

DECEMBER 11, 2014  
BERKELEY, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Board Meeting





## CONTRACTORS STATE LICENSE BOARD

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

### NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting at 1:00 p.m. on Thursday, December 11, 2014, in the California Room at the DoubleTree by Hilton, 200 Marina Blvd., Berkeley, CA 94710, and phone (510) 548-7920. 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

**December 11, 2014**

**1:00 p.m. – 7:00 p.m.**

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session – Items Not on the Agenda
  - Move to Closed Session
- D. Pursuant to the provisions of subdivision (a) (1) of section 11126 of the Government Code, the Board shall meet in closed session to conduct interviews, discuss and consider the appointment of a Registrar.
  - Return to Open Session
- E. Review and Approval of September 23, 2014, Board Meeting Minutes
- F. Enforcement Committee Report
  - 1. Enforcement Program Update

CONTINUED

2. Review and Discussion Regarding Permit Enforcement

- G. Public Affairs Committee Report

1. Public Affairs Program Update

- H. Legislative Committee Report

1. Legislative Program Update

2. Review and Approval of November 6, 2014 Legislative Committee Summary Report

3. Review and Consideration of Recommended Legislative Proposals for the upcoming Legislative Session;

- a. Amendment to Business and Professions Code Section 7011.4 – Notice to Appear Authority

- b. Amendment to Business and Professions Code Section 7028.6 – Authority to Issue Citations – Collection of Additional Information

- c. Amendment to Business and Professions Code Section 7083 – Notification by Licensees of Change in Recorded Information

- d. Amendment to add Business and Professions Code Section 7103.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement

- e. Amendment to Business and Professions Code Section 7137 – Fee Schedule

- f. Amendment to Business and Professions Code Section 7152 – Home Improvement Salesperson Registration

- I. Licensing Committee Report

1. Licensing Program Update

2. Testing Program Update

- J. Executive Committee Report

1. Administration Update

2. Information Technology Update

3. Budget Update

4. Strategic Plan Update

- K. Tentative Board Meeting Schedule

- L. 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

ROBERT LAMB

AGUSTIN BELTRAN

ED LANG

LINDA CLIFFORD

JOHN O'ROURKE

DAVID DIAS

BRUCE RUST

SUSAN GRANZELLA

FRANK SCHETTER

JOAN HANCOCK

PAUL SCHIFINO

PASTOR HERRERA JR.

NANCY SPRINGER



## AGENDA ITEM B

### Chair's Remarks and Board Member Comments

Board Chair David Dias 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

Closed Session



## AGENDA ITEM E

# Review and Approval of September 23, 2014 Board Meeting Minutes







# CONTRACTORS STATE LICENSE BOARD

## BOARD MEETING MINUTES

### MEETING MINUTES

**Tuesday, September 23, 2014**

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

Board Chair David Dias called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m. on Tuesday, September 23, 2014, in the Colton Room of the Monterey Conference Center, One Portola Plaza, Monterey, CA 93940. A quorum was established.

Board Member Ed Lang led the Board in the Pledge of Allegiance.

#### **Board Members Present**

Joan Hancock, Chair  
David Dias, Vice Chair  
Ed Lang, Secretary  
Paul Schifino  
Agustin Beltran

Frank Schetter  
Kevin J. Albanese  
Pastor Herrera Jr.  
Linda Clifford

#### **Board Members Excused**

Bruce Rust  
John O'Rourke

Nancy Springer  
Robert Lamb

#### **CSLB/DCA Staff Present**

Stephen Sands, Registrar  
Cindi Christenson, Chief Deputy Registrar  
Karen Robinson, Licensing Chief  
Laura Zuniga, Legislation Chief

David Fogt, Enforcement Chief  
Rick Lopes, Public Affairs Chief  
Erin Echard, Executive Staff  
Kurt Heppler, Legal Counsel

#### **Public Visitors**

Rick Pires  
David Leary  
Olivia Trejo  
Betty Saeteun

Alex Beltran  
Matthew Shields  
Ken Grossbart  
Phil Vermuelen

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

Board Chair David Dias welcomed the audience and asked for Board member comments; there were none.

#### **C. PUBLIC COMMENT SESSION**

Scott Caruthers presented ideas to the Board on strategies to target those who supply construction materials, providing apprenticeship cards through the verification process, implementing licensee drug testing, assessing penalties to homeowners who hire



unlicensed contractors, and obtaining building permits. He also volunteered for the Guys On-Site program.

#### **D. REVIEW AND APPROVAL OF JUNE 5-6, 2014, BOARD MEETING MINUTES**

Motion to Approve the June 5-6, 2014, Board Meeting Minutes

**MOTION: A motion was made by Board Member Linda Clifford and seconded by Board Member Pastor Herrera Jr. to approve the June 5-6, 2014, Board Meeting Minutes. The motion carried unanimously, 9-0.**

#### **E. UPDATE ON CSLB RESPONSE TO NAPA EARTHQUAKE**

Public Affairs Chief Rick Lopes informed the Board that CSLB issued a press release the day of the earthquake, and also activated a disaster hotline, established a partnership with DOI to help educate affected homeowners, and entered into an agreement with cable companies to regularly air the video "Rebuilding after a Natural Disaster."

#### **F. UPDATE ON CSLB RESPONSE TO C-57 WATER WELL DRILLING CONTRACTOR SHORTAGE**

Enforcement Chief David Fogt informed the Board that CSLB will expedite the processing of C-57 applications. The Board discussed that it might be easier to add this classification to "A" contractors. Mr. Fogt also noted that, for this specialty, CSLB has reciprocity only with Nevada licensees.

#### **G. ENFORCEMENT COMMITTEE REPORT**

##### **1. Review and Approval of August 18, 2014, Enforcement Committee Meeting Summary Report**

Motion to Approve the August 18, 2014, Enforcement Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Joan Hancock and seconded by Board Member Paul Schifino to approve the August 18, 2014, Enforcement Committee Meeting Summary Report. The motion carried unanimously, 9-0.**

##### **2. Enforcement Program Update**

Chief of Enforcement David Fogt presented highlights from the Intake and Mediation Center, Investigative Centers, Case Management, Statewide Investigative Fraud Teams, as well as general complaint-handling statistics.

Monterey Deputy District Attorney Carol Reed provided public comment highlighting CSLB's effective working relationship with her office to leverage resources to combat unlicensed contractors and contractors that fail to provide workers compensation insurance coverage for their employees.

**3. Review and Approval of Peace Officer Training Curriculum**

Motion to Approve the Peace Officer Training Curriculum

**MOTION: A motion was made by Board Member Kevin J. Albanese and seconded by Board Member Pastor Herrera Jr. to approve the Peace Officer Training Curriculum. The motion carried unanimously, 9-0.**

**4. Briefing on the Enforcement Program's Forensic Auditing**

Retired Annuitant Skip Jones presented this item. Forensic auditing is the application of accounting and investigative skills to the examination of records in order to determine if a crime has been committed. As it relates to CSLB, the examination helps to determine if there have been violations of Penal Code section 484b, diversion of funds, and/or Penal Code section 487, grand theft, where money was spent on materials, goods, or services that were not applied to the construction project. The records reviewed may include bank statements, cancelled checks, and construction related invoices.

**5. Predatory Service and Repair Task Force Update**

As part of the 2014-15 Strategic Plan to address predatory service and repair scams the Enforcement division established a task force, which includes four CSLB Peace Officers, one ER, a retired annuitant, and representatives from the FBI, DA offices, as well as local law enforcement. The first meeting was a success.

**H. PUBLIC AFFAIRS COMMITTEE REPORT****1. Review and Approval of August 18, 2014, Public Affairs Committee Meeting Summary Report**

Motion to Approve the August 18, 2014, Public Affairs Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Kevin J. Albanese and seconded by Board Member Joan Hancock to approve the August 18, 2014, Public Affairs Committee Meeting Summary Report. The motion carried unanimously, 9-0.**

**2. Public Affairs Program Update**

Public Affairs Chief Rick Lopes provided social media statistics and highlights on media relations and publications, and reported that CSLB hosted four media events since the last Board meeting. Mr. Lopes also reviewed the redesigned CSLB website, which launched on September 5, 2014. He also reported that Video/Digital Services put together a live webinar that attracted 275 viewers, hosted a town hall meeting, and recorded footage of undercover operations.



Additional outreach efforts include conducting Senior Scam Stopper Seminars throughout the state.

### **3. Review and Approval of 2014-17 CSLB Communications Plan**

Motion to Approve the 2014-17 CSLB Communications Plan

**MOTION: A motion was made by Board Member Agustin Beltran and seconded by Board Member Linda Clifford to approve the 2014-17 CSLB Communications Plan. The motion carried unanimously, 9-0.**

## **I. LEGISLATIVE PROGRAM COMMITTEE REPORT**

### **1. Review and Approval of September 11, 2014, Legislative Committee Meeting Summary Report**

Motion to Approve the September 11, 2014, Legislative Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member Agustin Beltran to approve the September 11, 2014, Legislative Committee Meeting Summary Report. The motion carried unanimously, 9-0.**

### **2. Legislative Program Update**

- AB 1702 Professions and Vocations: Incarceration – “Watch”  
(Signed by Governor)
- AB 1918 Energy: Design and Construction Standards – “Watch”  
(Held in Committee)
- AB 2396 Convictions: Expungement: Licenses – “Oppose”  
(On Governor’s Desk)
- SB 315 Contractors – “Support”  
(Signed by Governor)

Legislative Chief Laura Zuniga will provide Board members an update after the September 30, 2014, deadline for the Governor to sign or veto legislation.

## **J. LICENSING PROGRAM COMMITTEE REPORT**

### **1. Review and Approval of August 18, 2014, Licensing Committee Meeting Summary Report**



Motion to Approve the August 18, 2014 Licensing Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Kevin J. Albanese and seconded by Board Member Agustin Beltran to approve the August 18, 2014, Licensing Committee Meeting Summary Report. The motion carried unanimously, 9-0.**

**2. Licensing Program Update**

Licensing Chief Karen Robinson provided updates on the Workers' Compensation, Criminal Background, Information Center, and Experience Verification and Judgment units. Ms. Robinson referred the Board to a 1937 article from the Contractors Board newsletter regarding the reject rate for applications and commented that over the past 77 years it has remained much the same. The Licensing Division continues to work toward reducing the reject rate.

**3. Testing Division Update**

Ms. Robinson informed the Board that the Berkeley office is fully functional and provided highlights from both the examination administration and examination development units. New exams were released for C-13 and C-60 classifications.

**K. EXECUTIVE PROGRAM COMMITTEE REPORT**

**1. Review and Approval of July 30, 2014, Executive Committee Meeting Summary Report**

Motion to Approve the July 30, 2014, Executive Committee Meeting Summary Report

**MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member Agustin Beltran to approve the July 30, 2014, Executive Committee Meeting Summary Report. The motion carried unanimously, 9-0.**

**2. Administration Division Update**

Administration Chief Larry Parrott presented highlights from Business Services, which includes facilities, contracts, and procurement. Mr. Parrott also corrected the current percentage of CSLB job vacancies.

**3. Information Technology Division Update**

Ms. Christenson updated the Board on the status of BreEZe, as well as the newly launched CSLB website, which is more user and mobile friendly.

**4. Budget Update**

Ms. Christenson provided an update on budget revenue and expenditures, and detailed the condition of the Construction Management Education Account fund.

**5. Strategic Plan Update**

Ms. Christenson noted that on goal #2, items 1 and 2 are complete, and that the remainder of the items remain on track.

**6. Update on Registrar Appointment Process**

A selection committee will be established that will consist of the Board Chair and Vice Chair, as well as DCA staff. The Registrar's position is currently being advertised. Applications will be scored and only the most qualified selected for interviews, which will be held during closed session at the December 11, 2014, Board Meeting. The Board will then make a hiring decision.

**L. REVIEW AND APPROVAL OF SUNSET REVIEW REPORT AND RECOMMENDATIONS**

Motion to Approve the Sunset Review Report

**MOTION: A motion was made by Board Member Agustin Beltran and seconded by Board Member Pastor Herrera Jr. to approve the Sunset Review Report. The motion carried unanimously, 9-0.**

**M. FUTURE AGENDA ITEMS**

If any Board member wishes to add an item to the agenda notice they will need to inform the Registrar at least two weeks prior to the next Board Meeting.

**N. TENTATIVE BOARD MEETING SCHEDULE**

- Thursday December 11, 2014 – Berkeley DoubleTree by Hilton (scheduled)
- March 2015 – Los Angeles Area
- June 2015 – Fairfield
- September 2015 – San Diego Area

**O. ADJOURNMENT**

Board Chair David Dias adjourned the Board meeting at 11:59 a.m.

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David Dias, Chair

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Date

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Stephen P. Sands, Registrar

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Date

## AGENDA ITEM F

# Enforcement Committee Report



## AGENDA ITEM F-1

# Enforcement Program Update







# CONTRACTORS STATE LICENSE BOARD

## ENFORCEMENT PROGRAM UPDATE

### INTAKE / MEDIATION CENTERS (IMCs)

**IMCs**  
**Financial Settlement Amount**  
**June 2013 – October 2014**

• \$11,770,997.29

### **Plumbing Scams Drain Consumer Pocket Books**

The IMCs continue to see allegations of plumbing scams perpetrated against homeowners, mostly targeted at the elderly. The two elderly homeowners described below received assistance from the Norwalk IMC and a settlement from their contractors. Although these individual complaints were resolved, the contractors continue to be investigated to determine if they are participating in criminal activity.

A 65-year old homeowner hired a contractor to unclog a drain, and was astounded to hear that she needed \$4,700 in repairs to her sewer line. The information got worse, as the repairs morphed into \$10,700 for a complete sewer line replacement. A complaint was filed with CSLB and a Norwalk Consumer Services Representative (CSR) contacted the contractor to discuss a refund for the homeowner. The contractor stated that he had replaced the sewer line and would reimburse the homeowner \$2,700. The CSR ultimately obtained a settlement of \$5,350, which satisfied the homeowner.

A 78-year old homeowner also needed a drain unclogged. She had a discount coupon that promised to unclog a drain for \$69.95, and to beat any competitor's price. Unfortunately, after the initial inspection from the contractor the price rose to \$13,800. The homeowner contacted her son who filed a complaint with CSLB about the steep price increase. A Norwalk CSR satisfied the homeowner by obtaining a settlement of \$6,880.

### **Well Driller Refunds \$100,000**

The Sacramento IMC received a drought related complaint from a farmer who contracted for the substantial amount of \$416,975 to have an agricultural well drilled. The farmer had paid \$150,000 of the contract and was upset that no water was found. After receiving the complaint, a CSR contacted the well driller and found that the contractor had experienced difficulties with this job and had broken two bits while drilling the well. The contractor offered to re-drill at no cost, but the farmer declined the offer. The CSR satisfied the farmer by negotiating a \$100,000 refund.

**INVESTIGATIVE CENTERS (ICs)****ICs****Financial Settlement Amount  
July 2013 – October 2014**

• \$ 5,429,366.03

**Neighbors Help Themselves to Contractor's License**

A homeowner entered into a written contract with respondent Rene Richard to resurface a swimming pool at his residence for a total contract price of \$9,245. Mr. Richard presented license #753396. After further review the homeowner realized that this license did not belong to Mr. Richard but, instead, to John Penafiel. Attempts to contact Mr. Penafiel by telephone were met with excuses from the office manager who said that he was out of the country, and the receipt signatures on all certified letters sent to the licensee's address of record were indecipherable. West Covina Investigative Center staff began to research CSLB records. Staff determined that the signatures read Ruby Pacheco and they recalled non-licensee criminal cases against Ms. Ruby Pacheco from 1999 to 2003. Staff located prior criminal history on Ruby Pacheco and Ricardo Rene Pacheco (who was then known as Rene Richard Pacheco) that included two convictions resulting in three years probation, 100 hours of community service, \$100 restitution, and \$196.35 in investigation costs.

Further investigation revealed that the licensee, John Penafiel, had died in May 2014. The Pacheco's lived down the street from the deceased licensee and had used his license for years by forging his signature on the renewal forms and paying the fees themselves.

The case was referred for prosecution for contracting without a license, fraudulent use of a license number, and identity theft.

**The Concrete Bandit**

A San Bernardino IC Enforcement Representative investigated multiple complaints filed by six Riverside County residents against unlicensed offender Misele "Mitch" Tupou. Tupou preyed on a neighborhood by canvassing the area and leaving his business card advertisements at the prospect's door soliciting "bonded and insured" concrete, landscaping, block, framing, roofing, stucco, and texture work. Tupou typically had two to six employees assist him on various projects, yet failed to maintain workers' compensation insurance for any of his employees.

In February 2014, a Lake Elsinore resident approached Tupou while the unlicensed operator worked on a project for a next door neighbor. Tupou entered into a contract for \$8,000 with the homeowner to install a stamped colored concrete patio slab, a flagstone



faced three foot retaining wall, the installation of a sprinkler and drainage system, and installation of sod in the backyard. Tupou demanded, and received, a \$1,000 deposit prior to commencement of the project. A few days after work began Tupou requested another \$1,000 to order the flagstone for the retaining wall, which was never provided. After the concrete was poured, the homeowner paid Tupou an additional \$3,300, in cash. The homeowner soon discovered that the concrete was cracking and sloped toward the residence. Apparently, the concrete was poured only to a depth of two inches. Tupou had three employees that he claimed were family members assist him with the project. Ultimately, Tupou abandoned the project, forcing the homeowner to hire another contractor to complete the retaining wall and landscaping for an additional \$5,800. The homeowner obtained a civil judgment against Tupou for \$4,500.

Another Lake Elsinore resident had a similar experience. Approached by Tupou via door-to-door solicitation, he signed a contract for \$4,500 for the installation of a concrete patio slab, an adjoining concrete walkway, an irrigation system, and sod. Tupou demanded, and received, a \$2,000 deposit prior to the commencement of the project, and an additional \$2,000 before the concrete was poured. Again, the concrete began to crack shortly after installation. The homeowner demanded that Tupou replace the concrete, but the non-licensee abandoned the project. The aggrieved homeowner hired another contractor to complete the project for \$18,000.

In April 2014, a Murrieta consumer entered into a \$1,200 contract with Tupou for the installation of a concrete walkway, complete with drainage, and a block wall along one side of the residence. The consumer paid Tupou a \$200 deposit, and an additional \$600 after the concrete walkway had been poured. Approximately four hours after the walkway was poured, the concrete began to crack. The consumer demanded that Tupou refund the \$800 and remove the damaged concrete. Tupou returned \$100 to the consumer and agreed to a repayment plan, though it was never fulfilled.

Again, in July 2014, Tupou approached Perris residents moving into a new home and presented them with his business card advertisement. A couple of days later, Tupou contracted with the consumers to install a concrete patio slab, a small pad for a fire pit, and walkways between the patio and driveway. The contract, for \$5,100, also included installation of a drainage system and electrical and gas lines. Tupou demanded, and received, a \$1,100 deposit to begin work. After Tupou's four employees finished the concrete, the homeowners immediately noticed cracks forming. At this point, they had paid Tupou \$5,080, and he did not respond to their concerns. A representative from the ready mix company concluded that defective workmanship caused the concrete to fail. The stunned homeowners have obtained a bid of \$7,500 to have the old concrete removed and replaced.

In July 2014, Tupou approached other residents of Perris with a business card as they moved into a new home. Several days later, Tupou entered into a contract with the unwary consumers to extend their existing patio slab with a ribbon of stamped concrete



and to install a concrete walkway from the patio to the front driveway. Tupou also contracted to install a brick planter along the back property line, a drainage system, irrigation system, and grass sod for \$3,500. Tupou demanded, and received, a \$750 deposit to begin work. With his crew of six employees, Tupou performed substandard work, which caused the concrete to crack and fail. Before Tupou abandoned this job to work on a neighbor's project, he had been paid \$2,700. The consumer received an estimate of \$6,000 to correct the project.

The Enforcement Representative interviewed an emotional Tupou in the San Bernardino Investigative Center, who promised that he would make full restitution to the victims. The case has been referred to the Riverside County District Attorney's office for unlicensed contracting; advertising by an unlicensed person; requiring excessive deposit, and failure to maintain workers' compensation insurance for employees.

#### **\$4.8 Million Fixer-Upper**

Richard Teed claimed 25 years of experience as a building contractor on his Internet advertisements. He is not a licensed contractor but he is a real estate agent with Sotheby's International Realty. Teed was the buyer's agent for a \$4.8 million home in the Pacific Heights neighborhood of San Francisco. The buyer agreed to purchase the house because Teed said he could completely remodel the home for \$900,000. The buyer established and funded a joint checking account used by Teed to pay the licensed and unlicensed contractors that he hired to remodel the residence. The homeowner fired Teed because of significant construction defects and the substantial underestimation of the project cost, but not before \$600,000 had been spent from the joint account. The project remains unfinished, but over \$1.2 million has been paid for correction and completion work. A San Francisco Enforcement Representative conducted the investigation and referred it to the San Francisco DA with a request for prosecution for advertising and contracting without a license.

#### **Notwithstanding No Financial Injury, Legal Action**

##### **The Story**

On May 24, 2014, David Telles contracted with an Alameda resident for the installation of hardwood flooring. Telles required, and received, a \$2,100 down payment on the \$5,250 contract and promptly abandoned the project. The homeowner hired another contractor to perform the work and incurred a financial injury of \$2,614, which she recovered from Telles' license bond. Notwithstanding that the bond payout resolved the financial injury to the homeowner, a San Francisco Enforcement Representative recommended the case be closed with a citation for abandonment, diversion of funds, and receiving an excessive down payment.

##### **The Rest of the Story**

On June 14, 2014, Telles, 38, flew from California to London and drove to Cornwall where he picked up a 14-year-old girl after she climbed out of her bedroom window in the middle of the night. Telles had seduced the girl through the cult online game Clash



of Clans. He stayed with her at two hotels and engaged in sexual activities before the police tracked them down on June 18, 2014. The girl wore an engagement ring from Telles when found by the police. Telles pleaded guilty to sexual activity with a child, meeting a child following sexual grooming, and child abduction. He received a six year prison sentence and will be deported to the U.S. after serving his sentence.

## **PEACE OFFICER HIGHLIGHTS**

### **Flipping Houses Catches Up to One Unscrupulous Contractor**

On October 29, 2014, a San Bernardino County DA Investigator contacted the San Bernardino Investigative Center Peace Officer to inform him that the notorious unlicensed contractor Abel Rodriguez, Jr. had been arrested on an outstanding warrant filed by the CSLB Peace Officer related to two cases submitted to the San Bernardino County Court. Rodriguez was booked into the San Bernardino County West Detention Center in Rancho Cucamonga. The Peace Officer and an Enforcement Representative visited the West Detention Center in an attempt to interview Rodriguez about two pending CSLB investigations. After being read his Miranda rights, Rodriguez invoked his right to an attorney.

Rodriguez presents an interesting family background. Reportedly, his brother-in-law is Armando Montelango, television host of the A&E Series "Flip This House." He was introduced to consumers at several of Montelango's house flipping seminars. At that time, Rodriguez conducted business as Southern California Construction Associates, using a suspended license number that belonged to another contractor. From December 2010 to March 2011, Rodriguez entered into contracts with five Riverside consumers for home renovations totaling approximately \$209,950. A San Bernardino Enforcement Representative documented that Rodriguez abandoned all five of these projects, leaving bewildered consumers to find other contractors to complete their home renovations. Attempts to locate Rodriguez had been futile. The investigative findings were submitted to the Riverside County District Attorney's office for prosecution for violations of Business and Professions Code sections 7028, 7027.1, and 7027.3.

Rodriguez's criminal conduct continued as he opened a store front in Chino and changed his business name to "Flip This Kitchen and Bath, Inc." In April and June of 2014, and under this new business identity, Rodriguez entered into two contracts with San Bernardino County residents for bathroom and kitchen remodeling projects at a cost of \$44,857. Rodriguez abandoned both of these projects after the consumers voiced concerns regarding workmanship. The cases were submitted to the San Bernardino County District Attorney's office for prosecution of contracting without a license, illegal advertising, excessive down payment, and grand theft.



On November 15, 2014, Rodriguez pleaded guilty in San Bernardino Superior Court to contracting without a license as a misdemeanor. He was sentenced to 13 days in county jail and 60 months of probation. In addition, Rodriguez was ordered to pay \$400 to CSLB for investigative costs and \$1,600 to the Department of Insurance Fraud Unit. Rodriguez's arraignment in Riverside Superior Court for the crimes committed against Riverside County consumers is scheduled for December 8, 2014.

### **Elder Targeted for Fraud**

In March 2014, an 84-year-old San Jose man received an unsolicited knock on his door from a representative of Green Planet Home Remodeling who asked to schedule a future appointment to provide an estimate to paint his home. A week later, Shay Segev, CEO, returned and entered into a \$12,900 contract to paint the exterior of the home. Over the following two weeks additional contracts were obtained by Segev for various repairs and improvements. Ultimately, Segev collected a \$109,000 on contracts amounting to \$80,000. The homeowner then signed a \$227,900 contract that incorporated the prior agreements and added a kitchen remodel, a rebuilt garage, an improved foundation, and the installation of a new roof. The homeowner lacked the funds to pay for the additional work, so Segev facilitated the application and funding of a \$185,000 reverse mortgage. Segev had the homeowner sign an agreement that turned over all of the proceeds to him, with the understanding that Segev would subsequently refund \$67,000 to the homeowner.

Segev drove the homeowner to the bank and gave him a note to hand to the teller requesting a cashier's check payable to Green Planet Home Remodeling. The bank teller became suspicious and called the homeowner's brother and sister-in-law, who are signatories on the account. They knew nothing about the funds that had been wired into the account and asked the teller not to issue the cashier's check. Later that morning, Segev met with the family members and explained that he had assisted with obtaining a loan to pay for the home improvement work. He then proceeded to take the homeowner back to the bank. The family members quickly followed and notified the manager, who called police. Segev was arrested in the bank parking lot for elder fraud and grand theft.

The Santa Clara County District Attorney's Office did not file a criminal complaint based on the police report but, instead, asked CSLB to conduct an investigation. A San Francisco Peace Officer was assigned to the case and arranged for a videotaped interview with the homeowner, who had been moved to a convalescent home after suffering a fall. The Peace Officer also obtained an industry expert inspection and interviewed multiple witnesses. The industry expert found substantial poor workmanship, which would cost \$41,000 to correct. This estimate included the complete tear down of the garage, which would have to be torn down regardless of any defects because it was built on the property line without a building permit. It was also established that Segev provided false information to the loan officer during the mortgage loan application process.





Within days of receiving the investigation report, the Santa Clara County Deputy District Attorney assigned to the matter stated that charges would be filed against Segev for misrepresentation in obtaining contracts, receiving excessive down payments and funds in excess of the value of work performed, grand theft, mortgage fraud, and financial elder abuse.

The investigation also established that the RMO for the license did not oversee business operations as required by law. A referral to accusation was made against Green Planet Home Remodeling for failure of the qualifier to oversee the business, poor workmanship, failure to obtain a building permit, failure to complete the project for the contract price, fraud, obtaining excessive down payments, and receiving funds in excess of the value of work performed.

### **Elderly Man Duped Into Solar System Receives Loan Forgiveness**

In September 2012, an unregistered salesperson of American Solar knocked on the door of an unsuspecting homeowner. The salesperson told him that Riverside County offered a free solar system through a program called HERO (Home Energy Renovation Opportunity). The homeowner, believing that it was free, agreed to have a 2 kilowatt solar system installed in his house. He was 82-years old at the time.

Several months later, the homeowner received his property tax bill and was shocked to see that the bill had increased by \$2,600. Much to his chagrin, he discovered that the solar system was not free, and that he was obligated to pay the cost of the system through his property tax bill over the next 20 years.

A West Covina Peace Officer investigated the case. The investigation uncovered a multitude of violations on the part of the American Solar salesperson, including misrepresentation of the license, conspiracy, misrepresentation of the HERO Program, forgery, and unfair business practices among others. The Peace Officer recommended license revocation and submitted a separate criminal filing with the Riverside District Attorney's Office. The officer also informed the HERO Program about the case disposition and alleged violations.

In October 2014, the HERO Program decided to pay off the homeowner's \$23,000 loan balance. Thanks to the investigative efforts of CSLB, the homeowner no longer needs to worry about paying a higher property tax bill for the next 20 years. The HERO Program incurred a direct financial loss because of the actions of American Solar and plans to file a complaint against the company.

**GENERAL COMPLAINT-HANDLING STATISTICS  
(JULY 2013 – OCTOBER 2014)**

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is **3,185**. As of October 2014, the pending caseload was **3,084**.

The Board objective is for Enforcement Representatives (ER) assigned to the nine Investigative Centers (ICs) to investigate and appropriately disposition 10 complaints per month. The optimum working case load for IC ERs has been established at **35** per ER. CSLB has 59 IC ERs, for a maximum capacity of **2,065** open complaints across its nine ICs. As of October 1, 2014, the ICs had **1,964** complaints open and under investigation.

The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Caseload per ER	Maximum Number of Cases per Classification
ERs	59	10	4	<b>35</b>	2,065
CSRs	28	30	2	<b>40</b>	1,120
<b>TOTAL</b>					<b>3,185</b>

The Board has adopted the following Enforcement Objectives regarding complaint-handling. Staff's success in achieving these objectives follows:

- **MAINTAIN ER CLOSURE OF 10 COMPLAINTS PER MONTH**

ERs have closed an average of 10 complaints per month to date for fiscal year 2014-15.

- **SETTLE 30 PERCENT OF LICENSEE COMPLAINTS WITH RESTITUTION PAID**

In October 2014, Consumer Services Representatives settled an average of 41 percent of licensee complaints.





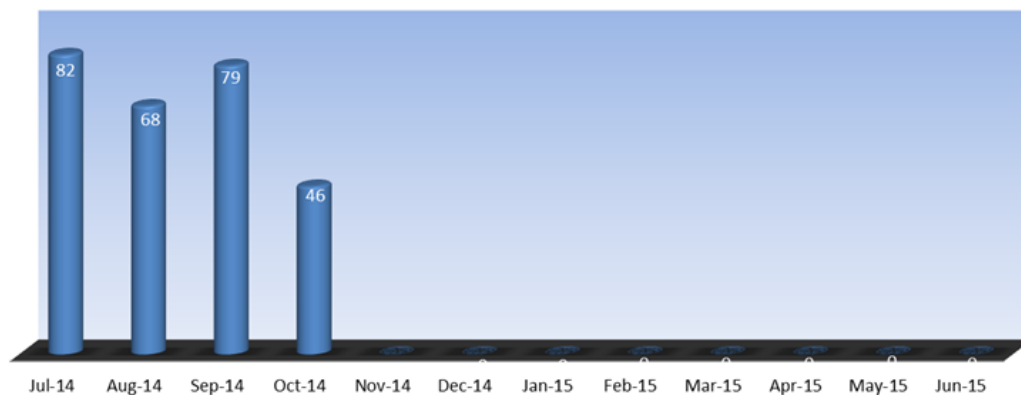
- **APPROPRIATELY DISPOSITION 70 PERCENT OF IMC LICENSEE COMPLAINTS WITHIN 90 DAYS**

For October 2014, Consumer Services Representatives maintained a licensee closing disposition of 63 percent.

- **MAINTAIN 100 OR FEWER CASES THAT EXCEED 270 DAYS IN AGE**

Staff's effective management of pending complaints has resulted in consistently meeting the Board's goal. At the end of October 2014, there were only 46 aged cases.

**Less Than 100 Open Cases Exceed 270 Days in Age  
FY 14-15**



**CASE MANAGEMENT  
(JULY 2013 – OCTOBER 2014)**

<b>CITATIONS ISSUED</b>		
	<b>Licensee</b>	<b>Non-Licensee</b>
<b>Citations Issued</b>	1,838	1,205
<b>Citations Appealed</b>	882	505
<b>Citation Compliance</b>	1,182	495
<b>MANDATORY SETTLEMENT CONFERENCES</b>		
<b>Scheduled</b>	516	
<b>Settled</b>	291	
<b>Civil Penalties Collected</b>	\$1,733,823	
<b>Legal Fee Savings</b>	\$2,540,223	

<b>ARBITRATION</b>	
<b>Arbitration Cases Initiated</b>	475
<b>Arbitration Decisions Received</b>	381
<b>Licenses Revoked for Non-Compliance</b>	33
<b>Arbitration Savings to the Public – Restitution</b>	\$1,706,172.00
<b>ACCUSATIONS/STATEMENT OF ISSUES</b>	
<b>Revocations by Accusation (Applicants Revoked)</b>	540
<b>Accusation Restitution Paid to Injured Persons</b>	\$759,113.00
<b>Statement of Issues (Applicants Denied)</b>	85
<b>Cost Recovery Received</b>	\$335,799.37
<b>Number of Cases Opened</b>	541
<b>Number of Accusations/Statement of Issues Filed</b>	503
<b>Number of Proposed Decisions Received</b>	130
<b>Number of Stipulations Received</b>	128
<b>Number of Defaults Received</b>	265
<b>Number of Decisions Mailed</b>	552

**STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)****(JULY 2013 – OCTOBER 2014)**

From July 2013 to October 2014, SWIFT conducted many successful undercover sweep and sting operations, and developed new strategies and partnerships to combat the underground economy.

- **STINGS/SWEEPS**

Each month, CSLB Enforcement conducts undercover sting and sweep operations throughout the state. Between July 2013 and October 2014, SWIFT conducted **414** sting and sweep days, efforts that resulted in over **2034** legal actions (total of all legal actions), including written notice to appear in criminal court (NTAs) and citations.

- Between July 2013 and October 2014, SWIFT performed **141** sting days, partnering with law enforcement, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. These sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.

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

930	Suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation (WC) insurance violations.
42	Licensed individuals referred to District Attorneys for criminal prosecution of WC violations.
1093	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations.
745	Stop Orders served upon a construction employer prohibiting use of employee labor until acquisition of workers' compensation insurance.

**Fall Blitz**

On November 5 and 6, 2014, SWIFT investigators conducted the annual Fall California Blitz undercover sting operation in seven cities around the state. A total of 112 people were arrested during the two-day operation in Alhambra, Aptos, Castro Valley, Chula Vista, Montecito, Rancho Mirage, and West Sacramento.

Among those caught during the blitz were 11 repeat offenders, one sex offender, five suspects with active arrest warrants, two suspects on probation, and three former CSLB licensees. Suspects who turned out to have serious criminal backgrounds were targeted because of ads they posted on craigslist.org. Investigators from SWIFT partnered with a variety of local law enforcement agencies to conduct the operations, calling suspected unlicensed operators for home improvement bids that included painting, landscaping, decking, flooring, drywall, fencing, masonry, concrete, retaining walls, pool tile, and tree removal work.

All 112 individuals arrested may face misdemeanor charges for contracting without a license, 87 may also be charged with illegal advertising. Six others may be charged with requesting an excessive down payment. Nine were issued Stop Orders.

**Paving Scam Artist George Stanley Gets Jail Time**

George Stanley is no stranger to CSLB. In 2009, SWIFT investigators received complaints of poorly done work, which led to the June 2009 arrest of Stanley and his cousins, George and Kevin Snow. In a scam that affected residents in Butte County, the men offered to cheaply fill pot holes, but then, halfway through the projects, requested more money.

Stanley was found guilty of multiple counts of fraudulent use of a contractor license and grand theft by false pretenses. He served 270 days in jail and received five years probation. He also was ordered to pay \$365,273 in restitution. The judge allowed for the sell of Stanley's equipment to be used for victim restitution. The proceeds from that sale resulted in \$16,750 in payments from Stanley and \$69,000 from the Snows.

In March 2014, CSLB investigators once again received complaints about poor, substandard work performed by George Stanley, a direct violation of his parole. The terms of Stanley's probation prevent him from possessing checks other than paychecks, and owning or working for a paving business without permission from the Probation Department.

For not following probationary terms, Stanley was convicted and ordered to prison on 13 felony counts (Penal Code sections 487(a) – grand theft, and 532(a) – theft by false pretenses), and misdemeanor charges of contracting without a license (Business and Professions Code section 7028), for work he performed in Kern County.



**CSLB**

## ENFORCEMENT PROGRAM UPDATE

On November 5, 2014, George Stanley was sentenced to 11 years in state prison for violating his probation. In addition to prison time, Stanley's sentence includes 13 new victim restitution orders that total more than \$360,000.

For more information please see the attached CSLB Industry Bulletin.



## **ELECTRICIAN CERTIFICATION UPDATE**

On June 11, 2013, the Board directed staff to request a formal legal opinion from the Attorney General's Office that asked the following question:

“Does the court of Appeal’s opinion in *Alameda County Joint Apprenticeship and Training Committee v. Roadway Electric Works, Inc. (2010) 186 Cal. App. 4<sup>th</sup> 185* expand the definition of licensed electrical contractors that are involved in the construction or installation of electrical conduit or raceways?”

The response received was in the form of a letter instead of a formal published opinion. The letter stated, “The short answer to your question is No, the opinion does not expand the definition of “electrician” as used in the Labor Code, or as interpreted by the Board in enforcing electrician certification.” Furthermore, the letter indicated “Nothing in the opinion requires the Board to alter its own interpretation of what “electrician” means in carrying out its legal mandate to enforce electrician certification.”

Therefore, the Board will continue to enforce electrician certification violations in the same manner as it has in the past.

DAG Mike Franklin will be present at the meeting to address any questions the Board may have regarding this matter.

Following is the June 18, 2013, CSLB Industry Bulletin that reiterated CSLB’s policy on enforcing electrician certification violations.



## **TRAINING UPDATE**

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

### **1. Peace Officer Workshop**

**May 2014**

Riverside Deputy District Attorney Homan Hosseinioun hosted a workshop for CSLB Peace Officers during which he outlined effective investigation strategies against service and repair contractors engaged in criminal behavior. Staff was asked to bring two active predatory service and repair investigations to discuss with the group. DDA Hosseinioun answered the Peace Officers' questions pertaining to their active investigations.

### **2. Module 4: Code Training, Phone Tactics & Time Management**

**Ongoing**

Developed by CSLB management staff in conjunction with CSLB retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin, this eight-hour block of instruction provided staff with knowledge of 11 routinely used Business and Profession Code sections. Specific elements, necessary supporting evidence, and case law were discussed.

This course also included separate training sessions on effective phone tactics and the development of time management skills.

### **3. Professional Assistants Academy II**

**March 2014**

This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: team building, time management, conflict resolution, customer service skills, and presentation skills. Offered to Office Assistants, Office Technicians, and Program Technicians in Northern California, the course also will be offered to Southern California staff.

### **4. Successful Promotional Interviewing Training**

**March 2014**

Norwalk staff attended the Successful Promotional Interviewing Class taught by Career Counselor Judy Kaplan-Baron. This training covered many facets of successful interviewing, including how to deal with anxiety and nervousness, identify skills and accomplishments, best answers to the most frequently asked interview questions, and what interviewers really look for.

### **5. Supervisors Training**

**January 2014**

Northern California Enforcement Supervisors received training, provided by Doug Galbraith, Mike Franklin, ESII Missy Vickrey, and Deputy Enforcement 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 discussed during class.

**6. 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 17 years. Each Peace Officer was encouraged to bring a pending elder abuse investigation to discuss with the group. Greenwood dispelled several common myths regarding elder abuse investigations and provided a list of elements that must be present in a case. He also reviewed relevant case law. The information provided to staff was intended to foster success in the prosecution of elder abuse cases.

**7. Department of Consumer Affairs' (DCA) Division of Investigation Peace Officer Training June 2013**

DCA's Division of Investigation presented a customized defensive tactics training module for CSLB Peace Officers. Peace Officers were trained on defensive tactics, development of verbal skills, and investigative strategies.

**8. 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, especially for Enforcement staff. The workshop offered practical exercises designed to develop the skills 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 pre-writing; and revising and proofreading your work.

**9. 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 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.

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

This four-day course focused on laws related to arrest, search and seizure. The class was offered to both northern and southern California staff. The course is similar to the Commission on Peace Officer Standards and Training (POST) class, 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 Doug Galbraith, who has instructed POST's PC 832 class for many years at a community college.

## **PROPOSED TRAINING FOR 2015**

### **CSLB Enforcement Academy**

Conduct two CSLB Enforcement Academies in the spring and fall for newly hired employees.

### **SWIFT Training Module**

Training for all SWIFT staff. Participants will be divided into teams and sweeps conducted in the local area. An evaluator will be assigned to each group. After the sweeps are conducted, participants will meet in a group setting to discuss what tactics worked, what tactics did not, needed improvements, violations found, and stop orders issued.

### **Advanced Module 1**

Develop a curriculum for advanced code training, situation awareness, investigator awareness, investigator image, investigator demeanor, and case and time management. The course will require investigators to bring one case to a group discussion for review with Deputy Attorney General Mike Franklin.

### **Advanced Module 2**

Develop a curriculum for advanced interview techniques training to help investigators improve their interview skills. This class will include a lecture portion and interview workshops. Each investigator will be evaluated on efficiency and effectiveness and receive constructive feedback.

### **Advanced Module 3**

Develop a curriculum for investigators who would benefit from an advanced class to improve report writing skills.

### **Laws of Arrest, Search & Seizure**

Present one class for the year for staff to take the CSLB equivalency of POST's class on Penal Code 832 – Laws of Arrest. This course was last held in 2013, and since then CSLB has hired many new employees that would benefit from this class in 2015.

## AGENDA ITEM F-2

# Review and Discussion Regarding Permit Enforcement





## **CSLB BUILDING PERMIT ENFORCEMENT PROGRAM**

In 2006, CSLB entered into a Memorandum of Understanding with the California Building Officials (CALBO) to share information and partner on the enforcement of building code requirements, a copy of which follows this section. On June 11, 2009, CSLB's Board voted unanimously to place a high priority on enforcing building permit requirements.

The MOU and Board recommendation generated multiple CSLB educational outreach efforts, including the launch of a statewide informational campaign, CSLB industry bulletins and news releases, and newsletter articles to alert licensees that CSLB would accelerate its building permit enforcement activities. CSLB's Public Affairs Office and the Enforcement division have provided ongoing education to contractors regarding building permit requirements.

### **Outreach**

<b>Date</b>	<b>Source</b>	<b>Content</b>
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 approximately 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 regarding 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 an 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 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 units that also require HERS testing)
Fall 2013	CLC	Only 10 percent of the 400,000 HVAC units sold in 2012 obtained permits for installation

CLC = *California Licensed Contractor* quarterly newsletter



## PERMIT ENFORCEMENT

**Building Department and Partner Agency Complaints**

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

**HVAC Ambassador Bid Packet**

Contractors in the HVAC specialty classification have one of the worst building permit compliance rates of all the trades. Studies have shown a compliance rate of less than 10 percent. CSLB continues to partner with the industry to improve this troubling statistic. CSLB has drafted an *Ambassador Bid Packet* for use by HVAC contractors who will become ambassadors to consumers and the industry to help assure proper installation. The informational packet will assist contractors in educating prospective customers through the presentation of materials that explain the benefits of obtaining a building permit and conducting inspections. The packet will contain:

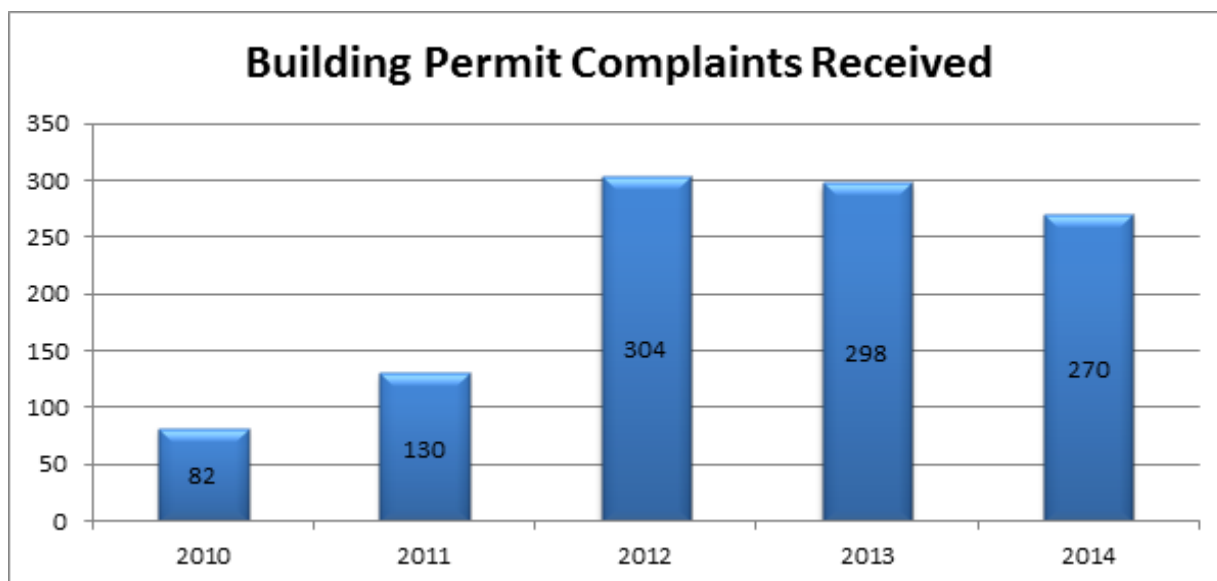
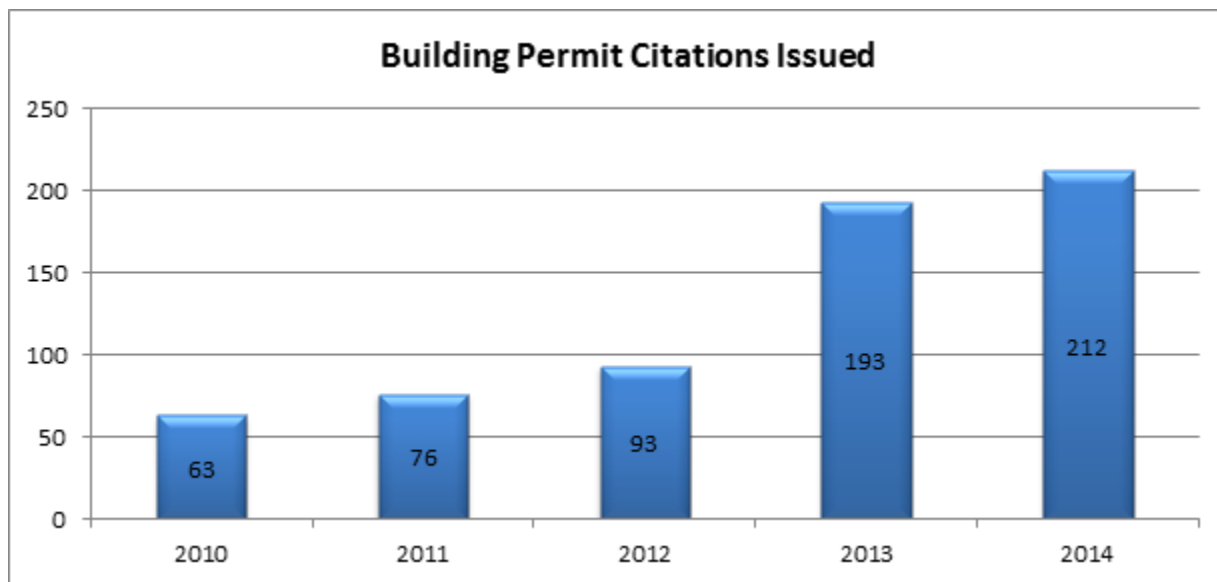
- An educational flier to help inform a contractor's clients about the potential for a 300 percent financial return on investment in a properly installed energy efficient HVAC system, and the benefits to the community and environment
- Tips for hiring a responsible contractor



### **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.

The MOU and increased enforcement efforts have led to a 336 percent increase in the issuance of building permit citations since 2010.



**CSLB – CALBO Enhanced Partnering Opportunities**

Despite the demonstrated success in building permit enforcement, some building officials do not support CSLB efforts to assist them in enforcing code requirements. They have inconsistent reporting policies, and their building inspectors refuse to testify without first being paid a \$250 witness fee. CSLB cannot pay a fee prior to an individual testifying.

CSLB needs the cooperation of building departments to assist in achieving code compliance. To that end, staff will update the 2006 MOU with CALBO to include more specific language about the information that will be shared between CSLB and CALBO.

In addition, CSLB needs to identify cooperative building departments willing to confirm the failure to obtain a permit, identify the ordinance that adopted the permit requirement, and, when necessary, provide a building inspector to testify. When possible, CSLB will use a CSLB industry expert, rather than a building inspector, to support the permit violation.

A copy of the CSLB/CALBO MOU follows:



## CALBO / CSLB GUIDELINES COVER LETTER



Dear CALBO Member:

The CALBO Board and the Contractors State License Board (CSLB) are asking that all Building Department personnel join in the effort to fulfill our common goal of establishing a cooperative state/local partnership aimed at identifying and resolving problems created by licensed and unlicensed contractors who:

- Perform shoddy work
- Disregard building codes
- Use deceptive business practices
- Misrepresent their license status, and/or
- Engage in the underground economy

The use of illegal contracting tactics and substandard construction methods can cause considerable harm to the public. Home improvement projects, especially those involving the elderly, are frequently targeted for such activity. The CALBO Board and CSLB believe that we can make a difference in our communities through focused efforts at building department counters and construction sites. More specifically, by collaborating to identify, discourage, report, and prosecute individuals who are unscrupulous and/or negligent, we can provide greater safeguards to our communities.

The joint efforts that we propose are designed to take place in various stages, including: a study of unlicensed activity and other fraudulent practices found in the owner - builder category of permits; a study focusing on violations of the workers' compensation insurance laws by the roofing industry; and finally, establishing and utilizing a common set of guidelines to help the CALBO/CSLB staff work cooperatively to address and remedy the unlawful and unsafe building practices which harm the community. (The studies referenced here are to be conducted by CSLB staff, based on information provided by building departments.)

CSLB is now providing rapid response to Building Department Referral Forms that report contractors who fail to comply with code requirements, and is making other changes to provide support to building official staff.

A list of the CALBO/CSLB guidelines referenced above is enclosed. Please review the suggested actions, check them against your current procedures, and provide feedback and suggestions through your CALBO liaison.

Thank you for any help and suggestions in this effort.

Sincerely,  
CALBO Liaison Committee Members

Stephen P. Sands  
Registrar of Contractors





## CALBO GOALS



### **Building Permits -**

- As a condition of permit issuance, use the CSLB website ([www.cslb.ca.gov](http://www.cslb.ca.gov)) to verify that the contractor's license number being used to pull the permit is valid and in good standing.
- Take the steps necessary to assure that the person signing for the permit is the licensee or authorized agent of the licensee.
- If there are license status questions that *cannot* be answered by reviewing the website, use the special CSLB phone number for government agencies to verify licensing information. (See enclosed CSLB contact list for government line phone number.)
- For owner-builder permits, require owner-builder verification in accordance with Health and Safety Code Sections 19830, 19831 and 19812.

### **Consumer/Contractor Information and Publications -**

- Distribute "Owner - Builder" flyer with every owner-builder permit.
- Make CSLB consumer/contractor publications available.

### **Enforcement -**

- Provide building inspectors for expert testimony on CSLB cases involving building code violations.
- Act as the "eyes and ears" for CSLB: Promptly report suspected violations using the *Building Department Referral Form* that was developed specifically for this purpose, or contact the appropriate CSLB Enforcement Staff noted on the attached list.



## **CSLB GOALS**



### **Licensing and Consumer Information -**

- Ensure that Building Departments maintain access to the CSLB website, the government phone line (see enclosed list), and/or by special contact with a CALBO liaison.
- Provide regular consumer information updates to building departments.

### **CSLB Enforcement -**

- When requested by building departments, the CSLB Enforcement Division and/or Office of Attorney General will provide training sessions on Contractors License Law. The focus of the training would be the legal action process. In addition, encourage and provide opportunities for building department staff to meet and form cooperative working relationships with Enforcement staff.
- Provide rapid response to complaints filed by local building departments.
- Provide field Enforcement staff to attend building department staff meetings as requested.
- Provide feedback to building department staff on leads provided to CSLB.
- Coordinate with building departments to review owner - builder permits for active job sites that CSLB investigators can visit to determine if contractors possess a valid workers' compensation insurance policy.



## CONTRACTORS STATE LICENSE BOARD ENFORCEMENT DIVISION CONTACTS



David Fogt, Chief of Enforcement	9821 Business Park Drive Sacramento, CA 95827	(916) 255-3947 <a href="mailto:dfogt@cslb.ca.gov">dfogt@cslb.ca.gov</a>
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### STATEWIDE INVESTIGATIVE FRAUD TEAM

Carlos Marquez, Program Manager	12501 East Imperial Hwy, Suite 600 Norwalk, CA 90650	(562) 345-7684 <a href="mailto:cmarquez@cslb.ca.gov">cmarquez@cslb.ca.gov</a>
<b>Unlicensed Activity Hotline NORTHERN California</b>		(916) 255-2929
Jane Flint, Supervisor NORTHERN SWIFT	9821 Business Park Drive Sacramento, CA 95827	(916) 255-4057 <a href="mailto:jflint@cslb.ca.gov">jflint@cslb.ca.gov</a>
<b>Unlicensed Activity Hotline CENTRAL California</b>		(559) 445-5583
Lisa Straus, Supervisor CENTRAL SWIFT	3374 East Shields Ave. Room E-22 Fresno, CA 93726	(559) 445-4057 <a href="mailto:lstraus@cslb.ca.gov">lstraus@cslb.ca.gov</a>
<b>Unlicensed Activity Hotline SOUTHERN California</b>		(562) 466-6017
Byron Yung, Supervisor SOUTHERN SWIFT	12501 East Imperial Hwy, Suite 600 Norwalk, CA 90650	(562) 345-7582 <a href="mailto:byung@cslb.ca.gov">byung@cslb.ca.gov</a>

License Status and General Questions	For Building Department use only. <b>Do not give this # to the public.</b>	(916) 255-4096
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## AGENDA ITEM G

# Public Affairs Committee Report



## AGENDA ITEM G-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, consumer relations, and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring 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 staffed with six full-time positions and one part-time Student Assistant. There is currently one vacancy (Information Officer I).

### ONLINE HIGHLIGHTS

#### Website Redesign Project

On September 5, 2014, CSLB successfully launched its new website. PAO and Information Technology (IT) staff continue to make minor edits on a weekly basis.

Analytic information for the site, since the re-launch, appears at the end of this report.

Below are some statistics of note in regard to the new, as compared with the old, site.

Statistic	Old Website	New Website
	Jan. – Sept. 2014	Sept. – Nov. 2014
<b>Pages Visited Per Session</b>	4.85	8.09
<b>Avg. Session Duration</b>	4:50	6:33
<b>Bounce Rate*</b>	29.22%	17.66%

*\*The percentage of single-page visits to the site. In other words, a user left the site from the entrance page without seeking more information.*

PAO and IT staff believe these statistics reflect improvements in the new website design. Pages are better organized and better coded, and navigation throughout the site is easier, making it more efficient for the user. In addition, users may spend more time on the website because of the streamlined look and feel.

### VIDEO/DIGITAL SERVICES

#### Public Meetings

- *Committee Meeting Live Web Streams*

Since the September 2014 Board meeting, one committee meeting (Legislative Committee, November 6, 2014) was streamed live. Until PAO hires a new Information



Officer I, the Department of Consumer Affairs' Office of Public Affairs will assist with these responsibilities.

### **Social Media**

#### **Welcome to Flickr**

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs, or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.



As of November 19, 2014, CSLB has 73 photos on Flickr available for download.

#### **Twitter Growth**

Between September 9, 2014 and November 19, 2014, CSLB gained 60 followers on Twitter, growing from 1,562 to 1,622. PAO posted 41 new tweets during this time period, bringing our total tweets up to 624.

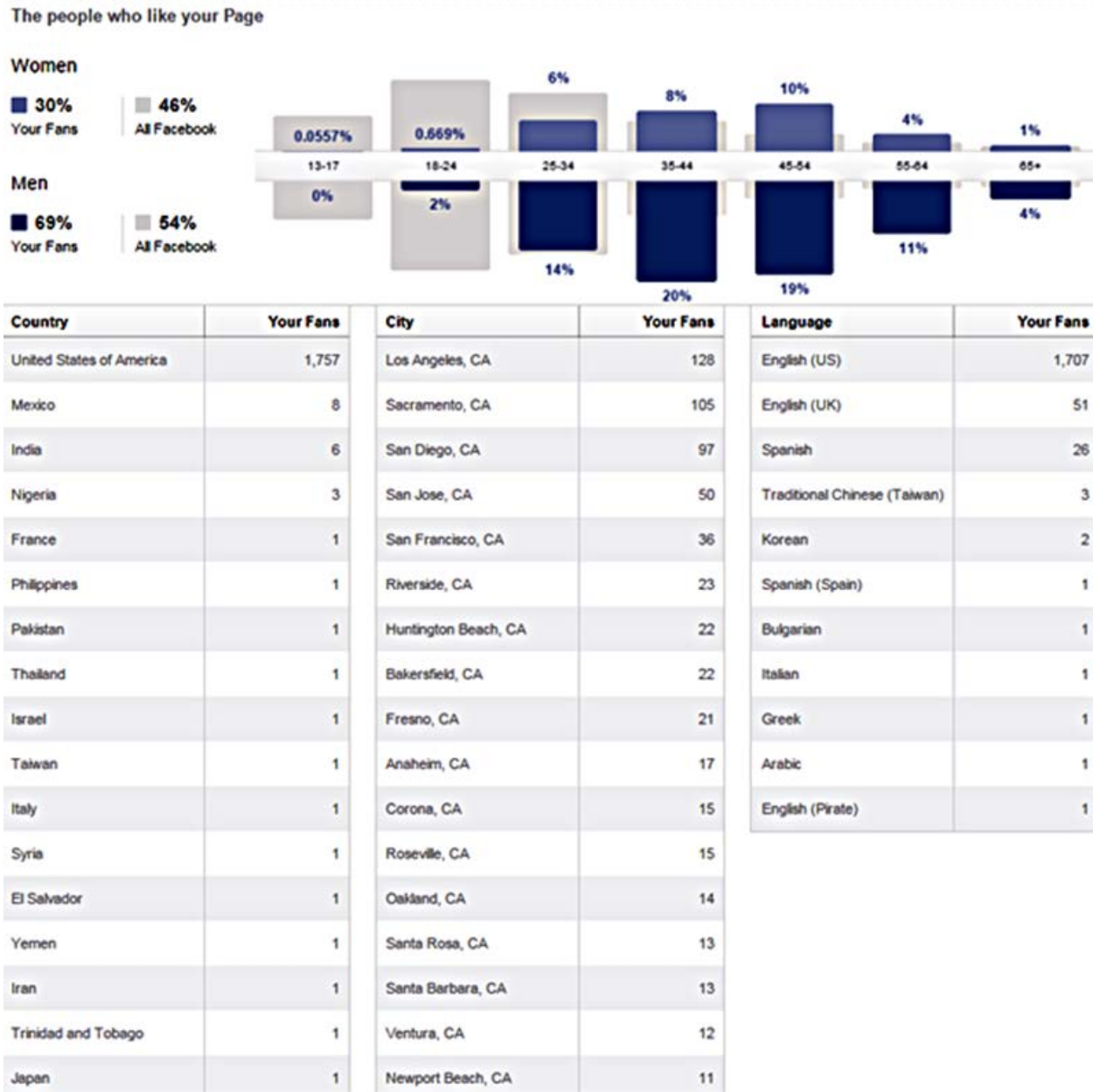
#### **Facebook Growth**

As of November 19, 2014, CSLB has 1,796 "likes" on its Facebook page, an increase of 86 since September 9, 2014.

Facebook analytics reveal that 69 percent of those who "like" CSLB on Facebook are male and 30 percent female. Not surprisingly, the vast majority of "likes" come from people in the United States and, specifically, California. The largest percentage of those who "like" CSLB are aged 35-44, closely followed by those 45-54 years old.

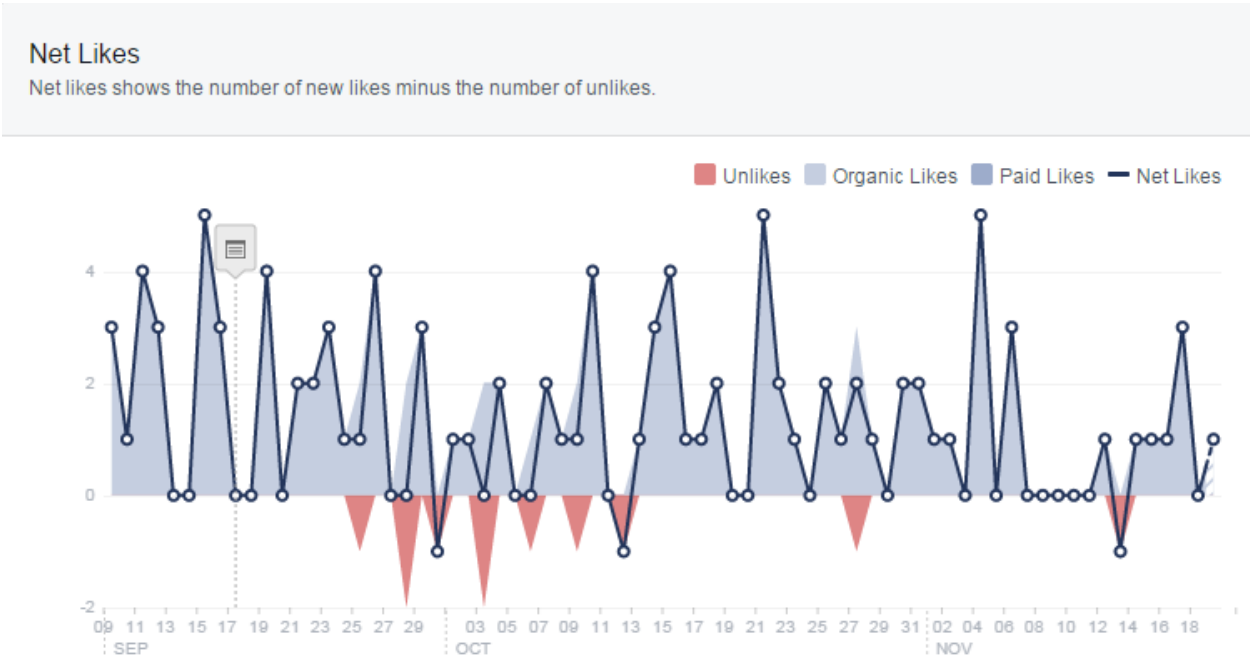
The following page shows some additional statistics related to CSLB's Facebook page:

## Facebook Statistics

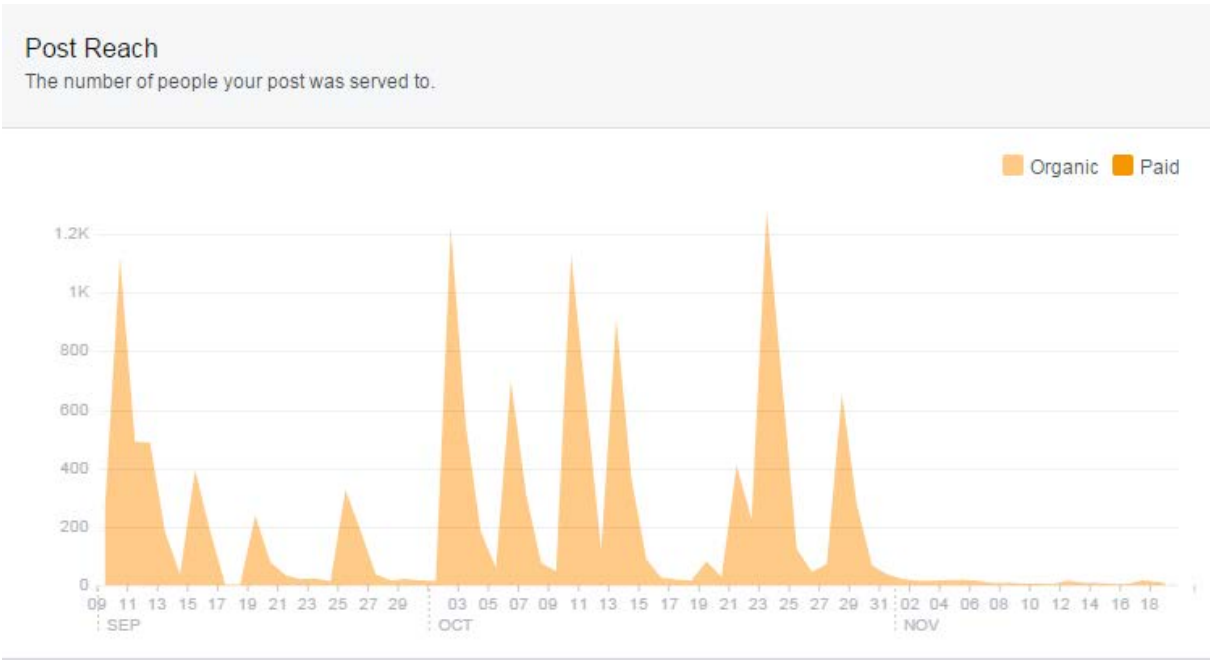




The following chart shows the net growth per day since September 9, 2014, for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red line individuals who “liked” CSLB at one point, but have since “un-liked” CSLB.

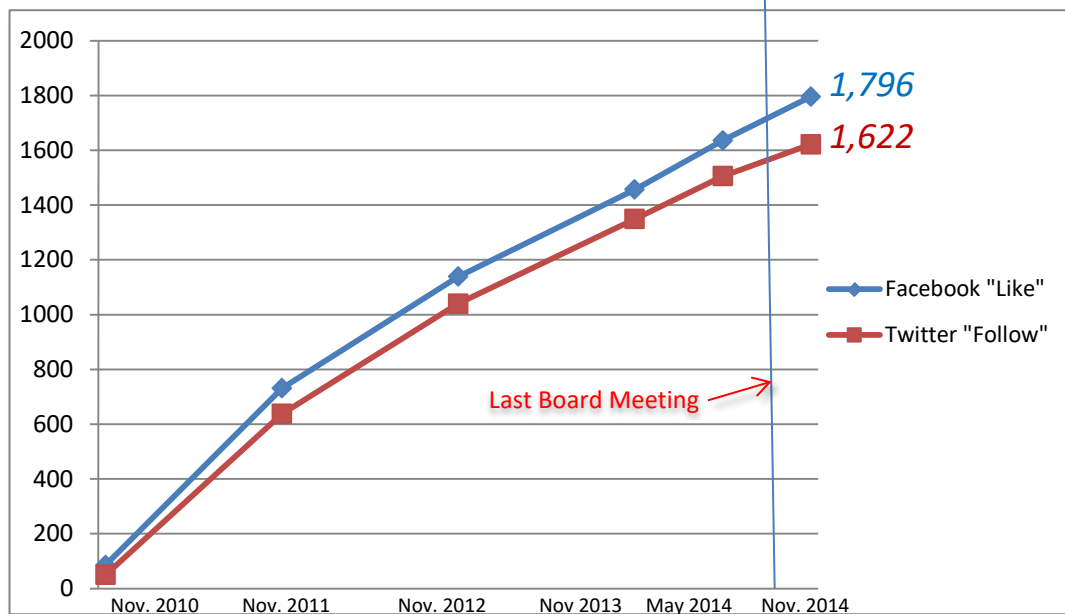


The following chart presents the number of people who have received a CSLB Facebook posting since September 9, 2014:





## Social Media Growth



## YouTube Growth

CSLB's YouTube channel welcomed 9,997 visitors between September 9, 2014 and November 19, 2014, an average of 141 daily visits. The site has been viewed 272,184 times, an increase of 97,630 over the last year.

Just over 14 percent of the viewers on CSLB's YouTube site watched the video, "Completing a Contractor License Application."

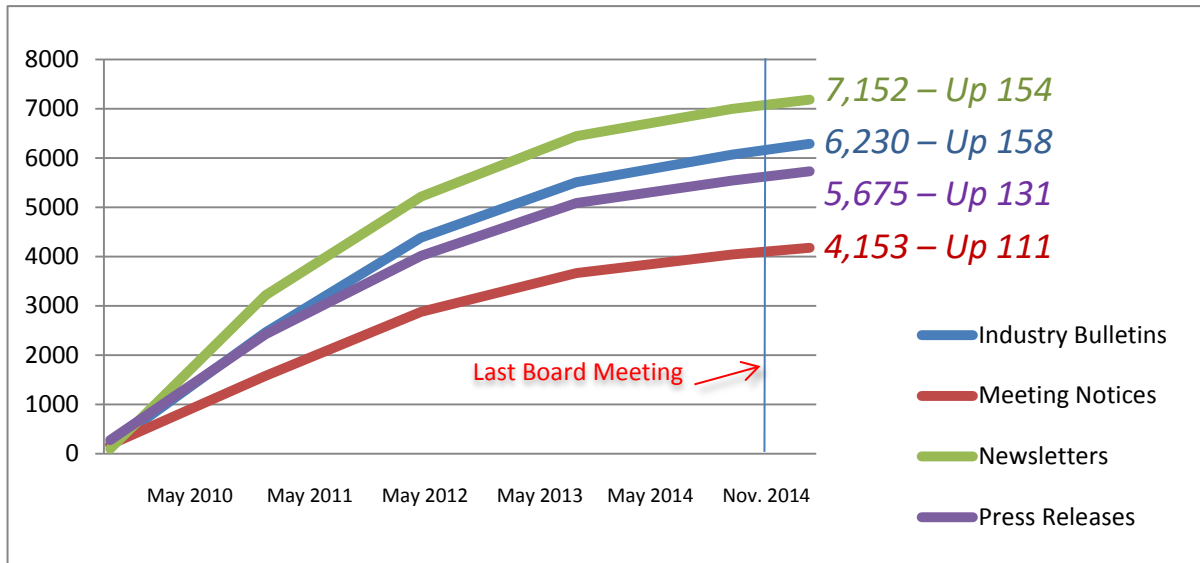
## Email Alert Feature

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

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

The subscriber database has a current total of 23,394 subscriptions, which includes 194 new accounts since the September 2014 Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,413 active email addresses, which brings the combined email database to 101,807 addresses.

**Email Alert Sign-Up Statistics****MEDIA RELATIONS HIGHLIGHTS****Catch a Contractor TV Show**

On November 16, 2014, CSLB Public Affairs Chief Rick Lopes and CSLB investigator Ubaldo Sanchez appeared on the Spike TV show, "Catch a Contractor." The two briefly explained CSLB's investigative process and possible outcomes related to a home improvement project profiled on the show. CSLB currently is investigating a complaint filed on the profiled project.



Initial ratings indicate that just under one million (998,000) people viewed the first airing of the show.

**Media Calls**

Between May 23, 2014 and September 9, 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.

## **News Releases**

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between September 9, 2014 and November 19, 2014, PAO distributed 10 news releases.

Release Date	Release Title
September 12, 2014	Surprise CSLB Napa Sweep Helps Clear Quake Damaged Area of Unlicensed Contractors
September 24, 2014	Where There's Smoke, There's...Unlicensed Contracting
September 29, 2014	CSLB Catches Five in Crestline/Lake Arrowhead Sting Operation
September 30, 2014	Contractors Board Finds Fresno Craigslist Fertile Ground for Unlicensed Activity
October 9, 2014	Contractors State License Board Goes Undercover to Catch Unlicensed Contractors in South Napa Earthquake Sting Operation
October 20, 2014	Watch Out for Contractors Who Try to 'Share' a License
October 27, 2014	Check Out Contractor First: 10 Cited in Simi Valley Sting
November 10, 2014	CSLB Catches Felons, Other Known Criminals in Statewide Undercover Sting Operations
November 17, 2014	CSLB Puts Stop to Unlicensed Contractors in Hanford
November 18, 2014	George Stanley, Convicted Paving Scammer, Earns Prison Sentence

## **News Media Events**

### **South Napa Earthquake Sting**

On October 9, 2014, PAO coordinated a press event in Napa to publicize the results of an undercover sting operation that took place at a home damaged by a 6.0 earthquake on August 24, 2014.

CSLB caught eight phony contractors who gave bids for the quake repairs. They will face a felony charge of contracting without a license in a declared disaster area. Four other unlicensed contractors who provided bids



for non-earthquake work were arrested and will face misdemeanor charges of contracting without a license

## **Fall California Blitz Undercover Sting Operations**

PAO worked with CSLB's Statewide Investigative Fraud Team (SWIFT) to publicize simultaneous undercover sting operations conducted in seven locations across the state. A press event was held November 10, 2014, in Chula Vista, at the site of one of the sting operations. Other stings took place in West Sacramento, Castro Valley, Aptos, Montecito, Alhambra, and Rancho Mirage.



Among the 112 arrested during the two-day operation were 11 repeat offenders, one sex offender, five suspects with active arrest warrants, two suspects on probation, and three former CSLB licensees.

## **INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS**

### **Industry Bulletins**

PAO distributes industry bulletins to alert industry members to important and interesting news. Bulletins are sent via email on an as-needed basis to just over 6,000 individuals and groups, including those who have signed up to receive the bulletins via CSLB's Email Alert system. Between September 9, 2014 and November 19, 2014, PAO distributed three industry bulletins.

<b>Release Date</b>	<b>Bulletin Title</b>
September 24, 2014	Contractors State License Board Launches New, Optimized Website
October 13, 2014	State Authorities Warn Against Price Gouging
October 22, 2014	New CSLB Board Member Appointed

**PUBLICATION HIGHLIGHTS**

CSLB publications (print and online) in production:

**Completed**

- 2015 Sunset Review Report
- November 6, 2014 Legislative Committee Meeting Packet
- December 11, 2014 Board Meeting Packet
- Industry Expert Handbook

**In Production**

- Contractor/Applicant Guide (booklet)
- Consumer Guide (booklet)
- Mechanics Lien (Spanish)

**In Development**

- 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)
- Updated Stop Order Brochure

**CSLB Forms/Letters**

PAO is working with the Executive Office and other CSLB divisions to review and update all forms and letters and to ensure that 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**

Eighteen Senior Scam Stopper<sup>SM</sup> seminars were conducted since the September 2014 Board meeting.

The following seminars have been conducted or scheduled for the remainder of the calendar year:

<b>Date</b>	<b>Location</b>	<b>Legislative/Community Partner(s)</b>
September 26, 2014	Sacramento	Asm. Roger Dickinson
September 29, 2014	South San Francisco	Asm. Kevin Mullin
October 1, 2014	Palo Alto	Asm. Rich Gordon
October 3, 2014	San Carlos	Asm. Kevin Mullin
October 15, 2014	Rancho Cordova	Neil Orchard Sr. Activities Center
October 17, 2014	Rio Vista	Asm. Jim Frazier
October 21, 2014	Glendora	Sen. Carol Liu
October 24, 2014	Cerritos	Rep. Linda Sanchez
October 27, 2014	San Diego	San Diego County DA
October 29, 2014	Tracy	Sen. Cathleen Galgiani
November 5, 2014	Cerritos	Asm. Cristina Garcia
November 6, 2014	Santa Monica	Asm. Richard Bloom
November 12, 2014	Tracy	Sen. Cathleen Galgiani
November 14, 2014	Rio Vista	Asm. Jim Frazier
November 19, 2014	Upland	Sen. Carol Liu/Asm. Chris Holden
November 20, 2014	San Jose	Asm. Nora Campos
December 4, 2014	Corona	Sen. Richard Roth
December 9, 2014	Simi Valley	Sen. Fran Pavley



## **EMPLOYEE RELATIONS**

### **Intranet (CSLBin)**

In November 2013, PAO, with the assistance of IT staff, launched a new employee-only intranet site, called *CSLBin*. The site reorganized information used by employees on a daily basis.

Since its debut, *CSLBin* has posted dozens of stories and photos of CSLB employees around the state and their good deeds, as well as board highlights, including disaster response and enforcement operations.

News about employees and the organization are prominently featured on the *CSLBin* home page. Another section, "Employee Highlights," features more staff news such as awards, retirements, and promotions. There also is a photo gallery where multiple pictures are posted and a "10-Second Bio" that spotlights CSLB employees who stand out at work or in the community. An archive section houses older stories and photos that can be easily retrieved.

Staff reaction to the site has been very positive. Employees from around the state have supplied a steady stream of photos and news tips about colleagues and upcoming events.

*CSLBin* also functions as a resource center for employees, with easier-to-find forms, policies, training and safety information, and other information used by staff around the state. Other features include bios of all Board members, an enhanced staff phone list, event calendar, real-time weather updates, and photo slide shows.



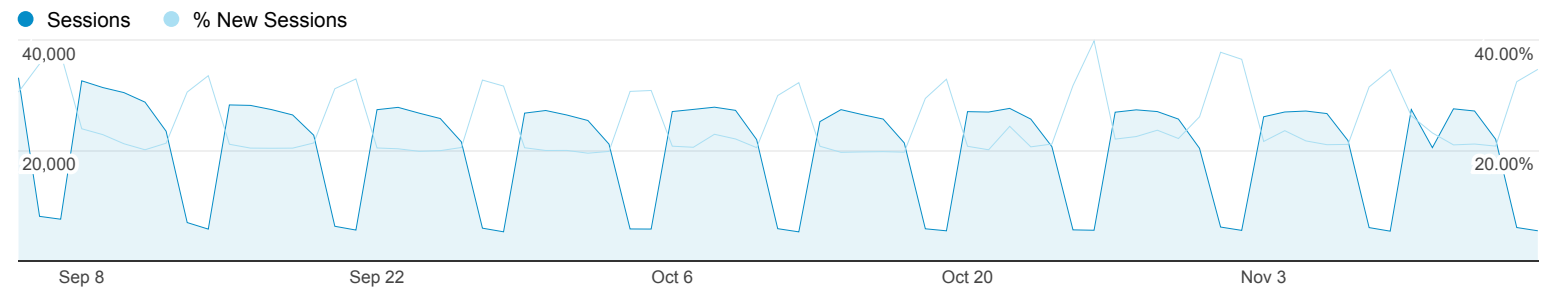
Overview Sep 5, 2014 - Nov 16, 2014

 All Sessions  
100.00%

 + Add Segment

Explorer

Summary



Device Category	Acquisition			Behavior			Conversions		
	Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value
	1,467,454 % of Total: 100.00% (1,467,454)	22.64% Site Avg: 22.56% (0.36%)	332,234 % of Total: 100.36% (331,033)	17.69% Site Avg: 17.69% (0.00%)	8.09 Site Avg: 8.09 (0.00%)	00:06:33 Site Avg: 00:06:33 (0.00%)	0.00% Site Avg: 0.00% (0.00%)	0 % of Total: 0.00% (0)	\$0.00 % of Total: 0.00% (\$0.00)
1. desktop	1,180,741 (80.46%)	20.75%	245,039 (73.75%)	14.36%	8.73	00:07:11	0.00%	0 (0.00%)	\$0.00 (0.00%)
2. mobile	221,419 (15.09%)	30.24%	66,954 (20.15%)	31.86%	5.08	00:03:39	0.00%	0 (0.00%)	\$0.00 (0.00%)
3. tablet	65,294 (4.45%)	31.00%	20,241 (6.09%)	29.86%	6.63	00:04:59	0.00%	0 (0.00%)	\$0.00 (0.00%)

Rows 1 - 3 of 3

New vs Returning

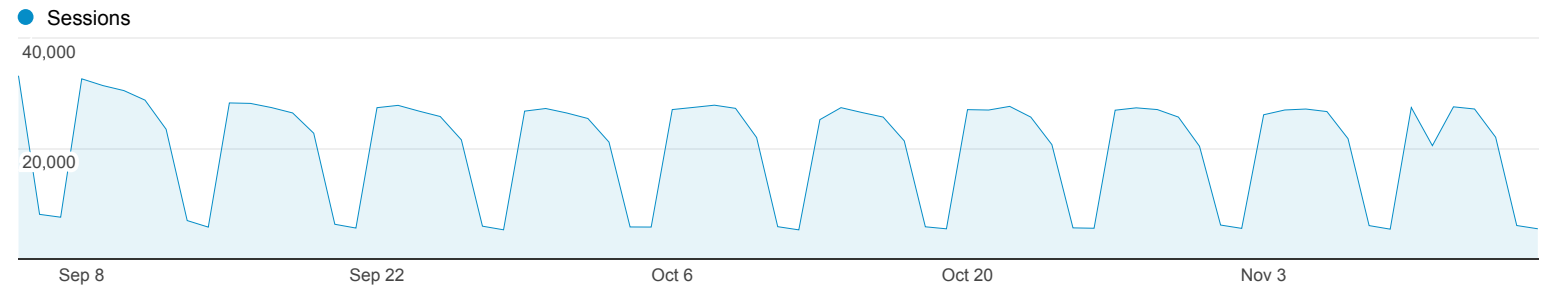
Sep 5, 2014 - Nov 16, 2014

 All Sessions  
100.00%

 + Add Segment

Explorer

Summary



User Type	Acquisition			Behavior			Conversions			
	Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value	
	1,467,454 % of Total: 100.00% (1,467,454)	22.64% Site Avg: 22.56% (0.36%)	332,234 % of Total: 100.36% (331,033)	17.69% Site Avg: 17.69% (0.00%)	8.09 Site Avg: 8.09 (0.00%)	00:06:33 Site Avg: 00:06:33 (0.00%)	0.00% Site Avg: 0.00% (0.00%)	0 % of Total: 0.00% (0)	\$0.00 % of Total: 0.00% (\$0.00)	
1. <a href="#">Returning Visitor</a>	1,135,220 (77.36%)	0.00%	0 (0.00%)	17.04%	8.08	00:06:59	0.00%	0 (0.00%)	\$0.00 (0.00%)	
2. <a href="#">New Visitor</a>	332,234 (22.64%)	100.00%	332,234(100.00%)	19.93%	8.10	00:05:05	0.00%	0 (0.00%)	\$0.00 (0.00%)	

Rows 1 - 2 of 2

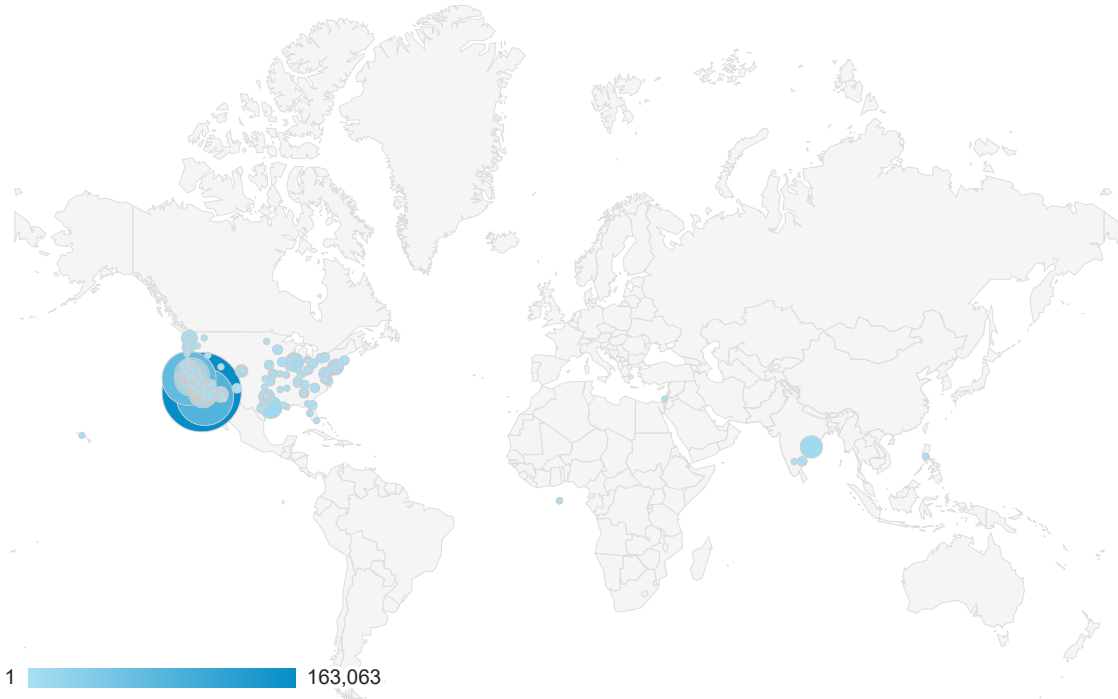
## Location

Sep 5, 2014 - Nov 16, 2014

 All Sessions  
100.00% + Add Segment

Map Overlay

Summary



City	Acquisition			Behavior			Conversions		
	Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value
	1,467,454 % of Total: 100.00% (1,467,454)	22.64% Site Avg: 22.56% (0.36%)	332,234 % of Total: 100.36% (331,033)	17.69% Site Avg: 17.69% (0.00%)	8.09 Site Avg: 8.09 (0.00%)	00:06:33 Site Avg: 00:06:33 (0.00%)	0.00% Site Avg: 0.00% (0.00%)	0 % of Total: 0.00% (0)	\$0.00 % of Total: 0.00% (\$0.00)
1. <a href="#">Los Angeles</a>	163,063 (11.11%)	22.71%	37,039 (11.15%)	20.20%	7.54	00:05:51	0.00%	0 (0.00%)	\$0.00 (0.00%)
2. <a href="#">San Diego</a>	86,670 (5.91%)	20.08%	17,405 (5.24%)	18.35%	7.50	00:06:49	0.00%	0 (0.00%)	\$0.00 (0.00%)
3. <a href="#">San Francisco</a>	72,254 (4.92%)	25.47%	18,404 (5.54%)	23.97%	6.23	00:04:47	0.00%	0 (0.00%)	\$0.00 (0.00%)
4. <a href="#">Sacramento</a>	32,879 (2.24%)	16.40%	5,392 (1.62%)	15.72%	7.87	00:06:11	0.00%	0 (0.00%)	\$0.00 (0.00%)
5. <a href="#">San Jose</a>	27,242 (1.86%)	23.79%	6,482 (1.95%)	18.68%	8.09	00:06:19	0.00%	0 (0.00%)	\$0.00 (0.00%)
6. <a href="#">Pleasanton</a>	19,657 (1.34%)	6.36%	1,251 (0.38%)	11.79%	7.88	00:08:15	0.00%	0 (0.00%)	\$0.00 (0.00%)
7. <a href="#">Roseville</a>	19,653 (1.34%)	9.91%	1,947 (0.59%)	14.59%	9.70	00:12:41	0.00%	0 (0.00%)	\$0.00 (0.00%)
8. <a href="#">Irvine</a>	18,508 (1.26%)	17.98%	3,328 (1.00%)	13.43%	10.52	00:09:22	0.00%	0 (0.00%)	\$0.00 (0.00%)
9. <a href="#">Fresno</a>	16,685 (1.14%)	16.08%	2,683 (0.81%)	14.73%	8.42	00:08:08	0.00%	0 (0.00%)	\$0.00 (0.00%)
10. <a href="#">Rancho Cordova</a>	15,260 (1.04%)	11.94%	1,822 (0.55%)	15.18%	10.34	00:12:09	0.00%	0 (0.00%)	\$0.00 (0.00%)
11. <a href="#">Riverside</a>	14,217 (0.97%)	20.29%	2,884 (0.87%)	13.91%	8.09	00:05:40	0.00%	0 (0.00%)	\$0.00 (0.00%)
12. <a href="#">Houston</a>	12,292 (0.84%)	12.18%	1,497 (0.45%)	18.87%	6.66	00:09:26	0.00%	0 (0.00%)	\$0.00 (0.00%)
13. <a href="#">Oakland</a>	12,250 (0.83%)	21.23%	2,601 (0.78%)	17.93%	7.85	00:05:59	0.00%	0 (0.00%)	\$0.00 (0.00%)
14. <a href="#">Long Beach</a>	11,800 (0.80%)	21.78%	2,570 (0.77%)	15.53%	9.20	00:06:28	0.00%	0 (0.00%)	\$0.00 (0.00%)

15.	Anaheim	11,702 (0.80%)	20.83%	2,437 (0.73%)	13.80%	7.96	00:05:36	0.00%	0 (0.00%)	\$0.00 (0.00%)
16.	Glendale	10,441 (0.71%)	21.48%	2,243 (0.68%)	22.05%	6.56	00:04:41	0.00%	0 (0.00%)	\$0.00 (0.00%)
17.	Visakhapatnam	10,283 (0.70%)	95.01%	9,770 (2.94%)	4.39%	26.87	00:04:48	0.00%	0 (0.00%)	\$0.00 (0.00%)
18.	Bakersfield	9,954 (0.68%)	21.38%	2,128 (0.64%)	13.72%	8.19	00:05:18	0.00%	0 (0.00%)	\$0.00 (0.00%)
19.	Santa Rosa	9,859 (0.67%)	15.15%	1,494 (0.45%)	12.63%	7.54	00:06:55	0.00%	0 (0.00%)	\$0.00 (0.00%)
20.	Temecula	9,535 (0.65%)	12.44%	1,186 (0.36%)	13.72%	11.96	00:12:21	0.00%	0 (0.00%)	\$0.00 (0.00%)
21.	Orange	9,318 (0.63%)	17.83%	1,661 (0.50%)	19.55%	12.02	00:12:13	0.00%	0 (0.00%)	\$0.00 (0.00%)
22.	Rocklin	8,898 (0.61%)	10.23%	910 (0.27%)	13.39%	9.71	00:11:11	0.00%	0 (0.00%)	\$0.00 (0.00%)
23.	El Cajon	8,637 (0.59%)	17.34%	1,498 (0.45%)	15.26%	9.49	00:08:22	0.00%	0 (0.00%)	\$0.00 (0.00%)
24.	Santa Ana	8,467 (0.58%)	18.99%	1,608 (0.48%)	14.56%	7.55	00:05:49	0.00%	0 (0.00%)	\$0.00 (0.00%)
25.	Rancho Cucamonga	8,229 (0.56%)	17.69%	1,456 (0.44%)	14.73%	7.92	00:06:02	0.00%	0 (0.00%)	\$0.00 (0.00%)
26.	Huntington Beach	7,985 (0.54%)	20.84%	1,664 (0.50%)	15.98%	9.41	00:06:10	0.00%	0 (0.00%)	\$0.00 (0.00%)
27.	Arden-Arcade	7,697 (0.52%)	6.31%	486 (0.15%)	20.97%	6.10	00:09:21	0.00%	0 (0.00%)	\$0.00 (0.00%)
28.	Chicago	7,615 (0.52%)	18.65%	1,420 (0.43%)	15.05%	6.04	00:05:38	0.00%	0 (0.00%)	\$0.00 (0.00%)
29.	Pasadena	7,598 (0.52%)	16.85%	1,280 (0.39%)	15.96%	9.33	00:10:44	0.00%	0 (0.00%)	\$0.00 (0.00%)
30.	Carlsbad	7,307 (0.50%)	15.66%	1,144 (0.34%)	11.19%	8.12	00:08:19	0.00%	0 (0.00%)	\$0.00 (0.00%)
31.	Costa Mesa	7,050 (0.48%)	19.11%	1,347 (0.41%)	18.50%	9.03	00:08:02	0.00%	0 (0.00%)	\$0.00 (0.00%)
32.	(not set)	6,968 (0.47%)	34.21%	2,384 (0.72%)	28.56%	7.04	00:05:32	0.00%	0 (0.00%)	\$0.00 (0.00%)
33.	Folsom	6,890 (0.47%)	19.23%	1,325 (0.40%)	14.57%	8.21	00:07:06	0.00%	0 (0.00%)	\$0.00 (0.00%)
34.	Stockton	6,637 (0.45%)	19.12%	1,269 (0.38%)	19.26%	7.71	00:06:52	0.00%	0 (0.00%)	\$0.00 (0.00%)
35.	Thousand Oaks	6,369 (0.43%)	23.25%	1,481 (0.45%)	13.41%	8.16	00:05:17	0.00%	0 (0.00%)	\$0.00 (0.00%)
36.	Santa Barbara	6,206 (0.42%)	21.50%	1,334 (0.40%)	13.81%	8.19	00:05:40	0.00%	0 (0.00%)	\$0.00 (0.00%)
37.	Oceanside	6,201 (0.42%)	21.24%	1,317 (0.40%)	19.92%	7.14	00:04:59	0.00%	0 (0.00%)	\$0.00 (0.00%)
38.	Santa Clarita	6,102 (0.42%)	23.88%	1,457 (0.44%)	16.85%	7.49	00:05:14	0.00%	0 (0.00%)	\$0.00 (0.00%)
39.	Modesto	5,903 (0.40%)	21.68%	1,280 (0.39%)	14.55%	7.70	00:04:52	0.00%	0 (0.00%)	\$0.00 (0.00%)
40.	Concord	5,816 (0.40%)	20.56%	1,196 (0.36%)	14.01%	15.10	00:10:43	0.00%	0 (0.00%)	\$0.00 (0.00%)
41.	Simi Valley	5,812 (0.40%)	21.23%	1,234 (0.37%)	15.69%	7.04	00:05:34	0.00%	0 (0.00%)	\$0.00 (0.00%)
42.	Fremont	5,687 (0.39%)	22.17%	1,261 (0.38%)	18.52%	6.62	00:04:48	0.00%	0 (0.00%)	\$0.00 (0.00%)
43.	Escondido	5,528 (0.38%)	21.45%	1,186 (0.36%)	14.13%	9.28	00:06:53	0.00%	0 (0.00%)	\$0.00 (0.00%)
44.	San Ramon	5,521 (0.38%)	11.59%	640 (0.19%)	13.87%	10.05	00:10:09	0.00%	0 (0.00%)	\$0.00 (0.00%)
45.	New York	5,418 (0.37%)	41.10%	2,227 (0.67%)	25.82%	6.01	00:04:36	0.00%	0 (0.00%)	\$0.00 (0.00%)
46.	Walnut Creek	5,387 (0.37%)	20.96%	1,129 (0.34%)	13.68%	8.42	00:06:10	0.00%	0 (0.00%)	\$0.00 (0.00%)
47.	Lake Forest	5,232 (0.36%)	19.21%	1,005 (0.30%)	13.84%	27.46	00:20:53	0.00%	0 (0.00%)	\$0.00 (0.00%)
48.	Burbank	5,199 (0.35%)	16.73%	870 (0.26%)	13.46%	8.05	00:07:51	0.00%	0 (0.00%)	\$0.00 (0.00%)
49.	Newport Beach	5,194 (0.35%)	22.24%	1,155 (0.35%)	17.33%	7.16	00:04:49	0.00%	0 (0.00%)	\$0.00 (0.00%)
50.	Murrieta	5,119 (0.35%)	21.70%	1,111 (0.33%)	13.69%	11.54	00:06:30	0.00%	0 (0.00%)	\$0.00 (0.00%)
51.	Palm Desert	5,115 (0.35%)	20.68%	1,058 (0.32%)	13.22%	7.58	00:06:11	0.00%	0 (0.00%)	\$0.00 (0.00%)
52.	Corona	5,052 (0.34%)	20.35%	1,028 (0.31%)	14.31%	8.41	00:05:33	0.00%	0 (0.00%)	\$0.00 (0.00%)
53.	Tustin	5,010 (0.34%)	22.24%	1,114 (0.34%)	13.81%	12.78	00:09:50	0.00%	0 (0.00%)	\$0.00 (0.00%)

54.	San Marcos	4,894 (0.33%)	19.72%	965 (0.29%)	16.84%	9.73	00:06:48	0.00%	0 (0.00%)	\$0.00 (0.00%)
55.	Phoenix	4,890 (0.33%)	25.91%	1,267 (0.38%)	17.87%	8.21	00:05:40	0.00%	0 (0.00%)	\$0.00 (0.00%)
56.	Torrance	4,863 (0.33%)	24.39%	1,186 (0.36%)	17.29%	7.59	00:05:09	0.00%	0 (0.00%)	\$0.00 (0.00%)
57.	Novato	4,799 (0.33%)	12.32%	591 (0.18%)	18.23%	8.26	00:15:22	0.00%	0 (0.00%)	\$0.00 (0.00%)
58.	Chula Vista	4,797 (0.33%)	24.31%	1,166 (0.35%)	17.47%	7.00	00:04:51	0.00%	0 (0.00%)	\$0.00 (0.00%)
59.	Ventura	4,785 (0.33%)	24.12%	1,154 (0.35%)	14.98%	7.80	00:05:52	0.00%	0 (0.00%)	\$0.00 (0.00%)
60.	West Sacramento	4,778 (0.33%)	9.00%	430 (0.13%)	15.80%	9.62	00:11:16	0.00%	0 (0.00%)	\$0.00 (0.00%)
61.	San Rafael	4,757 (0.32%)	25.16%	1,197 (0.36%)	15.03%	7.36	00:05:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
62.	Redding	4,549 (0.31%)	20.42%	929 (0.28%)	17.08%	8.22	00:05:17	0.00%	0 (0.00%)	\$0.00 (0.00%)
63.	Seattle	4,501 (0.31%)	33.39%	1,503 (0.45%)	26.06%	5.59	00:04:01	0.00%	0 (0.00%)	\$0.00 (0.00%)
64.	San Bernardino	4,477 (0.31%)	18.67%	836 (0.25%)	12.20%	7.24	00:05:04	0.00%	0 (0.00%)	\$0.00 (0.00%)
65.	San Luis Obispo	4,474 (0.30%)	22.95%	1,027 (0.31%)	14.17%	7.47	00:04:36	0.00%	0 (0.00%)	\$0.00 (0.00%)
66.	San Clemente	4,427 (0.30%)	16.02%	709 (0.21%)	14.12%	7.38	00:06:24	0.00%	0 (0.00%)	\$0.00 (0.00%)
67.	Dallas	4,307 (0.29%)	25.77%	1,110 (0.33%)	26.05%	5.48	00:04:15	0.00%	0 (0.00%)	\$0.00 (0.00%)
68.	Chico	4,296 (0.29%)	20.60%	885 (0.27%)	14.94%	7.80	00:04:45	0.00%	0 (0.00%)	\$0.00 (0.00%)
69.	Elk Grove	4,269 (0.29%)	23.54%	1,005 (0.30%)	15.65%	8.27	00:05:17	0.00%	0 (0.00%)	\$0.00 (0.00%)
70.	Citrus Heights	4,234 (0.29%)	11.29%	478 (0.14%)	19.96%	8.87	00:08:58	0.00%	0 (0.00%)	\$0.00 (0.00%)
71.	Ontario	4,175 (0.28%)	21.46%	896 (0.27%)	14.40%	8.33	00:06:06	0.00%	0 (0.00%)	\$0.00 (0.00%)
72.	Fullerton	4,121 (0.28%)	18.05%	744 (0.22%)	15.55%	7.54	00:06:41	0.00%	0 (0.00%)	\$0.00 (0.00%)
73.	Santa Cruz	4,098 (0.28%)	23.72%	972 (0.29%)	18.69%	6.53	00:04:53	0.00%	0 (0.00%)	\$0.00 (0.00%)
74.	Garden Grove	3,786 (0.26%)	23.06%	873 (0.26%)	21.92%	6.69	00:05:25	0.00%	0 (0.00%)	\$0.00 (0.00%)
75.	Brea	3,748 (0.26%)	18.70%	701 (0.21%)	11.31%	7.45	00:05:10	0.00%	0 (0.00%)	\$0.00 (0.00%)
76.	Santa Clara	3,727 (0.25%)	29.03%	1,082 (0.33%)	14.38%	7.68	00:05:26	0.00%	0 (0.00%)	\$0.00 (0.00%)
77.	San Mateo	3,592 (0.24%)	22.44%	806 (0.24%)	15.90%	7.58	00:05:12	0.00%	0 (0.00%)	\$0.00 (0.00%)
78.	El Dorado Hills	3,587 (0.24%)	14.78%	530 (0.16%)	15.39%	8.97	00:08:51	0.00%	0 (0.00%)	\$0.00 (0.00%)
79.	Berkeley	3,540 (0.24%)	25.37%	898 (0.27%)	22.37%	6.81	00:05:29	0.00%	0 (0.00%)	\$0.00 (0.00%)
80.	Napa	3,480 (0.24%)	23.56%	820 (0.25%)	15.78%	7.41	00:05:58	0.00%	0 (0.00%)	\$0.00 (0.00%)
81.	Fontana	3,465 (0.24%)	22.45%	778 (0.23%)	15.38%	7.68	00:05:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
82.	Mission Viejo	3,418 (0.23%)	19.75%	675 (0.20%)	15.45%	10.33	00:07:13	0.00%	0 (0.00%)	\$0.00 (0.00%)
83.	Visalia	3,344 (0.23%)	19.77%	661 (0.20%)	15.46%	7.02	00:05:14	0.00%	0 (0.00%)	\$0.00 (0.00%)
84.	Sunnyvale	3,336 (0.23%)	26.71%	891 (0.27%)	21.58%	8.29	00:05:41	0.00%	0 (0.00%)	\$0.00 (0.00%)
85.	Lancaster	3,335 (0.23%)	21.38%	713 (0.21%)	21.35%	7.34	00:05:17	0.00%	0 (0.00%)	\$0.00 (0.00%)
86.	Oxnard	3,298 (0.22%)	20.44%	674 (0.20%)	17.10%	7.16	00:04:42	0.00%	0 (0.00%)	\$0.00 (0.00%)
87.	Moreno Valley	3,267 (0.22%)	21.73%	710 (0.21%)	15.03%	7.35	00:05:05	0.00%	0 (0.00%)	\$0.00 (0.00%)
88.	Santa Monica	3,229 (0.22%)	23.72%	766 (0.23%)	14.00%	7.62	00:06:08	0.00%	0 (0.00%)	\$0.00 (0.00%)
89.	Menifee	3,181 (0.22%)	21.06%	670 (0.20%)	18.48%	8.84	00:07:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
90.	Auburn	3,172 (0.22%)	15.64%	496 (0.15%)	15.76%	8.16	00:07:02	0.00%	0 (0.00%)	\$0.00 (0.00%)
91.	Mountain View	3,170 (0.22%)	19.87%	630 (0.19%)	16.69%	8.10	00:05:04	0.00%	0 (0.00%)	\$0.00 (0.00%)
92.	Chino	3,133 (0.21%)	18.58%	582 (0.18%)	19.85%	6.85	00:05:14	0.00%	0 (0.00%)	\$0.00 (0.00%)
93.	Placerville	3,128 (0.21%)	15.82%	495 (0.15%)	18.67%	6.15	00:05:26	0.00%	0 (0.00%)	\$0.00 (0.00%)

94.	<a href="#">Ashburn</a>	<b>2,960</b> (0.21%)	85.68%	2,536 (0.76%)	83.92%	2.37	00:01:02	0.00%	0 (0.00%)	\$0.00 (0.00%)
95.	<a href="#">Lafayette</a>	<b>2,924</b> (0.20%)	20.90%	611 (0.18%)	22.74%	7.06	00:09:05	0.00%	0 (0.00%)	\$0.00 (0.00%)
96.	<a href="#">Clovis</a>	<b>2,922</b> (0.20%)	22.83%	667 (0.20%)	18.72%	7.99	00:05:18	0.00%	0 (0.00%)	\$0.00 (0.00%)
97.	<a href="#">Hayward</a>	<b>2,918</b> (0.20%)	23.61%	689 (0.21%)	15.28%	7.95	00:05:57	0.00%	0 (0.00%)	\$0.00 (0.00%)
98.	<a href="#">Redwood City</a>	<b>2,876</b> (0.20%)	22.18%	638 (0.19%)	12.76%	7.20	00:04:27	0.00%	0 (0.00%)	\$0.00 (0.00%)
99.	<a href="#">Yuba City</a>	<b>2,842</b> (0.19%)	19.39%	551 (0.17%)	11.86%	8.54	00:06:29	0.00%	0 (0.00%)	\$0.00 (0.00%)
100.	<a href="#">San Leandro</a>	<b>2,784</b> (0.19%)	24.28%	676 (0.20%)	16.77%	7.79	00:05:23	0.00%	0 (0.00%)	\$0.00 (0.00%)

Rows 1 - 100 of 7222

Frequency & Recency

Sep 5, 2014 - Nov 16, 2014



All Sessions  
100.00%



+ Add Segment

Distribution

Days Since Last Session

Sessions

1,467,454

% of Total: 100.00% (1,467,454)

Pageviews

11,866,268

% of Total: 100.00% (11,866,268)

Days Since Last Session	Sessions	Pageviews
0	884,574	7,287,249
1	96,114	700,866
2	62,205	504,080
3	45,754	343,329
4	35,456	273,084
5	30,511	233,295
6	28,251	215,346
7	22,135	170,896
8-14	79,528	634,419
15-30	73,092	600,644
31-60	47,319	391,920
61-120	30,811	259,274
121-364	24,891	199,894
365+	6,813	51,972

Engagement

Sep 5, 2014 - Nov 16, 2014

 All Sessions  
100.00%

 + Add Segment

Distribution

Session Duration

Sessions















1,467,454

% of Total: 100.00% (1,467,454)

Pageviews

11,866,268

% of Total: 100.00% (11,866,268)

Session Duration	Sessions	Pageviews
0-10 seconds	386,594 	533,824 
11-30 seconds	191,452 	568,266 
31-60 seconds	145,773 	620,552 
61-180 seconds	260,878 	1,697,347 
181-600 seconds	238,696 	2,649,851 
601-1800 seconds	169,689 	2,724,820 
1801+ seconds	74,372 	3,071,608 



Devices

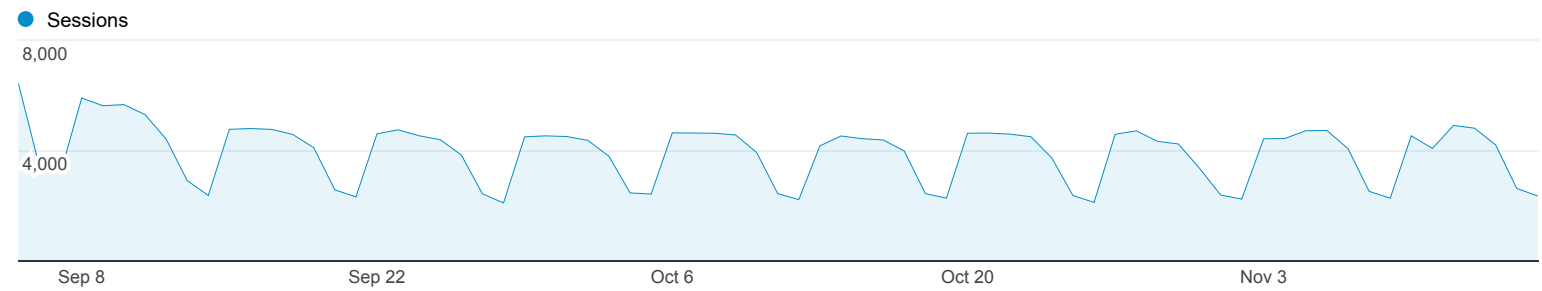
Sep 5, 2014 - Nov 16, 2014

 All Sessions  
19.54%

 + Add Segment

Explorer

Summary



Mobile Device Info	Acquisition			Behavior			Conversions		
	Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value
	286,713 % of Total: 19.54% (1,467,454)	30.41% Site Avg: 22.56% (34.81%)	87,195 % of Total: 26.34% (331,033)	31.40% Site Avg: 17.69% (77.47%)	5.43 Site Avg: 8.09 (-32.82%)	00:03:57 Site Avg: 00:06:33 (-39.56%)	0.00% Site Avg: 0.00% (0.00%)	0 % of Total: 0.00% (0)	\$0.00 % of Total: 0.00% (\$0.00)
1. Apple iPhone	109,104 (38.05%)	34.17%	37,277 (42.75%)	33.58%	4.35	00:03:05	0.00%	0 (0.00%)	\$0.00 (0.00%)
2. Apple iPad	54,207 (18.91%)	31.37%	17,007 (19.50%)	29.49%	6.46	00:04:54	0.00%	0 (0.00%)	\$0.00 (0.00%)
3. (not set)	21,515 (7.50%)	33.01%	7,102 (8.14%)	19.36%	8.00	00:05:45	0.00%	0 (0.00%)	\$0.00 (0.00%)
4. Samsung SM G900V Galaxy S5	5,564 (1.94%)	27.91%	1,553 (1.78%)	35.12%	5.27	00:03:23	0.00%	0 (0.00%)	\$0.00 (0.00%)
5. Samsung SCH-I545 Galaxy S IV	4,227 (1.47%)	21.43%	906 (1.04%)	31.18%	5.15	00:03:23	0.00%	0 (0.00%)	\$0.00 (0.00%)
6. Samsung SM N900V Galaxy Note 3	3,442 (1.20%)	23.85%	821 (0.94%)	29.92%	5.75	00:03:23	0.00%	0 (0.00%)	\$0.00 (0.00%)
7. Samsung SCH-I535 Galaxy S III	3,350 (1.17%)	24.75%	829 (0.95%)	28.90%	5.55	00:03:25	0.00%	0 (0.00%)	\$0.00 (0.00%)
8. Samsung SM N900T Galaxy Note 3	2,646 (0.92%)	22.79%	603 (0.69%)	30.57%	5.35	00:03:35	0.00%	0 (0.00%)	\$0.00 (0.00%)
9. Motorola XT1080 Ultra	2,516 (0.88%)	28.70%	722 (0.83%)	21.58%	6.72	00:04:43	0.00%	0 (0.00%)	\$0.00 (0.00%)
10. Samsung SM G900P Galaxy S5	2,489 (0.87%)	20.69%	515 (0.59%)	34.43%	4.72	00:03:39	0.00%	0 (0.00%)	\$0.00 (0.00%)

## AGENDA ITEM H

# Legislative Committee Report



## AGENDA ITEM H-1

# Legislative Program Update



## AGENDA ITEM H-2

# Review and Approval of November 6, 2014 Legislative Committee Summary Report





# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE COMMITTEE SUMMARY REPORT

### LEGISLATIVE COMMITTEE MEETING

November 6, 2014

Sacramento, CA

#### A. CALL TO ORDER

Committee Chair Joan Hancock called the Contractors State License Board (CSLB) Legislative Committee to order at 9:17 a.m. on Thursday, November 6, 2014, in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

##### **Committee Members Present**

Joan Hancock, Chair  
Agustin Beltran  
Linda Clifford  
Paul Schiffino  
Nancy Springer

##### **Committee Members Absent**

None

##### **Board Members Present**

Ed Lang

##### **CSLB Staff Present**

Stephen Sands, Registrar  
Cindi Christenson, Chief Deputy Registrar  
David Fogt, Chief of Enforcement  
Laura Zuniga, Chief of Legislation  
Betsy Figueira, Licensing Manager  
Kurt Heppler, Supervising Staff Counsel

Chair Joan Hancock welcomed committee members Agustin Beltran, Linda Clifford, Paul Schiffino, and Nancy Springer.

#### B. PUBLIC COMMENT SESSION

There was no public comment.

#### C. LEGISLATIVE UPDATE

Chief of Legislation Laura Zuniga provided an update on significant 2014 legislation. She informed the Committee that Governor Brown signed AB 2396 (Bonta), which prohibits boards from considering expunged convictions when reviewing an applicant's



criminal background. The Department of Consumer Affairs will provide further clarification about the effects of this legislation at a later date.

#### **D. LEGISLATIVE PROPOSALS**

1. Amendment to Business and Professions Code section 7011.4

Ms. Zuniga presented the item to the Committee. Mr. Heppler commented that the language may require modification. Mr. Sands noted that most of the proposals under discussion will likely undergo revision, and that the purpose of this meeting was to consider concepts for legislative proposals. Ms. Hancock summarized existing law and CSLB authority. Ms. Clifford requested that the proposed language more clearly focus on the failure to carry workers' compensation insurance.

Motion to Approve the Proposal

**MOTION: A motion was made by Committee member Linda Clifford and seconded by Committee member Agustin Beltran. The motion carried unanimously, 5-0.**

2. Amendment to Business and Professions Code section 7028.6

Ms. Zuniga presented the item to the Committee. Mr. Beltran asked about CSLB's responsibility to report to other authorities that an unlicensed individual does not have a Social Security number (SSN). Mr. Sands replied that CSLB does not report this information. Ms. Hancock expressed concern about the involuntary submission of SSNs on the part of individuals and requested that staff confer with the Attorney General's office on the proposed language. Ms. Clifford noted the difficulties of enforcing such a requirement in cases where, for example, an individual does not comply or provides a false SSN. She expressed concern that this could create another layer of hostility toward regulators within the construction industry.

Chief of Enforcement David Fogt stated that, historically, enforcement staff requested SSNs from unlicensed individuals, but could not refer cases to the Franchise Tax Board for collection because the Attorney General's office does not believe that CSLB is authorized to collect this information. Mr. Fogt also said that the authority to collect SSNs will assist CSLB in regard to targets identified in sweeps, as they receive an administrative citation rather than a notice to appear in court. As an alternative, Mr. Fogt mentioned contracting with a collection agency to recover unpaid citations, an option that Mr. Sands deemed less likely to be successful than that specified in the legislative proposal.

Ms. Clifford noted that the proposal does not change existing policy but, rather, formalizes the existing procedure. Mr. Beltran requested a fuller explanation of the proposal in the written summary for the Board meeting.



Larry Rohfles, of the California Landscape Contractors Association, asked if the proposal should also include collection of a taxpayer identification number. Staff agreed to this change.

Motion to Approve the Proposal

**MOTION: A motion was made by Committee member Agustin Beltran and seconded by Committee member Linda Clifford. The motion carried, 5-0.**

The Committee recessed from 9:50 a.m. to 9:55 a.m.

3. Amendment to Business and Professions Code section 7059

Ms. Zuniga presented the item to the Committee. Ms. Hancock expressed concern that the proposal addresses the problem too late in the process and could potentially halt progress on public works projects, and asked about requiring awarding agencies to follow CSLB license classifications. Ms. Clifford asked if CSLB currently has the authority to act against contractors on public works projects who work out of their class. Mr. Fogt answered that CSLB does not, and that the Attorney General's office will not prosecute such cases. Mr. Fogt commented that licensees understand their scope of work and know what work they can and cannot perform under a given classification. He noted that, under this proposal, CSLB could take disciplinary action during the bidding process.

Ms. Clifford noted her discomfort with the current proposal, and commented that if awarding agencies followed the law there would be no problem. Mr. Beltran said that local agencies often lack experience in these areas and that the proposal would be helpful since, currently, local agencies have little available recourse if they are misled by a contractor, as it is difficult to toss out a bid/contract. Ms. Clifford requested modifications to the proposal to account for instances when a contractor knowingly enters into a contract under false pretenses and cannot perform the required work, regardless of the decision of the awarding agency. Mr. Beltran mentioned that advocacy groups, such as the Coalition for Adequate School Housing, would help to educate local agencies about the new law.

Mr. Todd Bloomstine, representing the Southern California Contractors Association, stated his objection to the proposal, which, in his view, does not resolve the problem. The issue, for his clients, is that awarding agencies do not properly award contracts. This proposal punishes contractors for that failing.

Ms. Hancock asked Mr. Beltran and Ms. Clifford to assist with revisions to the proposal.

Motion to Approve the Proposal



**MOTION: A motion was made by Committee member Linda Clifford and seconded by Committee member Agustin Beltran. The motion carried unanimously, 5-0.**

4. Amendment to Business and Professions Code section 7083

Ms. Zuniga presented the proposal to the Committee. There was no discussion.

Motion to Approve the Proposal

**MOTION: A motion was made by Committee chair Joan Hancock and seconded by Committee member Nancy Springer. The motion carried unanimously, 5-0.**

5. Amendment to add Business and Professions Code section 7103.5

Ms. Zuniga presented the proposal to the Committee. Mr. Heppler noted that the language may require modification. Ms. Clifford wants to ensure that CSLB will only take action on a final determination by the Division of Labor Standards Enforcement.

Motion to Approve the Proposal

**MOTION: A motion was made by Committee member Agustin Beltran and seconded by Committee member Paul Schifino. The motion carried unanimously, 5-0.**

6. Amendment to Business and Professions Code section 7137

Ms. Zuniga presented the proposal to the Committee. Ms. Hancock asked how any staffing needs identified by the proposal would be addressed. Deputy Chief Registrar Cindi Christenson responded that it would likely involve the redirection of existing staff.

Motion to Approve the Proposal

**MOTION: A motion was made by Committee member Agustin Beltran and seconded by Committee member Linda Clifford. The motion carried unanimously, 5-0.**

**E. ADJOURNMENT**

Legislative Committee Chair Joan Hancock adjourned the meeting at 10:30 a.m.



## AGENDA ITEM H-3

Review and Consideration of  
Recommended Legislative Proposals  
for the upcoming Legislative Session;



# CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

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**SUBJECT:** Enforcement of Licensing Provisions

**PROBLEM/SUMMARY:**

California's Business and Professions (B&P) Code, Chapter 9, Articles 1 through 9, known as the *Contractors' State License Law*, provides the Contractors State License Board (CSLB) with the authority to license and regulate all forms of construction activity in the State of California.

B&P Code section 7011.4 establishes a separate enforcement division (Statewide Investigative Fraud Team - SWIFT), which shall rigorously enforce laws prohibiting all forms of unlicensed activity. CSLB Enforcement Representatives (ER) assigned to SWIFT investigate active construction sites for license and workers' compensation insurance compliance and conduct undercover sting operations targeting unlicensed and uninsured contractors.

Pursuant to B&P Code section 7028(a) it is a misdemeanor for a person to engage in the business or act in the capacity of a contractor without having a license.

Further, Labor Code section 3700.5 (a) states that the failure to secure the payment of compensation by one who knew, or because of his or her knowledge or experience should have reasonably expected to have known, of the obligation to secure this payment of compensation is a misdemeanor and punishable by county jail, or fine, or both.

B&P Code section 7011.4 provides authority for non-sworn ERs to issue a written notice to appear (NTA) in court for unlicensed practice, but not for failure to secure workers' compensation insurance. An NTA is an order by the court mandating an individual's presence at a hearing, on a specified date, to answer to wrongdoings of misdemeanor crimes.

**PROPOSED CHANGE (Include the Related Sections of Law):**

The Contractors State License Board requests to amend B&P Code section 7011.4, "*Enforcement of Licensing Provisions*." The modification will clearly state that CSLB Enforcement Representatives, with designated authority from the Director of Consumer Affairs, may issue an NTA for unlicensed activity pursuant to B&P Code section 7028, and failure to secure workers' compensation insurance pursuant to Section 3700.5 of the Labor Code.

**PROPOSED LANGUAGE:**

Modify B&P Code section 7011.4 subsection (a) to include the following language:

**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 and shall ensure that, where applicable, licensees are compliant with the provisions of section 3700.5 of the Labor Code..

(b) Persons employed as enforcement representatives in this division and designated by the Director of Consumer Affairs 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.

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS

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**Subject:** Enforcement of Licensing Provisions

**Relevant Provisions:** Business and Professions Code section 7011.4

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**Summary:** This proposal will expand the authority of Enforcement Representatives (ERs) to issue a written notice to appear (NTA) for failure to secure workers' compensation insurance.

**Staff Comments:**

An NTA is a court order mandating an individual's presence at a hearing, on a specified date, to answer to wrongdoings of misdemeanor crimes.

Under existing law, ERs with the Contractors State License Board (CSLB) have the authority to issue a written NTA.

This proposal would expand the jurisdiction of the Enforcement division to include ensuring payment of compensation that may become due to an injured employee. The proposed language does not reference a specific section of the law, but is similar to that in Labor Code (LC) section 3700.5, regarding workers' compensation (WC) insurance requirements.

According to the Enforcement division, under existing law, staff cannot add an LC section 3700.5 violation for failure to carry workers' compensation to the NTA; therefore, staff must include this violation in a supplemental report along with the NTA. The ability to include the Section 3700.5 violation on the NTA could streamline the district attorney (DA) referral process. CSLB estimates that 20 percent of the NTAs issued for unlicensed practice will include the Section 3700.5 violation (misdemeanor charges filed with the DA for unlicensed activity and no WC policy).

The Department of Industrial Relations' Division of Labor Standards Enforcement (DSLE) issues citations for failure to carry workers' compensation insurance, however, it does not file the LC section 3700.5 violations with the DA; DSLE takes administrative action, whereas CSLB files criminal charges with the DA. The Department of Insurance also takes action against employers for WC violations, but only against those that have WC policies (premium fraud issues), whereas DSLE and CSLB take action for not having a WC policy.

DSLE has sole authority to cite for wage violations.

ERs currently list these violations in their written reports, and DA's determine what charges are filed. This proposal does not significantly change existing practice, as WC violations can be noted in the written reports.

Unlicensed contractors are likely violating other wage and tax laws, but this proposal provides specific authority for ERs to cite for WC violations only.

**Date:** October 15, 2014

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# CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

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**SUBJECT:** Authority to Issue Citations – Collection of Additional Information

**PROBLEM/SUMMARY:**

Under existing law, the Contractors State License Board (CSLB) can collect Social Security numbers (SSN) from licensees, but does not have the authority to collect Social Security numbers from individuals who contract without a license.

As a result of enforcement activity, particularly undercover sting operations, CSLB issues citations, often with a fine, to unlicensed individuals. However, since these individuals are not licensed, CSLB has limited ability to enforce the citation and fine. Consequently, the compliance rate for non-licensees is significantly lower than that for licensees. In 2013, CSLB issued 1,139 citations to licensees, and 662 complied. During that same year, CSLB issued 822 citations to non-licensees, and 363 complied.

**PROPOSED CHANGE (Include the Related Sections of Law):**

This proposal would provide CSLB the authority to collect SSNs from non-licensees for the purpose of pursuing payment of a fine.

**PROPOSED LANGUAGE:**

Amend Business and Professions Code section 7028.6 as follows:

- (a) The Registrar of Contractors is hereby empowered to issue citations containing orders of abatement and civil penalties against persons acting in the capacity of or engaging in the business of a contractor within this state without having a license in good standing to so act or engage.
- (b) The Registrar is authorized to collect and record a social security number or taxpayer identification number from a person that is cited. The social security number or taxpayer identification number shall be used only for the purposes of ensuring payment of a civil penalty assessed and compliance with any order of abatement associated with a citation issued pursuant to this section. The Registrar shall take those actions reasonably necessary to prevent the inadvertent or willful disclosure of a social security number. Notwithstanding Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, the social security number, taxpayer identification number and federal employer identification number furnished pursuant to this section shall not be deemed to be a public record and shall not be open to the public for inspection.

## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS**

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**Subject:** Authority to Issue Citations – Collection of Additional Information

**Relevant Provisions:** Business and Professions Code section 7028.6

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**Summary:**

This proposal would allow the Contractors State License Board (CSLB) to collect a Social Security number (SSN) from an individual contracting without a license.

This authority would pertain primarily to individuals identified during an undercover sting operation.

**Staff Comments:**

This new authority would improve CSLB's ability to collect fines from unlicensed individuals. CSLB participates in the Franchise Tax Board's Intercept Collection Program to assist in the collection of fines from licensees. This program intercepts refunds (including unclaimed state property and lottery winnings) when individuals have delinquent debts to government agencies.

When the Legislative Committee reviewed this proposal, the language specified collection of a Social Security number. The Committee heard public comment recommending that a taxpayer identification number be included. The proposal now reflects this suggestion.

According to the Enforcement division, historically, enforcement staff requested SSNs from unlicensed individuals, but could not refer cases to the Franchise Tax Board for collection because the Attorney General's office does not believe that CSLB is authorized to collect this information. Enforcement also notes that the authority to collect SSNs will assist CSLB in regard to targets identified in sweeps, since they receive an administrative citation rather than a notice to appear in court.

To seek recovery of a debt through the Intercept Collection Program, CSLB must submit a SSN, and with the authority to collect that information from unlicensed individuals CSLB could more likely collect unpaid fines through fuller participation in the program. One of the requirements to participate in the Intercept Collection Program involves at least a 30-day notification to an individual with an unpaid debt to allow that person time to dispute or settle the debt.

This proposal could improve the collection rate for citations against unlicensed contractors and, potentially, act as a greater deterrent to engaging in unlicensed activity.

**Date:** November 12, 2014

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# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE PROPOSAL FORM

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**SUBJECT:** Notification by Licensees of Changes in Recorded Information

**PROBLEM/SUMMARY:**

Business and Professions Code (B&P) sections 136 and 7083 conflict as to the required timeframe for a licensee to report an address change. The Sections currently read as follows:

**B&P Code section 136.**

(a) Each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within the department shall notify the issuing board at its principal office of any change in his or her mailing address within 30 days after the change, unless the board has specified by regulations a shorter time period.

(b) Except as otherwise provided by law, failure of a licensee to comply with the requirement in subdivision (a) constitutes grounds for the issuance of a citation and administrative fine, if the board has the authority to issue citations and administrative fines.

(Added by Stats. 1994, Ch. 26, Sec. 7. Effective March 30, 1994.)

**B&P Code section 7083.**

All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

Last modified: March 17, 2014

**PROPOSED CHANGE (Include the Related Sections of Law):**

B&P Code section 136.

(a) Each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within the department shall notify the issuing board at its principal office of any change in his or her mailing address within 30 days after the change, unless the board has specified by regulations a shorter *different* time period.



## **PROPOSED LANGUAGE:**

Staff Alternative:

B&P 7083.

Notwithstanding any other provision of law, All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS

---

**Subject:** Notification by Licensees of Changes in Recorded Information

**Relevant Provisions:** Business and Professions (B&P) Code sections 136 and 7083

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**Summary:**

B&P Code section 136 is a general provision that applies to all Department of Consumer Affairs boards. It requires each licensee to notify the board of an address change within 30 days, unless the board, by regulation, specifies a shorter time.

B&P Code section 7083, in the Contractors' State License Law (CSLL), requires a licensee to notify the Registrar of an address change within 90 days.

**Staff Comments:**

As these two sections establish different time periods for reporting, one of the provisions should be amended to eliminate any potential confusion.

Staff recommends amending the section within the CSLL, rather than the provision that applies to all DCA boards.

Suggested amendment:

**B&P Code section 7083.**

Notwithstanding any other provision of law, All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

**Date:** October 15, 2014

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## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

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**SUBJECT:** Violation of Prevailing Wage Requirement

**PROBLEM/SUMMARY:**

The Labor Commissioner's Office, also known as the Division of Labor Standards Enforcement (DLSE), adjudicates wage claims, investigates discrimination and public works complaints, and enforces Labor Code statutes and Industrial Welfare Commission orders.

With regard to a Public Work Contract, the awarding agency grants the contract to a licensed contractor who is expected to pay workers the prevailing wage. In government contracting, a prevailing wage is defined as the hourly wage, usual benefits, and overtime, paid to the majority of workers, laborers, and mechanics within a particular region. Regulatory agencies establish a prevailing wage for each trade and occupation employed in the performance of public work, as well as by State Departments of Labor, or their equivalents.

When DLSE determines that a contractor and/or subcontractor has not paid the prevailing wage to employees, thereby violating the California Labor Code, the Labor Commissioner can issue a Civil Wage and Penalty Assessment (CWPA) pursuant to Labor Code section 1741.

To protect the public from unscrupulous contractors that disregard the law, the Contractor State License Board (CSLB) seeks authority to discipline licensed contractors based on a CWPA final order. Presently, Contractors State License Law permits CSLB to take action against a license following the substantiation of a willful or deliberate disregard of the Labor Code, pursuant to Business and Professions (B&P) Code section 7110.5. However, this statute does not provide the California Attorney General's Office authority to pursue administrative action against a contractor's license when a CWPA becomes a final order since a CWPA does not establish a willful or deliberate violation of the Labor Code. In addition, the underlining facts that may prove a willful or deliberate disregard of the Labor Code have often occurred prior to the four year statute of limitations during which CSLB is permitted to take action against the license. Beyond this, even if the statute of limitations is not problematic, proving the elements of such a case requires specialized knowledge of the extensive labor laws, which is outside CSLB's scope.

Therefore, CSLB desires to amend the B&P Code to add a section that permits CSLB to use a certified copy of the final order of a CWPA issued by the DLSE as conclusive evidence to take disciplinary action against a contractor's license.

**PROPOSED LANGUAGE:**

Add the following new section to Business and Professions Code section 7103:

§ 7103.5 – Violation of Prevailing Wage Requirements

*The issuance of a final Civil Wage and Penalty Assessment by the Labor Commissioner to a licensee shall constitute a cause for disciplinary action.*

## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS**

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**Subject:** Effect of Disciplinary Action by the Division of Labor Standards Enforcement

**Relevant Provisions:** Business and Professions (B&P) Code section 7103.5

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### **Summary:**

This proposal would add a new B&P section to specifically authorize the Contractors State License Board (CSLB) to take disciplinary action against a licensee based on a final disciplinary action taken by the Division of Labor Standards Enforcement (DLSE).

### **Staff Comments:**

Existing B&P Code section 7103 contains similar language to that which is proposed, which allows CSLB to take disciplinary action against a license based on disciplinary action taken in another state. Added in 1994 (AB 3302, Speier, Chapter 1135), this legislation stemmed from two 1993 sunset review hearings of CSLB. The analysis of that bill stated:

Through some of the cases presented to this committee in the CSLB hearings, it was learned that many consumers had recurring problems with contractors whose out of state licenses were suspended or revoked. The author believes that when a contractor commits a violation in another state that results in disciplinary action against that out of state license, the contractor should not be permitted to move to this state and begin "ripping off" Californians. This bill allows the CSLB to take action against a license based on the disciplinary actions taken in another state.

This proposal seeks to expand that authority to include actions taken by DLSE. This would affect contractors involved in public works projects who face disciplinary action from DLSE for a violation of prevailing wage requirements.

According to the CSLB Enforcement division, DLSE receives thousands of complaints from unpaid workers each year, many of whom were employed by licensees. Construction contractors are required to pay workers on public works projects the prevailing wage, and failure to do so can result in the issuance of a Civil Wage and Penalty Assessments (CWPA). The majority of CWPAs are resolved when the licensee pays monies owed to workers, and no further action is warranted. Unfortunately, some licensees do not pay workers what they are owed or mitigate potential discipline by filing for bankruptcy. This legislation addresses those licensees who fail to comply with the CWPAs when they discharge their debt through bankruptcy.

When a licensee does not pay monies owed to workers, DLSE confirms the CWPA as a judgment in civil court. CSLB routinely suspends licenses for outstanding liabilities and can link to the public disclosure on DLSE's website.

But under current law, to impose discipline, CSLB must establish a deliberate disregard and violation of a labor law. DLSE action does not meet this requirement. CSLB is seeking legislation that authorizes discipline against licensees that commit egregious public works payroll violations and do not take steps to mitigate the violation.

If chaptered, the legislation will allow CSLB to discipline licensees under the same evidence requirements that apply when another state takes an action against a contractor – B&P Code section 7103. For example, it will allow CSLB to take an administrative action based on DLSE's discipline.

This proposed language is permissive, rather than mandatory, so it will not impose a significant workload. Staff estimates an additional 10 to 20 cases per year. CSLB will only take action based on a final determination by DLSE.

**Date:** November 12, 2014

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# CONTRACTORS STATE LICENSE BOARD

## LEGISLATIVE PROPOSAL FORM

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**SUBJECT:** (1) Officer/ Personnel Change Fee; (2) Additional Classification and Replacing the Qualifier Application Fee; (3) Application Priority Processing Fee

### **PROBLEM/SUMMARY:**

#### 1. Officer/Personnel Change Fee

Contractor licenses are issued to sole owners, partnerships, corporations, limited liability companies (LLC), and joint ventures. Of these business types, partnerships, corporations, and LLCs can change the officers/personnel on their license. When licensees change their personnel they are required by law, pursuant to Business and Professions Code (B&P) section 7083, to notify CSLB.

In the past, processing applications for changes in personnel was relatively simple and involved verifying that the application was complete and that the new personnel were eligible for licensure. However, in recent years, processing these applications has become significantly more complex.

Since CSLB began fingerprinting applicants for licensure in 2005, processing applications for personnel changes includes fingerprinting and criminal background reviews. This additional licensing requirement adds significant staff time to review and analyze conviction documentation and can lead to the denial of a personnel change application because of a criminal conviction.

In addition, CSLB began licensing LLCs in 2012, which are subject to bond, insurance, and personnel provisions that do not apply to other business entities. When processing a personnel change application for an LLC, the technician must ensure that these other requirements, which can change based on the number of personnel on the license, still are adequately met.

CSLB does not currently charge a fee to process applications to change personnel on a license, nor does it have the legal authority to do so. CSLB cannot continue this work without charging a fee due to the additional staff resources involved in processing applications for personnel changes. Based on a workload analysis of the time it takes to process such an application, an appropriate application fee would be no more than XX dollars (\$XX).

#### 2. Additional Classification and Replacing the Qualifier Application Fee

Existing licensees can apply to add additional classifications to their license or to replace the qualifying individual on their license.

The processing time for an application to add a classification is comparable to that of an application for an original license: verification of the qualifying individual's experience in

the particular classification, and he or she must pass the trade examination for that classification. In addition, any related business name changes must be reviewed and deemed acceptable. An original license application carries a \$300 processing fee; however, an additional classification application is currently only \$75.

Similarly, the applications to replace the qualifier and to receive an original license involve comparable processing complexity, but vastly different fees. Again, the original license application fee is \$300, but the application fee to replace the qualifier is just \$75.

Since CSLB began fingerprinting applicants for licensure in 2005, processing applications to replace the qualifier includes fingerprinting and criminal background reviews. This additional licensing requirement adds significant staff time to review and analyze conviction documentation and can lead to the denial of a personnel change application because of a criminal conviction.

In addition, CSLB began licensing LLCs in 2012, which are subject to bond, insurance, and personnel provisions that do not apply to other business entities. When processing an application to replace the qualifier for an LLC, the technician must ensure that these other requirements, which can change based on the personnel on the license, are still adequately met.

Due to the complexity and additional staff time involved in processing these applications, the \$75 fee is no longer sufficient. Based on a workload analysis of the time it takes to process such applications, an appropriate application fee for both would be no more than XX dollars (\$XX).

### 3. Application Priority Processing Fee

CSLB currently accepts requests to expedite processing applications for licensure. When these requests are approved, usually to support significant job creation, the applications move to the front of the line for initial review and processing. These applicants, like all others, must fulfill relevant licensure requirements, including testing and criminal background review.

Expedited applications receive priority over others and the processing technicians focus their time on processing them thoroughly and promptly.

In 2014, to date, CSLB has received approximately 300 requests to expedite an application, of which 100 (33%) have been approved. Between the staff that review and act on the original requests and the technicians that devote significant portions of their workday to processing these applications, CSLB has determined that XX PYs are needed for the sole purpose of processing expedited documentation.

Currently, CSLB charges no fee to review requests for expedited service or for processing these applications. Under this proposal, requests for priority processing of applications would not be subject to review for cause but, instead, approved upon submission of a completed request and payment of an adequate fee. Given the



workload involved, CSLB has determined that an appropriate cost for priority processing would be no more than **XX** dollars (\$**XX**).

Under certain circumstances, such as a declared emergency or for military personnel, CSLB may need to approve expedited processing of applications based on other provisions of law for specific purposes. Such cases would be exempt from these new provisions and related fees.

**PROPOSED CHANGE (Include the Related Sections of Law):**

Amend B&P Code section 7137 as follows:

The board shall set fees by regulation. These fees shall not exceed the following schedule:

(a) The application fee for an original license in a single classification shall not be more than three hundred dollars (\$300).

The application fee for each additional classification applied for in connection with an original license shall not be more than seventy-five dollars (\$75).

The application fee for each additional classification pursuant to Section 7059 shall not be more than ~~seventy-five dollars (\$75)~~ XX dollars (\$XX).

The application fee to replace a responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee pursuant to Section 7068.2 shall not be more than ~~seventy-five dollars (\$75)~~ XX dollars (\$XX).

The application fee to add personnel, other than a qualifying individual, to an existing license shall not be more than **XX** dollars (\$**XX**).

(b) The fee for rescheduling an examination for an applicant who has applied for an original license, additional classification, a change of responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee, or for an asbestos certification or hazardous substance removal certification, shall not be more than sixty dollars (\$60).

(c) The fee for scheduling or rescheduling an examination for a licensee who is required to take the examination as a condition of probation shall not be more than sixty dollars (\$60).

(d) The initial license fee for an active or inactive license shall not be more than one hundred eighty dollars (\$180).

(e) The renewal fee for an active license shall not be more than three hundred sixty dollars (\$360).

The renewal fee for an inactive license shall not be more than one hundred eighty dollars (\$180).

(f) The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration.

(g) The registration fee for a home improvement salesperson shall not be more than seventy-five dollars (\$75).

(h) The renewal fee for a home improvement salesperson registration shall not be more than seventy-five dollars (\$75).

(i) The application fee for an asbestos certification examination shall not be more than seventy-five dollars (\$75).

(j) The application fee for a hazardous substance removal or remedial action certification examination shall not be more than seventy-five dollars (\$75).

(k) In addition to any other fees charged to C-10 and C-7 contractors, the board may charge a fee not to exceed twenty dollars (\$20), which shall be used by the board to enforce provisions of the Labor Code related to electrician certification.

(l) The application fee for priority processing of applications for licensure shall not be more than XX dollars (\$XX). Approved expedited processing of applications for licensure, as required by other provisions of law, shall not be subject to this paragraph.

(Amended by Stats. 2010, Ch. 698, Sec. 36. Effective January 1, 2011.)

## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS**

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**Subject:** Fees -- Officer/ Personnel Change Fee; Additional Classification and Replacing the Qualifier Application Fee; Application Priority Processing Fee

**Relevant Provisions:** Business and Professions Code section 7137

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**Summary:**

Existing law establishes fees for applications, examinations, and related activities.

This proposal would establish a fee to process officer/personnel changes, raise the fee for additional classifications and replacing the qualifier, and establish a fee for processing priority applications.

**Staff Comments:**

CSLB's Licensing division has identified new workload related to processing applications for personnel changes, as well as the increased number of applications to add a classification and to replace a qualifier. In addition, while a process exists for applicants to request expedited application processing, there is no charge to do so. The division is currently reviewing workload and staff time dedicated to this work to determine the appropriate fees for each of these activities; this proposal will then be updated accordingly.

**Date:** October 16, 2014

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# **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

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**SUBJECT:** Home Improvement Salesperson Registration

**PROBLEM/SUMMARY:**

A home improvement salesperson (HIS) is an individual employed by a home improvement contractor licensed by the Contractors State License Board (CSLB) to solicit, sell, negotiate, or execute contracts for home improvements. Existing law requires that a HIS apply for and be separately registered for each contractor for which he or she works.

This proposal would eliminate the requirement that a HIS separately register to work for each contractor and, instead, allow a properly registered HIS to utilize his or her registration with one or more licensed contractors.

The licensed contractor would be required to notify CSLB about the pending employment of any registered HIS, including the registration number, prior to the HIS beginning work.

**PROPOSED LANGUAGE:**

To be developed.

## AGENDA ITEM I

# Licensing Committee Report



## AGENDA ITEM I-1

# Licensing Program Update





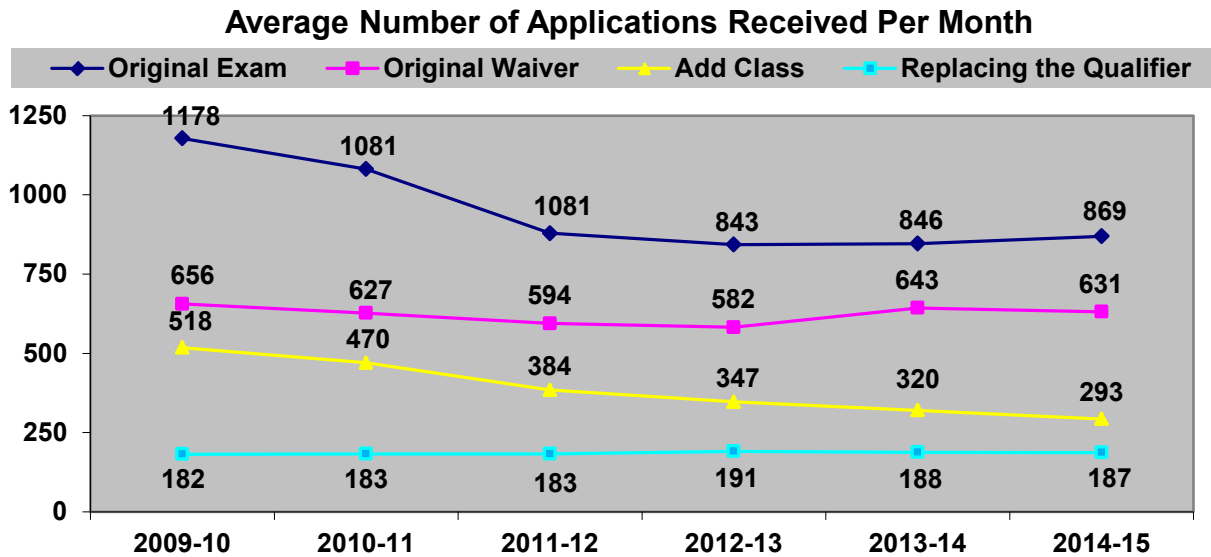
# CONTRACTORS STATE LICENSE BOARD

## LICENSING PROGRAM UPDATE

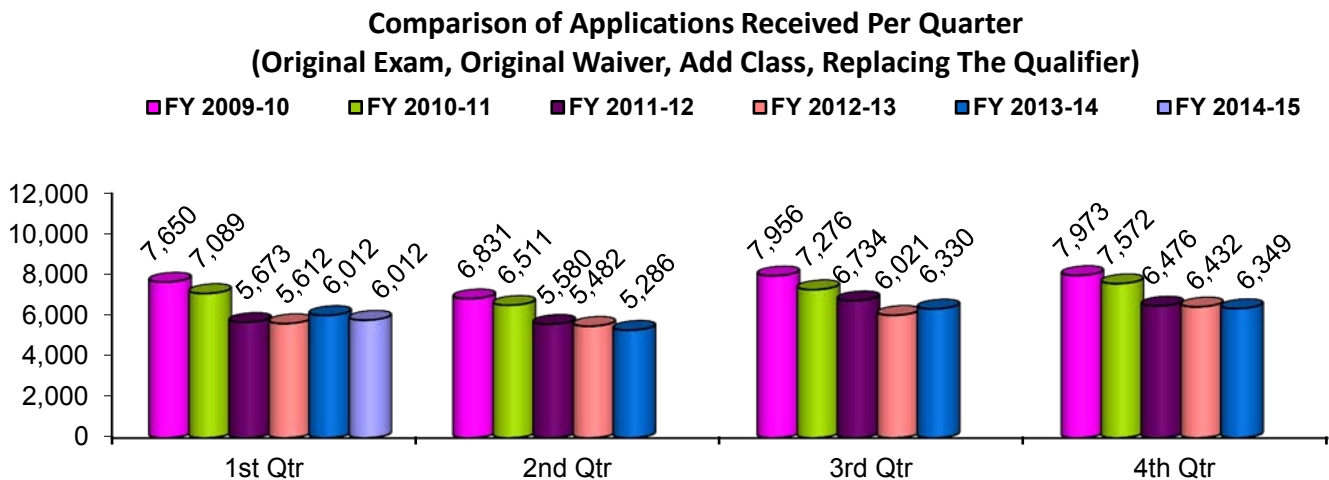
### LICENSE APPLICATION WORKLOAD

The number of applications CSLB received in fiscal year (FY) 2013-14 trended upward 2 percent from the previous year, reversing the decline in recent years because of the economic recession and housing downturn.

The following chart provides the average number of applications received per month:



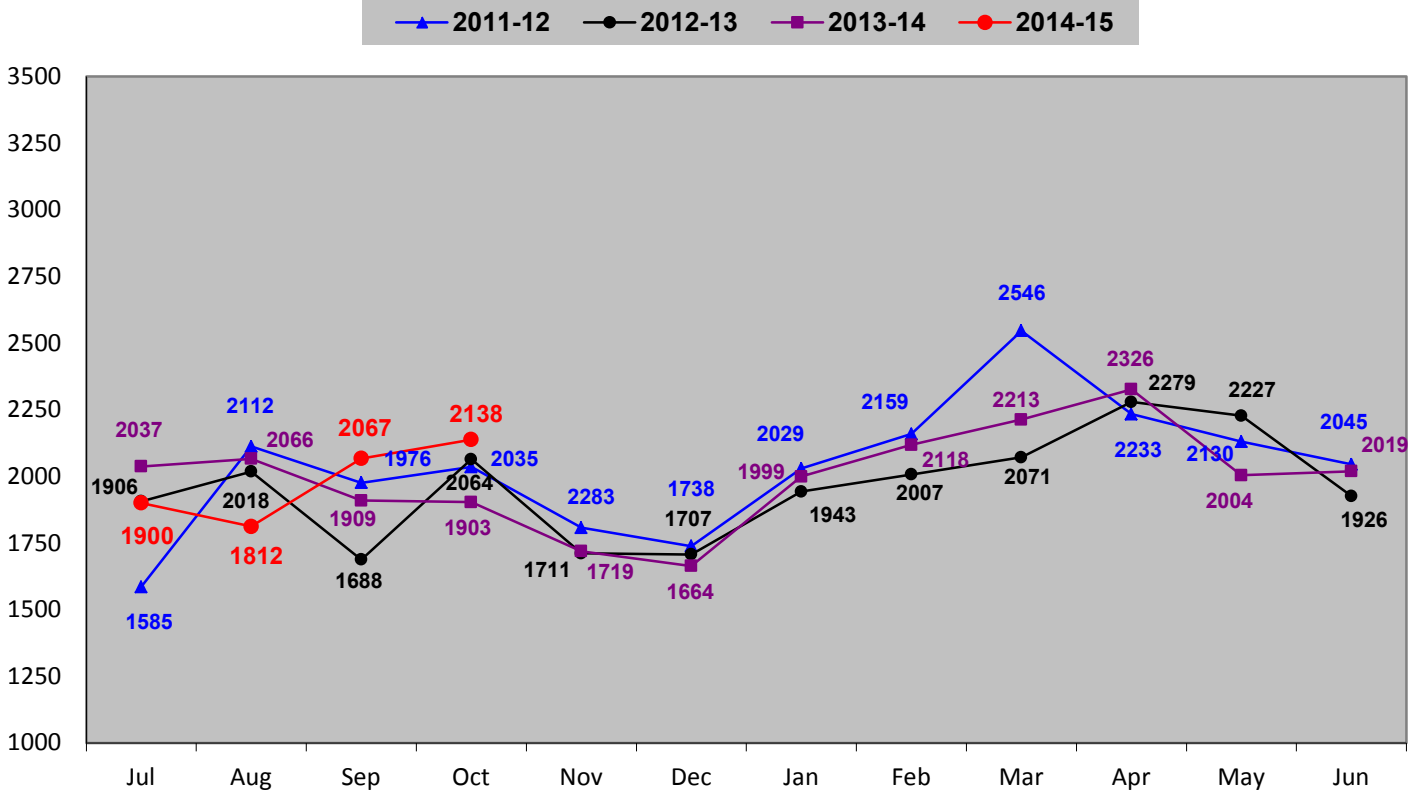
The total number of applications received by fiscal year quarter is shown below:



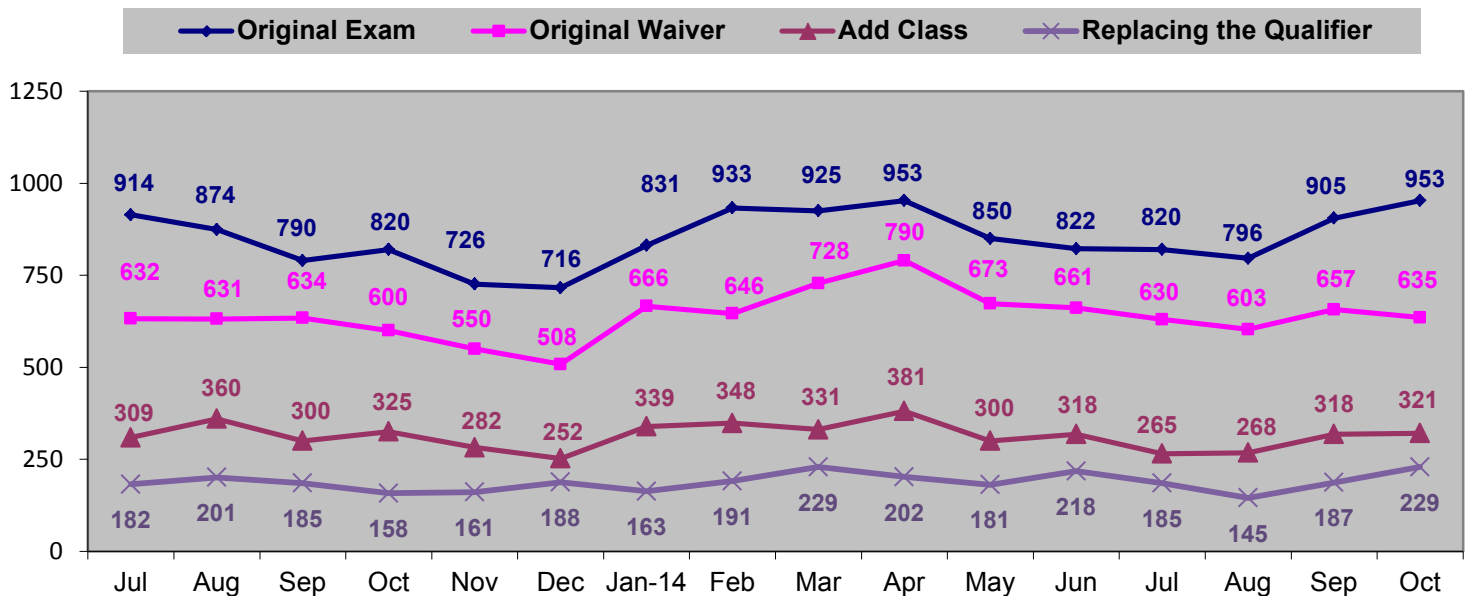
**Increase of 2 percent for total applications received for 2013-14 compared with 2012-13**



**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.

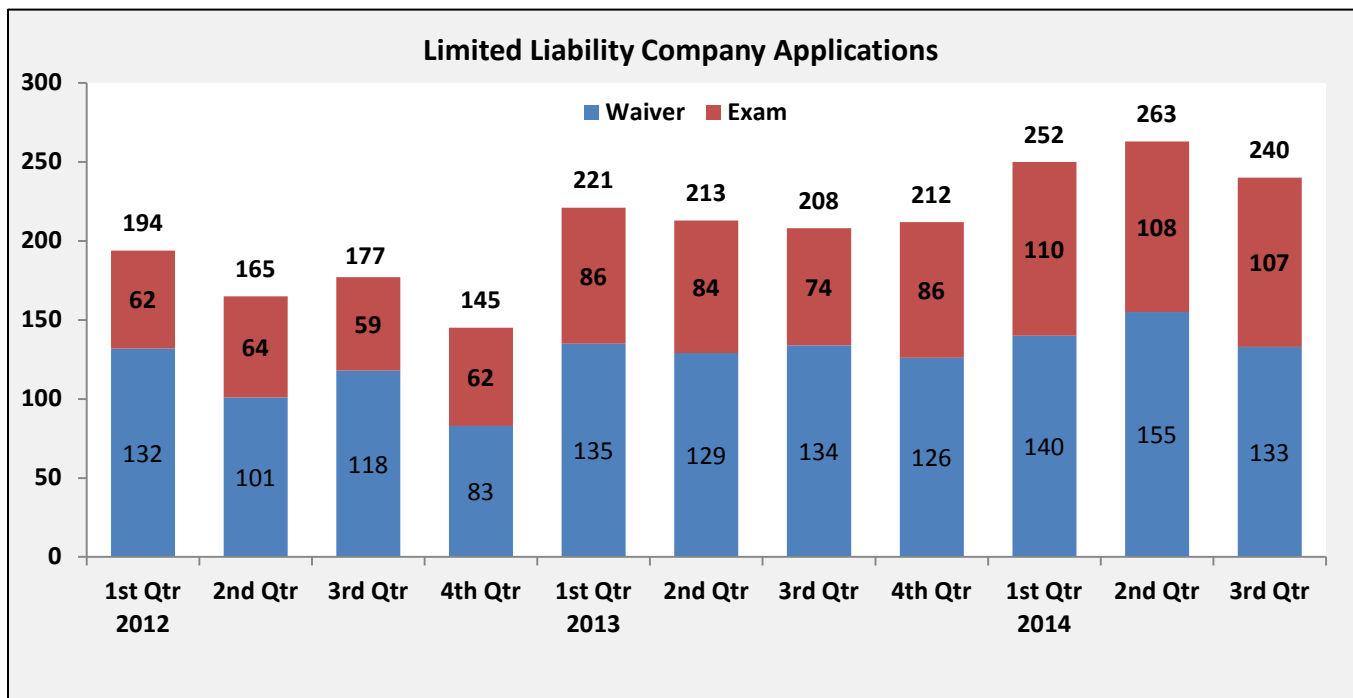
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” With this law, the Legislature intended to also apply this doctrine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

Since case law has not yet established this principle in California, applicants must secure an additional \$100,000 bond for the benefit of workers relative to payment of wages and fringe benefits. 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.

Number of LLC applications received quarterly since January 2012:





**LLC Application (Waivers and Exams Combined)  
Quarterly Processing Data**

Received	194	165	172	132	663	223	204	208	212	847	250	263	240
Rejected	113	99	129	86	427	134	133	134	126	527	156	152	136
Issued Upon Receipt	5	10	7	5	27	16	8	9	2	35	16	12	13
Processed	70	53	33	38	194	72	56	57	79	264	72	91	88
Void or Withdrawn	6	3	3	3	15	1	7	8	5	21	6	8	3
Not Yet Processed	0	0	0	0	0	0	0	0	0	0	0	0	0
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.	Yr. End Total	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.	Yr. End Total	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
Year	2012					2013					2014		

**Most Common Reasons for Rejection:**

1. Personnel listed on application does not 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 2,263 original LLC applications received through September 30, 2014, CSLB issued 750 limited liability company contractor licenses. 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 to process the LLC application and provides staff with the total number and names of LLC personnel, which is crucial in determining the appropriate liability insurance requirement (between \$1 million and \$5 million) for the LLC.

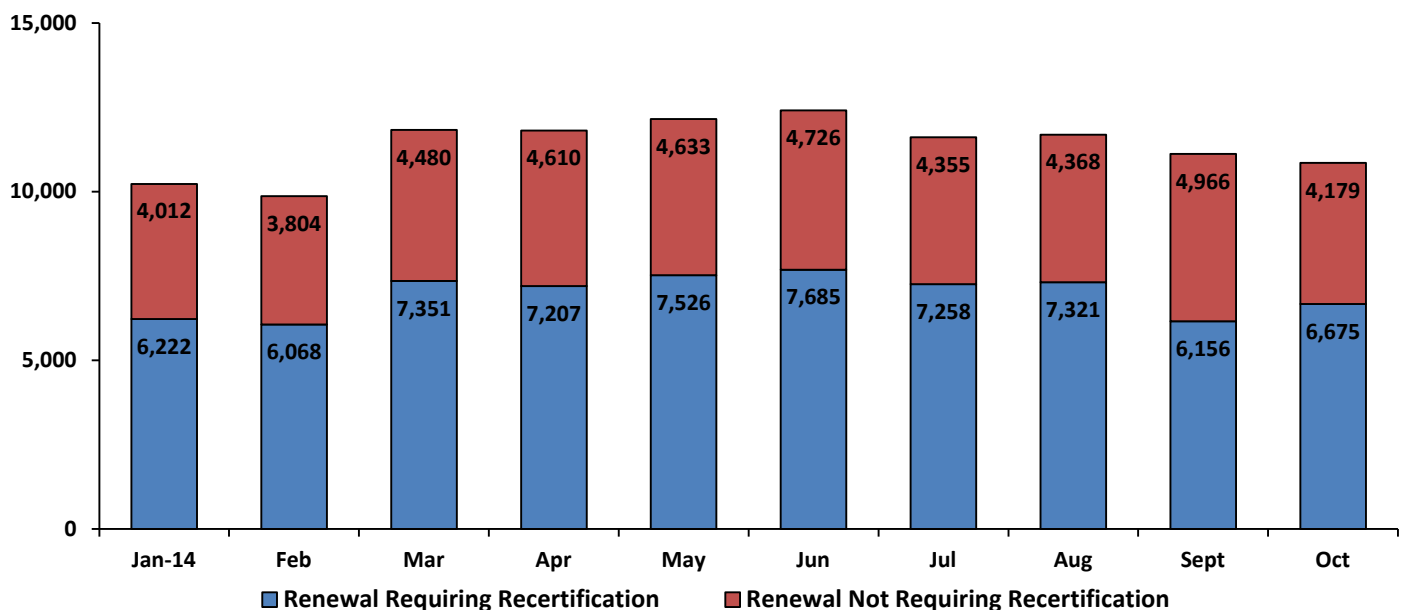


## **WORKERS' COMPENSATION RECERTIFICATION**

Business and Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. Licensing implemented the requirements of the new law in January 2013, effective for licenses expiring March 31, 2013. This law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.

The following chart provides a breakdown of the number of renewal applications mailed each month in 2014 that required 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**

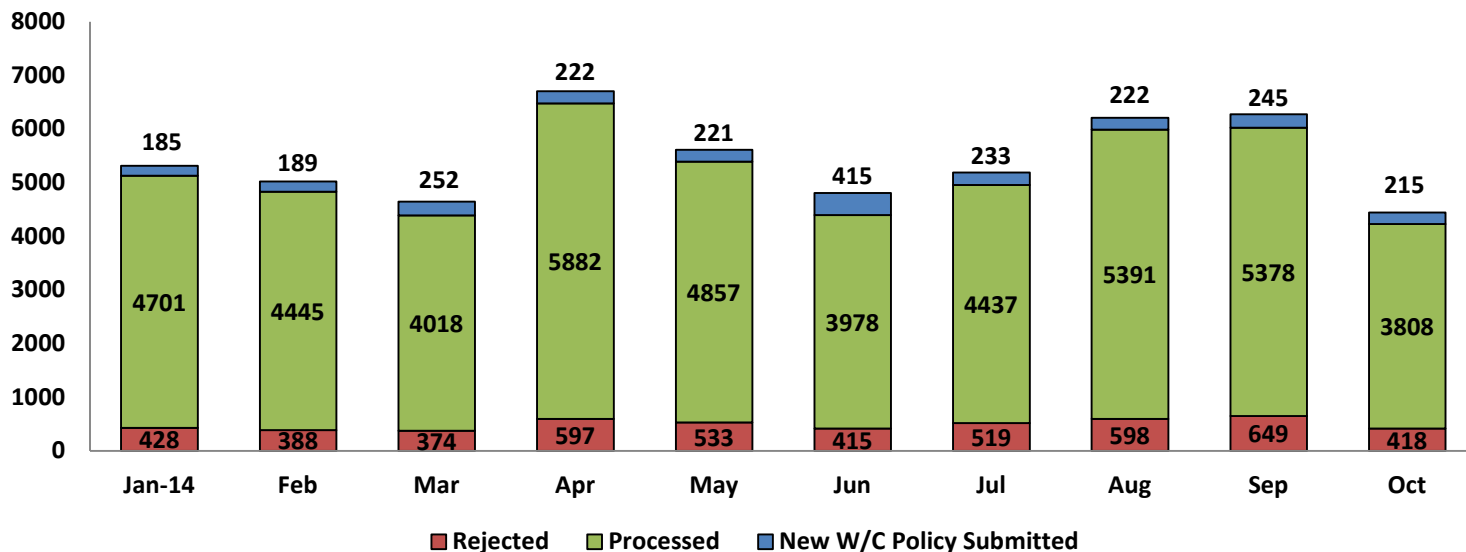


*\*Represents month of mailing, not month of license expiration*



The chart below indicates the number of renewal applications processed each month of calendar year 2014, to date, that required workers' compensation recertification. Included is the number of new workers' compensation policy certificates received and placed on record during renewal recertification.

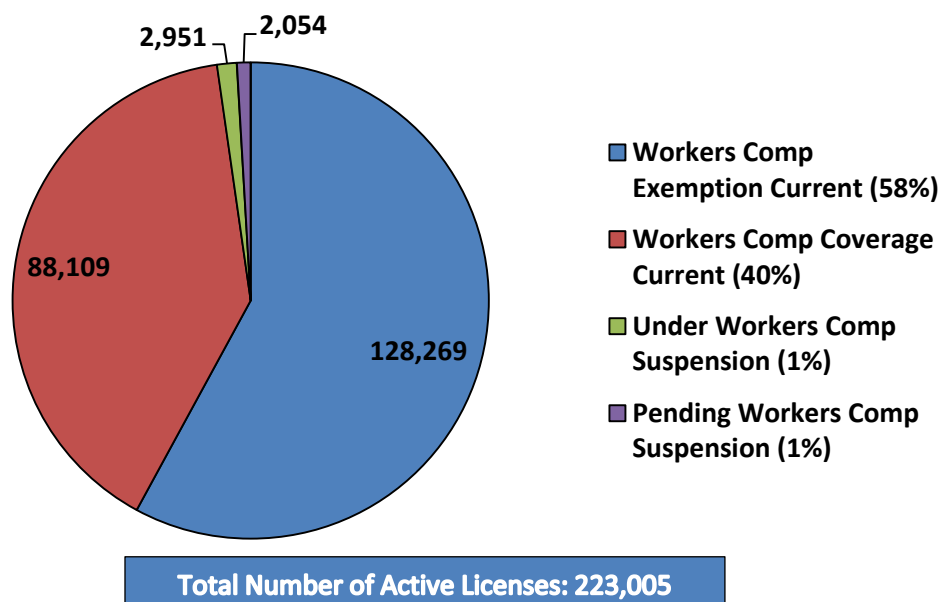
**BPC Section 7125.5 Renewal Of License  
Recertification of Exemption for Workers' Compensation Insurance**



*Data obtained from L742-Renewal Notice Summary; as of 8-1-2013, data obtained from L743-Renewal Statistics Report*

This chart provides a snapshot of workers compensation coverage for active licenses.

**Workers' Comp Coverage for  
Active Licenses - November 1, 2014**

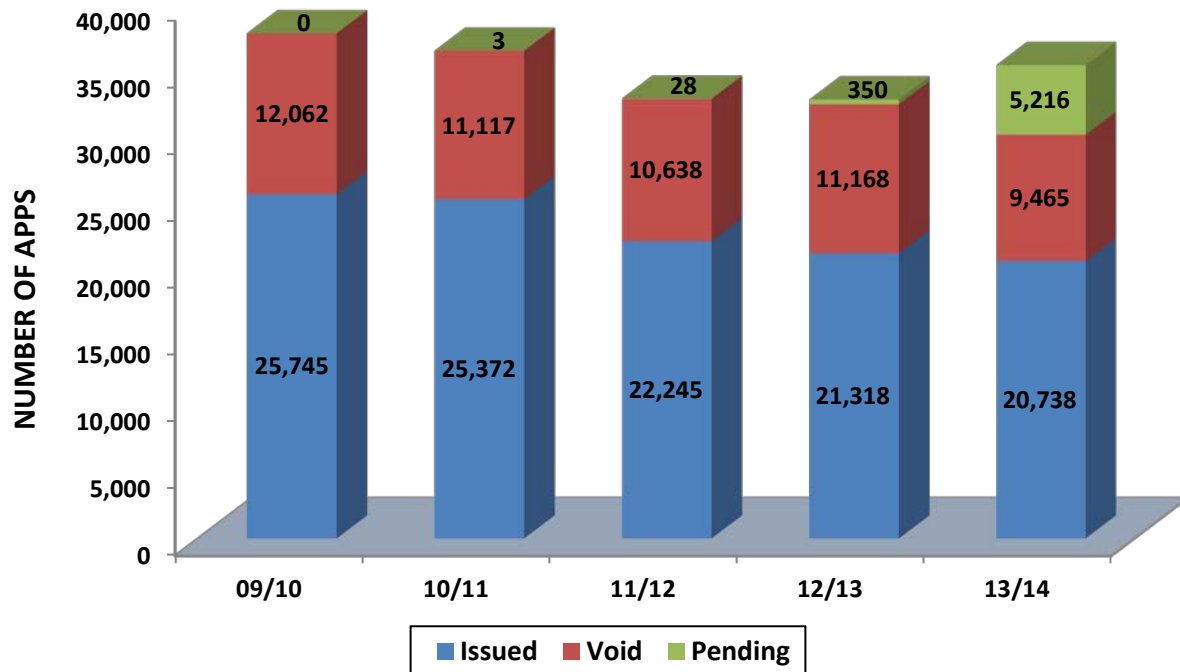




*Data obtained from Teale Program ACTLICWC*

### **Disposition of Applications by Fiscal Year Teale Report S724: Run Date 11-1-2014**

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



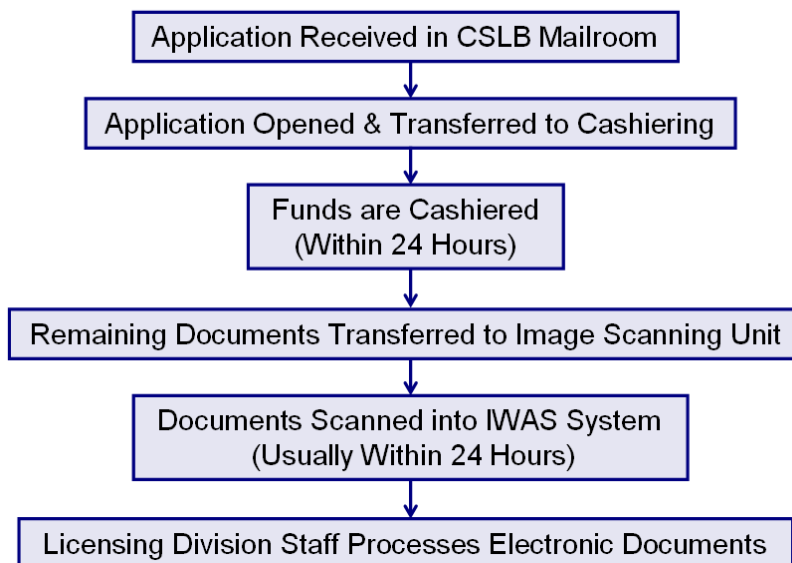
CSLB management continues to monitor processing times for the various licensing units on a weekly and monthly basis. The charts on pages 16-19 track the “weeks to process” for the application and license maintenance/transaction units.

The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

The time-to-process timelines for applications and renewals include an approximate two-day backlog that accounts for the required cashing and image-scanning tasks that must be completed before an application or document can be processed.



### **CSLB Application Processing Route**



Since FY 2008-09, Licensing has used a diminished amount of overtime, in contrast to previous years when overtime was a regular occurrence due to furloughs. Throughout schedule and staff level fluctuations, Licensing has maintained acceptable processing times.

### **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.

Criminal Background Unit (CBU) staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage to clear applicants who have minor, clearable convictions, provided that the applicant honestly disclosed that information 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 lists 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 received 307,333 transmittals from DOJ. These include clear codes and conviction information.



Of the applicants fingerprinted during that time, CBU staff received CORI for approximately 53,900 applicants, an indication that DOJ and/or the Federal Bureau of Investigation had a criminal conviction(s) on record for that individual.

As a result of CORI files received through October 31, 2014, CBU denied 1,201 applications and issued 1,395 probationary licenses; 602 applicants appealed their denials.

Below is a breakdown of CBU statistics by fiscal year.

<b>CRIMINAL BACKGROUND UNIT STATISTICS</b>								
	FY 04-05 thru FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
DOJ Records Received	188,847	27,330	24,730	18,805	18,270	20,395	8,956	307,333
CORI RAPP Received	30,153	5,254	5,201	3,997	3,663	3,768	1,019	53,843
Denials	844	63	108	70	67	37	12	1,201
Appeals	406	29	62	39	36	23	7	602
Probationary Licenses Issued	622	203	243	146	71	76	34	1,395

### **APPLICATION VERIFICATION UNIT**

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants' claims of work experience. Until 2005, application experience investigations were performed by the Licensing division. However, in early 2005, when the fingerprinting requirements were implemented, Licensing requested that the application experience investigation workload be transferred to the Enforcement division. This enabled Licensing staff, who had previously conducted application experience investigations, to review criminal histories. But, as of June 1, 2014, Licensing has reassumed the formal application investigation process. Licensing will continue to follow the same procedures as Enforcement.

In January 2013, in order to streamline the application process, as well as to reduce the time and expense of formal investigations, Licensing combined the work experience verification process with the standard application review. The goal of the program is to assist qualified applicants in becoming licensed and to ensure that all licensed contractors meet minimum qualifications. While this process is not a formal investigation, it is intended to verify the work experience claimed by the applicant. Applicants are provided with a number of options for verifying their experience. In instances when CSLB is unable to confirm the experience, three options are offered to the applicant:



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

In December 2013, CSLB conducted a seminar for contractor schools to review the experience verification process so they could better assist clients provide the necessary verification information to become licensed.

Also, in June 2014, application processing staff underwent training on procedures to verify experience. Following the training, about 40 percent fewer applications were referred for formal investigation compared with the previous quarter.

Licensing will continue to track the number of applications reviewed, as well as those verified or denied, and report back to the committee and the Board.

## **LICENSING INFORMATION CENTER (LIC)**

### **LIC Workload**

LIC (call center) staff has continued to exceed Board goals. To date, for fiscal year 2014-2015, call center agents answer approximately 13,500 calls per month. Call wait times averaged only 1:48, with 95 percent of all incoming calls answered. The average length of each call was 3:45.

These improved statistics can be attributed to staffing levels and training. Employees hired in 2013 continue to benefit from comprehensive training and are becoming more seasoned each day.

### **Staffing Update**

Three new Program Technician IIs were hired effective September 1, 2014, and are now shadowing veteran LIC agents, listening and observing in preparation for taking live calls. The Call Center is now fully staffed, with 13 full-time Program Technician II's and two Retired Annuitants.

### **Increased Training**

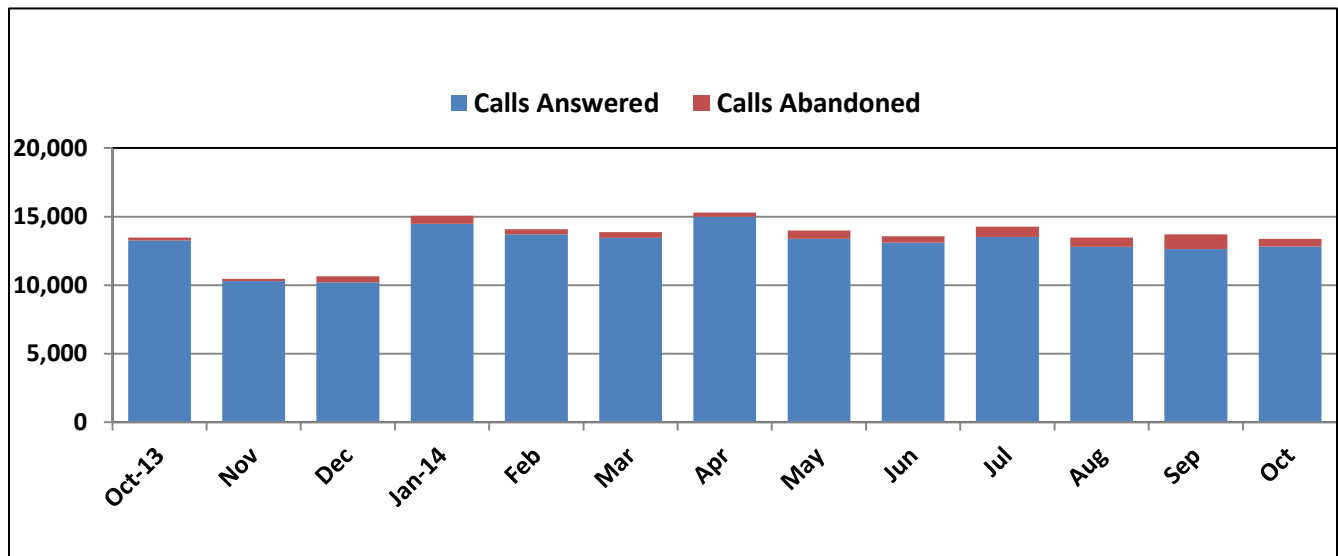
LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC also plans to schedule bi-monthly classification training with the CSLB Classification Deputy, as well as cross-training with other Licensing units. The LIC SSA continues to prepare for the next Board orientation for new employees. The orientation, when scheduled, will be webcast via CSLB's intranet for staff in Southern California offices.





**LICENSING INFORMATION CENTER CALL DATA**

	Oct '13	Nov	Dec	Jan '14	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Calls Received</b>	13,480	10,466	10,652	14,484	13,699	13,868	15,289	13,997	13,566	14,271	13,467	13,759	13,397
<b>Calls Answered</b>	13,264	10,304	10,204	13,919	13,325	13,456	14,983	13,370	13,100	13,521	12,805	12,637	12,809
<b>Calls Abandoned</b>	216	162	445	564	373	412	305	626	466	747	657	1067	567
<b>Longest Wait Time</b>	4:37	2:30	10:04	10:46	4:46	4:39	5:48	8:37	5:49	10:50	13:35	10:10	7:52
<b>Shortest Wait Time</b>	0:17	0:18	0:11	0:27	0:26	0:17	0:18	0:27	:26	0:30	0:39	1:18	0:28
<b>Average Wait Time</b>	0:57	1:06	2:34	2:37	1:50	2:10	1:23	1:44	2:28	4:36	4:35	4:53	4:48



**JUDGMENT UNIT**

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

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 the timeframe to comply, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

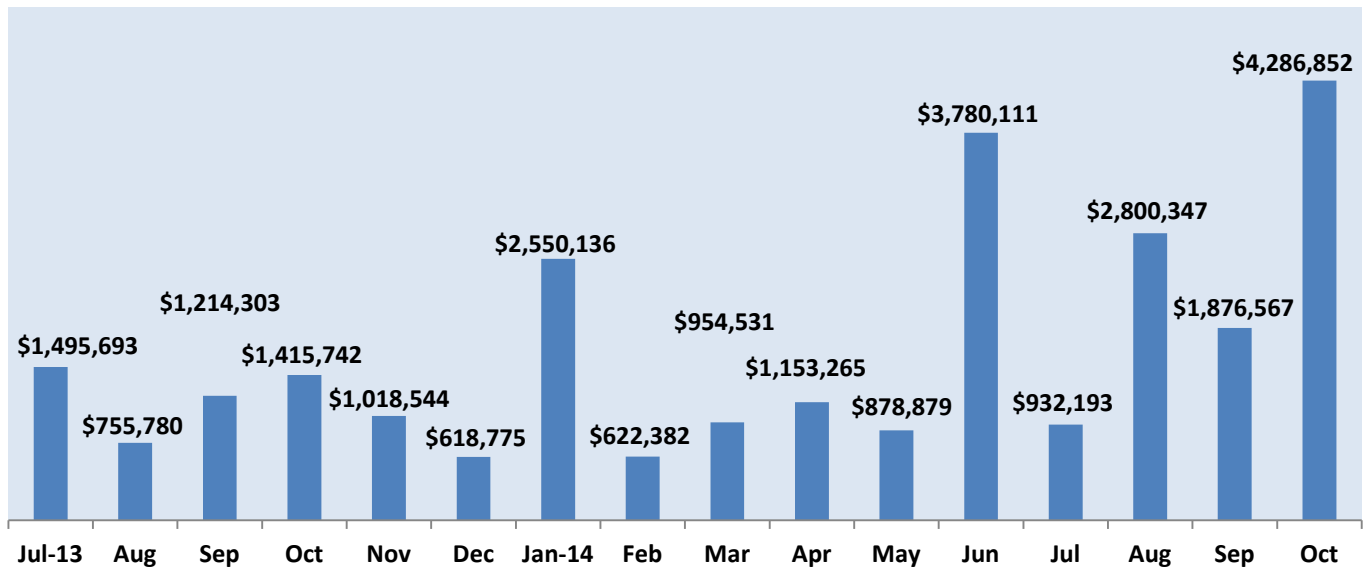
If the licensee fails to comply within the allotted timeframe, the license is suspended and a notice of suspension is sent to the contractor. Upon compliance, a reinstatement letter is sent to the licensee.



### Outstanding Liabilities

Letter Type Sent	Jul 2013	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Initial	80	51	34	41	67	39	75	80	42	82	54	41	91	24	86	89
Suspend	65	54	68	44	20	40	64	30	40	97	37	66	41	31	72	22
Reinstate	27	35	45	37	28	29	47	29	40	42	33	60	36	31	61	83

### Savings to the Public

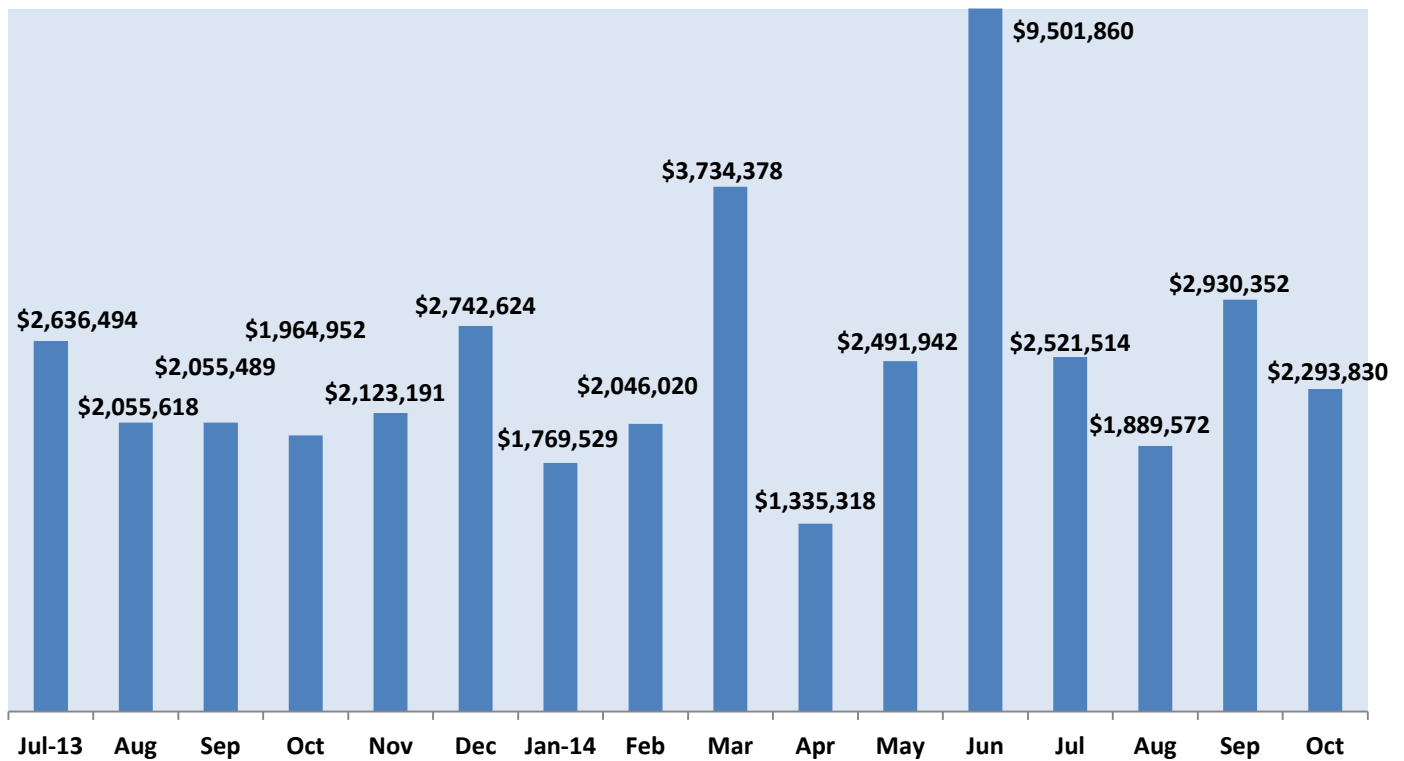




**Judgments**

Letter Type Sent	Jul 2013	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Initial</b>	143	147	146	160	131	128	159	149	199	213	151	220	184	191	183	192
<b>Suspend</b>	69	57	53	51	47	57	48	56	52	54	33	72	86	57	117	95
<b>Reinstate</b>	120	130	132	138	108	122	108	115	137	128	118	118	118	109	123	117

**Savings to the Public**

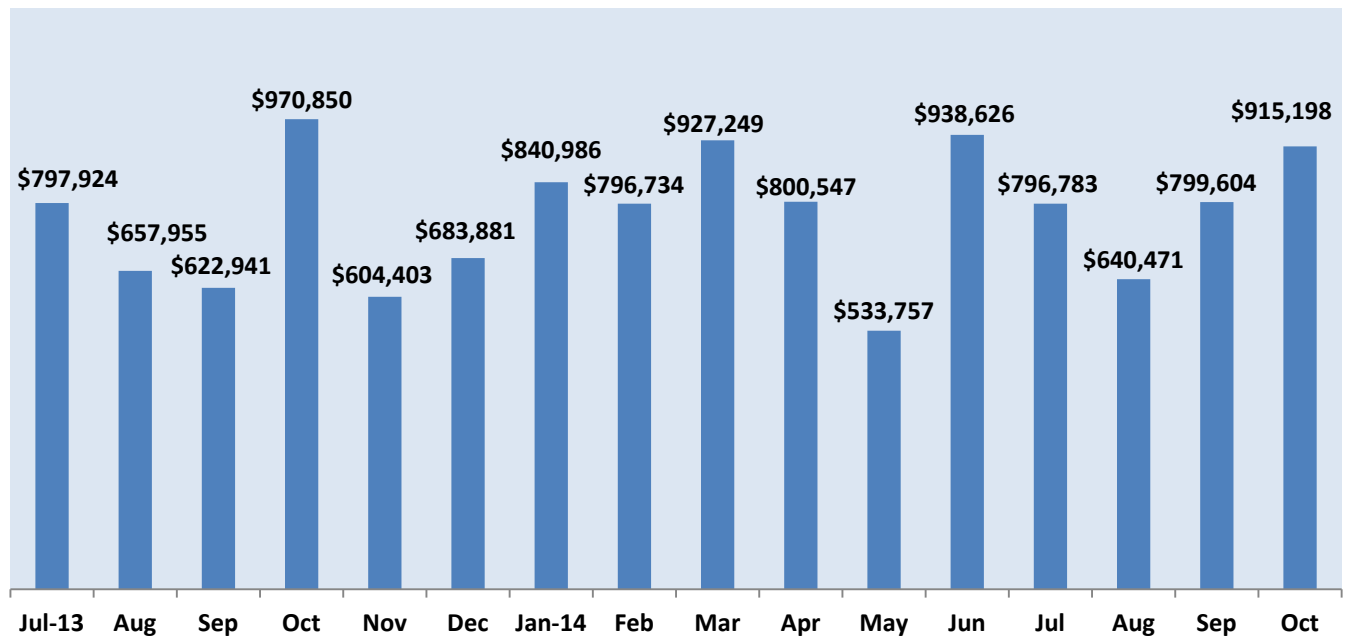




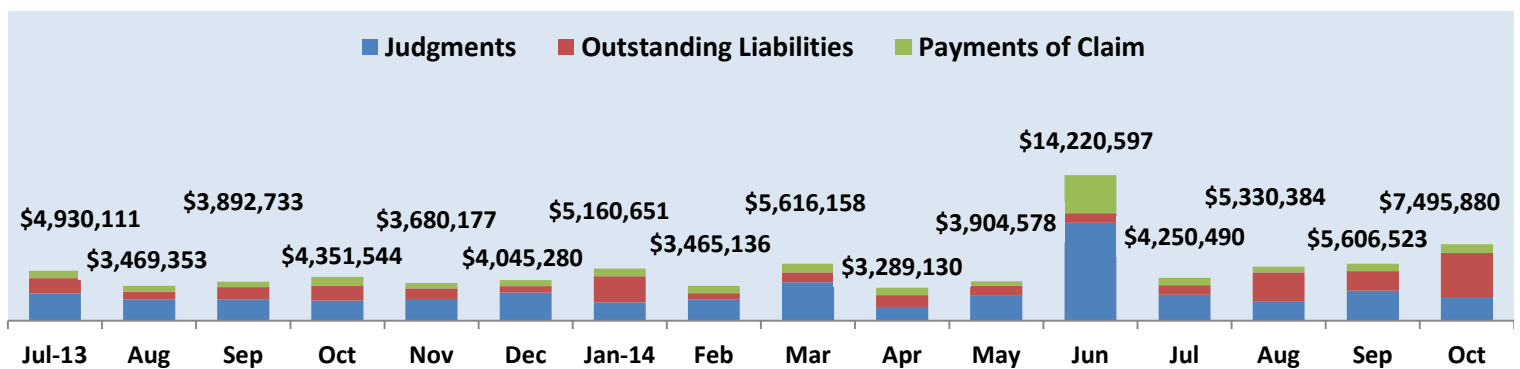
### Bond Payment of Claims

Letter Type Sent	Jul 2013	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Initial	160	142	102	315	184	139	157	122	201	150	56	323	183	124	219	271
Suspend	180	88	89	68	68	51	173	106	41	60	62	98	57	8	187	86
Reinstate	133	124	111	154	118	128	154	135	144	133	90	176	147	118	140	155

### Savings to the Public



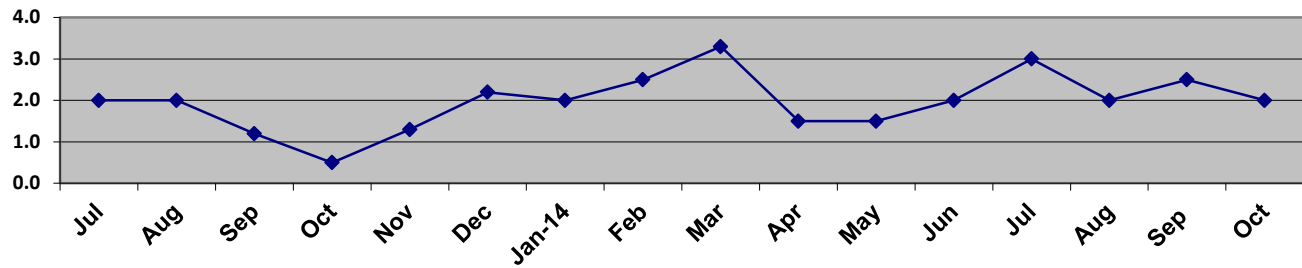
### Total Savings to the Public



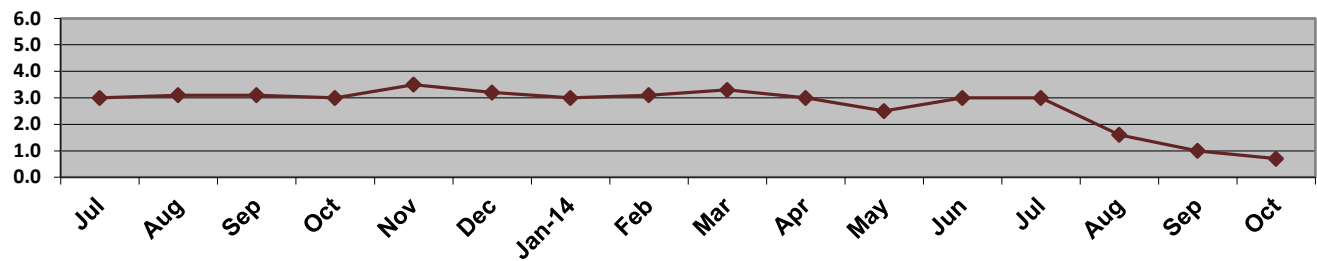


## Number of Weeks Before Being Pulled for Processing

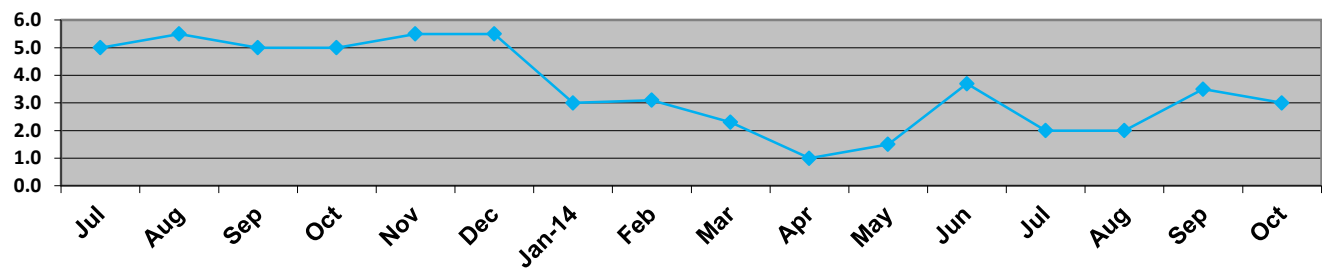
### Application for Original License - Exam



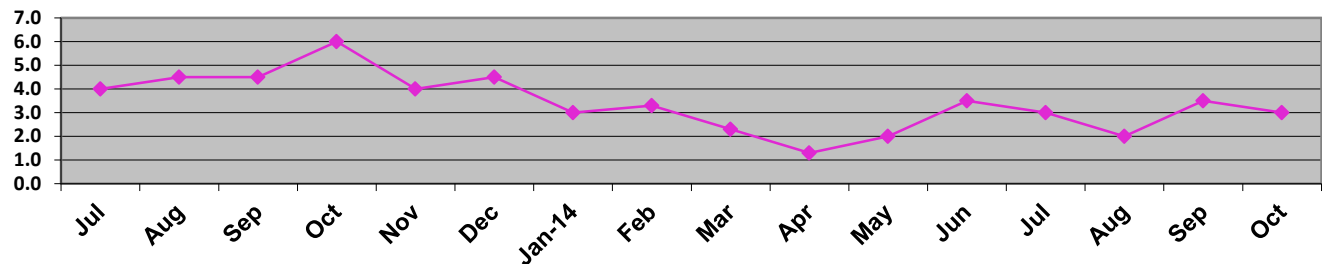
### Application for Original License - Waiver



### Application for Additional Classification



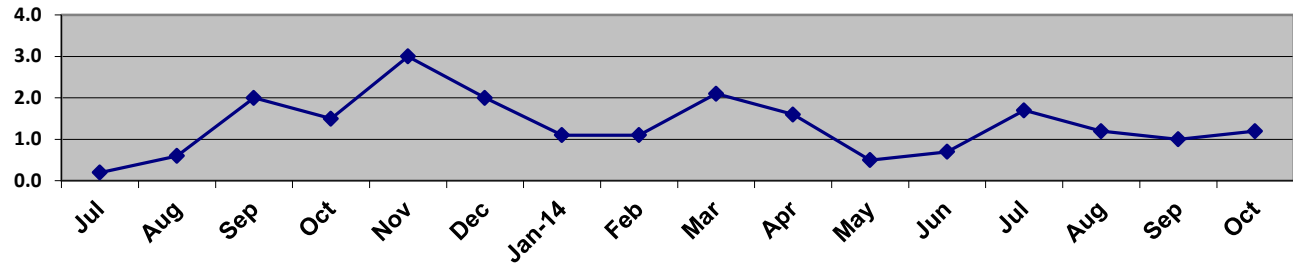
### Application to Replace the Qualifier



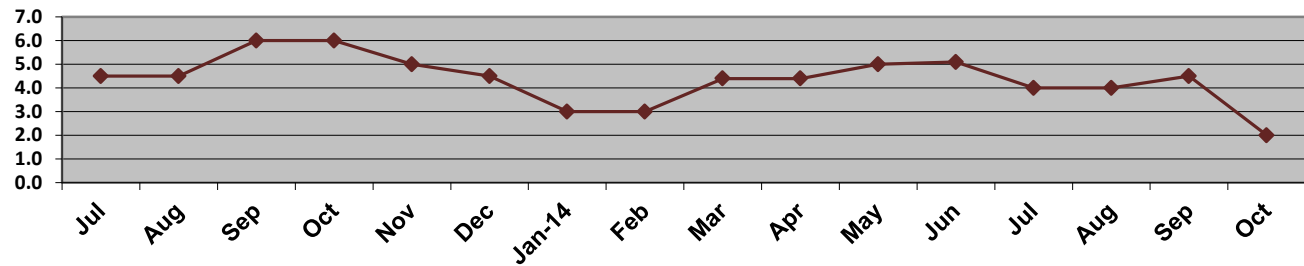


## Number of Weeks Before Being Pulled for Processing

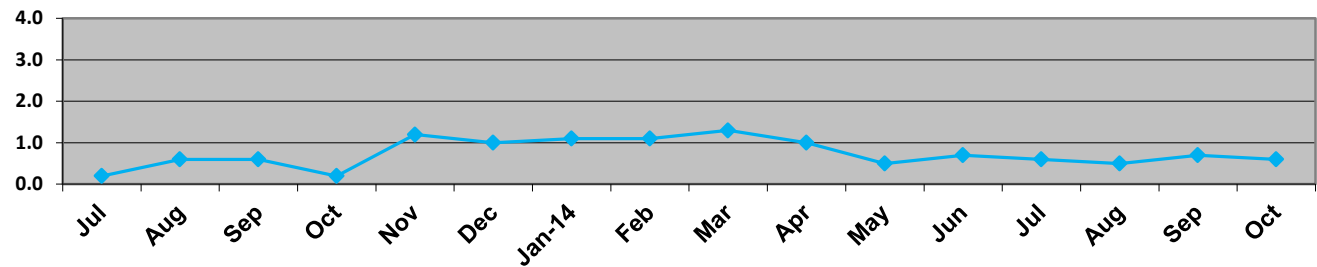
### Application for Renewal



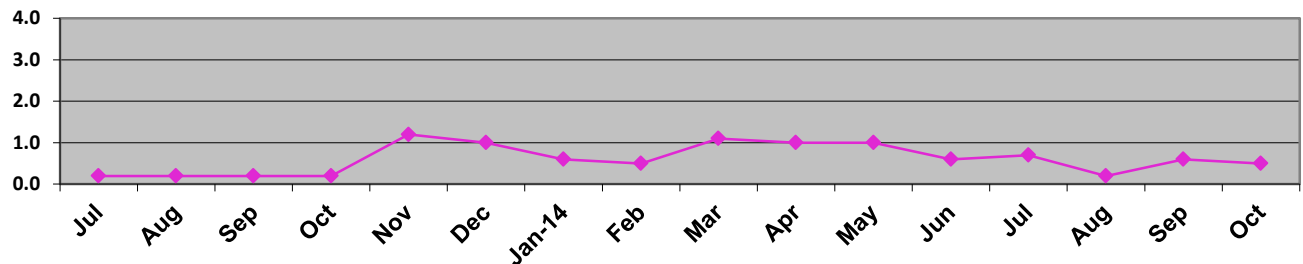
### Home Improvement Salesperson (HIS) Application



### Application to Add New Officer



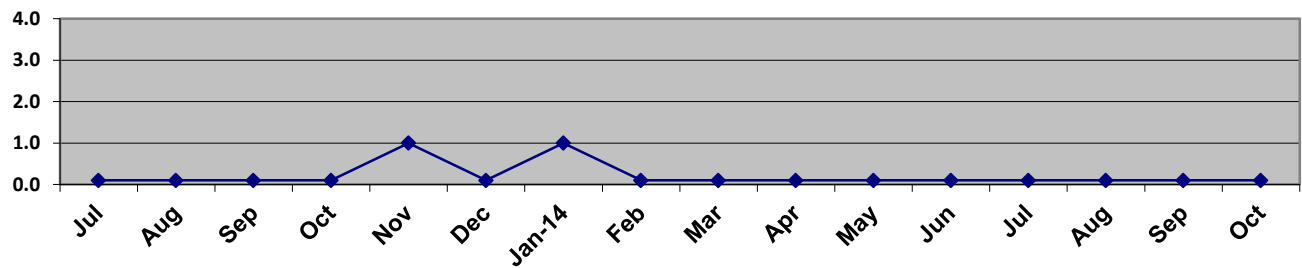
### Application to Change Business Name or Address



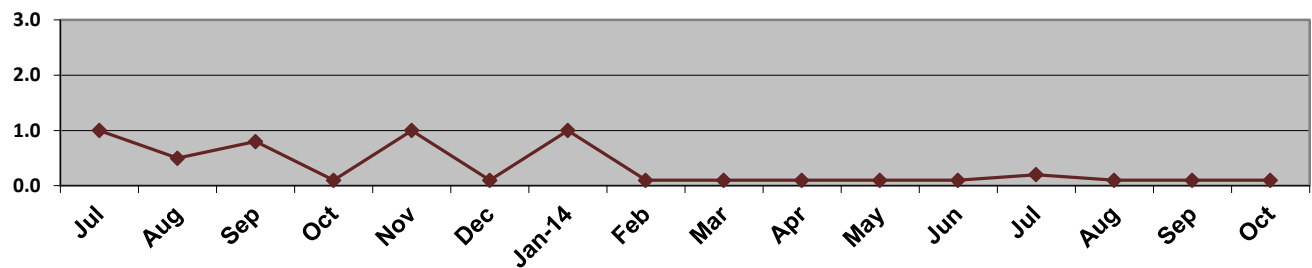


## Number of Weeks Before Being Pulled for Processing

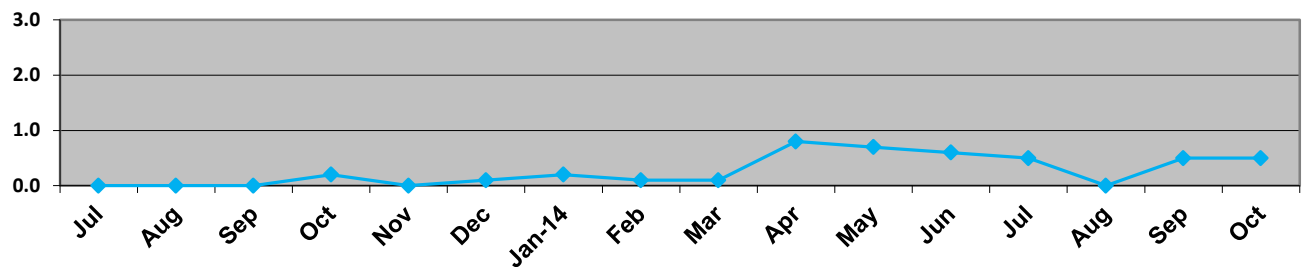
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond,  
Disciplinary Bond and Qualifier Exemptions



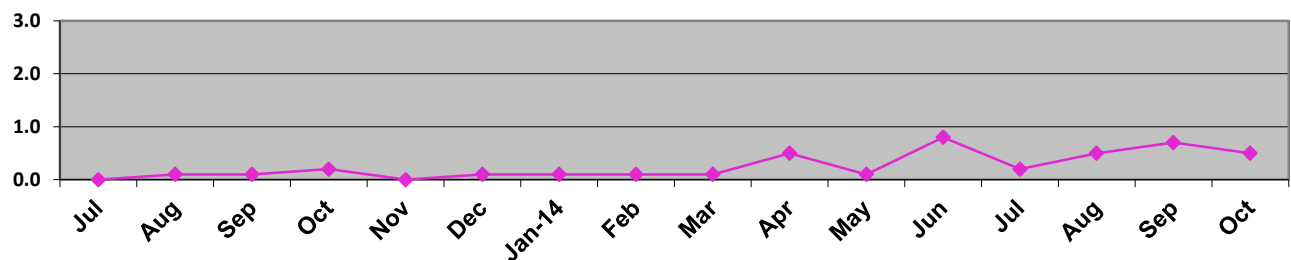
## Workers' Compensation Certificates and Exemptions



## Certified License History



## Request for Copies of Documents

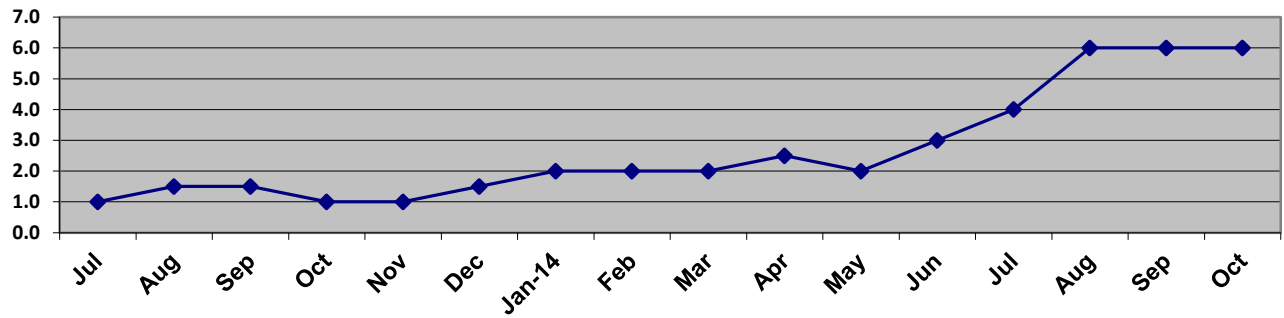






## Number of Weeks Before Being Pulled for Processing

### Criminal Background Unit – CORI Review



## AGENDA ITEM I-2

# Testing Program Update

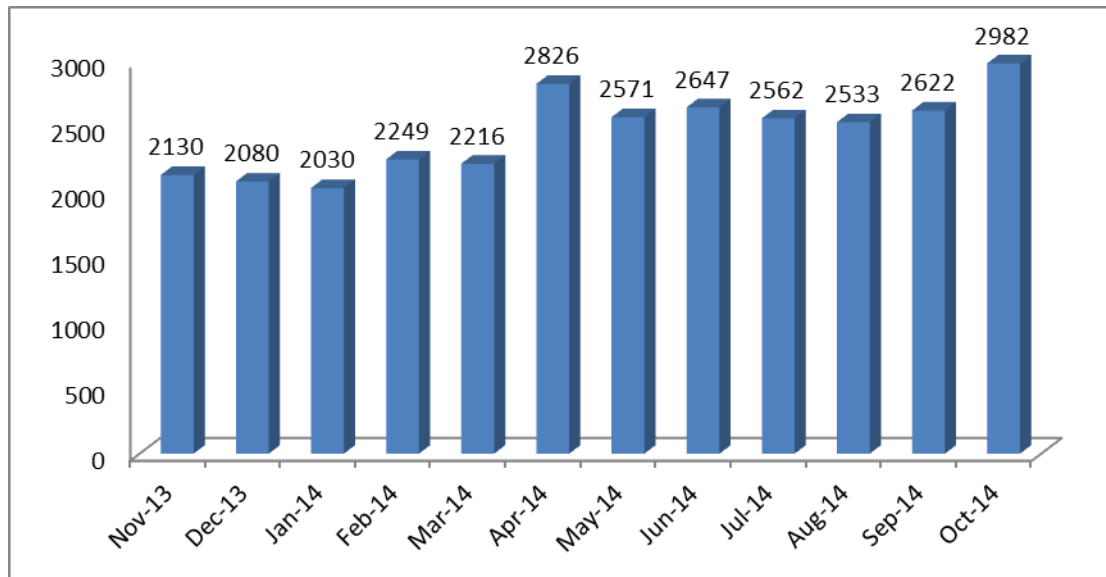




### EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 45 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response (IVR) messages received by CSLB that are related to testing.

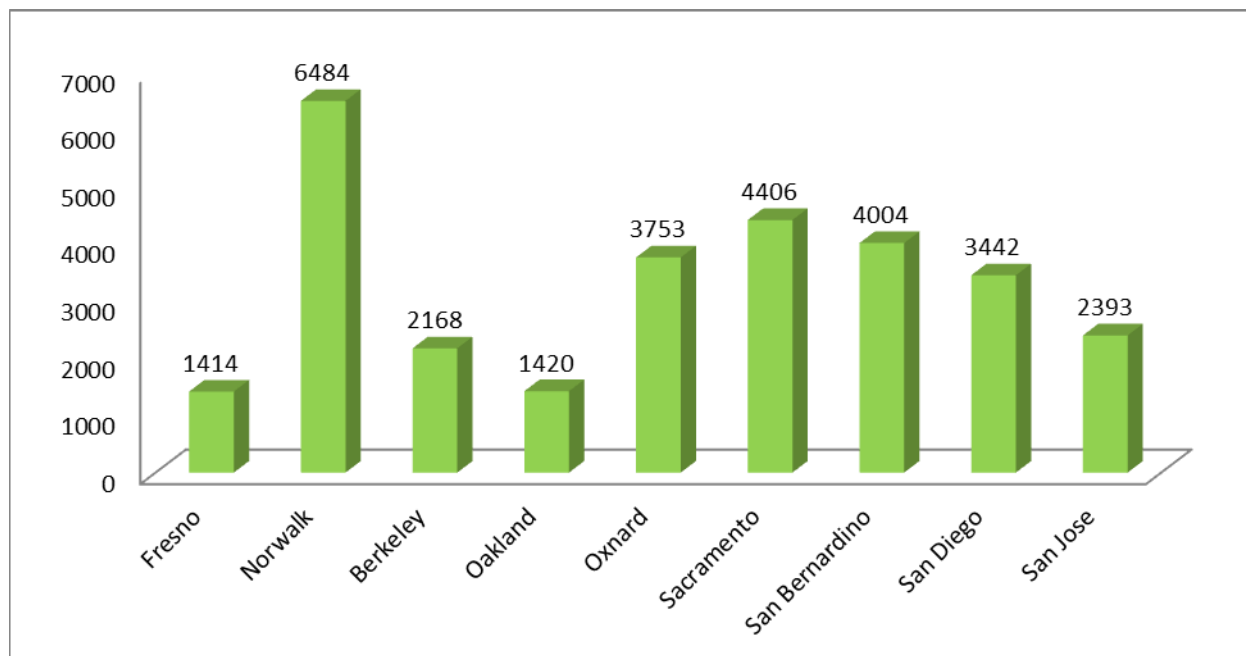
### Number of Examinations Scheduled November 2013 - October 2014



### Test Center Status

CSLB maintains test centers in the following locations:

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

**Number of Examinations Scheduled by Test Center  
November 2013 - October 2014**

(This table includes data for both Oakland and Berkeley; the Oakland Test Center was relocated to Berkeley in April 2014.)

**Examination Administration Staffing**

EAU is fully staffed.

EAU held its annual training event for all staff November 12-13, 2014, in Sacramento.

**EXAMINATION DEVELOPMENT UNIT (EDU)**

The Testing division's Examination Development Unit ensures 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**

Maintaining a licensure examination involves two ongoing phases: 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 cycle starts with interviews of active California licensees statewide. The EDU staff then conducts



two workshops with these Subject Matter Experts, as well as online surveys of job tasks and knowledge. Paper surveys are also used, when necessary, to ensure a sufficient sample size of representative licensees. The end product is a validation report that includes an examination outline, which serves as a blueprint for constructing an examination.

The examination development phase involves numerous workshops for reviewing and revising existing test questions, writing new test questions, and determining the passing score for examinations from that point forward.

EDU released two new examinations in November 2014: C-28 Lock and Security Equipment and C-35 Lathing and Plastering.

<b>Occupational Analyses in Progress</b>	<b>New Examinations in Progress</b>
C-9 Drywall	A General Engineering
C-29 Masonry	B General Building
C-31 Construction Zone Traffic Control	C-6 Cabinet, Millwork and Finish Carpentry
AS-C Asbestos Certification	C-10 Electrical
	C-11 Elevator
	C-15 Flooring and Floor Covering
	C-20 Warm-Air Heating, Ventilating and Air Conditioning
	C-23 Ornamental Metal
	C-36 Plumbing
	C-43 Sheet Metal
	C-51 Structural Steel

### **Examination Development Unit Staffing**

EDU has a Test Validation and Development Specialist II vacancy.

### **C-22 Asbestos Abatement Project**

Because of the new C-22 Asbestos Abatement license classification, EDU, with the help of Subject Matter Experts, is splitting the current Asbestos Abatement Certification examination into two parts. The result will be a C-22 Asbestos Abatement examination and an AS-C Asbestos Certification examination. Both examinations will be ready for use on January 1, 2015.

### **Ongoing Consumer Satisfaction Survey**

EDU conducts an ongoing survey of consumers whose complaint cases have been closed 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 that non-responsive consumers now receive an email reminder one month after the initial request is sent.

## **TESTING DIVISION**

### **Civil Service Examinations**

In addition to licensure examinations, EDU develops and EAU administers examinations for civil service classifications that are used by CSLB. The Enforcement Representative I examination was given on November 18, 2014 at five test centers. In October, for the first time, job analysis and examination development began for the Management Services Technician classification.

## AGENDA ITEM J

# Executive Committee Report



## AGENDA ITEM J-1

# Administration Update







### BUSINESS SERVICES

#### Facilities

**San Bernardino** – CSLB continues to work with the Department of General Services (DGS) to increase rental space, and is currently reviewing the plans and providing specifications for a new alarm system, new security system, and additional voice/data cabling.

**West Covina** – A pre-construction meeting was held November 19, 2014, to discuss plans to increase the office space in order to accommodate two additional employees.

**Norwalk** – DGS is currently negotiating with the property management company to renew the Norwalk field office lease.

**Sacramento Headquarters** – Three electric vehicle charging stations are being installed. The design and planning phase is underway to expand the Personnel office to house all Personnel staff within one enclosed office.

#### Contracts and Procurement

##### **Contracts in Process:**

- Translation services for testing centers;
- Collection agency to pursue monies owed by unlicensed contractors; and
- Chair cleaning services for two testing centers.

##### **Procurements in Process:**

- Thirty new surveillance cameras for the Enforcement division; delivery is expected late-November;
- New polo shirts for enforcement staff, pending completion of logo design; and
- Nine hundred “Consumer/Contractor” signs, in English and Spanish, to post at disaster areas that warn homeowners and contractors about the consequences of hiring unlicensed contractors.

##### **Executed Contracts/Procurement:**

- Twenty-seven sets of wireless audio surveillance equipment were delivered to the Northern Central, and Southern SWIFT units in October 2014, for which the vendor provided training to staff;
- One new copier, with a maintenance agreement, for the headquarters warehouse; and



- Twenty-two ergonomic chairs for headquarters Enforcement division conference rooms.

**Travel**

Beginning in December 2014, all State of California employees are required to book their travel, including air, rental car, and lodging reservations, through CalTravelStore. CSLB has implemented this transition and provided training to staff on the new system, meeting the State mandated timeframe.

**Fleet**

Two Ford Fusions were purchased and delivered in October 2014, for the Enforcement division's Sacramento Investigative Center North and Sacramento Investigative Center South.

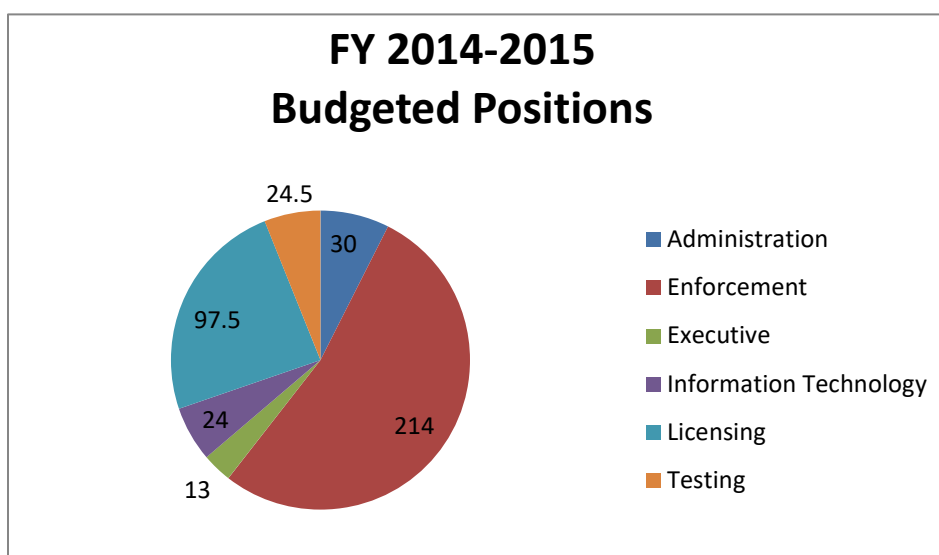
**Records Retention**

CSLB submitted to and received approval from the Secretary of State for the new records retention schedule, which will remain in effect until August 2019.



### **PERSONNEL UPDATE:**

During September and October 2014, Personnel staff worked diligently with the DCA Budget Office to reconcile its established positions and to account for each of the 403 budgeted positions without exceeding the authorized Personnel Years (PYs) for fiscal year 2014-2015. This is the first year that CSLB has reconciled all discrepancies with the State Controller's Office.



CSLB's 2014-2015 Strategic Plan included the development of a Peace Officer Special Investigations Unit (SIU) to ensure a smooth transition from the investigation of criminal activity, particularly elder abuse, to the overall investigation and enforcement processes related to criminal activity. Establishment of the SIU was approved in September 2014. CSLB conducted a statewide recruitment effort to hire the best candidate to supervise this new unit, and background clearances are currently underway.

### **Examinations**

In addition to CalHR, DCA/CSLB offers several examinations to assist staff advance their careers, including continuous examinations that are offered throughout the year and specific examination dates as outlined on the following page.



DIVISION	EXAM	STATUS
Enforcement	Consumer Services Representative	DCA Continuous Filing
	Enforcement Representative I, CSLB	Examination scheduled November 2014  Application Cut Off April 2015
	Enforcement Representative II, CSLB	Application Cut Off February 2015
	Enforcement Supervisor I/II	DCA Continuous Filing
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician III	CalHR
Testing	Test Validation and Development Specialist I	DCA Continuous Filing
	Test Validation and Development Specialist II	Tentative Exam Scheduled December 2014
	Personnel Selection Consultant I/II	Tentative Exam Scheduled December 2014/January 2015
All CSLB	Information Officer I (Sp)	CalHR
	Management Services Technician	App Cut Off Feb/Mar 2015
	Office Technician/Office Assistant	CalHR
	Program Technician Series	CalHR PTII - 12/10/14 self-scheduling 12/13/14 examination
		PTIII - 12/9/14 self-scheduling 12/13/14 examination
	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Analyst Transfer Exam	Tentative Schedule Feb/June/Sept/Dec
	Staff Services Manager Series	CalHR

**Position Changes**

Between September 23, 2014 and November 17, 2014, there were **six (6)** transfers within CSLB; **five (5)** transfers from other state departments; **nine (9)** new hires; **five (5) promotions**; and **two (2)** student hires.

**Vacant Positions**

As of November 17, 2014, there were **37** vacant positions, as follows:

DIVISION	AUTHORIZED Personnel Years	Budget Letter 12-03	VACANCIES
Administration	30	1	0
Enforcement	214	12	19
Executive	13	.5	2
Information Technology	24	0	6
Licensing	97.5	7	9
Testing	24.5	1	1

## AGENDA ITEM J-2

# Information Technology Update





### **BreEZe:**

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

Release Two Boards/Committees are currently in the design phase of the project. The Release Two Boards/Committees are:

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

The expected implementation of Release Two Boards is currently Fall 2015. CSLB staff continues to prepare for the Phase Three release by working with programs to document and map current “as is” business processes, conducting meetings with CSLB end users to verify mapping, and completing gap/fit analysis from the current system to BreEZe.

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

### **Interactive Voice Response (IVR) System**

CSLB’s IVR is an interactive, self-directed telephone system that provides valuable information to consumers, contractors, and others. It allows callers 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. The IVR provides consumers with information on how to file complaints, as well as how to become a licensed contractor. In addition, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. From August 2014 through October 2014, CSLB’s IVR handled a total of 97,316 calls, which is an average of 32,439 calls a month. The system is available 24 hours a day, seven days a week.

The IVR system offers dozens of possible menu options. Following is a representative sample of the top 20 IVR requests from June 2014 through August 2014.



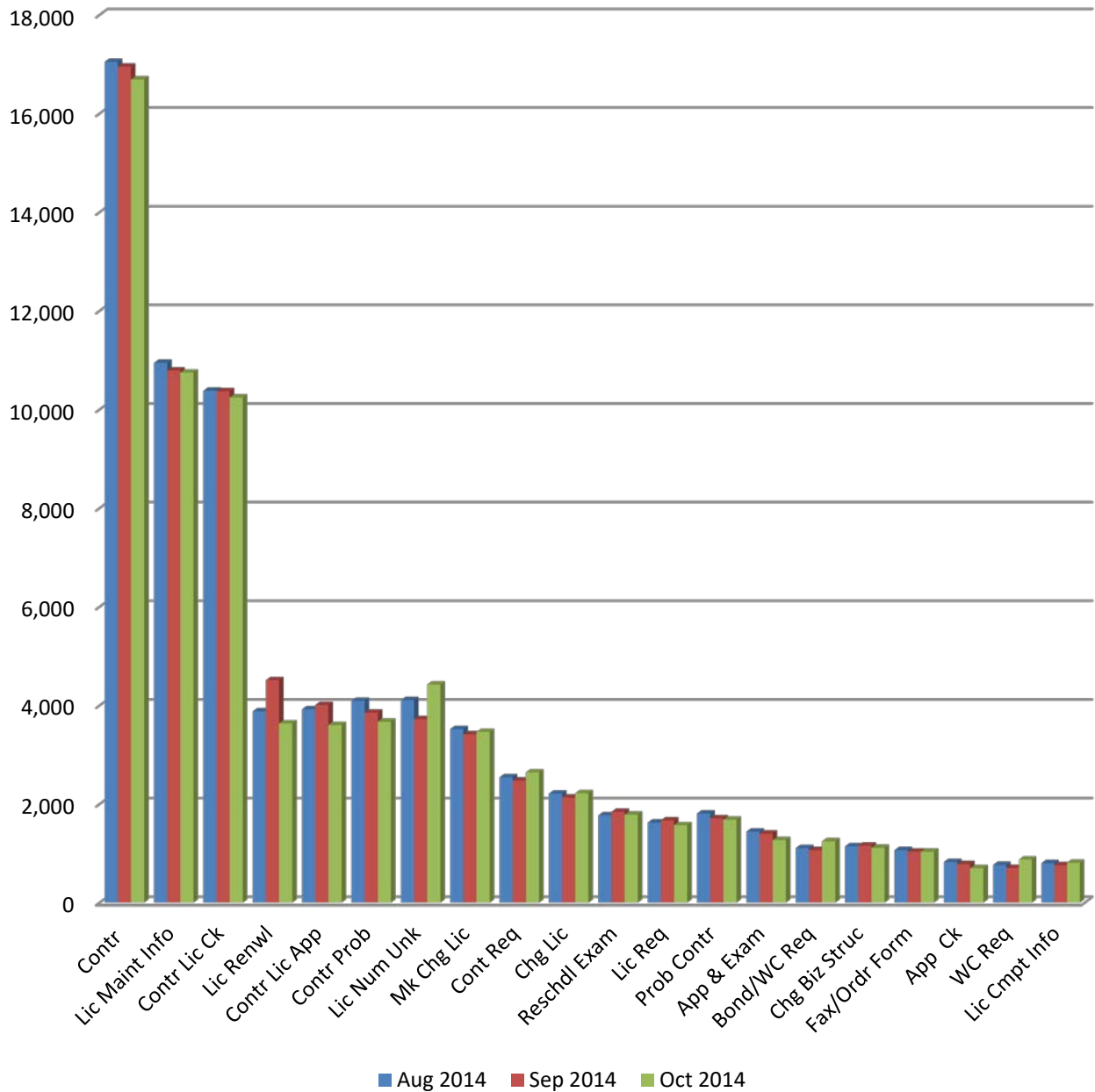
## Top 20 IVR Requests - Aug '14 - Oct '14

IVR Statistics		<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	Three Month Totals
IVR Calls Received		37,430	36,869	23017	97,316
Monthly Average					32,439
Top 20 IVR Requests	Abbreviation	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	Three Month Totals
Contractor or Want to Become Contractor	Contr	17,047	16,949	16,689	50,685
Info on Maintaining or Changing License	Lic Maint Info	10,944	10,788	10,747	32,479
Contractor's License Check	Contr Lic Ck	10,378	10,369	10,242	30,989
About License Renewal	Lic Renwl	3,879	4,511	3,633	12,023
Contractor License Application	Contr Lic App	3,922	4,008	3,601	11,531
Hire or Problem with Contractor	Contr Prob	4,093	3,854	3,669	11,616
License Number Not Known	Lic Num Unk	4,105	3,720	4,423	12,248
About Making Changes to License	Mk Chg Lic	3,520	3,414	3,462	10,396
About Continuing Requirements	Cont Req	2,542	2,475	2,643	7,660
For Changes to Existing Licenses	Chg Lic	2,211	2,131	2,220	6,562
Reschedule Exam Date	Reschdl Exam	1,770	1,842	1,785	5,397
License Requirements	Lic Req	1,623	1,668	1,570	4,861
Info on Problems with Contractor	Prob Contr	1,807	1,711	1,683	5,201
General Application & Examination Info	App & Exam	1,439	1,401	1,268	4,108
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,106	1,066	1,244	3,416
For Changing the Business Structure of an Existing	Chg Biz Struc	1,142	1,158	1,112	3,412
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	1,065	1,034	1,033	3,132
Application Status Check	App Ck	824	780	699	2,303
Info about Workers' Comp Requirements	WC Req	768	704	875	2,347
License Complaint Information	Lic Cmpt Info	800	760	810	2,370





### Top 20 IVR Requests - Aug'14 - Oct'14



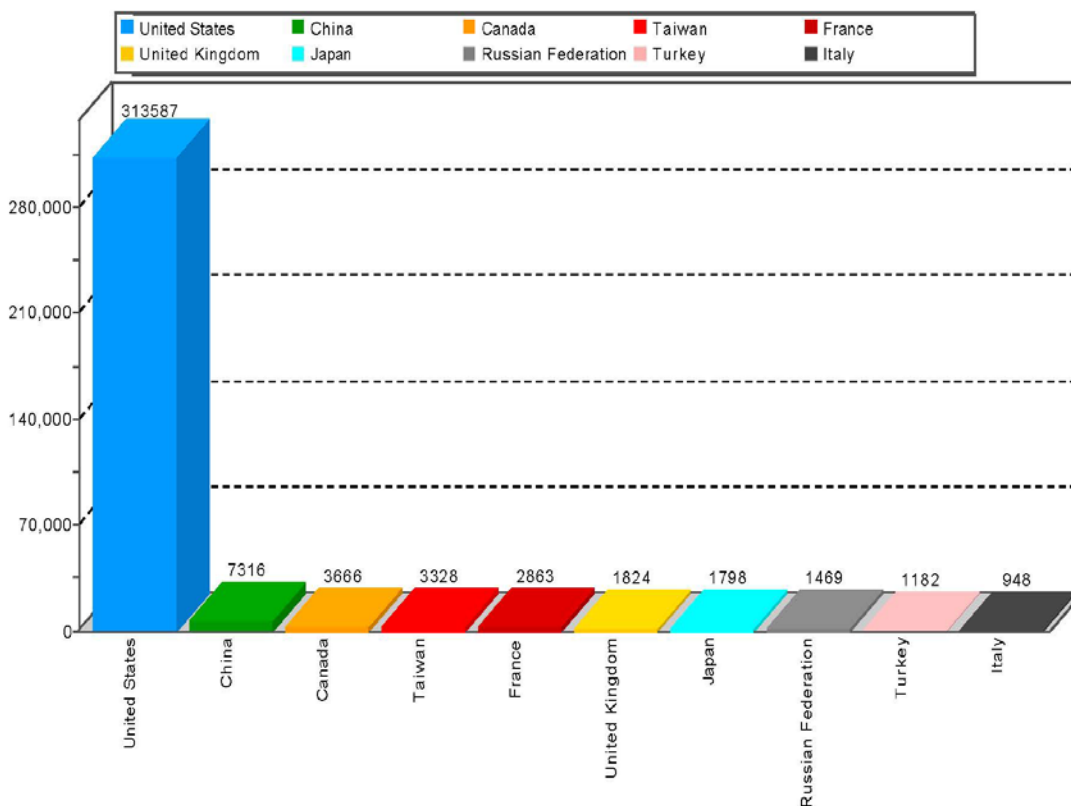


## Enterprise IT Security – Firewall Hits

CSLB's IT staff maintains high security on all of the Board's information technology systems and applications. Using a multi-layered defense that relies on various security products (firewall, anti-spam, anti-virus programs, event management, and correlation tools), CSLB proactively blocks/denies any unauthorized attempts from all sources, including those emanating from foreign countries. The chart below represents the top 10 countries from which users have attempted to access CSLB systems and applications between January 1, 2014 and November 17, 2014, all of which were successfully denied. To date, utilizing best practices, CSLB's IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have been successful.



Top 10 Countries - CSLB Firewall Hits



## AGENDA ITEM J-3

# Budget Update





# CONTRACTORS STATE LICENSE BOARD

## BUDGET UPDATE

### ❖ Fiscal Year (FY) 2014-15 CSLB Budget and Expenditures

Through October 31, 2014, CSLB spent or encumbered \$23.1 million, roughly 37 percent of its FY 2014-15 budget. The chart below details the CSLB budget, including expenditures through October, 2014:

EXPENDITURE DESCRIPTION	FY 2014-15 APPROVED BUDGET	OCTOBER 2014 EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>PERSONNEL SERVICES</b>				
Salary & Wages (Staff)	22,233,596	7,108,018	15,125,578	68.0%
Board Members	15,900	3,900	12,000	75.5%
Temp Help	860,000	242,278	617,722	71.8%
Exam Proctor	41,168	33,467	7,701	18.7%
Overtime	146,000	76,044	69,956	47.9%
Staff Benefits	9,743,121	3,372,741	6,370,380	65.4%
<b>TOTALS, PERSONNEL</b>	<b>33,039,785</b>	<b>10,836,448</b>	<b>22,203,337</b>	<b>67.2%</b>
<b>OPERATING EXPENSES AND EQUIPMENT (OE&amp;E)</b>				
Operating Expenses	20,157,802	10,708,055	9,449,747	46.9%
Exams	435,882	95,411	340,471	78.1%
Enforcement	8,622,531	1,608,311	7,014,220	81.3%
<b>TOTALS, OE&amp;E</b>	<b>29,216,215</b>	<b>12,411,777</b>	<b>16,804,438</b>	<b>57.5%</b>
<b>TOTALS</b>	<b>62,256,000</b>	<b>23,248,225</b>	<b>39,007,775</b>	<b>62.7%</b>
Scheduled Reimbursements	-353,000	-64,960	-288,040	
Unscheduled Reimbursements		-75,591	75,591	
<b>TOTALS, NET REIMBURSEMENTS</b>	<b>61,903,000</b>	<b>23,107,674</b>	<b>38,795,326</b>	<b>62.7%</b>

### ❖ Revenue

CSLB received the following revenue amounts for the first quarter of FY 2014-15:

Revenue Category	Through 10/31/2014	Percentage of Revenue	Change from prior year (10/31/2013)*
Duplicate License/Wall Certificate Fees	32,808	0.1%	9.4%
New License and Application Fees	3,409,695	14.8%	3.8%
License and Registration Renewal Fees	18,070,920	78.2%	3.2%
Delinquent Renewal Fees	933,543	4.0%	-8.9%
Interest	13,191	0.1%	0.0%
Penalty Assessments	614,602	2.7%	32.9%
Misc. Revenue	36,721	0.1%	-2.7%
<b>Total</b>	<b>23,111,480</b>	<b>100.00%</b>	<b>3.3%</b>

\* License & Renewals are based on two-year cycle (comparative data is from FY 2012-13, a peak renewal year).

❖ **CSLB Fund Condition**

Below is the fund condition for the Contractors' License Fund, which shows the final FY 2013-14 reserve (\$26 million – approximately five months' reserve), along with the projected reversion amounts for current year (CY) 2014-15 through budget year (BY) 2016-17:

	<b>Final FY 2013-14</b>	<b>Projected CY 2014-15</b>	<b>Projected BY 2015-16</b>	<b>Projected BY+1 2016-17</b>
<b>Beginning Balance</b>	\$28,953	\$26,387	\$20,418	\$13,416
Prior Year Adjustment	\$129	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$29,082</b>	<b>\$26,387</b>	<b>\$20,418</b>	<b>\$13,416</b>
<b>Revenues and Transfers</b>				
Revenue	\$54,992	\$55,984	\$55,211	\$56,364
<b>Totals, Resources</b>	<b>\$84,074</b>	<b>\$82,371</b>	<b>\$75,629</b>	<b>\$69,780</b>
<b>Expenditures</b>				
Disbursements:				
Program Expenditures (State Operations)	\$57,411	\$61,903	\$62,213	\$62,524
State Controller (State Operations)	\$3			
Financial Info System Charges	\$273	\$50		
<b>Total Expenditures</b>	<b>\$57,687</b>	<b>\$61,953</b>	<b>\$62,213</b>	<b>\$62,524</b>
<b>Fund Balance</b>				
Reserve for economic uncertainties	<b>\$26,387</b>	<b>\$20,418</b>	<b>\$13,416</b>	<b>\$7,256</b>
<b>Months in Reserve</b>	5.1	3.9	2.6	1.9

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 0.5% starting in FY 2015-16, and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2014-15 and FY 2015-16.



### ❖ Construction Management Education Account (CMEA) FY 2014-15 Budget and Expenditures

Through October 31, 2014, CMEA expended roughly \$2,000.00 in pro rata charges. Grant Awards are suspended until the fund is sufficiently replenished to meet the annual minimum disbursement of \$150,000 in grant awards. This chart provides a summary of the CMEA budget, including expenditures through October, 2014:

EXPENDITURE DESCRIPTION	FY 2014-15 BUDGET	FY 2013-14 FINAL EXPENSES	BALANCE	% OF BUDGET REMAINING
<b>OPERATING EXPENSES AND EQUIPMENT</b>				
Operating Expenses	0	0	0	0.0%
Pro Rata	8,000	2,298	5,702	71.3%
<b>TOTALS, OE&amp;E</b>	<b>8,000</b>	<b>2,298</b>	<b>5,702</b>	<b>71.3%</b>
<b>GRANT AWARDS</b>				
Grant Awards	0	0	0	0.0%
<b>TOTALS, GRANT AWARDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>TOTALS</b>	<b>8,000</b>	<b>2,298</b>	<b>5,702</b>	<b>71.3%</b>

### ❖ CMEA Fund Condition

Below is the CMEA fund condition which shows the final FY 2013-14 reserve (\$33,000 – approximately 2 months' reserve), along with the projected reversion amounts for current year (CY) 2014-15 through budget year (BY) 2016-17:

	Final FY 2013-14	Projected CY 2014-15	Projected BY 2015-16	Projected BY+1 2016-17
<b>Beginning Balance</b>	\$ 165	\$ 33	\$ 80	\$ 128
Prior Year Adjustment	-\$27	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$ 138</b>	<b>\$ 33</b>	<b>\$ 80</b>	<b>\$ 128</b>
<b>Revenues and Transfers</b>				
Revenue	\$53	\$55	\$56	\$58
<b>Totals, Resources</b>	<b>\$ 191</b>	<b>\$ 88</b>	<b>\$ 136</b>	<b>\$ 186</b>
<b>Expenditures</b>				
Disbursements:				
Program Expenditures (State Operations)	\$8	\$8	\$8	\$8
Local Assistance Grant Disbursements	\$150			
<b>Total Expenditures</b>	<b>\$ 158</b>	<b>\$ 8</b>	<b>\$ 8</b>	<b>\$ 8</b>
<b>Fund Balance</b>				
Reserve for economic uncertainties	\$ 33	\$ 80	\$ 128	\$ 178
<b>Months in Reserve</b>	2.6	-5.2		

Notes:

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



# CONTRACTORS STATE LICENSE BOARD

## STATISTICS SUMMARY

### Applications Received

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
July	2,082	2,564	2,850	2,805
August	2,801	2,786	3,084	3,004
September	2,572	2,408	2,682	3,207
October	2,688	2,857	2,719	3,177
<b>Total</b>	<b>10,143</b>	<b>10,615</b>	<b>11,335</b>	<b>12,193</b>
% Change from Prior FY				7.6%

### Original Licenses Issued

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
July	1,278	925	1,008	1,248
August	1,395	1,013	845	1,275
September	1,247	1,249	1,023	1,036
October	1,055	1,138	970	1,247
<b>Total</b>	<b>4,975</b>	<b>4,325</b>	<b>3,846</b>	<b>4,806</b>
% Change from Prior FY				25.0%

### Licenses Renewed

*PEAK*

*PEAK*

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
July	9,291	11,125	11,751	10,079
August	11,856	11,273	9,313	11,505
September	9,863	9,868	8,016	11,584
October	9,634	10,167	8,481	8,448
<b>Total</b>	<b>40,644</b>	<b>42,433</b>	<b>37,561</b>	<b>41,616</b>
% Change from Peak FY 2012-13				-1.9%

### HIS Registrations Renewed

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
July	99	115	150	158
August	139	180	150	147
September	114	130	101	187
October	120	136	152	158
<b>Total</b>	<b>472</b>	<b>561</b>	<b>553</b>	<b>650</b>
% Change from Prior FY				17.5%

**License Population by Status**

	<b>October 2012</b>	<b>October 2013</b>	<b>October 2014</b>
Active	229,541	224,358	223,013
Inactive	67,222	64,986	62,780
Subtotal	296,763	289,344	285,793
Other*	442,092	459,211	472,881
Expired	379,882	394,257	405,138
Expired % of Other	85.9%	85.9%	85.7%
<b>Grand Total</b>	<b>738,855</b>	<b>748,555</b>	<b>758,674</b>

\* Other - includes the following license status categories: cancelled, cancelled due to death, expired, revoked.

**HIS Registration Population by Status**

	<b>October 2012</b>	<b>October 2013</b>	<b>October 2014</b>
Active	8,948	9,117	10,718
Other	82,988	86,570	89,893
<b>Total</b>	<b>91,936</b>	<b>95,687</b>	<b>100,611</b>

**Complaints By Fiscal Year**

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Received	21,320	19,239	18,101	18,203
Reopened	1,076	1,094	844	786
Closed	22,483	20,366	19,118	18,875
Pending (As of June 30)	3,891	3,901	3,762	3,893

**CSLB Position Vacancies**

	<b>October 2013</b>	<b>October 2014</b>
Administration	3.0	0.0
Executive/Public Affairs	1.0	2.0
IT	6.0	6.0
Licensing	8.0	5.0
Enforcement	18.0	18.0
Testing	3.0	2.0
<b>Total</b>	<b>39.0</b>	<b>33.0</b>



## AGENDA ITEM J-4

# Strategic Plan Update





# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN UPDATE

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #1 LICENSING & TESTING OBJECTIVES	TARGET	STATUS
1. Increase high-tech security monitoring in test centers (I)	<del>December 2014</del> December 2015 (for Installation)	Met with vendors; in process of revising specifications document
2. Establish task force to analyze application process and reduce rejection rates (I)	January 2015	Workload analysis of application units completed; recommendations under review for implementation in 2015
3. Develop and apply consistent application evaluation criteria (E)	July 2015	Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria
4. Develop online smart application package to reduce application rejection rates (I)	January 2016	Tied to DCA BreEZe project
5. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Tied to DCA BreEZe project
6. Implement online licensure tool for credit card payment (B)	January 2016	Tied to DCA BreEZe project

GOAL #2 ENFORCEMENT OBJECTIVES	TARGET	STATUS
1. Establish enforcement strategy to address predatory service and repair scams (E)	July 2014	Completed Through the Service and Repair Task Force, CSLB investigators partner with the California District Attorney's Association and local law enforcement to focus on contractors using predatory scare tactics. The Task Force will continue to provide updates to the Board as required.
2. Update Industry Expert Training Program (I)	October 2014	Completed. The Enforcement division has updated the training program. Training sessions were held with industry experts in September 2014.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

<b>GOAL #2 (Cont.) ENFORCEMENT OBJECTIVES</b>	<b>TARGET</b>	<b>STATUS</b>
3. Automate official educational letter to consumers who repeatedly hire unlicensed operators (B)	December 2014	IT staff currently is working to format the letter into a TEALE-compatible template to finalize the automation process.
4. Establish RMO/Application Waiver Task Force to identify issues and make enforcement strategy recommendations (E)	December 2014	Completed. The Application Waiver Task Force, comprised of two ERs, was established in August 2014.
5. Create Peace Officer Special Investigations Unit (I)	December 2014	CSLB received final approval from the Department of Consumer Affairs in August 2014 to establish the SIU. Interviews were held in October 2014 for the Enforcement Supervisor I position. A candidate was selected and is currently pending DCA approval.
6. Implement Peace Officer Training Curriculum (I)	December 2014	Completed. The Peace Officer Training Curriculum was approved by the Board and immediately implemented.
7. Provide section for the disclosure of partnering agencies' administrative actions on CSLB website (B)	December 2014	CSLB now discloses Division of Labor Standards Enforcement Civil Wage & Penalty judgments and contractors subject to egregious Stop Notices filed with Caltrans. Staff continues to work with IT to assess further programming needs to display additional state and local government disciplinary actions.
8. Partner with Public Affairs Office and California Energy Commission to create an energy efficiency campaign (B)	January 2015	This is an ongoing effort.

**CSLB****STRATEGIC PLAN UPDATE**

(E) "Essential"

(I) "Important"

(B) "Beneficial"

<b>GOAL #3 PUBLIC AFFAIRS OBJECTIVES</b>	<b>TARGET</b>	<b>STATUS</b>
1. Establish outreach strategy to address predatory service and repair scams (E)	August 2014	Completed – ongoing adjustments
2. Complete flagship consumer publication (E)	<del>September 2014</del> <del>December 2014</del> March 2015	Delayed due to graphic designer vacancy and Sunset Review report
3. Complete flagship contractor publication (E)	<del>December 2014</del> <del>March 2015</del> July 2015	Delayed due to graphic designer vacancy and Sunset Review report
4. Work with Information Technology division to determine feasibility of developing opt-in "Find a Contractor" website feature (B)	December 2014	Completed – implementation may not happen until BreZE
5. Work with Information Technology division to determine feasibility/need to update pocket license cards (B)	December 2014	Preliminary meeting has occurred
6. Determine feasibility of developing system to send licensees renewal information and updates via text and email (B)	December 2014	Not started
7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	December 2014	Not started
8. Develop contractor bid presentation kit (B)	March 2015	PAO has begun to develop a list of materials to include
9. Develop CSLB style guide and grand standards manual (B)	March 2015	Delayed due to graphic designer vacancy

**CSLB****STRATEGIC PLAN UPDATE**

(E) "Essential"

(I) "Important"

(B) "Beneficial"

<b>GOAL #4 LEGISLATION OBJECTIVES</b>	<b>TARGET</b>	<b>STATUS</b>
1. Prepare and submit Sunset Review Report to California Legislature (E)	November 2014	Report completed and submitted
2. Provide end-of-year training to staff on new laws that will take effect the next year (B)	December 2014	In progress
3. Pursue legislation to allow CSLB enforcement representatives to investigate active job sites (E)	January 2015	SB 315 approved by Legislature,
4. Pursue legislation to increase amount of surety bond to reflect homeowner risk (I)	December 2015	Included in Sunset Review Report as
5. Review CSLB's laws and rules (B)	Ongoing	In process

<b>GOAL #5 IT &amp; ADMINISTRATION OBJECTIVES</b>	<b>TARGET</b>	<b>STATUS</b>
1. Request additional staff in Case Management (Citation Program ) through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015	<b>BCP denied</b> Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
2. Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the BCP process to meet operational demands (E)	July 2015	<b>BCP denied</b> Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
3. Request additional staff for the Public Works Program through the BCP process to meet operational demands (E)	July 2015	<b>BCP denied</b> Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
4. Implement State Contractor Official Regulatory Exam (SCORE) 2.0 computer testing system to improve security and make exams more use-friendly (I)	December 2015	SCORE 2.0 will consist of six applications. IT rolled out SCORE 1.5 in September 2014, as a pre-cursor to 2.0, and has finished the development of the first application.
5. Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team (E)	January 2017	In progress

## AGENDA ITEM K

### Tentative Board Meeting Schedule

Following is a list of Board meetings scheduled for 2015:

March 16, 2015 ..... Glendale  
June 2015..... Fairfield  
September 2015 ..... San Diego



## AGENDA ITEM L

Adjournment

