

AUGUST 23, 2011
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Licensing/Enforcement/Public Affairs
Committee Meetings





CONTRACTORS STATE LICENSE BOARD

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800.321.CSLB (2752) | www.cslb.ca.gov | *CheckTheLicenseFirst.com*

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF LICENSING, ENFORCEMENT AND PUBLIC AFFAIRS COMMITTEE MEETINGS

The Contractors State License Board (CSLB) will hold three committee meetings on August 23, 2011, from 10:00 a.m. to 2:00 p.m. in the John C. Hall Hearing Room located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827; phone: (916) 255-4000, facsimile: (916) 364-0130.

All times are approximate and subject to change. Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. The meeting may be canceled without notice. For verification of the meeting, call (916) 255-4000 or access the Board's website at <http://www.cslb.ca.gov>. Action may be taken on any item listed on this agenda, including information-only items. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited.

The meetings are open and the public is invited to attend. Meetings are accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by calling (916) 255-4000 or by sending a written request to the CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

Members of the Board who are not members of the Committee may attend the Committee meeting.

LICENSING COMMITTEE MEETING

10:00 a.m.

Licensing Committee Members

David Dias, Chair / Lisa Miller-Strunk / John O'Rourke / Bruce Rust

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Licensing Program Update
- D. Review and Discussion Regarding Licensure for Solar/Alternative Energy Contractors
- E. Adjournment

ENFORCEMENT COMMITTEE MEETING

Immediately Following the Licensing Committee Meeting

Enforcement Committee Members

Matt Kelly, Chair / Pastor Herrera / Ed Lang / Jim Miller / John O'Rourke

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Enforcement Program Update
- D. Review and Discussion Regarding New Proactive Enforcement Initiatives

Notice of Licensing, Enforcement and Public Affairs Committee Meetings, Page 2

- E. Review and Discussion Regarding Memoranda of Understanding with Other State Agencies
- F. Adjournment

PUBLIC AFFAIRS COMMITTEE MEETING Immediately Following the Enforcement Committee Meeting

Public Affairs Committee Members

Joan Hancock, Chair / Bob Brown / Pastor Herrera / Louise Kirkbride / Ed Lang

- A. Call to Order – Chair’s Remarks
- B. Public Comment Session
- C. Public Affairs Program Update
- D. Advertising Campaign Wrap-Up
- E. 2011-12 Strategic Plan Update
- F. Adjournment

AUGUST 23, 2011
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Licensing Committee



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

LICENSING COMMITTEE MEMBERS:

DAVID DIAS, CHAIR

LISA MILLER-STRUNK

JOHN O’ROURKE

BRUCE RUST

Committee Chair David Dias will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Licensing Program Update





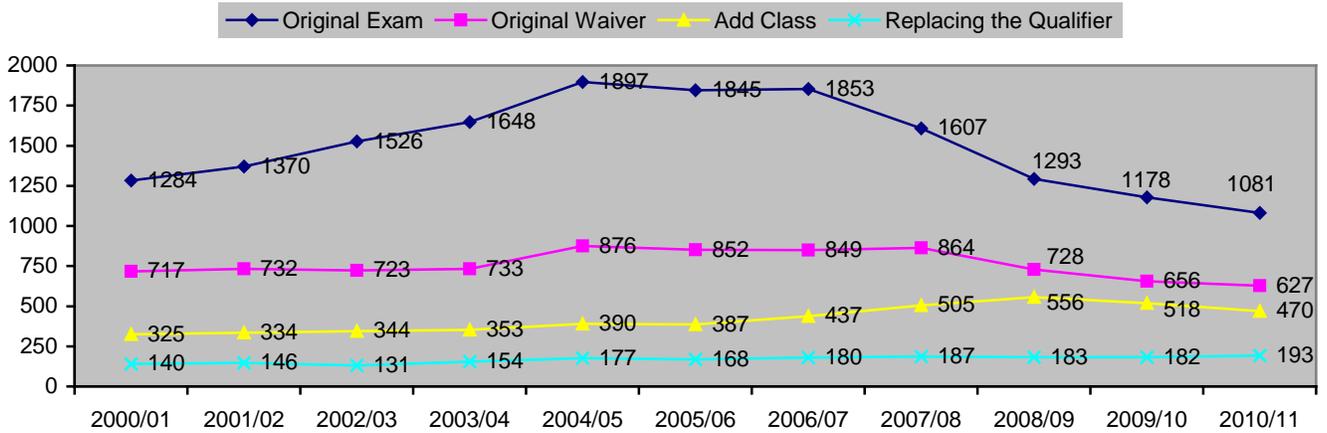
CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

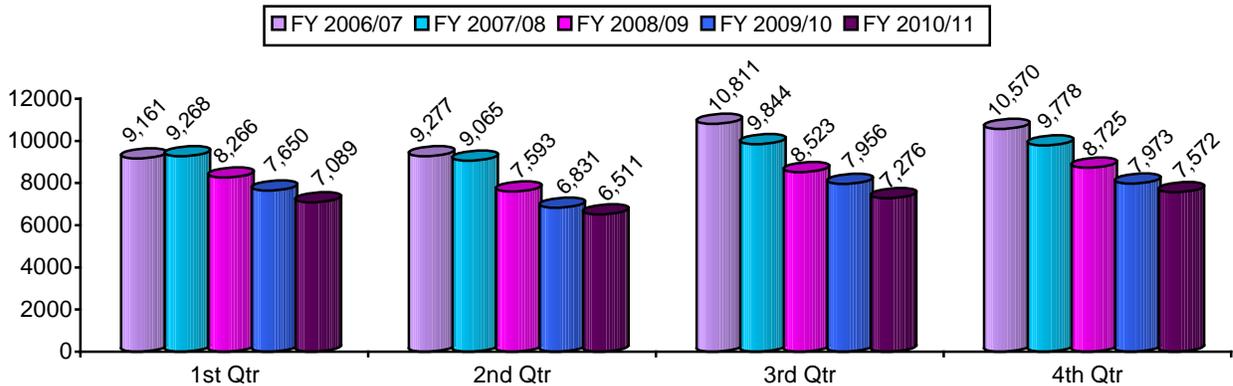
License Application Workload

The following chart shows the average number of applications received per month for the past 11 fiscal years (FY). Fingerprint requirements went into effect January 2005. The number of applications received continues to decline due to the economic recession and housing downturn. The average number of original applications received per month for FY 2010-11 is down 30% from the overall average of the previous 10 years.

AVERAGE NUMBER OF APPLICATIONS RECEIVED PER MONTH



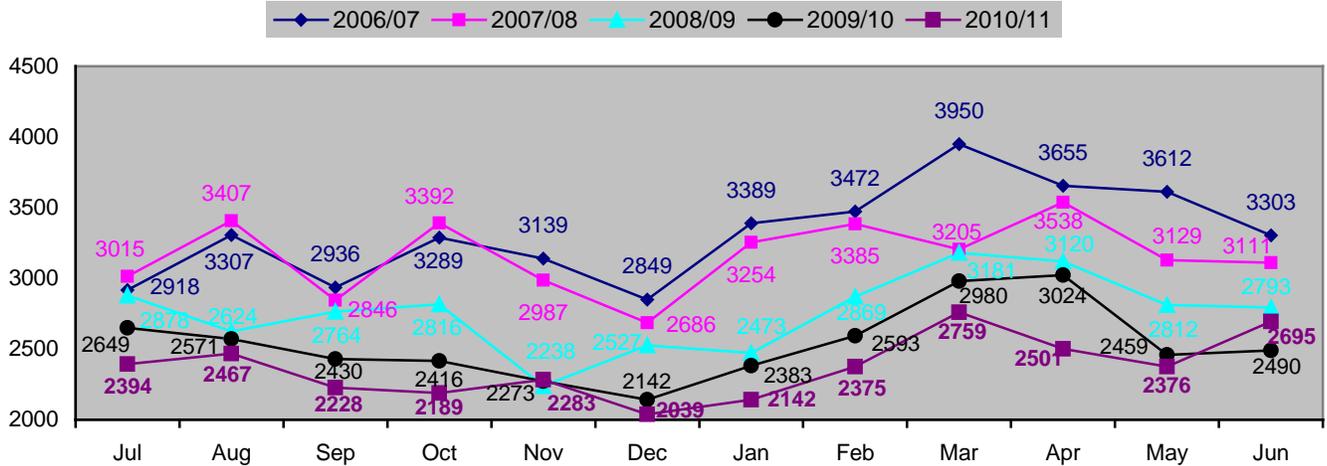
COMPARISON OF APPLICATIONS RECEIVED PER QUARTER
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



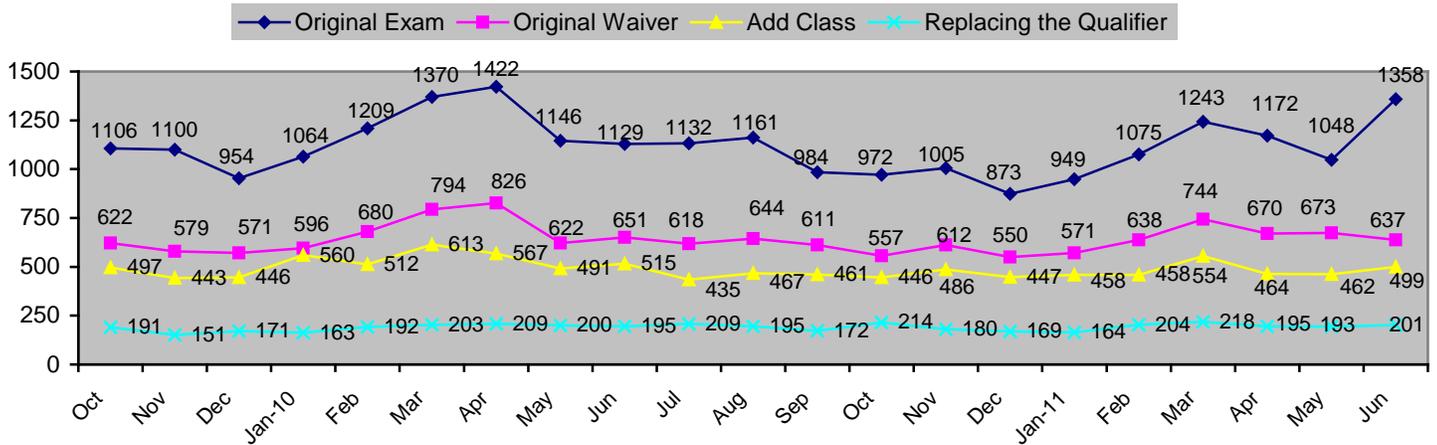
Decrease of 8% for total applications received for 2009-10 as compared to 2008-09



**TOTAL NUMBER OF APPLICATIONS RECEIVED PER MONTH
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)**



NUMBER OF APPLICATIONS RECEIVED





Limited Liability Companies (LLCs)

With the passage of Senate Bill 392 in 2010, CSLB was given authority to issue licenses to LLCs. The bill provided delayed implementation of the LLC provisions, requiring CSLB to begin accepting applications for licensure from LLCs no later than January 1, 2012.

LLCs will be qualified by responsible managing officers, responsible managing members, responsible managing managers, or responsible managing employees. All officers, members, managers, directors, and qualifiers of LLCs must be listed on the application as personnel of record.

LLCs will have some additional requirements for licensure, including:

- a \$100,000 surety bond (in addition to the \$12,500 contractor bond) for the benefit of any employee or worker damaged by the LLC's failure to pay wages, interest on wages, or fringe benefits, as well as other contributions; and
- \$1 million liability insurance when five or fewer persons are listed as personnel, with an additional \$100,000 required for each additional personnel, not to exceed \$5 million.

At this time, in anticipation of the January 1, 2012 implementation deadline, CSLB staff is working on programming changes, forms creation, and procedures development. There will be a separate application for LLC applicants, and potential applicants should watch the Forms & Applications page of the CSLB website for the availability of that form, which will be made available when CSLB is prepared to accept and process LLC applications.

Fee Increases and Application Revisions

Regulations were recently changed to increase the application and licensure fees to their statutory limit, effective July 1, 2011.

In response to the fee increases, eight applications were recently revised (06/11 revision date) to reflect those new fees. The updated applications have been available on CSLB's website since the end of June. Bulk quantities of the hardcopy applications were printed by the Office of State Publishing and were delivered to CSLB headquarters in mid- and late-July. Supplies will be distributed to CSLB's various field offices.

On the following page is a table that shows the previous and new fees:



2011 CSLB FEE INCREASES

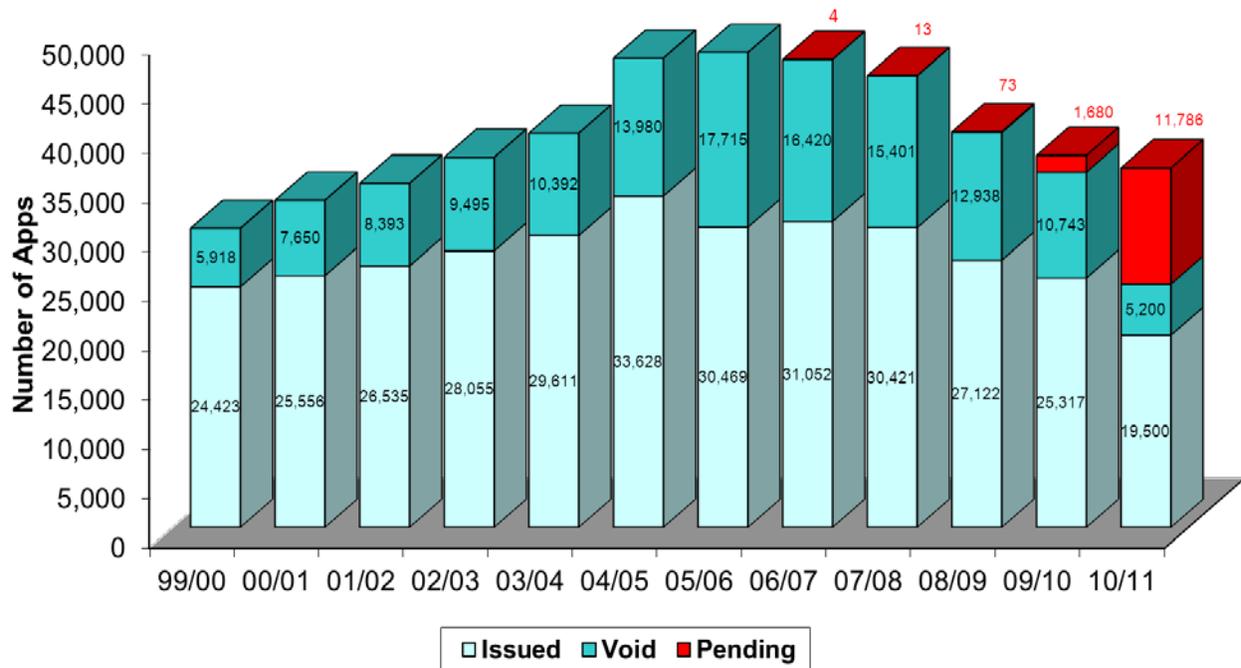
Fee	Previous Amount	New Amount	\$ Amount of Increase	% of Increase
Application for Original Contractor License	\$250.00	\$300.00	\$50.00	20%
Application to Add a Supplemental Classification or to Replace the Responsible Managing Officer or Employee on an Existing License	\$50.00	\$75.00	\$25.00	50%
Rescheduling an Examination	\$50.00	\$60.00	\$10.00	20%
Initial License Fee	\$150.00	\$180.00	\$30.00	20%
Renewal – Contractor License (Biennial)	\$300.00	\$360.00	\$60.00	20%
Renewal – 4-Year Inactive License	\$150.00	\$180.00	\$30.00	20%
Reactivate Contractor License	\$300.00	\$360.00	\$60.00	20%
Home Improvement Salesperson (HIS) Registration Fee	\$50.00	\$75.00	\$25.00	50%
Asbestos Certification Fee	\$50.00	\$75.00	\$25.00	50%
Hazardous Substance Removal Certificate	\$50.00	\$75.00	\$25.00	50%
Delinquent Fee Renewal – Contactor License ¹	\$150.00	\$180.00	\$30.00	20%
Delinquent Fee Renewal – 4-Year Inactive License ¹	\$75.00	\$90.00	\$15.00	20%
Delinquent Fee Renewal – HIS Registration ¹	\$25.00	\$37.50	\$12.50	50%

¹B&P Code Section 7137(f) sets the delinquency fee as a percentage of the applicable renewal fee: “The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration.”



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 07/01/2011

(Includes: Original, Add Class, Replacing the Qualifier, Home Improvement Salesperson, Officer Changes*)



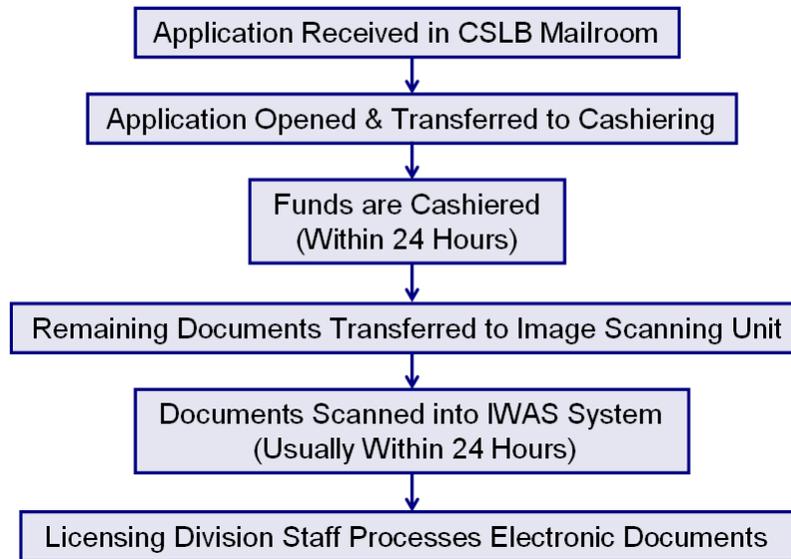
License Transaction Processing Times

CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 13-15 track the “weeks to process” for the various application and license maintenance/transaction units.

The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the number of weeks after an application or document is received in the Board office before that application or document is initially pulled for processing by a technician. When considering the weeks-to-process timelines, it is important to understand that CSLB’s application and renewal processing schedule automatically has approximately two days of backlog built into the timelines because of cashiering and image-scanning tasks that must be performed before the application or document can be pulled for processing.



CSLB Application Processing Route



Since FY 2008-09, the Licensing division has utilized a minimal amount of overtime in contrast to previous fiscal years when overtime was a regular occurrence. Despite the minimal amount of overtime and the 15% reductions in staff hours due to the three-day-a-month furloughs, the Licensing division has maintained acceptable processing times. This can be attributed to the significant decrease in applications as shown on the first page of this program update.



Fingerprinting/Criminal Background Unit

Since January 2005, all applicants for a CSLB license and each officer, partner, owner, and responsible managing employee, as well as all applicants to be home improvement salespersons, must be fingerprinted and undergo a criminal background check conducted by the California Department of Justice (DOJ). Individuals currently licensed by CSLB who do not apply for any changes to their license and applicants for a joint venture license are not required to be fingerprinted.

CBU staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage and clearing those applicants who have minor, clearable convictions, provided the applicant was honest in disclosing this on the CSLB application. Applicants who did not disclose what would have been considered minor, clearable convictions on their application may be given the opportunity to withdraw the false application and submit a new application and fees on which they accurately disclose their conviction(s). These withdrawal offers are also processed as part of the triage.

Since the fingerprint program began, CSLB has received more than 240,000 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants who were fingerprinted during that time period, CSLB's Criminal Background Unit (CBU) received CORI for more than 40,600 applicants. That means that DOJ and/or the Federal Bureau of Investigation reported that the individual had a criminal conviction(s) on record.

As a result of CORI files received through June 2011, CBU denied 1,015 applications and issued 1,068 probationary licenses. Of the denied licenses, 497 applicants appealed their denials.

CBU has seen a reduction in the number of fingerprint submissions as a result in the decline of applications, as well as those adding classifications that have already undergone a background check.

Below is a breakdown of CBU statistics by fiscal year:

Criminal Background Unit Statistics								
	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11*	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	240,907
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	40,608
Denials	224	219	237	88	76	63	108	1,015
Appeals	71	113	130	45	47	29	62	497
Probationary Licenses Issued	-	-	126	290	206	203	243	1,068

*As of June 30, 2011



Licensing Information Center (LIC)

Ongoing Vacancies

LIC has continued to experience a high number of staff vacancies due to attrition and the state's hiring freeze. Currently, the call center has a total of seven vacant positions, two of which are on hold due to the mandatory five percent budget reduction, and one position on loan to the Department of Consumer Affairs. Additionally, the call center has two long-time veteran staff members who will be retiring at the end of August. Due to the limited staffing in LIC, call wait times have increased. The average call wait time was 10:31 in June, reflecting the highest wait time in over a year.

Recruitment of new staff will continue to be a priority. A new Staff Services Manager I was hired in June and two new call center agents have also been hired. However, LIC will continue to face significant headwinds with the upcoming veteran staff retirements. In September, LIC anticipates being staffed at half-capacity, with only 8 of 16 positions filled.

Automated Call Distribution (ACD)

The ACD telephone system that was implemented in November 2010 has proven to be effective in managing call volume. The system has useful features such as simple "drag-and-drop" call transfer capability and storage of call history data. In addition, incoming callers no longer get busy signals because the capacity of incoming calls into ACD has been increased to 50 – a level that can accommodate all incoming traffic.

The Interaction Supervisor program available to managers and supervisors has been an effective call center managerial tool. Supervisors now have the ability to monitor all incoming calls, the number of all active agents on the system, number of callers waiting in the queue, and the average wait time and agent talk time. All of this information is available in real time and workflow can be adjusted accordingly to meet changing demand during the course of the day.

Silent Monitoring Program

Interaction Supervisor also has a silent monitoring feature that gives managers and supervisors the ability to listen in on calls for training purposes. This feature will be a valuable training tool to analyze the type of call received, the appropriate agent response, and the rapport between the agent and the caller. The program will increase the knowledge and skills of existing call center agents, will help cultivate new staff, and help gauge the quality of customer service.

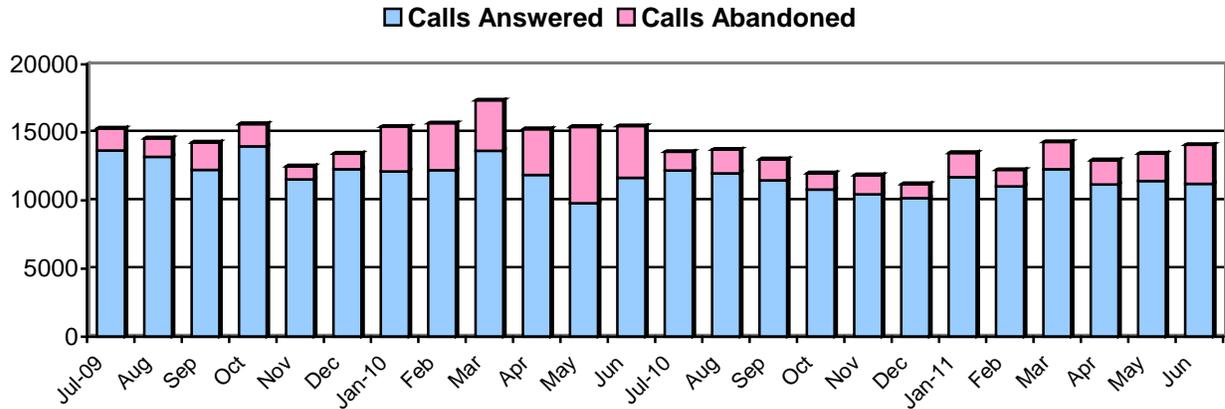
Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. In working toward this goal, LIC established a position to serve as a trainer and expert resource to other LIC staff. This position is responsible for updating internal call center policies, developing call center scripts for consistency, training new agents, and cross-training existing staff.

The training coordinator has developed introductory training materials based on direct feedback from current call center staff. The introductory training will be followed with a more in-depth 40-hour training course offered to all new CSLB employees and existing employees who wish to increase their knowledge base.



Licensing Information Center Call Data



	Jun 2010	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2011	Feb	Mar	Apr	May	Jun	Jul
Calls Received	15,456	13,572	13,733	13,013	11,999	11,870	11,214	13,493	12,240	14,297	12,977	13,463	14,085	12,328
Calls Answered	11,670	12,209	11,990	11,470	10,790	10,459	10,160	11,712	11,044	12,297	11,164	11,423	11,214	10,058
Calls Abandoned	3,786	1,363	1,743	1,543	1,209	1,393	1,038	1,775	1,195	1,996	1,792	2,010	2,867	2,270
Longest Wait Time	13:45	14:10	12:55	15:39	16:10	11:18	13:42	14:25	20:26	24:25	17:26	19:36	22:09	27:18
Shortest Wait Time	:38	1:20	1:51	1:07	1:17	0:40	0:15	1:16	0:59	1:02	1:19	2:28	3:07	4:16
Average Wait Time	4:59	4:39	5:39	5:13	5:08	3:28	4:28	6:46	4:58	6:44	6:57	7:41	10:31	10:01



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 these issues, such as satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
 - Division of Occupational Safety and Health
 - Division of Labor Standards Enforcement
- Franchise Tax Board
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment or payment of claim, an initial letter is sent to the licensee explaining options and a timeframe for complying, which are 90 days for judgments and payment of claims and 60 days for outstanding liabilities.

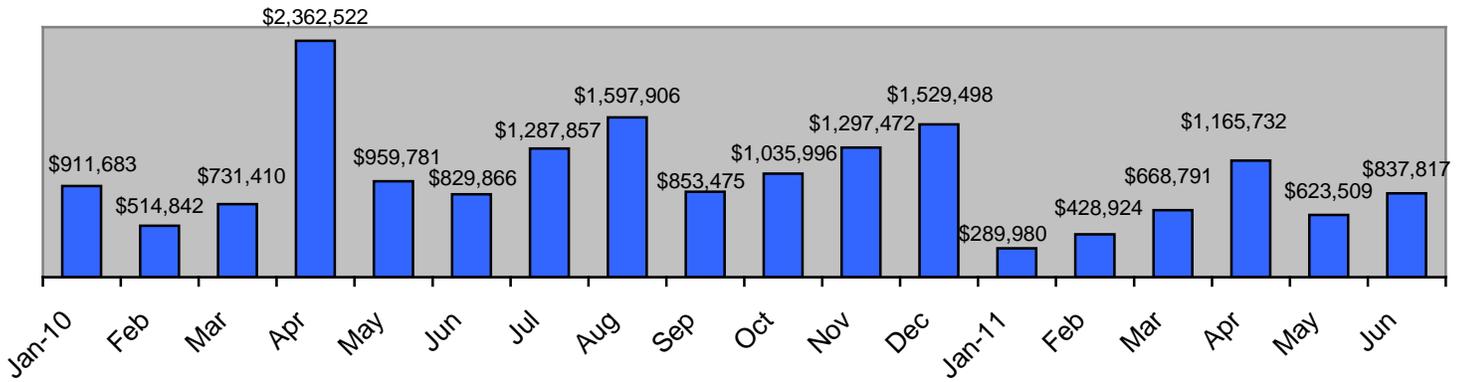
If compliance is not made within the allowed timeframe, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent when compliance is met.



OUTSTANDING LIABILITIES

Letter Type Sent	Jan 2010	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2011	Feb	Mar	Apr	May	Jun
Initial	186	167	183	150	111	139	156	116	83	51	58	54	46	83	140	62	71	89
Suspend	71	109	149	125	104	116	113	59	75	92	68	88	54	52	50	30	104	56
Reinstate	95	80	115	113	85	112	142	64	38	31	37	31	15	40	91	70	84	59

SAVINGS TO THE PUBLIC

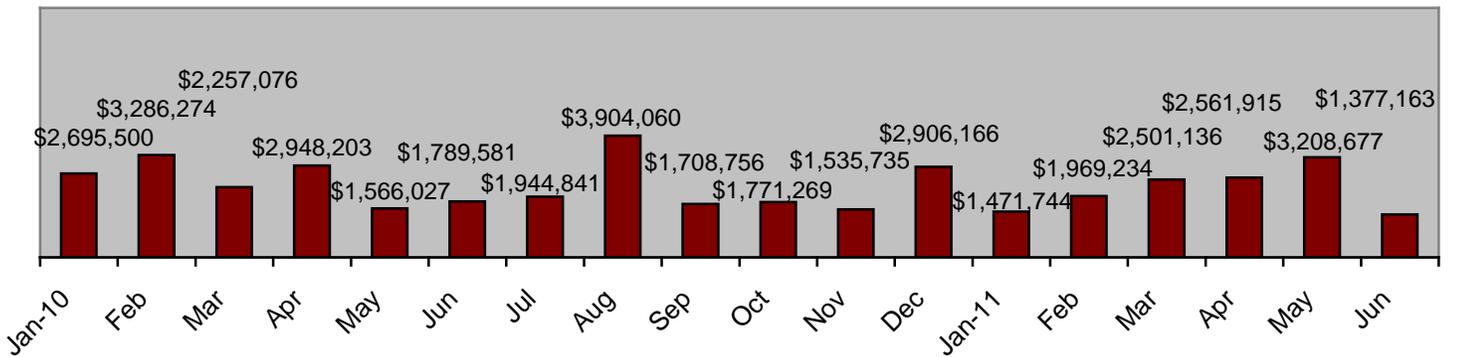




JUDGMENTS

Letter Type Sent	Jan 2010	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2011	Feb	Mar	Apr	May	Jun
Initial	155	136	171	156	135	263	350	248	208	224	240	239	183	208	224	212	220	227
Suspend	91	113	86	101	84	135	153	103	124	94	126	78	89	91	109	84	84	77
Reinstate	142	190	210	193	145	191	269	177	163	151	184	162	98	154	191	165	165	135

SAVINGS TO THE PUBLIC

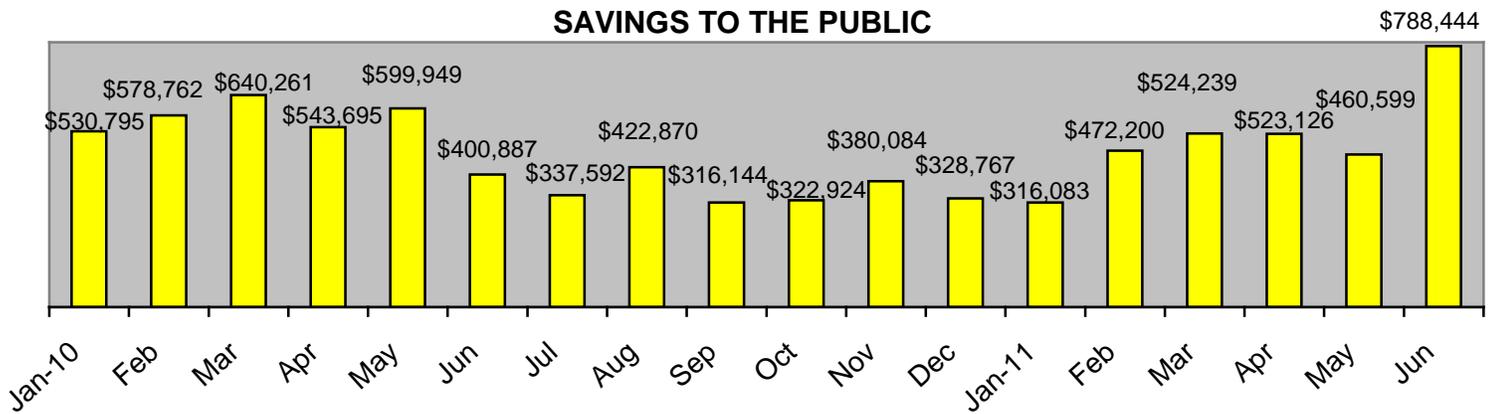




PAYMENT OF CLAIMS

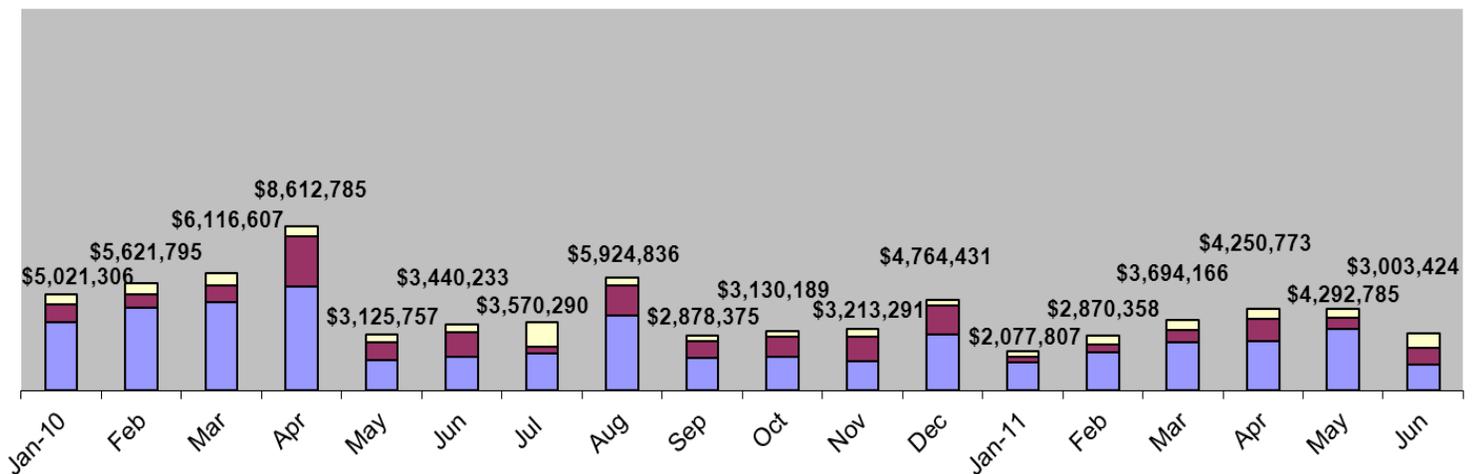
Letter Type Sent	Jan 2010	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2011	Feb	Mar	Apr	May	Jun
Initial	105	374	257	194	155	177	204	189	114	93	149	310	218	205	251	220	213	234
Suspend	26	7	9	12	7	224	153	145	133	141	142	74	60	96	226	182	163	171
Reinstate	74	95	101	89	87	97	98	83	76	73	75	70	68	109	119	136	110	137

SAVINGS TO THE PUBLIC



TOTAL SAVINGS TO PUBLIC

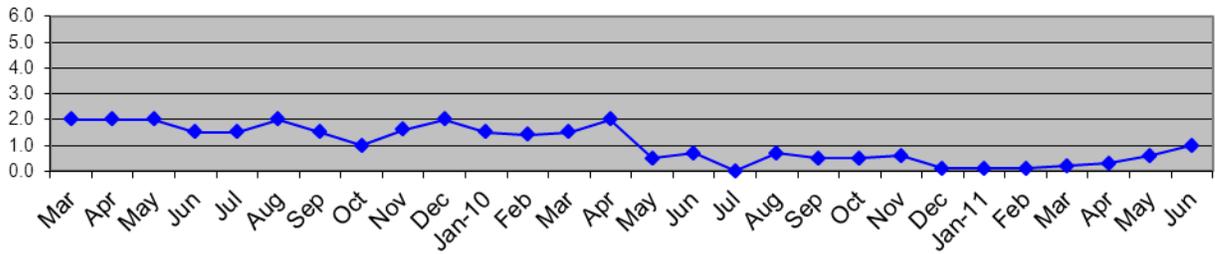
■ Judgments ■ Outstanding Liabilities □ Payment of Claims



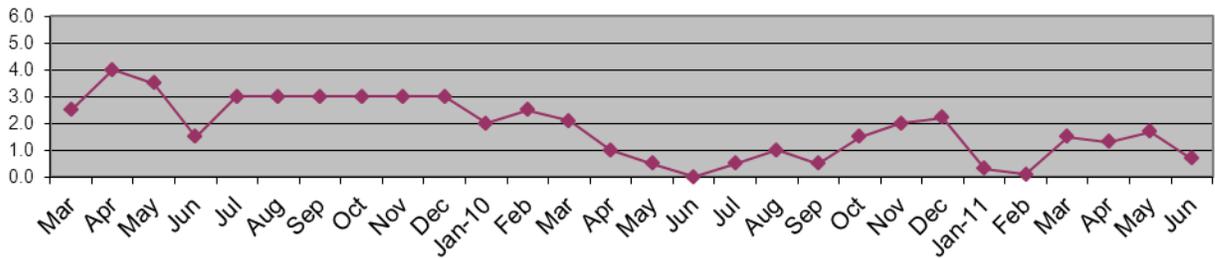


Number of Weeks Before Being Pulled for Processing

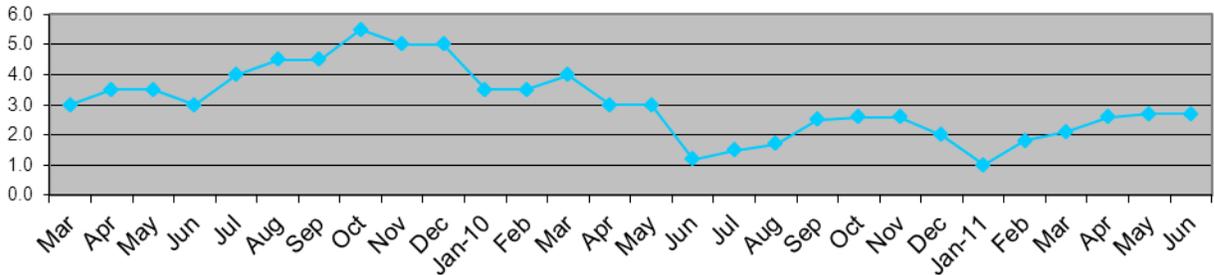
Application for Original License - Exam



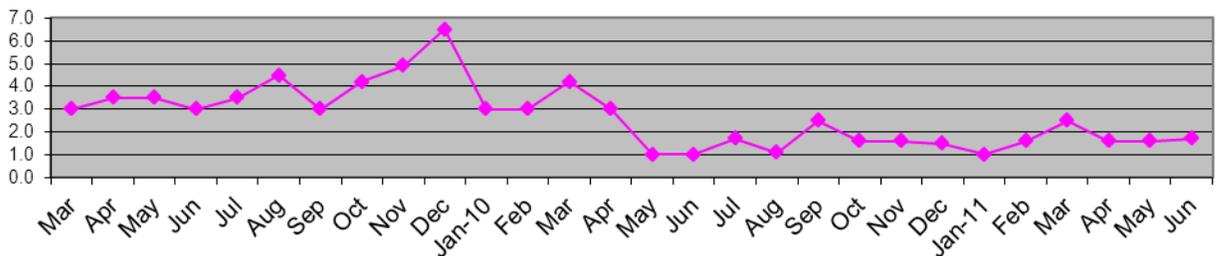
Application for Original License - Waiver



Application for Additional Classification



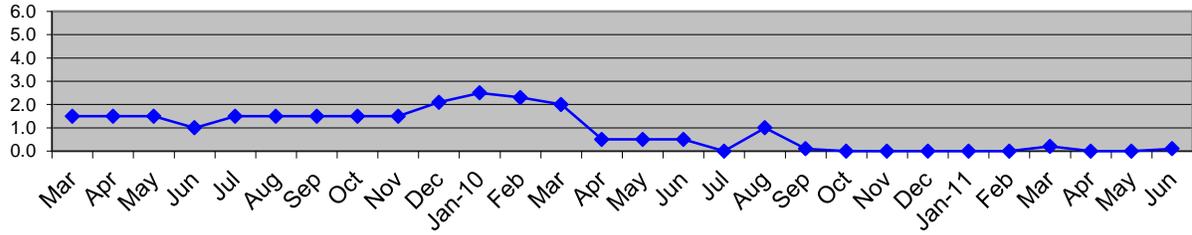
Application to Replace the Qualifier



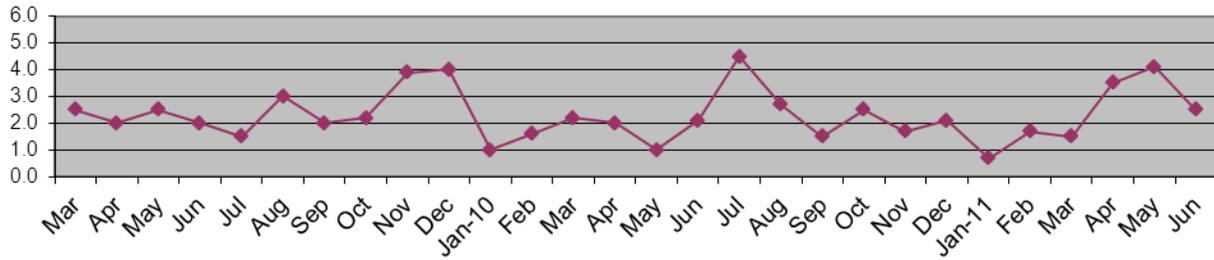


Number of Weeks Before Being Pulled for Processing

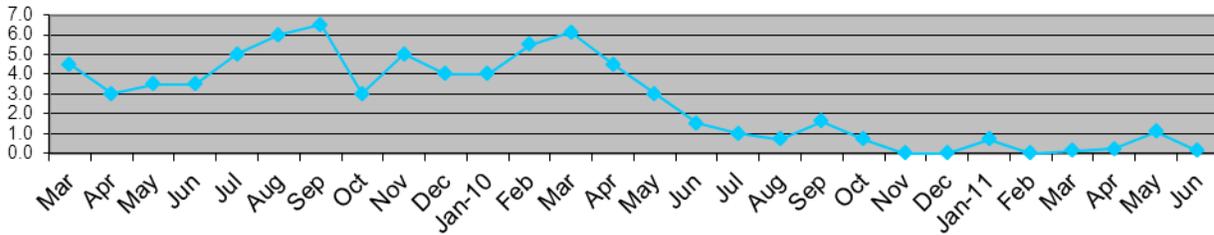
Application for Renewal



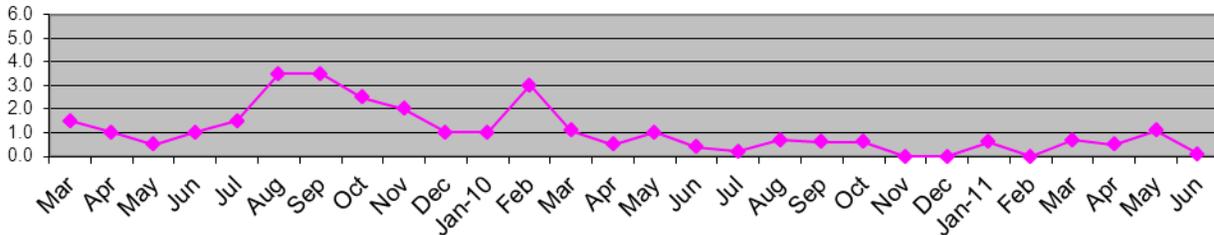
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



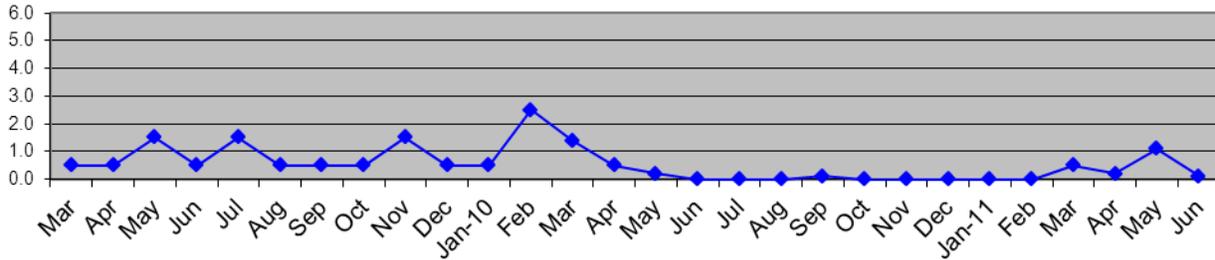
Application to Change Business Name or Address



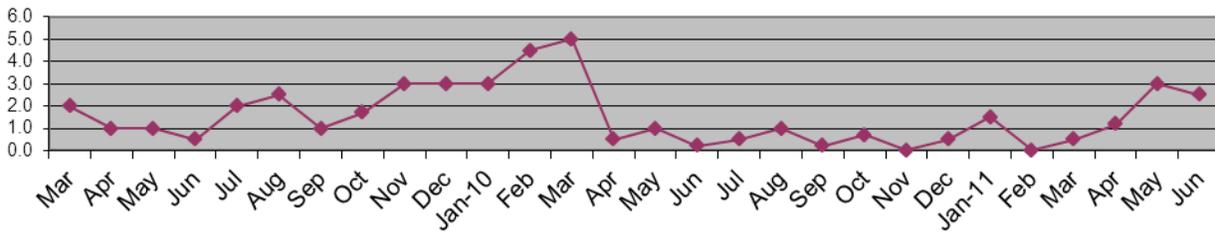


Number of Weeks Before Being Pulled for Processing

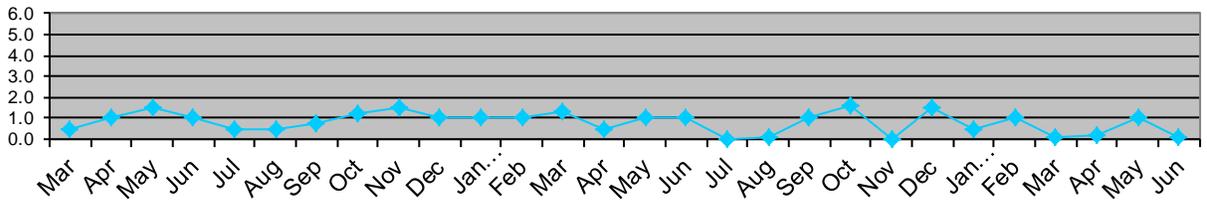
Contractor's Bond and Bond of Qualifying Individual



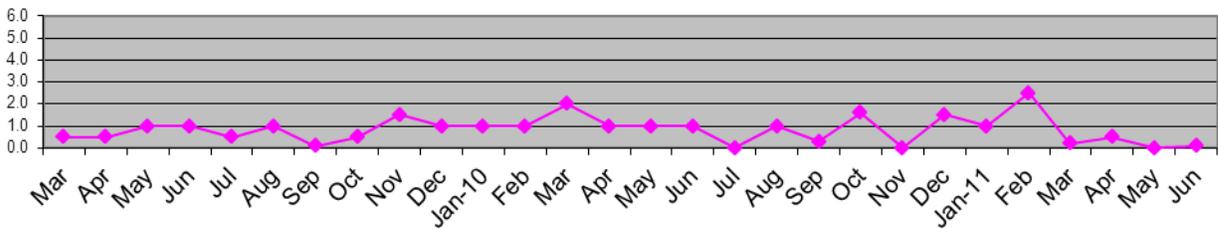
Workers' Compensation Certificates and Exemptions



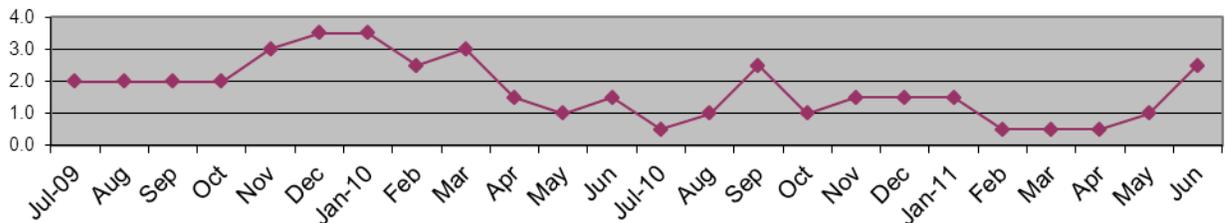
Certified License History



Request for Copies of Documents



Criminal Background Unit - CORI Review





Staffing

Two testing managers, Bob Porter and Kathy Benner, have both retired. Bob Porter was Chief of the Testing Division and Kathy Benner was the Testing Center Supervisor. Heidi Lincer-Hill is now Chief of the Testing Division, and Wendi Balvanz Examination Development Unit supervisor. Two analysts are designated as leads to manage the testing centers. Both Bob Porter's and Kathy Benner's positions were identified as misallocated, and a proposal has been sent to DPA to move Kathy Benner's position to IT, and reclassify Bob Porter's position to a first-level supervisor. We cannot hire anyone into that position until the proposal is approved. Testing also has one full-time and one half-time clerical position vacant in the Examination Administration Unit, as well as two vacant test monitor positions in the San Diego testing center. The San Diego testing center is being staffed by proctors with additional support from a test monitor in San Bernardino.

Testing Center Status

The relocation and remodeling project is complete in all testing centers with the exception of Oxnard. Some corrective work is necessary to allow that center to be utilized at full capacity.

Examination Wait Time

The wait time for an examination date is three weeks statewide except for San Diego and Oakland which have four- to five-week wait times. It is not possible to keep the testing center open every day in San Diego due to the lack of permanent staff. There are not enough proctors who want to work all of the hours required. The Oakland office is exclusively using proctors due to a permanent staff being on medical leave through the end of August. This situation will be corrected in September. On any given day, walk-in applicants have an excellent chance of finding an available seat in any testing center.

Examination Development

The Testing division's Examination Development Unit (EDU) is responsible for ensuring that CSLB's 45 examinations are maintained and updated in accordance with testing standards, guidelines, and CSLB regulations. The examination development process involves two phases: occupational analysis and new examination development, and must be completed every five to seven years for each of CSLB's examinations. The occupational analysis phase determines what information is relevant to each contractor classification and in what proportions it should be tested. The new examination development phase involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for the new examination.

The EDU has recently completed a new examination for the C-8 Concrete classification. The table that follows indicates the occupational analysis and examination development projects that are in progress:

**Occupational Analyses In Progress**

- C-4 Boiler, Hot-Water Heating and Steam Fitting
- C-16 Fire Protection
- C-21 Building Moving and Demolition
- C-47 Manufactured Housing

New Examinations in Progress

- C-2 Insulation
- C-7 Low Voltage
- C-9 Drywall
- C-12 Earthwork and Paving
- C-31 Construction Zone Traffic Control
- C-32 Parking and Highway Improvement
- C-53 Swimming Pool
- C-54 Tile

The Testing division is using email surveys as much as possible for occupational analysis projects because they are quicker, less expensive, and eliminate data entry time. CSLB does not have email addresses for all contractors, however, so we are also using paper surveys to make sure we reach all licensees.

Ongoing Consumer Satisfaction Survey

The Testing division conducts an annual survey of consumers whose complaint cases have been closed. The ten-question survey assesses overall satisfaction with the Enforcement division's handling of complaints. Additional questions about whether consumers checked on their contractors' license status with CSLB are also included. The survey is emailed to all consumers with closed complaints who provide CSLB their email address during the complaint process. Consumers whose complaints are closed in the previous month are sent the survey in the following month. The data is compiled into an annual report.

AGENDA ITEM D

Review and Discussion Regarding Licensure for Solar/Alternative Energy Contractors



Classification Overlap in Solar Projects

California is experiencing an explosion in the solar/alternative energy arena. The Go Solar California!¹ campaign is a joint effort of the California Energy Commission and the California Public Utilities Commission. The goal is to encourage Californians to install 3,000 megawatts of solar energy systems on homes and businesses by the end of 2016, making renewable energy an everyday reality. The program also has a goal to install 585 million therms of gas-displacing solar hot water systems by the end of 2017.

The California Solar Initiative (CSI) is the solar rebate program for California consumers that are customers of the investor-owned utilities - Pacific Gas and Electric (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E). Together with the rebate program for New Solar Homes and rebate programs offered through the dozens of publicly owned utilities in the state - the CSI program is a key component of the Go Solar California campaign for California.

As a result of these and other initiatives, many of the board's licensees have become increasingly active in solar energy projects. We are now seeing new and innovative ways of capturing and converting the sun's energy into electricity. For example integrated or dual-use technology is already used in roofing materials and glass and it is believed that solar-collecting paint will soon be available on the market (see attached article *NextGen Announces Cheap Solar Paint on Horizon*).

These changing technologies have presented the CSLB with issues related to our existing classification structure as the installation of these dual-use materials now cross classification lines. For example, may a glazier take a prime contract for the installation of glass whose primary or "dual" purpose is to generate energy through the use of solar collecting glass? Currently CSLB laws and regulations restrict the contracting for and performance of solar projects to the following classifications:

"A" - General Engineering contractors are authorized to install solar energy systems.

"B" - General Building contractors are authorized to install solar energy systems within the definition of B&P Code Section 7057, since a solar energy system constitutes the use of two unrelated building trades or crafts as required by Section 7057.*

C-4 - Boiler, Hot-Water Heating and Steam Fitting contractors are authorized to perform projects including solar heating equipment associated with systems authorized by this classification.

C-10 - Electrical contractors are authorized to perform any solar projects which generate, transmit, transform or utilize electrical energy in any form for any purpose.

C-36 - Plumbing contractors are authorized to perform any project using solar equipment to heat water or fluids to a suitable temperature.

¹ ©2007-2011 State of California, California Energy Commission & California Public Utilities Commission

C-46 – Solar contractors install, modify, maintain, and repair thermal and photovoltaic solar energy systems. A licensee in this classification shall not undertake or perform building or construction trades, crafts or skills, except when required to install a thermal or photovoltaic solar energy system.

C-53 – Swimming Pool contractors are authorized to include the installation of solar heating in swimming pool projects.

Clearly the CSLB does not want to be an impediment to industry as technologies change and put new products on the market not previously envisioned by our regulations, however, public protection is paramount and we must ensure that licensed contractors are qualified to undertake projects which have a solar component.

Department of Consumer Affairs
Contractors State License Board

CSLB Industry Bulletin - 06/30/2010

Contractor Classifications Authorized to Perform Solar Projects

SACRAMENTO -The Contractors State License Board (CSLB) has issued an updated fact sheet on the contractor license categories that are authorized to perform work on solar energy projects.

As the popularity of alternative energy projects heats up, CSLB hopes to avoid any confusion among contractors seeking to venture into these emerging technologies. The following Fast Facts sheet is available on the CSLB website at www.cslb.ca.gov in the "Educational Materials" section for contractors.

Only contractors with the license classification listed below are authorized to perform solar construction or installation. Those without any of these license classifications are not authorized to perform this type of work.

"A" – General Engineering contractors are authorized to install solar energy systems.

"B" – General Building contractors are authorized to install solar energy systems within the definition of B&P Code Section 7057, since a solar energy system constitutes the use of two unrelated building trades or crafts as required by Section 7057.*

Specialty Classifications

C-4 – Boiler, Hot-Water Heating and Steam Fitting contractors are authorized to perform projects including solar heating equipment associated with systems authorized by this classification.

C-10 – Electrical contractors are authorized to perform any solar projects which generate, transmit, transform or utilize electrical energy in any form for any purpose.

C-36 – Plumbing contractors are authorized to perform any project using solar equipment to heat water or fluids to a suitable temperature.

C-46 – Solar contractors install, modify, maintain, and repair thermal and photovoltaic solar energy systems. A licensee in this classification shall not undertake or perform building or construction trades, crafts or skills, except when required to install a thermal or photovoltaic solar energy system.

C-53 – Swimming Pool contractors are authorized to include the installation of solar heating in swimming pool projects.

* § 7057 General Building Contractor (a) Except as provided in this section, a general building contractor is a contractor whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, requiring in its construction the use of at least two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.

Please visit the CSLB website at either www.csib.ca.gov or www.CheckTheLicenseFirst.com or call the automated toll-free number: 1.800.321.CSLB (2752) for more information. Additional solar information is available through the California Energy Commission at www.gosolarcalifornia.ca.gov.

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C17 - Glazing Contractor

California Code of Regulations Title 16, Division 8, Article 3. Classifications

A glazing contractor selects, cuts, assembles and/or installs all makes and kinds of glass, glass work, mirrored glass, and glass substitute materials for glazing; executes the fabrication and glazing of frames, panels, sashes and doors; and/or installs these items in any structure.

C39 - Roofing Contractor

California Code of Regulations Title 16, Division 8, Article 3. Classifications

A roofing contractor installs products and repairs surfaces that seal, waterproof and weatherproof structures. This work is performed to prevent water or its derivatives, compounds or solids from penetrating such protection and gaining access to material or space beyond. In the course of this work, the contractor examines and/or prepares surfaces and uses the following material: asphaltum, pitch, tar, felt, glass fabric, urethane foam, metal roofing systems, flax, shakes, shingles, roof tile, slate or any other roofing, waterproofing, weatherproofing or membrane material(s) or a combination thereof.

C33 - Painting and Decorating Contractor

California Code of Regulations Title 16, Division 8, Article 3. Classifications

A painting and decorating contractor prepares by scraping, sandblasting or other means and applies any of the following: paints, papers, textures, fabrics, pigments, oils, turpentines, japans, driers, thinners, varnishes, shellacs, stains, fillers, waxes, adhesives, water and any other vehicles, mediums and materials which adhere by evaporation and may be mixed, used and applied to the surfaces of structures and the appurtenances thereto for purposes of decorating, protecting, fireproofing and waterproofing.

JIM GIBBONS
Governor

State Of Nevada



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STATE CONTRACTORS BOARD

NEVADA STATE CONTRACTORS BOARD ADVISORY OPINION 10-05-20-192

LICENSE REQUIREMENTS FOR THE INSTALLATION OF ROOFING AND GLAZING PRODUCTS THAT ARE INTEGRATED WITH PHOTOVOLTAIC TECHNOLOGY

An advisory opinion was requested from the Nevada State Contractors Board concerning the licensing requirements for the installation of roofing and glazing products that are integrated with photovoltaic technology during the manufacturing process and where the product serves two purposes.

ISSUE:

Licensure requirements for the installation of roofing and glazing products that are integrated with photovoltaic technology during the manufacturing process and where the product serves two purposes.

ADVISORY OPINION:

In the case of roofing products, the first purpose is to watertight and weatherproof a roof as defined in NAC 624.320. The second purpose is for solar power generation. In this situation the roofing contractor would be allowed to install the roofing products only. Installation of electrical conduit, inverters, batteries, and electrical connection must be performed by a properly licensed electrical contractor.

In the case of glazing products, the first purpose is to function as a glass curtain wall or window as defined in NAC 624.260. The second purpose is for solar power generation. In this situation the glazing contractor would be allowed to install the curtain wall or window products only. Installation of electrical conduit, inverters, batteries, and electrical connection must be performed by a properly licensed electrical contractor.

In addition, Occupational Safety and Health requirements for photovoltaic system projects set forth in Nevada Revised Statutes (NRS) 618 must be met.

It is not the Board's intent, nor within the purview of the jurisdiction of the Board to decide or resolve disputes involving the award of a bid or contract, or compliance with bid instructions and bid requirements. You should consult with your legal counsel regarding these matters.

Advisory opinions are often based upon limited information provided by the requestor, and are therefore broad in nature. It should be noted that under NRS 624.035 there might be more stringent requirements as determined by the city or county having jurisdiction.

Note: The foregoing opinion applies only to the specific facts and circumstances defined herein. Facts and circumstances that differ from those in this opinion may result in an opinion contrary to this opinion. No inferences regarding the provisions of Nevada Revised Statutes quoted and discussed in this opinion may be drawn to apply generally to any other facts and circumstances.

Dated this 20th day of May, 2010.


Margi A. Grein
Executive Officer

AGENDA ITEM E

Adjournment



AUGUST 23, 2011
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Enforcement Committee



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

ENFORCEMENT COMMITTEE MEMBERS:

MATT KELLY, CHAIR

PASTOR HERRERA

ED LANG

JIM MILLER

JOHN O’ROURKE

Committee Chair Matt Kelly will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Enforcement Program Update





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

VACANCY UPDATES

As of August 8, 2011, there are 29 vacant positions in the Enforcement division. All vacancies are subject to the current hiring freeze with the exception of one Norwalk Investigative Center and one Northern SWIFT Enforcement Representative position.

UNIT	CLASSIFICATION	# OF VACANCIES
Norwalk IMC	Supervising Program Technician II	1
Norwalk IMC	Program Technician II	2
Sacramento IMC	Consumer Service Representatives	2
Sacramento ICs	Office Technician	1
Sacramento ICs	Enforcement Rep I	3
San Bernardino IC	Enforcement Rep I	2
Norwalk IC	Enforcement Rep II	1
Norwalk IC	Enforcement Rep I	1
Fresno IC	Enforcement Rep II	1
Valencia IC	Enforcement Rep I	1
San Diego IC	Enforcement Rep I	2
San Francisco IC	Enforcement Rep II	1
Special Investigations	Enforcement Representative II – Peace Officer	1
Quality Assurance	Enforcement Rep II	1
Quality Assurance	Executive Assistant	1
Northern SWIFT	Enforcement Rep I	3
Southern SWIFT	Enforcement Supervisor I	1
Southern SWIFT	Enforcement Representative I	1
Southern SWIFT	Office Technician	1
Sacramento Case Management	Enforcement Representative I	1
Sacramento Case Management	Office Technician	1



ENFORCEMENT DIVISION REORGANIZATION

COOPERATIVE PERSONNEL SERVICES (CPS) CONTRACT STATUS

CPS is a self-supporting public agency providing a full range of human resource services to the public and nonprofit sectors. Staff is currently negotiating with CPS to obtain a contract for the following projects:

1. Develop two new Deputy Chief of Enforcement positions
2. Reclassify Consumer Service Representatives to Staff Services Analysts
3. Determine if CSLB's Enforcement Representative series should be changed to the Investigator series currently used by the Bureau of Automotive Repair

INTAKE / MEDIATION CENTERS

IMC HIGHLIGHTS:

\$30,000 REIMBURSEMENT AND WORKERS' COMPLIANCE ACHIEVED

A homeowner entered into a written contract with a licensed painting and decorating contractor to stain and lacquer woodwork and cabinetry for total of \$13,000.

The homeowner paid \$5,000 and was assured that the job would be done quickly because the contractor had recently hired additional employees. Days later the job was completed as promised, but the homeowner was very dissatisfied because the wood was not properly prepared, resulting in an unsightly alligator skin finish. The homeowner provided the contractor a chance to correct the work, but it was only made worse and a complaint was filed with CSLB. A Consumer Services Representative (CSR) mediated a resolution whereby the contractor paid \$30,000 to the homeowner for the defective work.

During mediation the CSR learned that the contractor had 15 employees working for his company. A routine workers' compensation (WC) insurance check revealed that the contractor had an exemption on file. The CSR educated the contractor about the importance of coverage for his employees, penalties for filing a false exemption, and the WC suspension of his license.

The contractor was issued a 30-day intent to suspend letter for filing a false exemption along with a warning letter for requesting and excessive down payment. The contractor immediately came into compliance by providing a WC policy and the suspension process was halted.



THREATS OF MEDIA EXPOSURE CONVINCED CONTRACTOR TO PAY FULL RESTITUTION

An elderly, legally blind woman was assisted by a CSR in recovering \$46,000 from a contractor who coerced her into signing contract documents she could not read and for obtaining a mortgage on her home to pay for unnecessary construction.

The contractor was contacted by the elderly victim to perform minor repairs on her home. Upon arrival, the contractor convinced the elderly woman that she needed to have her residence completely rewired, reroofed, painted, and the foundation overhauled. What started as a contract for simple repairs turned into a \$128,850 contract for which \$46,000 was paid.

During construction the elderly woman's children made a routine visit and became suspicious of the contractor. Questions about permits and unnecessary work were asked and inadequate answers provided. The children contacted an attorney who demanded that the contractor leave the job. In addition to contacting an attorney, local news station KTLA was informed of the contractor's fraudulent behavior and threatened to expose the contractor's business practices through the media if the elderly victim was not compensated.

The CSR mediated a resolution, resulting in the contractor providing full reimbursement of the \$46,000 received and an unconditional mechanic's lien release. KTLA agreed they would not expose the contractor because full compensation was made. The complaint has been assigned for field investigation, and probable violations including fraudulent acts and misrepresentation are disclosed on the CSLB website.

UNINSURED TREE TRIMMER DIES FROM INJURY

Jose Rios Zavala, owner of Interstate Tree Service, entered into a verbal contract with a homeowner to trim a tree in her yard. Zavala sent three employees to the jobsite to begin trimming the tree, including forty-five-year-old Norman Niebuhr and his fifteen-year-old son. While trimming the tree, Niebuhr lost control of his chainsaw and severed his arm and part of his torso. As a result of the severity of his wounds he died in route to the hospital.

The CSR assigned to the case contacted Jose Rios Zavala who claimed he had hired Niebuhr as a subcontractor. Zavala had a workers' compensation exemption on file, claiming he had no employees. This complaint was referred to the CSLB Investigative Center for further review of possible revocation and referral to the local prosecutor. The license is currently under workers' compensation insurance suspension pending the outcome of the investigation.



INVESTIGATION CENTERS

INVESTIGATIVE CENTER HIGHLIGHTS:



UNLICENSED CONTRACTOR ARRESTED FOR BATHTUB SCAM – *Synopsis from the Orange County Register*

Michael Ragsdale, 45, of Irvine, is accused of fleecing seniors in a scam involving the sale of specialized bathtubs designed for the elderly, the disabled, and others with mobility issues was arrested June 29, 2011, and is facing five felony charges.

Ragsdale is being held in lieu of \$100,000 bail at the Orange County Jail after his June 29 arrest by Huntington Beach police on suspicion of burglary, financial elder abuse, and grand theft. Ragsdale now has two criminal cases against him in Orange

County.

The scheme, first detailed in a story in the Orange County Register in November, involves promising to install walk-in fiberglass tubs in the homes of elderly clients, then failing to do so and not returning deposits or, in some cases, keeping money paid up front for the tubs, which cost around \$7,500.

In a felony complaint filed last year, Ragsdale is accused of stealing \$2,000 from an 80-year-old Laguna Woods resident who is blind in one eye by using the woman's credit card without her authorization. That case, in which Ragsdale was released on his own recognizance, still is pending.

Ragsdale operates under the business name MER and identifies himself as an authorized representative of American Walk-In Tubs of Quakerville, PA.

Bill Pagano, owner of American Walk-In Tubs, told the OC Register last year that Ragsdale buys tubs from him but is not an employee or a representative of the company.

Ragsdale is charged with 49 felony counts, not including 35 felony enhancement charges for committing felonies while released from custody on probation; and 3 misdemeanor counts of Business and Professions (B&P) Code section 7028, contracting without a license. Current felony charges include 13 counts of grand theft, 13 felony counts of first-degree burglary, 13 felony counts of theft from an elder adult, and 10 felony counts of diversion of construction funds. Currently, there are eight known victims in Orange County and CSLB enforcement staff is investigating an additional 16 victims in Riverside County and two victims in Los Angeles County. Ragsdale's bail has been revoked and he remains in custody at the Central Men's Jail in Orange County.



RESTITUTION GRANTED FOR ELDERLY VICTIMS OF TELEMARKETING SCAM

In June 2010, an elderly couple in their late 60s received a telemarketing call for a free estimate for home improvement work. They declined the initial offer; however, they accepted the second offer made the following day for water heater replacement and minor upgrades to their kitchen. Upon arrival, the two “contractors” presented a business card that included a license number and an \$85,800 contract was executed.

The two “contractors”, Eli Kohen, unlicensed, and Shai Wizman, a revokee, proceeded to demolish the kitchen down to the foundation. Once their kitchen was completely destroyed they were manipulated into believing that it could not be re-built until the foundation was retrofitted, plumbing re-piped, and the roof replaced. Believing they had no alternative, the elderly victims signed a second contract for an additional \$61,600. Within the next two weeks Kohen and Wizman created more change orders that increased the contract price to \$183,400, of which \$82,025 was paid.

Fortunately for the couple, a family member arrived at the residence and found the whole scene suspicious. The family member checked the CSLB website to verify the legitimacy of Eli Kohen, Shai Wizman, and Southland Remodeling and Construction. Once it was discovered that these deceitful individuals were unlicensed, they were asked to stop immediately. The elderly couple was left with a demolished, non-functional kitchen that remains that way today.

The complaint was received and immediately assigned to a field investigator. An industry expert with 37 years of construction experience was selected to provide an estimate of the value of the work performed. It was determined that the value of work performed was only worth \$15,485, resulting in an overpayment of \$67,000.

The complaint was referred to the Los Angeles County District Attorney in February 2011. The prosecutor accepted the case and filed felony criminal charges of Penal Code 368(D) financial elder abuse; PC 484(B) diversion of construction funds; PC 487(A) grand theft; B&P 7027.3 misuse of a license number belonging to others, and a misdemeanor charge of contracting without a license.

On June 16, 2011, a preliminary hearing/sentencing was held. In a plea negotiation, both defendants pled guilty to misdemeanor B&P 7028. Kohen and Wizman were immediately sentenced to 36 months of probation, 20 days of community labor, payment all court fees, a criminal conviction assessment and full restitution of \$65,000 to the elderly couple. On the day of sentencing restitution was paid in full.



CSLB PEACE OFFICER ASSISTS IN THE ARREST OF CONTRACTOR ACCUSED OF CONNING CLIENTS OUT OF MILLIONS

A CSLB peace officer assisted the Los Angeles District Attorney (LADA) with the execution of a search warrant and the arrest of Scott Brevaire, an unscrupulous licensee who is accused of embezzling over \$15 million from elderly victims. Brevaire of Brevaire Custom Improvements and AKA BCI is being charged with nine (9) counts of burglary, seven (7) counts of elder abuse and one count of intimidation of a victim.

In May 2010, CSLB received a complaint involving possible financial elder abuse. A 75-year-old woman had entered into a contract to paint her condominium for \$4,700. The elderly victim lived alone and had undergone treatment for cancer of her lungs and throat. Days later with no work completed, Brevaire provided the elderly woman with an invoice noting changes to the contract and an increased price of \$6,300, all of which was paid up front. Once the project was started Brevaire asked the elderly victim if he could borrow an additional \$10,000 to pay his employees in order to complete the work. The elderly woman agreed and Brevaire's requests for loans kept coming even after the work was completed.

Two years later, Brevaire had convinced the victim to loan him all of the money that she had in her accounts including the line of credit against her property, \$45,000 from a lifetime annuity account, and cash withdrawals from her credit cards, all of which totaled over \$466,000. Brevaire made some payments towards the loans using his wife's bank account and would show the victim the deposit slips, but would then borrow the money back or place a stop payment on the deposits that were made.

In addition to swindling money from the elderly woman, Brevaire had convinced her to keep the loans a secret from her family. In November 2009, the victim was hospitalized due to congestive heart failure and her family became suspicious of Brevaire. The family soon discovered that the victim's home was in default and her credit cards had been maxed out and sent to collections and a complaint was filed with CSLB. During the course of investigation it was discovered that Brevaire had used tactics that caused the victim to become confused and unsure of the amounts that were loaned to him. It was also discovered that this elderly victim was not the only one that Brevaire had used trickery on. Additional victims came to surface including one that has since passed away. Brevaire will be arraigned in late August and bail has been set at \$1,350,000. CSLB is pursuing revocation of the license.



FRAUDULENT USE OF A LICENSE RESULTS IN FELONY CHARGES

Richard Rosemond, an unlicensed individual, used a fraudulent license number to advertise his cabinet installation company on Craigslist. Rosemond entered into a contract with a married couple who believed he was a licensed contractor. The couple agreed to a contract price of \$22,038 to install kitchen cabinets and tile flooring. When contract deadlines were not kept, the owners told Rosemond and his employees not to return to work. The owners had already paid Rosemond a total of \$15,946 for the unfinished product and decided to file a complaint with CSLB.

Upon investigation it was determined that Rosemond had been involved in a similar situation in 2007 when a homeowner took him to small claims court and won a judgment against him. At that time, Rosemond had entered into a contract to install kitchen cabinets using a friend's license number. The following day the homeowner decided to cancel the contract and requested the \$1,000 deposit be returned, but never received a response. That is when they decided to file a small claims court complaint. Both complaints were referred to the Alameda County District Attorney who filed criminal charges for felony misuse of a license number and contracting without a license. Rosemond has since been arrested and waived his right to a speedy hearing. The next court date is yet to be scheduled.

WIFE FACES CHARGES OF GRAND THEFT FOR USING DECEASED HUSBAND'S LICENSE

In August 2010, a Marin County couple entered into a contract with Felipe Puac of Craig's Kitchen and Bath, Inc. to remodel their bathroom for \$28,000. At the time, the couple was not aware that the license had been cancelled due to the fact that the CEO of the company was deceased and no continuance of the license had been filed. Puac directed the couple to pick out tile from an adjoining business and then requested and received a \$14,000 down payment to purchase the materials.

Work didn't start as scheduled in October and the couple learned that materials had not been paid for or ordered from the tile supplier. The couple confronted Puac but was referred to Patricia Holmstrand. Holmstrand explained that her husband had died and claimed to not know much about the operation of the business and offered a \$4,000 discount if they would remain patient while she and Puac straightened out the business finances. The couple refused and demanded a refund of their \$14,000 but never got any money back.

During the investigation, both Holmstrand and Puac said they did not have the ability to return the \$14,000 deposit. Further, Holmstrand claimed she discovered that Felipe Puac had embezzled \$150,000 from the company by writing checks to himself and family members. An investigation report was submitted to the Marin County DA requesting the filing of a criminal complaint against both Holmstrand and Puac for



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

contracting without a license, receiving an excessive down payment, theft by diversion of construction funds, and grand theft.

REFERRAL FEES CREATE UNFAIR ADVANTAGE IN THE WATER DAMAGE INDUSTRY

Discussion of proposed legislation involving referral fees was the highlighted topic of the Riverside CSLB Board meeting in November 2010. Members of the water damage/flood restoration industry attended to bring attention to concerns regarding the rampant industry-wide problem of their competitors paying referral fees, or “kickbacks” to plumbing contractors. Plumbers refer these companies to their customers who have sustained water damage and receive a referral fee of \$200-\$500 cash. This has created an unfair advantage over their competitors, and can potentially cause financial injury to the homeowner and their insurance carrier.

After much discussion, the proposed legislation was tabled at the San Francisco Board Meeting on February 1, 2011, due to concerns that the existing statute, B&P 7157, prohibited payment of referrals fees. The statute contains language that is difficult to interpret, confusing, and convoluted, leading to it being misconstrued. It was determined that CSLB would conduct stings to target these companies and pursue administrative actions against them that would test the existing statute.

A sting was held in March 2011. A licensed restoration contractor was instrumental in providing a sting house and targets and the stage was set. Buckets of water and a spray bottle were used to soak the carpet and walls. Two ERs played the undercover roles of a plumbing contractor and homeowner suffering from an overflowing toilet. A total of nine (9) contractors were targeted and each one, licensed and unlicensed, stated that referral fees would be paid once the customer signed a contract. Consistently, the contractors offered payments up to \$500, or 20% of the total contract. Below is a summary of the outcome to date:

License #	DBA	Closure	Action	Fine	Status
889858	Baldwin Construction	CL1C	Citation	\$2,000	No Payment - Suspend 8/27/11
NA	Water Damage Experts INC.	CL1C	Citation	\$1,500	PAID IN FULL
NA	Dry Down INC	CL1C	Citation	\$1,500	No Payment - Final Order
746940	Servpro of South Huntington Beach	CL1C	Citation	\$750	No Payment - Final Order
862213	JV Neptune & So Cal Construction Group	CL1C	Citation	\$750	No Payment - Final Order
931249	Perez Reconstruction Contractors INC.	CL20	Insuff. Evid		NA
950879	Dry Force of California INC.	CL20	Insuff. Evid		NA
NA	Paramount Disaster Recovery	CN20	Insuff. Evid		NA
NA	Craig Wilcox	CN50	Warning Letter		NA



When confronted about offering money for referrals, a comparison was made between the cost of the kickbacks and the cost to advertise. The theory behind offering the money for referrals saves them the need to pay for advertising expenses. The industry members know the offering of inducements is illegal, so they created a new moniker, "Plumber Referral Program" when speaking about the activity at trade shows, conventions, or around CSLB staff. An article was included on the front page of the Winter 2010-Spring 2011 California Licensed Contractor newsletter, CSLB's contractor publication, to warn industry of the devious methods behind referral fees:

Referral Fees are Illegal

No matter what you call it—a referral fee, incentive, inducement, or kick-back, any time a fee is requested or required for referring contracting work, a state law is being violated and you risk having disciplinary action taken against your license.

CSLB is aware that referral fees in the disaster response industry are prevalent and are becoming more of a concern during the difficult economic times. There is evidence that such referral fees result in the artificial inflation of charges to homeowners and to the insurance companies called upon to reimburse homeowners for the costs. Contractors who refuse to pay these referral fees are losing out on business and are victims of an uneven playing field.

California Business and Professions Code Section 7157(d), says referral fees are considered to be illegal inducements, a violation of Contractors State License Law. If, after investigation, a license is found to be in violation of the law, CSLB may take a formal administrative disciplinary action and/or refer the matter to the local authorities for criminal prosecution.

B&P Code Section 7157(d) – Prohibited Inducement; reads as follows:

(d) No contractor shall pay, credit, or allow any consideration or compensation of any kind to any other contractor or salesperson other than a licensee for or on account of the performance of any work of improvement or services, including, but not limited to, home improvement work or services, except: (1) where the person to or from whom the consideration is to be paid is not subject to or is exempted from the licensing requirements of this chapter, or (2) where the transaction is not subject to the requirements of this chapter.

As used in this section "owners" shall also mean "tenant."

Commission of any act prohibited by this section is a misdemeanor and constitutes a cause for disciplinary action.



Penalties for Home Improvement Inducements

The first offense could result in a citation with civil penalties ranging from \$100 to \$1,000. Subsequent violations will prompt an accusation that could result in further penalties, up to revocation of your contractor license.

Complete text of B&P Code Section 7157 is available in the 2011 California Contractor License Law & Reference Book, available on the CSLB website:

<http://michie.lexisnexis.com/california/lpext.dll/cacontr/6/c7f/c82/c85/c88/c8c/12fd/1365?fn=templates&fn=document-frame.htm&2.0>

Since the article was published in the CSLB newsletter, it has come to staff's attention that the practice of paying inducements, or kickbacks, is prevalent in several other construction trades, as well, including pool builders and remodelers, and landscapers. Enforcement staff is concerned that payment of referral fees is so prevalent that existing resource allocation will not permit effective enforcement. Resources would need to be redirected from proactive enforcement to referral fee enforcement.

In July 2011, Enforcement staff met with the same industry member who first brought the problem to the board's attention at the Riverside Board meeting and discussed the outcome of the sting operation, including the fact that none of the licensed contractors had appealed the administrative citations. A proposed legislative concept was discussed to clean up the language in B&P 7157, and allow the payment of referral fees up to a maximum dollar amount (\$500, from the present statutory \$5.00 maximum), and a requirement that the payment of the referral fee be disclosed in the home improvement contract (B&P 7159) so the consumer is aware that the contract price includes up to \$500 paid to others for that project.



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

CASE MANAGEMENT

- **Disciplinary Services Section** has statewide responsibility for processing accusations and appeals of denied license applications, and monitors licensees' compliance status with the Board's disciplinary actions.

DISCIPLINARY SERVICES UNIT FY 10/11	
Revocations by Accusation	352
Denials by Statement of Issues	49
Revocations by Arbitration	123
Revocations by Citation	268
Cost Recovery Received (Accusations only)	\$242,338.59
Restitution to Public (Accusations only)	\$213,916.20

- **Mandatory Settlement Conference (MSC)** resolves administrative disciplinary actions without incurring the cost of a formal hearing. An Administrative Law Judge presides over the conferences, which have proven effective in resolving citations while reducing the Board's Attorney General (AG) costs and making injured consumers financially whole.

Mandatory Settlement Conferences	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals
Scheduled	27	26	31	28	22	26	15	27	27	0	29	31	289
Settled	8	13	14	21	12	16	10	18	13	0	14	17	156
Sent to DAG	3	3	4	1	2	2	2	1	3	0	5	0	26
No-Shows	4	6	7	3	2	2	0	2	7	0	3	6	42
Continued	12	2	4	3	6	4	1	5	2	0	5	7	51
Withdrawn	0	2	2	0	1	2	2	1	2	0	1	1	14

- Within FY 10-11 it is estimated MSCs saved CSLB **\$780,000** in AG costs.
- In FY 10-11, \$598,781 in civil penalties was collected.



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

BUDGET CHANGE PROPOSAL UPDATE – SUBSEQUENT ARREST UNIT

CSLB has submitted a Fiscal Year 2012-13 Budget Change Proposal (BCP) requesting 5.0 additional positions (4.0 Enforcement Representative I and 1.0 Office Technician positions) and \$398,000 in support funding to address unbudgeted workload resulting from subsequent arrest and conviction notifications for fingerprinted personnel on contractor licenses and Home Improvement Salesperson registrations. The vast majority of the notifications are currently going uninvestigated due to a lack of available CSLB personnel. The BCP is currently under review at DCA.



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

SWIFT – STATEWIDE INVESTIGATIVE FRAUD UNIT

EEEC BUSY THIS SUMMER

Summer has proven to be a busy time for CSLB’s SWIFT unit and the Economic and Enforcement Employment Coalition (EEEC). Formal two-day sweeps were held in June and July. Sweep activity and outcomes have been summarized below:

JUNE 14 - 15, 2011		COUNTIES:
Site Visits	134	Sacramento, Placer, Los Angeles, Orange, San Diego
Compliance Checks	188	
EDD Audit Referrals	17	
General Safety Violations	46	
Serious Safety Violations	15	PARTNERS:
WC & Licensure Administrative Actions	21	EDD, DLSE, DOSH
Unlicensed Administrative Actions	10	
Unlicensed Criminal Actions	7	

SWEEP HIGHLIGHTS: Board Member David Dias participated in this two-day statewide sweep.

JULY 19 - 20, 2011		COUNTIES:
Site Visits (CSLB only)	58	Riverside, San Diego, Los Angeles, Solano, Butte
Compliance Checks	149	
EDD Audit Referrals	2	
General Safety Violations	52	
Serious Safety Violations	24	PARTNERS:
WC & Licensure Administrative Actions	14	EDD, DLSE, DOSH
Unlicensed Administrative Actions	7	
Unlicensed Criminal Actions	0	

SWIFT INVESTIGATOR ASSISTS IN THE ARREST OF WELL-KNOWN INTERIOR DESIGNER – *Synopsis from the Mercury News*

A SWIFT enforcement representative assisted the local District Attorney with the arrest of an award-winning interior designer. Julie Cavanaugh, of San Jose, is accused of inflating the price of granite countertops at a Saratoga household and contracting without a license. The SWIFT ER posed as a homeowner looking to obtain a bid for a



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

home remodeling project. When Cavanaugh showed up to bid the project, the DA arrested her.

According to court records, Deputy District Attorney Lisa Schon charged Cavanaugh, who owns Design 101 Interiors in downtown Los Gatos, with grand theft, attempted grand theft, forgery, and two counts of operating without a license. The charges cover a period from July 2009 to September 2010. Schon did not speculate on whether Cavanaugh would spend any jail time if convicted, saying that was up to a judge.

Cavanaugh was first investigated by CSLB and found that Cavanaugh, who is an interior designer, is not licensed as a contractor, but acted as one when she hired two subcontractors (one of them unlicensed) to cut and install the countertops in the Saratoga home. The job wasn't done properly and Cavanaugh promised to make up the work. On the second attempt, Cavanaugh charged the couple \$14,000 more than what she initially bid to cover the losses. In addition, Cavanaugh forged the client's name to furniture orders that the couple claims they never bought.

Cavanaugh launched her design company in 1997, and her high-end work has been featured in Gentry and Cal Home magazines. Design 101 was once chosen as one of the featured designers for an episode of Home and Garden TV's "Designers' Challenge."

Cavanaugh was released on \$25,000 bail. Her sentencing hearing is current scheduled for September 15, 2011.

PARTNERING EFFORTS IN SHASTA COUNTY STOP REVOKED CONTRACTOR IN HIS TRACKS

SWIFT investigators and the Shasta County District Attorney's Office investigators teamed up and contacted multiple unlicensed contractors in the Redding area in July. A particular revoked contractor, "The House Dr.," was contacted and a bid was requested for the removal and replacement of concrete walkways and patios. The House Dr. arrived at the sting house and provided a \$2,800 bid to remove and replace the concrete and also requested a \$500 down payment. The House Dr., better known as Robert Joseph Spurgeon, was detained and issued a Notice to Appear (NTA) for unlicensed contracting, fraudulent use of a license number and contract violations. In addition Spurgeon is currently awaiting trial in Shasta County on construction-related felony charges, including Grand Theft (\$50,000) and unlicensed activity. The license, 656716, was revoked in 1996.



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

GENERAL COMPLAINT-HANDLING STATISTICS

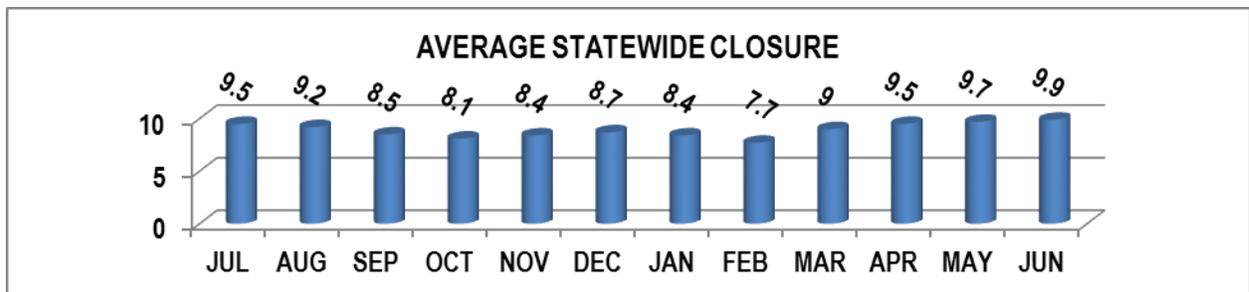
It has been determined that a manageable level of pending complaints for all current CSLB staff is **4,482**. As of July 31, 2011, the pending caseload was **3,765**. In July 2011, monthly closure goals were increased from 8 to 9 after the elimination of furlough days. However, with the inability to fill vacancies the Enforcement division loses an average of one ER per month. It is anticipated that caseloads will rise with time and possibly exceed current manageable levels. An increase in caseloads will lead to a longer investigation process for consumers.

The following chart depicts how CSLB determines manageable caseloads:

Classification	Current Number of Case-Handling Staff	Closure Goal per Month	Preferred Cycle Time (months)	Preferred Caseload per ER	Current Average Caseload per ER	Maximum Number of Cases per Classification
ER I	52	9	4	36	36	1872
ER I (APP)	3	20	3	60	46	180
ER II	9	5	4	20	25	180
SWIFT	22	15	1	15	13	330
CSR	32	30	2	60	38	1920
TOTAL						4,482

In February 2006, the Board adopted the following Enforcement Objectives regarding complaint-handling. Below each objective is the status as of July 31, 2011.

- MAINTAIN ER 1 PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
 Pursuant to the three furlough days imposed each month, the Board reduced the average number of complaints closed per ER to eight (8) closures per month; 8.9 closures per month were averaged in FY 10-11.

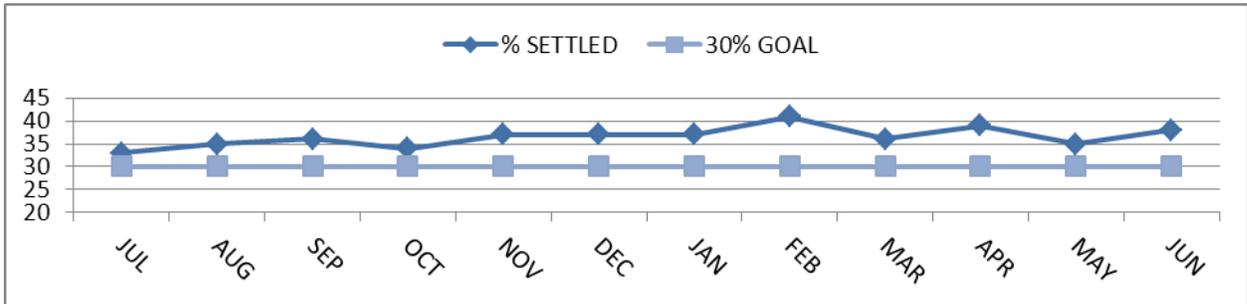




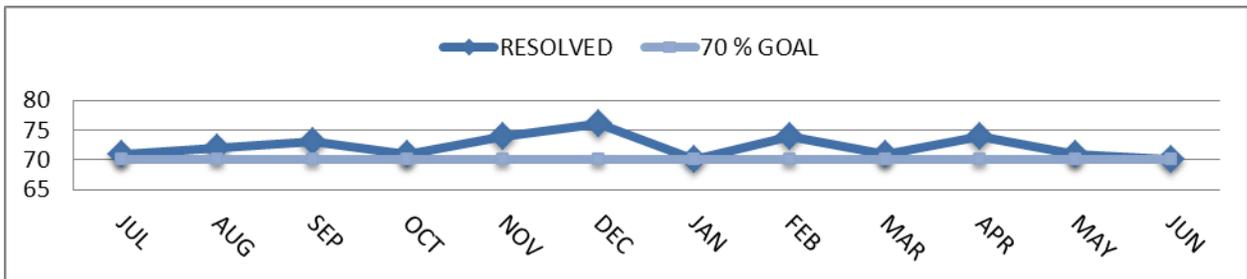
CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

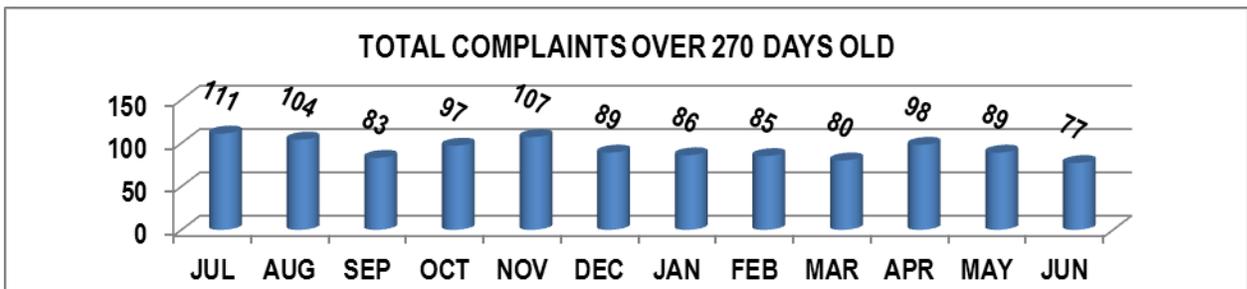
- INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30%**
 An average of thirty-nine percent (39%) of licensee complaints was settled in FY 10-11.



- ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70%**
 The licensee disposition average for FY 10-11 was seventy-two percent (72%).



- REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**
 Staff's effective management of pending complaints has resulted in consistently reducing the number of cases over 270 days old. The end of FY 10-11 resulted in only 77 aged cases, the lowest number recorded in the last 24 months. In addition, the FY average was 92.





TRAINING UPDATE

As part of CSLB's 2011-2012 Strategic Plan, the Enforcement Division committed to creating a training curriculum for staff that includes basic enforcement procedures, a mentoring program and specialized training. Below is a list of training that has been conducted thus far in 2011 as well as a proposed training schedule for fiscal year 2011-2012.

- 1. Stop Order Training** **February 2011**
Staff from around the state met in Sacramento HQ to attend a two day course on Stop Order procedures.
- 2. Conflict Resolution** **February 2011**
Enforcement Representatives attended training by Instructor Lee Jay Berman on effective ways to handle difficult situations.
- 3. Hearing Officer Training** **March 2011**
The Division of Labor Standards Enforcement (DLSE) provided training to staff designated to serve as hearing officers. Training included participating in a mock hearing and attending an official DLSE Stop Order hearing.
- 4. Team Building II** **March 2011**
The Centre for Organizational Effectiveness provided training to supervisors to develop and enhance team approaches.
- 5. DCA Management Academy** **March/April 2011**
Select staff attended the fourth management academy developed to bring supervisors and managers up to date on contemporary management issues.
- 6. COE Follow-up to Fundamentals of Leadership** **April 2011**
The Centre for Organizational Effectiveness provided Enforcement Representatives training on public speaking techniques, leadership in action application, and performance management concepts.
- 7. Training by Riverside District Attorney's Office** **May 2011**
Southern California Enforcement staff attended training conducted by Riverside DDA Homan Hosseinioun at the Riverside County District Attorney's office. Staff received training on taking witness statements and gathering evidence to prepare an investigation report for a criminal filing. Staff obtained "Prop 115" certification which allows ERs to testify to hearsay evidence in preliminary criminal hearings.



- 8. National Certified Investigator/Inspector Training** **June 2011**
Enforcement investigators attended the National Certification Program at DCA. The training is for regulatory investigators and inspectors and included investigation and inspection techniques and procedures. This certification will lend more credibility to the investigators when testifying and increase their knowledge base.
- 9. Module 1: Basic Investigative Techniques** **June – August 2011**
This course was developed by CSLB management staff in conjunction with retired annuitant Doug Galbraith and Michael Franklin, Deputy Attorney General. This course is an 8-hour block of instruction on basic investigative techniques, roles and responsibilities of an investigator, effective case management, overview of rules of evidence, and elements to Business & Professions Code Sections: 7107 (Abandonment), 7116 (fraud), and 7125.4 (False reporting of a workers' compensation insurance exemption certificate).

PROPOSED TRAINING

The following training is planned for fiscal year 2011-2012:

- 1. Module 2: Interview Techniques** **Fourth Quarter 2011/First Quarter 2012**
This course will be designed to assist Enforcement Representatives enhance their interview techniques, the importance of obtaining accurate statements, admissions, and confessions, and how to provide expert testimony in court and administrative hearings. This course will include a workshop for participants to test their interview skills in several CSLB-related scenarios.
- 2. Module 3: Effective Report Writing** **First & Second Quarter 2010**
This course will be designed to assist Enforcement Representatives enhance their writing skills and create a professional, accurate, and complete investigative report. Emphasis will be placed on credibility, proof-reading, and ensuring findings will pass scrutiny during a trial or hearing. The class will include a practical report-writing exercise.

Both modules will include a presentation by a Deputy Attorney General on case law pertaining to investigation of common Business & Profession Code statutes.

AGENDA ITEM D

Review and Discussion Regarding New Proactive Enforcement Initiatives





CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

The construction industry in California has been hit harder than any other industry during the current economic downturn. As a result, construction businesses operating in the underground economy are proliferating. These illegal businesses cost the state billions each year, robbing tax dollars from schools, roads, and public health and safety. If the California economy is to truly recover, the construction industry must lead the way.

Despite budget challenges, the Department of Insurance (DOI), Employment Development Department (EDD), Division of Labor Standards Enforcement (DLSE), and Contractors State License Board (CSLB) have demonstrated innovation in taking out illegal and noncompliant operators and in leveling the playing field for legitimate construction businesses. In 2011, new programs have been rolled out to enhance enforcement efforts, and additional initiatives are being explored to aggressively and creatively combat unlicensed and noncompliant operators in the construction industry.

Following is a summary of these new initiatives.



CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

PARTNERING AGENCY COUNTY TASK FORCE (PACT)

In January 2011, CSLB's Statewide Investigative Fraud Team (SWIFT) launched a new task force to battle the underground economy. The Partnering Agency County Task Force, or PACT, teams SWIFT investigators with representatives from County District Attorney Investigators (DDI). Each county designates a DDI to partner with a designated SWIFT investigator to respond to leads involving unlicensed practice and/or uninsured employees. PACT's goals are to issue Stop Orders to uninsured employers, increase criminal filings for licensure, and workers' compensation insurance violations. Measurement goals include:

PACT Action Summary JAN - JUN 2011	
Stop Orders Issued (JAN – AUG)	47
Leads	710
Sting Days	20
Sweep Days	62
Warning Letters, Citations, and Criminal Referrals	607

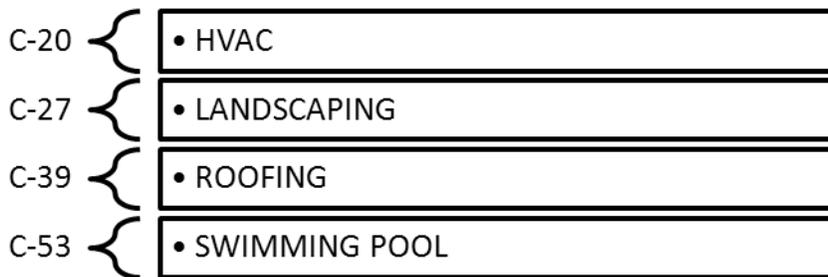
NORTHERN SWIFT	CENTRAL SWIFT	SOUTHERN SWIFT
BUTTE Jeff Miller - (916) 255-4092	FRESNO Maggie Sanchez - (559) 445-6517	LOS ANGELES Dai Le (562) 345-7592
PLACER, AMADOR, CALAVERAS Marco Bautista - (916) 255-4981	KERN, TULARE Heidi Valenzuela - (661) 834-5790	Shane Messina - (562) 345-7581
ALAMEDA, SAN MATEO Jennifer Kennedy - (510) 622-1899	Kirsten Andreassend (661) 834-9808	ORANGE Jerry Romiti - (562) 345-7581
SAN MATEO, SANTA CLARA, SANTA CRUZ Mark Stewart - (408) 277-9729	MONTEREY David Leary - (831) 233-1877	SAN BERNARDINO Sharon Abrantes (562) 345-7580 Sandra Mendez - (562) 345-7584
EL DORADO, MARIN, YOLO John McDowell - (916) 255-5218		RIVERSIDE Steve Tidwell - (562) 345-7579
SACRAMENTO Lorie Kinder - (916) 255-5217		SAN DIEGO Kim Clanton - (562) 345-7580



2011-12 STRATEGIC PLAN

One of the objectives identified by the Board is to coordinate with state and local agencies to establish baseline measurements of the underground economy and the effectiveness of enforcement strategies.

To identify the top four construction industries impacted by the underground economy, CSLB Enforcement staff analyzed criteria that included: volume of consumer complaints, employers with a high prevalence of non-existent or minimum insurance policies, and industries with a high percentage of illegal advertisements and/or payroll tax avoidance. Based on these criteria, the top four trades most impacted were determined to be:



Four pilot jurisdictions were selected based on an established working relationship with CSLB, its ability to direct staff to provide assistance to CSLB, and industry support. Pilot jurisdictions and target industries follow:

BURBANK	BUTTE COUNTY	FRESNO	PLEASANTON
<ul style="list-style-type: none"> • HVAC • Pools 	<ul style="list-style-type: none"> • Pools • Roofing 	<ul style="list-style-type: none"> • HVAC • Landscaping 	<ul style="list-style-type: none"> • HVAC • Landscaping • Roofing



CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

Statistics

CSLB will partner with the Employment Development Department (EDD) to track the following statistics with the EDD Automated Collection Enhancement System (ACES). Statistical measurements will include:

FY 10-11 BASELINE STATISTICS				
	C20	C27	C39	C53
Licensed Contractors in Jurisdiction				
Business Licenses Issued in Jurisdiction				
Contractor Permits Issued				
Owner-Builder Permits Issued				
Workers' Compensation Exemptions on File				
Minimum Workers' Compensation Policies (Roofing)				
Licensees Registered as an Employer with EDD				
Illegal Advertisements Identified				

- A combination of enforcement actions and outreach efforts will be closely monitored and recorded. Each city will be measured on a quarterly basis to show compliance progression. The following is an example of the compliance methodology used to record outcomes in each jurisdiction:

EDUCATION & OUTREACH EFFORTS				
JURISDICTION:	JUL - SEP 2011	OCT - DEC 2011	JAN - MAR 2012	APR - JUN 2012
Educational Letters Issued				
Industry Bulletins				
Industry Outreach				
Government Outreach				
Press Conferences				



CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

ENFORCEMENT ACTIONS TAKEN				
JURISDICTION:	JUL - SEP 2011	OCT - DEC 2011	JAN - MAR 2012	APR - JUN 2012
Lead Responses				
SWEEPS				
STINGS				
Stop Orders Issued				
NTA Issued - Unlicensed Practice				
NTA Issued - Uninsured Employer				
Administrative Action - Unlicensed Practice				
Administrative Action - Uninsured Employer				

- To determine if outreach and enforcement efforts are cost-effective, the following measurements will be reported on a quarterly basis.

FY 11/12 SUCCESS MEASUREMENT STATISTICS				
Percentage Measurements	C20	C27	C39	C53
Increase in Contractor Obtained Permits				
Decrease in Owner/Builder Obtained Permits				
Increase in Employee Registration through EDD				
Increase in Workers' Compensation Insurance Policies				
Decrease in Minimum WC Insurance Policies				
Decrease in Unlicensed Illegal Advertisements				
Increase in Business Licenses				
Tax Withholding Recovered				
Business License Revenue Recovered				



BUTTE COUNTY PARTNERSHIP

On July 25, 2011, staff met with representatives from the Butte County District Attorney's office Butte County Planning and Development Department, Chico Building Department, and the Central Valley Contractors Association. A partnership to prioritize enforcement of the **C-39 Roofing, C-29 Masonry (pool plastering), and C-53 Swimming Pool** industries was agreed upon as follows:

Butte County DA

Butte County District Attorney (DA) will provide the following:

- A link on its website for informants to file complaints against contractors suspected of unlicensed practice or failing to provide workers' compensation insurance (WC) for employees,
- DA Investigator Bruce Wristen will partner with a designated CSLB investigator to investigate and enforce licensure and WC insurance requirements,
- 10-day demand letters will be issued to uninsured Butte County contractors demanding proof of a workers' compensation insurance (WC) policy,
- CSLB will be provided access to surveillance van and a 360-degree camera for investigation of WC violations,
- County will assist CSLB in identifying suspects and prior criminal activity, and
- Peace Officer back-up will be provided for undercover operations.

Butte County Planning and Development Department

Butte County Building Department will provide the following:

- Work space for one CSLB investigator,
- Permit records and leads relating to suspect owner-builder project sites, and
- Require a placard at active construction sites confirming WC status.



CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

Valley Contractors Exchange

Valley Contractors Exchange members agreed to assist the aforementioned efforts by:

- Reporting unpermitted and suspect owner-builder construction projects,
- Providing sting houses, and
- Continuing to send the following post card to licensees with a workers' compensation insurance exemption on file with CSLB.

URGENT

As of our April 2011 report, the Contractor State License Board shows your license as **"Exempt from Workers' Compensation"**.
If you have hired employees and have workers' comp,
you want to get that corrected **ASAP!**

Your CSLB records are the **ONLY** source of information for Owners, Enforcement Officers, Building Permit Departments and Peers to check. *Don't take the chance of someone getting the wrong idea!*

If you have hired workers and carry workers' comp, have your carrier or your broker send your certificate to:
Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95827

If you haven't hired workers, you don't have to do anything.

The Underground Economy hurts contractors, consumers and workers alike - it's time to **STOP** supporting the Underground Economy. ** Report unlicensed contractors - 916-255-2924, www.cslb.ca.gov

Exempt or Not?
CSLB is enforcing...
Building Department is requiring...
Consumers are checking...
Peers are reporting...
Don't get caught in a misunderstanding,
check your records.
www.cslb.ca.gov

VCE valley contractors exchange
Chicago 951 E. 8th Street (530) 343-1981 Yuba City 832 Richland Road (530) 674-2030
Providing Leadership in the Construction Industry Since 1952

CSLB

CSLB will dedicate one investigator to work out of the Butte County Building Department to perform the following:

- Investigate unpermitted suspect owner-building permitted project sites,
- Partner with the construction industry to identify contractors performing work unlicensed, uninsured, or without a required permit,
- Issue Notice to Appear citations for unlicensed and uninsured practice,
- Issue Stop Orders to uninsured employers,
- Meet regularly with industry representatives to address concerns and improve procedures, and
- Provide statistics to Butte County government officials and other interested parties on a quarterly basis.



CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

Workers' Compensation Verification during Permit Process

July 26, 2011, staff testified at the Butte County Board of Supervisors meeting regarding the underground economy's impact on consumers, employees, and contractors. At the meeting supervisors voted for the following:

- Require a permit for pool plastering
- Verification of a workers' compensation insurance policy for licensed contractors and owner-builders applying for a C-53 Swimming Pool, C-29 Masonry (pool plastering), or C-39 Roofing permit.

CSLB PROJECT LEAD

- JEFF MILLER - Northern SWIFT
- (916) 255-4092

CITY OF FRESNO PARTNERSHIP

Staff has developed a partnership with City of Fresno officials and Mayor Ashley Swearingen's "Affinity Group" (Fresno area construction leaders) to partner with CSLB on enforcement efforts and test the feasibility of a vehicle sticker program that would clearly identify construction employers who are in compliance with business and contractor licensing, as well as workers' compensation insurance requirements.

Fresno City Council members have responded favorably to the sticker program concept and approval is likely; however, the ordinance has not been formally adopted. In the interim, staff has continued to meet with the Affinity Group and Fresno city officials to establish a baseline of **C-27 Landscaping and C-20 HVAC contractors** with a business address, or who are contracting for work, within the Fresno city limits.

Fresno officials have provided permit information and will cross-reference business license information with CSLB's licensee address of record during August 2011. Data will include business license, contractor license (by classification), workers' compensation insurance, and EDD registration.

CSLB PROJECT LEAD

- MAGGIE SANCHEZ - Central SWIFT
- (559) 445-6517



CONTRACTORS STATE LICENSE BOARD

NEW PROACTIVE ENFORCEMENT INITIATIVES

CITY OF PLEASANTON PARTNERSHIP

Staff has met with the Department of Insurance, Employment Development Department, Alameda District Attorney, and the California Roofing Contractors Association to develop a strategy to identify, investigate and prosecute Roofing and Warm-Air Heating, Ventilating and Air-Conditioning contractors engaged in Premium Insurance Fraud (under-reporting workers' compensation insurance requirements).

EDD's Automated Collection Enhancement System (ACES) has been established as the database to track CSLB license records, permits, workers' compensation policies, and tax withholding compliance.

Joint sweep operations were conducted March 2011, with follow-up sweep and sting operations scheduled for September 2011. The Alameda DA has assigned a lead prosecutor to the task force to coordinate investigation and prosecution efforts.

CSLB PROJECT LEAD

- PETE TUMINIA - QUALITY ASSURANCE
- (408) 482-9695

CITY OF BURBANK PARTNERSHIP

In June 2011, CSLB met with Los Angeles District Attorney Steve Cooley and his staff regarding development of a partnership to enforce CSLB's authority to issue Stop Orders to uninsured construction employers. The LADA dedicated two investigators to assist CSLB in performing sweeps, responding to leads, and conducting sting operations.

In July 2011, CSLB subsequently met with Burbank government officials to establish a partnership to prioritize enforcement of license, permit, workers' compensation, and tax withholding requirements in the C-20 HVAC, and C-27 Landscaping industries.

CSLB PROJECT LEAD

- CARLOS MARQUEZ - SOUTHERN SWIFT
- (562) 345-7684

AGENDA ITEM E

Review and Discussion Regarding Memoranda of Understanding with Other State Agencies





MOU Enhancements

CSLB has established several Memoranda of Understanding (MOUs) with relevant state agencies to facilitate the sharing of records and databases. This enables the respective agencies to make the most of limited resources and overlapping jurisdiction, to obtain documentation of violations from their partner agencies, and take appropriate regulatory action against employers who violate the law. CSLB is exploring enhancements to some of the current MOUs.

The 2011-12 Strategic Plan includes the following Enforcement Objective:

Review and Revise all MOUs for relevancy, information-sharing, and effectiveness:

MOUs currently under revision include:

1. Employment Development Department (EDD)

In recent months, staff has met with EDD to review and strengthen the MOU to enhance enforcement of license, tax withholding, and insurance requirements. Specific proposed action items include:

- A. EDD will notify CSLB when an audit has determined the employment of workers by a licensee who has falsely filed an exemption from workers' compensation insurance with CSLB. CSLB will investigate and take administrative action for the fraudulent exemption, as appropriate.
- B. Resources permitting, EDD staff will participate in CSLB sting operations, provide assistance in the development of sting targets using the Automated Collection Enhancement System (ACES), and will perform audits on suspects determined to have employees.
- C. EDD will provide employer information to CSLB regarding the entity name, owner(s) name, and business address of registered employers. This information will be beneficial in identifying unlicensed contractors and licensees filing a false workers' compensation exemption.

2. State Compensation Insurance Fund (SCIF)

Workers' compensation (WC) insurance premium fraud occurs when someone knowingly makes a false statement in order to obtain or continue a workers' compensation policy at less than the proper cost. The false statement is one of the essential components for fraud. Workers' compensation fraud is insidious because it drains millions of dollars from the state every year.

Premium fraud directly affects every employer across every industry as it drives up workers' compensation insurance costs.



- A. Staff will explore opportunities to improve and enhance the electronic transmission of workers' compensation policy data, i.e., type of policy, classification/misclassification of employees, number of employees, etc.
- B. Staff will explore possible options to provide changes and/or updated information on a licensed contractor to SCIF, i.e., when a license is expired, a contractor has added an additional classification, etc.
- C. SCIF will provide completed audits performed by its Special Investigations Unit to CSLB to help determine cases of premium insurance fraud.
- D. Upon CSLB's request, SCIF will provide a list of licensees carrying a minimum workers' compensation policy and/or carrying a workers' compensation policy for a specific classification (C-39 Roofing, C-53 Swimming Pool, etc.). This information will be used for classification-related projects, compliance operations, etc.

3. CA Department of Insurance (CDI)

CSLB will be meeting with staff and exploring options to improve the electronic access, accuracy, and reliability of electronic data of data. Dial-up terminals are often down; dial-up connection is slow. CSLB would like the same level of access to data as EDD receives.

CSLB staff will revise the current MOU to allow for enhanced information-sharing related to workers' compensation policies. CDI will release policy information from the Workers' Compensation Insurance Rating Bureau (WCIRB).

4. CA Department of Transportation (Caltrans)

CSLB staff will meet with Caltrans to develop criteria for agency referrals of Public Contract Code or Labor Code violations.

CSLB will explore opportunities with Caltrans to remove information-sharing restrictions and ensure that evidentiary requirements are met to support CSLB's administrative actions.



Proposed Prioritization for Reviewing the Remaining MOUs during the 1st and 2nd Quarter 2012 include:

1. DIR Division of Occupational Safety and Health (DOSH)
2. Franchise Tax Board (FTB)
3. California Energy Commission (CEC)
4. DIR Division of Labor Standards Enforcement (DLSE)
5. DIR Division of Apprenticeship Standards (DAS)
6. Economic and Employment Enforcement Coalition (EEEC)
7. Department of Industrial Relations' (DIR) Office of Director-Legal (ODL)
8. Department of Motor Vehicles (DMV)

AGENDA ITEM F

Adjournment



AUGUST 23, 2011
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Public Affairs
Committee



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

PUBLIC AFFAIRS COMMITTEE MEMBERS:

JOAN HANCOCK, CHAIR

BOB BROWN

PASTOR HERRERA

LOUISE KIRKBRIDE

ED LANG

Committee Chair Joan Hancock will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Public Affairs Program Update





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

The Contractors State License Board's (CSLB) Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations for CSLB. PAO provides a wide range of services, including proactive public relations and paid advertising campaigns; response to media inquiries; community outreach, including Senior Scam StopperSM seminars, special events, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; and employee relations.

STAFFING UPDATE:

PAO has six full-time positions, plus one Retired Annuitant (Wellness Coordinator) and one Student Assistant (General Office Duties/Social Media).

One open position was filled when Associate Governmental Program Analyst (AGPA) Jane Kreider began work on May 16, 2011, overseeing CSLB's outreach efforts.

The other position (Information Officer I – Publications Coordinator) remains unfilled, due, in great part, to the current hiring freeze.

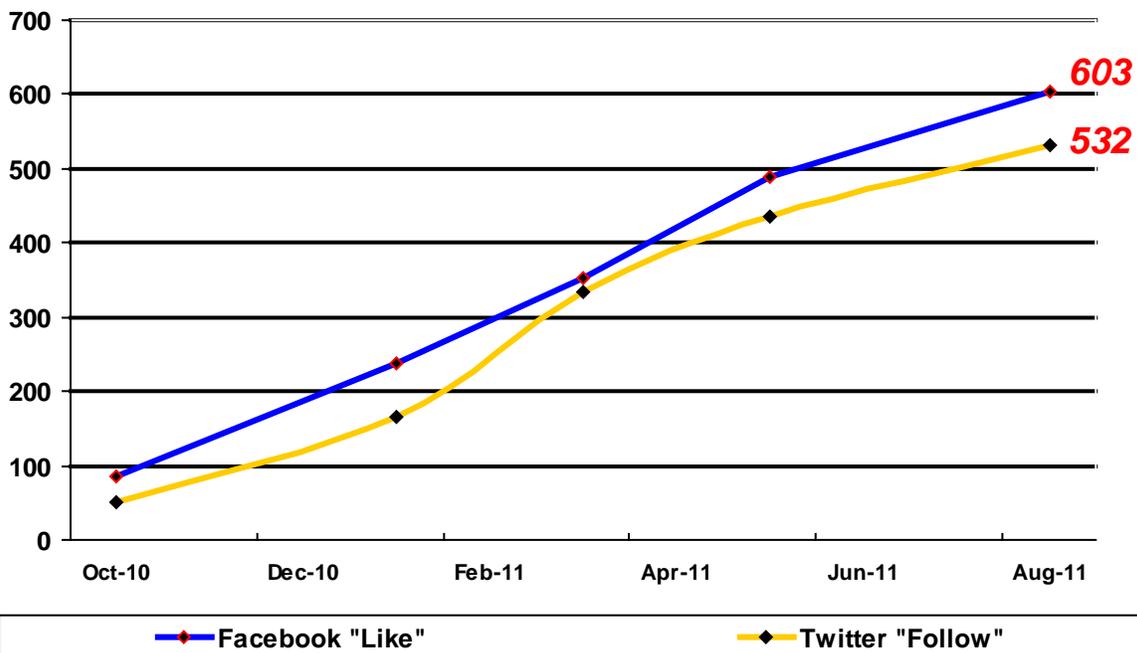
WEBSITE HIGHLIGHTS:

Social Media

CSLB continues to gain followers of its Facebook and Twitter pages. PAO staff continues to monitor demographic data and track the number of "likes" and "followers," which generally increase on a daily basis. PAO has updated its Twitter background to be more visually appealing and is in the process of developing an improved welcome page for Facebook as explained in greater detail later in this report.

As of August 3, 2011, 603 individuals, businesses or other government entities of all types "like" CSLB's Facebook page and 532 are "following" CSLB on Twitter. Most followers of both pages are contractors or in fields aligned with the construction industry.

Facebook/Twitter "Likes" & "Followers"





Email Alert Feature

PAO continues to publicize a website feature launched in May 2010 that allows people to sign up to receive up to four different email alerts from CSLB.



Subscribers can receive alerts for:

- California Licensed Contractor newsletter
- Press Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

A total of 12,373 subscriptions were activated as of August 3, 2011, an increase of 2,688 since the June board meeting.



Please enter your information to sign up for a CSLB Mailing List:

Email address

First name

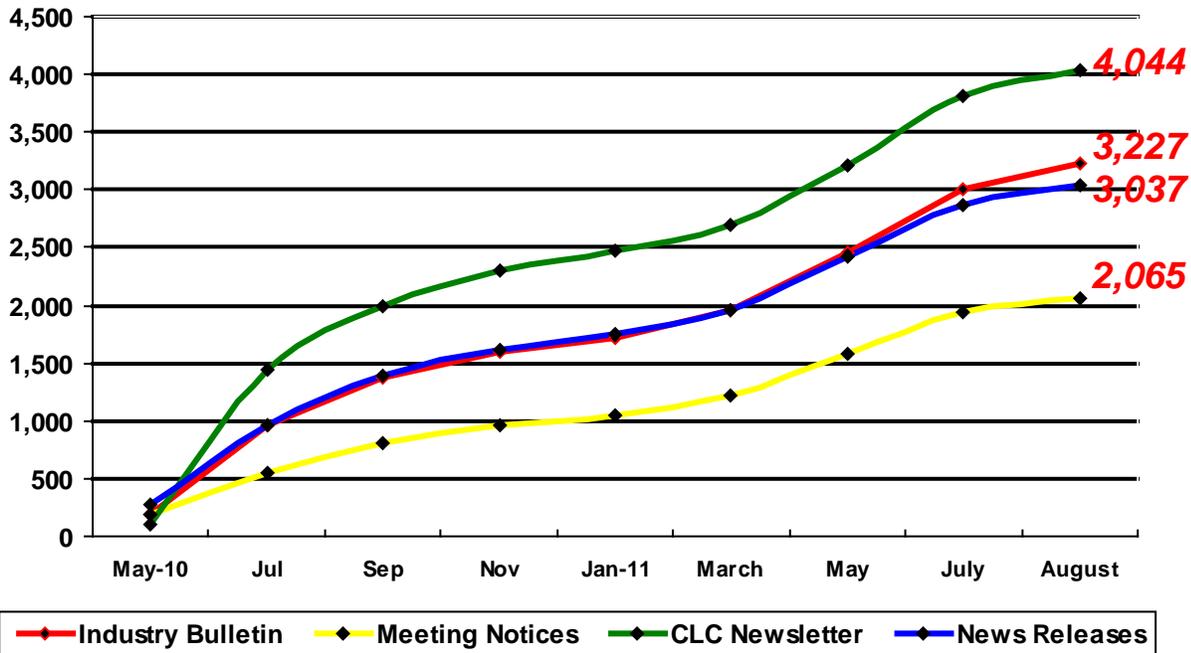
Last name

Select the list you would like to subscribe to:

- California Licensed Contractor Newsletter
- Press Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas.

Sign up

Email Alert Sign-Up Numbers





Email Registration on Applications/Renewals

PAO worked closely with the Information Technology (IT) division to import a list of email addresses voluntarily submitted on license applications and renewal forms. The project was completed in late March 2011. The list currently consists of 78,487 active email addresses.

Use of the new list is currently on hold while IT works with the Department of Consumer Affairs' IT division to determine why one of the recipients was able to hit "Reply to All" after receiving an email from CSLB and send his response to the entire email list. We do not believe that email recipient intended to send to the entire list because the body of his email included nothing more than "Thank you." That recipient does not and never did have access to the actual list and the security of the list was never jeopardized.

Combined, CSLB's email database now consists of just under 91,000 addresses.

MEDIA RELATIONS HIGHLIGHTS:

Reality TV Show

From January 2010 through January 2011, CSLB signed an agreement that allowed Superfine Productions of New York City to shop a concept to national cable networks for a reality-based TV show involving CSLB's enforcement efforts. The company was unsuccessful in securing a deal. CSLB has been re-approached by Superfine and two other production companies with similar ideas.

CSLB has chosen to sign a contract with Bogner Entertainment of Burbank. The nine-month contract, will allow Bogner to shop a show concept. Bogner has a development deal with Freemantle Media to consider any Bogner project before other production companies. Freemantle is one of the largest production companies in the world, known for shows including "American Idol," "Ice Road Truckers," "Deadliest Catch" and "America's Got Talent." If Freemantle is not interested in the show concept, Bogner will be able to shop the concept to other companies and cable networks.

Media Calls

Between June 1, 2011 and August 1, 2011, PAO staff responded to 25 separate media inquiries and provided interviews to a variety of newspaper, radio, and television outlets.

Press Releases

PAO continued its policy of aggressively distributing press releases to the news media, especially to publicize enforcement actions and undercover sting operations. Between June 1, 2011 and August 1, 2011, PAO distributed eight press releases.

Date	Press Release Title
June 3, 2011	Revoked Licensees and Repeat Offender Among Those Illegally Contracting in La Jolla
June 17, 2011	CSLB Most Wanted Offender Arrested



June 20, 2011	Suspended and Expired Licensees Among Those Cited in Santa Cruz Sting
June 21, 2011	CSLB Goes Undercover to Sting 11 in Woodland
June 24, 2011	Eight Phony Contractors Caught in West Covina Sting
July 6, 2011	CSLB and Partners Sting 15 for Contracting Without Licenses
July 6, 2011	Illegal, Unlicensed Operator Pleads Guilty to Contracting and Insurance Fraud
July 22, 2011	CSLB Pulls Out All the Stop Orders at Kern County Undercover Operation
August 1, 2011	After Five Years, CSLB Finally Able to Close Aquarius Pools Case

DISASTER OUTREACH HIGHLIGHTS:

No disaster outreach of note took place since the June Board meeting. PAO has an ample supply of educational materials, signs, and DVD's in stock that are ready to distribute.

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS:

California Licensed Contractor Newsletter

The Winter-Spring 2011 edition of the licensee newsletter, *California Licensed Contractor*, was produced as a printed document distributed to all 300,000+ licensees and other interested parties in mid-June. The newsletter contains important information for CSLB licensees and other stakeholders, and is on a quarterly publication schedule.

Due to budget constraints, a decision was made in 2010 to make the publication only available online. Two online-only editions have been published. But, due to a lower than expected online sign-up to receive newsletter alerts, a decision was made to print and distribute the current newsletter to all 300,000+ licensees. The publication is also available online.

Industry Bulletins

PAO continues to alert industry members to important and interesting news by distributing Industry Bulletins. The bulletins are sent out via e-mail on an as-needed basis to a group of more than 3,200 people and groups. This includes those who signed up to receive the bulletins via CSLB's new E-Mail Alert system. Between June 1, 2011 and August 1, 2011, No Industry Bulletins were distributed.

PUBLICATION HIGHLIGHTS:

New Business Cards/ID Badges

PAO staff worked closely with other divisions, including Business Services and Enforcement, to develop new identification badges and business cards for staff who conduct CSLB business in a public setting.

Extensive meetings were held in order to get staff feedback on designs and procedures to order cards. The business cards are printed by Caltrans under an agreement between the two agencies. The ID cards are printed in-house.

Business Cards



ID Cards



Both types of cards can be ordered through forms available to staff on the CSLB Intranet.

CSLB Publications

Between June 1, 2011 and August 1, 2011, several publications have been completed, moved into production, or are being reviewed and designed.

Completed Publications

- 2011-12 CSLB Strategic Plan
- August 2011 Committee Meeting Packet
- A Consumer's Guide to Filing Construction Complaints

Other Publications in Progress

- CSLB Matters – Employee Newsletter (Online Only)
- California Licensed Contractor Newsletter (Online Only)
- 10 Tips Cards (Reprint)
- Owner-Builder Beware! (Spanish Brochure)



COMMUNITY OUTREACH HIGHLIGHTS:

Senior Scam StopperSM Seminars



Since 1986, CSLB has brought government to the people by providing special outreach programs to educate and empower senior consumers against scams that are targeted directly at older populations. Seniors are a vulnerable audience, often preyed upon by unlicensed or unscrupulous contractors.

Senior Scam StopperSM seminars have been offered throughout the state since 1999 in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations.

Senior Scam StopperSM seminars have been offered throughout the state since 1999 in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations.

To date, CSLB has partnered with dozens of state legislators to conduct more than 100 free seminars. Senior Scam StopperSM seminars have become an annual event in some regions.

In addition to providing information about construction-related scams and how seniors can protect themselves when hiring a contractor, the seminars feature expert speakers from many local, state and federal agencies, who present broader topics, including identity theft, auto repair, and investments.

Governor Brown’s Executive Order B-06-11 put travel restrictions in place for all non-enforcement activities, including Senior Scam StopperSM seminars. CSLB will continue to schedule seminars, and request travel exemptions in order to deliver these presentations.

The following seminars are tentatively scheduled in the coming months, pending travel approval for:

Date	Location	Legislative Partners
September 10, 2011	West Covina	Asm. Member Roger Hernandez
September 29, 2011	Rancho Cucamonga	Asm. Member Mike Morrell
TBD in September	Hayward Area	Asm. Member Mary Hayashi
October 6, 2011	Pomona	Sen. Gloria Negrete McLeod
November 4, 2011	Rialto	Sen. Gloria Negrete McLeod
TBD in October/November	Yucca Valley	Sen. Paul Cook

EMPLOYEE WELLNESS HIGHLIGHTS:

PAO coordinates the Employee Wellness programs at the main headquarters office in Sacramento and southern headquarters in Norwalk. HQ Wellness Coordinator Alice Reed reported the following activities during June and July 2011:

- Video Yoga Class
- Yoga Class w/Trainer





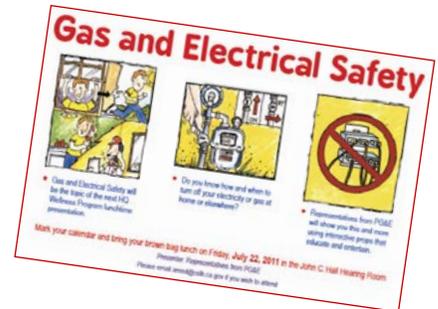
- Cardio Exercise
- PG&E Presentation on Gas & Electrical Safety
- Farmers Market

Norwalk Wellness Coordinator Doris Velasquez reported the following activities:

- CalPERS presentation
- Weight Management Seminar

July HQ Farmers Market Totals:

- Approximately 100 Bananas
- 30 lbs. of Squash
- 10 lbs. of Cucumbers
- 20 lbs. of Carrots
- 25 lbs. of Lemons & Grapefruits
- Various Herbs



In July, HQ employees were invited to participate in an online survey to gauge interest in different types of employee wellness programs and thoughts about possible future activities, and 103 people responded.

Percentage of 103 Respondents Who Have Participated in Wellness Program activities

66%

Favorite Activities

Free Farmers Market	70.6%
Wellness Fair	64.7%
Weight Loss Activities	47.1%
Lunchtime Speakers	42.6%
Chair Massage	27.9%

Future Interest

Retirement	51.7%
Women's Health	37.1%
Savings Plus	33.7%
Health Benefits	31.5%
Stress	31.5%

AGENDA ITEM D

Advertising Campaign Wrap-Up





Campaign Overview

- **Three-Year Contract**
 - FY 2008-09 (\$1,200,000 Million Budgeted)
 - FY 2009-10 (\$595,000 Budgeted = 15% Cut)
 - FY 2010-11 (\$700,000 Budgeted)



Campaign Overview

- **Goal**
 - Increase Consumer Awareness of the Need to Check for a Contractor's License Prior to Beginning Work
 - Raise Awareness of CSLB's Resources and Information for Consumers
 - Increase Usage and Drive Traffic to www.CheckTheLicenseFirst.com



Campaign Overview

- **Target Audiences**
 - **Primary**
 - Adults 55+
 - **Secondary**
 - New Homeowners
 - English-Speaking Hispanic Audiences



Campaign Overview

- **Target Markets**
 - **Based on Regions with Highest Areas of Target Audience**
 - Los Angeles/Orange County
 - San Francisco Bay Area
 - San Diego
 - Inland Empire (Riverside/San Bernardino)
 - Sacramento/Stockton/Modesto
 - Bakersfield



Campaign Overview

- **Pre-Campaign Research**
 - Consumers
 - Telephone Survey
 - Targeted Sample: 800 Homeowners
 - Conducted November-December 2008
- **Post-Campaign Research**
 - Consumers
 - Telephone Survey
 - Targeted Sample: 800 Homeowners
 - Conducted April-May 2011



Campaign Overview

- **Pre-Campaign Research**
 - CSLB Licensees
 - 8 Focus Group Sessions
 - Los Angeles (English & Spanish)
 - San Diego (English & Spanish)
 - Sacramento (English & Spanish)
 - Fresno (English & Spanish)

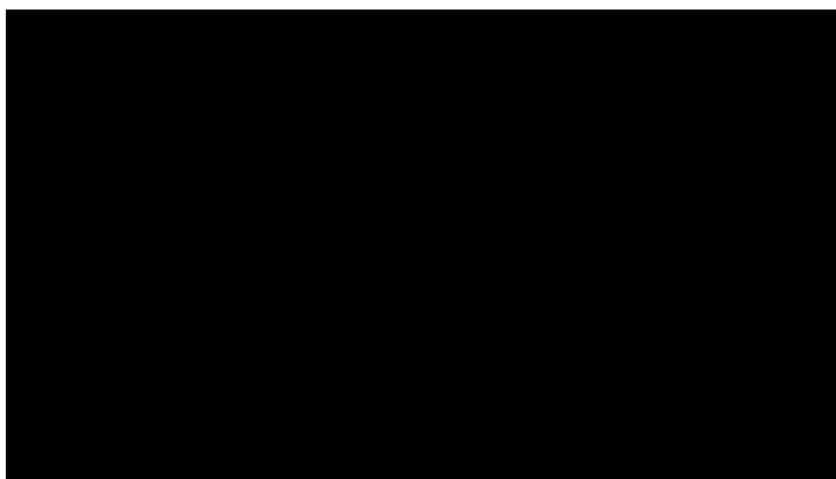


Campaign Overview

- **Creative**
 - **Television**
 - 1 x 30-Second Commercial
 - 3 x 15-Second Commercials
 - **Radio**
 - 1 x 30-Second Commercial
 - **Print**
 - PennySaver
 - Telephone Directories
 - **Online**
 - Banner Ads
 - Facebook
 - Google AdWords



TV Commercial



Radio Commercial

The advertisement for a radio commercial includes several icons: a radio tower with signal waves, a radio host in a suit holding a microphone, a person falling from a height, a collection of construction tools (hammer, drill, bucket, saw, and pipe), and a worker in a hard hat using a power tool. A speaker icon is also present, and the CSLB logo is in the bottom right corner.

Print Ads

The advertisement for print ads features three scenarios with accompanying text and the CSLB logo:

- Scenario 1:** A contractor in overalls stands next to a toilet that is on fire. Text: "An unlicensed contractor can be a whole lot more expensive than you think. (and leave you [REDACTED] responsible)." Below: "In life, mistakes happen. And nowhere is that more true than in construction. Whether you're repairing, remodeling, or building, if you hire an unlicensed contractor and there's a mishap, the financial liability can be all yours. So think twice. Check the license first. Visit CheckTheLicenseFirst.com or call 800-321-CSLB (2752)." CSLB logo.
- Scenario 2:** A contractor is buried up to their head in a large pile of red bricks. Text: "An unlicensed contractor's mistake can leave you buried in debt. (and you might never dig yourself out)." Below: "In life, mistakes happen. And nowhere is that more true than in construction. Whether you're repairing, remodeling, or building, if you hire an unlicensed contractor and there's a mishap, the financial liability can be all yours. So think twice. Check the license first. Visit CheckTheLicenseFirst.com or call 800-321-CSLB (2752)." CSLB logo.
- Scenario 3:** An elderly woman in a floral dress stands next to a power tool that is on fire. Text: "Trusting an unlicensed contractor can be a shocking disappointment. (and leave you liable for the responsibility)." Below: "In life, mistakes happen. And nowhere is that more true than in construction. Whether you're repairing, remodeling, or building, if you hire an unlicensed contractor and there's a mishap, the financial liability can be all yours. So think twice. Check the license first. Visit CheckTheLicenseFirst.com or call 800-321-CSLB (2752)." CSLB logo.

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Online Ads



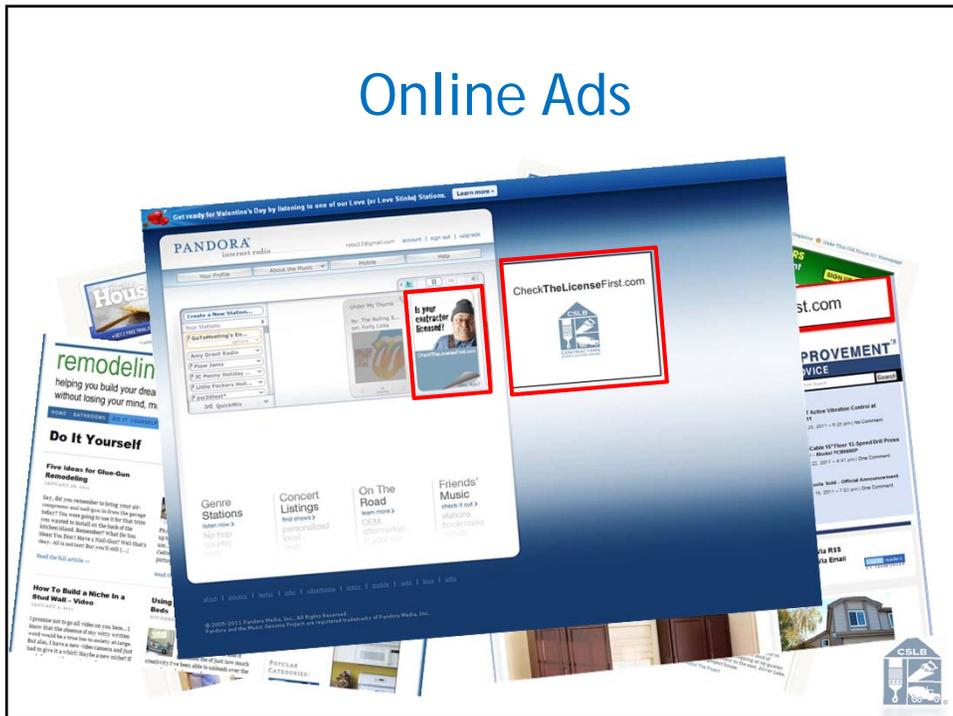
Online Ads



Online Ads



Online Ads



Online Ads

Social & Economic Changes

- **Between 2008 & 2011**
 - Decline of California/National Economy
 - Laid-Off Construction Owners/Workers May Be Working Underground
 - DVR and Online TV Services Allow Viewers to “Skip” Commercials
 - Newspaper Readership Declining
 - Growth of Social Media, including Facebook, Twitter, and YouTube



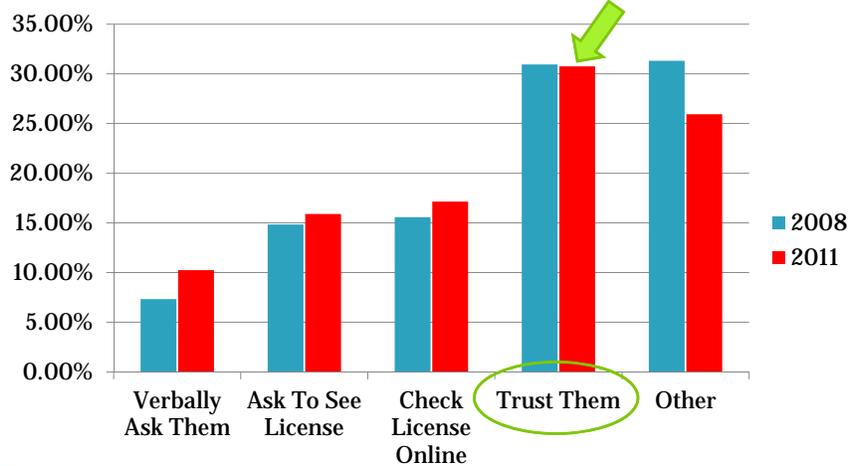
Research Results

(2011 vs. 2008)

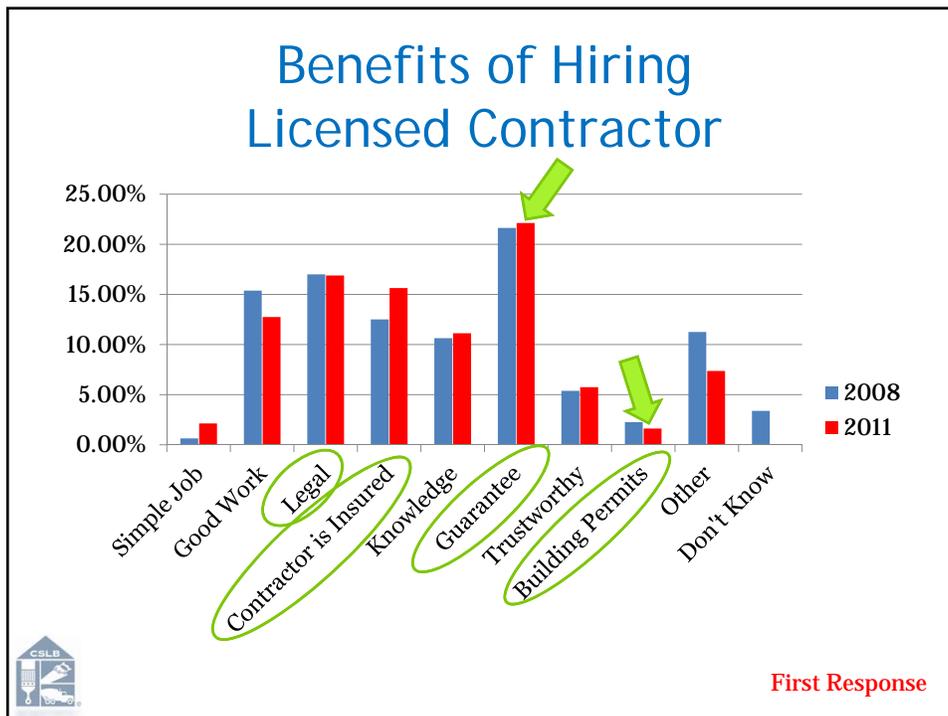
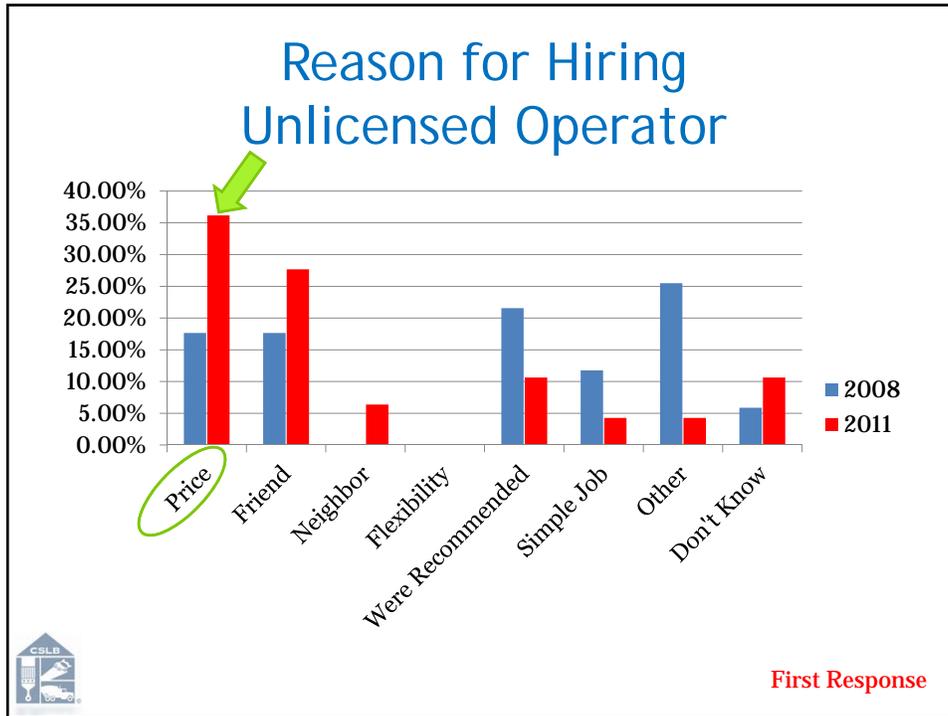
- **More Homeowners**
 - Doing Their Own Repairs
- **Roofing, Plumbing & Electrical**
 - Still Most Common Jobs to Hire Someone Else
- **Referrals**
 - Still Most Common Method to Find Contractor
- **Price**
 - Still Most Common Reason to Hire Unlicensed Operator

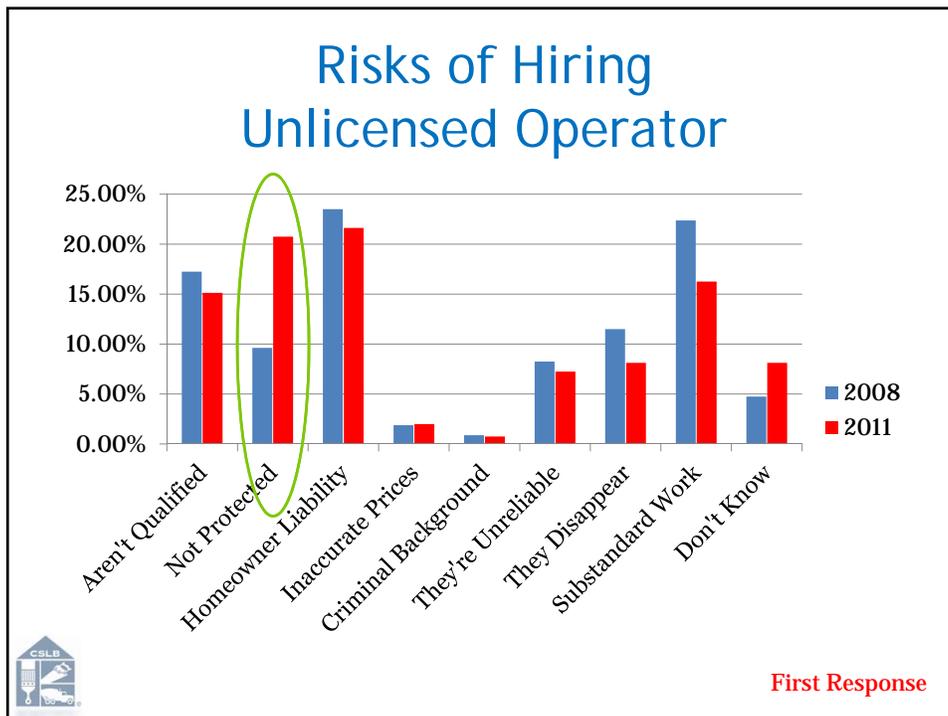
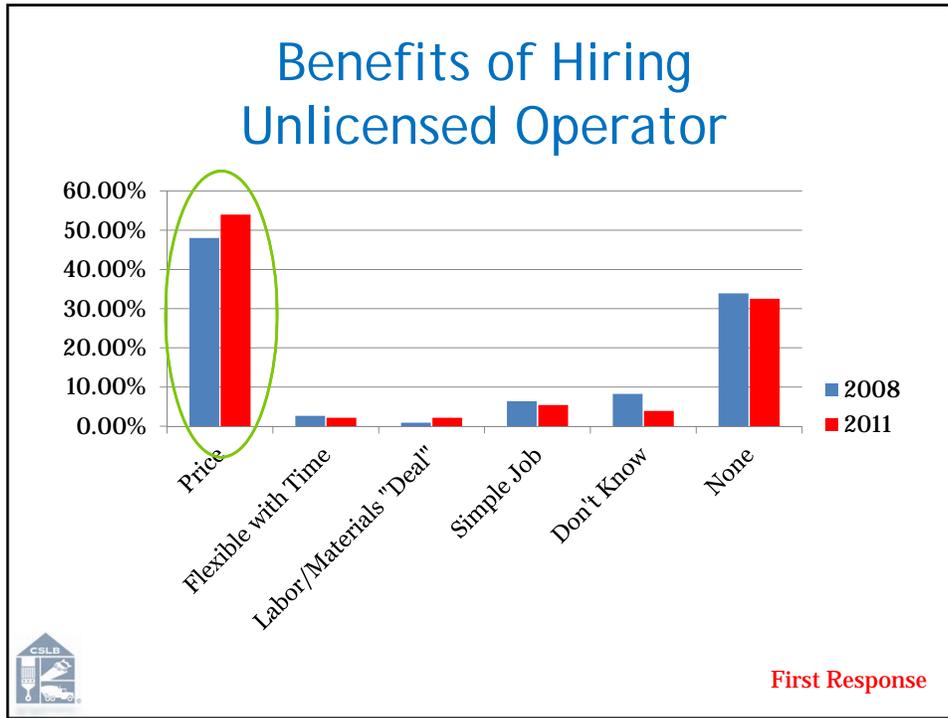


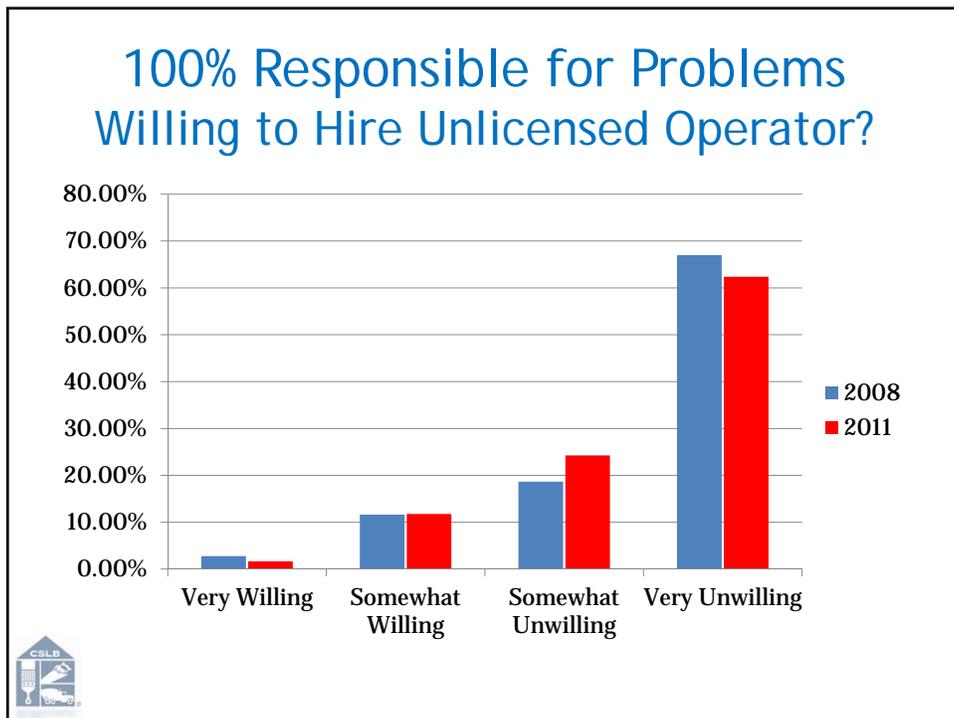
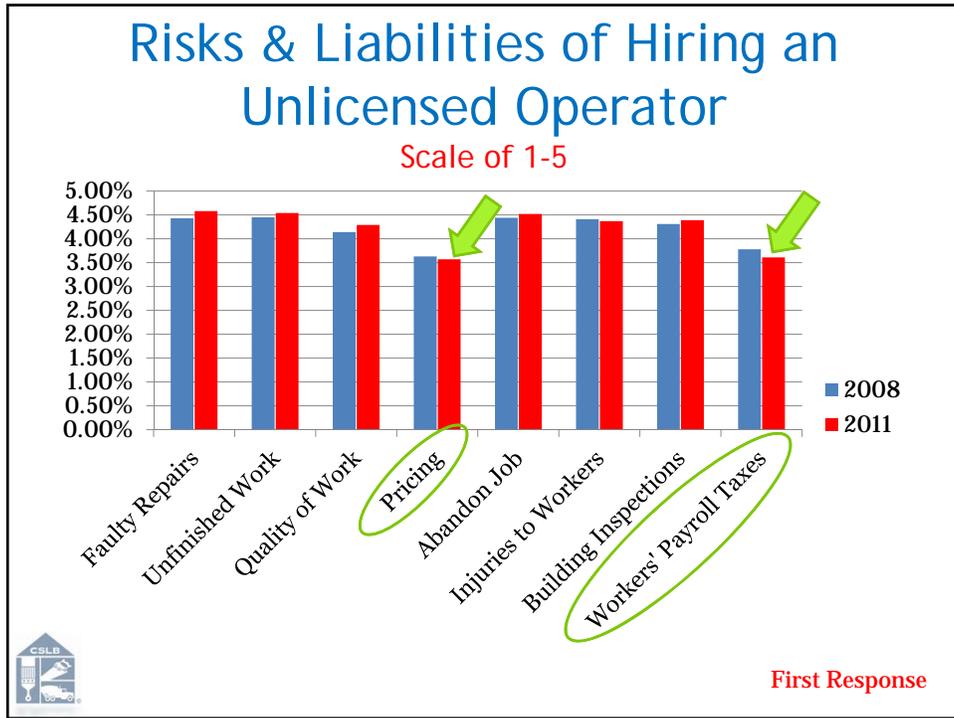
If you hired licensed contractor, how did you verify their license #?

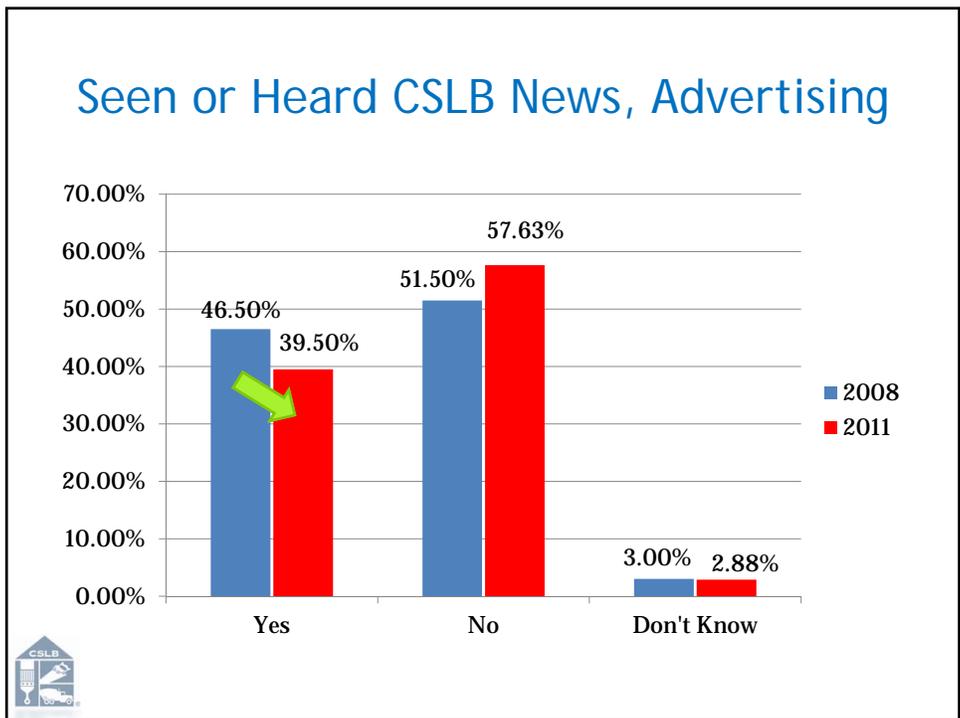
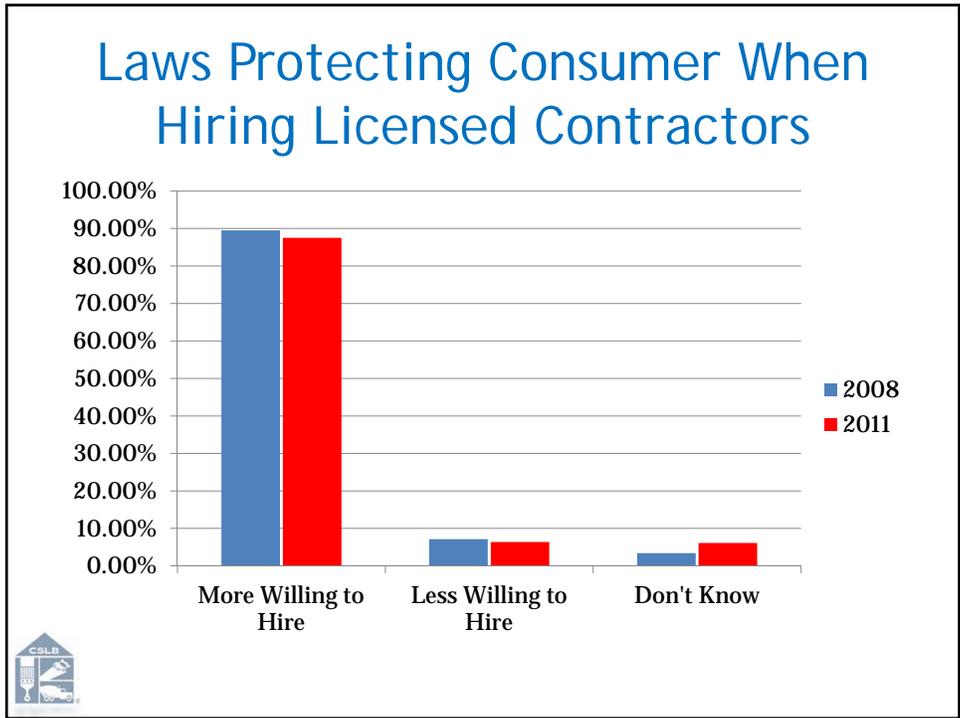


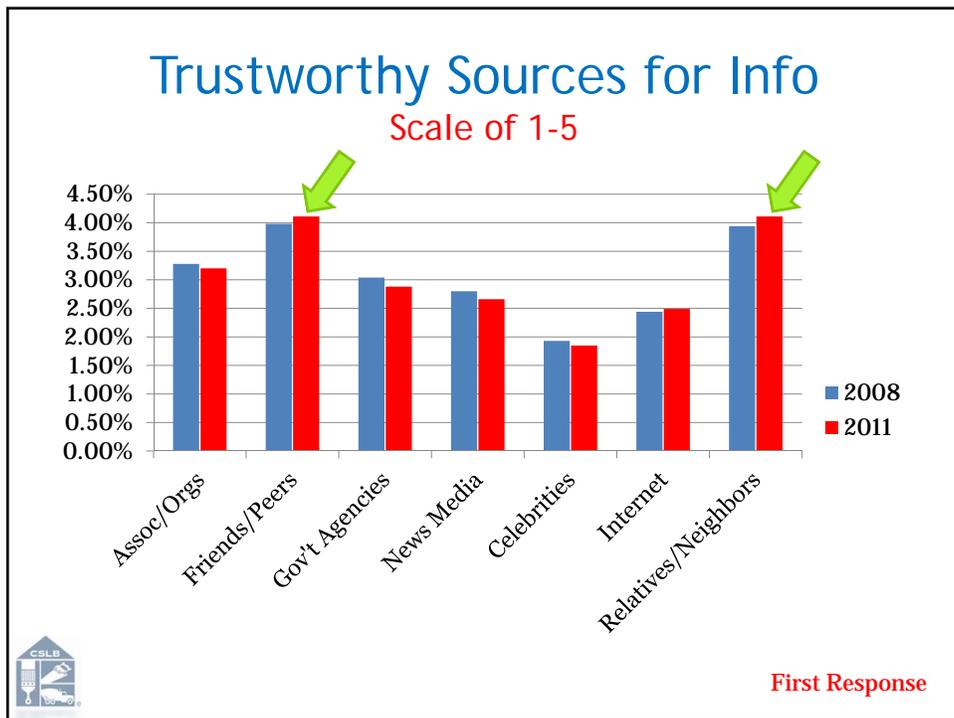
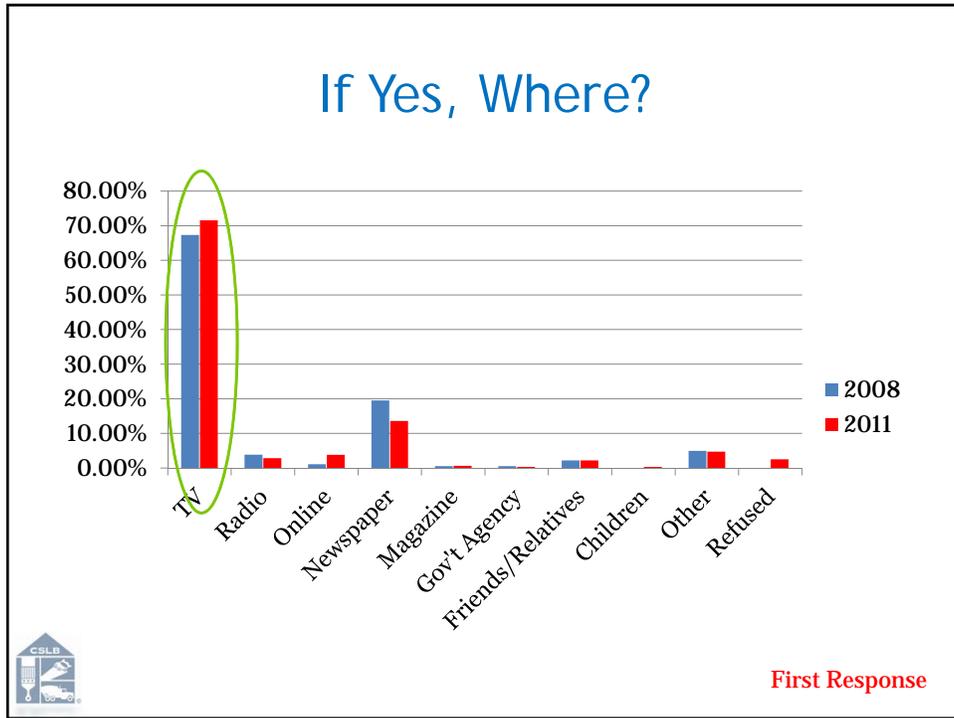
First Response

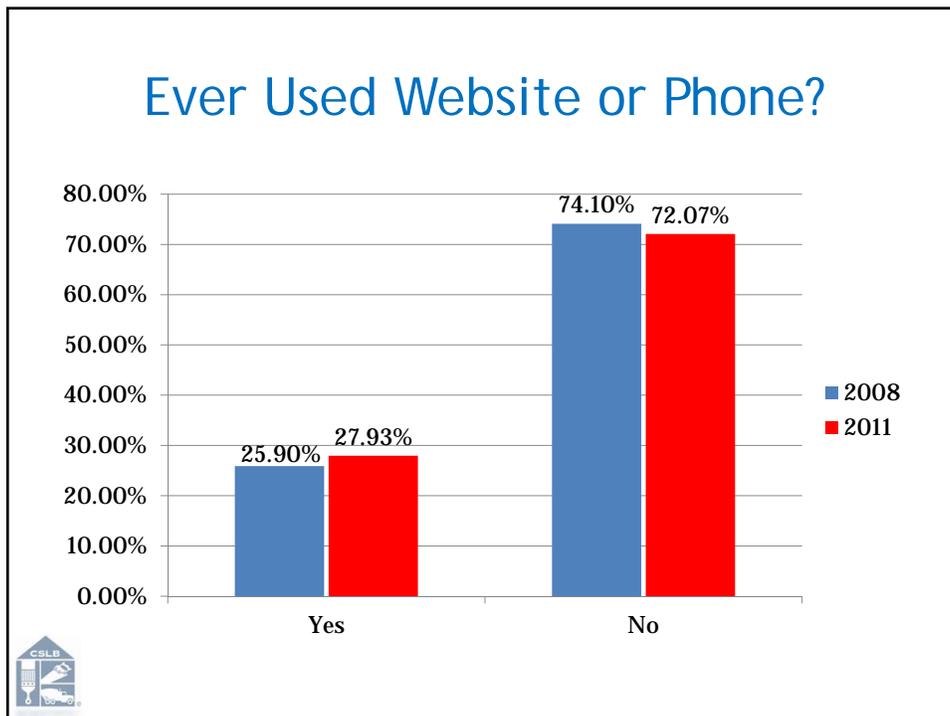
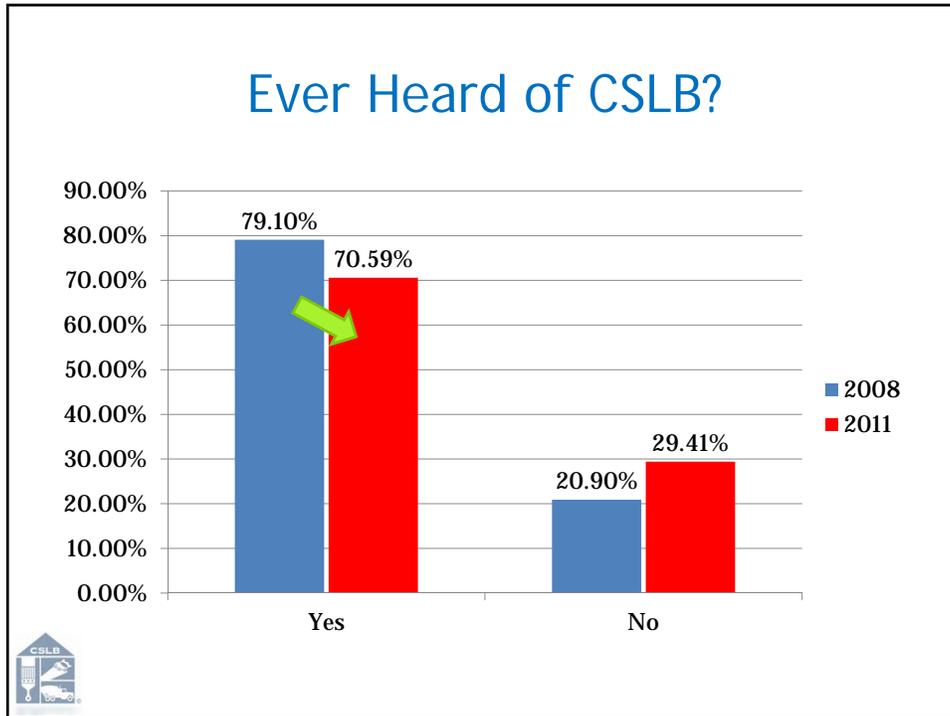


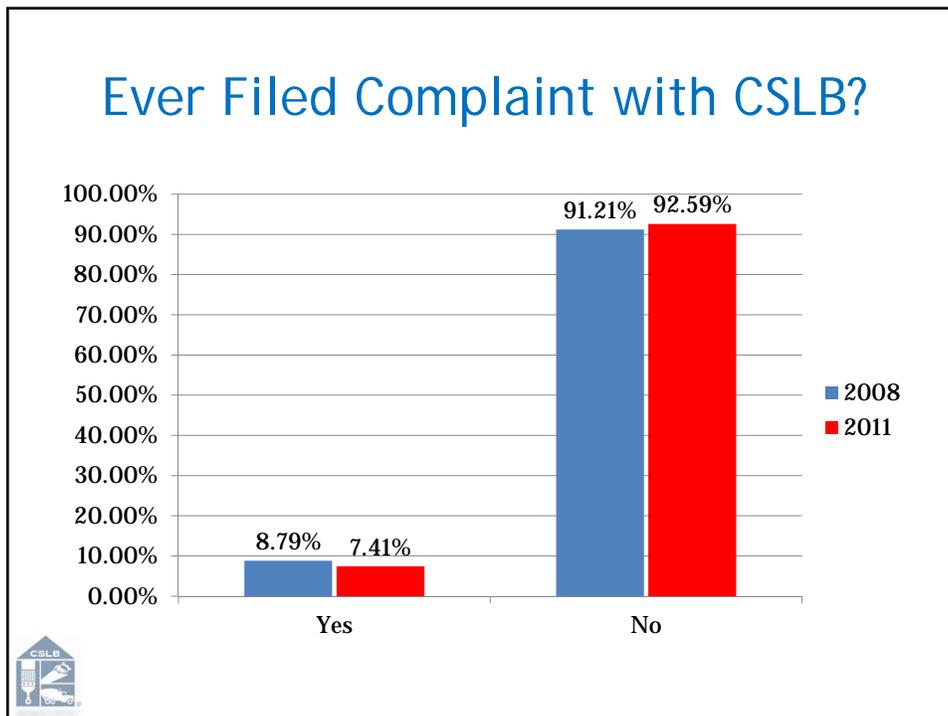
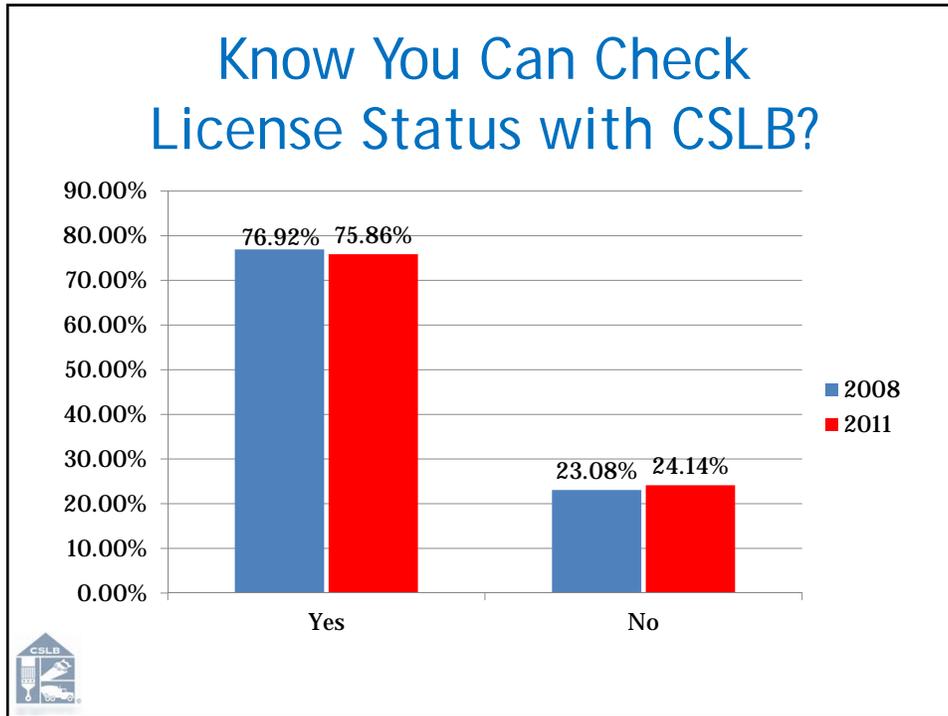












Focus Group Research

- **CSLB Licensees**
- **Total of 8 Sessions Held**
 - 4 in English
 - 4 in Spanish
- **61 Licensees Took Part**
- **Majority Were Business Owners**



Focus Group Research

- **Principal Findings**
 - Consumers Most Often Find Them Through Word-of-Mouth or Referrals from Friends/Relatives
 - Most Have Listing or Ad in Yellow Pages
 - Price is Major Determinant in Getting Job
 - Contractors: Most Important Factor
 - Consumers: One Aspect in Decision Process
 - New Homeowners/Young Couples More Likely to Hire Unlicensed Operators



Focus Group Research

Contractors

- Believe consumers mainly hire unlicensed operators because of price

Consumers

- Say they hire unlicensed operators because they were recommended by family or friends



Focus Group Research

• Positives of Being Licensed Contractor

- Your Own Schedule
- Work is Mostly Outdoors
- Variety/Different Workspace Every Week
- Respect
- Bigger Jobs with Ability to Make More Money
- Not Worried About Going to Jail



Focus Group Research

- **Positive Changes in Industry**
 - **Technology**
 - Internet Research
 - Order Materials Online
 - Email Estimates to Clients
 - **Better & Safer Products**
 - **Green Products**
 - **New Tools**
 - **Better Education Opportunities**



Focus Group Research

- **Positive Changes in Industry**
 - **Better Communication with Clients**
 - **Stricter EPA Laws**
 - **Inspectors are More Knowledgeable**
 - **More Unlicensed Operators are Being Caught**



Focus Group Research

- **Negative Changes in Industry**
 - Too Much Competition
 - Not Enough Work for Everyone
 - Consumers Focus on Low Prices
 - Materials & Gasoline Prices Have Risen
 - Day Laborers
 - Government Bureaucracy
 - Too Much Paperwork
 - Inconsistencies Among Inspectors
 - Increased Tax Burden



Focus Group Research

- **Negative Changes in Industry**
 - Collecting Payments from Clients
 - Consumers with Unrealistic Expectations
 - Impact from TV Home Improvement Shows



Focus Group Research

- **Contact w/CSLB**
 - Majority Aware They Can Report Unlicensed Activity
 - Few Have Actually Done So
 - Many (Particularly Hispanics) Say They Would Not
 - Those Who Have Reported Activity Believe Little is Done by CSLB in Response
 - Majority Monitor their License Status or Status of Competitors



Focus Group Research

- **Principal Thoughts About CSLB**
 - Doesn't Help Contractors Very Much
 - Only Exists to Regulate and Charge Them Fees
 - Makes Consumers Fearful of Them
 - 1/3 Have Seen CSLB's Educational Materials
 - Majority Would be Interested in Utilizing Materials
 - Want to Personalize with Name/License Number
 - Provide More Educational Opportunities



Focus Group Research

- **Educational Opportunities**
 - General Business Issues
 - Writing Contracts
 - Mechanic's Lien Info
 - Tax & Accounting Issues
 - Workers' Compensation Insurance
 - Bidding Big Projects
 - Writing Proposals
 - Ethics and Code of Conduct Training



Focus Group Research

- **Licensee Recommendations**
 - More Educational Opportunities
 - Develop Ratings System for Contractors
 - More Enforcement
 - More Responsive to Tips & Questions
 - Continue to Get Feedback



AGENDA ITEM E

2011-12 Strategic Plan Update





At April 2011 Strategic Planning Session, the Board identified the following Public Affairs actions in order for CSLB to meet challenges and capitalize on opportunities.

1. Further publicize the www.CheckTheLicenseFirst.com website.
 - Added to CSLB Letterhead
 - Added to CSLB Business & ID Cards
 - Added to CSLB Publications
 - Added to all CSLB Press Releases/Industry Bulletins
2. Fine tune CSLB use of social media tools and train staff.
 - Analyzing Results of Analytical Information
 - Researching Facebook/Twitter Tools
 - Developing Procedure so PAO Staff Can Update Social Media Pages
3. Analyze the effectiveness of paid advertising and develop alternatives.
 - Review Campaign Summary Report prepared by Advertising/PR Contractor
 - Determine Possible Individual Contracts where Certified Small Business vendors and/or California Multiple Award Schedules (CMAS) contracts are available for use
4. Create tools to support licensee communications.
 - Research All Opportunities to Encourage Licensees to sign up for E-Mail Alerts
 - Develop "Classification FAQ" Page on Website
 - Develop Platform for Monthly Live "Web Chats"
 - Develop Instructional/Informational Videos
5. Increase the efficiency of Senior Scam StopperSM (SSS) program, potentially training a group of existing statewide staff to minimize travel costs.
 - Developed Marketing Brochure Copy & Legislative Outreach Letter
 - Developed Database of Elderly Demographics by County & Legislators w/Jurisdiction
 - Revised Seminar Program
 - Developed New SSS PowerPoint Presentation
 - Developing New Materials for SSS Web Page
6. Expand Communication and interaction with all types of media, including general market, foreign language, and industry-related outlets.
 - Objective #1 as outlined below



7. Expand content provided via social media websites and examine opportunities to initiate interactive features such as surveys and Web chats.
 - Researching available tools and how they can be utilized
 - Sample survey conducted with CSLB employees via SurveyMonkey
8. Expand video production with focus on educating various stakeholders, including applicants, licensees, consumers, and CSLB staff.
 - Work with Various Division Staff to Develop Subject List of Potential Videos
 - Work with DCA's Office of Public Affairs Video staff to Produce Videos
 - Work with IT staff to Post on YouTube, and Embed on CSLB Website
9. Consolidate CSLB's educational materials into a more manageable group of publications.
 - Developing New Graphic Presentation for Both Flagship Publications
10. Attempt to maintain outreach efforts despite an Executive Order restricting PAO staff travel.
 - Submit Travel Exemption Requests Based Upon Need

The Board also approved the following three objectives and due dates for the Public Affairs Committee:

- | | |
|---|---|
| 1. Establish Expanded Media Outreach Plan | Target Date: 3 rd Quarter 2011 |
| 2. Create new flagship consumer education publication | Target Date: 4 th Quarter 2011 |
| 3. Create new flagship applicant/licensee education publication | Target Date: 1 st Quarter 2012 |

Following are updates on the three objectives:

#1 Establish Expanded Media Outreach Plan

Current Status

In Progress – On-Target for completion in 3rd Quarter or early 4th Quarter

Background

Over the past several years CSLB's Public Affairs Office has had great success with its media outreach efforts, both proactive and reactive. Those efforts have included:

- Press Releases (English & Spanish)
- Press Events (English & Spanish)
- Video Production



- Response to Media Inquiries (English & Spanish)
- Disaster Outreach (English & Spanish)
- Industry Bulletins
- E-Mail Alerts
- Use of CSLB Website
- Social Media

PAO will review previous and current outreach efforts, and consider additional opportunities to extend CSLB's reach.

Timeline to Complete Objective

- **August 2011**
 - Public Affairs Office staff reviews list of current and past outreach efforts
 - Public Affairs Office staff research other private & public agencies to determine additional outreach opportunities
- **September 2011**
 - Public Affairs Office staff develop outreach calendar for remainder of FY 2011-12

#2 Create new flagship consumer education publication

Current Status

In Progress – Will likely be delayed beyond 4th Quarter due to open, unfilled position (Publications Coordinator)

Background

CSLB produces upwards of three dozen different publications. These include an annual law book, various reports, a Building Official Guide, as well as cards, brochures and booklets targeted to consumers, licensees, and applicants. The publications are available to download from the CSLB website. CSLB also mails copies of the publications to interested parties for free.

Seventeen (17) publications are currently targeted to consumers. The vast majority are in the form of tri-fold brochures. It takes a significant amount of Public Affairs Office staff time to update and produce these brochures. In addition, consumers seldom order just one publication for shipment, so warehouse staff must gather multiple materials for shipment.

The decision was made to combine the multiple brochures into one flagship consumer education publication.

Timeline to Complete Objective

- **August-September 2011**
 - Public Affairs Office staff reviews current publications to determine overlap & topics for consumer publication



- Graphic Designer begins developing design layout concepts for publication
- **September-October 2011**
 - Public Affairs staff develops copy
 - Graphic Designer finalizes layout design
- **November-December 2011**
 - Public Affairs staff gets copy approved by appropriate CSLB staff and stakeholders
 - Graphic designer puts approved copy into publication layout
- **First Quarter 2012**
 - Graphic designer coordinates print production and publication delivery

#3 Create new flagship applicant/licensee education publication

Current Status

Not Started – Will be delayed beyond 1st Quarter due to open, unfilled position (Publications Coordinator)

Background

As noted above, CSLB currently produces eight applicant/licensee-related publications. The decision was made to combine the multiple publications into one flagship applicant/licensee education publication.

Timeline to Complete Objective

- **First Quarter 2012**
 - Public Affairs Office staff reviews current publications to determine overlap & topics for applicant/licensee publication
 - Graphic Designer begins developing design layout concepts for publication
- **First-Second Quarter 2012**
 - Public Affairs staff develops copy
 - Graphic Designer finalizes layout design
- **Second Quarter 2012**
 - Public Affairs staff gets copy approved by appropriate CSLB staff and stakeholders
 - Graphic designer puts approved copy into publication layout
- **Third Quarter 2012**
 - Graphic designer coordinates print production and publication delivery

AGENDA ITEM F

Adjournment

