legislation.

Ms. Okuma volunteered staff to prepare a position paper on the issue, which would give the Board a better picture of what it is, the pros, the cons and the recommendations, and to place that on the agenda of the next board meeting for their consideration. She felt that Mr. Brasiel was stating the enabling legislation this regulation was based upon was the problematic issue.

Mr. Roth moved and Mr. Trongo seconded to table the recommendation that the Board consider a legislative amendment to repeal the reinspection requirement per Business and Professions Code section 8516 (b) for the January Board meeting in 2005, at which time staff would present a position paper discussing the pros and cons. Passed unanimously.

VIII. REQUEST FOR APPROVAL OF A NAMESTYLE DISAPPROVED BY STAFF AS CONFUSINGLY SIMILAR TO THE NAME OF A REGISTERED COMPANY

Ms. Saylor stated the approval of this name style was before the Board for its consideration, as the name styles sent to the Board had been denied at staff level.

Ms. Okuma explained to the Board Members and audience that the Board had previously approved a regulation amendment so staff would no longer approve or disapprove name styles, but that regulation had been caught in the Governor's freeze on regulations and the time period to submit the file lapsed during that freeze. Therefore, the regulation was still on the books and staff still had to comply by approving or disapproving name styles.

Mr. Arzate moved and Mr. Roth seconded to approve Mr. Steven Carroll to use his first name style choice, Buzz-Off Bee Removal Services, Inc. Passed by majority (Ayes – Mr. Arzate, Ms. Melton, Mr. Roth, Mr. Traum. Nay – Mr. Sesay, Mr. Morris).

IX. PROPOSED AMENDMENT OF CALIFORNIA CODE OF REGULATIONS SECTION 1996.1 – INSPECTION AND COMPLETION TAGS

Jerry Motak, Standard Termite & Pest Control, stated that the inspection tag approved in 1979 was okay for that time period. He felt it would be a good idea to incorporate the two tags into one tag that listed every type of inspection, which would include the identification of gas used in a fumigation. He felt such a tag would help companies in the future to not duplicate treatments and also help them to understand which inspections and treatments had previously been performed.

Harvey Logan, Pest Control Operators of California (PCOC), stated it might be a good idea to refer this to the Technical Advisory Committee.

Mr. Trongo commented fumigators were already required to post a tag in the attic and subarea whenever a fumigation was performed. He stated he would rather see the current completion tag listing all chemicals used, as fumigation was covered with another tag.

Ms. Okuma commented that the Board had previously adopted an amendment to the regulation that required the inspection tag to include the method of treatment, which addressed those situations where no chemical was used. OAL had approved it and a notice would soon be sent out to the industry.

Mr. Trongo moved and Mr. Roth seconded to refer the proposed amendment of California Code of Regulations section 1996.1 to the Technical Advisory Committee. Passed unanimously.

X. ADOPTION OF AMENDMENT OF CALIFORNIA CODE OF REGULATIONS SECTION 1950 – TO INCREASE THE NUMBER OF REQUIRED HOURS NEEDED TO RENEW A FIELD REPRESENTATIVE AND OPERATOR LICENSE TO INCLUDE FOUR HOURS IN THE SUBJECT OF ETHICS

Ms. Okuma stated that at the last Board meeting there was a public hearing to amend section 1950 to increase the number of CE hours required by licensees by four additional hours. What was noticed for public hearing was that two of those four hours would be in the area of ethics. The Board tabled the issue until today's meeting and in the meantime asked staff to seek out a trainer for the training of ethics. She had met with the Governor's appointee to the Secretary of State and Consumer Services Agency, Mr. Fred Aguiar, since the last Board meeting, and one of the issues they spoke about was the Board's proposal to increase the CE, specifically in the subject of ethics. She stated that the decision to go forward or not was ultimately the Board's decision but she felt Board members needed to recognize there were control agencies that approved and disapproved these types of actions by the Board and it was her feeling the current administration would not favorably consider the proposal with hours specifically in ethics.

Mr. Roth asked if the concern was the additional hours or that the hours were in ethics.

Ms. Okuma replied that the concern was much as what was voiced at the public hearing: it was questionable as to whether or not requiring ethics in a continuing manner for maintaining licensure was really necessary and that the four additional hours would create a burden on California businesses.

Mr. Morris stated that in light of the current situation, he recognized the additional expenses incurred by industry would be passed on to the consumer and was, as a Board Member, very sensitive to those costs being passed on. He suggested that perhaps the four additional hours could be folded into two hours of ethics training into the already existing CE hours. He then stated, however, that for the record, ethics training, if not instituted now, should be re-considered by the Board at some point in the future.

Mr. Trongo commented he was in agreement with Mr. Morris and believed that if one hour was taken away from general and one from technical and those two hours were intended for ethics, there would no financial impact.

Mr. Arzate commented he is the Director of the Continuing Education Department for a local community college, which provides courses free of charge. He suggested that the industry and Board members could consider establishing collaborations with other educational institutions to: 1) provide expert training on ethics as it relates to any general industry and 2) to provide on-line or in-house continuing education at no cost or lower cost

than what most providers currently charged. He suggested this as an option most people might not be aware of.

Mr. Heppler stated that if the Board were to implement the substitution of one hour from general and one hour from technical with two hours of ethics training, that action would be substantially changing the import of the current regulations. Therefore, a 15-day notice would be insufficient; a 45-day notice together with a regulatory amendment would be required. He further commented that from a procedural perspective, if the decision was to not to go forward with the regulation, under a new statute regarding the promulgation of regulations, the Board would be required to notify AOL if the regulation was not pursued.

Ms. Okuma commented that part of the rule-making process was to be able to identify what problem was being addressed by adopting a regulation, and why that resolution was the best for the problem. She was not sure, based on what the Board had introduced through the public hearings up to this point, that the Secretary of State and Consumer Services Agency could be convinced satisfactorily of that necessity.

Mr. Roth moved and Mr. Trongo seconded to not proceed with the promulgation of the amendment of California Code of Regulations section 1950 – to increase the number of required hours needed to renew a field representative and operator license to include four hours in the subject of ethics. Passed unanimously.

XI. CALENDAR FOR NEXT BOARD MEETING

The next Board meeting will be held October 7 and 8, 2004, in Anaheim. The following meeting will be held January 13 and 14, 2005, in San Jose. The Strategic Planning meeting will be held for half a day on November 12, 2004, in Sacramento.

XII. ELECTION OF OFFICERS

Ms. Okuma stated it was Board procedure for the Board to hold election of officers at the meeting preceding the October Annual Board Meeting. She then asked for nominations for the offices of President and vice president.

Mr. Roth nominated and Mr. Morris seconded Jean Melton for the office of President of the Structural Pest Control Board. Passed unanimously.

Mr. Morris nominated and Mr. Sesay seconded Michael Roth for the office of vice president. Passed unanimously.

XIII. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Harvey Logan, PCOC, commented that some entity within the State of California had taken \$40,000 of their research money for an administrative fee. He thought it was outrageous because it had already been stipulated in the statute how much money was to be given to

the entity who would handle the RFP's. There were no such provisions for the State of California to take their money and he wished to know what had been found out concerning this. He said there had been quite a disturbance within the industry and it might be that they would sponsor legislation to repeal the Pesticide Use Report fee that is associated with research, if the State of California was going to continue to try to steal money from them.

Ms. Saylor explained it was her interpretation this was not a one-time pull but that it would occur from now on; \$40,000 would be taken from that fund for administrative costs. The Budget Office told her we have no say or control, nor does the Budget Office have a say or control because the order came directly from the Department of Finance. She stated they had argued that the money was strictly for the purposes of research, there were no positions and no costs associated with it, so there was no administration of funds, but they still had no say over the taking of the \$40,000.

Ms. Okuma commented that one option might be to make an appointment with the Director to ask for some assistance in looking into the matter and communicating with the Department of Finance as it related to the annual pull of money from that fund and to then report back.

Harvey Logan stated that to the extent appropriate, PCOC would be more than happy to join in that effort and use their lobbyists also, because he felt this was just outrageous.

Ms. Melton adjourned the meeting at 12:36 PM for adjournment to closed session.

XIV. CLOSED SESSION

The Board adjourned to closed session to consider proposed disciplinary actions in accordance with subdivision (c)(3) of Section 11126 of the Government Code.

Ms. Melton adjourned the meeting at 2:15 PM.

JEAN MELTON, President

KELLI OKUMA, Executive Officer

DATE