

**HIGHLIGHTS OF
THE CONTRACTORS STATE LICENSE BOARD
BOARD MEETING**

**FAIRFIELD, CALIFORNIA
JUNE 18-19, 2015**

By Kenneth S. Grossbart
Abdulaziz, Grossbart & Rudman

The Contractors' State License Board held a Board Meeting in Fairfield on June 18 & 19, 2015.

THURSDAY, JUNE 18, 2015

Board Members Present:

Chair, David Dias; Vice Chair, Ed Lang; Secretary, Agustin "Augie" Beltran; Kevin Albanese; Linda Clifford; David De La Torre; Susan Granzella; Joan Hancock; Pastor Herrera Jr.; Robert Lamb; Marlo Richardson; Paul Schifino; Frank Schetter; Johnny Simpson; and Nancy Springer.

Board Members Absent:

There were no absent Board Members.

There are no vacancies on the Board.

REGISTRAR'S REPORT

**PROCEDURES REGARDING CSLB PERSONNEL'S INTERACTION WITH
IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE) UPDATE**

ICE will not be used at any CSLB operations.

**PROPOSAL FOR BOARD MEETING REGARDING PRESENTATION OF CSLB
OPERATIONS**

What can and what cannot be said by Board Members at a meeting. Cindy suggests a half day refresher course.

ENFORCEMENT

ENFORCEMENT PROGRAM UPDATE

2014 CONSUMER SATISFACTION SURVEY: CSLB UP IN NEARLY EVERY CATEGORY

There is an ongoing survey of consumers whose complaint cases have been closed which is designed to assess overall satisfaction with the Enforcement Division's handling of complaints. 2014 saw seven out of eight categories up from 2013 with the eighth category remaining the same.

INTAKE AND MEDIATION CENTER HIGHLIGHTS

The Intake and Mediation Centers financial settlement amount from July of 2014 through April of 2015 was just over \$9.3 million. March 2015 saw over \$3 million paid to financially injured persons.

INVESTIGATIVE CENTER HIGHLIGHTS

The Investigative Centers financial settlement amount from July of 2014 through April 2015 was just over \$3.7 million.

Electrician Certification Workshop: Labor Code Requirements Enforced by CSLB

April 16, 2015, saw a two-hour workshop presented to the International Brotherhood of Electrical Workers, the National Electrical Contractors Association, and the Western Electrical Contractors Association regarding CSLB enforcement of the certification requirements for C-10 employees. Local compliance officers learned how to collect relevant evidence and how the CSLB will investigate electrician certification leads forwarded to Enforcement. Staff anticipates an increase in referrals and legal actions as a result.

Investigative Costs of \$57,761.54 Awarded in One of the Original “Fraudulent RMO” Cases

In December 2014, a Ventura County judge ordered notorious revoked licensee Avi Gozlan to reimburse CSLB for investigative costs related to a 2011 case that involved defrauding numerous Southern California consumers. In March 2015, CSLB received a check in the amount of \$57,761.54 from the Ventura County Controller for investigative costs, a rare victory for a state agency. In 2013, the grand jury in this case indicted 13 individuals for their roles in the elaborate scheme, which involved at least four licensees as “RMOs for hire.” This news is the latest in a string of victories related to this case: last summer, victims were awarded \$300,000 in restitution, and one homeowner even got his house back. CSLB continues to demonstrate its intolerance of fraudulent RMO scams.

Pacific Grove Licensee Pleads Guilty to Fraud, Contracting without a Valid License, Tax Evasion

A joint investigation by CSLB and Monterey County District Attorney fraud investigators dating back to 2012, culminated in a guilty plea on April 7, 2015, from Juan Rosas, expired licensee “Juan the Builder.” Rosas faces a maximum of six years and four months in prison and an estimated \$211,000 in restitution for not only working with an invalid license and employing workers without workers’ compensation, but also for fraudulently under-reporting his payroll to the State Compensation Insurance Fund to achieve lower workers’ compensation premiums.

Peace Officer Investigation Results in 12-Year Prison Sentence

An elder abuse investigation conducted by a CSLB Peace Officer resulted in a 12 year prison sentence for unlicensed contractor Patrick R. Murphy. Murphy entered a no contest plea to four counts of elder financial abuse and an enhancement for fraud resulting in a loss to consumers of more than \$500,000. Murphy added unnecessary work to home improvement contracts for senior citizens and charged substantially more than the work warranted. In two separate cases with CSLB, Murphy charged victims twice for the same work and borrowed money from customers that he never repaid.

Unlicensed Contractor Referred for Criminal Prosecution after Refunding \$3,000 of a \$60,580 Deposit on a Project Never Started

In May of 2014, Santa Clara County unlicensed contractor Ping Shan Liu contracted with a Cupertino resident to build a home addition for \$148,820. Liu required and received a \$60,580 "materials deposit" at signing, and agreed to begin work two weeks later. When the start date was delayed as the homeowner sought building department approval of the plans, Liu asked to terminate the contract, citing "rising material costs." Returning only \$3,000 of the deposit, Liu claimed the remainder of the \$60,580 went to "material restocking fees." A CSLB investigation found no evidence that any materials were ever purchased, delivered, or restocked. At the end of April 2015, the San Francisco Investigation Center referred the case to the Santa Clara District Attorney's Office for allegations of advertising without a license, fraudulent use of a contractor's license number, contracting without a license, excessive down payment, diversion of construction funds, and grand theft.

STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT) HIGHLIGHTS

The Statewide Investigative Fraud Team highlights included:

This Year's "Operation Underground" a Success, Netting Nearly \$300,00 in Fines

Once a year, CSLB has the opportunity to help tackle the insurance premium fraud violations that are not normally subject to its enforcement efforts, as part of the larger mission of combatting the underground economy. The California Department of Insurance (CDI) leads the statewide multi-agency effort every year, and CSLB SWIFT Enforcement Representatives (ERs) are paired-up with CDI agents to visit construction industry targets that may be violating payroll, insurance or tax reporting laws. The May 20, 2015, operation resulted in more than 15 citations, multiple stop work orders, and nearly \$300,000 in fines. CSLB and the Labor Commissioner's office issued 19 stop orders to contractors on active jobsites without workers' compensation, and the California Division of Occupational Safety & Health stopped six projects with serious working hazards. In addition, the Employment Development Department will conduct 31 audits as a result of the operation. The annual operation spans CDI's nine geographical zones across the state, and CSLB SWIFT ERs partnered with agents in San Diego, the Inland Empire, South Los Angeles, North Los Angeles, Valencia, Ventura, Orange, Fresno, Silicon Valley, Benicia, and Sacramento.

Northern Statewide Investigative Fraud Team (SWIFT) Well Underway with Commendable Building Department Plan

Northern SWIFT announced recently its intent to make personal contact and build working relationships with every single building department within its jurisdiction in order to share information about suspicious activity, alert CSLB about suspicious owner/builder permits, educate, improve contractor compliance, and generally increase CSLB's presence within each of these offices. This mirrors the overall goal of the Enforcement division to establish better working relationships with building departments in general. Such an effort constitutes a substantial undertaking, as Northern SWIFT monitors half of California, and there are 36 building departments within the greater Sacramento area alone. The visits have resulted in conferences with dozens of officials and the distribution of hundreds of pages of CSLB information both for the building offices' use and public display. Referrals from building departments to SWIFT are already increasing as a result of these efforts. Only a month into the venture, Northern SWIFT has visited offices in Elk Grove, Rancho Cordova, the city of Sacramento, Sacramento County, West Sacramento, Placer County, Auburn, Lincoln, Roseville,

Citrus Heights, Alameda, South Lake Tahoe, El Dorado, Solano, Folsom, Winters, Woodland, Vallejo, Suisun City, Fairfield, Vacaville, and Yolo.

Frequent Violator will not be Offending Again for Some Time

Rafael Tinoco received an administrative citation in 1999 for unlicensed contracting, and last year the Central CSLB Statewide Investigative Fraud Team (SWIFT) referred two additional cases against Tinoco for unlicensed activity to the Santa Barbara District Attorney's office. On April 14, 2015, these cases led Tinoco to receive 180 days in jail on four counts of unlicensed contracting and failing to provide workers' compensation. Probation terms require that Tinoco obey all laws, maintain workers' compensation insurance, report his activities, stay away from addresses of previous activity, pay thousands of dollars in fines and full restitution to victims, pay workers lost wages and register as an employer with the Employment Development Department, report back taxes, and put disclaimers on all advertising.

With these cases pending, on April 7, 2015, Central SWIFT responded to a confidential lead alleging that Tinoco was contracting illegally in Santa Barbara. The investigator learned that Tinoco had approached an elderly homeowner as she walked her dog and offered to paint her house. On two subsequent visits to her home, Tinoco also suggested he fix her fence, repair stucco, install a garage door, and concrete the driveway, providing an oral bid of \$7,200, with additional costs to be assessed later. On April 29, 2015, the investigator referred this new case to the Santa Barbara District Attorney's office. The DA's office reported that Tinoco will be charged for unlicensed contracting with a "subsequent conviction" enhancement, and for violating probation. Jail time is almost certain and will hopefully put a stop to future illegal activity.

Repeat Offender, with Thousands of Dollars in CSLB Fines Outstanding, Finally Arraigned in Criminal Court

Northern Statewide Investigative Fraud Team (SWIFT) has another successful criminal filing with Solano County Deputy District Attorney Janice Williams, as efforts increase to cultivate partnerships with local agencies in the area. Repeat offender Angel Cortez was arraigned in Solano County on April 6, 2015, for unlicensed contracting, failure to secure workers' compensation, illegal advertising, and failure to comply with a prior citation. No stranger to CSLB, Cortez has more than \$3,625 in outstanding administrative fines; hence, the need for a criminal referral when he was discovered during a Labor Enforcement Task Force sweep last year with seven employees installing sprinklers and pouring fifteen yards of concrete for a landscaping project.

PUBLIC WORKS

In April 2015, the Enforcement division's Quality Assurance unit presented a seminar for awarding agencies on law and policy issues related to the new requirement that contractors be pre-registered before they can bid on public works projects and to explain public work contracting requirements.

GENERAL COMPLAINT-HANDLING STATISTICS (FY 2014-15)

Current CSLB Enforcement staff should be able to handle 3,200 pending complaints. As of May 2015, the pending case load was 3,267.

The optimal case load for Consumer Service Representatives (CSR) is 1,450. As of May, 2015, 1,486 complaints were assigned to CSRs.

The Enforcement Representatives (ER) have a capacity for 35 cases each or 1,750 open complaints between all 50 ERs. May 2015 saw 1,781 complaints assigned to ERs.

The first 10-months of fiscal year 2014-15 saw settlement efforts get more than \$12 million in restitution to financially injured parties.

Investigation of Consumer Complaints

Fiscal year 2014-15 has seen, to date, the Board's goal of closing 10 complaints per month per ER. Of the 1,658 legal actions during this time, 30% were referred to local prosecutors.

Proactive Enforcement at Active Construction Sites

CSLB has established a Statewide Investigative Fraud Team (SWIFT) comprised of approximately 30 non-sworn Enforcement Representatives (ERs). SWIFT primarily enforces license and workers' compensation insurance requirements at active job sites and performs undercover sting operations, targeting unlicensed persons who have active warrants or who solicit construction contracts.

SWIFT Statistics – Fiscal Year 2014-15 (July 1, 2014- April 30, 2-15)

Of the 196 sweep days resulting in 1,365 legal actions, the following legal actions resulted:

- 134 licensed and unlicensed individuals referred to district attorneys for criminal prosecution of workers compensation violations; and
- 701 licensed and unlicensed individuals issued administrative citations for licensure, advertising, aiding and abetting, and workers compensation violations.

They also issued:

- 585 Notices to Appear (NTAs) to suspects for contracting without a license, illegal advertising, and workers' compensation insurance violation; and
- 460 Stop Orders served on construction employers, prohibiting use of employee labor until workers' compensation insurance is obtained.

2014-15 Fiscal Year: Numbers are in for CSLB Investigation Centers

The CSLB Investigation Centers closed 5,146 complaints over 10 month in the 2014-15 fiscal year, averaging 515 closures a month for each office. Nearly 30% of these closures resulted in criminal referrals for prosecution.

2015-16 Strategic Plan Update

April 27, 2015, the Enforcement Committee approved four strategic plan objectives and request the addition of two more. They are as follows:

1. Public Works (Important) / Target – August 2015 / Review and revise memorandum of understanding the Labor Commissioner's Office.
2. Establishment of Government Accounts to Obtain Court Records (Important) / Target – October 2015 / County criminal records are online, but require establishment of a fee-based account to access them.
3. Refine Proactive Strategies and Objectives (Important) / Target – December 2015 / Develop a matrix to prioritize proactive response to leads, sweeps, and stings.
4. Revision of Enforcement Manual (Essential) / Target – December 2015 /

- Establish task force to update and improve the existing complaint handling manual.
5. Update Regulation for Assessment of Civil Penalties (Important) / Target – December 2015 / Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements.
 6. Solar Energy Schemes (Essential) / Target – June 2016 / Develop outreach, education, enforcement strategies to address deceptive solar tactics.

DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED CHANGES TO MINIMUM PEACE OFFICER TRAINING STANDARDS

ENFORCEMENT COMMITTEE RECOMMENDATION

The Enforcement Committee met April 27, 2015, and voted to have the full Board review and discuss revising the peace officer training requirements. This is necessary because the CSLB is losing officers to other agencies who actually pay more. In addition, internal candidates do not apply for the vacant position because the training is too lengthy. The Enforcement division believes that the Specialized Investigator Basic Course (SIBC) or equivalent is not necessary.

Proposed Recommendation:

The Enforcement Committee is asking the Board to approve revised training requirements for CSLB peace officers. Specifically, the Board is being asked to approve the following minimum training standards for CSLB peace officers:

- After successful completion of a background investigation, candidates may be appointed as CSLB peace officers upon successful completion of POST-approved PC 832 training.
- Within the first year after appointment (i.e., during the probationary period), CSLB peace officers may be required to attend additional CSLB job-related POST-certified training at the Board's discretion.
- Failure to complete the specified training requirements will result in removal from the peace officer position.

PUBLIC AFFAIRS

PUBLIC AFFAIRS PROGRAM UPDATE

The Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations and outreach.

STAFFING UPDATE

The Public Affairs Office is fully staffed with six full-time positions and two part-time Student Assistants.

ONLINE HIGHLIGHTS

CSLB Website

The CSLB's new website was launched on September 5, 2014.

VIDEO / DIGITAL SERVICES

Public Meetings

Committee meetings for Licensing, Legislative, Enforcement and Public Affairs were live webcasts on April 27, 2015. The Public Works Training Session on April 28, 2015, was also a live webcast.

Social Media

Twitter Growth

February 22, 2015 through May 27, 2015, saw the CSLB gain 52 followers for a total of 1,724 followers.

Facebook Growth

As of May 27, 2015, the CSLB has almost 2,000 'likes' on its Facebook page. Posting receive approximately 1,000 views each week.

YouTube Growth

There were 9,241 visitors to the CSLB's YouTube Channel between March 16, 2015, and May 12, 2015, with 308 average daily visitors.

Flickr Growth

The CSLB has 100 photos available for download on Flickr as of May 27, 2015.

Email Alert Feature

The Public Affairs Office continues to publicize a website feature launched in May of 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

- *California Licensed Contractor* newsletters
- News Releases / Consumer Alerts
- Industry Bulletins
- Public Meeting Notices / Agendas

There are a total of 24,092 subscriptions as well as the voluntary contract list of 78,388 for a combined email database of 102,480.

MEDIA RELATIONS HIGHLIGHTS

Media Calls

There were 57 media inquiries between March 1, 2015, and May 27, 2015.

News Media Events

There was a media event on March 13, 2015, to announce the results of the Spring California Blitz sting operation.

April 1, 2015, a media event was held by Kern County District Attorney centering on unlicensed contracting that the Public Affairs Chief, Rick Lopes participated in.

News Releases

News releases were aggressively distributed to the media, especially to publicize enforcement actions and undercover sting operations. Between February 18, 2015, and June 1, 2015, there were 13 news releases distributed.

INDUSTRY / LICENSEE OUTREACH HIGHLIGHTS

The Public Affairs Office distributes industry bulletins to alert industry members to important and interesting news. Bulletins are sent via email on an as-needed basis to just over 6,000 individuals and groups, including those who have signed-up to receive the bulletins via CSLB's Email Alert system. Between February 18, 2015, and June 1, 2015, they distributed three industry bulletins.

PUBLICATION / GRAPHIC DESIGN HIGHLIGHTS

CSLB Publications:

Completed

- Construction Complaints brochures (English & Spanish)
- What is a Stop Order? brochure
- Winter 2015 California Licensed Contractor newsletter
- Spring 2015 California Licensed Contractor newsletter

In Production

- What You Should Know Before Hiring a Contractor brochure
- Don't Get Scammed brochure (Spanish)
- Voluntary & Arbitration Program Guides
- Licensed Contractor brochure (English & Spanish)
- What Seniors Should Know Before Hiring a Contractor brochure (Spanish)
- Small Claims Court brochure
- Preventing Mechanics Liens brochure (English & Spanish)
- Using the Small Claims Court
- New Consumer Guide booklet
- New Contractor/Applicant Guide booklet
- Building Official Guide booklet
- Notice to Appear form
- Wall posters for Fresno & Norwalk offices

In Development

- New Senior Scam Stopper flyer template
- New Mandatory Settlement Conference Tips card
- New outreach pull-up banners

COMMUNITY OUTREACH HIGHLIGHTS

Twenty-six Senior Scam Stopper seminars were conducted or scheduled to be conducted between the March 2015 Board meeting and the June 2015 Board meeting.

EMPLOYEE RELATIONS

November 2013, saw the launch of the new employee-only intranet site, CSLBin. It reorganized information used by employees on a daily basis and also functions as a resource center for employees.

LICENSING

LICENSING PROGRAM UPDATE

LICENSE APPLICATION WORKLOAD

Fiscal year 2014-15 has seen a total of 18,253 applications in the first 3 quarters.

LIMITED LIABILITY COMPANIES

The CSLB became authorized to issue licenses to LLC's effective January 1, 2012. LLC's require an additional bond (over the \$12,500 contractor bond) of \$100,000 for the benefit of workers relative to payment of wages and fringe benefits in order to protect those workers since there is no case law dealing with LLC's. LLC's are also required to have at least \$1 million in liability insurance when there are five or fewer persons listed as personnel and another \$100,000 required for each listed personnel over five, but not to exceed \$5 million.

As of April 30, 2015, 2,724 original LLC applications have been received with 984 LLC licenses issued. Inconsistencies between the contractor's application and the records with the Secretary of State are the main reasons why the denied applications were rejected.

WORKERS' COMPENSATION RECERTIFICATION

January 1, 2013, started the Workers' Compensation Re-certification process. Now, an active contractor with a current exemption for workers' compensation insurance with the CSLB needs to provide a current and valid Certificate of Workers' Compensation Insurance or a Certificate of Self-Insurance at the time of license renewal

FINGERPRINTING / CRIMINAL BACKGROUND UNIT

The Criminal Background Unit has been conducting fingerprinting for all applicants for a CSLB license; this includes each officer, partner, owner and responsible managing employee as well as home improvement salespersons since January 1, 2005. Since inception, the fingerprint program has received 322,368 transmittals from the Department of Justice with more than 56,400 of those containing criminal conviction records. As of April 30, 2015, 1,225 of those applications have been denied, 1,541 have been issued probationary licenses, and 612 of the denied applicants appealed their denials.

EXPERIENCE VERIFICATION UNIT

The CSLB is required by law to investigate a minimum of 3% of applications received to review applicants' claims of work experience. January of 2013 began the process of streamlining the application process as well as reducing the time and expense of formal investigations by combining the work experience verification process with the standard application review. In instances when the CSLB is not able to confirm the experience, three options are offered to the applicant:

- Identify a new qualifier who possesses the required work experience;
- Withdraw the application and reapply when the necessary work experience has been gained; or
- Request a formal investigation.

Since implementation, the Experience Verification Unit has received 600 applications; 176 of those applications have been denied; 29 of those appealed and 150 verified for continued processing; 117 withdrawn. Currently there are 157 applications pending further review or additional supporting experience documentation.

LICENSING INFORMATION CENTER (LIC) (Call Center)

LIC Workload

The call center staff continues to exceed Board goals. There are approximately 13,000 called answered per month. Call wait times are averaged on 4 minutes and 37 seconds with 95% of all incoming calls answered. The average call lasted 3 minutes and 47 seconds.

Staffing Update

The Licensing Information Center is fully staffed with 15 full-time Program Technician II's and 2 Retired Annuitants.

Increased Training

The Licensing Information Center continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC also meets bi-monthly with the CSLB Classification Deputy for updated classification changes, and keeps in constant contact with the other licensing units to ensure that the public receives the most current information.

JUDGMENT UNIT

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment Unit processes all documentation and correspondence related to resolving issues such as, satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 46 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response (IVR) messages received by CSLB that are related to testing.

Test Center Status

There are test centers in Sacramento, Berkeley, San Jose, Fresno, Oxnard, Norwalk, San Bernardino and San Diego.

Spring Staff Meeting

EAU held its biannual staff meeting in Berkeley April 29-30, 2015, attended by senior CSLB and Testing division management. Speakers from the Department of Consumer Affairs and CalPERS provided informational workshops, and EAU staff gave presentations on security policies and procedures and customer service.

Examination Administration Staffing

EAU has two vacant Office Technician positions, one in Sacramento and one in San Jose.

EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division's EDU ensures that CSLB's 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

There are two phases required to maintain a licensure examination. Occupational analysis, which determines what information is relevant to each contractor classification. Examination development involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for examinations from that point forward. These cycles must be completed every five to seven years for each examination.

May 2015 saw the release of the new examination for "A" General Engineering.

Occupational Analyses is currently in progress for C-8 Concrete, C-17 Glazing, C-27 Landscaping, C-31 Construction Zone Traffic Control, C-33 Painting and Decorating and the ASB Asbestos Certification.

C-9 Drywall, C-29 Masonry, C-31 Construction Zone Traffic Control and ASB Asbestos Certification.

New Examinations are in progress for B General Building, C-6 Cabinet, Millwork and Finish Carpentry, C-9 Drywall, C-11 Elevator, C-15 Flooring and Floor Covering, C-20 Warm-Air Heating, Ventilating and Air Conditioning, C-23 Ornamental Metal, C-29 Masonry, C-43 Sheet Metal, and C-51 Structural Steel.

Examination Development Unit Staffing

EDU has one Office Technician vacancy and is pursuing reclassification of its vacant Test Validation and Development Specialist position to a classification with a larger candidate pool. The Graduate Student Assistant position was recently filled. In addition, EDU is exploring hiring a retired annuitant to assist with the development of one examination program.

Ongoing Consumer Satisfaction Survey

There is an ongoing survey of consumers whose complaint cases have been closed which is designed to assess overall satisfaction with the Enforcement Division's handling of complaints.

TESTING DIVISION

Civil Service Examinations

The Examination Development Unit also works on civil service classification examinations that are used at the CSLB. The Management Services Technician examination is now ready for use in the spring.

DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSALS FOR SATISFACTORY OR ACCEPTABLE FORMS OF SUPPORTING DOCUMENTATION FOR EXPERIENCE PURSUANT TO TITLE 16, CALIFORNIA CODE OF REGULATIONS SECTION 824

Applicants for licensure with the Contractors State License Board (CSLB) must have had, within the last 10 years, a minimum of four (4) years of work experience as a journeyman, foreman, supervising employee, or contractor in the classification for which the applicant is applying. All

claimed experience must be supportable by documentation satisfactory to CSLB, including as contained in the following list of acceptable experience documentation that may support an applicant's claimed experience, as reported on a Certification of Work Experience.

LEGISLATIVE

LEGISLATIVE PROGRAM UPDATE

REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING POSITIONS **LEGISLATIVE BILLS**

AB 507 (OLSEN)

This bill requires the Department of Consumer Affairs (DCA) to annually submit a report to the Legislature and the Department of Finance that contains all of the following:

1. DCA's plan, including a timeline, for implementing BreEZe for the Phase 3 boards.
2. Total estimated costs for Phase 3 implementation, and the results of any cost benefit analysis DCA conducted for Phase 3 implementation.
3. A description of whether or not and to what extent BreEZe will achieve any operational efficiencies.

No cost to the Contractors State License Board (CSLB) for the required report, as it will be provided by DCA.

Staff Recommendation to Watch.

AB 750 (LOW)

Existing law authorizes all boards to establish an inactive license category. This bill:

1. Authorizes a board within the Department of Consumer Affairs (DCA) to establish a retired license category.
2. Provides that a regulation to establish a retired license shall include:
 - a. That the holder of the retired license shall not engage in any activity that requires an active license, unless the regulation specifies criteria by which a retired licensee can practice.
 - b. That the holder shall not be required to renew that license.
3. In order to restore a retired license to an active license, the individual must do all of the following:
 - a. Pay a fee;
 - b. Certify, in a manner satisfactory to the board, that he/she has not committed an act or crime constituting grounds for denial of licensure;
 - c. Comply with fingerprint requirements;
 - d. Complete continuing education, if applicable; and
 - e. Complete any other requirements as specified by regulation.
4. Provides that a board may, and upon receipt of a complaint shall, investigate the actions of any licensee, including a holder of a retired, inactive, cancelled, suspended, or revoked license.

No fiscal impact for the CSLB.

Legislative Committee Recommendation is to Support.

AB 1060 (BONILLA)

Existing law requires all boards within the Department of Consumer Affairs (DCA) to send a copy of the criteria for rehabilitation, as well as a copy of the statute that authorizes applying for reinstatement, to an individual whose license has been suspended or revoked.

This bill specifies that this requirement shall be satisfied through first-class mail and electronic means, if the board has an email address on file for the ex-licensee.

There is minor and absorbable fiscal impact for the CSLB.

The staff recommendation is to Watch.

SB 119 (HILL)

Existing Law:

1. Requires that every operator of a subsurface installation (except CalTrans) become a member of, participate in, and fund a regional notification center.
2. Requires a person planning any excavation to contact the appropriate notification center before work begins.
3. Provides that a willful or deliberate violation of the regional notification system requirements by a licensee of the Contractors State License Board (CSLB) constitutes a cause for disciplinary action by CSLB.

This Bill:

1. Contains several findings and declarations of the Legislature regarding the need for increased communication between subsurface installation operators and excavators, and states that exemptions allowing excavation without first calling a regional notification center should not be permitted based on convenience, but only if procedures exist so that the excavation occurs without compromising safety.
2. The findings further state that the existing exemption that permits private property owners to dig on their own property without notification does not have a basis in safety.
3. Requires that CSLB adopt a program to enforce violations of the notification requirement.
4. Provides that, following an initial violation of the notification requirement, CSLB shall require contractors to undergo training related to compliance with the requirement.
5. Provides that if a contractor does not attend training within 30 days of being notified of the need to do so, he or she shall be subject to further disciplinary action.
6. Provides that a subsequent violation within one calendar year of the first, failure to attend training, or failure to pay fines may result in suspension of the contractor's license.
7. Requires CSLB to determine a graduated scale of fines, consistent with existing law.
8. Makes various revisions to the Regional Notification Center System, including the definitions of relevant terms.
9. Deletes Caltrans' exemption from the notification system requirements.
10. Provides that an excavator who damages a subsurface installation because of inaccurate marking shall not be liable for damages.

11. Limits the existing exemption for property owners to, instead, provide the exemption only when the work does not require a permit, the property has no easement or right of way, and the work involves only non-mechanized hand tools.

12. Revises the existing definition of “excavation” to include penetration of the air and the existing surface of the ground or pavement.

13. Exempts from the definition of “excavation,” until January 1, 2020, landscape maintenance activity performed with hand tools at a depth of no more than 12 inches.

14. Requires the Occupational Safety and Health Standards Board to revise its regulations to clarify best practices by excavators.

15. Creates the California Underground Facilities Safe Excavation Authority.

16. Provides that the Authority shall have nine members, including two excavators.

Fiscal Impact for CSLB:

- Enforcement Staff (initial & ongoing) – Existing staff cannot absorb this work. Staff would need to perform the following tasks: send excavation violators training requirements and instructions; receive training certification from violators; levy fines against violators; and take disciplinary action against the most egregious violators and those that fail to complete training within required timeframe. Work would be performed full-time by an Enforcement Representative II (ERII). Total cost with benefits (assumed at 42 percent) would be \$90,764 (2,080 hours x \$30.73/hour x 1.42 benefits rate). CSLB initial and ongoing costs would be approximately \$90,764.
- Attorney General’s Costs – CSLB anticipates an increase in the number of cases referred to the Attorney General’s Office to investigate and prosecute the most egregious violators. The Board estimates referring an additional 50 cases per year, at an average cost of \$5,000 per case. Total Attorney General’s Costs would be approximately \$250,000.

The Board position is to Watch.

SB 465 (HILL)

This bill:

1. Extends the sunset date for the Contractors State License Board (CSLB) and the authorization for the appointment of a Registrar from January 1, 2016 to January 1, 2020.

2. Eliminates the existing requirement that applicants demonstrate evidence of financial solvency by possessing operating capital of \$2,500.

3. Increases the amount of the contractor’s bond that licensees are required to maintain from \$12,500 to \$15,000.

There is no additional fiscal impact to the CSLB.

The Board’s position is to Support.

SB 560 (MONNING)

This bill expands the authority of Contractors State License Board (CSLB) Enforcement Representatives (ERs) to issue to an unlicensed contractor a written notice to appear (NTA) in superior court for failure to secure workers’ compensation (WC) insurance. Existing law authorizes ERs to issue a written notice to appear to individuals for

contracting without a license. This bill will allow ERs to also issue an NTA for failure to carry WC insurance.

The costs are absorbable to the CSLB.

The Board Sponsors/Supports this bill.

SB 561 (MONNING)

This bill would eliminate the requirement that a Home Improvement Salesperson (HIS) separately register to work for each contractor and, instead, allow a properly registered HIS to utilize his or her individual registration with one or more licensed contractors. At its March 2015 meeting the Board approved language to allow acceptance of electronic signatures. These amendments are now included in this bill. Additionally, the bill now contains further amendments requested by the California Solar Energy Industries Association that, 1) amend the language to make it clear that a HIS can register prior to affiliating with a contractor, but must be employed by a contractor to actually work as a HIS; and 2) amend the language that requires a contractor to notify CSLB of the pending employment of a HIS to delete the word "pending." The bill still mandates that the contractor notify CSLB prior to the HIS beginning work for the contractor.

Existing Law:

1. Provides for the registration and regulation of home improvement salespersons by CSLB.
2. Makes it a crime for any person to engage in the occupation of home improvement salesperson for one or more home improvement contractors without a separate registration for each of the home improvement contractors by whom he or she is employed.

This Bill:

1. Makes several changes to the HIS statutory provisions.
2. Requires a HIS to have a current and valid registration prior to entering into a sales transaction.
3. Provides that a HIS registration shall expire two years from the last day of the month in which the registration was issued.
4. Provides that the delinquency fee for renewing an expired registration shall be 50 percent of the renewal fee.
5. Requires a licensed home improvement contractor to notify the registrar about the pending employment of a registered home improvement salesperson in writing and on a form prescribed by the registrar.
6. Provides that a home improvement contractor who fails to report employment of a HIS is subject to disciplinary action.
7. Authorizes the use of an electronic transmission system for HIS applications.

The workload or costs associated with this bill are expected to be minor and absorbable within the Board's existing resources.

The Board Sponsors/Supports this bill.

SB 799 (COMMITTEE ON BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT)

As it pertains to the Contractors State License Board (CSLB), this bill amends a provision of the Contractors State License Law to clarify that a licensee has 90 days to report a change of address to CSLB.

There is no fiscal impact for the CSLB.

Staff recommends a Support position.

REVIEW AND DISCUSSION REGARDING BUSINESS AND PROFESSIONS CODE SECTION 7031

The Legislative Committee meeting on April 27, 2015, saw discussion regarding revisions to Business and Professions Code section 7031.

In 2013, CSLB sponsored SB 263 (Monning) to modify Business & Professions Code 7031. Specifically, this bill would have repealed the existing section and replaced it with provisions that would still have required a contractor to be licensed at all times, but would have allowed a court to determine that a contractor had substantially complied with the licensing requirement if he or she was licensed when the contract was signed, but subsequently performed work either outside his or her classification, under a suspended license, or under an expired or inactive license. A contractor meeting these criteria could have sought payment for the work performed only when he or she was properly licensed.

However, CSLB did not succeed in pursuing this change, as the Senate Judiciary Committee requested removal of the amendments to B&P Code section 7031. Committee staff raised concerns about any change that they perceived as weakening the existing consumer protections provided by B&P Code section 7031. While Committee staff realized the potential severity of the penalties related to this section of law, they believe it enforces the importance of contractors maintaining their license at all times. To consider the proposed change, Committee staff requested examples of problems with the current law that would be remedied by the proposed amendments.

EXECUTIVE

ADMINISTRATIVE UPDATE

PERSONNEL

The new Chief Deputy Registrar, Cindy Kanemoto was appointed effective April 2, 2015. She was the Chief of Information Technology since June of 2014. Ms. Kanemoto joined the Department of Consumer Affairs in 2008 and has worked in state service since 1977.

The CSLB has had four internal transfers, six transfers from other state agencies, 12 new hires, 14 promotions, 1 student assistant hire and 1 retired annuitant hire in the third quarter of fiscal year 2014-15. Vacancies continue to decline.

The Personnel Unit will be providing Career Consulting sessions so that the current staff has the tools to advance their state careers.

The Personnel Unit will also be attending a human resource liaison training in June 2015.

BUSINESS SERVICES

Facilities

San Bernardino – Lease renewal negotiations in progress. Upgrades will include more space, new alarm system, new security system, and more voice/data cabling.

Norwalk – Lease renewal negotiations in progress. Needed adjustments to space being identified as well as reviewing compliance with California regulations.

San Diego – Glass conference room wall to be replaced with solid wall for security purposes in the Enforcement division suite. Five panic buttons will also be installed throughout the suite.

Testing Field Offices – Surveillance cameras are being installed at eight testing centers for better security.

Sacramento Headquarters – Three electric vehicle charging stations were installed and available for use April 2015. Lease renewal is under negotiations which will include upgrades as follows: new employee security card reader system, key replacement throughout the entire building, construction of additional office space within the Administration unit, installation of one door and two side windows in the Information Technology programming office located within the Testing unit, installation of six ceiling projectors, and construction of a media room within the public Affairs unit as well as floor plan modifications to better utilize first floor office space.

Contracts and Procurement

Contracts in Process:

- Confidential shredding services for the Berkeley, San Francisco, and Santa Rosa field offices;
- Contract for Board meeting in San Diego, scheduled for September 3, 2015;
- Maintenance service contract for inserter machine in mailroom at Sacramento headquarters;
- Maintenance service contract for two warehouse forklifts at Sacramento headquarters;
- New scanning system for packages/letters received in the mailroom at Sacramento headquarters; and
- Seven copiers, with maintenance service contracts, for the Sacramento headquarters office and various field offices.

Procurements in Process:

- Computer table for e-payment station at the San Diego Investigation Center;
- Eighteen utility chairs for Sacramento headquarters testing unit conference room;
- Identification credentials for all non-peace officer Enforcement Representative classifications;
- Ergonomic furniture for the Redding field office; and
- Polo shirts for Enforcement division staff.

Executed Contracts/Procurement:

- Ergonomic furniture for the IT programming office located within the Sacramento Testing unit;
- Five copiers, with maintenance service contracts, for various field offices;

- Maintenance service contracts for three UPS machines for various field offices;
- Seventeen utility chairs for the Sacramento SWIFT conference room; and
- Twenty-four ergonomic chairs for the Berkeley Testing center.

Fleet

A Fleet Acquisition Plan has been submitted to the Department of Consumer Affairs for seven vehicles statewide.

INFORMATION TECHNOLOGY UPDATE

BreEZe

The Department of Consumer Affairs (DCA) continues to work with Accenture and the Release One Boards to ensure that the Enterprise Licensing and Enforcement System (BreEZe) meets operational needs according to system requirements and modifications.

Release One is in production and the Department of Consumer Affairs (DCA) and the vendor are supporting maintenance and operational needs.

Release Two clients are currently working on their development efforts as well as their respective organizational change management activities. The expected implementation of Release Two boards is spring 2016.

CSLB staff continues to work with programs to document and map current “as is” business processes, conducting meetings with CSLB end users to verify mapping and completing gap/fit analysis.

The current design, develop, and implement contract (with Accenture) for BreEZe implementation ends after Release Two. However, the vendor will continue to perform the maintenance and operation (M&O) services for Release One and Two boards/committees under the existing M&O contract.

Following the implementation of Release Two, DCA will perform a formal cost/benefit analysis to look at viable options for Release Three boards/bureaus/committees.

INTERACTIVE VOICE RESPONSE (IVR) SYSTEM

The CSLB's interactive, self-directed telephone system provides valuable information to consumers, contractors and others with dozens of possible menu options.

ENTERPRISE IT SECURITY – FIREWALL HITS

There is high security on all of the Board's information technology systems and applications. CSLB proactively blocks/denies any unauthorized attempts from all sources, including foreign countries. To date now unauthorized attempts to penetrate the system have succeeded.

E-PAYMENT EXPANSION TO NORWALK UPDATE

March 26, 2015, CSLB successfully launched the first phase of its planned in-person e-Payment expansion in Norwalk. This expansion allows CSLB to utilize technology to better serve consumers and contractors. Plans are to expand to additional field offices as well.

KEEPING AN EYE ON CSLB NETWORK AND CRITICAL SERVICES

The CSLB has transferred the software used by the CSLB Service Desk and Technical Support staff from Big Brother to SolarWinds due to lack of support on prior software. The new software was deployed April of 2015. This new monitoring system allows staff

to drill down to find much more detailed information about network performance, availability, and other functions.

BUDGET UPDATE

FISCAL YEAR (FY) 2014015 CSLB BUDGET AND EXPENDITURES

The CSLB spent or encumbered \$50.6 million through April 30, 2015, which is roughly 80% of the fiscal year budget.

REVENUE

The CSLB received just over \$51 million in revenue through April 20, 2015.

CSLB FUND CONDITION

The Contractors' License Fund reserve for fiscal year 2013-14 is over \$26 million, which gives approximately a five month reserve. The projection for fiscal year 2014-15 is just over \$20 million, leaving a reserve of 4.5 months.

STRATEGIC PLAN

2014-15 UPDATE

Goal #1 – Licensing & Testing Objectives

1. Increase high-tech security monitoring in test centers
 - Important
 - December 2015 Target
 - Status – At Department of General Services. Surveillance cameras planned for December 2015
2. Establish task force to analyze application process and reduce rejection rates
 - Important
 - January 2016 Target
 - Status – Workload analysis of application units completed; recommendations under review for implementation in 2016
3. Develop and apply consistent application experience evaluation criteria
 - Essential
 - January 2016 Target
 - Status – Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria
4. Develop online smart application package to reduce application rejection rate
 - Important
 - January 2016 Target
 - Status – Currently tied to DCA BreEZe project. Research other options to move forward
5. Fully automate bonds and workers' compensation insurance submission processes
 - Important
 - January 2016 Target
 - Status – Currently tied to DCA BreEZe project. Research other options to move forward
6. Implement online licensure tool for credit card payment
 - Beneficial
 - January 2016 Target
 - Status – Currently tied to DCA BreEZe project. Research other options to move forward

Goal #2 – Enforcement Objectives

1. Establish enforcement strategy to address predatory service and repair scams
 - Essential
 - July 2014 Target
 - Status – Completed
2. Update Industry Expert Training Program
 - Important
 - October 2014 Target
 - Status – Completed
3. Automate official educational letter to consumers who repeatedly hire unlicensed operators
 - Beneficial
 - December 2014 Target
 - Status – Completed
4. Establish RMO/Application Waiver Task Force to identify issues and make enforcement strategy recommendations
 - Essential
 - December 2014 Target
 - Status – Completed
5. Create Peace Officer Special Investigations Unit
 - Important
 - December 2014 Target
 - Completed
6. Implement Peace Officer Training
 - Important
 - December 2014 Target
 - Status – Completed
7. Provide section for the disclosure of partnering agencies' administrative actions on CSLB website
 - Beneficial
 - December 2015 Target
 - Status – CSLB now discloses Division of Labor Standards Enforcement Civil Wage & Penalty judgments and contractors subject to egregious Stop Notices filed with Caltrans. Staff continues to work with IT to assess further programming needs to display additional state and local government disciplinary actions.
8. Partner with Public Affairs Office and California Energy Commission to create an energy efficiency campaign
 - Beneficial
 - January 2015 Target
 - Status – This is an ongoing effort

Goal #3 – Public Affairs Objectives

1. Establish outreach strategy to address predatory service and repair scams
 - Essential
 - August 2014 Target
 - Status – Completed – ongoing adjustments
2. Complete flagship consumer publication
 - Essential
 - September 2015 Target

- Status – Moves to 2015-16 Strategic Plan
- 3. Complete flagship contractor publication
 - Essential
 - September 2015 Target
 - Status – Moves to 2015-16 Strategic Plan
- 4. Work with information Technology division to determine feasibility of developing opt-in “Find a Contractor” website feature
 - Beneficial
 - December 2014 Target
 - Status – Completed – Implementation may not happen until BreEZe
- 5. Work with Information Technology division to determine feasibility / need to update pocket license cards
 - Beneficial
 - December 2014 Target
 - Status – Completed – No need to update at this time
- 6. Determine feasibility of developing system to send licensees renewal information and updates via text and email
 - Beneficial
 - June 2015 Target
 - Status – Tied to BreEZe
- 7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities
 - Beneficial
 - June 2015 Target
 - Status – Not necessary at this time
- 8. Develop contractor bid presentation kit
 - Beneficial
 - March 2015 Target
 - Completed – “Ambassador Program” Information Posted Online
- 9. Develop CSLB style guide and grand standards manual
 - Beneficial
 - June 2015 Target
 - Moves to 2015-16 Strategic Plan

Goal #4 – Legislation Objectives

1. Prepare and submit Sunset Review Report to California Legislature
 - Essential
 - November 2014 Target
 - Status – Report completed and submitted
2. Provide end-of-year training to staff on new laws that will take effect the next year
 - Beneficial
 - December 2014 Target
 - Status – Completed
3. Pursue legislation to allow CSLB enforcement representatives to investigate active job sites
 - Essential
 - January 2015 Target
 - Status – SB 315 approved by Legislature and signed by the Governor

4. Pursue legislation to increase amount of surety bond to reflect homeowner risk
 - Important
 - December 2015 Target
 - Status – Included in Sunset Review Report as a new issue and included in SB 465 (Hill)
5. Review CSLB's laws and rules
 - Beneficial
 - Ongoing Target
 - Status – In process

Goal #5 – IT & Administration Objectives

1. Request additional staff in Case Management (Citation Program) through the Budget Change Proposal (BCP) process to meet operational demands
 - Essential
 - July 2015 Target
 - Status – **BCP denied** – Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
2. Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the BCP process to meet operational demands
 - Essential
 - July 2015 Target
 - Status – **BCP denied** – Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
3. Request additional staff for the Public Works Program through the BCP process to meet operational demands
 - Essential
 - July 2015 Target
 - Status – **BCP denied** – Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 12-12
4. Implement State Contractor Official Regulatory Exam (SCORE) 2.0 computer testing system to improve security and make exams more use-friendly
 - Important
 - Fall 2015 Target
 - Status – When fully implemented, SCORE 2.0 will consist of six applications. IT finished the development of the first application "Score Exam", and is gathering user/business requirements on the proctoring application
5. Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team
 - Essential
 - January 2017 Target
 - Status – CSLB staff continues to prepare for the Release Three release by working with programs to document and map current "As Is" business processes; conducting meetings with CSLB and users to verify mapping and completing Gap/Fit analysis from the current system to BreEZe

2015-16 OBJECTIVES

Enforcement Objectives

1. Public Works
 - Important
 - August 2015 Target
 - Review and revise memorandum of understanding with the Labor Commissioner's Office
2. Establishment of Government Accounts to Obtain Court Records
 - Important
 - October 2015 Target
 - County criminal records are online, but require establishment of a fee-based account to access them
3. Refine Proactive Strategies and Objectives
 - Important
 - December 2015 Target
 - Develop a matrix to prioritize proactive response to leads, sweeps and stings
4. Revision of Enforcement Manual
 - Essential
 - December 2015 Target
 - Establish task force to update and improve the existing complaint handling manual
5. Update Regulation for Assessment of Civil Penalties
 - Important
 - December 2015 Target
 - Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements
6. Solar Industry Schemes
 - Essential
 - June 2016 Target
 - Develop outreach, education, and enforcement strategies to address deceptive solar tactics

Legislative Objectives

1. Seek Legislation to Authorize Sharing of Licensee Information with the Employment Development Department
 - Essential
 - July 2015 Target
 - To address new issue raised by the Department of Consumer Affairs
2. Prepare Legislative Proposal to Eliminate Capital Requirement for Licensure and Increase Contractor's Bond by Corresponding Amount
 - Beneficial
 - September 2015 Target
 - To address new issue raised by the Board in the Sunset Review Report; included in SB 465 (Hill)
3. Prepare Draft Proposal to reorganize Contractors State License Law
 - Important
 - December 2015 Target
 - To make the law easier to follow

4. Prepare Legislative Proposal to Provide for Comprehensive Rewrite of the Home Improvement Contractors Provisions
 - Beneficial
 - December 2015 Target
 - To address new issue raised by the Board in the Sunset Review Report.
5. Seek Amendments to Arbitration Program Statutory Provision
 - Important
 - December 2015 Target
 - To address the awarding of attorney's fees as a result of participation in arbitration program

Licensing & Testing Objectives

1. Research Security Devices for Testing Center and Workshop Conference Room Windows
 - Important
 - December 2015 Target
 - Research and evaluate various security devices that could be installed in test centers and conference rooms
2. Evaluate Testing Centers for Functionality
 - Important
 - December 2015 Target
 - Determine possible improvements to layout (floor plan, types of cubicles, etc.) of test centers
3. Research National Contractor Examinations
 - Beneficial
 - December 2015 Target
 - Testing division staff will review and evaluate existing examinations for licensure in the construction field
4. Install Surveillance Cameras in Testing Centers
 - Important
 - December 2015 Target
 - The Department of General Services is putting this project out to bid. This will enhance the security at all eight test centers
5. Develop and apply consistent application experience evaluation criteria
 - Essential
 - January 2016 Target
 - Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria
6. Develop online smart application package to reduce application rejection rates
 - Important
 - January 2016 Target
 - Currently tied to DCA BreEZe project. Research other options to move forward
7. Fully automate bonds and workers' compensation insurance submission processes
 - Important
 - January 2016 Target
 - Currently tied to DCA BreEZe project. Research other options to move forward

8. Implement online licensure tool for credit card payment
 - Beneficial
 - January 2016 Target
 - Currently tied to DCA BreEZe project. Research other options to move forward
9. Review Current Reciprocity Agreements
 - Important
 - January 2016 Target
 - Review current agreements with Arizona, Nevada, and Utah; research licensing criteria for other states to determine whether reciprocity should/can be expanded
10. Determine Feasibility of Tiered General Building “B” Classification
 - Important
 - January 2016 Target
 - Determine whether a secondary “B” classification is needed to address contractors who provide home improvement services that do not include structural changes
11. Fully Implement SCORE 2.0
 - Essential
 - September 2016 Target
 - The most critical SCORE 2.0 modules will be completed first, with completion date of Fall 2016. SCORE 2.0 will provide enhanced functionality for examination development and administration

Public Affairs Objectives

1. Complete Flagship Consumer Publication
 - Essential
 - July 2015 Target
 - Continued from 2014-15 Strategic Plan
2. Complete Flagship Contractor Publication
 - Essential
 - September 2015 Target
 - Continued from 2014-15 Strategic Plan
3. Determine Legality to Develop “State of California Licensed Contractor” Logo for Use by Licensees
 - Beneficial
 - September 2015 Target
 - Research legality of developing logo that can be used by licensees to promote their licensure by the state of California
4. Develop Realtor Outreach Program
 - Beneficial
 - October 2015 Target
 - Develop program to educate realtors, a prime referral source for new homeowners to locate contractors.
5. Determine Feasibility of Building a Full-Service Broadcast Studio
 - Important
 - December 2015 Target
 - Assess feasibility/costs of constructing a broadcast studio in space currently occupied by Public Affairs Office staff

6. Determine Feasibility of Updating Technology in John C. Hall Hearing Room
 - Beneficial
 - January 2016 Target
 - Assess feasibility/cost of updating hearing room to improve audio/visual services for meeting participants and audience
7. Develop Schedule for Development of an Opt-In, "Find a Contractor" Website Feature
 - Essential
 - February 2016 Target
 - Determine schedule to develop website feature that will allow consumers to identify licensed contractors
8. Determine Feasibility of Developing a Mobile Web App
 - Important
 - March 2016 Target
 - Research current technology to determine if there's a need/opportunity to create any mobile app(s)
9. Develop Features for Use on Contractors/Industry Members' Websites
 - Important
 - April 2016 Target
 - Utilize Rich Site Summary (RSS) to create content that can be used on licensee or industry group websites
10. Develop CSLB Style Guide and Standards Manual
 - Beneficial
 - June 2016 Target
 - Continued from 2014-15 Strategic Plan

Information Technology Objectives

1. Implement ePayment Expansion to field sites
 - Important
 - Spring 2016 Target
 - Expand ePayment to cover California's Northern (Sacramento), Central (Fresno) and Southern (Norwalk, San Bernardino and San Diego) regions. Will allow contractors to pay 16 payment types by major credit cards
2. Implement ePayment Online
 - Important
 - Winter 2015 Target
 - Will allow contractors to pay 16 payment types by major credit cards from anywhere (online)
3. Implement Home Improvement Salesperson (HIS) Online Application
 - Important
 - Spring 2016 Target
 - Enables HIS applicants to submit application online as well as give them the ability to renew registration online.
4. Increase Network Bandwidth to Field Sites
 - Essential
 - Spring 2016 Target
 - Field sites network bandwidth is currently limited and slow, IT staff will upgrade network circuits to increase the available bandwidth to allow the Board to implement Enterprise IT solutions

FRIDAY, JUNE 19, 2015

Board Members Present:

Chair, David Dias; Vice Chair, Ed Lang; Secretary, Agustin "Augie" Beltran; Kevin Albanese; Linda Clifford; David De La Torre; Susan Granzella; Joan Hancock; Pastor Herrera Jr.; Robert Lamb; Marlo Richardson; Paul Schifino; Frank Schetter; Johnny Simpson; and Nancy Springer.

Board Members Absent:

All Board Members were present.

PUBLIC COMMENT SESSION

Benny Yee, former long-time Board Member, spoke about experience in getting license.

DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Guy Wells gave opening remarks.

DISCUSSION REGARDING ECONOMIC FORECASTS FOR CONSTRUCTION

Both Boards discussed the National Trends & Data, the Associated General Contractors of America Outlook as of April 3, 2015, State Trends and Data, with specifics on Nevada and California as well as many public articles regarding the economy, real estate and construction in both states as well as at a national level.

DISCUSSION REGARDING NEVADA STATE CONTRACTORS BOARD AND CONTRACTORS STATE LICENSE BOARD STRATEGIC PLANS FOR FY 2015-16

The CSLB shared its Strategic Plans for the fiscal year 2015-16, which is listed earlier in these highlights.

The Nevada State Contractors Board then shared their strategic plan as follows:

GOAL 1: LICENSING

Ensure that all applicants and licensees are qualified to provide construction services and that licensing services are delivered in a timely and professional manner.

- A. Work with the Public Information Office to improve license application form – September 2015 completion date
- B. Create a new B-6 license classification for tenant improvement work in high rise buildings – November 2015 completion date
- C. Continue to streamline systems and processes within the following areas: (i) application and (ii) license denial process – June 2016 completion date

GOAL 2: ENFORCEMENT

Reduce and prevent unlicensed activity and unprofessional conduct that pose a threat to public safety and threaten legitimate business activity.

- A. Increase the Board's capacity to better address non-residential construction issues through staff training and recruitment – January 2016 completion date
- B. Partner with the Public Information Office to promote the value and public safety message of sting events and related activities – June 2016 completion date
- C. Establish a proactive approach to monitoring activities on very large construction projects – June 2016 completion date

GOAL 3: PUBLIC AWARENESS AND INFORMATION

Enhance the visibility of the NSCB and ensure that accurate information is available to the public and professionals through a variety of media.

- A. Partner with organizations that serve seniors in an effort to combat elder abuse and to better inform this population of the NSCB role and the services it provides – June 2016 completion date
- B. Conduct town hall meetings with target audience such as seniors and homeowner groups to identify key consumer issues – June 2016 completion date
- C. Organize a media day to positively communicate the Board's mission, role and capabilities – December 2015 completion date
- D. Promote the Residential Recovery Fund by describing what it is, who is eligible to receive funds, and the process for receiving aid – October 2015 completion date
- E. Utilize a public information budget format showing a range of costs for varying levels of outreach and information materials – August 2015 completion date
- F. Develop a plan and proposal for creating a new customer service and satisfaction survey – December 2015 completion date

GOAL 4: BOARD DEVELOPMENT

Ensure that Board members are well-supported to develop policy and provide direction to Board staff.

- A. Continue to identify and offer new trainings applicable to Board member roles and responsibilities – June 2016 completion date
- B. Develop talking points to better communicate the Board's role and function to internal and external audiences. – September 2015 completion date

GOAL 5: ADMINISTRATIVE EFFICIENCY

Improve agency operations and technology to enhance regulatory efficiency, customer service and consumer protection.

- A. Develop a plan for completing the document digitization project – July 2015 completion date
- B. Develop a staffing plan to prepare for increased workloads – September 2015 completion date
- C. Implement the new licensing and enforcement database system – June 2006 completion date
- D. Create a pool of administrative law judges to handle the Board's current and future case load – December 2015 completion date
- E. Identify opportunities to meet with and engage members of the Legislature during the interim period – June 2016 completion date
- F. Review the Board's internal processes and procedures – January 2016 completion date

TENTATIVE BOARD MEETING SCHEDULE

September 3, 2015 – San Diego

December 2015 – To Be Determined