

FEBRUARY 19, 2014  
BURLINGAME, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Board Meeting





## CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 95827  
Mailing Address: P.O. Box 26000, Sacramento, CA 95826  
800-321-CSLB (2752)  
[www.cslb.ca.gov](http://www.cslb.ca.gov) • [CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

### NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting at 9:00 a.m. on Wednesday, February 19, 2014, in Sandpebble Rooms A, B, C at the Hyatt Regency, 1333 Bayshore Highway, Burlingame, CA 94010, phone (650) 347-1234. There will be a live webcast of the meeting.

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 CSLB 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 meeting is 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 contacting Erin Echard at (916) 255-4000 or by sending a written request to 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.

### AGENDA

**February 19, 2014**

**9:00 a.m. – 3:00 p.m.**

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Review and Approval of December 10, 2013, Board Meeting Minutes
- E. Enforcement Committee Report
  - 1. Enforcement Program Update
  - 2. Possible Update of Electrician Certification Enforcement Policy
- F. Public Affairs Committee Report
  - 1. Public Affairs Program Update

CONTINUED

G. Legislative Committee Report

1. Legislative Program Update
2. Review and Approval of Recommended Staff Position to Add Photographs to Pocket Card and Home Improvement Salesperson Registration

H. Licensing Committee Report

1. Licensing Program Update
2. Testing Program Update

I. Executive Committee Report

1. Administration Update
2. Information Technology Update
3. Budget Update
4. Review and Approval of the 2014 Board Member Administrative Procedure Manual
5. Review of the 2013 Accomplishments and Activities Report
6. Status of 2013-14 Strategic Plan Objectives
7. Review of 2014-15 Strategic Planning Process

J. Review of Tentative Board Meeting Schedule

K. Adjournment

# AGENDA ITEM A

## Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

### Board Member Roster

KEVIN J. ALBANESE

ED LANG

AGUSTIN BELTRAN

JOHN O'ROURKE

LINDA CLIFFORD

BRUCE RUST

DAVID DIAS

FRANK SCHETTER

JOAN HANCOCK

PAUL SCHIFINO

PASTOR HERRERA JR.

NANCY SPRINGER

ROBERT LAMB



## AGENDA ITEM B

# Chair's Remarks and Board Member Comments

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

Board members may comment on issues not on the agenda; they may not debate or vote on issues not included on the agenda notice.



# AGENDA ITEM C

## Public Comment Session

Members of the public may address the Board at this time on matters that are not on the agenda. However, because such matters are not on the agenda, the Board may not take action at this meeting. The Board Chair will allow public comment during other agenda items at his/her discretion.

### BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board shall not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending or criminal administrative action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
  - (a) Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
  - (b) Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
- (3) The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.



## AGENDA ITEM D

# Review and Approval of December 10, 2013, Board Meeting Minutes





# CONTRACTORS STATE LICENSE BOARD

## BOARD MEETING MINUTES

**Tuesday, December 10, 2013**

### **A. CALL TO ORDER**

Board Chair Joan Hancock called the meeting of the Contractors State License Board (CSLB) to order at 1:00 p.m. on Tuesday, December 10, 2013, in the Cabernet Room at DoubleTree by Hilton, located at 13111 Sycamore Drive, Norwalk, CA 90650. A quorum was established.

Board Member David Dias led the Board in the Pledge of Allegiance.

#### Board Members Present

Joan Hancock, Chair  
David Dias, Vice Chair  
Ed Lang, Secretary  
Pastor Herrera Jr.  
Kevin J. Albanese  
Robert Lamb

Matthew Kelly  
Frank Schetter  
Bruce Rust  
Paul Schifino  
Linda Clifford  
Nancy Springer

#### Board Members Excused

John O'Rourke

#### CSLB/DCA Staff Present

Stephen Sands, Registrar  
Cindi Christenson, Chief Deputy Registrar  
Karen Robinson, Licensing Chief  
Don Chang, Legal Counsel  
Kurt Heppler, Legal Counsel

David Fogt, Enforcement Chief  
Rick Lopes, Public Affairs Chief  
Erin Echard, Executive Office  
Laura Zuniga, Legislative Chief

#### Public Visitors

Ken Grossbart  
Steve Lehtonen  
Rick Pires  
Nancy Mathias  
Richard Markuson  
Cher Danley  
Vicki Hightower  
Angelika Austin

Phil Vermeulen  
Tony Forchette  
Margi Grein  
Tony Elmo  
Joe Upchurch  
Gal Bigaleizn  
Joe Lopez  
Bruce Rudmes

### **B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS**

Board Chair Joan Hancock opened the meeting by thanking CSLB Norwalk staff for office tours, and congratulated Jeneece Hards on her retirement. Ms. Hancock also expressed appreciation to the staff members who put together the Board packet. Frank Schetter's birthday was recognized in song.



**C. SPECIAL AGENDA ITEM**

Board Chair Joan Hancock introduced the special agenda item meant to memorialize the passing of a legal giant in the construction industry, Sam K. Abdulaziz. She turned the meeting over to Registrar Steve Sands who shared some of his special memories of Mr. Abdulaziz. He was followed by Board Member Matt Kelly; industry representatives Rick Pires, Phil Vermeulen, and Steve Lehtonen; Nevada Contractors Board Executive Officer Margi Grein; Chief of Enforcement David Fogt; Sam's business partner Ken Grossbart; and Sam's son Mike Abdulaziz. Mike Abdulaziz also thanked everyone for the special tribute to his father on behalf of the entire family.

**D. PUBLIC COMMENT SESSION**

Gal Bigaleizn offered a suggestion for the application process regarding license qualifiers.

Joe Lopez expressed displeasure with staff and was dismissed to speak with Assistant Enforcement Deputy Chief Christina Delp.

Steve Lehtonen praised CSLB staff on excellent Board meeting preparation.

**E. REVIEW AND APPROVAL OF THE SEPTEMBER 6, 2013, BOARD MEETING MINUTES**

Motion to Approve the September 6, 2013, Board Meeting Minutes

**MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member David Dias to Approve the September 6, 2013, Board Meeting Minutes. The motion carried unanimously, 12-0.**

**F. ENFORCEMENT COMMITTEE REPORT**

Enforcement Committee Chair Ed Lang informed the Board that 25 new vehicles were delivered and that new peace officer training will be available for Enforcement staff.

**1. Review and Approval of the October 21, 2013, Enforcement Committee Meeting Summary Report**

Motion to Approve the October 21, 2013, Enforcement Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Kevin J. Albanese to Approve the October 21, 2013, Enforcement Committee Meeting Summary Report. The motion carried unanimously, 12-0.**



**2. Enforcement Program Update**

Board Chair Joan Hancock and Enforcement Committee Chair Ed Lang recognized Riverside Deputy District Attorneys Elise Farrell and Homan Hosseinoun for partnering with CSLB and their commitment to consumer protection. Chief Fogt advised the Board that two Enforcement Representative (investigator) positions were redirected to the Intake and Mediation Centers (IMCs) for issuance of citations relating to workers' compensation insurance and permit violations. Chief Fogt detailed activity in the IMCs, Investigative Centers, Case Management, and SWIFT. He also provided updates on the Public Works Unit, staffing vacancies, general complaint-handling statistics, and the fall California Blitz.

Senior Peace Officer Deidre Green updated the Board on the effective training CSLB Peace Officers received as well as high profile elder abuse investigations.

A special tribute was made to DCA Supervising Legal Counsel Don Chang, who will no longer serve as primary legal counsel for CSLB due to his well-deserved promotion as DCA's Assistant Chief Counsel.

**3. Possible Update on Electrician Certification Policy**

Registrar Steve Sands informed the Board that the Department of Industrial Relations may be reviewing the criterion that requires certification of electrical workers; however, he is unaware of changes or other formal action.

**G. PUBLIC AFFAIRS COMMITTEE REPORT**

Public Affairs Committee Chair Pastor Herrera Jr. informed the Board that a student assistant will be added to staff and that the 300<sup>th</sup> Senior Scam Stopper Seminar is scheduled for Salinas in January 2014. The NASCLA newsletter has been included in the Board Packet and includes impressive coverage of CSLB.

**1. Public Affairs Program Update**

Public Affairs Chief Rick Lopes gave community outreach, publication, and Internet highlights to the Board (including working with IT to provide a new look and feel to the CSLB public website by spring 2014), and noted that new video production equipment has been purchased and will be used to film Board meetings.

**H. LEGISLATIVE COMMITTEE REPORT**

Legislative Committee Chair Paul Schifino provided the Legislative Report and Chief of Legislation Laura Zuniga provided an update on pending legislation.

**1. Review and Approval of the November 18, 2013, Legislative Committee Meeting Summary Report**



Motion to Approve the November 18, 2013, Legislative Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member David Dias to Approve the November 18, 2013, Legislative Committee Meeting Summary Report. The motion carried unanimously, 12-0.**

**2. Review and Consideration of Recommended Legislative Proposals for the Upcoming Legislative Session**

**a. Amendment to B&P Code Section 7011.4 – NTA Authority**

Motion to Approve the Amendment to B&P Code Section 7011.4

**MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member Kevin J. Albanese to Approve the Amendment to B&P Code Section 7011.4. The motion carried unanimously, 12-0.**

**b. Amendment to B&P Code Section 7027.2 – Content of Advertisements by Unlicensed Contractors**

Public Comment:

- Richard Markuson supports the goal but suggests minor changes to language.
- Phil Vermeulen would like to see a change that includes labor and materials limits.

Motion to Approve the Amendment to B&P Code Section 7027.2

**MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member David Dias to Approve the Amendment to B&P Code Section 7027.2 with authority delegated to Legislative Committee Chair Paul Schifino to approve final language. The motion carried unanimously, 12-0.**

**c. Amendment to B&P Code Section 7110.5 – Initiation of Complaint after Labor Commissioner’s Finding of Violation**

Motion to Approve the Amendment to B&P Code Section 7110.5

**MOTION: A motion was made by Board Member Linda Clifford and seconded by Board Member Nancy Springer to Approve the Amendment to B&P Code Section 7110.5. The motion carried unanimously, 12-0.**

**d. Addition of B&P Code Section to Create Evidence Fund**



Motion to Approve the Addition of B&P Code Section to Create Evidence Fund

**MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member David Dias to Approve the Addition of B&P Code Section to Create an Evidence Fund. The motion carried unanimously, 12-0.**

## **I. LICENSING COMMITTEE REPORT**

Licensing Committee Chair Frank Schetter noted that the Licensing Committee met in Sacramento on October 21, 2013. In addition to staff updates, Licensing division staff provided a presentation on the experience verification process CSLB uses to verify an applicant's journey-level experience prior to licensure.

### **1. Review and Approval of October 21, 2013, Licensing Committee Meeting Summary Report**

Motion to Approve the October 21, 2013, Licensing Committee Meeting Summary Report

**MOTION: A motion was made by Board Member David Dias and seconded by Board Member Robert Lamb to Approve the October 21, 2013, Licensing Committee Meeting Summary Report. The motion carried unanimously, 12-0.**

### **2. Licensing Program Update**

Licensing Chief Karen Robinson advised the Board that a live presentation and webinar about experience verification was well received. She also reported on the licensing application workload and processing times, and progress in the LLC, Workers' Compensation, Criminal Background, Licensing Information Center (call center), and Judgment Units.

### **3. Testing Program Update**

Karen Robinson provided updates on the Examination Administration Unit, eight testing centers, staff recruitment efforts, and testing wait times. The Testing Chief position is now vacant. There will be 2 new code update workshops for C-55 Water Conditioning and C-57 Well Drilling license classifications.

### **4. Review and Approval of CMEA Committee Proposal Regarding Grants to Qualifying Programs**

Licensing Committee Chair Frank Schetter provided a brief background about the Construction Management Education Account (CMEA), which was established for the benefit of qualified post-secondary institutions that offer specified construction management education programs.



Motion to Approve the CMEA Committee Proposal Regarding Grants to Qualifying Programs

**MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Pastor Herrera Jr. to approve the CMEA Committee Proposal Regarding Grants to Qualifying Programs. The motion carried unanimously, 12-0.**

**J. EXECUTIVE COMMITTEE REPORT**

Executive Committee Chair Joan Hancock noted that the committee met in Sacramento on November 18, 2013, where the committee was briefed on a Southern California economic summit she attended that included statewide business leaders, educators, foundations, state and local government agency representatives, legislators, and others who discussed important state issues. Ms. Hancock stated that the summit was eye-opening and encouraged anyone interested to Google the California Economic Summit. She also noted that the committee meeting included IT and budget updates, discussion of the strategic planning process, and review of the Board Member Administrative Procedure Manual.

**1. Review and Approval of the November 18, 2013, Executive Committee Meeting Summary Report**

Motion to Approve the November 18, 2013, Executive Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Bruce Rust and seconded by Board Member Kevin J. Albanese to Approve the November 18, 2013, Executive Committee Meeting Summary Report. The motion carried unanimously, 12-0.**

**2. Administration Update**

Chief Deputy Registrar Cindi Christenson provided updates on the Business Services Unit, including facilities that will receive new conference room furniture. There are 39 staff vacancies and personnel examinations continue.

**3. Information Technology Update**

Cindi Christenson notified the Board that CSLB is part of Phase 3 of BreEZe, which is now projected to go live by the end of 2015. CSLB now has a redundant data back-up system in Fresno. IT staff are working on the disclosure of partnering agencies disciplinary action project.

**4. Budget Update**

Cindi Christenson gave updates on the Fiscal Year Budget and Expenditures line items. She noted there was a 2 percent drop in revenue mainly due to an increase in renewal delinquencies. The CMEA fund is low and CSLB is working on solutions to maintain the gifting program.



**5. Review of Strategic Planning Process**

Registrar Steve Sands gave an update on the status of current objectives and a quick overview of the April Strategic Planning Meeting in San Diego.

**K. REVIEW OF TENTATIVE SCHEDULE**

Registrar Steve Sands informed the Board that the next meeting will take place on February 19, 2014, in the San Francisco Airport Bay Area.

**L. ADJOURNMENT**

Board Chair Joan Hancock adjourned the Board meeting at 3:38 p.m.

\_\_\_\_\_  
Joan Hancock, Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Stephen P. Sands, Registrar

\_\_\_\_\_  
Date

# AGENDA ITEM E

## Enforcement Committee Report



# AGENDA ITEM E-1

## Enforcement Program Update





### INTAKE AND MEDIATION CENTERS

**IMCs**  
**Financial Settlement Amount**  
**(CY 2013)**

• \$ 8,845,442.09

### **IMC Financial Settlements Increase 20 Percent**

The IMC increased financial settlement amounts in calendar year (CY) 2013 by 20 percent and sustained a 40 percent settlement rate on all licensee complaints. Consumer services representatives (CSR) assisted in protecting California consumers' construction projects, with settlement amounts ranging from a few hundred to thousands of dollars. Below are some case examples.

#### **Botched Kitchen Remodel Leads to Large Settlement**

A homeowner hired a general contractor to perform a complete kitchen remodel, but found many items to be deficient when the job was completed. The contractor was unwilling to correct several items when the homeowner asked; items included popping and cracked tiles, trim, lighting, painting, and texturing issues. The homeowner had paid \$42,000 of a \$60,000 contract and was concerned that the work would never be completed to his satisfaction. A Sacramento CSR was able to negotiate a settlement for the homeowner, which included correction of all deficient items and a refund of \$30,000. In addition, the contractor waived the remaining amount owed on the contract, which added up to \$47,000 savings for the homeowner.

#### **Complete Refund on HVAC Contract**

An elderly homeowner's son filed a complaint on behalf of his mother, who he believed was coerced into an \$11,000 HVAC change-out including all new ducts, vents, and attic insulation. The contractor illegally charged the entire contract amount on the mother's credit card prior to performing any work. The son tried to cancel the contract on behalf of his mother. After the son talked to a Norwalk CSR, the CSR contacted the contractor and was able to obtain a complete refund and a written settlement agreement. The contractor's actions will be reviewed by a CSLB peace officer to determine if elder abuse has occurred.

#### **Minor Cabinet Corrections**

A homeowner hired a contractor to install custom cabinets for nearly \$2,000. The cabinets were installed and the contractor was paid in full for the work. The homeowner closely looked at the work and was not happy with several small areas that stood out and needed to be repaired. The contractor was contacted but made no effort to make the repairs. A Sacramento CSR contacted the contractor and convinced the contractor to correct the work for the homeowner.



**PG&E Partnership Status**

In July 2013, CSLB Enforcement staff met with senior management from PG&E to discuss partnering to prevent public safety being jeopardized when contractors strike gas lines. A majority of strikes are due to contractors' negligence (failing to call in advance to have the gas lines properly marked).

An update of the partnering status was provided by PG&E in January 2014, which indicated that no gas lines that were properly marked have been hit, and that there has been a 130 percent increase in requests for markings.



**CSLB BUILDING PERMIT ENFORCEMENT PROGRAM**

When a contractor fails to pull a local building permit before performing improvement work, it is a violation of Business and Professions (B&P) Code sections 7110 and 7090. Contractors who violate the law are subject to disciplinary action by CSLB, including:

- Civil penalty assessments of up to \$5,000 per violation,
- An order of correction that requires payment of permit fees and any assessed penalties imposed by the local building department, and
- Suspension or revocation of the license.

On June 11, 2009, CSLB’s Board voted unanimously to place a high priority on enforcing building permit requirements. Multiple CSLB educational items subsequently were developed and issued, including the launch of a statewide informational campaign, CSLB industry bulletins and news releases, and multiple newsletter articles to alert licensees that CSLB would be accelerating building permit enforcement efforts, beginning in January 2010. CSLB’s Public Affairs Office and the Enforcement division have provided continuous education to contractors regarding building permit requirements.

**Outreach**

Date	Source	Content
2009	Public Affairs	“Don’t Dig Yourself into a Hole” (Educational campaign for contractors, owner-builders, building departments; owner-builder brochures and posters distributed to approx. 500 local building departments)
Summer 2009	CLC	“Don’t Dig Yourself into a Hole Over Building Permits” – newsletter article
November 2009	Industry Bulletin	“Contractors State License Board Alerts Contractors to Renewed Enforcement of Building Permits in January 2010”
Winter/Spring 2010	CLC	“Attention C-20 Contractors!” (Contractors not pulling permits are financially responsible for injuries related to their work; building departments may issue Stop Notices)
Summer 2010	CLC	“Active Enforcement of Building Energy Efficiency Standards” (CEC, CSLB team to investigate and conduct enforcement operations that target potential violators)
July 2010	Contractor Letter	Enforcement division distributes 17,000 educational letters to HVAC contractors re: Title 24 and building permit requirements
August 2010	News Release	Undercover sting operation targets unlicensed HVAC contractors and others who fail to pull building permits that help meet energy standards
Fall 2011	CLC	“Avoiding HVAC Permits Can Subject You and Your Customers to Fines” (Failure to obtain HVAC permit may result in CSLB and/or CEC discipline)
November 2011	News Release	“Changing Your HVAC System? Don’t Forget Permits”
Summer 2012	CLC	“Do You Ever Wonder About Complaints?” (Complaints made to CSLB



		may result in disciplinary action taken if a permit is not obtained)
Spring 2013	CLC	“Remember Building Permits to Avoid License Penalties” (Failure to obtain permits can result in discipline under B&P 7090 specifically HVAC also requiring HERS testing)
Fall 2013	CLC	Only 10% of the 400,000 HVAC units sold in 2012 obtained permits for installation

CLC = *California Licensed Contractor* quarterly newsletter

**Zero Tolerance**

CSLB has publically stated its zero tolerance for contractors who fail to obtain a building permit, and that evidence of a contractor violation likely will result in an administrative action against a license. In addition to the zero tolerance philosophy are three areas of focus:

**HVAC Contractors**

Contractors in this specialty classification have one of the worst building permit compliance rates of all trades; studies have shown a compliance rate of less than 10 percent. CSLB continues to partner with the industry to improve the compliance rate.

**Building Department and Partner Agency Complaints**

Local building departments, and the California Energy Commission and Department of Housing and Community Development require building permits of their stakeholders. CSLB encourages these agencies to partner and change contractor behavior by filing building permit complaints. CSLB has a designated consumer services representative (CSR) in its Intake and Mediation Center (IMC) to screen these complaints and two enforcement representatives (ER) to take the appropriate disciplinary action.

**Building Permit Violation Referral**

The Building Permit Violation Referral, or complaint, form was developed in 2010 as part of CSLB’s enforcement efforts. The form is a means for consumers, government agencies, and law-abiding contractors to file a complaint against anyone who does not obtain necessary building permits. As stated above, the IMC has dedicated a CSR and ERs to take appropriate disciplinary action.



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**STATE OF CALIFORNIA**  
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**Building Permit Violation Referral**  
 This form is to report any contractor who fails to pull a building permit for construction activity.  
 FAX completed form to: 916.255.4184

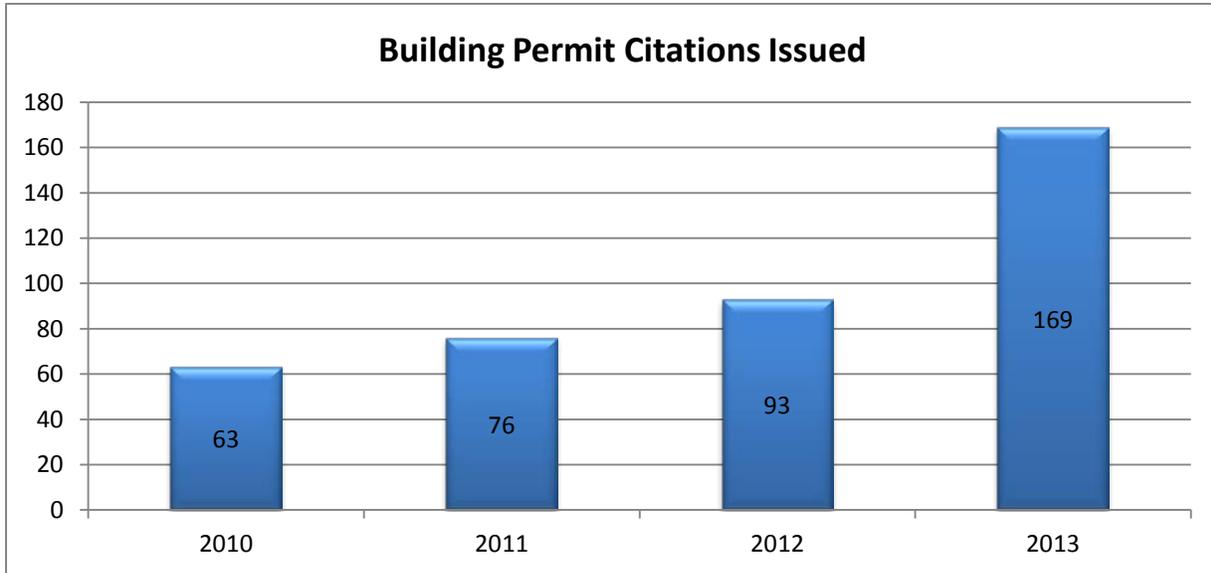
COMPLAINANT				CONTRACTOR INFORMATION			
PLEASE CHECK TO REMAIN ANONYMOUS <input type="checkbox"/>				CONTRACTOR NAME <input type="checkbox"/> HOME <input type="checkbox"/> BUS			
NAME				DBA			
AGENCY OR COMPANY NAME				LICENSE NUMBER			
STREET ADDRESS				STREET ADDRESS			
CITY	COUNTY	STATE	ZIP CODE	CITY	COUNTY	STATE	ZIP CODE
PHONE NUMBER	E-MAIL ADDRESS			LICENSE NUMBER	WERE EMPLOYEES PRESENT? IF YES, HOW MANY? <input type="checkbox"/> YES <input type="checkbox"/> NO		
PROJECT INFORMATION (if available)							
OWNER OF CONSTRUCTION SITE AND/OR AWARDED BODY				PROJECT STREET ADDRESS			
STREET ADDRESS				CITY			
CITY	STATE	ZIP CODE		<input type="checkbox"/> RESIDENTIAL <input type="checkbox"/> COMMERCIAL	APPROXIMATE DATE OF WORK		
PHONE NUMBER	DESCRIPTION OF WORK						
DID YOU NOTIFY THE LOCAL BUILDING DEPARTMENT OF WORK BEING DONE WITHOUT A PERMIT? <input type="checkbox"/> YES <input type="checkbox"/> NO							
FOR OFFICE USE ONLY							
COMPLAINT NUMBER	TYPE	DATE	STATUS	DATE RECEIVED	SPECIAL PROJECT	STATE CLIP	ASSIGNED TO SA
LICENSE NUMBER	CLIMATE LETTER	DISPOSITION	DATE ALIGNED	STATUS CHANGE			
				YES	NO	DATE	DATE

Shown below, building permit complaints have leveled off after substantial increases when the complaint form was first introduced.





There has been a 268 percent increase in building permit citations issued from calendar year 2010 to 2013. This chart only includes single-violation building permit citations.



### **2014 HVAC Permit Compliance Initiatives**

#### **Contractor Bid Packet**

HVAC contractors will become ambassadors to help assure proper materials and installation standards are used on projects through an information packet being created by the Public Affairs Office and Enforcement. The packet will help educate prospective customers through printed hand-out materials that explain the benefits of obtaining a building permit and conducting inspections. The packet will contain:

- An educational flier to help inform a contractor's clients about the potential for a 300 percent financial return on investment and a benefit to the community and environment;
- Tips for hiring a responsible contractor; and
- Permit information and other general business requirements.



### HVAC Inspection Program

Selected consumers will be encouraged to have their HVAC units inspected for proper installation, which will include obtaining a building permit and ensuring the work passes a final inspection. The program will include:

- Free inspection for an HVAC unit that was installed within the past four years;
- Inspection performed by a HERS rater that is certified by the California Energy Commission to determine if an HVAC system is working efficiently; and
- Building permit fees and work needed to be performed to comply with code requirements will be performed and paid for by the installing contractor.

### HVAC Equipment Tracking via Serial Numbers

A pilot program continues to be explored whereby serial numbers for HVAC equipment purchased in California would be tracked and stored into a database. The data, through joint enforcement efforts, would help ensure that energy efficiency standards are being met during HVAC installations. Contractors under investigation would be required to provide building permits to match the units purchased and installed.



**INVESTIGATIVE CENTERS**

**ICs  
Financial Settlement Amount  
(2013 CY)**

• \$ 3,283,729.06

**Unscrupulous Contractor Takes Over Home**

A Valencia enforcement representative (ER) investigated two complaints against unlicensed contractor Eric Faber (dba The Westside Company), who was convicted of felony burglary and grand theft charges in 1999. In the first case, Faber contracted with a couple who live in Switzerland but own a vacation home in Thousand Oaks. He agreed to remodel their 3500 square foot house, which included new flooring, electrical, landscaping, painting, driveway repair, and a new gazebo. The contract was for \$338,850 but Faber was paid \$406,647.33. While the homeowners were in Switzerland, Faber and his wife moved into the house without their permission, had personal packages delivered to the house, conducted business out of the house, and slept and showered there. Faber stole two Belgian classic roll arm couches worth \$7,500 each and sold them to a realtor. He also stole two gold Italian bracelets and sold them to a jewelry store in Westlake Village. These crimes were investigated by a private investigator and reported to the Ventura County Sheriff's Department; the Sheriff's Department was able to obtain video of Faber entering the jewelry store with the bracelets and displaying his I.D.

The homeowner continued to receive emails from Faber requesting more money, which prompted them to contact their company CFO to perform an accounting of all the money spent. When confronted and asked for receipts and documentation, Faber refused to cooperate and abandoned the job.

In the second investigation, Faber contracted to perform a remodeling job for \$105,527. He was paid \$106,112.40. The project went smoothly in the beginning but Faber constantly made promises he would not keep and failed to follow through on many project items. He never provided the warranty for new appliances so when the appliances broke down, the homeowners were not able to have them fixed. He began to ask for more money, beyond the contracted amount. He deviated from the contract: the homeowners requested a single bowl sink, he installed a double sink; they asked for a particular brand of kitchen cabinets, he installed a different brand. At one point, Faber tried to extort the homeowners, telling them that if they did not pay an additional \$5,000 he would not finish the job. The homeowners ended up paying Faber \$4,900 more. He then emailed them, saying his attorney advised him to stop all projects because of a legal dispute he was in with one of their neighbors.



On October 1, 2013, the ER filed criminal charges with the Ventura County District Attorney's (DA) office for violations of Business and Professions Code section 7028, contracting without a license; section 7027.1, advertising; and Penal Code section 532, obtaining money, labor or property by false pretense. Faber was arraigned on December 6, 2013, whereby he pleaded guilty to the charges, was sentenced to 45 days in jail, received three years' probation, with restitution to be determined. The ER has recommended restitution in the amount of \$512,759.73.

### **Financial Elder Abuse**

In January 2008, Roberto Hernandez, sole owner of Hernandez Custom Builders, entered into a \$225,000 contract to seismically retrofit a commercial building in Gilroy. By August 2008, much of the work remained to be performed even though Hernandez had received payments totaling \$230,000. When the property owner, a 90-year-old woman, was hospitalized in December 2008, Hernandez visited her. Although he brought her flowers, Hernandez also told her he needed more money to finish the project and was given a check for an additional \$50,000. The project, however, wasn't finished and, in February 2009, Hernandez obtained another check for \$20,000 after promising to finish the work. He also delivered a change order that increased the contract price by \$110,000, but the owner didn't sign it. Following the owner's death in July 2009, Hernandez continued to work on the project, though only sporadically for a day or two at a time until completely abandoning the project in August 2011. Two months later he filed for bankruptcy protection.

The property heirs filed a complaint against Hernandez and the investigation, conducted by a San Francisco IC investigator, found that it cost \$104,500 to correct and complete the project, and that Hernandez failed to pay for engineering costs after having received funds specified for that purpose. A referral was made for accusation for violations that included abandonment, diversion of funds, poor workmanship, exceeding the contract amount, willful or fraudulent acts and lack of reasonable diligence. A referral also was made to the Santa Clara County DA, requesting criminal prosecution for elder financial abuse and theft by diversion of construction funds. Jurisdiction was preserved administratively under the 18-month provision of B&P Code section 7091 and criminally under the four-years from discovery provision of Penal Code section 801.5.

Unfortunately, the Santa Clara County DA's Elder Abuse Unit declined to prosecute due to the death of the victim and the time that had passed before the heirs filed the CSLB complaint. The filing of the accusation is pending.

### **Unlicensed Landscaper Reoffends While on Probation**

An investigation that was initiated following a lead to the SWIFT unit resulted in an NTA being issued and the subsequent conviction of Salvador Galvan in October 2012 for contracting without a license and failure to maintain workers' compensation insurance. Galvan was sentenced to only a fine and twelve months' probation.



In May 2013, while still on probation, Galvan advertised for landscaping services and used another person's contractor license. He obtained a \$36,000 contract to install landscaping and construct two pergolas and an outdoor kitchen at a newly constructed Morgan Hill residence. After paying Galvan over \$25,000, the homeowner terminated him for gross incompetence. All of the work Galvan and his employees performed will need to be removed at a cost of \$60,000 to correct the poor workmanship and complete the project.

Galvan also obtained a landscaping contract at neighboring property to install sod, a sprinkler system and concrete slabs and walkways for \$21,000. Galvan's employees installed the sod below the elevation of the concrete, making it difficult to use a lawn mower, and soon after the concrete was poured it began to crack. Further, the sprinklers do not work. Galvan had been paid over \$18,000 and it cost the homeowner another \$19,000 just to remove and replace the defective concrete work.

Investigation of the consumer complaints was conducted by the San Francisco IC peace officer. A referral to the Santa Clara County DA was made, requesting criminal prosecution for advertising without a license, fraudulent use of a license, contracting without a license, receiving an excessive down payment, and failure to maintain workers' compensation insurance.

### **Contractor Caught Diverting Funds**

CSLB investigated half a dozen multi-jurisdictional complaints received against Steven Foster dba Foster's Petroleum Testing. Foster was contracted to perform an Enhanced Vapor Recovery (EVR) upgrade, per state Air Resources Board requirements. Foster, however, was stealing deposits from gas station owners and never performing any work. On November 26, 2013, Foster pleaded guilty to one felony count of Penal Code section 484b (diversion of funds) based on a criminal referral made to the San Joaquin DA's office. As part of the plea agreement, Foster recently paid \$4,150 in restitution that was ordered by the court to one gas station owner who, unfortunately, defaulted on his mortgage. The restitution went to the holding company running his business, but it was restitution nevertheless. The investigations resulted in referrals to various county DAs and a federal indictment by the FBI. Foster's license was revoked on April 21, 2011.



**CY 2013 GENERAL COMPLAINT-HANDLING STATISTICS**

It has been determined that a manageable level of pending complaints for all current CSLB staff is **2,905**. As of December 2013, the pending caseload was **2,889**.

The Board objective is for ERs assigned to the nine Investigative Centers (ICs) to investigate and appropriately disposition 10 complaints per month. The maximum working case load for ERs has been established at 35 per ER. CSLB has 51 ERs; therefore, the nine ICs have the capacity for 1,785 open complaints. As of December 1, 2013, the ICs had a total of 1,769 complaints open and under investigation.

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 outlines how CSLB determines manageable caseloads:

<b>Job Classification</b>	<b>Current Number of Staff</b>	<b>Closure Goal per Month</b>	<b>Preferred Cycle Time (months)</b>	<b>Maximum Caseload per ER</b>	<b>Maximum Number of Cases per Classification</b>
<b>ERs</b>	51	10	4	<b>35</b>	1,785
<b>CSRs</b>	28	30	2	<b>40</b>	1,120
<b>TOTAL</b>					<b>2,905</b>

In February 2006, the Board adopted the following Enforcement Objectives regarding complaint-handling:

- **MAINTAIN ER I PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
  - ✓ In CY 2013, ERs closed an average of 10 complaints per month.
- **INCREASE THE LICENSEE COMPLAINTS SETTLED TO 30 PERCENT**
  - ✓ Licensee complaints settled in the IMC during CY 2013 averaged 40 percent.
- **ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70 PERCENT**
  - ✓ The licensee disposition average in CY 2013 was 69 percent.
- **REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**
  - ✓ Staff's effective management of pending complaints resulted in consistently maintaining the Board's goal; by December 2013, there were only 61 aged cases.

**CASE MANAGEMENT - CY 2013**

<b>CITATIONS ISSUED</b>		
	<b>Licensee</b>	<b>Non-Licensee</b>
<b>Citations Issued</b>	1,209	882
<b>Citations Appealed</b>	560	365
<b>Citation Compliance</b>	714	390
<b>MANDATORY SETTLEMENT CONFERENCES</b>		
<b>Scheduled</b>		324
<b>Settled</b>		199
<b>Civil Penalties Collected</b>		\$1,031,067
<b>Legal Fee Savings</b>		\$1,451,175

<b>ARBITRATION</b>	
<b>Arbitration Cases Initiated</b>	313
<b>Arbitration Decisions Received</b>	300
<b>Licenses Revoked for Non-Compliance</b>	41
<b>Arbitration Savings to the Public – Restitution</b>	\$3,317,058
<b>ACCUSATIONS / STATEMENT OF ISSUES</b>	
<b>Revocations by Accusation (Applicants Revoked)</b>	386
<b>Restitution for Accusations</b>	\$476,181
<b>Statement of Issues (Applicants Denied)</b>	62
<b>Cost Recovery Received</b>	\$274,296.15
<b>Cases Opened</b>	412
<b>Accusations/Statement of Issues Filed</b>	385
<b>Proposed Decisions Received</b>	88
<b>Stipulations Received</b>	92
<b>Defaults Received</b>	199
<b>Decisions Mailed</b>	394



**STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT) - CY 2013**

Each month, SWIFT conducts undercover sting and sweep operations throughout the state. During CY 2013, SWIFT conducted 320 sting and sweep days, resulting in over 1,624 legal actions, including NTAs and citations.

- SWIFT performed 84 sting days during CY 2013, partnering with law enforcement, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. The sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.

As a result of the extensive efforts to combat unlicensed operators, SWIFT was able to achieve the following results:

773	NTAs issued to suspects for contracting without a license, illegal advertising, and workers' compensation (WC) insurance violations
32	Licensed individuals referred to district attorneys for criminal prosecution of WC violations
823	Licensed and unlicensed individuals issued administrative citations for licensure, advertising, aiding and abetting, and WC violations
592	Stop Orders served on construction employers, prohibiting use of employee labor until workers' compensation insurance is obtained

**Unlicensed Contractor Sentenced in Monterey County**

A Central SWIFT ER investigated a complaint against repeat offender Lavaki Fale, dba Vei Construction and S&JR Construction, an unlicensed operator in Monterey County. Fale told two different homeowners he was licensed and insured. Additionally, employees were found working at job sites and the defendant did not have workers' compensation insurance for them.

Fale was sentenced on January 29, 2014, on one felony count of fraudulent use of a contractor license, in violation of B&P Code section 7027.3, one misdemeanor count of failing to secure workers' compensation insurance in violation of Labor Code section 3700.5, and one misdemeanor count of contracting without a license, in violation of B&P Code section 7028(a).

Fale also was sentenced for a felony violation of probation case involving the same and/or similar charges. On September 23, 2011, the defendant was placed on felony probation and ordered to serve 60 days in custody, which was served through home confinement. In that case, the defendant pled no contest to Business & Professions



Code section 7027.3, fraudulent use of a contractor license number, a felony, and Labor Code section 3700.5, failing to secure workers' compensation insurance, a misdemeanor.

The judge sentenced Fale to five years' probation on the new case and reinstated his probation in the earlier case on the same terms as previously ordered. He was sentenced to 180 days in jail in each of the cases and ordered to pay \$11,000 in restitution to the victims.

The Monterey County Press Release follows.

### **Big Sur Fire Response**

The Enforcement division is working closely with Senator Bill Monning's office to offer assistance to Big Sur residents who have been affected by the Pfeiffer wildfire. Monterey Supervisor Dave Potter's office hosted a Town Hall meeting and invited a Central SWIFT ER to participate to discuss the perils of hiring unlicensed operators and the importance of hiring licensed contractors. The ER visited the affected area and left residents with printed material to help guide them through the rebuilding process. Staff has identified illegal operators in the area and is currently working with local businesses to secure a property for a possible sting operation.

**\* NEWS RELEASE \*****UNLICENSED CONTRACTOR SENTENCED ON FRAUDULENT USE OF  
CONTRACTOR'S LICENSE AND FAILURE TO SECURE WORKERS'  
COMPENSATION INSURANCE FOR EMPLOYEES****FOR IMMEDIATE RELEASE****January 29, 2014****CONTACT: CAROL REED, Deputy District Attorney  
(831) 755-5128**

Monterey County District Attorney Dean D. Flippo announced today that Lavaki Fale, age 45 of Soledad, was in court for sentencing on one felony count of fraudulent use of a contractor's license in violation of Business & Professions Code section 7027.3, one misdemeanor count of failing to secure workers' compensation insurance in violation of Labor Code section 3700.5 and one misdemeanor count of contracting without a license in violation of Business & Professions Code section 7028(a). Mr. Fale was doing business as Vei Construction and S&JR Construction.

The defendant was also sentenced on a felony violation of probation case involving the same and similar charges. On September 23, 2011, the defendant was placed on felony probation and ordered to serve 60 days in custody which was served on home confinement. In that case the defendant pled no contest to Business & Professions Code 7027.3, fraudulent use of a contractor's license number, a felony and Labor Code Section 3700.5, failing to secure workers' compensation insurance, a misdemeanor.

On July 11, 2013, a Monterey City Building Inspector contacted Contractor State Licensing Board [CSLB] Investigator David Leary who investigated the case. The investigation revealed Fale had told two different homeowners he was licensed and insured. Additionally, employees were found working at the sites and the defendant did not have workers' compensation insurance for them.

Judge Pamela L. Butler sentenced the defendant to five years probation on the new case and reinstated his probation in the earlier case on the same terms as previously ordered. The defendant was then sentenced to 180 days in jail in each of the cases to run consecutively with all programs denied. The defendant's terms and conditions of probation include, but are not limited to, obey all laws including Labor Code, Business and Profession Code laws, regulations and other ordinances; pay victim restitution; and pay over \$11,000 in fines. The defendant was remanded into custody after he was sentenced to begin serving his 360 days in County Jail.

Fraudulent use of a contractor's license has a penalty of sixteen months, two or three years in state prison and a fine of up to \$10,000. Additionally, all employers are required to secure workers' compensation insurance for their employees so that there is an assurance of adequate medical coverage and other benefits for employees for any work-related injuries that may occur. Failure to secure workers' compensation insurance has a penalty of up to one year in jail and up to double the amount of the premium owed as a fine payable to the California State Treasury for the Uninsured Employers Fund. Homeowners can check to see if a contractor is licensed by going to the CSLB website at <https://www2.cslb.ca.gov/OnlineServices/CheckLicenseII/CheckLicense.aspx>. The Workers' Compensation Unit of the District Attorney's Office investigates and prosecutes cases involving applicant fraud, employer fraud, premium fraud, provider fraud and employers who do not carry workers' compensation insurance.

**TRAINING UPDATE**

As part of CSLB's Strategic Plan, the Enforcement division has an ongoing commitment to create a training curriculum for staff that includes basic enforcement procedures, a mentoring program, and specialized training. Following is a list of training that has been conducted to date:

- 1. Module 1: Basic Investigative Techniques** **January – June 2012**  
This course was developed by CSLB management staff in conjunction with CSLB retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin. The course was an eight-hour block of instruction about basic investigative techniques, roles and responsibilities of an investigator, effective case management, overview of rules of evidence, and elements to B&P Code sections: 7107 (abandonment), 7116 (fraud), and 7125.4 (false reporting of a WC insurance exemption certificate).
- 2. Module 2: Interview Techniques** **January – June 2012**  
This course was designed to enhance enforcement representatives' interview techniques; understand the importance of obtaining accurate statements, admissions, and confessions; and prepare ERs to provide expert testimony in court and at administrative hearings. The course included a workshop for participants to test their interview skills in several CSLB-related scenarios.
- 3. Bankruptcy Case Law & Impact on Enforcement** **February 2012**  
This one-day course, provided by Supervising Deputy Attorney General (SDAG) Marc Greenbaum and his staff, included an overview of bankruptcy case law and the impact that a bankruptcy filing has on CSLB Enforcement actions as well as a consumer's ability to recover financial losses/restitution.
- 4. Security Assessments for Enforcement Staff** **February 2012**  
Dr. Steve Albrecht discussed workplace violence in addition to violence as a process. Staff learned techniques to identify "danger zones" in the field, the importance of preplanning, scene containment, and scene management. This training helps staff effectively document threatening statements and behaviors.
- 5. Northern California Fraud Investigators Association** **March 2012**  
This three-day course brought together law enforcement, prosecutors, civil attorneys, corporate leaders, insurance personnel, and designated Enforcement staff to address common issues in the fight against fraud. The 2011 conference featured more than 40 guest speakers and had over 400 attendees. Annual anti-fraud education and networking are fundamental to prosecuting fraud and related crimes.



- 6. Improving Enforcement Skills** **April 2012**  
Enforcement staff was invited to learn about interpersonal dynamics and emotional intelligence in this course, given by Sommer Kehrl, Ph.D. Training highlights included personal and social competence skills along with self-management skills that play key roles in successful job performance.
- 7. Advanced Negotiation** **April 2012**  
This interactive seminar focused on advanced techniques and principles for improving negotiation effectiveness. Designated staff attended this training, which concentrated on sharpening existing skills and deepening practical and theoretical knowledge of fundamental principles of successful negotiation.
- 8. Supervisor Training** **June 2012**  
Enforcement Supervisors were invited to attend the Centre for Organizational Effectiveness' Enforcement Supervisor I training held in Sacramento and Norwalk. Supervisors brushed up on techniques to improve their supervisory skills. Enforcement managers served as presenters during the training and discussed CSLB challenges and changes.
- 9. Basic National Certified Investigator/Inspector Training (NCIT)** **June 2012**  
This three-day course provided hands-on training and a certification program in investigation and inspection techniques and procedures. Staff learned specifics regarding professional conduct, principles of administrative law and the regulatory process, the investigative process, and the principles of evidence. In addition, investigators were instructed on interview techniques, report writing, and testifying in administrative and criminal proceedings. Upon completion of the course and successful completion of the final exam, investigators received certification by the Council on Licensure, Enforcement and Regulation (CLEAR).
- 10. Module 3: Effective Report Writing** **Third Quarter 2012**  
This course was designed to assist ERs by enhancing their writing skills to create professional, accurate, and complete investigative reports. Emphasis was given on credibility, proofreading, and ensuring findings will pass scrutiny during a trial or hearing. The class included a practical report-writing exercise and an exercise where participants engaged in a mock trial.
- 11. Elder Abuse Training** **September 2012**  
This two-day course, offered to CSLB peace officers, gave an in-depth look at gypsy and traveler crime, "non-traditional organized crime" groups, crimes committed against the elderly, ruse entry and impostor burglaries, and how to deal with investigative impediments.

**12. Improving Employee Performance & Accountability September/October 2012**

This two-day course, offered by CPS for Enforcement supervisors and managers, stressed the importance of job documentation, communicating expectations, and coaching employees to ensure success. Participants learned steps to identify and establish performance measurements and conduct the Performance Appraisal/Individual Development Plan. Most important, participants learned how to motivate employees to change behavior, and the steps to sustain performance levels.

**13. DCA's Enforcement Academy October/November 2012**

DCA's Enforcement Academy provides a strong foundation of knowledge and practices for employees who perform enforcement functions while creating an opportunity for individuals from all of DCA's boards, bureaus and divisions to network and learn from one another. The Academy is one week long and must be attended in its entirety for successful completion.

**14. Enforcement Supervisor I and II Team-Building Workshop October 2012**

This one-day course, offered by the Centre for Organization Effectiveness, was designed to assist with bridging and team-building between Enforcement Supervisors and Enforcement Managers. Attendees learned ways to improve working relationships and develop strategies to ensure statewide continuity regarding employee hiring, case reviews, calendars, and work expectations.

**15. Professional Assistants Academy December 2012**

This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: the changing role of the office professional; understanding interpersonal style differences; creating a positive image; service orientation; organizational savvy; characteristics of high-performing teams; a writing, proofing and editing lab; career management; communication skills; and negotiation and conflict resolution skills. This course was successful in Southern California last year and is now being offered to Office Assistants, Office Technicians, and Program Technicians in Northern California.

**16. CSLB's Penal Code 832 Equivalent Course January/February 2013**

This four-day course focused on the laws of arrest, search and seizure. The class was offered to Northern California staff from January 7-10 in Sacramento and to southern staff in West Covina February 4-7. The course is similar to the Commission on Peace Officer Standards and Training (POST) course, excluding the hands-on physical methods of arrest (handcuffing and control holds). Staff was required to pass a final exam. The course was taught by Retired Annuitant Doug Galbraith, who has instructed POST's PC832 class for many years at a community college.



- 17. Criminal Investigation Meeting** **March 2013**  
Over 100 Enforcement staff attended Consumer Fraud Investigation and Case Filing presentations that were held throughout the state. Riverside County Senior Deputy DA (DDA) Elise Farrell, DDA Homan Hosseinioun, and Senior DA Investigator Paul Pantani presented an overview of identifying and investigating criminal violations, writing effective reports, and tips for successfully referring a criminal complaint to a local prosecutor.
- 18. SOLID Writing Workshop** **May 2013**  
DCA's SOLID Training Solutions provided a writing workshop to nearly 50 Norwalk staff. SOLID customized the class, which was a blend of their Basic Writing Skills and Effective Business Writing courses specially developed for Enforcement staff. The workshop offered practical hands-on exercises designed to develop skills needed to write clear, complete content to convey a credible message and project a professional image. Class topics included preparing business letters, memos, and professional email; developing an appropriate tone for your audience and purpose; organizing information and prewriting; and revising and proofreading your work.
- 19. DCA's Division of Investigation Peace Officer Training** **June 2013**  
DCA's Division of Investigation developed a customized defensive tactics training module for CSLB peace officers. Peace officers were trained on defensive tactics, development of verbal skills, and investigative strategies.
- 20. Elder Abuse Training with San Diego County DDA** **August 2013**  
CSLB peace officers met with San Diego County DDA Attorney Paul Greenwood to discuss his experiences in prosecuting elder abuse investigations. Greenwood has served as the supervisor of San Diego County DA's Elder Abuse Unit for the last 17 years. Each peace officer was encouraged to bring a pending elder abuse investigation to discuss with the group. DDA Greenwood dispelled several common myths regarding elder abuse investigations and provided a list of elements that need to be present. He also reviewed relevant case law. The information provided to staff will play a crucial role in having more success in the prosecution of these cases.
- 21. Supervisors Training** **January 2014**  
Northern California Enforcement supervisors received training in January, provided by Doug Galbraith, DAG Mike Franklin, ESII Missy Vickrey, and Deputy Chief Christina Delp. During the two-day course, supervisors received training that focused on specific challenges they face on a daily basis and discussed the importance of timely Individual Development Plans and performance evaluations. Supervisors provided positive feedback and appreciated the strategies and real-life examples provided during class.

## AGENDA ITEM E-2

# Possible Update of Electrician Certification Enforcement Policy



# AGENDA ITEM F

## Public Affairs Committee Report



# AGENDA ITEM F-1

## Public Affairs Program Update





# CONTRACTORS STATE LICENSE BOARD

## PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, including Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and intranet content.

### STAFFING UPDATE

PAO is fully staffed with six positions full-time positions and one Student Assistant.

### WEBSITE HIGHLIGHTS

#### Website Redesign Project

PAO staff is working with Information Technology (IT) staff to design and develop an entirely new CSLB website. The website will utilize the latest state templates, and will be adaptable on smart phones and tablets.

The new website will enable an instant license check to be performed from the home page with one click.

The new template also will make content management more efficient. Work on the new site is approximately 90 percent complete, with launch expected this spring.



#### Intranet Redesign Project

PAO continues to create new content for our new employee-only intranet site. The site, called **CSLBin**, was launched on November 18, 2013, and features the latest employee news and photographs, along with an enhanced employee phone list, easier-to-find forms, policies, and other information used by staff around the state.

The CSLB intranet site is completely separate from the website. It is impossible for the general public to access any part of the intranet site.

#### CSLB's Most Wanted

PAO continues to publicize suspects added to CSLB's Most Wanted list. CSLB has identified the worst unlicensed violators who are known to prey on vulnerable and unsuspecting homeowners who are involved in new home or home improvement projects.

The main criterion to be included on the list is to have an active arrest warrant.



As of February 3, 2014, there are nine suspects on CSLB's Active Most Wanted list. One of those suspects already has pleaded guilty to charges in two different counties, but remains on the list. CSLB has evidence that suspect Alex "Pike" Mitchell continues to victimize unsuspecting consumers.

In one case, an elderly consumer in San Diego County became aware of Mr. Mitchell's status while the suspect was in the middle of a job on his property. The consumer's neighbor looked up the man's name online and found our Most Wanted page. The consumer immediately fired Mr. Mitchell. Fortunately, he had not yet paid him any money.

**Application Instructional Video**

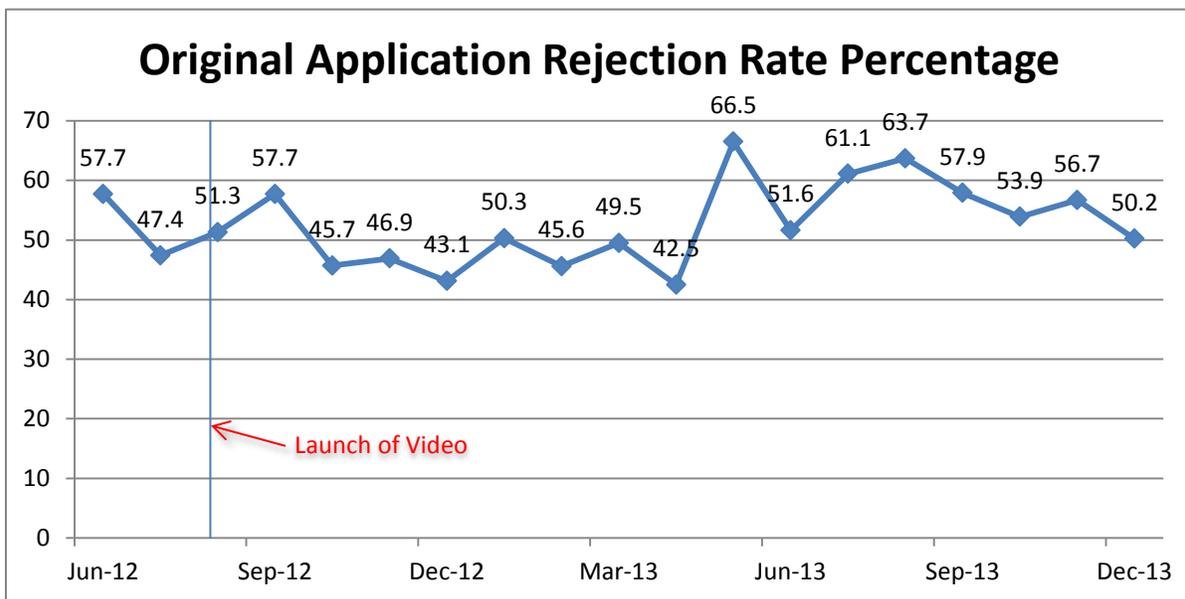
PAO continues to work with Licensing division staff to track changes to the application rejection rate, following release of a tutorial video that explains how to correctly fill out a CSLB license application. The video was launched August 28, 2012; it can be viewed in its entirety, or in individual sections.

Through February 4, 2014, the entire video has been viewed 25,166 times, an increase of 4,049 since the December Board meeting. Videos of individual sections have been viewed a total of 41,785 times, an increase of 6,437 since the December Board meeting. The total number of video views is 66,951, an increase of 10,486.

Even with the video being viewed approximately 1,000 times every month, the application rejection rates have continued to bounce up and down. The numbers are evidenced below.

The average rejection rate since the video was launched is 52.7%. The December 2013 rejection rate was 50.2%, the lowest figure since last April (42.5%).

PAO will work with Licensing staff to determine if there are other opportunities to let potential applicants know about the application video.





### SOCIAL MEDIA

#### Twitter Growth

CSLB's Twitter page grew from 1,349 Twitter followers on November 21, 2014 to 1,409 followers on January 29, 2014. We have posted a total of 531 tweets. Two of our most popular tweets were both posted on January 22, 2014. The two tweets are similar in that they include new "mentions" of CSLB partnering agencies.

What is a mention?

- o A mention is any Twitter update that contains "@username" anywhere in the body of the Tweet.
- o Twitter collects these messages, as well as all your @replies, in the **Mentions** tab on the users **Connect** page.
- o Including more than one "mention" name in your Tweet using the @username format, allows all of those people or agencies to see the Tweet in their **Mentions** tab.

Most Popular Links			
Rank	Date	Post	Clicks
1	Jan 22, 2014	<a href="http://ow.ly/sQm5p">http://ow.ly/sQm5p</a> <a href="http://www.cslb.ca.gov/GeneralInformation/Newsr...">http://www.cslb.ca.gov/GeneralInformation/Newsr...</a> @CSLB cites 6 illegal contractors in Fresno County town of Auberry. <a href="http://ow.ly/sQm5p">http://ow.ly/sQm5p</a> #cslb @FresnoSheriff @CDInews @CHPCentralDiv	15 clicks
2	Jan 22, 2014	<a href="http://ow.ly/sQg5Q">http://ow.ly/sQg5Q</a> <a href="http://www.cslb.ca.gov/GeneralInformation/Newsr...">http://www.cslb.ca.gov/GeneralInformation/Newsr...</a> 18 illegal contracting suspects cited during @CSLB sting in Culver City on 1/16/14. <a href="http://ow.ly/sQg5Q">http://ow.ly/sQg5Q</a> #cslb #contractor @Culver_cityPD	15 clicks

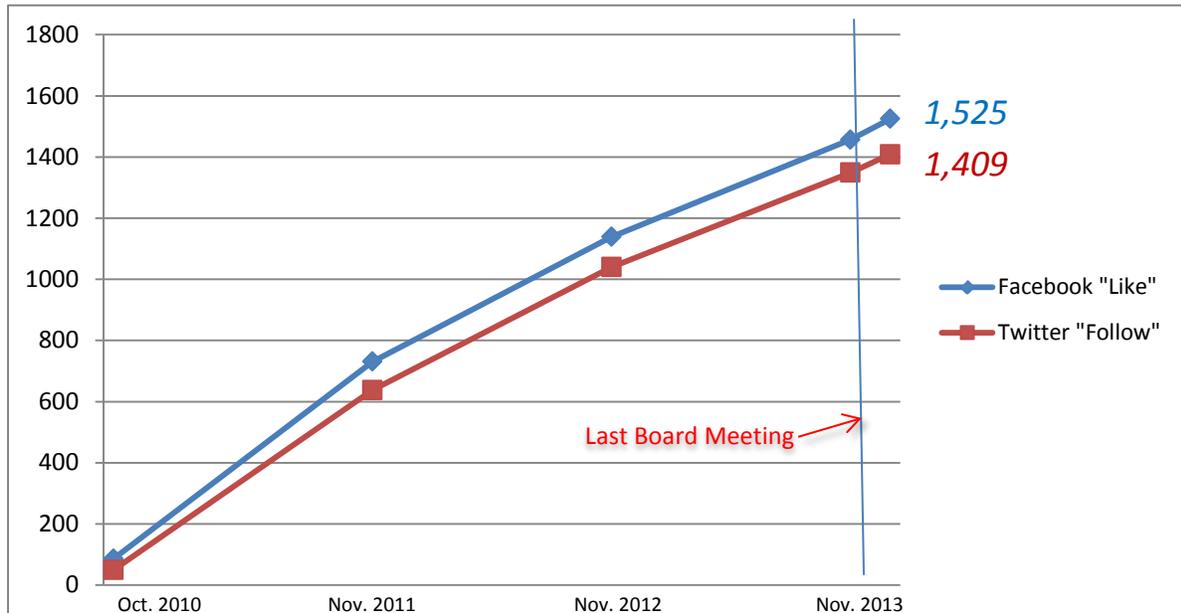
#### Facebook Growth

On November 21, 2013, CSLB's Facebook page had 1,457 likes. By January 29, 2014, that number had grown to 1,525; about 68 new followers in 70 days. During the same period, CSLB staff posted 12 new photographs.

The most popular Facebook post during this period is the Culver City sting post from January 22, 2014, with 737 views.

On January 28, a period peak of 1,196 people visited the CSLB Facebook page and read a variety of posts.





### VIDEO/DIGITAL SERVICES

On December 10, 2013, PAO provided its first live Web stream of a Southern California Board meeting. The stream was conducted using new video production equipment. The broadcast included a Sam K. Abdulaziz remembrance video.



### YouTube

The CSLB YouTube channel welcomed 13,765 visitors from November 21, 2013 to January 29, 2014, including one viewer from Malaysia who watched for eight minutes.

A total of 210,200 users have accessed CSLB's YouTube site. Viewers stay an average of 20 minutes; 22 percent longer than the average YouTube visitor.

Nearly three quarters of our viewers access our YouTube videos with their mobile device, 68 percent of those from our CSLB webpage. CSLB’s new “Experience Verification Seminar,” and the “How to Complete Your Contractor License Application” videos are both very popular.

**Email Alert Feature**

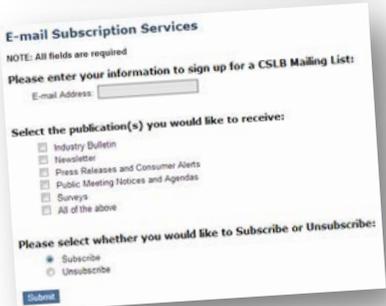
PAO continues to publicize a website feature launched in May 2010 that allows people to sign up to receive up to four different email alerts from CSLB.

Subscribers can receive alerts for:

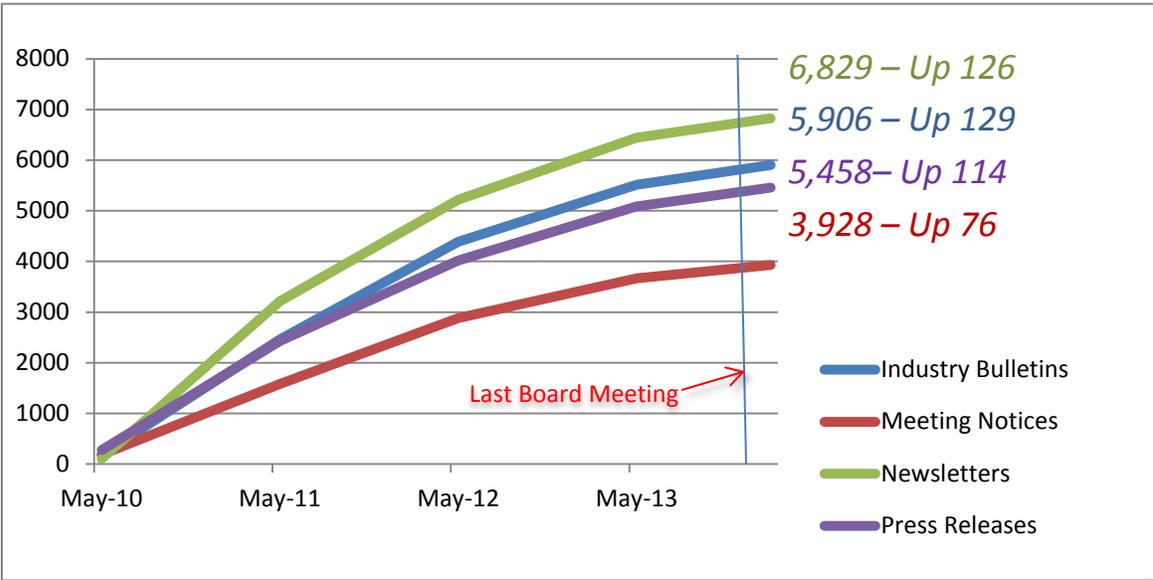
- California Licensed Contractor newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

A slow build of subscribers continues, with a total of 22,121 subscriptions activated since the December Board meeting, an increase of 445.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,438 active email addresses, which brings the combined email database to 100,559 addresses.



**Email Alert Sign-Up Statistics**





**MEDIA RELATIONS HIGHLIGHTS**

**Media Calls**

Between November 20, 2013 and February 3, 2014, PAO staff responded to more than three dozen media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets. PAO staff utilized new video and Web streaming equipment to provide a live interview for KATU-TV in Portland, Oregon.

**News Releases**

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between November 20, 2013 and February 4 2014, PAO distributed seven news releases.

<b>Release Date</b>	<b>Release Title</b>
November 22, 2013	It Was Raining Illegal Contractors at Hayward CSLB Sting Operation
November 26, 2013	Fake San Diego Area Contractors Caught by CSLB during Undercover Sting
November 26, 2013	Unusual Weekend CSLB Sting in Roseville Yields Big Results
December 20, 2013	Convicted Rapist Nabbed in Sacramento County Contractors State License Board Undercover Sting
January 16, 2014	CSLB Undercover Sting Nets 18 Suspects in Culver City
January 17, 2014	Six Illegal Contractors Caught during CSLB Sting in Rural Fresno County Town
January 21, 2014	Drought-Resistant Landscaping New Target for Illegal Contractors in Rancho Murieta CSLB Sting

**Press Events**

No press events have been held since the last Board meeting. Plans are under way for an event in March to announce results of the annual spring California Blitz enforcement operation.



## **INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS**

### **Industry Bulletins**

PAO alerts industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to almost 5,800 people and various groups. Distribution includes those who signed up to receive the bulletins via CSLB's Email Alert system. Between November 20, 2013 and February 4 2014, PAO distributed two industry bulletins.

<b>Release Date</b>	<b>Bulletin Title</b>
December 31, 2013	New Construction Laws Become Effective This Week
January 17, 2014	CSLB Clarifies New Law Requiring Replacement of Plumbing Fixtures

### **Drought Preparations**

PAO has begun work with other CSLB divisions to address possible effects of a drought in California. PAO is currently:

- Reviewing/developing educational materials for consumers looking to do drought tolerant landscape, well drilling, solar and/or other types of energy-efficient home improvements (to save money because of fears that energy costs will go up as a result of the drought); and
- Increasing supply of educational materials to be ready to respond with outreach and enforcement in the wake of additional wildfires.

## **VIDEO PRODUCTION HIGHLIGHTS**

### **First Live Training Seminar**

On Wednesday, December 4, 2013, PAO worked with Licensing division staff to provide a live specialized training event from Sacramento HQ. The training, geared towards licensing schools, sought to clarify the experience verification process CSLB uses to confirm a license applicant's journey-level work.

The two-and-a-half-hour session was designed to help speed up the experience verification process for CSLB staff as well as those anxious to keep their license application moving forward.

More than 80 others watched a live Web stream, and numerous questions were submitted via email. A video of the entire presentation is available on CSLB's [YouTube page](#) and already has been viewed almost 900 times.

**PUBLICATION HIGHLIGHTS**

Following is a status of CSLB publications (print and online) that are in production:

**Completed**

- *2013 Accomplishments and Activities Report*
- *2014 CSLB Board Member Administrative Procedure Manual (update)*
- February 2014 Board Meeting Packet
- Enforcement's Strategic Partnerships Report

**In Production**

- Consumer Guide (booklet)
- Mechanics Lien (Spanish)

**In Development**

- Contractor/Applicant Guide (booklet)
- Contractor Outreach Materials
  - Checklist of Consumer Questions During Bid
  - Why You Should Hire a State-Licensed Contractor
  - Building Permit Information
  - Contractor Insurance and Bond Information
  - Contractor Reference form
- Description of Classifications Booklet (Spanish)

**CSLB Forms/Letters**

PAO is working with other CSLB divisions to review and update all forms and letters, and to ensure all distributed materials have received proper legal review and have been assigned a tracking number.

**COMMUNITY OUTREACH HIGHLIGHTS****Senior Scam Stopper<sup>SM</sup> Seminars**

The 300th Senior Scam Stopper<sup>SM</sup> seminar was held January 17th in Woodland with Assembly Member Mariko Yamada. Board Chair Joan Hancock also attended. Assembly Member Yamada presented CSLB with a proclamation recognizing the 300th seminar. The annual promotional/informational brochures and letters were sent to each legislator in January 2014. The letter was personalized and showed elderly population statistics in the legislators' districts.

In addition to providing information about construction-related scams and how seniors can protect themselves when hiring a contractor, Senior Scam Stopper<sup>SM</sup> seminars feature expert speakers from local, state, and federal agencies who present broader topics, including identity theft, foreign lotteries, auto repair fraud, insurance and investment scams.



The following seminars have been conducted or were scheduled since the Board's December meeting:

<b>Date</b>	<b>Location</b>	<b>Legislative/Community Partners</b>
January 17, 2014	Woodland	Asm. Mariko Yamada
January 24, 2014	La Jolla	Cong. Scott Peters
January 31, 2014	Torrance	Asm. Al Muratsuchi
February 20, 2014 AM	Manhattan Beach	Sen. Ted Lieu
February 20, 2014 PM	Burbank	Asm. Mike Gatto
February 21, 2014	Salinas	Sen. Anthony Cannella
February 28, 2014	Lemoore	Asm. Rudy Salas
March 14, 2014	San Jose	Sen. Jim Beall
March 21, 2014	Kings County	Asm. Rudy Salas
March 28, 2014	Kern County	Asm. Rudy Salas
April 4, 2014	Millbrae	Asm. Kevin Mullin
April 10, 2014	Sacramento	Asm. Roger Dickinson
April 11, 2014 AM	San Diego	Sen. Marty Block
April 11, 2014 PM	San Diego	Cong. Scott Peters
April 15, 2014	Fullerton	Asm. Sharon Quirk-Silva
April 16, 2014	Orange County	Asm. Sharon Quirk-Silva
April 18, 2014	San Jose	Asm. Paul Fong
April 25, 2014	Malibu	Asm. Richard Bloom
May 2, 2014	Venice	Sen. Ted Lieu
May 9, 2014	Discovery Bay	Asm. Jim Frazier
May 23, 2014	Castro Valley	Asm. Bill Quirk
June 6, 2014	Hayward	Asm. Bill Quirk
June 13, 2014	San Lorenzo	Asm. Bill Quirk
June 20, 2014	Hayward	Asm. Bill Quirk
August 8, 2014	Suisun City	Asm. Jim Frazier



<b>Date</b>	<b>Location</b>	<b>Legislative/Community Partners</b>
September 4, 2014	Menifee	Asm. Melissa Melendez
October 1, 2014	Palo Alto	Asm. Rich Gordon
October 3, 2014	San Mateo County	Asm. Kevin Mullin
October 10, 2014	Santa Clara County	Asm. Paul Fong
October 17, 2014	Rio Vista	Asm. Jim Frazier

**Consumer Scam Stopper<sup>SM</sup> Program**

The Consumer Scam Stopper<sup>SM</sup> (CSS) program is an outgrowth of the Senior Scam Stopper<sup>SM</sup> program, and was launched in September 2012. It is aligned with CSLB's mission to provide valuable information to help consumers make informed choices related to construction and home improvement.

CSS seminars are for all ages and audiences, and include a tailored one-hour presentation regarding identifying and reporting fraud. Most seminars will be conducted in the Sacramento area until additional staff is trained.

# AGENDA ITEM G

## Legislative Committee Report



# AGENDA ITEM G-1

## Legislative Program Update



## 2014 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE & THE OFFICE OF THE ASSEMBLY CHIEF CLERK  
Revised 10-22-13

### DEADLINES

- Jan. 1** Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 6** Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10** Budget bill must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 17** Last day for **policy committees** to meet and report bills introduced in their house in 2013 for referral to **fiscal committees** (J.R. 61(b)(1)).
- Jan. 20** Martin Luther King, Jr. Day observed.
- Jan. 24** Last day to submit **bill requests** to the Office of Legislative Counsel. Last day for any committee to meet and report to the **Floor** bills introduced in their house in 2013 (J.R. 61(b)(2)).
- Jan. 31** Last day for each house to pass **bills** introduced in their house in 2013 (Art. IV, Sec. 10(c)) (J.R. 61(b)(3)).
- 
- Feb. 17** Presidents' Day observed.
- Feb. 21** Last day for bills to be **introduced** (J.R. 61(b)(4), J.R. 54(a)).
- 
- Mar. 31** Cesar Chavez Day observed.
- 
- Apr. 10** **Spring Recess** begins upon adjournment (J.R. 51(b)(1)).
- Apr. 21** Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).
- 
- May 2** Last day for **policy committees** to meet and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).
- May 9** Last day for **policy committees** to meet and report to the Floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 16** Last day for **policy committees** to meet prior to June 2 (J.R. 61(b)(7)).
- May 23** Last day for **fiscal committees** to meet and report to the **Floor** bills introduced in their house (J.R. 61(b)(8)). Last day for **fiscal committees** to meet prior to June 2 (J.R. 61(b)(9)).
- May 26** Memorial Day observed.
- May 27 - 30** **Floor Session only**. No committee may meet for any purpose (J.R. 61(b)(10)).
- May 30** **Last day to pass bills** out of house of origin (J.R. 61(b)(11)).

JANUARY							
	S	M	T	W	TH	F	S
				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30	31	

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	

MARCH							
	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30	31					

APRIL							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Spring Recess	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30			

MAY							
	S	M	T	W	TH	F	S
Wk. 4					1	2	3
Wk. 1	4	5	6	7	8	9	10
Wk. 2	11	12	13	14	15	16	17
Wk. 3	18	19	20	21	22	23	24
No Hrgs.	25	26	27	28	29	30	31

\*Holiday schedule subject to final approval by Rules Committee.

## 2014 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE & THE OFFICE OF THE ASSEMBLY CHIEF CLERK  
Revised 10-22-13

JUNE							
	S	M	T	W	TH	F	S
Wk. 4	1	2	3	4	5	6	7
Wk. 1	8	9	10	11	12	13	14
Wk. 2	15	16	17	18	19	20	21
Wk. 3	22	23	24	25	26	27	28
Wk. 4	29	30					

- June 2** Committee meetings may resume (J.R. 61(b)(12)).
- June 15** Budget bill must be passed by midnight (Art. IV, Sec. 12(c)(3)).
- June 26** Last day for a legislative measure to qualify for the Nov. 4 General Election ballot (Elections Code Sec. 9040).
- June 27** Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)).

JULY							
	S	M	T	W	TH	F	S
Wk. 4			1	2	3	4	5
Summer Recess	6	7	8	9	10	11	12
Summer Recess	13	14	15	16	17	18	19
Summer Recess	20	21	22	23	24	25	26
Summer Recess	27	28	29	30	31		

- July 3** **Summer Recess** begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).
- July 4** Independence Day observed.

AUGUST							
	S	M	T	W	TH	F	S
Summer Recess						1	2
Wk. 1	3	4	5	6	7	8	9
Wk. 2	10	11	12	13	14	15	16
No Hrgs.	17	18	19	20	21	22	23
No Hrgs.	24	25	26	27	28	29	30
No Hrgs.	31						

- Aug. 4** Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).
- Aug. 15** Last day for **fiscal committees** to meet and report bills to the Floor (J.R. 61(b)(14)).
- Aug. 18 - 31 Floor Session only.** No committee may meet for any purpose (J.R. 61(b)(15)).
- Aug. 22** Last day to **amend** bills on the Floor (J.R. 61(b)(16)).
- Aug. 31** Last day for **each house to pass bills** (Art. IV, Sec. 10(c), J.R. 61(b)(17)). **Final Recess** begins upon adjournment (J.R. 51(b)(3)).

### IMPORTANT DATES OCCURRING DURING FINAL RECESS

#### 2014

- Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).
- Oct. 2 Non-urgency bills enacted on or before this date take effect January 1, 2015. (Art. IV, Sec. 8(c)).
- Nov. 4 General Election.
- Nov. 30 Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 1 2015-16 Regular Session convenes for Organizational Session at 12 noon. (Art. IV, Sec. 3(a)).

#### 2015

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).



### LEGISLATIVE PROPOSALS

At the December 10, 2013 meeting, the Board voted to sponsor four legislative proposals for this year:

1. **Business and Professions Code (BPC) section (§) 7011.4** – This proposal is clean-up to legislation CSLB sponsored in 2011 (AB 2554 Berryhill, Chapter 85), to allow all CSLB Enforcement Representatives the authority to issue a written Notice to Appear. The current language for this proposal was suggested by the Department of Consumer Affairs, and has been submitted for consideration in the Senate Business, Professions and Economic Development Committee omnibus bill.

7011.4 - (a) Notwithstanding Section 7011, there is in the Contractors' State License Board, a separate enforcement division which shall rigorously enforce this chapter prohibiting all forms of unlicensed activity.

(b) Persons employed as enforcement representatives ~~in this division~~ by *the Contractors' State License Board* and designated by the Director of Consumer Affairs *shall have the authority to* ~~are not peace officers and are not entitled to safety member retirement benefits. They do not have the power of arrest. However, they may issue a written notice to appear in court pursuant to Chapter 5c (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.~~ *Employees so designated are not peace officers and are not entitled to safety member retirement benefits as a result of such designations. They do not have the power of arrest.*

2. **BPC §7027.2** – This proposal revises the requirements for advertisements issued by contractors that are not licensed.

At the December meeting, the Board approved the proposal in concept, directing staff to further develop the language. After reviewing the language with legal counsel, staff developed the following language:

7027.2 - Notwithstanding any other provision of this chapter, any person not licensed pursuant to this chapter may *only* advertise for construction work or work of improvement covered by this chapter *where the aggregate contract price for labor, material and all other items is less than \$500, and* provided that he or she shall state in the advertisement that he or she is not licensed under this chapter.

Senator Ted Lieu has agreed to carry this proposal.

3. **BPC §7110.5** – This proposal provides CSLB flexibility in pursuing disciplinary action as a result of a referral from the Labor Commissioner. CSLB's recent



implementation of disclosure of partnering agency disciplinary actions will provide a more immediate benefit to consumers.

7110.5 - Upon receipt of a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of the Labor Code by a licensee, pursuant to Section 98.9 of the Labor Code, the registrar ~~shall~~ **may** initiate disciplinary action against the licensee ~~within 30 days of notification.~~

Senator Ted Lieu has agreed to carry this proposal.

4. **BPC §7017** – This proposal implements an audit recommendation to create a separate evidence fund. Staff submitted this proposal to the Senate Business, Professions and Economic Development Committee for consideration for its omnibus bill; the Committee did not accept the proposal.

The Department of Consumer Affairs is continuing to study this issue and the potential impact on other programs within the Department, and is working on identifying potential solutions. Staff recommends we not pursue this proposal this year, and wait to see if there is more comprehensive legislation proposed next year.

Additionally, a provision from one of the Board's sponsored bills from 2013, SB 263 (Monning) needs to be introduced in a new bill this year. SB 263 was originally intended to amend BPC §7031, and also made a change to BPC §7028, to clarify that an individual contracting with a suspended license is subject to the same disciplinary action as an individual contracting without a license. This language will be proposed for inclusion in the bill that will amend BPC §7027.2 and §7110.5.

### **BPC §7028**

(a) Unless exempted from this chapter, it is a misdemeanor for a person to engage in the business or act in the capacity of a contractor within this state ~~without having a license therefor, unless the person is particularly exempted from the provisions of this chapter.~~ Under either of the following conditions:

(1) The person has never been licensed in accordance with this chapter.

(2) The person was a licensee, as defined in Section 7096, but performed acts covered by this chapter under a license that was under suspension for failure to pay a civil penalty or comply with an order of correction, pursuant to Section 7090.1, or failure to resolve all outstanding final liabilities, pursuant to Section 7145.5.

(b) A first conviction for the offense described in this section is punishable by a fine not exceeding five thousand dollars (\$5,000) or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.



(c) If a person has been previously convicted of the offense described in this section, unless the provisions of subdivision (d) are applicable, the court shall impose a fine of 20 percent of the contract price, or 20 percent of the aggregate payments made to, or at the direction of, the unlicensed ~~contractor~~ person, or five thousand dollars (\$5,000), whichever is greater, and, unless the sentence prescribed in subdivision (d) is imposed, the person shall be confined in a county jail for not less than 90 days, except in an unusual case where the interests of justice would be served by imposition of a lesser sentence or a fine. If the court imposes only a fine or a jail sentence of less than 90 days for second or subsequent convictions under this section, the court shall state the reasons for its sentencing choice on the record.

(d) A third or subsequent conviction for the offense described in this section is punishable by a fine of not less than five thousand dollars (\$5,000) nor more than the greater amount of ten thousand dollars (\$10,000) or 20 percent of the contract price, or 20 percent of the aggregate payments made to, or at the direction of, the unlicensed contractor, and by imprisonment in a county jail for not more than one year or less than 90 days. The penalty provided by this subdivision is cumulative to the penalties available under all other laws of this state.

(e) A person who violates this section is subject to the penalties prescribed in subdivision (d) if the person was named on a license that was previously revoked and, either in fact or under law, was held responsible for any act or omission resulting in the revocation.

(f) If the unlicensed person engaging in the business of or acting in the capacity of an ~~unlicensed~~ a contractor has agreed to furnish materials and labor on an hourly basis, "the contract price" for the purposes of this section means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

(g) Notwithstanding any other ~~provision of law~~, an indictment for any violation of this section by ~~the~~ an unlicensed ~~contractor~~ person shall be found or an information or complaint filed within four years from the date of the contract proposal, contract, completion, or abandonment of the work, whichever occurs last.

(h) For any conviction under this section, a person who utilized the services of the unlicensed ~~contractor~~ person is a victim of crime and is eligible, pursuant to subdivision (f) of Section 1202.4 of the Penal Code, for restitution for economic losses, regardless of whether ~~that person~~ he or she had knowledge that the ~~contractor~~ person was unlicensed.

(i) The changes made to this section by the act adding this subdivision are declaratory of existing law.



## **SUNSET REVIEW**

The Legislature periodically reviews all of the licensing programs within the Department of Consumer Affairs; each program is usually reviewed every four years. CSLB is scheduled to sunset January 1, 2016, which means the Legislature will review CSLB in 2015. The two policy committees with jurisdiction over the Department of Consumer Affairs, the Assembly Business, Professions and Consumer Protection Committee and the Senate Business, Professions and Economic Development Committee, will conduct the review. This spring, the Senate Committee will send out a template for a report CSLB will need to complete and submit by November 1<sup>st</sup>. The Committees review the information and conduct oversight hearings, which likely will be scheduled for early in 2015. This process provides an opportunity for the Legislature, the public, and interested parties to review the programs and make recommendations for changes.

## AGENDA ITEM G-2

# Review and Approval of Recommended Staff Position to Add Photographs to Pocket Card and Home Improvement Salesperson Registration





### CSLB POLICY ON REQUIRING PHOTOS ON POCKET CARD LICENSES

#### Question

Should CSLB require a photo on the license pocket card and the home improvement salesperson (HIS) registration card?

#### Background

Business and Professions Code section (BPC) 7072.5 requires:

“Upon the issuance of a license, a plasticized pocket card...shall be issued at no cost to each licensee, or to the partners, managers, officers, or responsible managing officers of licensees licensed as other than individuals, which card shall be evidence that the licensee is duly licensed...”

This requirement was added in 1988.

There has been discussion in the Legislature regarding a proposal to include a photo on the pocket card, specifically for the “B” General Building and “C” Specialty licenses and HIS registration, as well as including the photo in the online license look-up feature. Those proposing the requirement present it as providing an additional consumer protection, as it will help consumers ensure that the contractor they are working with is not using a license number that does not belong to the contractor.

CSLB produces the pocket cards on site. As required by BPC 7072.5, the pocket card is a heavy plastic, similar in size to a credit card. The HIS registration card is printed on cardstock.

#### Possible Cost

Implementation of such a requirement would result in a cost to CSLB. Staff estimates the initial cost to be approximately \$330,000. The bulk of that cost would be for the purchase of new printers, as the current equipment cannot print photos on the licenses. The remaining costs include staff workload, and storage and backup costs for including the photos in the online lookup. Staff anticipates additional, significant costs to integrate this requirement into BreEZe, once CSLB is transitioned, if BreEZe is even able to support this type of feature. Currently, it cannot. Also, it is likely not possible to make such a significant change to CSLB’s website prior to migrating to BreEZe.

These estimates assume CSLB will be responsible for taking the license photo; this can be done at the testing center for new applicants. It is not clear how CSLB would acquire a photo of existing licensees.

#### Questions for the Board to Consider with this Proposal

There are several practical issues that would need to be considered. On average, a CSLB license has 2.5 personnel associated with it.

- Would each associated person have a pocket card with his or her photo, or would all associated personnel photos be on each pocket card?



- In addition, in some cases, particularly with corporations and limited liability companies (LLC), the members of the personnel of record can be other entities, such as corporations and LLCs, and not actual people. Whose photo would be on the pocket license?
- If the Board is responsible for taking the photo, would the Board charge for the picture or include it in the application process/package?
- Would the Board raise its fees to cover the cost of the picture?
- If the applicant provides the photo, how would CSLB be certain that the submitted photo was actually of the licensee?
- Would the submissions be notarized?
- Since appearances change over time, how often would the picture have to be updated?
- Licensees receive a new pocket card at license renewal; would the photo be updated at each renewal? Would lack of an updated photo hold up a renewal?
- From the consumer perspective, does this proposal truly provide an enhanced level of consumer protection?
- Why isn't the pocket license in conjunction with a state driver license enough to provide a positive identification?

### **Recommendation**

Given CSLB's license structure, where the license is issued to the business entity as opposed to an individual, the prospect of including photos on the pocket card may not be as beneficial as it would be for other professional license types, such as barbers, cosmetologists, or realtors. Given the complexity of the proposal, as well as the logistical and cost considerations, the proposal should not be supported at this time.

# AGENDA ITEM H

## Licensing Committee Report



# AGENDA ITEM H-1

## Licensing Program Update





# CONTRACTORS STATE LICENSE BOARD

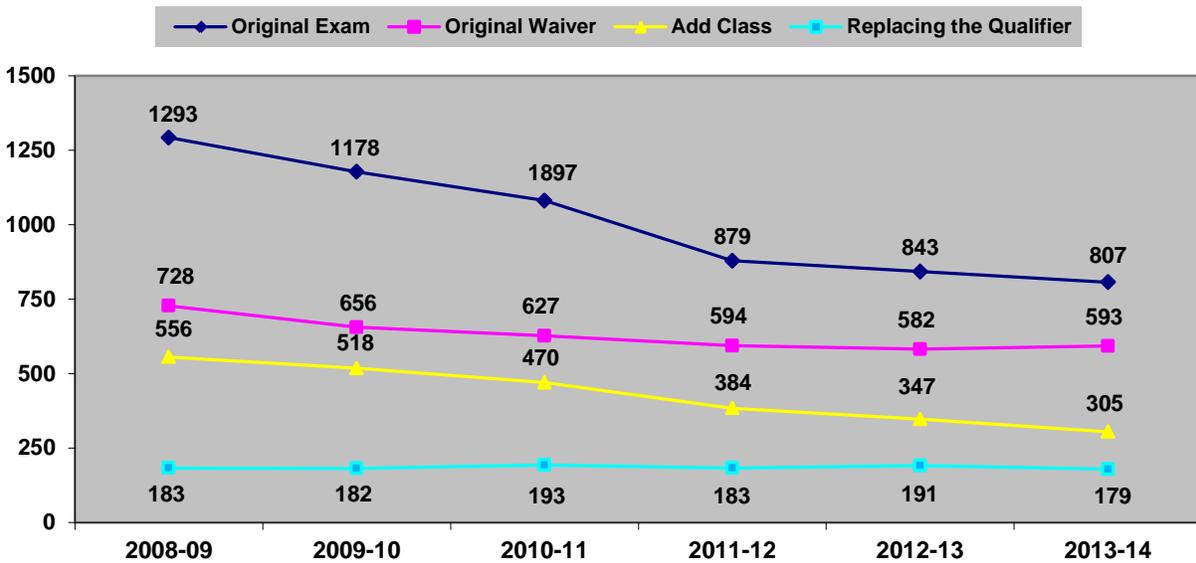
## LICENSING PROGRAM UPDATE

### LICENSE APPLICATION WORKLOAD

The following chart shows the average number of applications received per month for the past six fiscal years (FY). Fingerprint requirements went into effect January 2005.

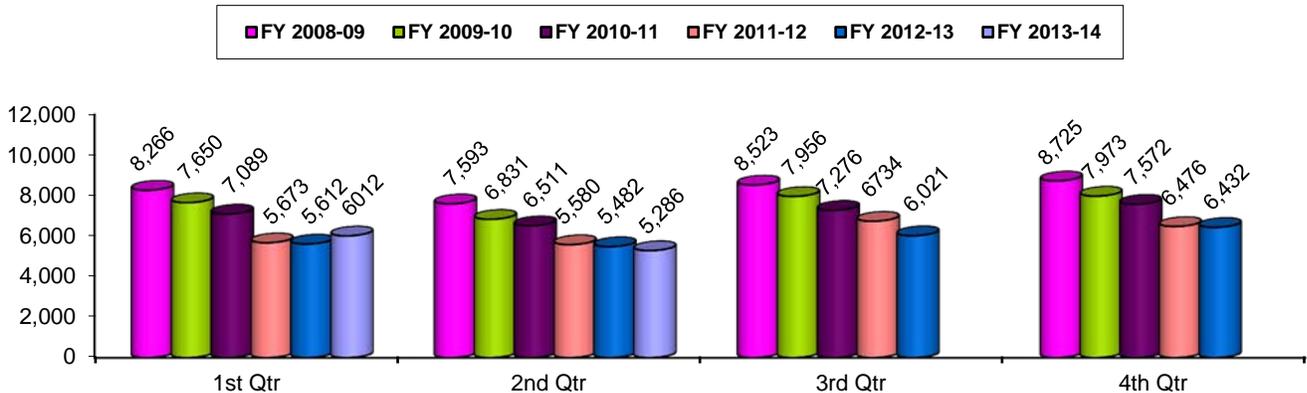
The number of applications CSLB received in FY 2012-13 continued to decline due to the economic recession and housing downturn. The average number of original applications received per month in FY 2012-13 was down 4 percent from the average for FY 2011-12.

**AVERAGE NUMBER OF APPLICATIONS RECEIVED PER MONTH**



The following chart compares the total number of applications received by quarter for the past six fiscal years.

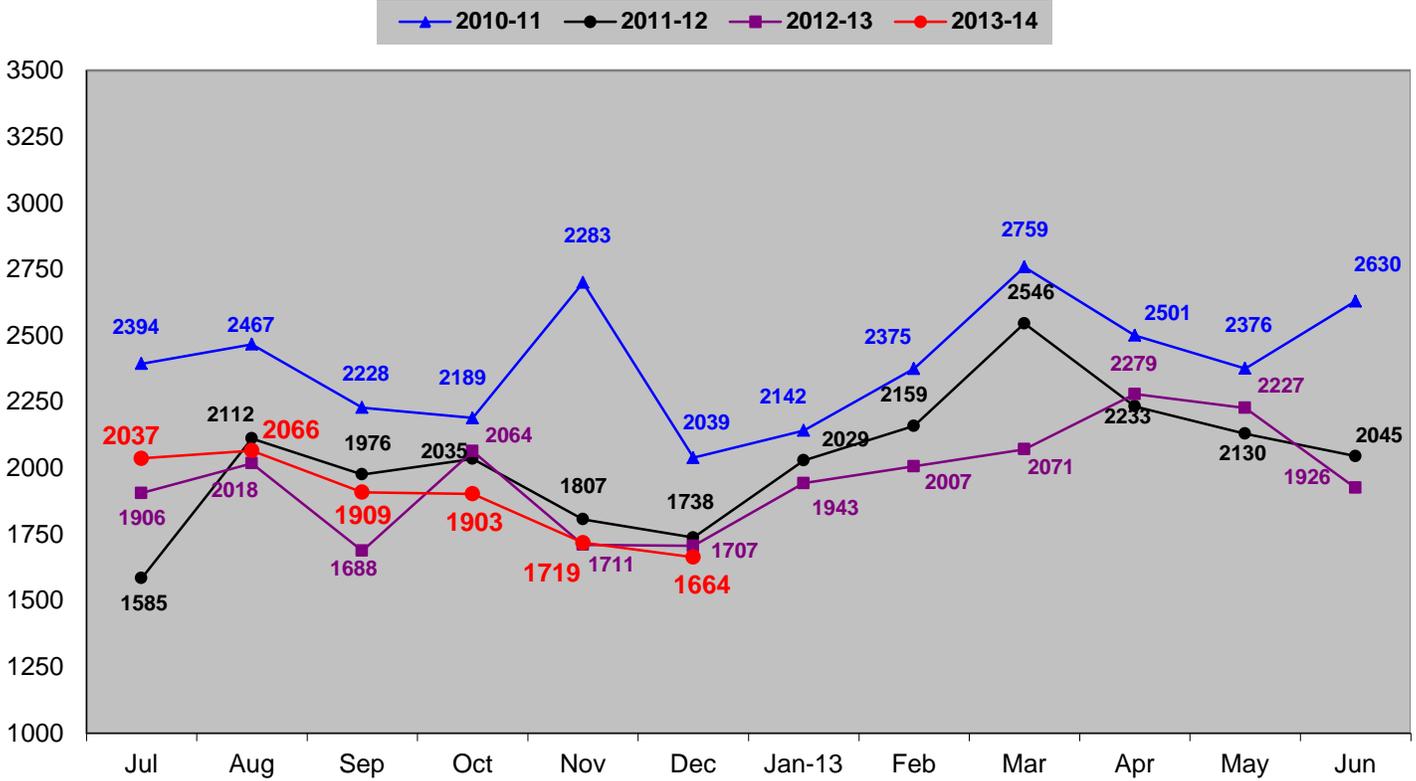
**COMPARISON OF APPLICATIONS RECEIVED PER QUARTER**  
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



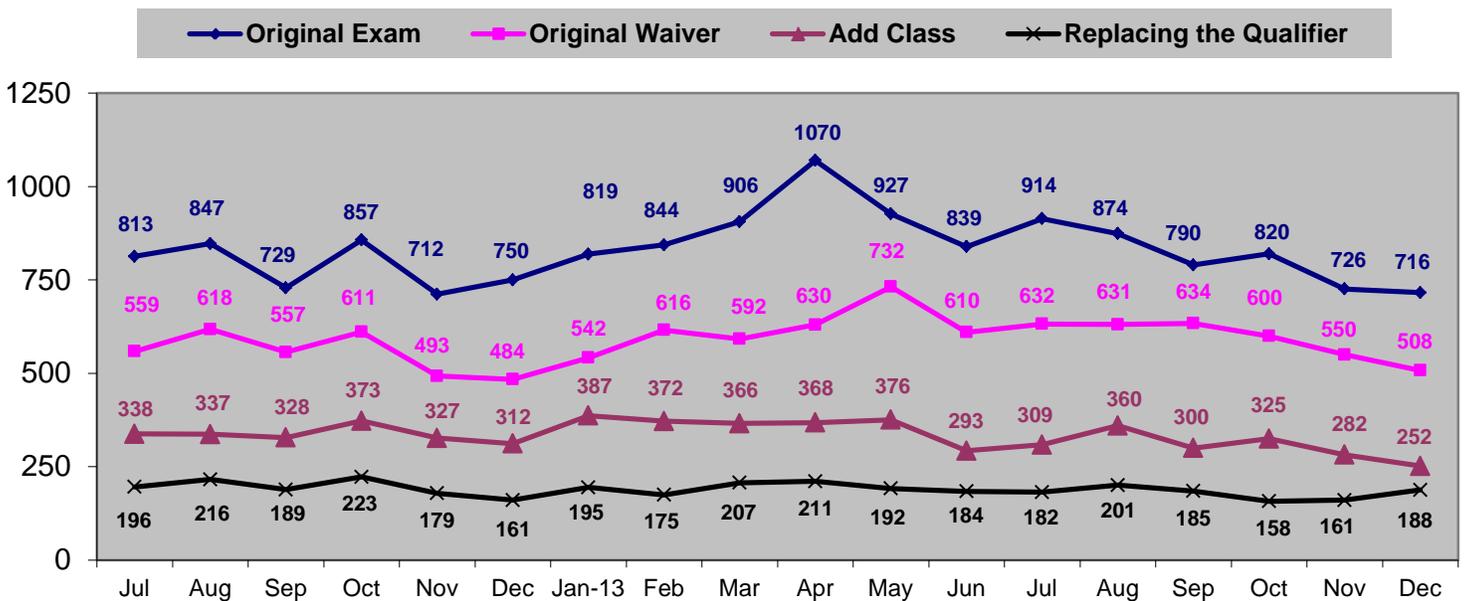
Decrease of 4% for total applications received for 2012-13 as compared with 2011-12



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



**NUMBER OF APPLICATIONS RECEIVED**





**LIMITED LIABILITY COMPANIES (LLCs)**

Effective January 1, 2012, a new law (SB 392) authorized CSLB to issue licenses to LLCs.

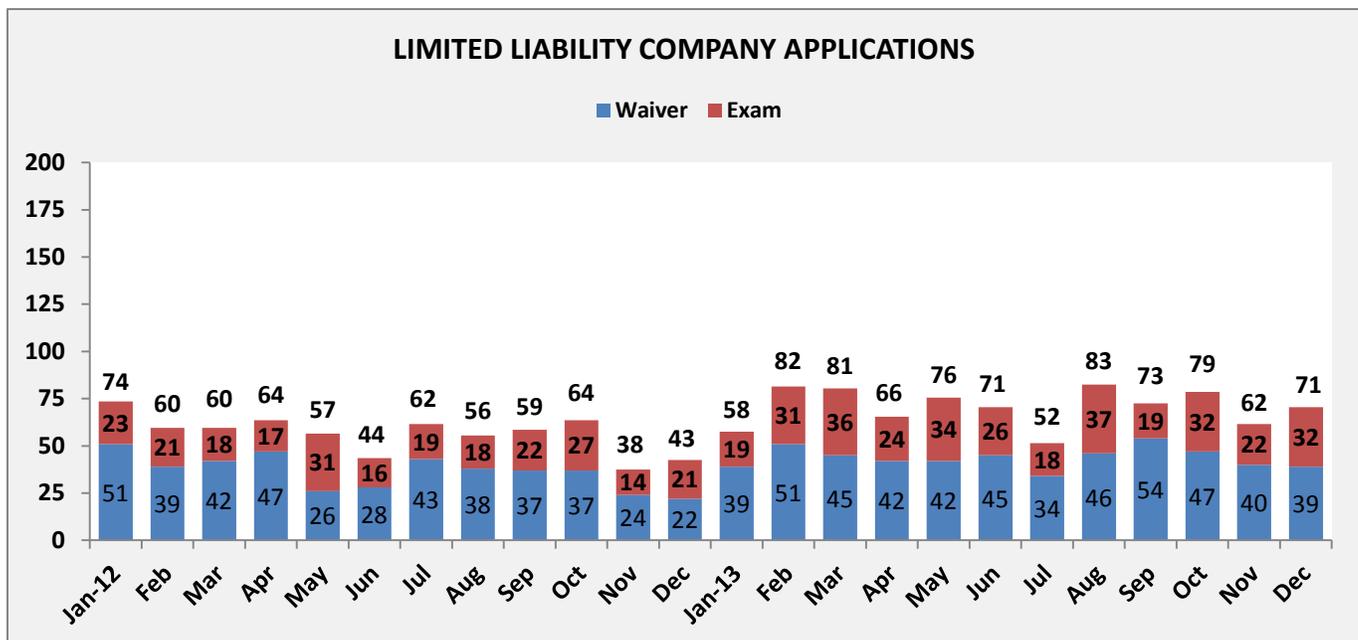
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to LLCs.

Since there is not yet case law establishing this principle in California, an additional \$100,000 bond requirement for the benefit of workers relative to payment of wages and fringe benefits was established. This ensures that workers are protected despite the absence of case law dealing with LLCs. This bond is in addition to the \$12,500 contractor bond.

LLCs are 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 also are required to have at least \$1 million in liability insurance when five or fewer persons are listed as personnel, with an additional \$100,000 required for each additional personnel member, not required to exceed \$5 million.

The chart below illustrates the number of LLC applications received per month beginning in January 2012.





**LLC APPLICATION (WAIVERS & EXAMS COMBINED) PROCESSING DATA PER QUARTER**

Received	194	165	172	132	663	223	204	208	212	847
Rejected	113	99	129	86	427	134	133	134	126	527
Acceptable Upon Submittal - Issued	5	10	7	5	27	16	8	9	2	35
Processed	70	53	33	38	194	72	56	57	79	264
Void or Withdrawn	6	3	3	3	15	1	7	8	5	21
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Yearly Totals	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Yearly Totals
Year	2012					2013				

**The Most Common Reasons for Rejection:**

1. Personnel listed on application needs to match the personnel listed on SOS records
2. LLC/SOS registration number and/or business name is missing or incorrect
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title
4. Questions section (page 2 of application, #10-14) is missing or incomplete

Of the 1,510 LLC applications received through December 31, 2013, 453 limited liability company contractor licenses have been issued. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of Secretary of State. The SOI information is required for processing the LLC application: It provides staff with the total number and names of LLC personnel, which is crucial in determining the appropriate amount for the LLC liability insurance requirement (between \$1 million and \$5 million).

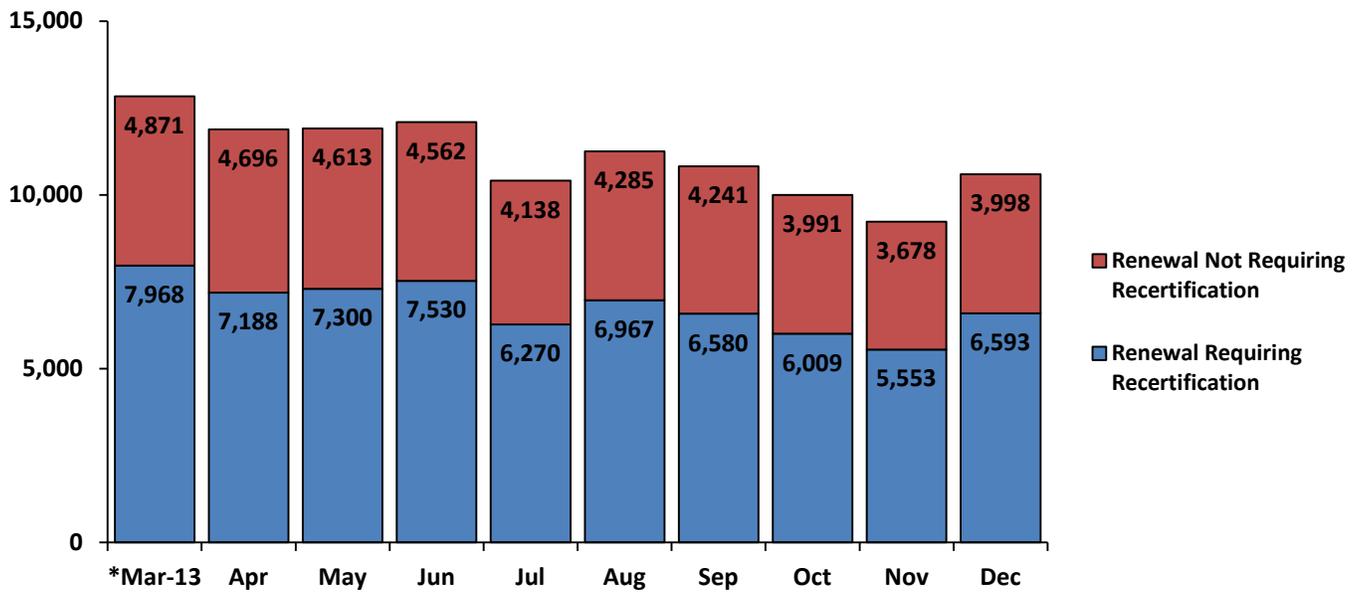


### WORKERS' COMPENSATION RECERTIFICATION

Business & Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This new law requires, at the time of renewal, that an active contractor with an exemption for workers' compensation insurance on file with CSLB to either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If the licensee fails to recertify his or her exempt status or provide a workers' compensation policy at the time of renewal, the law allows for the retroactive renewal of the license if the licensee provides the required documentation within 30 days after notification by CSLB of the renewal rejection.

Licensing implemented the requirements of the new law in January 2013, effective for licenses expiring March 31, 2013. The following chart illustrates the number of renewal applications mailed each month that will require recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license.

RENEWAL APPLICATIONS MAILED PER MONTH

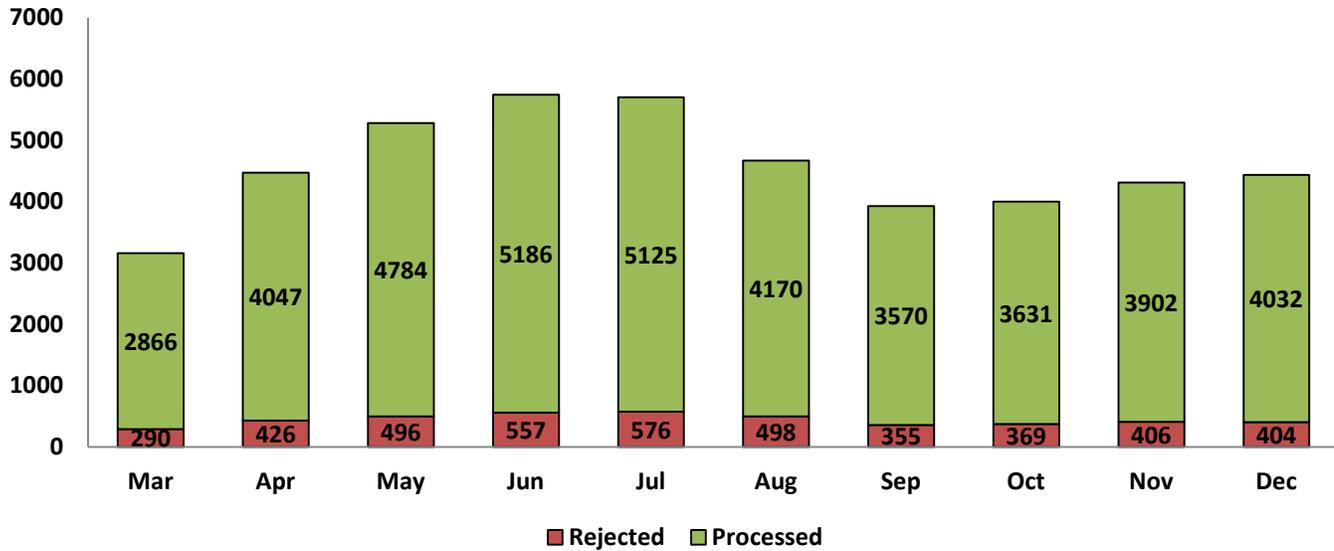


\*Represents month of mailing, not month of license expiration



The chart below provides a snapshot of the number of renewal applications processed each month that required recertification, beginning with licenses that expired on March 31, 2013.

**BPC SECTION 7125.5 RENEWAL OF LICENSE**  
**Recertification of Exemption for Workers' Compensation Insurance**

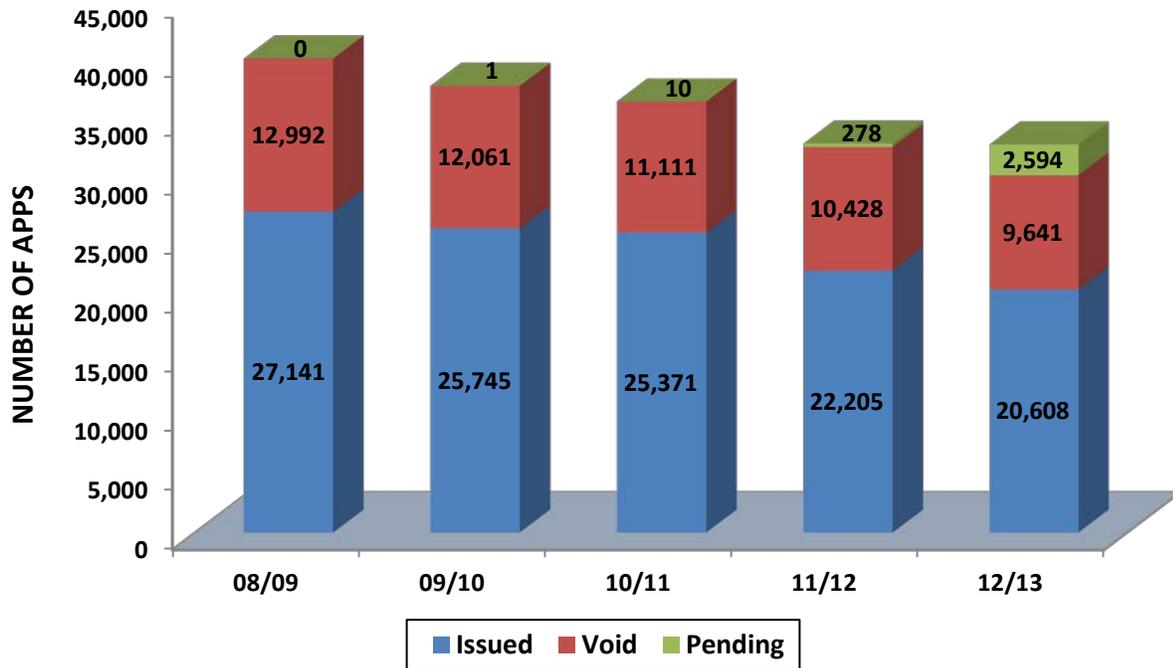


Statistics obtained from L742-Renewal Notice Summary; effective 8-1-2013, L743-Renewal Statistics Report



**Disposition of Applications by Fiscal Year  
Teale Report S724: Run Date 01-02-2013**

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



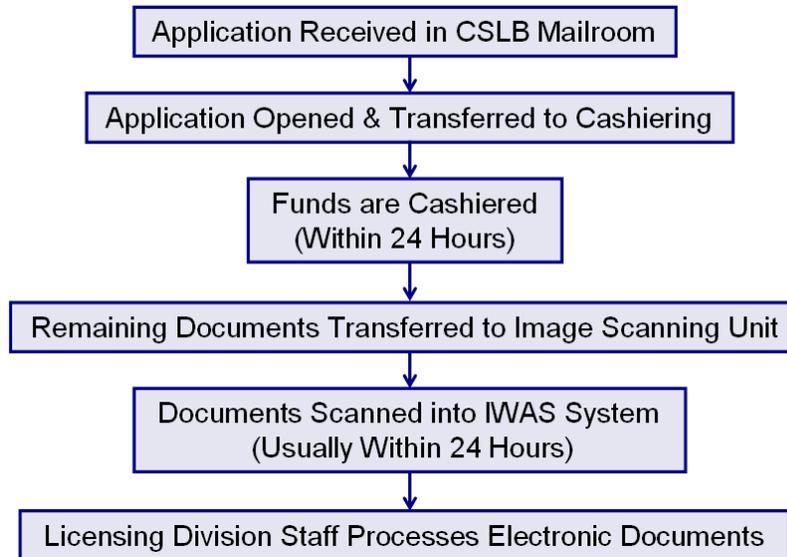
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 16-19 track the “weeks to process” for the various application and license maintenance/transaction units.

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 arrives at CSLB 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, Licensing has used 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 reduction in staff hours due to furloughs, Licensing has maintained acceptable processing times. This can be attributed to the decrease in applications illustrated 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 applicants who have minor, clearable convictions, provided the applicant was honest in disclosing this on the CSLB application. Applicants who do not disclose what would have been considered minor, clearable convictions may be given the opportunity to withdraw the false application and submit a new one that accurately discloses their conviction(s), and includes appropriate fees. These withdrawal offers also are processed as part of the triage.

Since the fingerprint program began, CSLB has nearly 288,000 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 51,000 applicants. That means 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 December 31, 2013, CBU denied 1,184 applications and issued 1,402 probationary licenses. Of the denied licenses, 595 applicants appealed their denials.

CBU has seen a reduction in the number of fingerprint submissions as a result of the decline in applications, and those adding classifications when a background check already has been conducted.

Below is a breakdown of CBU statistics by fiscal year:

<b>CRIMINAL BACKGROUND UNIT STATISTICS</b>											
	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>	<b>07-08</b>	<b>08-09</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>	<b>TOTALS</b>
<b>DOJ Records Received</b>	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	18,270	7,094	286,673
<b>CORI RAPP Received</b>	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	3,663	1,281	50,846
<b>Denials</b>	224	219	237	88	76	63	108	70	67	12	1,172
<b>Appeals</b>	71	113	130	45	47	29	62	39	36	9	590
<b>Probationary Licenses Issued</b>	0	0	126	290	206	203	243	146	71	29	1,395

**LICENSING INFORMATION CENTER (LIC)****LIC Workload**

LIC (call center) staff has continued to exceed Board goals. During the 2013 calendar year call center agents answered 145,792 calls. Call wait times averaged 02:11 with 97 percent of all incoming calls answered. The average length of each call was 04:01.

The improved statistics can be attributed to staffing levels and training; there is currently only one call center vacancy. Additionally, employees hired in 2013 have benefited from comprehensive training and are becoming more seasoned each day.

**Staffing Update**

LIC currently has one Program Technician II vacancy; recruitment efforts have commenced.

The call center has retained two part-time retired annuitants who work during peak call hours (10 a.m.-2 p.m.). Both retired annuitants have previously worked in CSLB's call center and are trained in CSLB laws and policies.

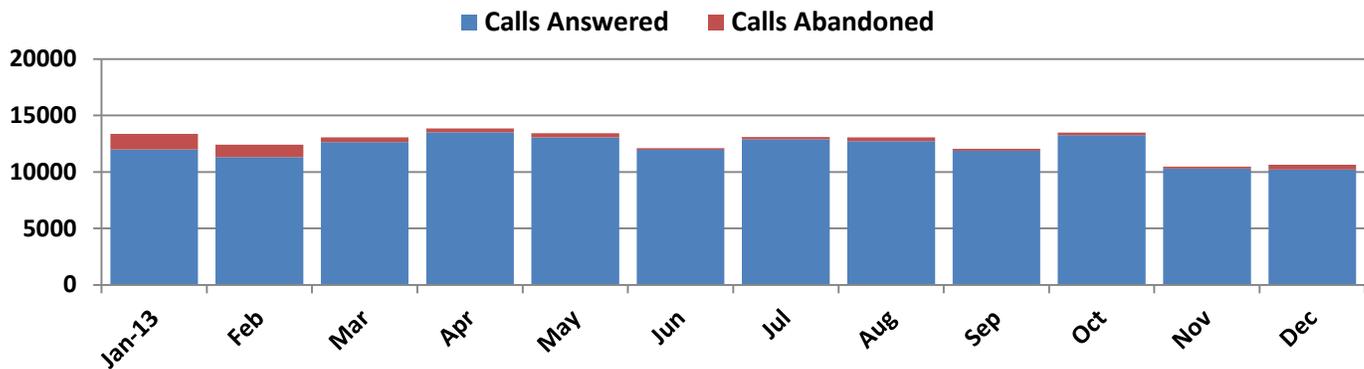
**Increased Training**

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent a significant amount of time getting one-on-one training with seasoned staff and supervisors. LIC also plans to schedule bi-monthly classification training with the CSLB Classification Deputy as well as cross-training with other licensing units. LIC held a successful Board orientation for 35 new employees from January 7-9, 2014. The next orientation will be webcast on the CSLB intranet for staff in Southern California offices.



**LICENSING INFORMATION CENTER CALL DATA**

	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Calls Received	13,385	12,399	13,079	13,839	13,441	12,096	13,104	13,070	12,057	13,480	10,466	10,652
Calls Answered	12,000	11,327	12,652	13,525	13,053	11,971	12,881	12,735	11,876	13,264	10,304	10,204
Calls Abandoned	1,383	1,072	421	314	387	124	221	330	180	216	162	445
Longest Wait Time	16:17	13:54	10:17	5:30	8:23	0:48	4:07	3:51	2:14	4:37	2:30	10:04
Shortest Wait Time	2:50	1:27	0:14	0:15	0:13	0:11	0:16	0:14	0:13	0:17	0:18	0:11
Average Wait Time	6:12	5:45	2:07	1:34	3:58	3:52	1:02	1:35	0:59	0:57	1:06	2:34



**JUDGEMENT 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 time frame for complying, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

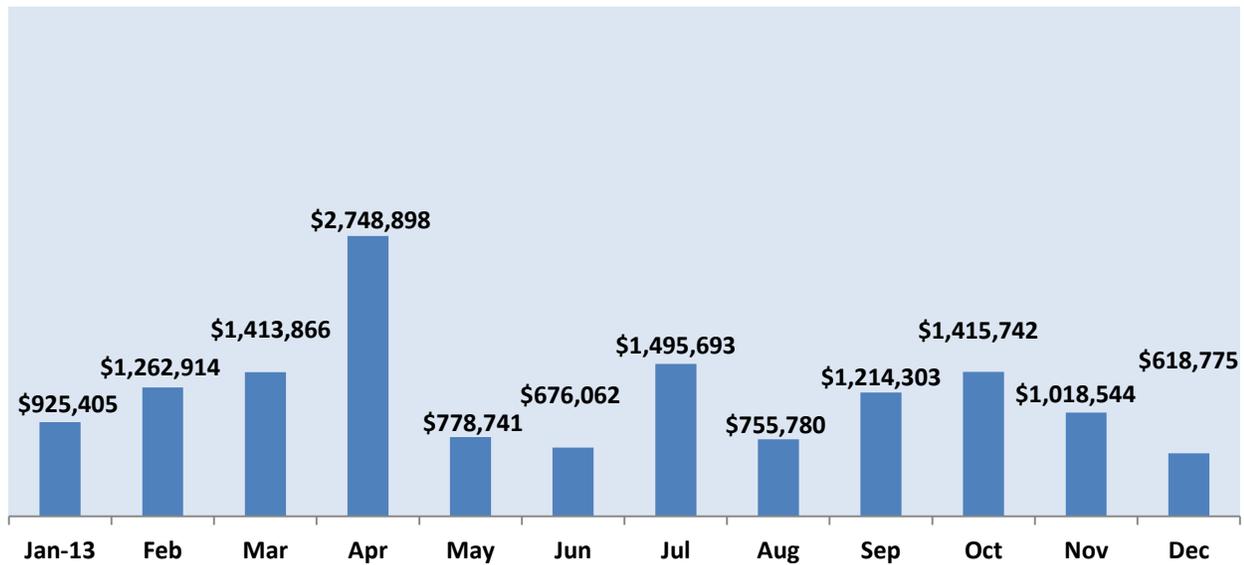
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



**OUTSTANDING LIABILITIES**

Letter Type Sent	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Initial	98	45	62	47	70	58	80	51	34	41	67	39
Suspend	79	29	40	50	53	37	65	54	68	44	20	40
Reinstate	48	29	85	53	36	28	27	35	45	37	28	29

**SAVINGS TO THE PUBLIC**

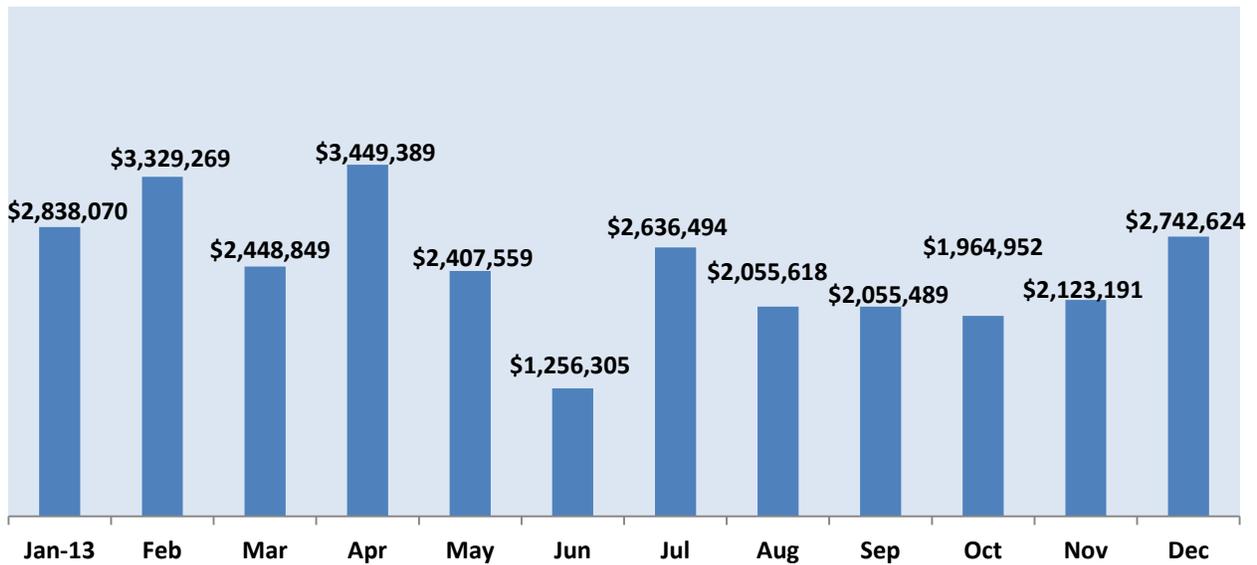




**JUDGMENTS**

Letter Type Sent	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Initial	164	145	136	135	158	138	143	147	146	160	131	128
Suspend	76	56	62	68	67	50	69	57	53	51	47	57
Reinstate	142	135	120	129	129	109	120	130	132	138	108	122

**SAVINGS TO THE PUBLIC**

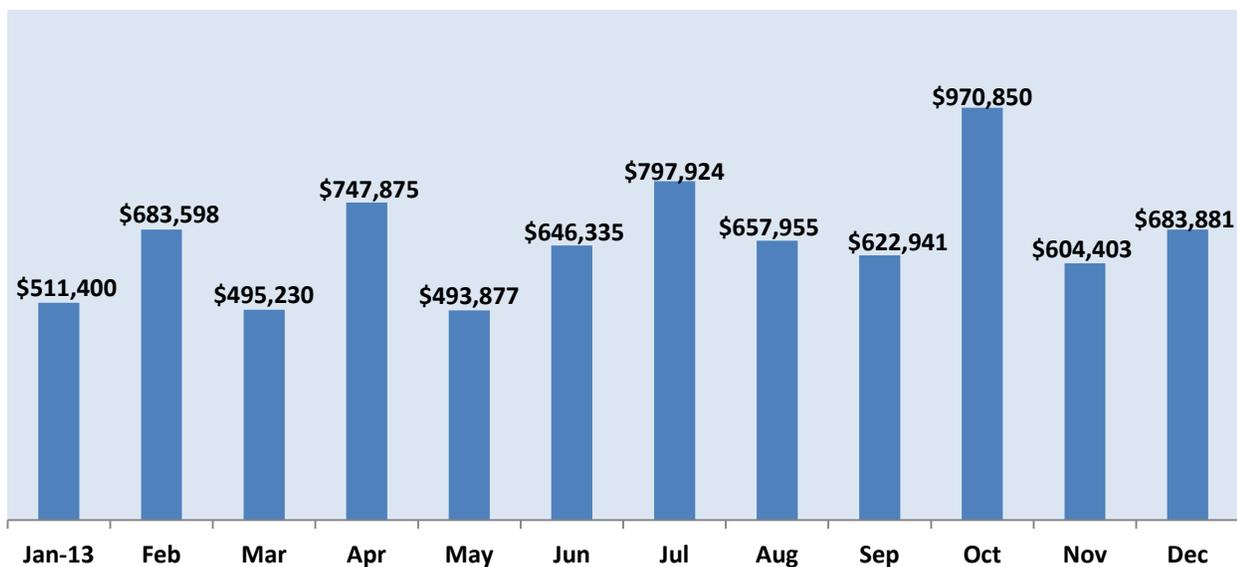




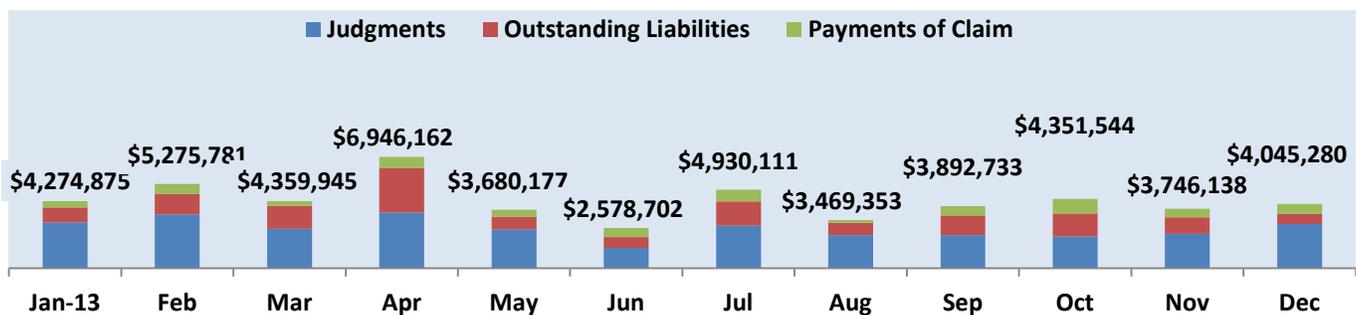
**BOND PAYMENT OF CLAIMS**

Letter Type Sent	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Initial	105	127	77	252	56	178	160	142	102	315	184	139
Suspend	98	35	123	44	66	25	180	88	89	68	68	51
Reinstate	107	126	105	132	93	107	133	124	111	154	118	128

**SAVINGS TO THE PUBLIC**



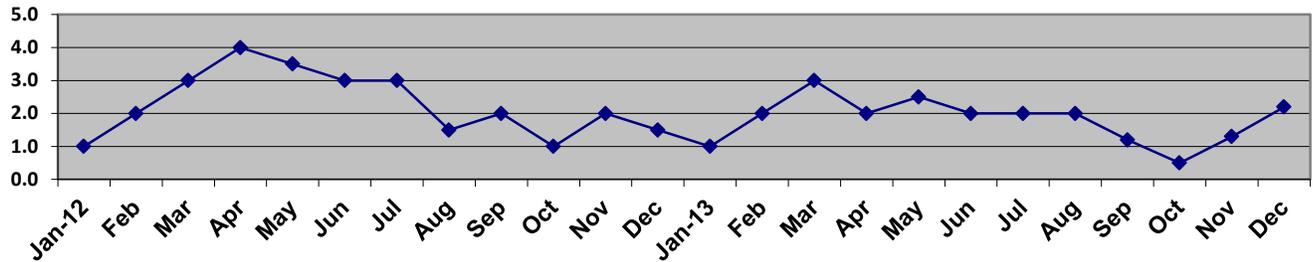
**TOTAL SAVINGS TO THE PUBLIC**



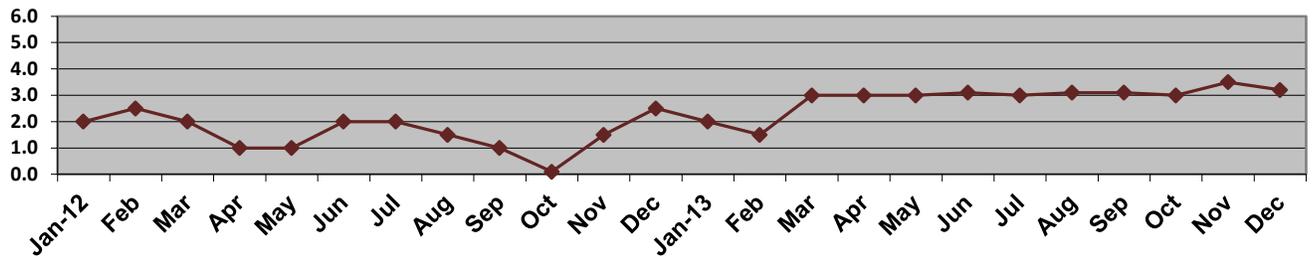


### Number of Weeks Before Being Pulled for Processing

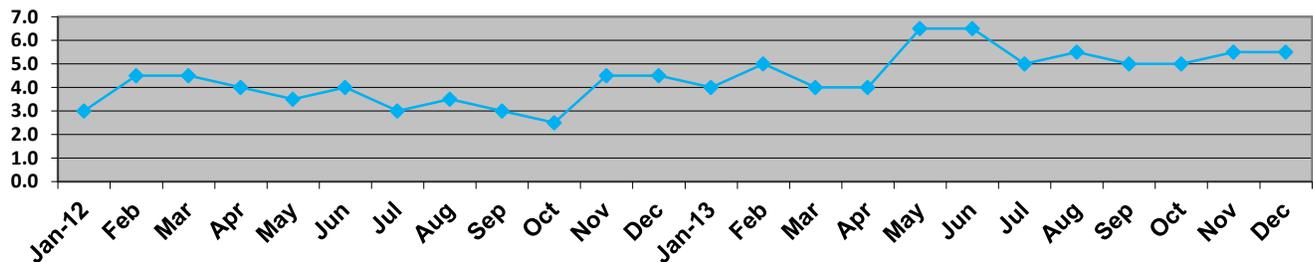
#### Application for Original License - Exam



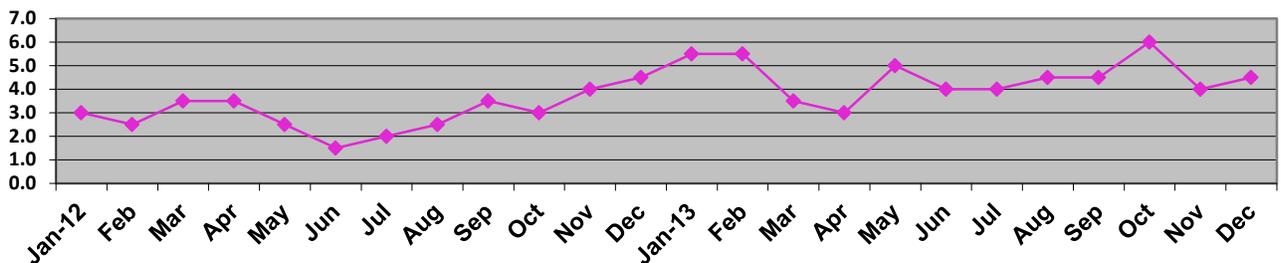
#### Application for Original License - Waiver



#### Application for Additional Classification



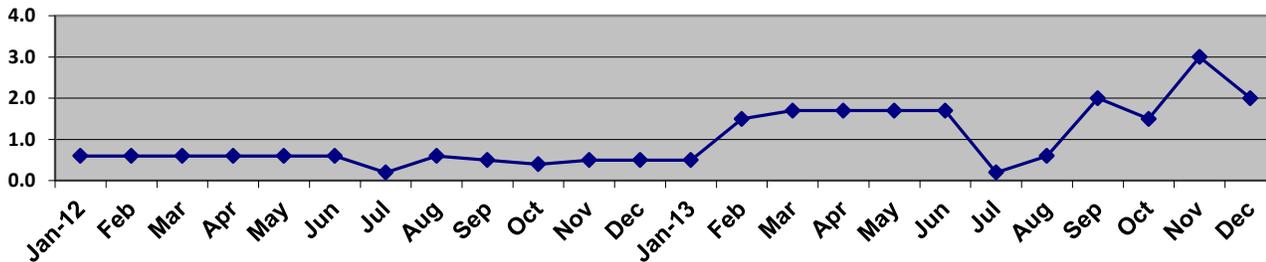
#### Application to Replace the Qualifier



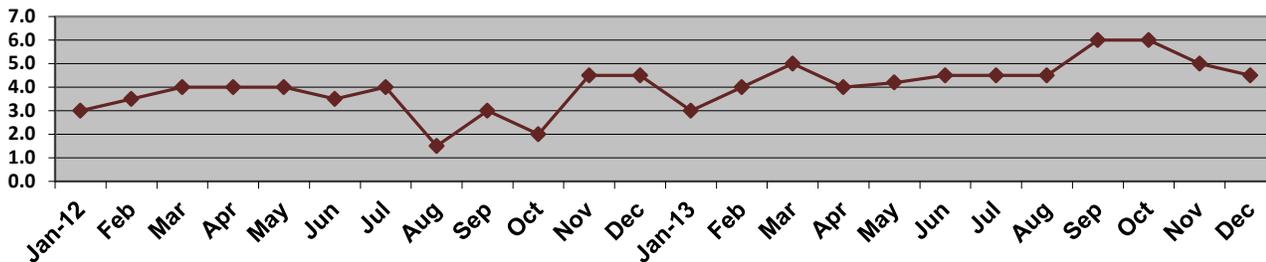


### Number of Weeks Before Being Pulled for Processing

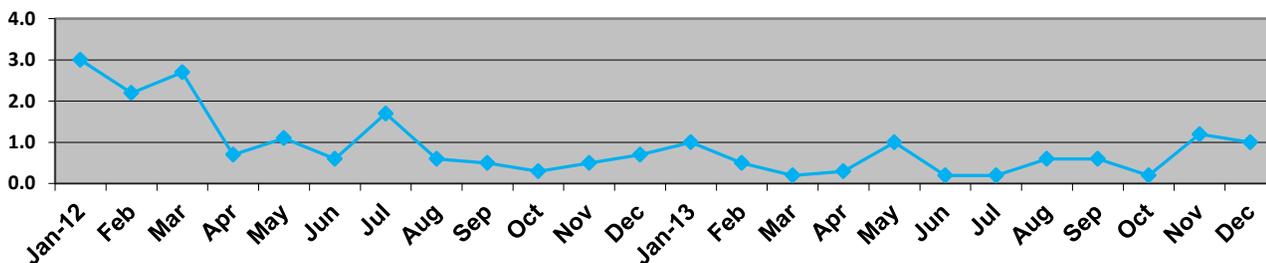
#### Application for Renewal



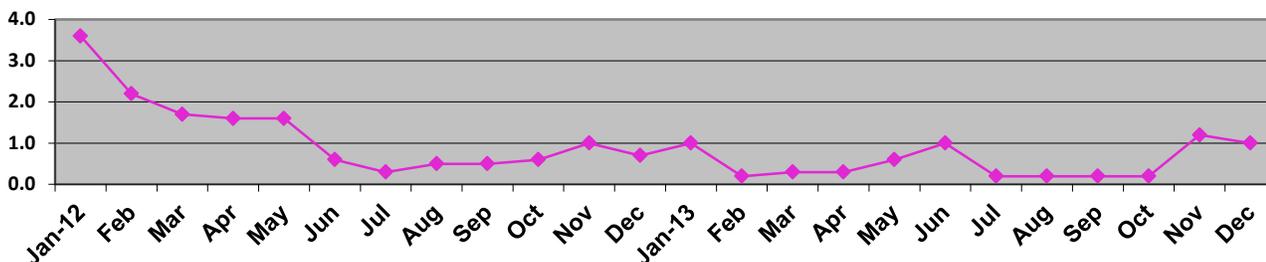
#### Home Improvement Salesperson (HIS) Application



#### Application to Report/Change Officers



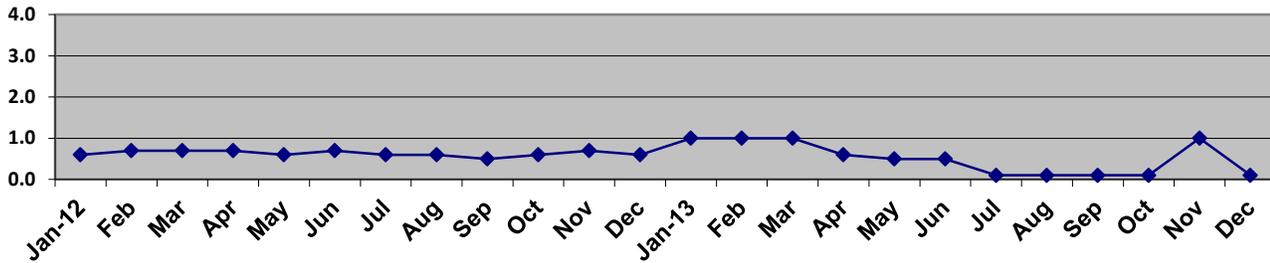
#### Application to Change Business Name or Address



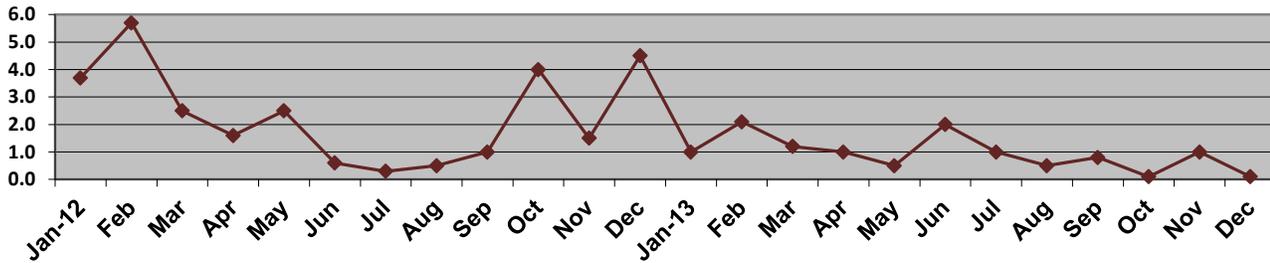


### Number of Weeks Before Being Pulled for Processing

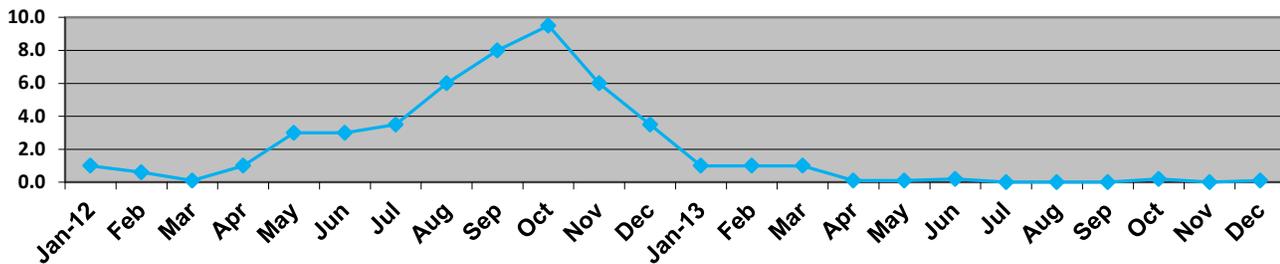
#### Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond



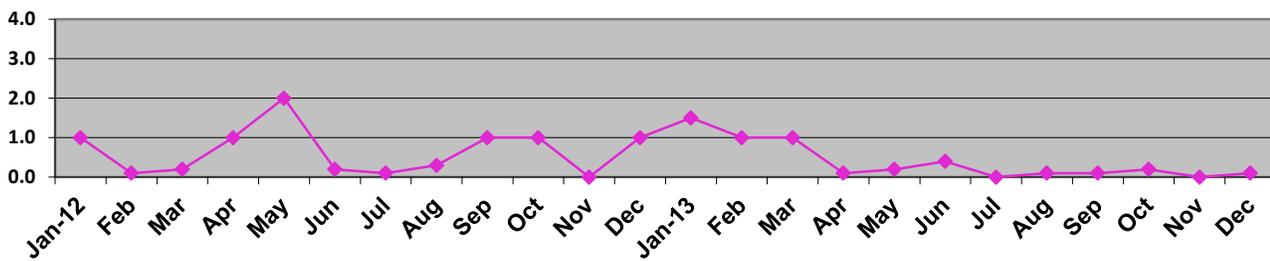
#### Workers' Compensation Certificates and Exemptions



#### Certified License History



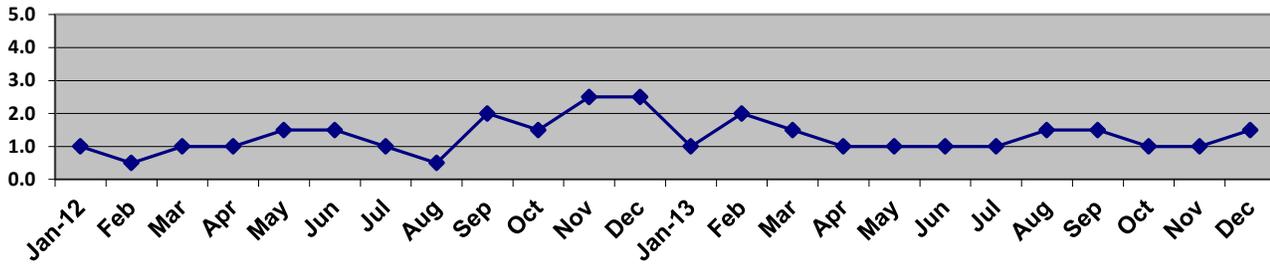
#### Request for Copies of Documents





### Number of Weeks Before Being Pulled for Processing

#### Criminal Background Unit – CORI Review



## AGENDA ITEM H-2

# Testing Program Update





### EXAMINATION ADMINISTRATION UNIT

The Testing division’s Examination Administration Unit (EAU) is responsible for administering CSLB’s 45 examinations at eight computer-based testing centers. Most testing centers are allocated two full-time test monitor positions. Part-time proctors are used to fill in when test monitors are not at work. When test monitors are not actively monitoring examinations, they respond to all of the testing-related interactive voice response (IVR) calls that are received by CSLB.

**Number of Examinations Scheduled January 2013 - December 2013**



### Testing Center Status

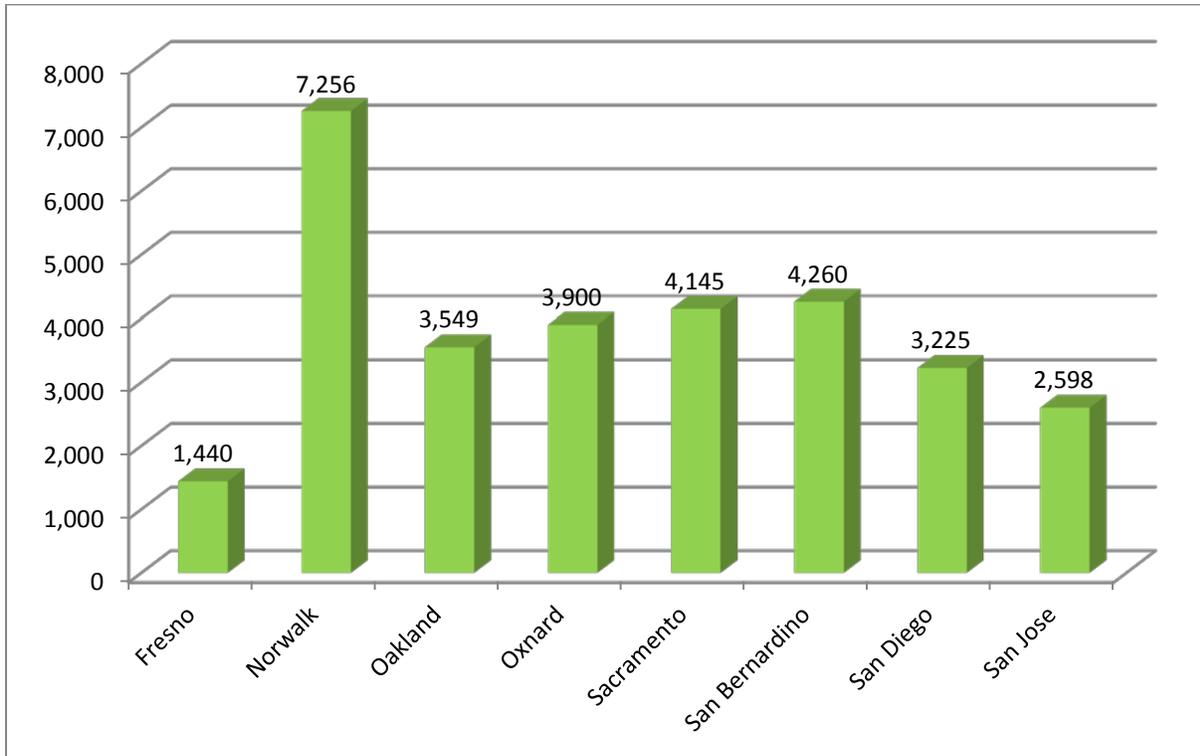
CSLB maintains eight testing centers in the following locations:

- Sacramento
- Oakland
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego

CSLB is working with the Department of General Services to relocate the Oakland testing center to Berkeley. The new office building is occupied by the Department of Toxic Substances Control and Cal/EPA. The move is scheduled for spring 2014. The project is currently in the remodel phase.



**Number of Examinations Scheduled by Testing Center  
January 2013-December 2013**



**EAU Staffing**

Testing has one Office Technician vacancy in EAU at headquarters, two in the San Jose Test Center, and one in the Fresno Test Center.

EAU continues to add individuals to the Department of Consumer Affairs proctor list. Proctors who have not worked in CSLB's testing centers before must be trained; training is in progress.

**Examination Administration Projects**

The EAU analyst/editor has been auditing one testing center each month. She continues to write the EAU Procedure Manual.



**EXAMINATION DEVELOPMENT UNIT**

The Testing division’s Examination Development Unit (EDU) is responsible for ensuring that CSLB’s 45 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

**Occupational Analysis and Examination Development Workload**

To maintain a licensure examination, two phases are required in an ongoing cycle: occupational analysis and examination development. The cycle 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 proportion it should be tested. The examination development phase involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for examinations from that point forward.

EDU recently completed occupational analyses for the C-10 Electrical and C-13 Fencing classifications. In addition, a new examination was released for the C-38 Refrigeration classification.

The following occupational analysis and examination development projects are currently under way:

<b>Occupational Analyses in Progress</b>	<b>New Examinations in Progress</b>
C-11 Elevator	“B” General Building
C-36 Plumbing	C-5 Framing and Rough Carpentry
C-51 Structural Steel	C-10 Electrical
	C-13 Fencing
	C-28 Lock and Security Equipment
	C-35 Lathing and Plastering
	C-45 Sign
	C-50 Reinforcing Steel
	C-60 Welding

Testing uses email surveys as much as possible for occupational analysis projects because they are quicker, less expensive, and require no data entry. CSLB does not have email addresses for all contractors, so paper surveys also are being used to make sure a large enough sample of licensees is reached.

**New Code Regulations**

Forty of the 45 examinations are currently compliant with the new 2013 California Building Codes, effective on January 1, 2014. The rest will shortly follow suit.



### **Civil Service Examinations**

In addition to licensure examinations, EDU works on civil service classification examinations specific to CSLB. Examination development work was conducted for the Consumer Services Representative classification.

### **Examination Development Unit Staffing**

EDU is in the process of filling the unit's supervisor position after EDU Supervisor Wendi Balvanz was named as the new Testing division chief. Wendi has been a member of CSLB's Testing division for 28 years and has been part of numerous organizational and technology transitions.

### **Ongoing Consumer Satisfaction Survey**

EDU conducts an ongoing survey of consumers whose complaint cases have been closed. The survey is designed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process, so consumers who do not initially respond to the survey receive an email reminder one month later.

### **New Testing Division Chief Named**

Acting Testing division chief, Wendi Balvanz, has been named as the new Chief of the Testing division. Wendi has been a member of CSLB's Testing division for 28 years and has been part of many organizational and technological transitions.

# AGENDA ITEM I

## Executive Committee Report



# AGENDA ITEM I-1

## Administration Update





### PERSONNEL UPDATE

#### Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I & II, CSLB	Continuous Filing
	Enforcement Supervisor I	Exam Planning scheduled for Spring 2014
	Consumer Services Representative	Exam Item Writing in progress
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician I/II/III	CalHR
	Program Technician series	CalHR
Testing	Test Validation and Development Specialist I/II	Continuous Filing
	Personnel Selection Consultant I/II	Promotional Exam
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Manager series	CalHR
	Office Technician/Office Assistant	CalHR

#### Position Changes

From November 5, 2013 to February 3, 2014, there were **five (5)** transfers within CSLB, **nine (9)** transfers from other state departments, **six (6)** promotions, and **four (4)** new hires.

#### Training and Development

CSLB encourages the use of Training and Development (T&D) assignments to: 1) provide employees with opportunities to broaden their work experience and skills; 2) prepare employees for career advancement and future promotion; or 3) facilitate entry into new occupational fields. CSLB's Personnel Office also facilitated **one (1)** new T&D assignment in the Consumer Services Representative classification, and **two (2)** employees completed their T&D assignments and have been appointed to Enforcement Representative I's.



**Vacant Positions**

As of February 3, 2014, there were **40.5** vacant positions at CSLB.

<b>DIVISION</b>	<b>AUTHORIZED PY'S</b>	<b>BL 12-03</b>	<b>VACANCIES</b>
Administration	29.95	1	1
Enforcement	210	9	19.5
Executive	13	.5	1
Information Technology	24	0	6
Licensing	97.5	7	9
Testing	25	2	4

**BUSINESS SERVICES UPDATE**

**Facilities**

- CSLB is working closely with the Department of General Services (DGS) to complete the new Berkeley Office. The anticipated move is March 2014.
- The CSLB headquarters office front counter area was reconfigured and an upgraded security camera system was installed throughout the building.

**Contracts and Procurement**

- CSLB and DCA are working with DGS to complete the final review and approval phases before executing a new arbitration services contract, which is expected to be awarded to AMCC.
- CSLB executed various service contracts (i.e., meeting rooms and sound system equipment for Board meetings, maintenance agreements for new equipment, etc.).

**Vacant Positions**

- The Business Services Unit is in the process of filling the last IWAS vacancy, which will fully staff the unit and help meet full production capabilities.

**Training and Development**

- The training coordinator has processed and coordinated training classes for over 330 employees. CSLB staff attended a variety of SOLID training classes at the Department of Consumer Affairs, and 90 outside vendor training classes were attended. These classes consisted of a mix of valuable enforcement training, a variety of computer training programs, and business related training (i.e., analytical studies, business writing, customer service classes, etc.)



**Records Management**

CSLB continues to purge files that are beyond their useful life as designated in the Records Retention Schedule, and is in compliance with the Records Retention Schedule. CSLB continues to scan all new license files into the IWAS system. Staff is also reviewing and updating the existing Records Retention Schedule and submitting this schedule to DCA for review and approval.

**Fleet**

Nothing to report.

**EMERGENCY RESPONSE TEAM**

The CSLB Emergency Response Team met in January to review roles and responsibilities, update emergency procedures, schedule CPR/First Aid Training, prepare for upcoming fire drills, and review protocols for using communication devices (hand-held radios). The CSLB Emergency Response Team is tasked with safe evacuation of CSLB employees from the building in emergency situations such as a fire, natural disaster, earthquake, flood, etc.

## AGENDA ITEM 1-2

# Information Technology Update





### **BREEZE**

The Department of Consumer Affairs' (DCA) new Enterprise Licensing and Enforcement System (BreEZe) went into production for Release One boards on October 8, 2013. DCA continues to work with Accenture and the Release One boards to ensure that the system is meeting operational needs according to system requirements or modifications.

Meetings are being conducted with Release Two boards/committees to discuss BreEZe functionality, business needs, configuration and data conversion. The boards/committees in Release Two are:

- Dental Board
- Dental Hygiene Committee
- Board of Occupational Therapy
- Board of Optometry
- Pharmacy Board
- Physical Therapy Board
- Veterinary Medical Board and Veterinary Technician Examining Committee
- Board of Vocational Nursing and Psychiatric Technicians
- Bureau of Security and Investigative Services

CSLB staff continues to work with BreEZe project staff preparing for the Phase Three release by participating in discussions about functions that will directly impact CSLB operations; working on data conversion; preparing presentations; and conducting meetings with other CSLB staff to discuss specific BreEZe requirements. CSLB IT staff continues to help DCA by assisting other boards and bureaus with data validation and acceptance testing. CSLB also has provided its testing center offices to train DCA board/bureau/committee staff on the BreEZe system.

After all three releases are completed, BreEZe will be the largest enterprise licensing and enforcement solution in the world.

### **PARTNERING AGENCY DISCLOSURE PROJECT UPDATE**

At a January 2013 stakeholder meeting, attendees voiced frustration that there was no centralized information source to identify licensees who may have a history of problems with other public agencies that are not subject to CSLB complaint disclosure.

On September 6, 2013, Board members unanimously approved disclosing disciplinary actions by partnering agencies on CSLB's website.

CSLB flags the licensee on the CSLB website with an advisory statement and an electronic link to a partnering agency's website. Through disclosure via links on CSLB's website, awarding authorities and prime contractors will be able to easily access information.

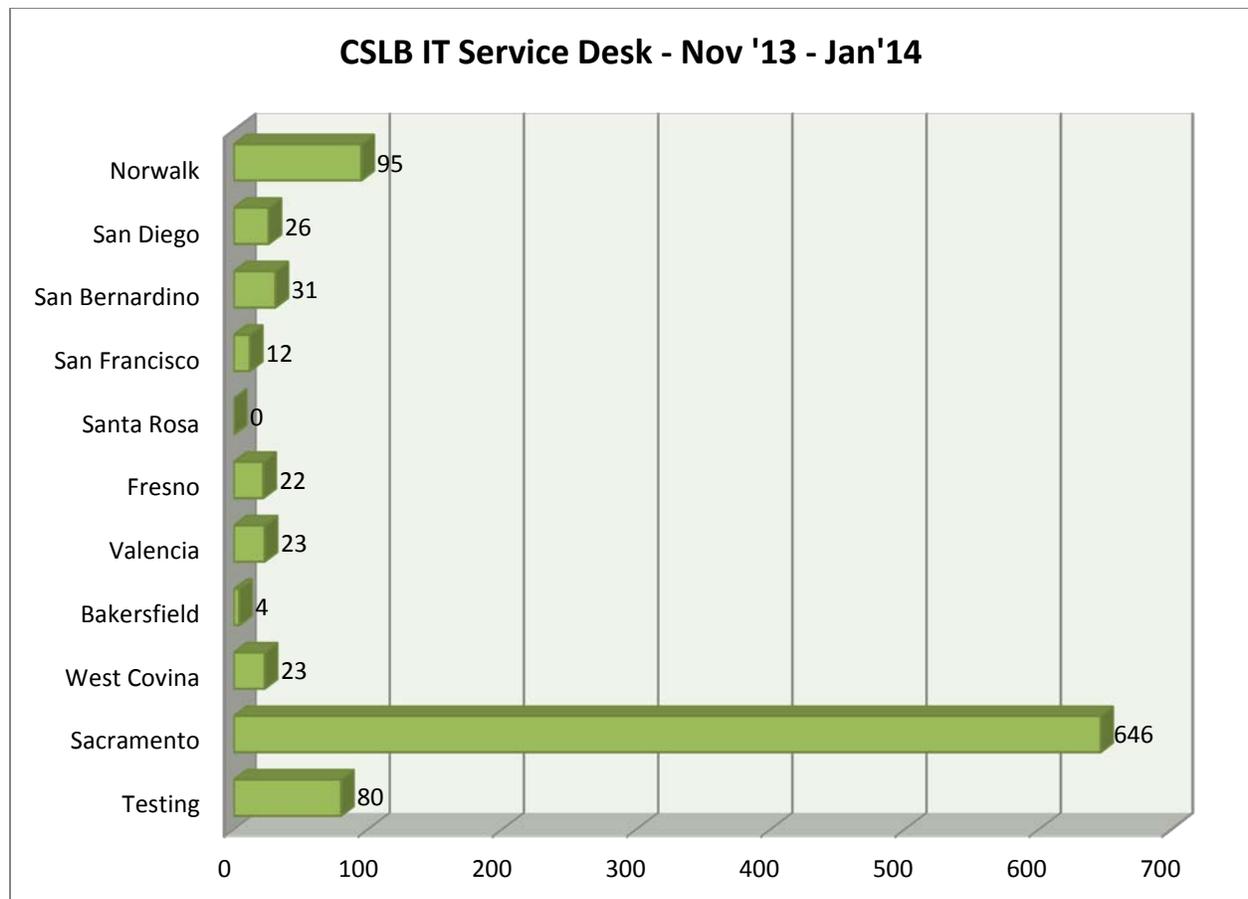


In addition to linking the disciplinary actions taken by two partnering agencies (Department of Labor Relations and Caltrans) last quarter, in January 2014, IT staff linked 11 additional disclosures for Department of Industrial Relations “Director's Prevailing Wage Enforcement Decisions” (Labor Code section 1742) on CSLB’s website. IT will continue working with partnering agencies to disclose additional disciplinary actions as well as partnering with new departments/agencies.

### IT SERVICE DESK

CSLB’s IT Service Desk technical staff resolves Level -1 and Level -2 IT issues. CSLB employees who need assistance with their desktops, laptops, printers, faxes, phones, etc. generate a ticket via phone or the CSLB intranet site. Incoming tickets are reviewed and assigned within 15 minutes. The average Level-1 (“user down”) priority tickets are resolved or fixed in under 30 minutes and Level-2 more complex tickets are resolved in approximately 60 minutes.

From November 2013 through January 2014, a total of 962 tickets (711 online and 251 via phone/walk-in) were processed by the IT Service Desk.





### INTERACTIVE VOICE RESPONSE (IVR) SYSTEM

CSLB’s IVR is an interactive, self-directed telephone system that is a valuable source of information for consumers, contractors, and others. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check the status of their exam application. IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor. In addition to providing information, the IVR system gives callers an option to speak to call center agents in Sacramento or Norwalk. From November 2013 through January 2014, CSLB’s IVR handled 99,944 calls, which is an average of 33,315 calls per month; the system is available 24 hours a day, seven days a week.

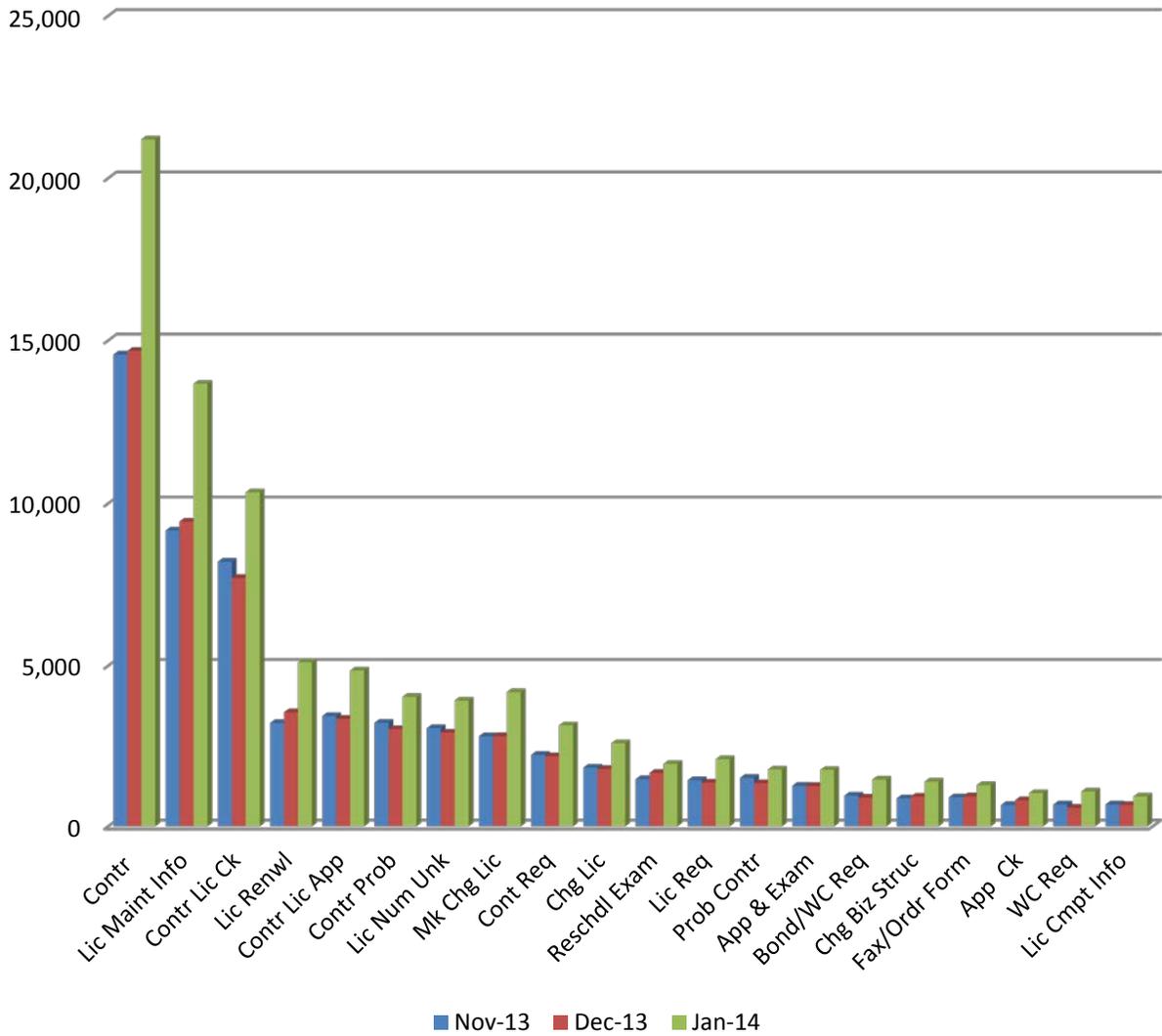
There are dozens of possible menu options within the IVR system; following is a representative sample of the top 20 IVR requests from November 2013 through January 2014.

#### Top 20 IVR Requests - Nov '13 to Jan '14

Subject	Abbreviation	Nov-13	Dec-13	Jan-14
Contractor or Want to Become Contractor	Contr	14,566	14,678	21,195
Info on Maintaining or Changing License	Lic Maint Info	9,166	9,444	13,663
Contractor's License Check	Contr Lic Ck	8,205	7,704	10,342
About License Renewal	Lic Renwl	3,233	3,567	5,106
Contractor License Application	Contr Lic App	3,452	3,362	4,854
Hire or Problem with Contractor	Contr Prob	3,242	3,041	4,040
License Number Not Known	Lic Num Unk	3,071	2,934	3,928
About Making Changes to License	Mk Chg Lic	2,820	2,825	4,189
About Continuing Requirements	Cont Req	2,236	2,195	3,160
For Changes to Existing Licenses	Chg Lic	1,836	1,797	2,601
Reschedule Exam Date	Reschdl Exam	1,477	1,672	1,953
License Requirements	Lic Req	1,446	1,372	2,102
Info on Problems with Contractor	Prob Contr	1,519	1,350	1,777
General Application & Examination Info	App & Exam	1,269	1,263	1,764
Info about Bond or Workers' Comp Req	Bond/WC Req	963	901	1,464
Changing Bus Structure of Existing License	Chg Biz Struc	877	927	1,399
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	910	937	1,289
Application Status Check	App Ck	672	816	1,039
Info about Workers' Comp Requirements	WC Req	684	583	1,087
License Complaint Information	Lic Cmpt Info	685	670	932



Top 20 IVR Requests - Nov'13 to Jan'14

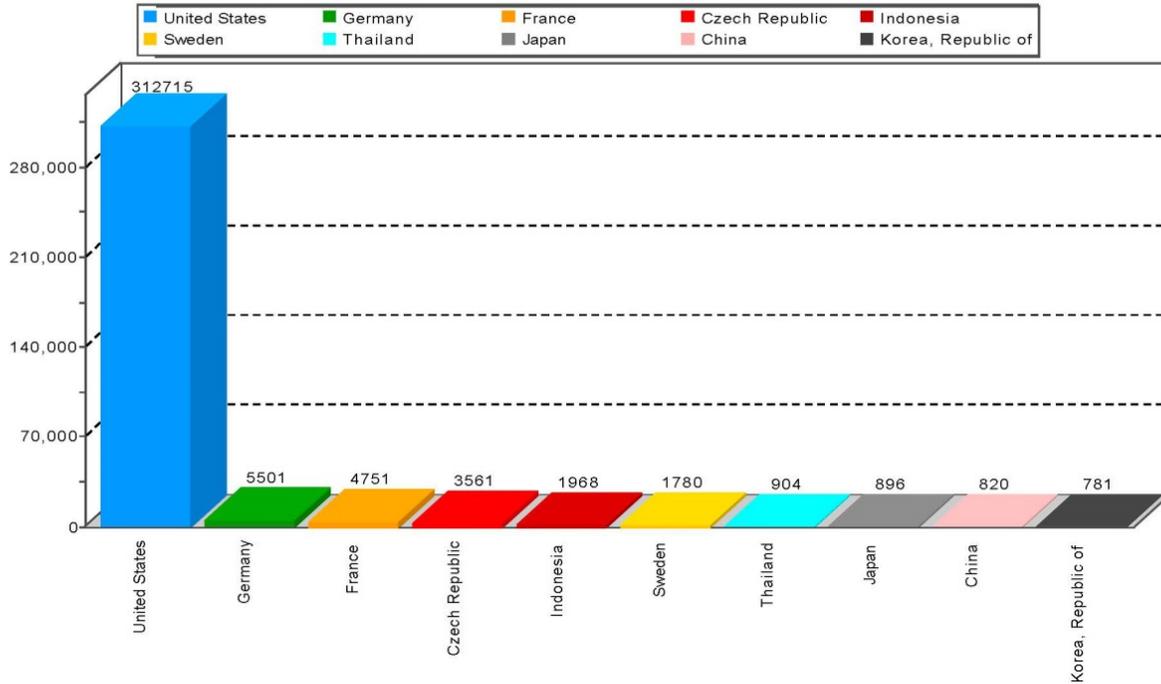




### IT SECURITY - FIREWALL HITS

CSLB IT staff maintains high security on all of its information technology systems and applications. Using multiple layers of defense via various security products (firewall, anti-spam, anti-virus programs, event management and correlation tools), CSLB is proactively blocking/denying any unauthorized attempts from outside sources, including foreign countries. The chart below represents the top 10 countries that attempted to access CSLB systems and applications in January 2014 and were successfully denied. To date, using security best practices, CSLB's IT security systems have successfully safe-guarded CSLB IT assets and no unauthorized attempts have been successful.

Top 10 Countries - CSLB Firewall Hits



# AGENDA ITEM 1-3

## Budget Update





# CONTRACTORS STATE LICENSE BOARD

## BUDGET UPDATE

### CSLB BUDGET AND EXPENDITURES Fiscal Year (FY) 2013-14

Through December 31, 2013, CSLB spent or encumbered \$30 million, roughly 49 percent of its FY 2013-14 budget. The following chart provides a summary of the FY 2013-14 CSLB budget, along with the expenditures through December 2013:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	DECEMBER 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>PERSONNEL SERVICES</b>				
Salary & Wages (Staff)	21,420,545	10,334,056	11,086,489	51.8%
Board Members	15,900	6,000	9,900	62.3%
Temp Help	812,100	291,952	520,148	64.0%
Exam Proctor	41,168	55,758	-14,590	-35.4%
Overtime	124,575	97,470	27,105	21.8%
Staff Benefits	9,320,455	4,662,276	4,658,179	50.0%
<b>TOTALS, PERSONNEL</b>	<b>31,734,743</b>	<b>15,447,512</b>	<b>16,287,231</b>	<b>51.3%</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>				
Operating Expenses	21,126,554	12,348,714	8,777,840	41.5%
Exams	435,882	160,709	275,173	63.1%
Enforcement	8,401,821	2,237,369	6,164,452	73.4%
<b>TOTALS, OE&amp;E</b>	<b>29,964,257</b>	<b>14,746,792</b>	<b>15,217,465</b>	<b>50.8%</b>
<b>TOTALS</b>	<b>61,699,000</b>	<b>30,194,304</b>	<b>31,504,696</b>	<b>51.1%</b>
Scheduled Reimbursements	-353,000	-104,722	-248,278	
Unscheduled Reimbursements		-122,604	122,604	
<b>TOTALS, NET REIMBURSEMENTS</b>	<b>61,346,000</b>	<b>29,966,978</b>	<b>31,379,022</b>	<b>51.2%</b>

### REVENUE

CSLB received the following revenue amounts through December 31, 2013:

Revenue Category	Through 12/31/2013	Percentage of Revenue	Change from prior year (12/31/2012)
Duplicate License/Wall Certificate Fees	\$47,411	0.2%	6.3%
New License and Application Fees	\$4,730,871	15.9%	0.9%
License and Registration Renewal Fees	\$22,622,538	76.2%	-3.7%
Delinquent Renewal Fees	\$1,505,058	5.1%	16.6%
Interest	\$17,318	0.1%	0.0%
Penalty Assessments	\$700,286	2.4%	27.6%
Misc. Revenue	\$56,390	0.2%	6.8%
<b>Total</b>	<b>\$29,679,872</b>	<b>100.00%</b>	<b>-1.6%</b>



**CSLB FUND CONDITION**

Below is the fund condition for the Contractors' License Fund, which shows the final FY 2012-13 reserve (over \$28 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	<b>Final FY 2012-13</b>	<b>Proj. CY 2013-14</b>	<b>Proj. BY 2014-15</b>	<b>Proj. BY+1 2015-16</b>
<b>Beginning Balance</b>	\$26,678	\$28,952	\$22,841	\$17,028
Prior Year Adjustment	\$643	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$27,321</b>	<b>\$28,952</b>	<b>\$22,841</b>	<b>\$17,028</b>
<b>Revenues and Transfers</b>				
Revenue	\$55,588	\$55,571	\$56,146	\$55,696
Transfer from General Fund				
<b>Totals, Resources</b>	<b>\$82,909</b>	<b>\$84,523</b>	<b>\$78,987</b>	<b>\$72,724</b>
<b>Expenditures</b>				
Disbursements:				
Program Expenditures (State Operations)	\$53,628	\$61,346	\$61,959	\$62,579
State Controller (State Operations)	\$36			
Financial Info System Charges	\$293			
13-14 Fi\$cal Assessment		\$273		
<b>Total Expenditures</b>	<b>\$53,957</b>	<b>\$61,619</b>	<b>\$61,959</b>	<b>\$62,579</b>
<b>Fund Balance</b>				
Reserve for economic uncertainties	<b>\$28,952</b>	<b>\$22,841</b>	<b>\$17,028</b>	<b>\$10,145</b>
<b>Months in Reserve</b>	5.6	4.4	3.3	2.0

Notes:

- 1) All dollars in thousands
- 2) Revenue assumes 1% interest earned
- 3) Assumes expenditure growth projected at 1% starting in FY 2014-15 and then ongoing
- 4) Assumes Workload and Revenue Projections are realized for FY 2013-14 to 14-15

**CSLB FY 2014-15 PROPOSED BUDGET CHANGE PROPOSAL (BCP)**

The proposed CSLB FY 2014-15 BCP requesting additional resources (4.0 positions and redirected funding) for the Subsequent Arrests and Convictions Unit within the Enforcement Division was approved by the Department of Finance. The proposal still must go through Legislative hearings in the spring and ultimately be included in the FY 2014-15 Budget Act.



**CONSTRUCTION MANAGEMENT EDUCATION ACCOUNT (CMEA)**

**FY 2013014 Budget Expenditures**

Through December 31, 2013, CMEA expended roughly \$3,900 in pro rata charges. The following chart provides a summary of the FY 2013-14 CMEA budget, along with expenditures through December 2013:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	DECEMBER 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>OPERATING EXPENSES AND EQUIPMENT</b>				
Operating Expenses	15,215	0	15,215	100.0%
Pro Rata	7,785	3,893	3,892	50.0%
<b>TOTALS, OE&amp;E</b>	<b>23,000</b>	<b>3,893</b>	<b>19,107</b>	<b>83.1%</b>
<b>GRANT AWARDS</b>				
Grant Awards	150,000	0	150,000	100.0%
<b>TOTALS, GRANT AWARDS</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>100.0%</b>
<b>TOTALS</b>	<b>173,000</b>	<b>3,893</b>	<b>169,107</b>	<b>97.7%</b>

**CMEA Fund Condition**

The CMEA fund condition (below), shows the final FY 2012-13 reserve (\$165,000 – approximately 15 months’ reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Proj. CY 2013-14	Proj. BY 2014-15	Proj. BY+1 2015-16
<b>Beginning Balance</b>	\$ 259	\$ 165	\$ 84	\$ 4
Prior Year Adjustment	\$ (7)	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$ 252</b>	<b>\$ 165</b>	<b>\$ 84</b>	<b>\$ 4</b>
<b>Revenues and Transfers</b>				
Revenue	\$48	\$54	\$54	\$54
<b>Totals, Resources</b>	<b>\$ 300</b>	<b>\$ 219</b>	<b>\$ 138</b>	<b>\$ 58</b>
<b>Expenditures</b>				
Disbursements:				
Program Expenditures (State Operations)	\$14	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$121	\$121	\$121
13-14 Fi\$cal Assessment		\$1		
<b>Total Expenditures</b>	<b>\$ 135</b>	<b>\$ 135</b>	<b>\$ 134</b>	<b>\$ 134</b>
<b>Fund Balance</b>				
Reserve for economic uncertainties	\$ 165	\$ 84	\$ 4	\$ (76)
<b>Months in Reserve</b>	14.7	7.5	0.4	-6.8

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.

## AGENDA ITEM I-4

# Review and Approval of the 2014 Board Member Administrative Procedure Manual



2014

BOARD MEMBER ADMINISTRATIVE  
**PROCEDURE MANUAL**



**CONTRACTORS STATE  
LICENSE BOARD**

**Members of the Board**

JOAN HANCOCK, *Contractor Member, Chair*

DAVID DIAS, *Labor Member, Vice Chair*

ED LANG, *Public Member, Secretary*

KEVIN J. ALBANESE, *Contractor Member*

AGUSTIN BELTRAN, *Public Member*

LINDA CLIFFORD, *Contractor Member*

PASTOR HERRERA JR., *Public Member*

ROBERT LAMB, *Public Member*

JOHN O'ROURKE, *Public Member*

BRUCE RUST, *Public Member*

FRANK SCHETTER, *Contractor Member*

PAUL SCHIFINO, *Contractor Member*

NANCY SPRINGER, *Building Official*

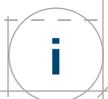
**Registrar of Contractors**

STEPHEN P. SANDS



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## CHAPTER 1. Introduction

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### Overview

The Contractors State License Board (CSLB) was created by the California Legislature in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards to safeguard the public's health, safety, and welfare. Today, CSLB is one of the boards, bureaus, commissions, and committees within the Department of Consumer Affairs (DCA), part of the Business, Consumer Services and Housing Agency under the aegis of the Governor. The Department is responsible for consumer protection and representation through the regulation of licensed professions and the provision of consumer services. While DCA provides administrative oversight and support services, CSLB has policy autonomy and sets its own policies and procedures, and initiates its own regulations.

The Board is comprised of 15 members. By law, nine are public members (eight non-contractors and one local building official), five are contractors, and there is one labor representative. Eleven appointments are made by the Governor. The Senate Rules Committee and the Speaker of the Assembly each appoint two public members. Board members may serve up to two full four-year terms. Board members fill non-salaried positions, but are paid \$100 per day for each meeting day and are reimbursed for travel expenses.

This procedure manual is provided to Board members as a ready reference of important laws, regulations, DCA policies, and Board policies to guide the actions of Board members and ensure Board effectiveness and efficiency.

### General Rules of Conduct

- Board members shall not speak or act for the Board without proper authorization.
- Board members shall maintain the confidentiality of confidential documents and information.
- Board members shall commit the time to prepare for Board responsibilities.
- Board members shall recognize the equal role and responsibilities of all Board members.
- Board members shall act fairly, be nonpartisan, impartial, and unbiased in their role of protecting the public.

- Board members shall treat all applicants and licensees in a fair and impartial manner.
- Board members' actions shall serve to uphold the principle that the Board's primary mission is to protect the public.
- Board members shall not use their positions on the Board for personal, familial, or financial gain.

## Chapter 2. Board Meeting Procedures

---

### Frequency of Meetings

*(Business & Professions Code sections 7006, 7007)*

- The Board shall meet at least once each calendar quarter for the purpose of transacting such business as may properly come before it.
- Special meetings of the Board may be held as indicated in its bylaws.
- Four members of the Board may call a special meeting at any time.
- Eight members constitute a quorum at a Board meeting.
- Due notice of each meeting and the time and place thereof shall be given to each member in the manner provided in the bylaws.

### Board Member Attendance at Board Meetings

*(Board Policy)*

Board members shall attend each meeting of the Board. If a member is unable to attend, he or she must contact the Board Chair or the Registrar and ask to be excused from the meeting for a specific reason.

### Public Attendance at Board Meetings

*(Government Code section 11120 et seq.)*

Meetings are subject to all provisions of the Bagley-Keene Open Meeting Act. This act governs meetings of the state regulatory boards and meetings of committees of those boards where the committee consists of more than two members. It specifies meeting notice and agenda requirements and prohibits discussing or taking action on matters not included in the agenda.

If the agenda contains matters which are appropriate for closed session, the agenda shall cite the particular statutory section and subdivision authorizing the closed session.

### Quorum

*(B&P Code section 7007)*

Eight Board members constitute a quorum for the transaction of business. The concurrence of a majority who are present and voting at a meeting shall be necessary to constitute an act or decision of the Board.

**Agenda Items**

*(Board Policy)*

Any Board member may submit items for a Board meeting agenda to the Registrar 15 days prior to the meeting.

**Notice of Meetings**

*(Government Code section 11120 et seq.)*

According to the Bagley-Keene Open Meeting Act, meeting notices (including agendas for Board meetings) shall be sent to persons on the Board's mailing list at least 10 calendar days in advance. The notice shall include a staff person's name, work address, and work telephone number who can provide further information prior to the meeting.

**Notice of Meetings to be Posted on the Internet**

*(Government Code section 11125 et seq.)*

Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting, and shall include the name, address, and telephone number of a staff person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. The written notice shall additionally include the Internet address where notices required by this article are made available.

**Record of Meetings**

*(Board Policy)*

The minutes are a summary, not a transcript, of each Board meeting. They shall be prepared by Board staff and submitted for review by Board members before the next Board meeting. Board minutes shall be approved at the next scheduled meeting of the Board. When approved, the minutes shall serve as the official record of the meeting.

**Audio/Video Recording**

*(Board Policy)*

The meeting may be audio/video recorded and/or broadcast live via the Internet. Recordings may be disposed of upon Board approval of the minutes; broadcasts may be available in perpetuity.

**Meeting Rules**

*(Board Policy)*

The Board will use Robert's Rules of Order, to the extent that it does not conflict with state law (e.g., Bagley-Keene Open Meeting Act), as a guide when conducting the meetings.

**Public Comment***(Board Policy)*

Due to the need for the Board to maintain fairness and neutrality when performing its adjudicative function, the Board shall not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending or criminal administrative action.

1. If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments. The Board may ask or direct a staff member to speak with the person directly outside the confines of the meeting room.
2. If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
  - a. Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a Board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
  - b. Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
3. The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.

## CHAPTER 3. Travel and Salary Policies and Procedures

---

### Travel Approval

*(DCA Memorandum 96-01)*

Board members shall have Board Chair approval for all travel except for regularly scheduled Board and committee meetings to which the Board member is assigned.

### Travel Arrangements

*(Board Policy)*

Board members should attempt to make their own travel arrangements and are encouraged to coordinate with the Registrar's Executive Assistant for lodging accommodations.

### Out-of-State Travel

*(SAM Section 700 et seq.)*

For out-of-state travel, Board members will be reimbursed for actual lodging expenses, supported by vouchers, and will be reimbursed for meal and supplemental expenses. Out-of-state travel for all persons representing the state of California is controlled and must be approved by the Governor's Office.

### Travel Claims

*(SAM section 700 et seq. and DCA Memorandum 96-01)*

Rules governing reimbursement of travel expenses for Board members are the same as for management-level state staff. All expenses shall be claimed on the appropriate travel expense claim forms. The Registrar's Executive Assistant maintains these forms and completes them as needed. It is advisable for Board members to submit their travel expense forms immediately after returning from a trip and not later than two weeks following the trip.

For expenses to be reimbursed, Board members shall follow procedures contained in DCA Departmental Memoranda, which periodically are disseminated by the Director and are provided to Board members.

### Salary Per Diem

*(B&P Code section 103)*

Compensation in the form of salary per diem and reimbursement of travel and other related expenses for Board members is regulated by B&P Code section 103.

In relevant part, this section provides for the payment of salary per diem for Board members “for each day actually spent in the discharge of official duties,” and provides that the Board member “shall be reimbursed for traveling and other expenses necessarily incurred in the performance of official duties.”

Accordingly, the following general guidelines shall be adhered to in the payment of salary per diem or reimbursement for travel:

1. No salary per diem or reimbursement for travel-related expenses shall be paid to Board members except for attendance at official Board or committee meetings, unless a substantial official service is performed by the Board member. Attendance at gatherings, events, hearings, conferences or meetings other than official Board or committee meetings in which a substantial official service is performed shall be approved in advance by the Board Chair. The Registrar shall be notified of the event and approval shall be obtained from the Board Chair prior to Board member’s attendance.
2. The term “day actually spent in the discharge of official duties” shall mean such time as is expended from the commencement of a Board meeting or committee meeting to the conclusion of that meeting. Where it is necessary for a Board member to leave early from a meeting, the Board Chair shall determine if the member has provided a substantial service during the meeting and, if so, shall authorize payment of salary per diem and reimbursement for travel-related expenses.

For Board-specified work, Board members will be compensated for actual time spent performing work authorized by the Board Chair. That work includes, but is not limited to, authorized attendance at other gatherings, events, meetings, hearings, or conferences, and NASCLA or CLEAR committee work. That work does not include preparation time for Board or committee meetings. Board members cannot claim salary per diem for time spent traveling to and from a Board or committee meeting.

## Chapter 4. Selection of Officers and Committees

---

### Officers of the Board

*(B&P Code section 7005)*

The Board shall elect from its members a Chair, a Vice Chair, and a Secretary to hold office for one year or until their successors are duly elected and qualified.

### Nomination of Officers

*(Board Policy)*

The Board Chair shall appoint a Nominations Committee prior to the last meeting of the fiscal year and shall give consideration to appointing a public and a professional member of the Board to the Committee. The Committee's charge will be to recommend a slate of officers for the following year. The Committee's recommendation will be based on the qualifications, recommendations, and interest expressed by the Board members. A survey of Board members may be conducted to obtain interest in each officer position. A Nominations Committee member is not precluded from running for an officer position. If more than one Board member is interested in an officer position, the Nominations Committee will make a recommendation to the Board and others will be included on the ballot for a runoff if they desire. The results of the Nominations Committee's findings and recommendations will be provided to the Board members. Notwithstanding the Nominations Committee's recommendations, Board members may be nominated from the floor at the meeting.

### Election of Officers

*(B&P Code section 7005)*

The Board shall elect the officers at the last meeting of the fiscal year. Officers shall serve a term of one year, beginning July 1 of the next fiscal year. All officers may be elected on one motion or ballot as a slate of officers unless more than one Board member is running per office. An officer may be re-elected and serve for more than one term.

### Officer Vacancies

*(Board Policy)*

If an office becomes vacant during the year, an election shall be held at the next meeting. If the office of the Chair becomes vacant, the Vice Chair shall assume the office of the Chair. Elected officers shall then serve the remainder of the term.

**Committee Appointments**

(Board Policy)

The Chair shall establish committees, whether standing or special, as he or she deems necessary. Composition of the committees and the appointment of the members shall be determined by the Board Chair in consultation with the Vice Chair, Secretary, and Registrar. When committees include the appointment of non-Board members, all interested parties should be considered.

**Attendance at Committee Meetings**

(Board Policy)

If a Board member wishes to attend a committee meeting of which he or she is not a member, the Board member shall obtain permission to attend from the Board Chair and shall notify the committee chair and staff. Board members who are not members of the committee that is meeting cannot vote during the committee meeting. If there is a quorum of the Board at a committee meeting, Board members who are not members of the committee must sit in the audience and cannot participate in committee deliberations.

**Participation at Committee Meetings**

(Government Code section 11122.5 et seq.)

When a majority of the members of the Board are in attendance at an open and noticed meeting of a standing committee, members of the Board who are not members of the standing committee may attend only as observers. Board members who are not members of a committee where a majority of the members of the Board are present, can not ask questions, talk, or sit with the members of the committee at the meeting table.

## Chapter 5. Board Administration and Staff

---

### Board Administration

*(DCA Reference Manual)*

Board members should be concerned primarily with formulating decisions on Board policies rather than decisions concerning the means for carrying out a specific course of action. It is inappropriate for Board members to become involved in the details of program delivery. Strategies for the day-to-day management of programs and staff shall be the responsibility of the Registrar.

### Board Budget

*(Board Policy)*

The Secretary shall serve as the Board's budget liaison with staff and shall assist staff in the monitoring and reporting of the budget to the Board. Staff will conduct an annual budget briefing with the Board with the assistance of the Secretary.

The Registrar or the Registrar's designee will attend and testify at legislative budget hearings and shall communicate all budget issues to the Administration and Legislature.

### Strategic Planning

*(Board Policy)*

The Executive Committee shall have overall responsibility for the Board's Strategic Planning Process. The Vice Chair shall serve as the Board's strategic planning liaison with staff and shall assist staff in the monitoring and reporting of the strategic plan to the Board. The Board will conduct an annual strategic planning session and may utilize a facilitator to conduct the strategic planning process.

### Legislation

*(Board Policy)*

In the event that time constraints preclude Board action, the Board delegates to the Registrar and the Chair of the Legislative Committee the authority to take action on legislation that would change Contractors State License Law that impacts a previously established Board policy or affects the public's health, safety, or welfare. Prior to taking a position on legislation, the Registrar shall consult with the Board Chair. The Board shall be notified of such action as soon as possible.

**Communication, Other Organizations and Individuals***(Board Policy)*

All communication relating to any Board action or policy to any individual or organization, including, but not limited to, NASCLA and CLEAR, shall be made only by the Chair of the Board, his or her designee, or the Registrar. Any Board member who is contacted by any of the above should immediately inform the Board Chair or Registrar of the contact. All correspondence shall be issued on the Board's standard letterhead and will be created and disseminated by the Registrar's office.

**Public or News Media Inquiries***(Board Policy)*

All technical, licensing, or disciplinary inquiries to a CSLB Board or committee member from applicants, licensees, or members of the public should be referred to the Registrar. Contact of a Board or committee member by a member of the news media should be referred to the Chief of Public Affairs.

**Stationary***(Board Policy)***• Business Cards**

Business cards will be provided to each Board member with the Board's name, address, telephone and fax number, and website. A Board member's business address, telephone and fax number, and e-mail address may be listed on the card at the member's request.

**• Letterhead**

Only correspondence that is transmitted directly by the CSLB office may be printed or written on CSLB letterhead stationary. Any correspondence from a Board or committee member requiring the use of CSLB stationary or the CSLB logo should be transmitted to the CSLB office for finalization and distribution.

**Registrar Evaluation***(Board Policy)*

Board members shall evaluate the performance of the Registrar of Contractors on an annual basis.

**Board Staff**

*(DCA Reference Manual)*

Employees of the Board, with the exception of the Registrar, are civil service employees. Their employment, pay, benefits, advancement, discipline, termination, and conditions of employment are governed by civil service laws, regulations, and collective bargaining labor agreements. Because of this complexity, it is most appropriate that the Board delegate all authority and responsibility for management of the civil service staff to the Registrar. Board members shall not intervene or become involved in specific day-to-day personnel transactions or matters.

## Chapter 6. Other Policies and Procedures

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### **Board Member Ethics Training**

*(AB 2179)*

With the passage of AB 2179 (1998 Chapter 364), state appointees and employees in exempt positions are required to receive an ethics orientation within the first six months of their appointment and every two years thereafter. To comply with that directive, Board or committee members may take the interactive course provided by the Office of the Attorney General, which can be found at [oag.ca.gov/ethics](http://oag.ca.gov/ethics).

### **Board Member Disciplinary Actions**

*(Board Policy)*

A member may be censured by the Board if, after a hearing before the Board, the Board determines that the member has acted in an inappropriate manner.

The Chair of the Board shall sit as chair of the hearing unless the censure involves the Chair's own actions, in which case the Vice Chair of the Board shall sit as hearing chair. In accordance with the Bagley-Keene Open Meetings Act, the censure hearing shall be conducted in open session.

### **Removal of Board Members**

*(B&P Code section 7005)*

The Governor has the power to remove from office at any time any member of any board appointed by him or her for continued neglect of duties required by law or for incompetence or unprofessional or dishonorable conduct. The Governor also may remove from office a Board member who directly or indirectly discloses examination questions to an applicant for examination for licensure.

### **Resignation of Board Members**

*(Government Code section 1750)*

In the event that it becomes necessary for a Board member to resign, a letter shall be sent to the appropriate appointing authority (Governor, Senate Rules Committee, or Speaker of the Assembly) with the effective date of the resignation. Written notification is required by state law. A copy of this letter also shall be sent to the director of the Department, the Board Chair, and the Registrar.

**Conflict of Interest**

*(Government Code section 87100)*

No Board member may make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision in which he or she knows or has reason to know he or she has a financial interest. Any Board member who has a financial interest shall disqualify him- or herself from making or attempting to use his or her official position to influence the decision. Any Board member who feels he or she is entering into a situation where there is a potential for a conflict of interest should immediately consult the Registrar or the Board's legal counsel.

**Incompatible Activities**

*(DCA Policy)*

Following is a summary of the employment, activities, or enterprises that might result in or create the appearance of being inconsistent, incompatible, or in conflict with the duties of state officers:

- Using the prestige or influence of a state office or employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment, or supplies for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using confidential information acquired by the virtue of state employment for the officer's or employee's private gain or advantage or advantage of another.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his or her state employment or as a part of his or her duties as a state officer or employee.
- Performance of an act other than in his or her capacity as a state officer or employee knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such officer or employee of the agency by which he or she is employed. (This would not preclude an "industry" member of CSLB from performing normal functions of his or her occupation.)
- Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is seeking to do business of any kind with the state or whose activities are regulated or controlled in any way by the state, under circumstances from which it

reasonably could be inferred that the gift was intended to influence him or her in his or her official duties or was intended as a reward for any official action on his or her part.

The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of Section 19990 of the Government Code. DCA's Incompatible Work Activities Policy and Procedure OHR 10-01 is included in Appendix A.

### **Contact with License Applicants**

*(Board Policy)*

Board members shall not intervene on behalf of an applicant for licensure for any reason; they should forward all contacts or inquiries to the Registrar or Board staff.

### **Gifts from License Applicants**

*(Board Policy)*

Gifts of any kind to Board members or staff from license applicants shall not be permitted.

### **Request for Records Access**

*(Board Policy)*

No Board member may access the file of a licensee or applicant without the Registrar's knowledge and approval of the conditions of access. Records or copies of records shall not be removed from CSLB's office.

### **Ex Parte Communications**

*(Government Code section 11430.10 et seq.)*

The Government Code contains provisions prohibiting ex parte communications. An "ex parte" communication is a communication to the decision-maker made by one party to an enforcement action without participation by the other party. While there are specified exceptions to the general prohibition, the key provision is found in subdivision (a) of section 11430.10, which states:

"While the proceeding is pending, there shall be no communication, direct or indirect, regarding any issue in the proceeding to the presiding officer from an employee or representative of an agency that is a party or from an interested person outside the agency, without notice and an opportunity for all parties to participate in the communication."

Board members are prohibited from ex parte communications with Board enforcement staff while a proceeding is pending.

Occasionally, an applicant who is being formally denied licensure, or a licensee against whom disciplinary action is being taken, will attempt to directly contact Board members.

If the communication is written, the person should read only far enough to determine the nature of the communication. Once he or she realizes it is from a person against whom an action is pending, they should reseal the documents and send them to the Chief of Enforcement.

If a Board member receives a telephone call from an applicant or licensee against whom an action is pending, he or she should immediately tell the person that discussion about the matter is not permitted; that he or she will be required to recuse him or herself from any participation in the matter; and continued discussion is of no benefit to the applicant or licensee. The Board member should end the conversation in a firm and cordial manner.

If a Board member believes that he or she has received an unlawful ex parte communication, he or she should contact the Board's assigned legal office counsel.

### **Sexual Harassment Prevention Training**

*(Government Code section 12950.1)*

Board members are required to undergo sexual harassment prevention training and education once every two years. Staff will coordinate the training with the Department of Consumer Affairs.

## Abbreviations and Acronyms Glossary

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ALJ	Administrative Law Judge
ACD	Automated Call Distribution system
ADR	Alternative Dispute Resolution
AG	Office of the Attorney General
AGENCY	Business, Consumer Services and Housing Agency
AMCC	Arbitration Mediation Conciliation Center
APA	Administrative Procedure Act
APP	Application for contractor license or Home Improvement Salesperson registration
App Fee	Application Fee Number
ASB	Asbestos Certification
B&P	Business and Professions Code
BCP	Budget Change Proposal
BQI	Bond of Qualifying Individual
Cal/OSHA	DIR Division of Occupational Safety & Health
CAT	Computer Assisted Testing
CB	Contractor's Bond
CCCP	California Code of Civil Procedure
CCR	California Code of Regulations
Cite	Citation
CLC	<i>California Licensed Contractor</i> newsletter
CLEAR	Council on Licensure Enforcement and Regulations
CP/CORP	Corporation
CSLB	Contractors State License Board
CSR	Consumer Services Representative
DAG	Deputy Attorney General
DB	Disciplinary Bond
DBA	Doing Business As
DCA	Department of Consumer Affairs
DIR	Department of Industrial Relations
DLSE	Division of Labor Standards Enforcement
DOI	Department of Insurance
DOL	Department of Labor
DOSH	DIR Division of Occupational Safety & Health (also referred to as Cal/OSHA)
EDD	Employment Development Department
EO	Executive Officer / Registrar of Contractors
ER	Enforcement Representative

ES	Enforcement Supervisor
FSR	Feasibility Study Report
FTA	Failure to Appear
FTB	Franchise Tax Board
HAZ	Hazardous Substances Removal Certification
HIS	Home Improvement Salesperson
IC	Investigative Center
IE	Industry Expert
IEP	Industry Expert Program
IMC	Intake and Mediation Center
IT	Information Technology
IVR	Interactive Voice Response system (automated telephone system)
JV	Joint Venture
LEG	State Legislature, legislative
LETF	Labor Enforcement Task Force
MARB	Mandatory Arbitration Program
MOU	Memoranda(um) of Understanding
MSC	Mandatory Settlement Conference
NASCLA	National Association of State Contractors Licensing Agencies
NTA	Notice to Appear
OA	Occupational Analysis
OSN	On-Site Negotiation Program
PAO	Public Affairs Office
PD	Proposed Decision
PT	Partnership
QPT	Qualifying Partner
RFP	Request for Proposal
RME	Responsible Managing Employee
RMO	Responsible Managing Officer
SAM	State Administrative Manual
SCIF	State Compensation Insurance Fund
SME	Subject Matter Expert
SOI	Statement of Issues
SSN	Social Security Number
SWIFT	Statewide Investigative Fraud Team
TVDS	Test Validation and Development Specialist
VARB	Voluntary Arbitration Program
Chair	Where the term "Chair" is used in this manual, it will be assumed to include his or her designee

## APPENDIX A

### DCA Incompatible Work Activities Policy and Procedure



STATE AND CONSUMER SERVICES AGENCY • ARNOLD SCHWARZENEGGER, GOVERNOR  
**DEPARTMENTAL POLICY**



<b>TITLE</b>	<b>INCOMPATIBLE WORK ACTIVITIES</b>		
<b>POLICY OWNER</b>	<b>LEGAL AFFAIRS AND OFFICE OF HUMAN RESOURCES</b>		
<b>POLICY NUMBER</b>	OHR 10-01	<b>SUPERSEDES</b>	<b>ADM 99-02</b>
<b>ISSUE DATE</b>	April 8, 2010	<b>EFFECTIVE</b>	<b>IMMEDIATELY</b>
<b>DISTRIBUTE TO</b>	<b>ALL EMPLOYEES</b>		
<b>ORIGINAL APPROVED BY</b>	 Brian Siger, Director Department of Consumer Affairs		
<b>PAGE</b>	1 of 9	<b>ATTACHMENT</b>	

#### POLICY

It is the policy of the Department of Consumer Affairs (DCA) to promote and adhere to all policy directives and all laws, rules, and regulations concerning Incompatible Work Activities.

#### APPLICABILITY

This policy applies to all employees, governmental officials, contractors, consultants, and temporary staff of DCA, and any of its divisions, bureaus, boards, programs, and other constituent agencies. Within this policy, the generic acronym "DCA" applies to all of these entities.

#### PURPOSE

The purpose of this policy is to outline the State laws set forth in the standards of conduct with which State civil service officers and employees are expected to comply. All of the employees of the DCA have a responsibility to their employer, their fellow employees, and the people of California to conduct themselves in an ethical manner so as not to bring discredit to themselves or the State and the department.

#### AUTHORITY

- Government Code Section 19990
- Executive Order 66-2, "Standards of Ethical Conduct"
- Penal Code Section 502
- DPA Rule 599.859

#### PROVISIONS

**Responsibility of Employees**

Employees of the DCA have a responsibility to their employer, their fellow employees, and the people of California to conduct themselves in an ethical manner so as not to bring discredit to themselves or the State and the department.

The policy in this statement must be observed by each employee of the DCA in order to avoid activities which are clearly inconsistent, incompatible, or in conflict with his [or her] official duties. Employees must review this policy with a view toward their particular job duties and responsibilities.

This policy specifically relates to incompatible activities and does not include all provisions of law or regulations with which employees must comply.

If an employee is uncertain as to whether certain activity, employment, or enterprise is in violation of this policy, the employee should immediately consult with his [or her] supervisor who will indicate in writing whether the activity, employment or enterprise is prohibited.

**State Law Prescribed Standards of Conduct**

**Civil Service Employees:** To protect the integrity of the California State Civil Service, State law sets forth standards of conduct with which State civil service officers and employees are expected to comply. Although Government Code Section 19990 is not applicable to those persons exempt from the civil service system, they are also subject to standards of ethical conduct, discussed below. Section 19990 of the Government Code requires that:

**A state officer or employee shall not engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his [or her] duties as a state officer or employee.**

Each appointing power shall determine, subject to approval of the Department of Personnel Administration (DPA), those activities which, for employees under its jurisdiction, are inconsistent, incompatible or in conflict with their duties as State officers or employees. Activities and enterprises deemed to fall in these categories shall include, but not be limited to, all the following:

**Using Prestige or Influence and Examples**

- (a) **Using the prestige or influence of the State or the appointing authority** for the officer's or employee's private gain or advantage or the private gain of another.

*Examples of such activities include:*

- (1) *Soliciting business from persons licensed by the employee's agency (Board or Bureau) under the guise that the licensee may receive special benefits from the employee's agency.*

(2) *Soliciting money from a licensee or from other departmental employees for the employee's private gain.*

(3) *Providing or using the names and/or addresses of licensees, vendors, or other entities subject to regulation by the Department for mailing lists or solicitation unless authorized to do so as part of the employee's duties.*

(4) *Using the badge, uniform, or identification card of a State position for private gain or advantage.*

**Use of State Time, Facilities, etc., and Examples**

(b) **Using State time, facilities, equipment, or supplies** for private gain or advantage.

*Examples of such activities include:*

(1) *Using State vehicles or credit cards for personal gain; using State letterhead stationery for private correspondence; using State office supplies, State postage stamping facilities, State copy machines, or computer equipment and software for home or personal business.*

(2) *Selling products such as cosmetics, jewelry, stationery plastics, etc., at times other than regularly scheduled breaks and lunch periods, or to other employees when they are not on such breaks.*

**Using Confidential Information and Examples**

(c) **Using, or having access to, confidential information** available by virtue of State employment for private gain or advantage or providing confidential information to persons to whom issuance has not been authorized.

*Examples of such activities include:*

(1) *Disclosing confidential investigative reports or confidential examination materials or information.*

(2) *Providing or using, unless authorized to do so by the department or by someone to whom that responsibility has been delegated, licensee social security numbers, birth dates, gender, and/or complaint activity reports.*

(3) *Requesting, acquiring, examining, or disseminating confidential or employee personnel records or personal information maintained by the Department unless authorized in the assignment of related duties.*

(4) *Willfully misusing, misplacing or destroying confidential information, including but not limited to, the disclosure of passwords or permitting access to computer information systems, programs or other data to unauthorized personnel.*

**Accepting Money or Other Consideration and Examples**

- (d) **Receiving or accepting money, or any other consideration**, from anyone other than the State for the performance of his [or her] duties as a State officer or employee.

*Examples of such activities include:*

- (1) *Requesting or accepting money, or other consideration, from applicants or licensees for the priority processing of license applications.*
- (2) *Charging a fee for helping an applicant complete documents for licensure.*

**Performance of an Activity and Examples**

- (e) **Performance of an activity, in other than his [or her] capacity as a State officer or employee**, which is subject directly or indirectly, to the control, inspection, review, audit, or enforcement by the officer or employee.

Each board should evaluate its own mission and job classifications to determine what activities are covered by this category. Specific applications may vary by board or bureau. The following examples are provided for guideline purposes only:

- (1) *Engaging in a personal medical practice or activity, which is regulated by the employee's licensing board, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (2) *Engaging in a nursing practice or activity, which is regulated by the employee's licensing board, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (3) *Engaging in a construction business or activity, which is regulated by the employee's licensing board, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (4) *Engaging in an automobile related business or activity which, is regulated by the employee's bureau, when the employee's duties are to review, inspect, audit, or enforce the regulated activity.*
- (5) *Engaging in a private legal practice where the employee represents clients in any matter or venture subject to the regulation of an agency in DCA, or represents any licensee in any enforcement matter before an agency in the Department.*

**Exception: to Prohibition in paragraph (e)**

A board, bureau, commission, or other employment unit in the DCA may determine that it is in the interests of the agency to allow specified employees to engage in activities, which would otherwise be prohibited under the above guidelines. Examples may include allowing employees holding professional or vocational licenses to engage in the licensed business or profession in order to maintain current skills.

Any agency deciding to allow such employment or activities shall develop criteria to evaluate whether requests to engage in such employment or activities will be approved. The criteria must include, but need not be limited to: the time-base of the employee, the benefit to the organization of the employment or activity, a policy to avoid an actual conflict of interest or the appearance of a conflict of interest, and periodic review of the employment or activity.

Any employee currently engaged in, or desiring to engage in, such employment or activities shall submit a written request to his [or her] supervisor, describing the type and scope of outside employment or activity. The supervisor shall review the request and make a recommendation to approve or disapprove the request, based on the criteria developed by the agency. The request and recommendation shall be submitted through the supervisory chain to the program manager, division chief or executive officer, or designee who will make the determination. The approving officer may review the matter with the DCA's Legal Office and request legal review and a legal opinion regarding the proposed activity. The decision of the approving officer shall be in writing with reasons set forth for the decision.

**Gratuities, other things of value**

- (f) **Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or other thing of value** from anyone who is doing or seeking to do business of any kind with the officer's or employee's appointing authority, or whose activities are regulated or controlled by the appointing authority under circumstances from which it could reasonably be substantiated that the gift was intended to influence the officer or employee in his [or her] official duties, or was intended as a reward for any official action performed by the officer or employee.

Although this section does not preclude acceptance of gifts, it clearly establishes that if the intent of the giver is to influence future, or reward past, official actions, the gift cannot be accepted. Since determining intent may be difficult, the following guidelines are provided:

- (1) *Does the value of the gift, in itself, suggest an intent other than routine hospitality or gratuity? It may be useful to apply the Fair Political Practices laws as a general guide. These laws require certain employees (**only those who meet specific "Designated Employee" criteria**) to report gifts worth more than \$50 and also specify that gifts totaling more than \$300 during any twelve-month period from any one source establish a financial interest between the source and the recipient. Thus, it follows that gifts approaching these value limits could raise questions under Government Code Section 19990. In addition, gifts considerably below these limits can also be inappropriate if they raise concern under any of the following standards:*
- (2) *Do the circumstances surrounding the gift suggest an improper intent? For example, a gift given on the eve of an important decision involving the donor is of much greater concern than a routine holiday gift or an invitation to an annual*

*reception. Gifts directly or indirectly identified as a reward for specific past decisions or actions usually raise questions of improper relationships.*

- (3) *Is the gift characteristic of the gratuities, hospitalities, or other items typically received from organizations and/or individuals, similar to the donor? The key here is to not accept a gift from one party, which could be viewed as an attempt to gain an advantage over others who have a similar relationship with the recipient.*
- (4) *How strongly does the form of the gift suggest that it is a routine part of an on-going business relationship as opposed to something more? For example, occasional business lunches or the receipt of mementos bearing the name or insignia of the donor raise fewer questions than gifts of cash, merchandise, extraneous travel or entertainment that have value beyond the business relationship.*

#### **Not Devoting Full Time Efforts to State Office**

- (g) Subject to any other laws, rules, or regulations as pertained thereto, **not devoting his [or her] full time, attention, and efforts to his or her State office or employment** during his or her hours of duty as a State officer or employee.

*An example of such activity would be conducting a private business during employee's regular hours of duty.*

#### **Exempt Appointees/Employees**

Appointees/Employees exempt from Civil Service: Pursuant to Executive Order 66-2, please be advised that there exists a code of ethical standards, which is applicable to gubernatorial appointees, not including judicial or county board of supervisor employees. This code of ethical standards is to be followed in addition to any and all other statutes and executive orders (i.e. the Fair Political Practices Act) which might affect questions of conflict of interest, incompatibility or ethics relating to gubernatorial appointees.

Applicable portions of the Executive Order are set out below. You are requested to carefully read these sections and to comply with both their letter and spirit.

#### **Standards of Ethical Conduct for Exempt appointees/employees**

##### **"Standards of Ethical Conduct"**

"No employment, activity, or enterprise shall be engaged in by any officer or employee of the Executive Department of the State which might result in, or create the appearance of resulting in any of the following:

- (1) **Using the prestige or influence of a State office or employment** for the officer's or employee's private gain or advantage, or the private gain or advantage of another.

- (2) **Using State time, facilities, equipment, or supplies** for the officer's or employee's private gain or advantage, or the private gains or advantage of another.
- (3) **Using confidential information** acquired by virtue of State employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- (4) **Receiving or accepting money or any other consideration** from anyone other than the State for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his [or her] State employment or as a part of his [or her] duties as a State officer or employee.
- (5) **Performance of an act in other than his [or her] capacity as a State officer or employee** knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by such officer or employee or the agency by which he or she is employed. [This, of course, would not preclude an "industry" member of a board or commission from performing the normal functions of his or her occupation.]
- (6) **Receiving or accepting, directly or indirectly, any gift**, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the State or whose activities are regulated or controlled in any way by the State, under circumstances from which it reasonably could be inferred that the gift was intended to influence him [or her] in his [or her] official duties or was intended as a reward for any official action on his [or her] part." (Emphasis added.)

#### **Other Acts that maybe Incompatible**

The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of Section 19990 of the Government Code. If later experience shows a need for additions to, deletions from, or clarification of the aforementioned limitations, the DCA will request the approval of the Department of Personnel Administration (DPA) in making changes it determines necessary. Upon such approval, the listing will be amended. Nothing in this statement or listing should be construed by any employee as the sole provisions of law and administrative rules, which should be observed by each State officer, and employee of this department.

#### **Procedures for Determining Incompatible Work Activity**

This procedure applies to all requests to engage in outside employment or activity other than a request for an exemption from the prohibitions contained in Government Code Section 19990(e), which procedure is set forth above.

Any officer or employee who is engaging, or intends to engage, in outside employment or an activity or enterprise which may be in conflict with the provisions of this policy shall submit a written request for review of the matter to his [or her] immediate supervisor.

The written request from the employee shall include the following information:

- (1) The name of the officer or employee.
- (2) The name of the board, unit or office by which the person is employed.
- (3) The classification of the officer or employee.
- (4) The collective bargaining unit representing the officer or employee, if applicable.
- (5) The officer's or employee's duty statement, along with a statement describing the extent to which the employee's duties pertain to any confidential information that would come under his [or her] direct review.
- (6) A detailed description of the specific activity in which the officer or employee intends to engage.

The immediate supervisor shall review the request and discuss it with the administrative head of the board, office or unit, as applicable. The administrative head may review the matter with the DCA's Legal Office and request a legal opinion on whether the proposed activity is prohibited by the DCA's Incompatible Work Activity Statement. If the supervisor approves the employee's request, then, upon written approval of the employee's first line supervisor, the employee may continue to, or proceed to, engage in the activity or business. If the supervisor denies the employee's request, a written statement detailing the reason(s) for the denial will be provided to the employee.

Represented employees may appeal a denial in accordance with the terms of the employee's collective bargaining agreement. Non-represented employees may appeal under DPA Rule 599.859 to the Director. In all cases, the Director's decision shall be final.

**State Attorney and Administrative Law Judges; Service on Governmental Bodies**

Service on a local appointed or elected governmental board, commission, committee, or other body or as a local elected official by an attorney employed by the state in a nonelected position or by an administrative law judge, as defined in Section 11475.10, shall not, by itself, be deemed to be inconsistent, incompatible, in conflict with, or inimical to, the duties of the attorney or administrative law judge as a state officer or employee and shall not result in the automatic vacation of either office.

Nothing in this section shall be construed to prohibit an administrative law judge, as defined in Section 11475.10, or an attorney employed by the state in a nonelected position from serving on any other appointed or elected governmental board, commission, committee, or other body, consistent with all applicable conflict-of-interest statutes and regulations and judicial canons of ethics.

**Violation of Policy**

Failure to follow any of the provisions of this policy is cause for discipline, which may include termination of employment.

In addition, any tampering, interference, damage, or unauthorized access to computer data or computer systems may constitute a criminal violation of Penal Code Section 502.

**Revision of Policy**

Determination of the need for revisions to this policy is the responsibility of the Legal Affairs Division and the Office of Human Resources (916) 574-8300.

Specific questions regarding the status or maintenance of this policy should be directed to the Division of Legislative and Policy Review at (916) 574-7800.

**Security Agreement and Language Attachment**

Incompatible Work Activity Security Agreement is attached.

**RECOMMENDED IMPLEMENTATION STRATEGY**

This policy is distributed to all new employees in the new employee packets or transfer packets.

The department may wish to implement this policy on an annual basis and distribute to all employees to ensure everyone has read and signed the "Incompatible Work Activity Security Agreement."

***My signature on this acknowledgement for does not modify my employment relationship with DCA as set forth in the most current Memorandum of Understanding (MOU) appropriate to my employee bargaining unit.***

\_\_\_\_\_  
***(Printed Name)***

\_\_\_\_\_  
***(Signature)***

\_\_\_\_\_  
***(Date)***

\_\_\_\_\_  
***(Board/Bureau/Committee/Commission/Program/Division/Office)***

**Original:** Office of Human Resources (Official Personnel File)  
**Copies:** Employee, Supervisor



**CONTRACTORS STATE LICENSE BOARD**

P.O. Box 26000  
SACRAMENTO, CA 95826-0026

9821 BUSINESS PARK DRIVE  
SACRAMENTO, CA 95827  
800.321.CSLB (2752)

*[www.cslb.ca.gov](http://www.cslb.ca.gov)*

*[CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)*

*[SeniorScamStopper.com](http://SeniorScamStopper.com)*

## AGENDA ITEM I-5

# Review of the 2013 Accomplishments and Activities Report





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# ACCOMPLISHMENTS & ACTIVITIES





JOAN HANCOCK, *Chair, Contractor Member*

DAVID DIAS, *Vice Chair, Labor Member*

ED LANG, *Secretary, Public Member*

KEVIN J. ALBANESE, *Contractor Member*

AGUSTIN "AUGIE" BELTRAN, *Public Member*

LINDA CLIFFORD, *Contractor Member*

PASTOR HERRERA, JR., *Public Member*

MATTHEW KELLY, *Public Member*

ROBERT J. LAMB II, *Public Member*

JOHN J. O'ROURKE, *Public Member*

BRUCE RUST, *Public Member*

FRANK SCHETTER, *Contractor Member*

PAUL SCHIFINO, *Contractor Member*

NANCY SPRINGER, *Public Member*

EDMUND G. BROWN JR.

*Governor*

ANNA M. CABALLERO

*Secretary*

*Business, Consumer Services, and Housing Agency*

DENISE BROWN

*Director*

*Department of Consumer Affairs*

STEPHEN P. SANDS

*Registrar*

*Contractors State License Board*

## Recovered Funds, Restitution, Cost Savings Highlight 2013

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Progressive state, local, and industry partnerships have resulted in another record year of savings, restitution to the public, and recovered state funds. These achievements are directly related to the Contractors State License Board's (CSLB) innovative efforts to maximize resources and protect consumers.

Applications for new licenses were down just 2 percent as the economy and housing market stabilizes; however, there was a 2 percent increase in monies recovered related to licensure, business, labor, and tax laws – a direct result of committed working relationships with local prosecutors and state agency partnerships with the Department of Industrial Relations, Secretary of State, Employment Development Department, and Franchise Tax Board.

CSLB has nine additional peace officer positions that further our ability to monitor and enforce state contracting laws and protect consumers through various prosecution measures carried out by local district attorneys.

CSLB also has added an important feature to the license detail pages of its website to help assure that public funds are not being misused; links that redirect the user to a partner agency's website for improved transparency through disclosure about contractors who have been disciplined by another agency on a public works project.

I am pleased to report that CSLB's leadership and staff continue to streamline operations yet maintain valuable services to the state's nearly 300,000 law-abiding licensed contractors who have struggled to maintain their financial footing because of illegal competition in the underground economy.

Consumer services also were improved, as evidenced by a 17 percent increase in the number of calls fielded by staff and a seven-minute decline in call wait times.

CSLB's Board members and staff will continue to improve processes that best serve our state's consumers and contractors. All who partner with or are served by CSLB can count on continued efficient, professional service.

Many thanks to all who assisted and supported CSLB's efforts in 2013.

A handwritten signature in black ink that reads "Joan M. Hancock". The signature is written in a cursive, flowing style.

Joan Hancock, Board Chair

# CSLB MISSION

CSLB protects consumers by regulating the construction industry through licensure, enforcement, and education.



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# CSLB V I S I O N

CSLB is a model consumer protection agency, integrating regulatory oversight of the construction industry as necessary for the protection of consumers and licensed contractors.



# LEADERSHIP

## CSLB Registrar and Board Members

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A 15-member board appoints the CSLB executive officer, or Registrar of Contractors, and directs administrative policy for CSLB operations. The Board is comprised of five contractor members and 10 public members. The public members include one labor representative, one local building official, and one representative of a statewide senior citizen organization. The governor and state legislature make these appointments.

### JOAN HANCOCK, Chair

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#### Governor Appointee “B” Contractor Member

Joan Hancock, of Sacramento, was appointed to CSLB by Governor Arnold Schwarzenegger in November 2007, and reappointed by Governor Edmund G. Brown Jr. in July 2011. Since 1983, Ms. Hancock has owned Her Land Enterprises, a general contracting firm. From 1977 to 1983, she co-owned Hancock & Colyer Construction. Ms. Hancock earned a Juris Doctorate in 1982, and a California State Teaching Credential in 1979. She also is a member of the Sacramento Mediation Center. Ms. Hancock’s term continues through June 1, 2015.

### DAVID DIAS, Vice Chair

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#### Governor Appointee Labor Member

David Dias, of Napa, was appointed to CSLB by Governor Edmund G. Brown Jr. in April 2011 and reappointed in June 2012. Mr. Dias has been a business representative for Sheet Metal Workers’ Local Union No. 104 since 2005, and previously was an apprentice instructor at Foothill Community College from 1998 to 2005, a field supervisor at Therma Inc. from 1997 to 2005, and a sheet metal worker foreman at RH Tinney from 1990 to 1997, after serving as an apprentice from 1986 to 1990. He is a trustee of the Bay Area Industry Training Fund, a member of the U.S. Green Building Council, and a member of the Joint Committee for Energy and Environmental Policy. Mr. Dias’ term continues through June 1, 2016.

**ED LANG, SECRETARY**

**Governor Appointee**  
**Public Member**  
**Senior Citizen Organization**

Ed Lang, of Rancho Cordova, was appointed by Governor Arnold Schwarzenegger in January 2007, and reappointed in July 2010. Mr. Lang retired as supervisor of the Corporation Collections Unit for the California Franchise Tax Board, where he worked in various positions from 1980 to 2003. Previously, he was an adult education instructor for the Folsom-Cordova Unified School District from 1976 to 1982, and served in the U.S. Air Force from 1960 to 1980. Mr. Lang serves on the Board of Directors for the InnerCity Housing Corporation and HELPS Family Foster Agency, and is a member of the American Association of Retired People. Mr. Lang’s term continues through June 1, 2014.

**KEVIN J. ALBANESE**

**Governor Appointee**  
**“B” Contractor Member**

Kevin J. Albanese, of San Jose, was appointed by Governor Edmund G. Brown Jr. in July 2013. Since 2004, Mr. Albanese has served as vice president and chief operating officer at Joseph J. Albanese Inc. Prior to his current role, he served in multiple management positions

throughout the organization. In addition, Mr. Albanese graduated magna cum laude from the Santa Clara University School of Law and, since 2009, has operated a solo law practice. Mr. Albanese is a longtime member, officer, and now President of the United Contractors association, and he also serves as a management Trustee for the Operating Engineers Local 3 Trust Funds. Mr. Albanese’s term continues through June 1, 2017.

**AGUSTIN “AUGIE” BELTRAN \***

**Senate Appointee**  
**Public Member**

Augie Beltran, of Oakdale, was appointed by the Senate Rules Committee in January 2014. Mr. Beltran served in the United States Marine Corps Reserve from 1985-1993. Since beginning his career as a carpenter apprentice, Mr. Beltran has worked in various facets of the construction industry for 25 years. Mr. Beltran has served on several government boards since 1997, including the Lathrop City Council from 2000-2004 and the Delta Protection Commission from 2002-2004. He currently serves as the President and Director of Public and Governmental Relations for the Northern California Carpenters Regional Council. Mr. Beltran’s term continues through June 1, 2017.

## LINDA CLIFFORD

### Governor Appointee “A” Contractor Member

Linda Clifford, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in July 2013. Ms. Clifford has been chief financial officer at C.C. Myers Inc. since 1986. She also held multiple accounting positions at Continental Heller-Tecon Pacific from 1972-1986. Ms. Clifford is Treasurer and a board member of the California Transportation Foundation, and Secretary and a commissioner at the California Uniform Construction Cost Accounting Commission. Ms. Clifford’s term continues through June 1, 2014.

## PASTOR HERRERA JR.

### Governor Appointee Public Member

Pastor Herrera, of Los Angeles, was appointed by Governor Arnold Schwarzenegger in July 2010. Mr. Herrera began serving as the Los Angeles County Director of Consumer Affairs in 1991. He previously served L.A. County as Assistant Director of Consumer Affairs from 1981 to 1991, head of staff services from 1980 to 1981, head Consumer Affairs Department representative from 1977 to 1980, and as a Consumer Affairs investigator

from 1976 to 1977. Mr. Herrera is a member of the University of California, Los Angeles Latino Alumni Association, National Association of Consumer Affairs Administrators, Consumer Federation of California, Los Angeles Financial Credit Union Board of Directors, National Consumers League, and a founding member of the Los Angeles County Hispanic Managers. Mr. Herrera’s term continues through June 1, 2014.

## MATTHEW KELLY

### Senate Appointee Public Member

Matt Kelly, of Sacramento, was appointed by the Senate Rules Committee in April 2003. He was reappointed in October 2005, and again in 2009. Mr. Kelly’s 20-year construction industry career began as a carpenter apprentice. He has since worked on a variety of commercial and residential projects, has been in construction management for a large general contractor, and served as the Executive Secretary Treasurer of the Sacramento-Sierras Building and Construction Trades Council. Mr. Kelly served as Board Chair from 2006-2007. His term continued through June 1, 2013; Mr. Kelly continued to serve until Mr. Beltran’s appointment.



**ROBERT J. LAMB II**

**Assembly Appointee  
Public Member**

Robert Lamb, of Cypress, was appointed by Assembly Speaker Fabian Núñez in May 2006. Mr. Lamb is a certified plumber and pipefitter. He has been a member of the United Association for more than 30 years, has held numerous positions in the construction industry, and has worked on a variety of construction projects. Mr. Lamb was the business manager and financial secretary/treasurer for the Plumbers and Steamfitters U.A. Local 582 in Santa Ana, and was also a representative for the Southern California Pipe Trades District Council 16. Mr. Lamb earned a Bachelor’s degree in Union Leadership and Administration from the National Labor College in Silver Springs, MD. He serves as an international representative for the United Association of Plumbers and Steamfitters. In October 2008, Assembly Speaker Karen Bass reappointed Mr. Lamb, and in 2012 Assembly Speaker John Perez reappointed Mr. Lamb for a term that continues through June 1, 2016.

**JOHN J. O’ROURKE**

**Senate Appointee  
“C” Public Member**

John O’Rourke, of Novato, was appointed by the Senate Rules Committee in June 2011. Mr. O’Rourke is Business Manager/Financial Secretary

for the International Brotherhood of Electrical Workers (IBEW) Local 6 San Francisco and has served in that position since 1999, having recently been re-elected to his fifth term. Mr. O’Rourke is a 32-year IBEW member and holds a Journeyman Inside Wireman Certificate. This is the third time Mr. O’Rourke has served as a Board member; former Governor Gray Davis appointed him as a labor representative in September 2001 and Assembly Speaker Fabian Núñez appointed him as a public member in December 2004. Mr. O’Rourke also is Chairman of the San Francisco Joint Apprenticeship Committee and Training Trust, and a member of the Olympic Club and the United Irish Cultural Center. Mr. O’Rourke’s term continues through June 1, 2015.

**BRUCE RUST**

**Assembly Appointee  
Public Member**

Bruce Rust, of Clovis, was appointed by Assembly Speaker Fabian Núñez on April 2, 2008, and reappointed in May 2012 by Assembly Speaker John Perez. Mr. Rust is the Business Manager of Laborers Local #294 in Fresno. He has worked in construction in California and Arizona, and as a tunnel miner, helping to build the Metro Subway System in Washington, D.C. Mr. Rust’s term continues through June 1, 2016.

## FRANK SCHETTER

### Governor Appointee “C” Contractor Member

Frank Schetter, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in August 2011. Mr. Schetter has been the CEO of Schetter Electric since 2006 and was president from 1983 to 2005. He is currently a governor of the National Electrical Contractors Association and a member of the National Joint Apprenticeship and Training Committee. Mr. Schetter’s term continues through June 1, 2015.

## PAUL SCHIFINO

### Governor Appointee “C” Contractor Member

Paul Schifino, of Los Angeles, was appointed by Governor Arnold Schwarzenegger in January 2010, and reappointed by Governor Edmund G. Brown Jr. in April 2011. Mr. Schifino is owner and president of both Anvil Steel Corporation and Junior Steel Company. Mr. Schifino was a partner for the law firm of Schifino and Lindon from 1992 to 2006, associate attorney for Strook and Strook and Lavan from 1990 to 1992, and adjunct professor at Georgetown University from 1987 to 1989. He also is a member of the American Institute of Steel Construction (AISC). Mr. Schifino and his wife are both ambassadors of the Weizmann Institute of Science, an international

center of scientific research located in Israel. Mr. Schifino’s term continues through June 1, 2017.

## NANCY SPRINGER

### Governor Appointee Public Member Building Official

Nancy Springer, of Browns Valley, was appointed by Governor Edmund G. Brown Jr. in September 2013. Ms. Springer has served in multiple positions for Butte County since 2007 that include a building division manager, interim building division manager, and building official assistant. She held multiple positions at Willdan Engineering from 2003 to 2007 that include a building safety services supervisor, office manager and senior plans examiner. Prior, Ms. Springer was a plans examiner at Linhart Peterson Powers and Associates from 1998 to 2003 and a building inspector for the Sutter County Community Services Department from 1992 to 1998. She was a building inspector for the City of Colusa from 1991 to 1992 and for the City of Palmdale from 1989 to 1991. Ms. Springer was an electrician apprentice at the National Electrical Contractors Association from 1984 to 1987 and an aircraft electrical systems specialist for the U.S. Air Force from 1980 to 1985. Ms. Springer’s term continues through June 1, 2017.



## STEPHEN P. SANDS

### Registrar of Contractors

Stephen P. Sands has served as Registrar of Contractors since January 1, 2001. He serves as the CSLB executive officer and oversees a \$60 million budget and more than 400 employees at CSLB headquarters in Sacramento and 10 other offices around the state.

Under Mr. Sands' leadership, CSLB has been recognized as a leader in proactive enforcement programs and partnerships with state and local agencies that help curb the underground economy. CSLB's Licensing, Examination, Enforcement, and Public Affairs programs have been used as models for the National Association of State Contractors

Licensing Agencies (NASCLA) and other agencies within the Department of Consumer Affairs.

From 1986-2000, Mr. Sands was Executive Officer of the California Architects Board. From 1978-1986, he worked in the Department of Consumer Affairs Executive and Legislative Offices.

Mr. Sands earned a Bachelor of Science degree in International Affairs from the United States Air Force Academy, and a Master's degree in Public Administration from Golden Gate University.



*September 6, 2013 Board meeting in Sacramento*

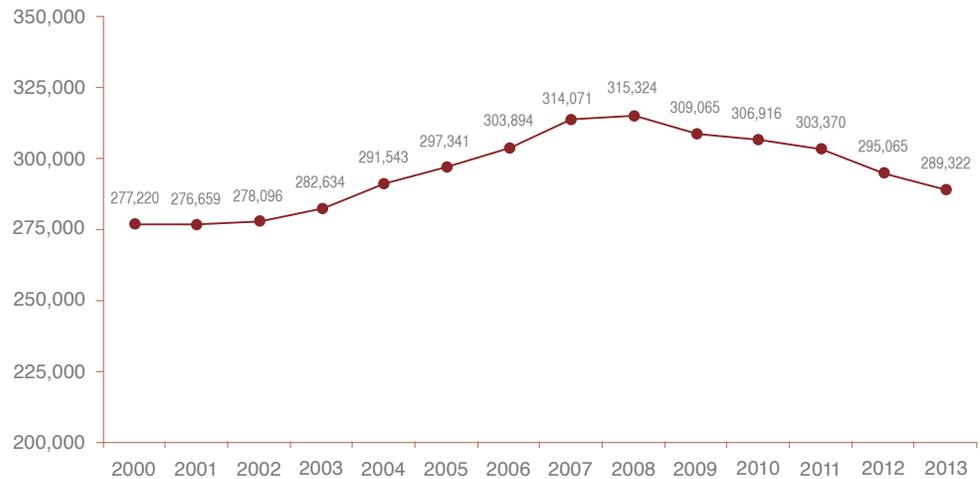
\*Appointed 2014



# LICENSING

## Number of Licenses

As of December 31, 2013, there were 289,322 licenses, a decrease of about 2 percent from 2012. Of those, 224,510 were active licenses; 64,812 were inactive.



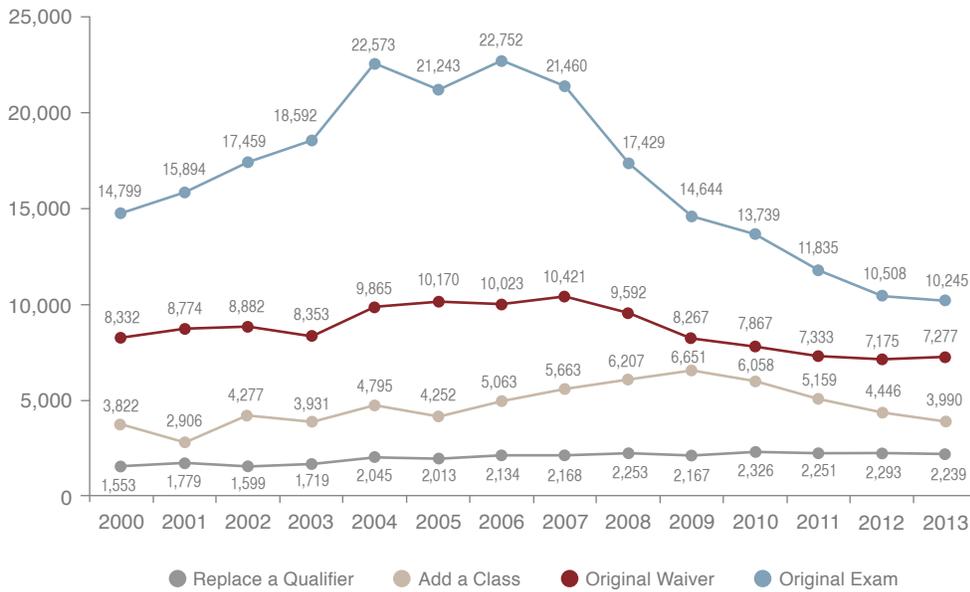
## 2013 TOP TEN LICENSE CLASSIFICATIONS

CLASSIFICATION	TOTAL
"B" General Building Contractor	140,048
C-10 Electrical	32,196
"A" General Engineering Contractor	20,405
C-36 Plumbing	18,758
C-33 Painting and Decorating	18,510
C-20 Warm-Air Heating, Ventilating and Air-Conditioning	14,122
C-27 Landscaping	13,706
C-15 Flooring and Floor Covering	8,415
C-8 Concrete	7,788
C-54 Tile	7,270

## Workload

Until 2006, the number of applications received by CSLB steadily increased. It is believed that the 2004 spike was the result of new fingerprinting requirements that became effective in January 2005. The chart below displays the number of license applications received for calendar years 2000 through 2013. In 2012, 24,422 applications were received; 23,751 were received in 2013, a decrease of approximately 3 percent. Original license applications (exams and waivers) decreased only 1 percent. Applications to add a classification to an existing license decreased by about 10 percent and applications to replace the qualifying individual on an existing license decreased by less than 2 percent.

APPLICATIONS RECEIVED BY CALENDAR YEAR



## Processing Timelines

Throughout 2013, the CSLB Licensing division maintained acceptable processing times for licensure and renewal applications, and other documents. Acceptable processing times can be partly attributed to the decreased number of applications, as shown in the chart below.

### WEEKS BEFORE BEING PULLED FOR PROCESSING

TYPE OF APPLICATION / DOCUMENT	2012 AVERAGE	2013 AVERAGE
Original Exam	2.3	1.8
Original Waiver	1.6	2.9
Add a Class	3.7	5.1
Replace the Qualifier	3.0	4.5
Home Improvement Salesperson	3.5	4.6
Renewal	0.5	1.5
Contractor Bond/Bond of Qualifying Individual	0.6	0.5
Workers' Compensation Certificates and Exemptions	2.3	0.9

## Statistical Reporting and Analysis Project

An Application Disposition Report was established in November 2005 to identify the number of applications received within a fiscal year and final disposition of those applications, regardless of the year they were processed. This report allows staff to monitor the disposition of applications and identify any applications that may need special attention.

The chart shown below illustrates the number of applications received in fiscal year 2012-13 and the disposition of those applications.

There are many reasons for an application to be classified as "pending." These include, but are not limited to:

- The applicant not passing the exam, but still being within the 18-month time period during which he or she must pass the examination;



- The application being in the field investigation process or not yet cleared by CSLB’s Criminal Background Unit; or
- Final documents (bond, workers’ compensation insurance policy) or fees have not been submitted.

The Licensing division continues to work closely with Information Technology staff to develop reports that will be used to determine necessary application processing improvements.

FISCAL YEAR 2012-13

TYPE OF APPLICATION	RECEIVED	ISSUED	VOID	PENDING
Original Exam	10,105	5,312	2,889	1,904
Original Waiver	7,009	5,731	1,142	136
Add a Class	4,162	2,446	1,385	331
Replace the Qualifier	2,310	1,738	520	52
Home Improvement Salesperson	7,346	3,965	3,215	166
Change of Officers	1,911	1,416	490	5

## Veterans Application Assistance Program

CSLB offers a Veterans Application Assistance Program for those who are transitioning from military service to civilian employment. In many cases, veterans possess transferable skills that help meet minimum experience and training requirements for state contractor licensure. This program offers priority services to veteran applicants by evaluating transferable military experience and training, as well as education.

### CSLB assists veterans by providing:

- Program technicians specially trained to evaluate transferable military training and experience from all branches of the military that meet minimum licensure requirements;
- Automatic priority application processing;
- Evaluation of college transcripts to help verify acceptable educational credit (in addition to military experience and training);
- Direct telephone and email contact with CSLB staff; and
- Live Scan fingerprinting requirements.



## Experience Verification

An application experience verification workshop was provided to Licensing staff and contractor licensing schools in California to improve understanding about acceptable forms of documentation that should be submitted to support an applicant’s claimed journey-level experience. Better understanding of the experience verification process enables CSLB staff and licensing schools to work together to help applicants streamline their application process.

Schools were advised of the eight critical classifications that pose a threat to consumer health and safety if the work is performed by unqualified individuals:

• “A” General Engineering	• C-20 HVAC
• “B” General Building	• C-36 Plumbing
• C-10 Electrical	• C-38 Refrigeration
• C-16 Fire Protection	• C-57 Well Drilling

To streamline the application experience verification process, the Licensing division requested and obtained approval to assign a full-time Staff Services Analyst to review the submitted documentation and to hire an additional Classification Deputy (ERII) to assist with the verification process along with the deputy’s other regular duties.

A webcast of this highly informative training seminar is available for viewing on CSLB’s YouTube channel.



## Workers' Compensation Recertification

Business & Professions Code §7125.5 (Assembly Bill 397) took effect on January 1, 2012, requiring (at the time of renewal) an active contractor with an exemption for workers' compensation insurance on file with CSLB to either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If the licensee fails to recertify his or her exempt status or provide a workers' compensation policy at the time of renewal, the law allows for the retroactive renewal of the license if the licensee provides the required documentation within 30 days after notification by CSLB of the renewal rejection.

Licensing implemented these requirements January 2013, effective for licenses expiring March 31, 2013. In 2013, of the 67,958 renewal applications mailed that require recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license, 61 percent have complied.

## New Laws

### Renewal/Registration Fee Waiver for Active Military Personnel

Effective January 1, 2013, Business & Professions Code §114.3 (Assembly Bill 1588) was added. The passage of this bill authorizes CSLB to waive renewal requirements for military personnel when they are called to active duty. To qualify for a waiver of the renewal/registration fee(s), the licensee/registrant must:

- Possess a current and valid license when called to active duty; and
- Provide written documentation that substantiates the licensee's/registrant's call to active duty.

"Called to active duty" includes licensees in all branches of the military who, on a temporary basis, travel to remote locations to engage in activity relating to war, national emergency, or other military operations.

Renewal requirements are only waived for the period of time the licensee/registrant is serving in the temporary assignment at the remote location, and the licensee/registrant must notify CSLB of receipt of a notice of discharge date within 60 days of receiving such a notice.

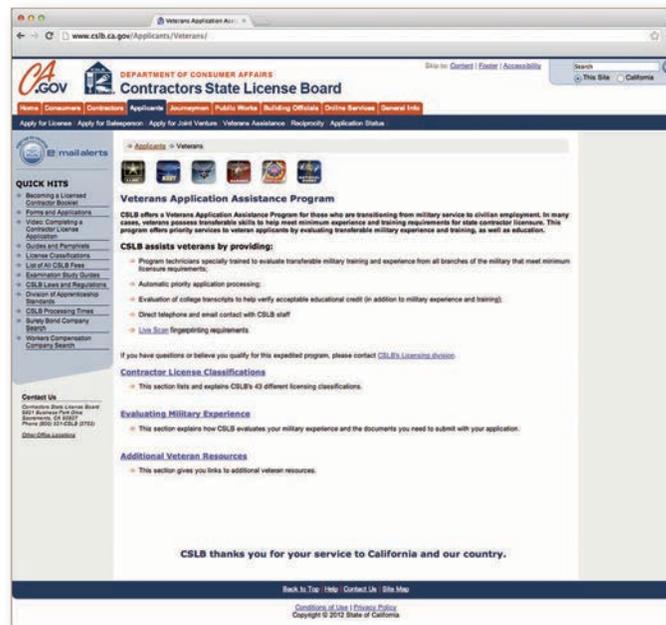


## Expedited Licensure Process for Spouse of Active Duty Military Personnel Stationed in California

Business & Professions Code §115.5 (Assembly Bill 1904) also was added, effective January 1, 2013, requiring CSLB to expedite the licensure/registration process for spouses and domestic partners of those on active duty in the Armed Forces. Those who qualify must:

- Supply evidence that they are married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in California under official orders, and;
- Hold a current license/registration in another state, district or territory of the United States in the professions or vocation for which the applicant is seeking a license/registration.

Please note that this does not mean a license/registration must be issued, but simply requires the application process to be accelerated for spouses and domestic partners of active military personnel.



*CSLB Veteran's  
Application Assistance  
Program Web page at  
[www.cslb.ca.gov/  
Applicants/Veterans/](http://www.cslb.ca.gov/Applicants/Veterans/)*



### Incomplete License Renewal

Beginning January 1, 2014, a renewal application submitted with the appropriate fee on or before the expiration date that is incomplete shall be returned to the licensee by CSLB with an explanation for correction, allowing the licensee to return an acceptable completed renewal within 30 days without incurring the delinquency fee. This grace period was established through an amendment to B&P Code §7141 (SB 822).

### Fingerprinting

License applicants have been required, since January 2005, to submit fingerprints if they are listed as personnel on an original application, an application to add a classification to an existing license, an application to replace the qualifier, an application to report new officers, or an application for registration as a home improvement salesperson. CSLB fully implemented the program in April 2005. Fingerprints are compared to the records of the California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) to determine whether a criminal history exists.

CSLB staff review all criminal convictions to determine whether the crime is substantially related to the duties, qualifications, or functions of a contractor, and to determine whether the applicant has demonstrated his/her rehabilitation. Throughout 2013, the timeline for pulling the conviction records for review averaged just over one week. The following chart reflects fingerprinting statistics for 2013.

#### 2013 FINGERPRINT STATISTICS

18,047	Total number of applicants with fingerprint responses from DOJ and FBI
3,668	Number of applicants identified with a criminal history
58	Number of applicants denied licensure due to criminal convictions
79	Probationary licenses issued



## Licensing Information



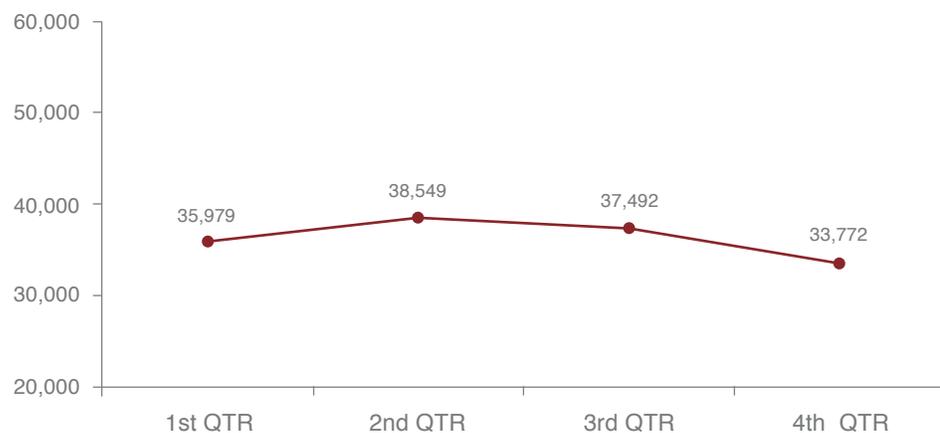
The Licensing Information Center (LIC), or call center, and front counter are primary resources for public information provided to contractors, applicants, and consumers.

The headquarters office public counter was remodeled in December, creating a more efficient workspace and providing better access for licensees and consumers.

The call center is fully staffed and agents have received more in-depth, on-the-job training, including phone shadowing, and cross-training in other unit processing functions, including working at the public counter. Additionally, the Board’s Classification Deputy holds regular meetings with LIC staff to educate them on license classification “scope of work” issues. The comprehensive training has made new call center agents much more knowledgeable and confident in their responses to the most complex licensing questions. The staffing level and investment in increased training has paid off – the LIC call wait time and abandoned call statistics are the best they have been in over six years and overall have met or exceeded CSLB’s goal of answering 80 percent of all calls in 4 minutes or less.

**Answered Calls** - A total of 124,492 calls were answered in 2012 and 145,792 calls were answered in 2013, a 17 percent increase.

2013 ANSWERED CALLS



**Average Wait Time** - The average call wait time for 2013 was 2:13 minutes, a decrease of approximately seven minutes from 2012.

AVERAGE WAIT TIME - CALENDAR YEAR 2013



# TESTING

## Examination Development

The Testing division is responsible for ensuring that CSLB examinations are current and relevant. In accordance with legal requirements and professional testing standards, an occupational analysis of each licensing classification is conducted to collect information from licensed contractors and identify current trade practices. Results of the occupational analyses are then used to update the licensing examinations. All examination development work relies on input from licensed contractors who serve as subject matter experts (SMEs). Exam specialists conduct two- and three-day workshops with SMEs at CSLB's Sacramento headquarters. CSLB's goal is to perform an occupational analysis for each classification every five years.

All of CSLB's occupational analyses currently meet the five-year goal. During 2013, the Examination Development Unit (EDU) completed eight occupational analyses and updated eight examinations. The workload was impacted by one exam specialist position being vacant for more than six months and the EDU supervisor doubling as acting division chief since September. The exam specialist and division chief positions have been filled.



*The Testing division received new equipment that helps expedite delivery of occupational analysis surveys sent out each year.*

OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
“B” General Building	C-34 Pipeline
C-5 Framing and Rough Carpentry	C-38 Refrigeration
C-10 Electrical	C-42 Sanitation System
C-13 Fencing	C-46 Solar
C-28 Lock and Security Equipment	C-47 General Manufactured Housing
C-35 Lathing and Plastering	C-55 Water Conditioning
C-38 Refrigeration	C-57 Well Drilling
C-60 Welding	Hazardous Substance Removal Certification

The Testing division continues to use email surveys for occupational analysis projects because they are quicker, less expensive, and eliminate data entry. CSLB does not have email addresses for all contractors so paper surveys are still being utilized to make sure CSLB reaches a large enough sample of licensees.

## Test Centers

CSLB administers computer-based examinations most weekdays at test centers in Fresno, Norwalk, Oakland, Oxnard, Sacramento, San Bernardino, San Diego, and San Jose. The Examination Administration Unit (EAU) was able to fill four vacancies during 2013 but still has one to fill in Fresno. EAU has hired additional proctors to fill in when permanent employees are unavailable.

The new Berkeley Test Center is currently under construction and will replace the Oakland site. It is expected to open in 2014. New translation equipment was deployed to the Fresno Test Center to accommodate English as a Second Language candidates.

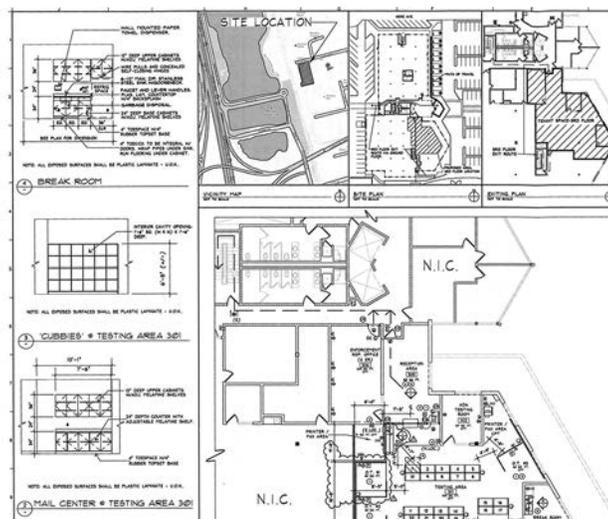


Diagram of the new Berkeley Test Center



Additional security improvements have been implemented in the test centers. In October, staff received training from the state Department of Motor Vehicles on how to identify counterfeit driver licenses. Staff also received training on how to identify body-worn cameras. New policy has been established to regulate cell phones, water bottles with labels, and the wearing of baseball caps in the test centers.

## Special Projects

### Enforcement Representative I/II and Consumer Services Representative Examinations

Since 2009, the Testing division has been working on examinations for civil service classifications that are unique to CSLB. EAU administered the Enforcement Representative (ER) I examination twice in 2013, using the division's Statewide Contractors Official Regulatory Examination (SCORE) custom software system. With the aid of SMEs, EDU updated and wrote ER I examination multiple-choice questions and new, structured interview questions for the ER II examination. For the first time, EDU performed a job analysis and developed multiple-choice examination questions for the Consumer Services Representative classification.

### Consumer Satisfaction Survey

The Testing division conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's complaint-handling practices. Consumers who provide CSLB with their email address receive the survey within the first or second month after their complaint has been closed. Captured data is compiled into an annual report that the Enforcement division uses to benchmark performance improvement. Survey results are summarized on page 42.



*CSLB headquarters  
Testing division*

### Examination Development Staff Support DCA Projects

EDU responded to a request for assistance from the Architect’s Board to review its passing score procedures and to make recommendations.

## 2013 Examination Statistics

EXAMINATION TYPES	TOTAL
Trade	42
Certification	2
Law and Business	1
Number of Examinations Scheduled	30,373
Number of Misconduct Investigations	7
Number of Confirmed Misconduct Incidents	5
Overall Passing Percentage	52%



# ENFORCEMENT

## Introduction

CSLB's Enforcement division remained committed to its mission of protecting the public by resolving consumer complaints and promptly processing administrative actions. The division's units opened 17,543 cases in 2014, but closed an impressive 18,386.

Working as a member of the Labor Enforcement Task Force (LETF), Enforcement investigators achieved record successes and discovered that 80 percent of the businesses contacted at active job sites were out of compliance with state licensing, labor, health and safety, and/or tax requirements; LETF citation penalties and assessments exceeded \$9.3 million.

The year's highlights include doubling the size of the Public Works Unit from two to four investigators, and developing innovative protocols and establishing the disclosure of partner agencies' disciplinary actions on public works projects. This was accomplished by redirecting CSLB website users from the license history page to the partner agency's website.

Adding nine (9) Peace Officer positions (for a total of 12) helped strengthen partnerships with law enforcement departments and enhanced state and local government agency partnerships. This resulted in an increase in the number of prosecutions for unlicensed practice and in the number prosecutions of licensed and unlicensed individuals involved in egregious construction-related crimes that caused financial harm.

Enforcement staff also achieved Board objectives to reduce consumer complaint investigation time frames. Consumer complaint cases aged over 270 days reached a record average low of 84.

A comprehensive internal training curriculum was developed and is credited for the increase in consumer restitution, which reached \$12,129,171, and helped Enforcement reach all-time high marks on the annual consumer satisfaction survey.



*CSLB Enforcement Representative hangs notices to warn unlicensed operators in a wildfire disaster area.*

## Significant Criminal Investigations

Egregious offenders with histories of elder abuse, sex crimes, predatory business practices, and/or unsafe work conditions for employees continued to be targeted by Enforcement’s consumer and industry protection task forces. Following are highlights of notable criminal convictions that resulted from CSLB investigations.

### Penny Estes: The Final Sentencing



Unlicensed contractor Penny Estes was sentenced to 11.8 years in state prison at a sentencing hearing on

January 8, 2014, for committing fraud while doing business as Green Building America in Santa Barbara and Riverside counties. Estes was arrested on May 10, 2013, and pleaded guilty in October 2013 to 28 felony counts and 21 special allegation counts of diverting construction funds (Penal Code §484b), grand theft (Penal Code §487(a)), theft by false pretenses (Penal Code §532(a)), theft from an elder dependent adult (Penal Code §368(d)), and failure to file state income tax returns from 2009 to 2011 (Tax Code §19706). Estes pleaded to the special allegation of defrauding victims of a declared natural disaster (Penal Code §667.16(a)), and admitted

to bilking fire victims in San Barbara County and an elderly property owner in Riverside County out of more than \$5.3 million dollars.

Prior to the sentencing hearing, Estes faced a maximum of 36 years in state prison. It was reported that the Santa Barbara Court likely would issue a sentence of eight years of imprisonment to Estes. However, during the sentencing hearing, Estes provided an unrepentant statement telling the court that she came to Santa Barbara to help the victims of the Jesusita and Tea Fires. She concluded by blaming a contractor associate and her attorney for leading her astray. Four victims, including an elderly couple from Cathedral City, next provided moving statements describing how they were all swindled by Estes. Victim testimony so moved the court that the judge responded directly to Estes as he declared her sentence by stating that she was a crook and that somewhere along the line she had lost her empathy gene.



### CSLB Most Wanted Arrested and Sentenced



Repeat offender James Lewis Cunningham was sentenced on May 23, 2013, to 32 months in state prison in a plea deal. Cunningham

used a legitimate contractor license number that belonged to another person to contract for interior paint and repair at a residence that was flipped by a funding company in the Visalia area. After being arrested on April 3, 2013, Cunningham pleaded guilty to one felony charge of fraudulent use of a contractor license, failure to maintain workers' compensation (WC) insurance, and illegal advertising, and was ordered to pay \$7,400 in restitution.

### Elder Abuse Conviction Results in Four-Year Prison Term



Unlicensed contractor Nito Kalisa Sefa was sentenced to four years in prison on September 3, 2013, after defrauding elderly

victims in Monterey County. Sefa met his victims by posing as a licensed contractor, distributing business cards printed with his name and using a contractor license number that was not

issued to him. Gaining access to victims' homes by offering to make repairs, Sefa stole some victims' checks and obtained loans from others, using lies about his ill or dying wife to play on the elderly homeowners' sympathies. After the media announced his arrest on February 19, 2013, additional victims came forward. Seven victims were identified and Sefa was convicted of ten felonies, including residential burglary, elder abuse, and forgery as well as a misdemeanor for fraudulent use of a contractor license. In addition to the four-year prison sentence, Sefa was ordered pay his victims over \$50,000 in restitution.

### Unlicensed Contractor Sentenced to Two Years in Jail



Felix "Eddie" Brown, 54, pleaded guilty in October 2013 to diversion of construction

funds and grand theft. Mr. Brown will spend two years in custody after taking more than \$150,000 from 16 victims for remodeling projects he did not complete. As part of a plea agreement, Brown will be allowed to serve his custody in county jail instead of state prison. A search warrant obtained by CSLB and an accounting performed by a CSLB forensic auditor played a significant role in the successful prosecution.



**Repeat Offender Pleads Guilty to Over 30 Criminal Charges**



Danny Jess Langley was arrested August 27, 2013, while appearing in Monterey Superior Court to address previous CSLB charges for

contracting without a license. Langley, who was placed on probation in 2011 for contracting without a license, was charged with 11 counts of premium insurance fraud, five counts of using a false contractor license number, filing a false document, grand theft, forgery, and failing to register with EDD as an employer. Langley is a convicted felon, having served time in San Quentin Prison, and he admitted to the special allegation of committing felonies while out on bail.



**Public Works Contractor Sentenced to Two Years in State Prison**



Between 2008 and 2010, Reza Mohammadi, dba Southland Construction, contracted on public works projects throughout Orange County, embezzling

over \$350,000 in employee wages and filing false tax returns to hide the theft. Hiring mostly undocumented Hispanic workers, Mohammadi falsely reported paying them prevailing wages but paid significantly less, threatening to call authorities if workers reported him. The CSLB Public Works Unit worked with partner agencies that included the Orange County DA's Office, Caltrans, DLSE, EDD, FTB, and the Center for Contract Compliance in a joint effort to unravel the complex scheme. In a plea deal on July 26, 2013, Mohammadi was sentenced to two years in state prison after he pleaded guilty to 15 felony counts of failing to file a return with the intent to evade taxes, 15 felony counts of willful failure to pay taxes, seven felony counts of taking and receiving a portion of a worker's wage on a public works project, six felony counts of recording false and forged documents, and three felony counts of filing false tax returns. He also admitted to the sentencing enhancement allegations for a loss exceeding \$100,000 and



property damage over \$200,000, and a prior strike conviction for criminal threats in 1999.

### **CSLB's Most Wanted Arrested – Ronald Wayne Holland**



Ronald Wayne Holland, an un-registered home improvement salesperson for a prominent pool contractor, was arrested at his

employer's place of business on May 21, 2013. Holland, who was cited for and convicted of illegal contracting on nine previous occasions, had a \$25,000 warrant issued for his arrest in San Diego County. The charges stem from numerous consumer complaints alleging that he took excessive down payments for contracting work, \$21,000 in one case, and that the work performed was substandard and/or incomplete.

The San Diego County District Attorney's Office filed felony charges against Holland for grand theft; and misdemeanor violations of diversion of funds, contracting without a license, and soliciting down payments that exceeded the maximum allowed by law. According to prosecutors, Holland preyed on homeowners interested in swimming pools and landscaping projects. Holland would promise a "great deal," then accept an excessive down payment and rent heavy construction equipment in the homeowner's name. The equipment would be left behind, building up rental charges in the unsuspecting homeowner's name, resulting in liens filed against the property. Holland was on probation from his previous unlicensed contracting activities at the time of his arrest, and, in one case Holland, was order to pay a victim \$100,000 in restitution.



## Enforcement Enhancements

### Public Works Unit

CSLB's Public Work Unit (PWU) was established in August 2010. It continues to strengthen partnerships with other state agencies, including the California Department of Insurance (CDI), the Department of Industrial Relations' Division of Labor Standards Enforcement (DLSE), and the State Department of Transportation (Caltrans), as well as with numerous labor compliance organizations throughout the state.

Two additional enforcement representatives (ERs) were hired as investigators in 2013. The unit worked with awarding agencies to prequalify project bidders, disclosed violations on CSLB's website against contractors that have been imposed by other agencies, and secured criminal and/or administrative actions against public works contractors that committed serious violations.

PWU closed 142 complaints in 2013—a 68 percent increase over 2012 statistics—with 41 complaints referred for administrative disciplinary actions and four referred to prosecutors to file charges for criminal violations. Additionally, licenses were not issued to known public works offenders: ten applicants withdrew applications and three were formally denied based on violations established by DLSE as well as other misrepresentations/omissions on the applications.

Additionally, PWU accomplished the following in 2013:

- Responded to numerous inquiries from awarding authorities to explain how to verify bidders for public works projects;
- Reached out to the Board of Equalization (BOE), resulting in BOE referring their outstanding liabilities to CSLB's Judgment Unit;
- Flagged more than 100 individuals associated with violations on public works projects for application investigations;
- Established relationships with WC insurance providers' Special Investigation Unit (SIU) investigators;
- Partnered with CDI, providing certified payroll records (CPRs) for more than 20 contractors for investigation for insurance and premium fraud;
- Identified public works contractors most likely to violate laws and made referrals to other state agencies, including CDI and the Employment Development Department (EDD);



Due to the success of the Public Works Unit, its investigators were invited to speak at the SIU Quarterly Meeting, which included SIU investigators for WC insurance providers, deputy district attorneys, and DA investigators, to educate them on Contractors State License Law and how CPRs can be tools to identify contractors that violate insurance, payroll, and tax laws. The presentation was well received, resulting in the Public Works Unit being asked to present at future SIU Quarterly Meetings.

### Partnering Government Agency Complaint Disclosure

On September 6, 2013, CSLB Board members approved disclosing partner agencies' disciplinary actions on CSLB's website. As a result, an innovative protocol was developed and established. CSLB now flags licensees on its website by including an advisory statement and an electronic link to the partner agency's website. This disclosure provides an easily accessible means for awarding authorities and prime contractors to determine if a contractor is a responsible/responsive bidder for public works projects.

Staff launched the project with two partner agencies, DLSE and Caltrans. DLSE issues Civil Wage and Penalty Assessments (CWPA's) for Labor Code violations; Caltrans issues Stop Notices for violations that include non-payment of labor, services, equipment or materials used at public work projects. CSLB accomplished this 2013-2014 strategic objective without new legislation.

### New Complaint Form Enhances Reporting of Illegal Advertising

A new advertising complaint form has streamlined the public's ability to report illegal advertisements as well as Enforcement's ability to effectively identify, target, and halt unlicensed operators. The new form is available on CSLB's website and allows the informant to confidentially file an advertising complaint without having a contract or active job site. Since the mid-year implementation, consumer services representatives (CSRs) have addressed 546 illegal advertising complaints, resulting in referrals to SWIFT for sting operations.

**CONTRACTORS STATE LICENSE BOARD**  
 Southern California: 4000 Wilshire Blvd., Suite 1000, Los Angeles, CA 90010  
 Northern California: 1000 California Street, Suite 1000, San Francisco, CA 94108

**Advertising Complaint for Unlicensed Contractors**  
 This form is to report an unlicensed contractor who is advertising illegally.

**COMPLAINANT** / **UNLICENSED CONTRACTOR INFORMATION**

**ADVERTISMENT INFORMATION (attach advertisement)**

**How to Submit an Advertising Complaint**

Complaint Number	Date	Case File Number	Case Status	Assigned To	Assigned To Date	Assigned To City	Assigned To State

CSLB Advertising Complaint form



### **Investigators Added to Expedite Disciplining Illegal Operators**

To further enhance and expedite discipline of illegal operators, two investigator positions were added to the Intake and Mediation Centers (IMCs), one in September and one in October. The new investigators complement IMC pilot programs in the areas of WC, building permits, and illegal advertising since they issue administrative citations for violations by licensed and unlicensed contractors. Each investigator is averaging approximately five administrative actions per month.

### **Peace Officer Resources Expanded**

Eight additional Peace Officers were sworn in to serve in CSLB's Enforcement division in 2013. The extensive hiring process included a comprehensive background investigation and completion of the Peace Officer Training Academy. Peace Officers enhance CSLB's ability to investigate construction-related crimes by acquiring medical records to support elder abuse investigations, obtaining and serving search warrants to support felony diversion of funds and construction theft, and for effective partnering with local law enforcement to investigate and prosecute multi-county financial crime investigations.

The additional Peace Officers strengthened partnerships with law enforcement and enhanced partnerships with state and local government agencies. This has resulted in an increase in the number of individuals prosecuted for unlicensed practice as well as an increase in the number of both licensed and unlicensed individuals prosecuted for construction-related crimes that resulted in egregious financial harm to victims.

### **Automated License Suspension for Lack of WC Insurance**

During 2013, Enforcement effectively addressed uninsured licensees who claimed to be exempt from workers' compensation (WC) insurance requirements. Uninsured contractors that were found to have employees were notified that they needed to submit proof of a valid WC policy within 30 days to avoid license suspension, and that filing a second WC exemption would subject them to verification of their exempt status by CSLB and partner agencies. The result: Enforcement cancelled 549 exemptions and mailed letters of intent to suspend the license; 195 WC insurance policies were obtained.

## **State Agency Partnering**

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SWIFT is comprised of 30 non-sworn investigators who are assigned to either the Labor Enforcement Task Force (LETF) or the Joint Enforcement Strike Force (JESF).



LETF primarily conducts sweeps with partner state agencies at active job sites to verify employee wages, and compliance with licensing, WC insurance, tax, and job safety requirements. Partners include the Department of Industrial Relations' Division of Safety and Health (DOSH) and DLSE, EDD, and the Franchise Tax Board (FTB). In general, LETF partners issue administrative actions against violators. SWIFT's vetting of leads and hard-targeting efforts paid record dividends: **80 percent of the construction businesses inspected were in violation of license, labor, tax, health and safety, or insurance requirements.**

LETF 2013 CONSTRUCTION RESULTS	
Number of Inspections	820
Businesses Out of Compliance	655
% of Businesses Out of Compliance	80%
<b>Total Citation Penalties and Assessments</b>	<b>\$2,654,527.40</b>

## Undercover Sting Operations

During 2013, undercover stings continued to be the most effective proactive method to identify and prosecute unlicensed persons acting in the capacity of a contractor without a license and committing other significant violations of Contractors State License Law. CSLB's Statewide Investigative Fraud Team (SWIFT) investigators partnered with local law enforcement and EDD to pose as homeowners seeking bids for home or commercial property improvements, such as roofing, HVAC, painting, landscaping, swimming pool construction, flooring, etc.

During 2013, SWIFT conducted 84 stings, resulting in 773 individuals being issued Notices to Appear (NTAs) in superior court on misdemeanor violations of state Business and Professions (B&P) Code that included:

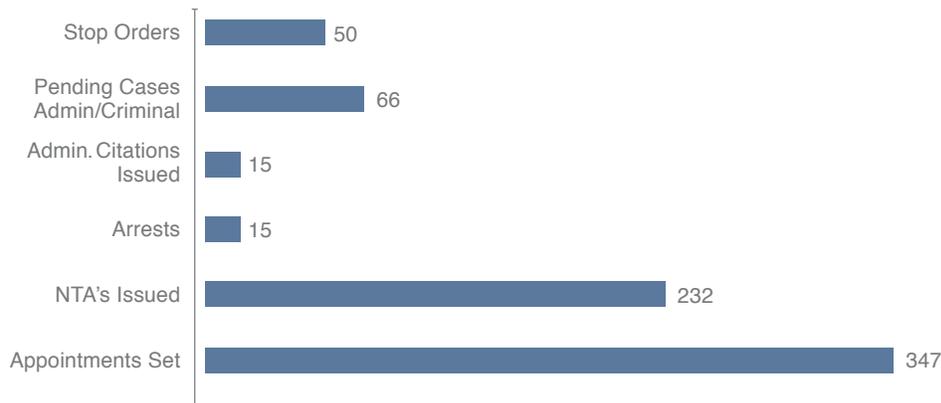
- Contracting without a license (B&P Code §7028)
- Failure to maintain workers' compensation insurance (B&P Code §7124.5 and Labor Code §3700.5)
- Excessive down payment (B&P Code §7159.5)
- Advertising without a license (B&P Code §7027.1)



*Arresting an unlicensed operator at a sting house April 20, 2013*

In addition to the weekly stings conducted throughout the state, SWIFT investigators performed three statewide blitzes in March, July, and October 2013. As a result, 232 individuals were issued NTAs.

STATEWIDE BLITZ TOTALS



Spring California Blitz

On March 13 and 14, SWIFT investigators conducted stings in: Orange, Lawndale, San Bernardino, Chico, Oakdale, and Bakersfield, and issued 78 NTAs.

2013 SPRING BLITZ TOTALS	
Contracting Without a License	78
Illegal Advertising	57
Excessive Down Payment	24
Stop Order	13

In addition, some individuals who provided bids had active arrest warrants for serious criminal violations; several others were arrested for using license numbers that did not belong to them (B&P Code §7027.3). Those arrested included:

- A registered sex offender, and a suspect with a prior conviction for statutory rape;
- An individual with an active arrest warrant for corporal punishment of a minor child; and
- An individual on federal probation for bribery.



### Summer California Blitz

On July 17 and 18, SWIFT investigators conducted stings in Artesia, Fresno, Long Beach, Oxnard, Redding, Sacramento, and South Lake Tahoe, and issued 79 NTAs.

2013 SUMMER BLITZ TOTALS	
Contracting Without a License	79
Illegal Advertising	52
Excessive Down Payment	13
Issued Stop Orders	13

Several individuals caught in the operation had prior criminal convictions, including:

- A registered sex offender, and
- Two suspects with illegal drugs in their possession that were booked into jail.

### Fall California Blitz

On October 9 and 10, SWIFT investigators conducted simultaneous undercover sting operations in Clovis, Ontario, Roseville, Seaside, South Lake Tahoe, and Banning, and issued 75 NTAs.

2013 FALL BLITZ TOTALS	
Contracting Without a License	72
Illegal Advertising	56
Excessive Down Payment	10
Issued Stop Orders	13

Those caught in the fall Blitz included:

- Two registered sex offenders;
- Two individuals with several prior felonies including robbery, rape, burglary, and drug possession;
- Three who had active arrest warrants; and
- Several who illegally used a contractor license number.

Three of the suspects were taken to jail; one vehicle was towed.



## Supply House Surveillance

Southern SWIFT ERs conducted surveillance of two construction material supply houses, one in Santa Monica and one in Culver City, to develop targets to invite to sting operations after a licensee complained about unlicensed operators purchasing materials from the same suppliers that he used. SWIFT ERs monitored the parking lots for vehicle advertisements and went inside the two supply houses, obtaining business cards of “good” contractors to call for work. Following are summaries of each sting and the results.

### Culver City Sting

On August 28, 2013, SWIFT ERs partnered with the Culver City Police Department (PD), targeting suspects identified through supply houses and also on craigslist.org. Six individuals were issued NTAs for various criminal violations, and three Stop Notices were issued. One individual was observed lighting up something prior to exiting his vehicle just before his appointment and, in addition to being cited for three misdemeanor violations, was transported to the Culver City PD to face possible arrest for possession of rock cocaine. One individual was an unregistered salesperson working for a licensed contractor; the employee was issued an NTA for selling without being registered (B&P Code §7153(a)) and, after further investigation, his employer also was referred to the prosecutor for criminal violations of excessive down payment and conspiring with an unlicensed person (B&P Code §125).

CULVER CITY STING TOTALS	
Contracting Without a License	5
Illegal Advertising	4
Excessive Down Payment	4
Issued Stop Orders	3
Unregistered Salesperson	1

### Santa Monica Sting

On September 26, 2013, Southern SWIFT ERs partnered with the Santa Monica PD, Santa Monica Code Enforcement Department, Santa Monica City Attorney’s Office, and the DCA Division of Investigation to conduct a sting at a Santa Monica apartment complex, one mile from the Santa Monica Pier. Six suspects received additional NTAs from Code Enforcement for not having a Santa Monica City business license.



SANTA MONICA STING TOTALS	
Contracting Without a License	7
Illegal Advertising	3
Illegal Use of License Number	1
Issued Stop Orders	2
Unregistered Salesperson	1
No City Business License	6

## CSLB-EDD Partnership

CSLB JESF partners include EDD, DLSE, and district attorney investigators. The primary focus of CSLB investigators assigned to JESF is pursuing criminal charges against contractors who violate license, tax withholding, and/or WC insurance requirements. CSLB prioritized partnering with EDD on all proactive investigations (leads, sweeps, and stings).

### CSLB-EDD 2013 Partnering Statistics

- 725 inspections at active construction sites
- 605 referrals to EDD Audits Division
- A record **\$207,521,183** in unreported tax withholding

During 2013, CSLB staff began partnering with EDD's Criminal Investigation division, which is comprised of EDD Peace Officers, to pursue criminal investigations against the most egregious contractors who violate tax withholding requirements.

Unfortunately, EDD did not categorize criminal investigations by industry; however, due to the successful partnership with CSLB, EDD will begin tracking construction-related criminal cases in 2014. The following statistics are the minimum number of construction-related cases for 2013; the actual number may be higher:

EDD/CSLB JOINT INVESTIGATIONS	
Convictions	4
Complaints Filed	6
Complaints Requested	3
Search Warrants Conducted	6



### 2013 Outstanding Tax and Civil Liability Suspensions

CSLB’s partnership with EDD, FTB, DLSE and DOSH resulted in the suspension of 553 licenses for outstanding liabilities totaling more than \$37 million. CSLB’s license suspension program resulted in payment of more than \$15 million to allied state agencies.

MOU-RELATED OUTSTANDING LIABILITIES (JESF)		
JANUARY – DECEMBER 2013		
TOTAL LIABILITIES	LIABILITY SUSPENSION	PENALTY RECOVERED
CSLB, EDD, DOSH, DLSE, & FTB	\$37,170,777.76	\$15,831,497.53
EDD Only	\$26,367,005.12	\$9,237,750.89

## Disciplinary Services Program

### Administrative Citation Appeal Efficiencies

When a CSLB complaint investigation establishes that a serious violation has occurred, the Registrar of Contractors may issue an administrative citation against a license. The citation can include an order to correct a project, make restitution to an injured party, and pay a civil penalty of up to \$5,000 for violations by licensees and \$15,000 for unlicensed operators.

If the licensee complies with the citation orders, the Board takes no further action. If the licensee contests the citation, he or she will be given an opportunity to defend himself or herself at a formal hearing before an administrative law judge. If the matter is not settled and the licensee does not prevail and does not comply with a final citation order, the license may be suspended and then revoked.

To reduce CSLB and licensee legal representation expenses, staff routinely conducts mandatory settlement conferences (MSC) to avoid the need for formal administrative hearings. In 2013, 191 citations were resolved by means of a settlement conference, saving CSLB \$1,545,000 in Attorney General costs.

In addition, CSLB collected **\$1,000,282** in civil penalties and **\$1,767,508** was collected in restitution to financially injured persons.



CSLB's Citation Enforcement Section (CES) reported the following citation activity in 2013:

- 1,139 citations issued to licensees; 662 complied
- 284 revocations resulting from non-compliance of a citation
- 322 licenses suspended for non-compliance of a citation
- 822 citations issued to non-licensees; 363 complied

### **Accusations/Statement of Issues**

For flagrant violations of law, CSLB can take administrative action by filing an accusation with the Attorney General, stating the Board's intent to suspend or revoke the license. CSLB's investigation may result in one or more of the following remedies: revocation of the license, probation (stay of suspension or revocation), ordering restitution to a financially injured homeowner, recovery of an investigation and enforcement costs, injunction against unlawful activities, dismissal, or criminal charges.

In 2013, Disciplinary Services Section (DSS) staff reported the following administrative actions:

- 365 accusations filed
- 347 licenses revoked through the accusation process
- \$222,318 in cost recovery paid to CSLB

### **Arbitration Program**

For eight consecutive years, the Arbitration Mediation Conciliation Center (AMCC) continued to administer the CSLB arbitration program. During 2013, 313 complaints were referred to the arbitration program; 288 awards were rendered, with **\$1,254,767 in restitution ordered for financially injured persons**. Forty-five licenses were revoked for failure to comply with an arbitration award.

### **AMCC Program Improvements**

- Coordinated parties for hearing within ten days of receipt for military claimant being deployed
- Saturday arbitration dates for parties unable to participate in weekday hearings
- Coordinated multiple-party disputes among complainants, prime and subcontractors



- Arranged for unique hearing sites to comply with ADA requirements
- Implemented video conferencing protocols
- Conducted statewide joint CSLB/arbitrator trainings
- Created additional handouts to parties to assist in hearing preparation

**Arbitration Satisfaction Survey Results (1-5)**

Efficient Coordination Among Parties	4.74
Scheduling/Notice of Hearings	4.73
Case Management Overall	4.84
AMCC Professionalism	4.83
Case Manager Courtesy	4.84
Case Manager Efficiency	4.82

**Subsequent Arrest and Conviction Unit**

The Subsequent Arrest and Conviction Unit is tasked with investigating licensee and/or registrant arrest and/or conviction notifications received from the Department of Justice (DOJ). Investigations may result in the complaint being referred to the Office of the Attorney General for pursuit of a Penal Code (PC) §23 and/or Business and Professions (B&P) Code §7106 action against the respondent’s license/registration, or an administrative citation or accusation pursuant to B&P Code §7123, conviction of a crime substantially related to the qualifications, functions, and duties of a contractor constitutes a cause for disciplinary action.

During 2013, the Subsequent Arrest Unit reported the following:

- 366 convictions investigated for B&P Code §7123
- 104 cases referred for accusation
- 133 cases referred for citation
- 129 warning letters issued



## Administrative Developments

### Appointment of Deputy Chief of Enforcement

CSLB's first Deputy Chief of Enforcement was selected and began October 31, 2013. This new position has been long sought after to assist with the tremendous amount of administrative duties associated with the division's many units and field offices. The new deputy chief will support management of staffing and various internal and partnership programs.

### Purchase of New Vehicles

Significantly worn vehicles were replaced with 25 new models in 2013. Staff members appreciate the replacement vehicles and regularly comment on how energy-efficient they are. Business, Consumer Services, and Housing Agency Secretary Anna Caballero and Department of Consumer Affairs Director Denise Brown are recognized for their support and assistance in obtaining approval to purchase the vehicles.

### Training Conducted in 2013

The Enforcement division continued to expand its training program during 2013. The following courses were offered to staff:

- Module 1: Basic Investigative Techniques
- Module 2: Interviewing Techniques
- Module 3: Report Writing and Court Testimony
- Laws of Arrest, Search and Seizure
- Criminal Investigation Training
- Basic Writing Skills and Effective Business Writing
- CSLB Peace Officers training

*Enforcement staff attend a Basic Writing Skills and Effective Business Writing course in December 2013.*





# LEGISLATIVE

## Development and Coordination of Sponsored Legislation

CSLB operates within state Business and Professions (B&P) Code, and sponsored the following legislation during the first half of the 2013-14 legislative session:

- AB 993
- SB 263
- SB 261
- SB 822
- SB 262



SB 261, SB 262 and SB 822 were signed into law by the Governor (AB 993 and SB 263 are two-year bills and can be taken up again in 2014). Below is a summary of the chaptered bills.

### **SB 261 (Monning) Chapter 163, Statutes of 2013**

This new law enables CSLB to take administrative action against licensed or unlicensed individuals who commit violations related to the fraudulent possession, alteration, or use of a contractor license. Previously, an offense could not be alleged administratively, as the law only allowed it to be charged as a misdemeanor by a prosecutor. Now, if a prosecutor does not file charges, CSLB has administrative authority to discipline violators. (B&P Code §7114.2)

### **SB 262 (Monning) Chapter 180, Statutes of 2013**

This B&P Code amendment now enables CSLB to discipline a license qualifier (and the licensed entity they are qualifying) when the qualifier is not actively involved in the construction activities of the license they are representing. In addition to administrative penalties, the individual falsely serving as a qualifier on the license can be charged with a misdemeanor, and be sentenced to serve up to six months in jail, and pay a fine from \$3,000 to \$5,000, or both, if convicted.

CSLB determined that many qualifiers do not perform the legally-required direct supervision and control duties, and has encountered several cases where “retired” licensees are serving as a responsible managing officer on a corporate license for a monthly fee, with no direct involvement in the construction and business activities. In these cases, consumers have suffered significant financial harm.

Under previous law, if successful in proving the qualifier’s failure to comply with his/her statutory duty, CSLB could take disciplinary action against the license but did not have authority to take any action directly against the qualifier who had failed to exercise his/her duties. The authority provided by this bill enhances consumer protection and ensures that licensees are fulfilling their supervision requirements. (B&P Code §7068.1)

**SB 822 (Business, Professions and Economic Development Committee) Chapter 319, Statutes of 2013**

This amendment to B&P Code sections associated with license fees and payment requirements gives a break to CSLB licensees who submit an incomplete renewal application and fee on or before the license expiration date. The new law allows the application to be returned by CSLB with an explanation, and the applicant has 30 days to correct and resubmit the renewal without having to pay a delinquency fee.

**Other Legislation Impacting CSLB Operations**

All bills introduced by the Legislature must be screened to determine whether they will have a relevant impact on the Board, consumers or the construction industry. The Legislative division engages continuously in the legislative process to influence legislation that impacts Board operations and/or relevant stakeholders. The following chaptered legislation, although not sponsored by CSLB, directly impacts or involves the agency.

**AB 44 (Buchanan) Chapter 258, Statutes of 2013** requires a contractor to include the contractor license number of each subcontractor listed in any bid or offer submitted after July 1, 2014, for the construction of any public work.

**AB 433 (Gordon) Chapter 377, Statutes of 2013** authorizes, until January 1, 2017, licensed plumbing contractors to install residential fire protection systems for single and two-family homes; authorizes the State Fire Marshal to propose, adopt and administer regulations to ensure fire safety in buildings and structures, and makes those regulations subject to certain requirements.

**AB 811 (Lowenthal) Chapter 250, Statutes of 2013** requires regional notification centers (underground service alert operators) to post on their websites, information provided by operators and excavators relating to violations of specified state laws governing subsurface excavations.

**AB 1236 (Hagman) Chapter 114, Statutes of 2013** authorizes a contractor licensed as a limited liability company (LLC) to obtain statutorily required liability insurance from a surplus line insurer.



# PUBLIC AFFAIRS

CSLB's Public Affairs Office (PAO) manages news media, industry, licensee, consumer, and employee relations. PAO provides a wide range of services, including proactive public relations and paid advertising campaigns; response to media inquiries; community outreach, including Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, special events, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; and support for employee events.

During 2013, CSLB's Public Affairs Office:

- Distributed 37 news releases, including four joint news releases with other state and national agencies
- Distributed four industry bulletins
- Organized and conducted three media events
- Fielded approximately 150 media inquiries and requests for interviews
- Organized and conducted 155 Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, speeches, and presentations
- Produced four *California Licensed Contractor* newsletters
- Produced 13 publications, including eight meeting packets, four reports, and the 1,000+ page *2014 California Contractors License Law & Reference Book*



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*CSLB Board Chair Joan Hancock; Business, Consumer Services, and Housing Agency Secretary Anna Caballero; Monterey County District Attorney Dean D. Flippo; and CSLB Public Affairs Chief Rick Lopes at a Salinas press conference.*

## CSLB Media Events

- **March 15, 2013 – Orange**  
PAO coordinated a media event to publicize the results of the annual spring California Blitz, which included six simultaneous undercover sting operations that targeted unlicensed activity. For the first time, PAO utilized new technology to

distribute video of the event to media outlets over the Internet. The video was accessed by the media 68 times. Video taken during the operation also was uploaded to CSLB's YouTube page and has been viewed more than 16,579 times.

- **July 19, 2013 – Sacramento**

PAO coordinated a media event to publicize the results of the annual summer California Blitz. During this blitz, seven different locations were used and 79 suspects faced contracting violation charges, including contracting without a license.

- **October 14, 2013 – Salinas**

PAO coordinated a media event to publicize the results of the annual fall California Blitz. The news conference was held at the Monterey County District Attorney's office. Attendees included Monterey County District Attorney Dean D. Flippo, Business, Consumer Services and Housing Agency Secretary Anna Caballero, CSLB Board Chair Joan Hancock, and a licensed contractor. Six different undercover sting operations were conducted during the operation.

## Senior Scam Stopper<sup>SM</sup>

In 1999, PAO created CSLB's Senior Scam Stopper<sup>SM</sup> (SSS) program to inform, empower, and educate senior consumers at the local level about unlicensed or unscrupulous contractors, and to bring government to the people.



Seminars are coordinated with legislative offices and feature presentations by a panel of experts from local, state, and federal agencies, and community-based organizations; distribution of consumer publications; and spirited question-and-answer sessions.

The seminars are becoming more popular, especially among newly-elected legislators. Legislators are pleased with seminar content and feedback from constituents, and often reschedule. More than a half-dozen legislators scheduled more than two seminars in 2013. Several others routinely schedule one to two events per year.

In 2013, 76 seminars were conducted (with an average attendance of 59), a 34 percent increase above the 50 seminars held in 2012 (that averaged 57 in attendance).

The 300<sup>th</sup> SSS seminar was conducted in January 2014.



*CSLB held 76 SSS events in 2013.*



**2013 Senior Scam Stopper<sup>SM</sup> Seminars:**

DATE	LOCATION	LEGISLATOR PARTICIPATING
1/11/13	Sacramento	Asm. Roger Dickinson
1/15/13	Sacramento	Asian Community Center
1/18/13	Los Angeles	Sen. Curren Price
1/29/13	Whittier	Cong. Linda Sanchez
2/22/13	Pico Rivera	Sen. Ron Calderon
2/28/13	Los Angeles	Sen. Curren Price
3/8/13	West Hills	Sen. Fran Pavley
3/18/13	San Jose	Asm. Nora Campos
3/22/13	Commerce	Sen. Ron Calderon
3/27/13	Murrieta	Asm. Melissa Melendez
3/28/13	Porterville	Asm. Connie Conway
4/9/13	Citrus Heights	Sylvan Oaks Library
4/12/13	Redlands	Asm. Mike Morrell
4/18/13	La Cañada	Asm. Mike Gatto
4/19/13	Wilmington	Asm. Isadore Hall
4/26/13 AM	South El Monte	Sen. Ron Calderon, Asm. Ian Calderon
4/26/13 PM	Irvine	Asm. Allan Mansoor
4/30/13	San Diego	Cong. Scott Peters, Cong. Susan Davis
5/8/13	Los Angeles	Sen. Curren Price
5/9/13	Montclair	Asm. Norma Torres
5/10/13 AM	Huntington Park	Asm. Reggie Jones-Sawyer
5/10/13 PM	Los Angeles	Asm. Reggie Jones-Sawyer
5/17/13	Baldwin Park	Asm. Roger Hernandez
5/23/13	Citrus Heights	Asm. Ken Cooley
5/31/13	Hanford	Asm. Rudy Salas
6/7/13	Thousand Oaks	Sen. Fran Pavley
6/14/13	Redondo Beach	Sen. Ted Lieu
6/21/13	Castro Valley	Asm. Bill Quirk
7/16/13	Bakersfield	Asm. Rudy Salas
7/17/13	Moreno Valley	Asm. Jose Medina
7/18/13 AM	Brentwood	Asm. Jim Frazier
7/18/13 PM	Pittsburg	Asm. Jim Frazier
7/19/13	Saratoga	Asm. Paul Fong
7/22/13	Los Angeles	Asm. John Perez
7/23/13	Los Angeles	Asm. John Perez



CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

DATE	LOCATION	LEGISLATOR PARTICIPATING
7/24/13	Buena Park	Asm. Sharon Quirk-Silva
7/25/13	Cypress	Asm. Sharon Quirk-Silva
7/26/13	Santa Fe Springs	Sen. Ron Calderon
7/29/13 AM	Lancaster	Asm. Steve Fox
7/29/13 PM	Huntington Park	Asm. John Perez
7/30/13	Hayward	Asm. Bill Quirk
7/31/13	Fremont	Asm. Bill Quirk
8/1/13	Union City	Asm. Bill Quirk
8/2/13	Los Angeles	Asm. John Perez
8/9/13	West Hollywood	Asm. Richard Bloom
8/23/13	San Jose	Sen. Jim Beall
9/6/13	Rolling Hills Estates	Asm. Al Muratsuchi
9/18/13	Hollister	Asm. Luis Alejo
9/19/13 AM	Los Angeles	Asm. Jimmy Gomez
9/19/13 PM	Whittier	Sen. Ron Calderon
9/20/13	San Leandro	Asm. Rob Bonta
9/25/13	Downey	Sen. Ron Calderon
9/26/13	Manhattan Beach	Sen. Ted Lieu
9/27/13	Redwood City	Sen. Jerry Hill, Asms. Richard Gordon and Kevin Mullin
10/3/13	Los Angeles	Asm. Mike Gatto
10/4/13	Brentwood	Asm. Richard Bloom
10/7/13	Pleasanton	Sen. Ellen Corbett
10/15/13	La Verne	Sen. Carol Liu, Asm. Chris Holden
10/16/13	San Lorenzo	Cong. Eric Swalwell, Asm. Bill Quirk
10/18/13	Millbrae	Asm. Kevin Mullin
10/21/13	San Leandro	Cong. Eric Swalwell, Asm. Bill Quirk
10/23/13	Antioch	Asm. Jim Frazier
10/24/13	Riverside	Asm. Jose Medina
10/25/13	Fountain Valley	Sen. Lou Correa
10/29/13	Palo Alto	Asm. Richard Gordon
10/30/13	Fairfield	Asm. Jim Frazier
10/31/13	Monterey Park	Asm. Ed Chau
11/4/13	San Diego	Cong. Scott Peters, Sen. Marty Block
11/7/13	San Dimas	Sen. Carol Liu, Asm. Chris Holden



DATE	LOCATION	LEGISLATOR PARTICIPATING
11/13/13	Fresno	Asm. Henry Perea
11/14/13	Downey	Barbara Riley Senior Center
11/18/13	South Pasadena	Sen. Carol Liu
11/19/13	Sunnyvale	Asm. Richard Gordon
11/22/13	San Mateo	Sen. Leland Yee
12/11/13	Agoura Hills	Asm. Richard Bloom
12/12/13	San Diego	Cong. Scott Peters

## Consumer Scam Stopper<sup>SM</sup> Program

The Consumer Scam Stopper<sup>SM</sup> (CSS) program was launched in September 2012 to target audiences of all ages. The program's pilot effort focused outreach in Sacramento, Placer and Yolo Counties, beginning in December 2012, with introduction letters mailed to libraries and community centers.

DATE	LOCATION	GROUP
1/24/13	North Hollywood	North Hollywood Public Library
2/21/13	Rossmoor	Rossmoor HOA
3/6/13	Granite Bay	Granite Bay Library
3/7/13	Citrus Heights	Sylvan Oaks Public Library
4/18/13	Murrieta	Murrieta Public Library
8/10/13	West Sacramento	Arthur Turner Library
9/18/13	Knights Landing	Knights Landing Library
10/10/13	Davis	Mary L. Stephens Library
10/17/13	Yolo	Yolo Branch Library
11/12/13	Visalia	Tulare County Library

## Speakers Bureau and Trade Shows

CSLB speakers continue to be in demand. Forty-one events were attended—18 in southern California and 23 in northern California. In addition, CSLB staffed booths at 28 home/trade shows during 2013.



## Social Media

PAO expanded information distribution through social media sources to better interact with licensees and other stakeholders. CSLB's primary social media vehicles continue to be Facebook, Twitter, and YouTube.

As of January 1, 2014, CSLB had:

- Facebook – 1,487 followers, a 26% increase over last year
- Twitter – 1,382 followers, a 25% increase over last year
- YouTube – 45 videos, with 206,768 views, an 88% increase over 2012 views

Videos of CSLB sting operations were the most viewed, receiving more than 30,000 individual YouTube views and downloads, with 61 percent of viewers watching the video through the CSLB website.

## New Video Production Equipment

In 2013, PAO purchased new equipment to expand its video production capabilities. The equipment, along with an increased use of cloud technology to distribute high-definition video, is enabling PAO to reach new and more varied statewide audiences.

The new equipment also enables CSLB to be more transparent, opening up its meetings to a wider audience. In addition, the equipment can be used to webcast training and other meeting sessions to reduce travel costs. For example, in December, PAO aired a live webcast of a Licensing division seminar for license instruction schools and other interested parties. The webcast originated at CSLB headquarters and was seen by more than 100 Internet viewers. The video remains archived on the website for ongoing reference and viewing.



*CSLB's Public Affairs Office staff broadcast a live Web stream of the November 18, 2013 Executive and Legislative Board Committee meetings with the help of high-definition cameras.*

## Email Alerts

In 2013, PAO continued to build its database of email addresses, allowing people to sign up to receive up to four different Email Alerts from CSLB.

Subscribers can receive alerts for:

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

A total of 21,994 subscriptions were activated as of December 31, 2013—an increase of 2,589 since the first of the year. Each of the four lists is growing at about the same rate, with the greatest number of subscribers requesting newsletters, followed by industry bulletins, press releases, and meeting notices.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,441 active email addresses, which brings the combined email database to just over 100,000 addresses.

## Intranet Redesign Project

A new employee-only intranet site was launched on November 18, 2013. The new site, called CSLBin, features the latest employee news and photos, along with easier-to-find forms, policies, and other information used by staff around the state.

The site also features biographies of all Board members, an enhanced staff phone list, event calendar, 10-second employee bio features, and photo slide shows.



## Website Redesign Project

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In 2013, PAO and Information Technology (IT) staff began design and development of an entirely new CSLB website. The website will utilize the latest state templates and make content management more efficient. Another benefit of the new site will be its adaptability to be viewed on smart phones and tablets. Currently, CSLB employs a mobile site with basic features, including a license look-up. As part of the project, every page on the current website will be recoded.

The new website launch takes place in spring 2014.

## CSLB's Most Wanted

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In its ongoing effort to protect California consumers, CSLB has identified the worst unlicensed violators who are known to prey on vulnerable and unsuspecting homeowners who are involved in new home or home improvement projects. These "worst of the worst" make up CSLB's Most Wanted website section. To make the list, there must be an active warrant for the person's arrest.

During 2013, four Most Wanted suspects were arrested, with one convicted before year-end. A fifth suspect was arrested in the first week of January 2014.

## Hispanic News Media Campaign

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In August, PAO partnered with the non-profit Insurance Information Network of California and the National Insurance Crime Bureau, for a four-city media tour of Spanish language television stations and newspaper editorial boards to deliver the consumer protection message about the importance of only hiring licensed contractors.

The campaign, titled "Say No to Unlicensed Contractors," was well-received by media outlets in Los Angeles, San Diego, Sacramento, and the San Francisco Bay Area. It is estimated that the resulting coverage was seen and/or read by more than three million people.



# ADMINISTRATION

## CSLB Purchasing Unit Receives State Recognition

CSLB received a prestigious state award for its emphasis on buying from small businesses and disabled veteran business enterprises (SB/DVBE) in fiscal year (FY) 2012-2013. CSLB's Business Services Unit (BSU) was presented with a bronze State Agency Recognition Award (SARA) at a ceremony in Citrus Heights in November. The SARA ceremony, in its 14<sup>th</sup> year, honors state departments for outstanding achievements in SB/DVBE advocacy and practices. The judging panel included representatives from SB/DVBE businesses, resource partners, and state representatives.



*Business Services Office staff helped CSLB achieve state recognition for contracting with SB/DVBE businesses.*

CSLB distinguished itself by significantly increasing DVBE purchases in FY 2012-13 from 1.11 percent to 6.4 percent, which far exceeded the Governor's statewide goal of a 3 percent participation rate for state agencies.

At the same time, CSLB improved its already-impressive rate of buying from small businesses. In FY 2012-13, CSLB spent 67 percent of its total procurement budget with certified small businesses, up from 54 percent the previous fiscal year. The Governor's goal in this category is 25 percent participation for state agencies.

The Department of Consumer Affairs (DCA), which oversees more than 40 boards and bureaus including CSLB, has made purchasing through SB/DVBE vendors a priority. With that goal in mind, CSLB staff focused on finding these vendors for every purchase, viewed DCA webinars on buying, and took personal responsibility for achieving participation goals.

## Facilities Projects

- The Oakland office is scheduled to relocate to Berkeley and sub-lease space from the Department of Toxic Substance Control for significant cost savings.
- The CSLB headquarters office front counter area was reconfigured and its entire security camera system was upgraded.
- The Modesto office building lease was renewed until June 30, 2021.

## Contracts and Procurement

The following contracts and purchases were negotiated and executed:

- California Highway Patrol security services
- Printing of the annual *California Contractors License Law and Reference Book*
- Purchase of new mail machines for all offices including two-year maintenance contracts
- Purchase of fax machines including three-year maintenance agreements
- Document shredding services for headquarters and field offices
- Maintenance contracts to support CSLB office equipment
- Ergonomic evaluations for CSLB employees and purchase of required equipment recommended by the evaluations
- New ergonomic chairs and conference room furniture ordered for Oxnard, Valencia, Bakersfield, San Diego, Norwalk, and headquarters offices

## Training



Over 330 employees attended a variety of SOLID training classes at the Department of Consumer Affairs and 90 outside vendor training classes were attended. Classes included enforcement, computer, and business-related training, such as analytical studies, business writing, and customer service classes.

*CSLB staff graduate from Analyst Certification Training (ACT), one of several DCA-sponsored education courses.*



## Vehicles

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CSLB surveyed 25 vehicles in FY 2012-2013. Twenty-one of the 25 vehicles were replaced with new, fuel-efficient hybrid models approved by the Department of General Services.

## Records Management

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CSLB is in compliance with its established Records Retention Schedule; files are purged when identified as obsolete. CSLB continues to scan all new license files into the Imaging & Workflow Automation System (IWAS) system. The California Records Information Management (CalRIM) report was completed and submitted to DCA in October 2013.

## CSLB Staff

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CSLB had 420.95 authorized staff or Personnel Year (PY) positions during the 2013 calendar year. In 2012, Budget Letter 12-03 abolished 21.5 CSLB positions; however, the positions were re-established in 2013.

## 2013 Staffing Activity

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- 23 Promotions
- 25 Internal Transfers
- 26 Interdepartmental Transfers
- 16 New Hires
- 2 Reinstatements
- 4 Training & Development Appointments
- 14 Temporary/Seasonal Appointments
- 16 Retirements
- 18 Separations



## Exams Administered by DCA/CSLB:

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- Enforcement Representative I – continuous
- Consumer Services Representative – 2/2014
- Enforcement Representative II – (promotional 5/2014)
- Staff Services Analyst Transfer – continuous (quarterly)
- Testing Validation and Development Specialist I & II – continuous
- Enforcement Supervisor I & II – (promotional 2/2014)
- Personnel Selection Consultant I & II – (promotional 2/2014)

## Exams Administered by CalHR:

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- Associate Governmental Program Analyst
- Information Systems Analyst (series)
- Information Officer (series)
- Office Assistant (general & typing)
- Office Technician (general & typing)
- Program Technician (series)
- Supervising Program Technician (series)
- Staff Services Analyst (general)
- Staff Services Manager (series)
- Systems Software Specialist (series)
- Warehouse Worker



## Criminal Offender Record Information (CORI) Positions

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CSLB has 27 Criminal Offender Record Information (CORI)-designated positions; the recruitment process has begun to fill one vacant position, which is expected to be filled by the end of the 2013-14 fiscal year.



# INFORMATION TECHNOLOGY DIVISION

## Upgrading to Microsoft Windows 7

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CSLB's Information Technology (IT) division systematically replaced the Microsoft Windows XP Operating System (OS) with Windows 7. The software transition was vital since Microsoft plans to discontinue support for the Windows XP OS in spring 2014. Without support, users won't receive security updates, patches, bug fixes or technical support for the old OS; thus, making it vulnerable to malware, spyware, and other cyber attacks. CSLB IT also worked with home users of Windows XP to upgrade their OS.



## Information Security and Event Management

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IT staff implemented a security information and event management product, called HP ArcSight, to proactively “see” and prepare for evolving and persistent threats, and minimize the impact of those threats by enabling CSLB to collect, analyze, and assess security and non-security events for rapid identification, prioritization, and fast response. The program helps improve compliance management and safeguard against data breaches and fraud. ArcSight collects millions of log records from IT systems and security equipment, unifies the data for searching, indexing, analysis, and retention, and compares it to find critical real-time events via dashboards, email notifications, and reports so the IT Security team can accurately prioritize security risks and compliance violations.

## CSLB Website Redesign

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CSLB's website had over 9.8 million visitors in 2013, of which 1.1 million were mobile devices. To stay current with fast-changing Internet technologies, CSLB website administrators teamed with the Public Affairs Office to redesign CSLB's website and incorporate the state's 2013 standardized website template, designed for branding consistency across state websites. CSLB's revised website will provide a more



user-friendly experience, is more visually appealing, and is mobile device-friendly. In addition, it offers the following improvements:

- **Service Organization**  
Services are organized into subject areas from one location, using a single landing page.
- **User Interface Improvements**  
The number of Web pages have been significantly reduced by consolidating content. Format changes also make it much easier to navigate and locate specific services.
- **Standard Layout**  
The website layout and content has been standardized to ensure consistency.
- **Increased Speed and Performance**  
Website page-loading and response is faster.
- **Greater Accessibility via Google Translator**  
Web pages are available in multiple languages for diverse demographics.

Mobile users will have access to the same array of information that CSLB has had on its website. CSLB IT staff will no longer have to maintain two different websites (one for desktop computer users and one for mobile users), thus reducing maintenance time and costs.

The new website launches in spring 2014. At the end of 2013, CSLB web administrators had converted 85 percent of the website pages (approximately 1,200 pages) and were ahead of schedule to meet the project deadline.

## Personnel Tracking Application

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CSLB IT partnered with Personnel to finalize the creation of a software application that will allow Personnel staff to track and monitor Requests for Personnel Action (RPA). Currently, IT is in the final stages of completing the test launch of this application.

The application will allow Personnel to input and track RPA positions in a more timely and efficient manner. Data is backed-up nightly to improve information safety and security. The application also allows Personnel to provide more accurate reports. IT expects the application to be fully functional in the first quarter of 2014. After the program's successful completion and operation, CSLB will research the possibility of implementing the application throughout DCA.



## CSLB Enterprise Backup and Storage Systems

IT implemented the new EMC VNX Series storage and Avamar Enterprise Backup solution to provide enhanced performance, protection, compliance, and storage of critical data for all CSLB production computer systems.

A redundant data storage system with a backup center in Fresno was designed to prevent the loss of critical information and give CSLB a disaster recovery capacity it did not previously have. If the Sacramento system fails for any reason, including a natural disaster, the system automatically will switch to the Fresno backup system and vice versa. CSLB staff will be able to work without interruption of critical applications.

All CSLB production data and file systems, including user data files, are replicated (copied) continuously throughout the day from the headquarters site to the Fresno site and vice versa, keeping both systems in sync, and providing CSLB digital video recorder-like recovery in physical, virtual, and cloud infrastructures. CSLB now has the ability to restore applications to any specific point in time. This technology also reduces network bandwidth with its unique bandwidth compression and deduplication algorithms, which significantly reduce data replication time.

Implementation of this system saves time and money, as there is no longer a need for weekly tape backups, which were taken offsite to DCA.



*IT staff developed and established a critical back-up storage system.*

## Information Technology Service Desk

CSLB's IT Service Desk provides assistance to approximately 500 CSLB employees, business contractors, and vendors. Staff processed over 4,200 service tickets in 2013. Tickets were opened by CSLB staff members who had problems with testing stations, desktops, laptops, printers, land and cellular phones, access to various automated systems, adding or changing employee access levels, or forgotten passwords. Tickets are generated via phone or email. Incoming tickets are reviewed and assigned within five minutes. The average Level-1 (user "down") priority tickets are resolved or



fixed in under 30 minutes and more complex Level-2 tickets are resolved or fixed in under 60 minutes.

## **Interactive Voice Response (IVR) System**

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CSLB's IVR is an interactive, self-directed telephone system that is a valuable source of information for callers. It provides the ability to request forms or pamphlets that can be mailed or immediately faxed. Callers can look up a license and applicants can check the status of their exam application. IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor, and gives callers an option to speak to call center agents in Sacramento or Norwalk. In 2013, IVR handled roughly 36,500 calls per month (438,000 in the year) and is available 24 hours a day, seven days a week, including holidays.

## **Information Security Risk Management**

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CSLB network administrators integrated a Cisco Access Control Server (ACS) to enforce access control over network infrastructure. The ACS solution helps CSLB comply with growing regulatory and corporate requirements, and will help improve productivity and contain costs. It simultaneously supports multiple scenarios including device administration (which authenticates administrators), command authorization, and audit trails of remote access.

## **Network Infrastructure Automation Tool**

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To enhance efficiency, CSLB IT network administrators implemented a network automation tool that centrally manages multiple network devices that address change management, configuration management, fault management, availability management, compliance, and process automation functions.

## **Intranet Redesign**

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CSLB's Public Affairs and IT staff worked together to redesign the employee intranet, creating a more efficient and user-friendly experience. The new site, titled CSLBin, is a portal of the same resources and reports that previously were available as well as enhanced features, including statewide employee news and CSLB internal and external events.

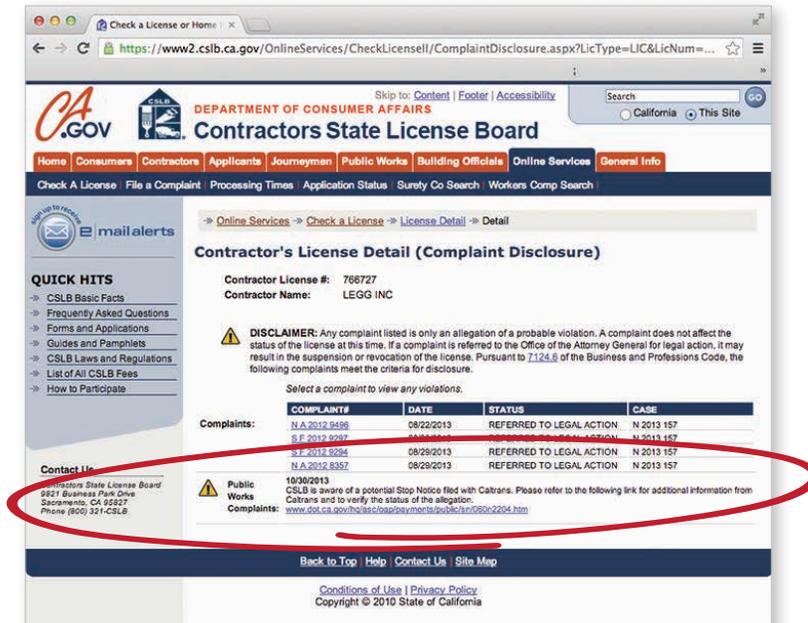


## Disclosure of a Partnering Agency’s Disciplinary Action Project

At a January 2013 stakeholder meeting, attendees voiced frustration that no centralized information source existed to identify licensees who may have a history of disciplinary problems with other public agencies; per regulations, CSLB historically listed only CSLB-specific complaint disclosure on the contractor detail page. The creation of a one-stop website was especially important to contract awarding authorities and prime contractors.

At its September 2013 meeting, CSLB’s Board unanimously approved website disclosure of disciplinary actions taken by partnering agencies. In collaboration with those agencies and CSLB’s Enforcement division, IT staff took part in analysis, programming, and testing that was required to implement this project. CSLB disclosure now links to the Department of Industrial Relations’ Division of Labor Standards Enforcement and the Department of Transportation.

This is accomplished by flagging licensees on the CSLB website with an advisory statement and an electronic link to a partnering agency’s website.





**CONNECT WITH CSLB:**





## CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 95827

800.321.CSLB (2752)

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[www.cslb.ca.gov](http://www.cslb.ca.gov)

[CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)

[SeniorScamStopper.com](http://SeniorScamStopper.com)



# AGENDA ITEM I-6

## Status of 2013-14 Strategic Plan Objectives





# CONTRACTORS STATE LICENSE BOARD

## 2013-14 STRATEGIC PLAN OBJECTIVES UPDATE

LICENSING & TESTING OBJECTIVES	TARGET	STATUS
1. Develop language for establishment of an asbestos abatement specialty classification.	June 2014	<ul style="list-style-type: none"> <li>Language completed and approved by Board</li> <li>Regulation hearing set for March</li> <li>Final approval by Board expected at April meeting</li> </ul>
2. Increase hi-tech security monitoring in testing centers.	December 2014	<ul style="list-style-type: none"> <li>In process of identifying, purchasing, installing security cameras in testing centers</li> </ul>
3. Develop an online smart application package to reduce application decline rates.	January 2016	<ul style="list-style-type: none"> <li>Tied to DCA's BreEZe project</li> </ul>
4. Evaluate the productivity of CSLB's Licensing Information Center and determine if changes are needed.	April 2014	<ul style="list-style-type: none"> <li>Re-evaluation required after recommended</li> <li>ACD coding change completed for agent call wrap time</li> </ul>
5. Fully automate bonds and workers' compensation insurance submission processes.	January 2016	<ul style="list-style-type: none"> <li>Tied to DCA's BreEZe project</li> </ul>
6. Expand license application video to other languages.	July 2015	<ul style="list-style-type: none"> <li>Working with Public Affairs to identify languages and determine if outside vendor will be needed to complete the translations</li> </ul>
7. Inform applicants about the top reasons applications are rejected.	Completed	<ul style="list-style-type: none"> <li>Information is included online and in "Completing a Contractor License Application" video</li> </ul>
8. Establish a task force to analyze the application process and reduce rejection rates.	January 2015	<ul style="list-style-type: none"> <li>Ongoing – Study of Exam Application process scheduled to begin 3/2014</li> </ul>
9. Implement an online licensure tool for credit card payment.	January 2016	<ul style="list-style-type: none"> <li>Tied to DCA BreEZe project</li> </ul>



ENFORCEMENT OBJECTIVES	TARGET	STATUS
1. Update the Industry Expert training program.	FY 2013-14 3 <sup>rd</sup> Quarter	<ul style="list-style-type: none"> <li>• Development of IE Training Module completed</li> <li>• Module will be rolled out to Enforcement supervisors in March</li> <li>• Training to be conducted by each Investigative Center supervisor &amp; staff</li> <li>• IC staff to determine which classifications are needed for each region and schedule training as necessary</li> </ul>
2. Provide for the disclosure of a partnering agency's administrative action on CSLB's website.	Completed	<ul style="list-style-type: none"> <li>• CSLB now discloses Division of Labor Standards Enforcement Civil Wage &amp; Penalty judgments, and contractors subject to egregious Stop Notices filed with Caltrans</li> <li>• Staff continues to work with IT to assess additional programming needs to display additional state and local government disciplinary action disclosure</li> </ul>
3. Partner with the California Energy Commission to create an energy efficiency campaign.	FY 2014-15 2 <sup>nd</sup> Quarter	<ul style="list-style-type: none"> <li>• Staff has developed a campaign with CEC that will launch in March that includes establishing benchmarks, an Ambassador program for industry partners, and a pilot enforcement partnership with the Santa Clara District Attorney's Office.</li> </ul>
4. Address enforcement vacancies in hard-to-fill geographic areas.	On-Going	<ul style="list-style-type: none"> <li>• Investigators have been hired to work in San Luis Obispo, Butte, and Stanislaus Counties</li> <li>• Staff continues to pursue hiring in other remote locations</li> </ul>
5. Develop criteria and controls to monitor and prioritize proactive enforcement.	Completed	<ul style="list-style-type: none"> <li>• Regular meetings have been scheduled with Labor Enforcement Task Force and Joint Enforcement Strike Force partners to identify targets and refine enforcement strategies</li> </ul>
6. Automate an official educational letter to consumers who repeatedly hire unlicensed operators.	FY 2013-14 3 <sup>rd</sup> Quarter	<ul style="list-style-type: none"> <li>• Submitted to the Enforcement Committee on October 24, 2013</li> <li>• Revised letter was approved by DCA Legal Affairs and approved by the Board on December 11, 2013</li> <li>• Staff is currently working with IT to automate the letter</li> </ul>



<p>7. Prioritize enforcement complaints based on the potential to harm the public.</p>	<p>Completed</p>	<ul style="list-style-type: none"> <li>• The Board has approved the Enforcement Prioritization Chart</li> <li>• Staff reviews priorities on an on-going basis to meet changing consumer protection needs</li> </ul>
<p>8. Conduct a feasibility study of a pilot program similar to law enforcement's citizens patrol.</p>	<p>FY 2013-14 3<sup>rd</sup> Quarter</p>	<ul style="list-style-type: none"> <li>• The Butte County Industry Expert Volunteer Pilot Program has been approved by the Board</li> <li>• A retired annuitant was hired on January 24, 2014, to implement the program</li> </ul>
<p><b>PUBLIC AFFAIRS OBJECTIVES</b></p>	<p><b>TARGET</b></p>	<p><b>STATUS</b></p>
<p>1. Migrate CSLB's website to the new state of California website standards.</p>	<p>Spring 2014</p>	<ul style="list-style-type: none"> <li>• 90% complete</li> <li>• Final writing/editing/converting under way</li> </ul>
<p>2. Establish a multimedia unit with focus on video production.</p>	<p>Completed</p>	<ul style="list-style-type: none"> <li>• PAO is now responsible for all meeting Web streams, as well as production of videos</li> </ul>
<p>3. Create an archive of consumer stories for use in various outreach efforts and educate staff on the benefits of sharing information.</p>	<p>June 2013, then ongoing</p>	<ul style="list-style-type: none"> <li>• Currently compiling stories</li> </ul>
<p>4. Complete the flagship contractor and consumer publications.</p>	<p>Consumer: May 2013 Contractor: July 2013</p>	<ul style="list-style-type: none"> <li>• Consumer: Graphic Design/Layout</li> <li>• Contractor: Copy Development</li> </ul>
<p>5. Develop a contractor presentation kit.</p>	<p>Fall 2014</p>	<ul style="list-style-type: none"> <li>• On hold, pending website re-launch</li> </ul>
<p>6. Develop a CSLB style guide and brand standards manual.</p>	<p>Fall 2014</p>	<ul style="list-style-type: none"> <li>• On hold, pending website re-launch</li> </ul>
<p><b>LEGISLATIVE OBJECTIVES</b></p>	<p><b>TARGET</b></p>	<p><b>STATUS</b></p>
<p>1. Review and recommend changes to simplify and update Contractors State License Law by 2014.</p>	<p>Fall 2014</p>	<ul style="list-style-type: none"> <li>• In process</li> </ul>
<p>2. Prepare and submit Sunset Review Report.</p>	<p>Nov. 1, 2014 to Legislature</p>	<ul style="list-style-type: none"> <li>• Internal team established to prepare report</li> </ul>



<b>IT &amp; ADMINISTRATION OBJECTIVES</b>	<b>TARGET</b>	<b>STATUS</b>
1. Prepare CSLB for implementation of BreEZe. (Information Technology).	December 2015	<ul style="list-style-type: none"><li>• Continuing to work with BreEZe staff to prepare for Phase Three release</li><li>• Meeting with CSLB staff to discuss specific BreEZe requirements</li><li>• Detailing functions that will directly impact CSLB operations</li><li>• Working on data conversion</li></ul>
2. Create a Subsequent Arrest Unit through the BCP Process.	July 2014	<ul style="list-style-type: none"><li>• Approved by Dept. of Finance</li><li>• Needs to pass Legislative hearing this spring and be included in the FY 2014-15 Budget Act</li></ul>

# AGENDA ITEM I-7

## Review of 2014-15 Strategic Planning Process



## CSLB Strategic Plan Schedule 2014



Task		Due Date
Introduce SOLID	SOLID will attend your 11/18 Exec. Committee Meeting to re-introduce the facilitators and the strategic planning process.	11/18
Survey Board Staff	SOLID will use an online survey at <a href="http://surveymonkey.com">surveymonkey.com</a> to obtain input from your Board Staff. We will send a message with instructions and a link to this survey four weeks prior to activation, around Jan 2014. This will allow you to forward it to your Board Staff.	Jan-Feb 2014
Senior Staff Focus Group	SOLID will facilitate a <u>2-3 hour meeting</u> with your Senior Staff to discuss internal and external program threats and opportunities as well as gather their views on the Board's strategic focus for the upcoming plan.	Feb 2014
Survey Stakeholders	SOLID will use an online survey at <a href="http://surveymonkey.com">surveymonkey.com</a> to obtain input from your Stakeholders. We will send a message with instructions and a link to this survey to the contacts you provide. If you prefer, the email with the survey link can be forwarded from the Assistant Executive Officer, Executive Officer or the Board Chair.	Jan - Feb 2014
Board Members Email Invitation	SOLID will send you a draft of the email invitation to be sent to Board Members in preparation for the individual phone interviews. We usually get the best responses when the email is sent from the Assistant Executive Officer, Executive Officer or the Board Chair.	Early Feb 2014
Board Member Phone Interviews	SOLID will schedule individual phone interviews with Board Members. These interviews are 45 minutes to 1 hour in length and will cover the climate of the industry as well as their views on the Board's strategic focus for the upcoming plan.	Feb 2014 (2 weeks)
Compiled Results to AEO for Review	Upon completion of interviews, surveys, and focus group, SOLID will compile and analyze the data and produce a trends/themes document to use with our presentation materials. This material will be sent to you for review and approval. The final trends/themes document will be discussed during the planning session.	Early March 2014
Board Handouts	SOLID will email you electronic copies of our handouts for the Planning Session.	Late March 2014
Planning Session	SOLID will facilitate the strategic plan development session with Board Members and Senior Staff. Through discussion our purpose is to highlight recent accomplishments of the Board, review the trends/themes identified from the surveys, interviews and focus groups, and establish goals and objectives for the new plan.	April 2014
Update Strategic Plan	SOLID will use the information gathered at the planning session to update the Board's 2014-2015 strategic plan utilizing SOLID's strategic plan format. A comprehensive draft will be sent to you for review by the target due date.	May 2014
Board Adopts Strategic Plan	Strategic plan is adopted at Board Meeting	July 2014
Action Planning Session	SOLID will facilitate a meeting with Board Managers to create an action plan to guide completion of strategic objectives by establishing due dates, identifying major tasks, and assigning responsible parties.	optional

**AGENDA ITEM J**

# Review of Tentative Schedule

Following is a list of Board meetings scheduled for 2014:

- April 23-24, 2014 ..... San Diego
- June 6, 2014 ..... Newport Beach



# AGENDA ITEM K

Adjournment

