

MARCH 16, 2015
GLENDALE, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 95827
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www.cslb.ca.gov • CheckTheLicenseFirst.com

STATE OF CALIFORNIA
Governor Edmund G. Brown Jr.

*****AMENDED*** NOTICE OF BOARD MEETING** **(Changes are highlighted in yellow)**

The Contractors State License Board (CSLB) will hold a Board Meeting at 9:00 a.m. on Monday, March 16, 2015, in the Salon 1 - 3 Room at the Hilton Hotel, 100 West Glenoaks Blvd., Glendale, CA 91202, and phone (818) 956-5466. The Board intends to provide a live webcast of the meeting. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meeting will continue even if the webcast is unavailable. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location.

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 and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Chair.

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 **March 16, 2015** **9:00 a.m. – 5:00 p.m.**

- A. Call to Order – Establishment of Quorum
- B. Chair's Introductory Remarks and Board Member Comments
- C. Public Comment Session – Items not on the Agenda (Note: Individuals may appear before the CSLB to discuss items not on the agenda: however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- D. Review and Approval of Board Meeting Minutes for December 11, 2014 and December 16, 2014
- E. Appointment of Nominations Committee

CONTINUED

F. Enforcement

1. Review and Approval of February 20, 2015 Enforcement Committee Meeting Summary Report
2. Enforcement Program Update
3. Predatory Service and Repair Task Force Update
4. Review, Discussion and Possible Action Regarding Recommendation to Establish Operational Agreements with Building Departments

G. Licensing

1. Licensing Program Update
2. Testing Program Update

H. Public Affairs

1. Public Affairs Program Update

I. Legislative

1. Review, Discussion and Possible Action Regarding New Legislative Proposal to Authorize Sharing of Licensee Information with the Employment Development Department
2. Review and Approval of February 20, 2015 Legislative Committee Meeting Summary Report
3. Review, Discussion and Possible Action of Recommended Position on AB 750 (Low), AB 1060 (Bonilla), SB 119 (Hill), SB 465 (Hill), SB 560 (Monning), SB 561 (Monning)
4. Legislative Program Update
5. Review, Discussion and Possible Action Regarding 2015 Legislative Proposals:
 - 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 Add Business and Professions Code Section 7103.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement
 - d. Amendment to Business and Professions Code Section 7137 – Fee Schedule

- e. Amendment to Business and Professions Code Sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5, 7156 and 7156.5 – Home Improvement Salesperson Registration

J. Executive

- 1. Review and Approval of Registrar Duty Statement
- 2. Administration Update Regarding Personnel and Facilities
- 3. Information Technology Update
- 4. Budget Update
- 5. Strategic Plan
 - a. 2014-15 Update
 - b. 2015-16 Update
- 6. Tentative 2015 Board Meeting Schedule

K. Review, Discussion and Possible Action Regarding Potential Revisions to Proposed Sunset Review Report

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

AGUSTIN BELTRAN

LINDA CLIFFORD

DAVID DIAS

SUSAN GRANZELLA

JOAN HANCOCK

PASTOR HERRERA JR.

ROBERT LAMB

ED LANG

FRANK SCHETTER

PAUL SCHIFINO

JOHNNY SIMPSON

NANCY SPRINGER



AGENDA ITEM B

Chair's Introductory 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

Review and Approval of Board Meeting Minutes for December 11, 2014 and December 16, 2014





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

BOARD MEETING MINUTES

Thursday, December 11, 2014

A. CALL TO ORDER

Board Chair David Dias called the meeting of the Contractors State License Board (CSLB) to order at 1:00 p.m. on Thursday, December 11, 2014, in the California Room of the Doubletree by Hilton Hotel, 200 Marina Blvd., Berkeley, CA 94710. A quorum was established.

Board Member Augie Beltran led the Board in the Pledge of Allegiance.

Board Members Present

David Dias, Chair	Frank Schetter
Ed Lang, Vice Chair	Kevin J. Albanese
Augie Beltran, Secretary	Pastor Herrera Jr.
Paul Schifino	Linda Clifford
Joan Hancock	Susan Granzella
Bob Lamb	Nancy Springer

Board Members Excused

Bruce Rust	John O'Rourke
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CSLB/DCA Staff Present

Stephen Sands, Registrar	David Fogt, Enforcement Chief
Cindi Christenson, Chief Deputy Registrar	Rick Lopes, Public Affairs Chief
Karen Robinson, Licensing Chief	Erin Echard, Executive Staff
Laura Zuniga, Legislation Chief	Kurt Heppler, DCA Legal Counsel
Larry Parrott, Administration Chief	Raju Sah, IT Manager
Cynthia Kanemoto, IT Chief	Nicole Le, Personnel Manager
Betty Saeturn, DCA Personnel Manager	Tamara Colson, DCA Legal

Public Visitors

Rick Pires	Beverly Carr
Phil Vermeulen	Ken Grossbart

B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS

Board Chair David Dias welcomed the audience and congratulated Registrar Steve Sands on his impending retirement. Mr. Dias asked for Board member comments; several Board Members expressed their well wishes for Mr. Sands.

C. PUBLIC COMMENT SESSION

There were no public comments.



D. CLOSED SESSION

Pursuant to 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.

E. REVIEW AND APPROVAL OF SEPTEMBER 23, 2014, BOARD MEETING MINUTES

Motion to Approve the September 23, 2014, Board Meeting Minutes

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Paul Schifino to approve the September 23, 2014, Board Meeting Minutes. The motion carried unanimously, 12-0.

F. ENFORCEMENT COMMITTEE REPORT

1. Enforcement Program Update

Enforcement Chief David Fogt presented highlights from the Intake and Mediation Center, Investigative Centers, Case Management, Statewide Investigative Fraud Team, as well as general complaint-handling statistics. Mr. Fogt also provided updates on plumbing scams and peace officer accomplishments.

Attorney General Opinion Letter No. 13-802 was distributed, which responded to the Board's request for an opinion on 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. 4th 185, expand the definition of "electrician" as used in Labor Code section 108 et seq. to require certification for employees of licensed electrical contractors that are involved in the construction orientation of electrical conduit or raceways?

Supervising Deputy Attorney General Susan Duncan Lee provided the following summary response:

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.

Board Member Frank Schetter expressed concern that the interpretation compromised consumer protection and requested that the Enforcement Committee discuss the matter further.



2. Review and Discussion Regarding Permit Enforcement

Board Member Nancy Springer and Enforcement Chief David Fogt informed the Board that more than 400 administrative actions were taken against contractors for permit violations in 2014; however, not all building departments are receptive to working with CSLB. Establishing operational agreements with building departments, a pilot program with Compton, and developing permit goals and objectives will be discussed at the next Enforcement Committee meeting.

G. PUBLIC AFFAIRS COMMITTEE REPORT

1. Public Affairs Program Update

Public Affairs Chief Rick Lopes provided social media statistics and highlights on media relations and publications, and reported that visits to the CSLB website have doubled since the new site was launched in September 2014. Also, since the September Board meeting, ten news releases were issued as well as three new industry bulletins.

H. LEGISLATIVE COMMITTEE REPORT

1. Legislative Program Update

There was no Legislative Program update.

(Board Member Bob Lamb was excused from the remainder of the meeting.)

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

Motion to Approve the November 6, 2014, Legislative Committee Summary Report
MOTION: A motion was made by Board Member Linda Clifford and seconded by Board Member Augie Beltran to approve the November 6, 2014, Legislative Committee Summary Report. The motion carried unanimously, 11-0.

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**



Motion to Approve the Amendment to Business and Professions Code section 7011.4 – Notice to Appear Authority

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Ed Lang to approve, as amended, the Amendment to Business and Professions Code section 7011.4 – Notice to Appear Authority. The motion carried unanimously, 11-0.

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

Motion to Approve the Amendment to Business and Professions Code section 7028.6 – Authority to Issue Citations – Collection of Additional Information

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member David Dias to approve the Amendment to Business and Professions Code Section 7028.6 – Authority to Issue Citations – Collection of Additional Information. Board Members Pastor Herrera Jr and Kevin J. Albanese abstained. The motion carried, 9-0.

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

Motion to Approve the Amendment to Business and Professions Code section 7083 – Notification by Licensees of Change in Recorded Information from 30 days to 90 days

MOTION: A motion was made by Board Member Linda Clifford and seconded by Board Member Kevin J. Albanese to approve the Amendment to Business and Professions Code section 7083 – Notification by Licensees of Change in Recorded Information from 30 days to 90 days. The motion carried unanimously, 11-0.

d. Amendment to Add Business and Professions Code section 7103.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement

No motion was made. Board Member Joan Hancock suggested creating an advisory subcommittee consisting of Board Members Kevin J. Albanese and Agustin Beltran to assist CSLB staff in revising the proposed language and defining “egregious” before returning this item to the Legislative Committee for further consideration.

(Board Member Paul Schifino was excused from the remainder of the meeting.)



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

Motion to Approve the Amendment to Business and Professions Code section 7137 – Fee Schedule

MOTION: A motion was made by Board Member Kevin J. Albanese and seconded by Board Member Linda Clifford to approve the Amendment to Business and Professions Code section 7137 – Fee Schedule. The motion carried unanimously, 10-0.

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

Motion to Approve the Amendment to Business and Professions Code section 7152 – Home Improvement Salesperson Registration

MOTION: A motion was made by Board Member Kevin J. Albanese and seconded by Board Member Linda Clifford to approve the concept for the proposal. The motion carried unanimously, 10-0.

I. LICENSING PROGRAM COMMITTEE REPORT

1. Licensing Program Update

Licensing Chief Karen Robinson provided updates on the Workers' Compensation, Criminal Background, Licensing Information Center, Experience Verification, Renewal, Bond, and Judgment units. Ms. Robinson noted that applications are up 2 percent from last year. The Licensing Division continues to work toward reducing the reject rate.

2. 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-28 Lock and Security and C-35 Lathing and Plastering classifications. The C-22 Asbestos Abatement Exam is under development, and should be ready by January 1, 2015.

J. EXECUTIVE PROGRAM COMMITTEE REPORT

1. Administration Division Update

Administration Chief Larry Parrott presented highlights from Business Services, which includes facilities, contracts, and procurement. Mr. Parrott announced that CSLB currently has the fewest staff vacancies in its history.

2. Information Technology Division Update



Information Technology Manager Raju Sah updated the Board on the status of BreEZe, as well as the newly launched CSLB website, which is more user and mobile friendly.

3. Budget Update

Chief Deputy Registrar Christenson provided an update on budget revenue and expenditures, and detailed the condition of the Construction Management Education Account fund, which is very low.

4. Strategic Plan Update

Registrar Steve Sands informed the Board that the achievement of some Public Affairs strategic plan goals are delayed, but that all others are being completed in a timely manner.

Mr. Sands offered some last words of advice: Support the existing board committee structure, increase discussion time during board meetings, and continue to work as a team.

K. TENTATIVE BOARD MEETING SCHEDULE

- June 18 & 19 2015 – Fairfield (Joint meeting with Nevada Contractors Board)
- Early September 2015 – San Diego
- December 2015

L. ADJOURNMENT

Board Chair David Dias adjourned the Board meeting at 6:12 p.m.

David Dias, Chair

Date

Cindi Christenson, Registrar

Date



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

MEETING MINUTES

Tuesday, December 16, 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, December 16, 2014, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

Board Members Present

David Dias, Chair

Ed Lang, Vice Chair

Augie Beltran, Secretary

Paul Schifino

John O'Rourke

Susan Granzella

Frank Schetter

Kevin J. Albanese

Pastor Herrera Jr.

Joan Hancock

Bob Lamb

Nancy Springer

Board Members Excused

Linda Clifford

Bruce Rust

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 Assistant

Kurt Heppler, Legal Counsel

B. CHAIR'S REMARKS AND REPORT OF APPOINTMENT PERSUANT TO GOV. CODE SECTION 11125.2

Board Chair David Dias informed the audience that the Board forwarded a recommendation for a new Registrar hire to the Department of Consumer Affairs (DCA) and that there was nothing further to report.

C. BOARD MEMBER COMMENTS

There were no Board Member comments.

D. PUBLIC COMMENT SESSION – ITEMS NOT ON THE AGENDA

There were no public comments.

E. LICENSING

- 1. Review and Potential Adoption of the Regulatory Proposal to Adopt Class C-22 – Asbestos Abatement Contractor (California Code of Regulations [CCR] Section 832.22) and Asbestos Classification and Certification Limitations**



and Examination Requirement (CCR Section 833); Comments received after 15-day notice of modified text.

Licensing Division Chief Karen Robinson gave an overview of the regulatory process to date and directed Board Members to the documents in the Board packet, including the 15-Day Notice of Modified Text, the three public comments received in response to that notice, and the Draft Revised Final Statement of Reasons that addressed the public comments.

Motion to Approve the Regulatory Proposal to Adopt Class C-22 – Asbestos Abatement Contractor (California Code of Regulations [CCR] Section 832.22) and Asbestos Classification and Certification Limitations and Examination Requirement (CCR Section 833); Comments received after 15-day notice of modified text

MOTION: A motion was made by Board Member Joan Hancock and seconded by Board Member Ed Lang to approve the Regulatory Proposal to Adopt Class C-22 – Asbestos Abatement Contractor (California Code of Regulations [CCR] Section 832.22) and Asbestos Classification and Certification Limitations and Examination Requirement (CCR Section 833); Comments received after 15-day notice of modified text. The motion carried unanimously, 11-0.

F. ADJOURNMENT

Board Chair David Dias adjourned the Board meeting at 9:16 a.m.

David Dias, Chair

Date

Cindi Christenson, Registrar

Date

AGENDA ITEM E

Appointment of Nominations Committee



AGENDA ITEM F

Enforcement



AGENDA ITEM F-1

Review and Approval of February 20, 2015 Enforcement Committee Meeting Summary Report





ENFORCEMENT COMMITTEE MEETING

February 20, 2015
Sacramento, CA

A. CALL TO ORDER

Enforcement Committee Chair Bob Lamb called the Contractors State License Board (CSLB) Enforcement Committee meeting to order at 10:30 a.m. in the John C. Hall Hearing Room, located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

Committee Members Present

Bob Lamb, Chair
Kevin Albanese
Pastor Herrera Jr.
Frank Schetter

Committee Members Absent

John O'Rourke

Board Members Present

David Dias
Joan Hancock
Nancy Springer
Ed Lang

CSLB Staff Present

Cindi Christenson, Registrar
David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Laura Zuniga, Legislation Chief
John Bruce, SIU Supervisor
Jane Flint, SWIFT Supervisor
Deidre Greene, Enforcement Staff
Hugh Henderson, Enforcement Staff
Peter Keown, Enforcement Staff
Jeff Miller, Enforcement Staff

Shelbie Brooks, Enforcement Staff
Blake Williams, Enforcement Staff
Gina Canchola, Enforcement Staff
Heather Young, Enforcement Staff
Candis Cohen, Enforcement Staff
Michael Jamnetski, Enforcement Staff
Melanie Bedwell, Public Affairs Staff
Steve Breen, Public Affairs Staff
Kurt Heppler, Supervising Staff Counsel
Kristy Schieldge, Staff Counsel

Public Visitors

Greg Armstrong, National Electrical Contractors Association
G.V. Ayers, Retired Business and Professions Committee Consultant
Eddie Bernacchi, Politico Group
Beverly Carr, Politico Group

Richard Markuson, Pacific Advocacy
Larry Rohlfes, California Landscape Contractors Association

CHAIR'S REMARKS

Committee Chair Bob Lamb recognized Enforcement staff for conducting a third Enforcement Academy that included training on ethics, investigative techniques, evidence, phone tactics, time management, interview techniques, report writing, court testimony, and construction-related codes. Mr. Lamb also expressed appreciation to CSLB Vice-chair Ed Lang and Registrar Cindi Christenson for supporting the training and presenting certificates to the academy graduates.

Mr. Lamb updated the committee on the assistance Enforcement staff provided to victims of the Round Fire as well as a continued effective partnership with the California Department of Insurance to ensure that contractors are licensed and comply with insurance and consumer protection laws.

B. PUBLIC COMMENT

California Landscape Contractors Association (CLCA) Assistant Executive Director Larry Rohlfes expressed appreciation for a presentation made by a Spanish-speaking Enforcement Representative at a CLCA-sponsored community event in November 2014, where she provided information to potential contractors about obtaining a license and license requirements.

C. RECOGNION OF ENFORCEMENT PARTNERS

Committee Chair Bob Lamb recognized the following:

Amy Pollard, EDD Tax Agent - recognized for her tenacious partnering with CSLB staff assigned to the Joint Enforcement Strike Force, and for the enforcement of tax and license requirements.

Tom Sage, Amador County Chief District Attorney Investigator - recognized for his professional commitment to assisting CSLB in stings and sweeps.

Jim Walshaw, Amador County District Attorney Investigator - recognized for his commitment to the enforcement of workers' compensation insurance requirements and providing backup at sting operations.

Paul Hillegass, Yolo County District Attorney Investigator - recognized for the long-standing partnership between Yolo County and CSLB to enforce workers' compensation insurance requirements and for his backup at sting operations.

David Leoung, Deputy Labor Commissioner - recognized for outstanding assistance to CSLB staff in the investigation of cash pay, as well as his in-depth knowledge of laws related to unlicensed practice, aiding and abetting, and workers' compensation insurance.



D. ENFORCEMENT PROGRAM UPDATE

Enforcement Chief David Fogt presented the Enforcement Program Update. He provided highlights from the Intake and Mediation Center (IMC), which has achieved significant restitution for elderly victims and increased permit compliance.

Investigative Center highlights included a nine-year prison sentence for a repeat offender and an update on the GreenworksUS investigation that has resulted in the filing of more than 50 felony counts against Raj Suri and Tori Suri.

Mr. Fogt reported that staff are meeting or exceeding Board expectations for complaint-handling production and cycle-time goals. Helping to resolve construction-related complaints remains a high priority for Enforcement staff, and between July 2014 and January 2015, more than \$6 million in financial restitution was returned to injured parties.

Enforcement Chief Fogt confirmed that staff remains committed to enforcing electrician certification requirements using existing evidence requirements. Copies of the Attorney General Opinion Letter confirming that the *Roadway* decision is not binding on CSLB (therefore not requiring a change in existing evidence requirements) were available for all meeting attendees. Enforcement staff has been advised to always consider certification requirements when investigating a matter related to a C-10 Electrical Contractor.

E. REVIEW AND DISCUSSION OF CSLB PARTNERING WITH OTHER STATE AGENCIES

Deputy Chief of Enforcement Christina Delp updated the committee on successes with both the Joint Enforcement Strike Force and the Labor Enforcement Task Force (LETf). Ms. Delp discussed a current 90-day pilot program whereby LETf sweep teams prioritize commercial construction site inspections, the results of which, to date, confirm that the majority of license, insurance, tax, and safety violations occur at residential, rather than commercial, construction sites.

F. REVIEW AND CONSIDERATION OF ESTABLISHING OPERATIONAL AGREEMENTS WITH BUILDING DEPARTMENTS

Mr. Fogt presented 13 slides to the committee that tracked staff's successes and challenges in the enforcement of permit requirements and recommended that CSLB enter into operational agreements with partnering building departments to confirm expectations and responsibilities.

DCA Staff Attorney Kristy Schieldge offered to assist in researching government codes pertaining to some building departments' insistence that \$250 be paid upon service of a subpoena and to review the operational agreement to ensure legal compliance. Mr. Fogt agreed to forward Ms. Schieldge the 2006 CSLB/CALBO Memorandum of Understanding and the proposed operational agreement.



Motion to Approve Proposed Operational Agreement

MOTION: A motion was made by Committee Member Kevin Albanese and seconded by Committee Member Pastor Herrera Jr. to recommend approval of the operational agreement by the full Board at the March 16, 2015 meeting in Glendale. The motion carried unanimously, 4-0.

G. SPECIAL INVESTIGATION UNIT UPDATE

Special Investigation Unit Supervisor John Bruce briefed the committee on Peace Officer training, investigation focus, and law enforcement partnering opportunities. The Peace Officers in attendance introduced themselves briefly.

H. ADJOURNMENT

Enforcement Committee Chair Bob Lamb adjourned the meeting at approximately 11:45 a.m.

AGENDA ITEM F-2

Enforcement Program Update





GENERAL COMPLAINT-HANDLING STATISTICS (FY 2014-15)

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is **3,255**. As of February 2015, the pending case load was **3,508**.

To ensure the timely handling of complaints, the optimal caseload for Intake and Mediation Center (IMC) Consumer Services Representatives is 1,400 complaints per month. As of February 1, 2015, the IMC had 1,440 open complaints.

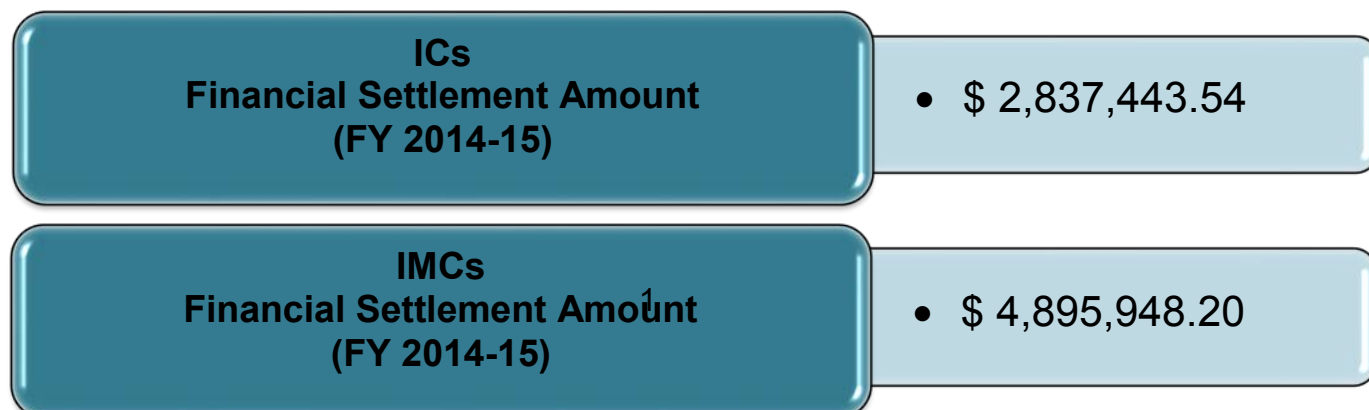
For cases that warrant formal investigation, the optimal working caseload for Investigative Center (IC) Enforcement Representatives is 1,855 complaints. As of February 1, 2015, the ICs had a combined total of 2,068 cases open and under investigation.

The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Complaint Handling Goal	Preferred Cycle Time (months)	Maximum Caseload per ER	Maximum Number of Cases per Classification
ERs	52	10	4	35	1,855
CSRs	28	20	2	50	1,400
TOTAL					3,255

Restitution to Financially Injured Persons

Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to Consumer Services Representatives (CSR) and Enforcement Representatives (ER) to assist them in resolving construction-related disputes. For the first six months of fiscal year 2014-15, Enforcement staff's settlement efforts resulted in more than \$7.7 million in restitution to financially injured parties as depicted in the following charts:

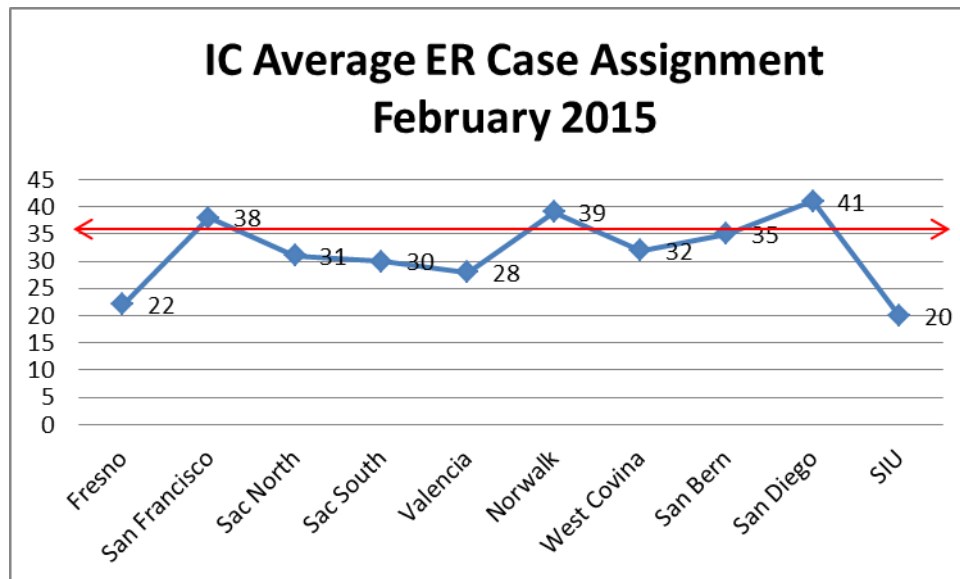




Investigation of Consumer Complaints

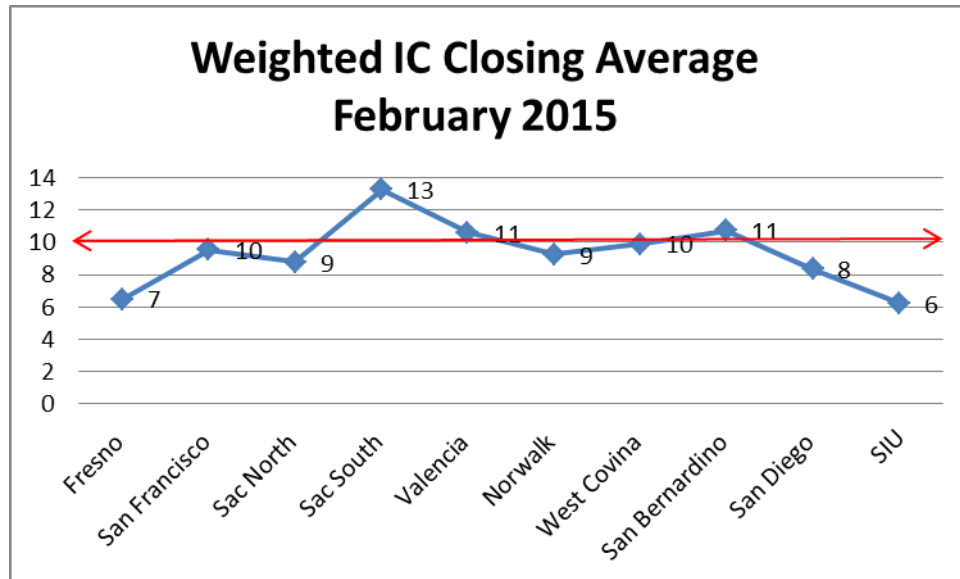
To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending case loads, and investigation-closing disposition. To date, for fiscal year 2014-15 (July through February), Investigative Center (IC) ERs have consistently achieved the Board's goal of 10 complaint closures per month, and effective case distribution among the nine investigative centers has resulted in a manageable ongoing caseload of approximately 30 cases per ER. Of the 1,108 legal actions during this time, 29 percent were referred to local prosecutors.

The following chart tracks open IC investigations. The goal is for each IC ER to carry between 30 and 40 pending cases. At the end of February 2015, the statewide average was 30 cases.

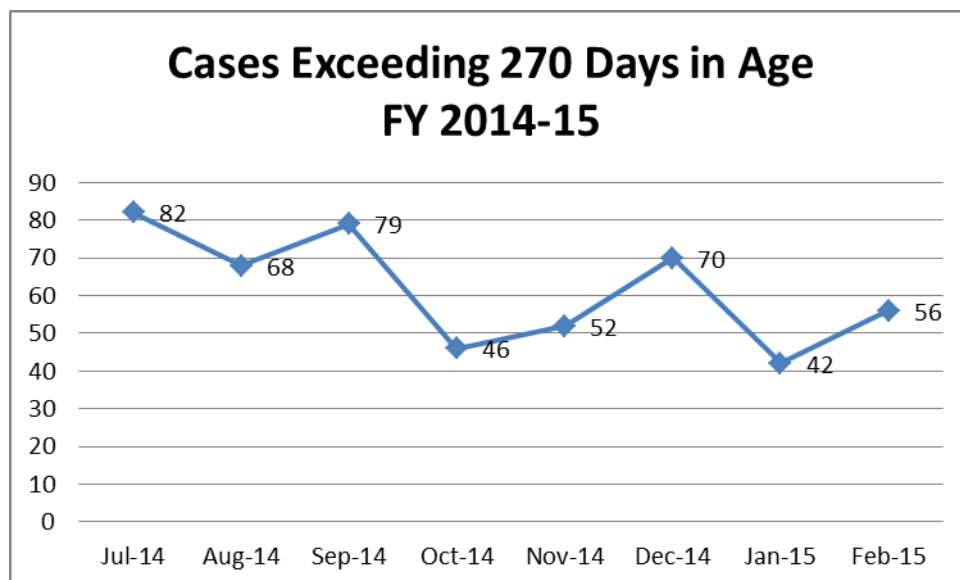




The following chart tracks the Board's target of each IC ER maintaining a weighted monthly closing average of 10.



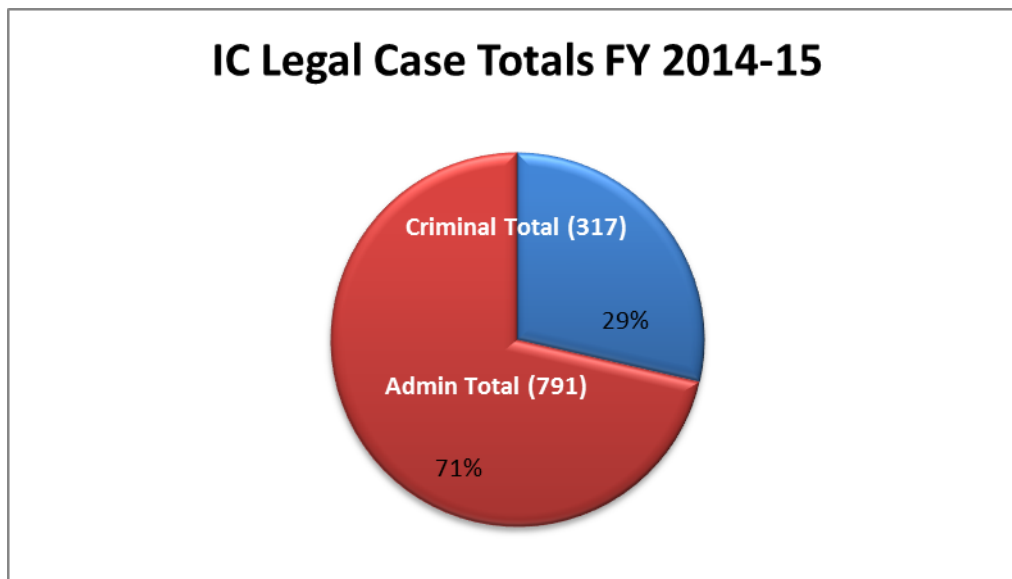
Historically, Enforcement has more than 3,000 consumer complaints under investigation at any given time. The Board's goal is to appropriately disposition all but 100 within 270 days of receipt. Staff's effective management of pending complaints has resulted in consistently meeting this goal. As of February 5, 2015, there were only 56 cases exceeding 270 days in age.





The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action

For the first six months of fiscal year 2014-15, Enforcement has referred an impressive 29 percent, or 317 investigations, to District Attorneys for criminal prosecution.

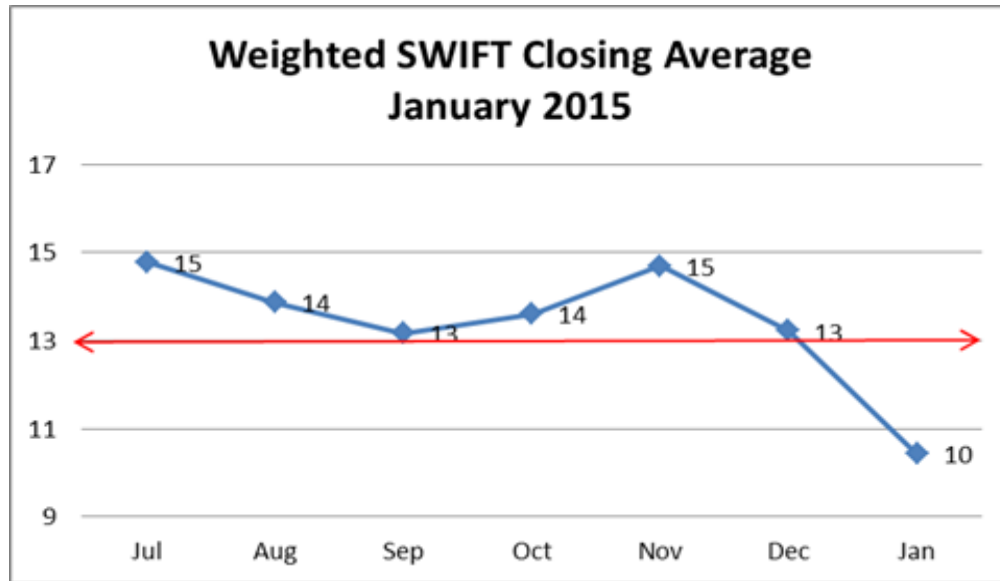


Proactive Enforcement at Active Construction Sites

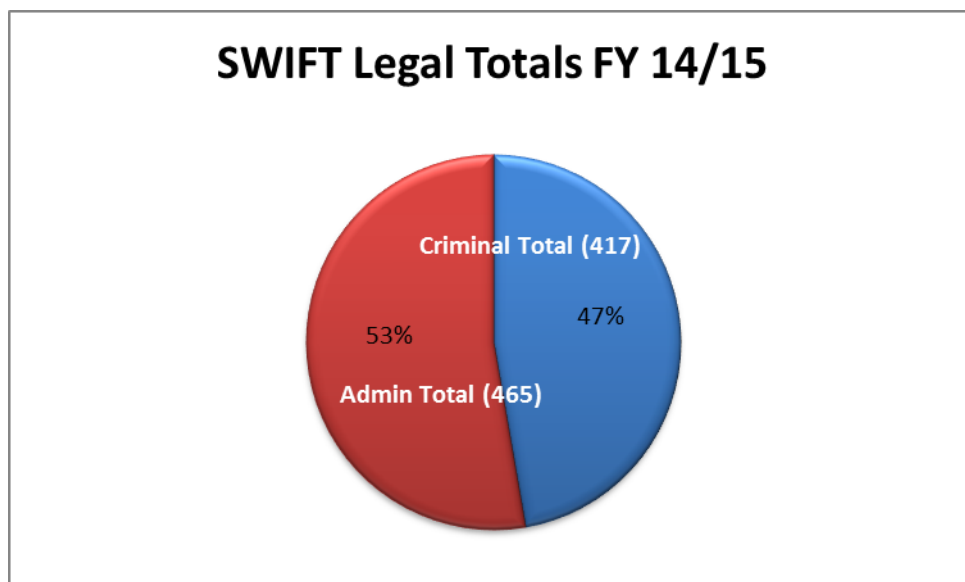
CSLB has established a Statewide Investigative Fraud Team (SWIFT) comprised of approximately 30 non-sworn Enforcement Representatives (ERs). SWIFT primarily enforces license and workers' compensation insurance requirements at active job sites and performs undercover sting operations targeting unlicensed persons who have active warrants or who solicit construction contracts. Between July 2014 and January 2015, SWIFT ERs have consistently exceeded the Board's goal of performing more than 13 proactive investigations per month, with more than 42 percent of these investigations resulting in a legal action. Of the 882 legal actions during this time, 417 were referred to local prosecutors.



The following chart depicts the weighted monthly SWIFT closure average:



The following chart depicts the number of proactive SWIFT investigations that resulted in an administrative or criminal legal action. For the first six months of fiscal year 2014-15, SWIFT has referred an impressive 47 percent, or 417 investigations, to District Attorneys for criminal prosecution.





CONTRACTORS STATE LICENSE BOARD

CASE MANAGEMENT FY 2014-15 (JULY 2014 – JANUARY 2015)

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	777	484
Citations Appealed	331	195
Citation Compliance	556	221
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	225	
Settled	122	
Civil Penalties Collected	\$889,058	
Legal Fee Savings	\$611,195	

ARBITRATION	
Arbitration Cases Initiated	173
Arbitration Decisions Received	170
Licenses Revoked for Non-Compliance	17
Arbitration Savings to the Public – Restitution	\$845,112
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	248
Accusation Restitution Paid to Injured Persons	\$214,285
Statement of Issues (Applicants Denied)	47
Cost Recovery Received	\$142,667
Number of Cases Opened	254
Number of Accusations/Statement of Issues Filed	167
Number of Proposed Decisions Received	56
Number of Stipulations Received	58
Number of Defaults Received	104
Number of Decisions Mailed	257



INTAKE AND MEDIATION CENTER HIGHLIGHTS

Contractor “Floored” by \$16,000 Payout

An elderly homeowner entered into a \$5,800 contract for new bamboo flooring in his kitchen, family room, and entryway. Three months after the installation the floor began to buckle. Another contractor looked at the work and determined that the new floors had been glued to a surface that contained old glue from prior flooring, which left little if any room for expansion. The homeowner faced corrective work totaling \$20,000. The consumer filed a complaint and a Norwalk CSR contacted the contractor to discuss the deficient workmanship. Eventually, the homeowner received a \$16,000 settlement to correct the work on his floors.

Homeowner Told Undersized HVAC Will “Work Just Fine”

A homeowner entered into a \$12,453 contract for the installation of a new Trane HVAC system, for which the contractor obtained a building permit. Everything appeared fine until the homeowner discovered that the unit was smaller than the one he had paid for. When confronted, the contractor seemed unconcerned and said, “It will work just fine.” The consumer filed a complaint and a Norwalk CSR negotiated a settlement whereby the contractor refunded the entire contract amount and removed the unit.

Swimming Pool Work Won’t Hold Water

A homeowner entered into a \$70,000 contract for a swimming pool remodel that included the installation of additional features along with new tile, plaster, and coping. Work began, and the homeowner became immediately concerned when he received no building permit or plans. His concern was well grounded, as the work was clearly substandard. After paying \$36,000 to the contractor the homeowner filed a complaint. With the help of a Sacramento CSR, the homeowner received a \$27,500 refund from the contractor.



INVESTIGATION CENTER HIGHLIGHTS

Son Claims to Be Agent for Deceased Father

An unlicensed contractor used his father's license as his own and forged his father's renewal application. Last renewed in 2013, in May 2014 the license was retroactively cancelled to December 11, 2010, the date of the father's death. When questioned by CSLB staff, the unlicensed contractor admitted that he had signed the renewal, but insisted that he did so as his father's agent despite his death over two years prior.

The unlicensed individual recently submitted an application for a contractor's license and paid the \$2,500 non-licensee civil penalty assessed by CSLB staff, which released the block on the application. However, CSLB denied the license application because the applicant failed to disclose his California Bar suspensions and his criminal conviction for child molestation.

CSLB Surveillance Results in Apprehension of Wanted Non-Licensee

An individual, against whom CSLB had issued a non-licensee citation in 2010, had continued to contract without a license in the San Fernando Valley using several fictitious business names. The civil penalty remained unpaid and CSLB continued to receive consumer complaints in Los Angeles and Ventura counties, where he falsely identified himself to customers as a licensed contractor. Among the consumer complainants was a retired City of Inglewood employee that entered into a \$168,926 contract for a second story addition. The non-licensee collected over \$95,925 and then abandoned the project, resulting in a \$39,100 injury. In addition, the non-licensee collected advanced payments from several customers to install cabinets, but after removing all of the kitchen cabinets and fixtures he abandoned the projects. CSLB staff submitted the complaints to the Los Angeles City Attorney, who filed criminal charges for contracting without a license and collecting excessive deposits, as well as grand theft, theft by false pretenses, and diversion of construction funds. On May 13, 2013, a \$50,000 warrant was issued, but could not be served because the individual could not be found.

CSLB staff staked out several possible addresses for the non-licensee and saw him pull into a garage driving a black BMW. Staff confronted the individual who agreed to appear in court to answer the charges. On August 4, 2014, he pled "Nolo Contendere" (essentially guilty) to contracting without a license and receiving excessive deposits. He received a 90-day sentence in county jail and agreed to pay \$106,000 in restitution to his victims.

Licensee Who Targeted Elder Pleads No-Contest (Update)

In March 2014, an 84-year-old San Jose man received an unsolicited knock on his door from a representative for a remodeling business who asked to schedule a future appointment to provide an estimate to paint his home. A week later, the homeowner entered into a \$12,900 contract to have the exterior of the home painted. Over the following two weeks additional contracts were obtained for various repairs and



improvements and the homeowner paid a total of \$109,000 on contracts amounting to \$80,000. The salesperson then had the homeowner sign 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 the salesperson facilitated the application and funding of an \$185,000 reverse mortgage and had the homeowner sign an agreement that turned over all of the proceeds to him, with the understanding that subsequently the contractor would refund \$67,000 to the homeowner.

The salesperson drove the homeowner to the bank and gave him a note to hand to the teller requesting a cashier's check payable to the remodeling business. 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, the salesperson met with the family members and explained that he 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 bank manager, who called the police. The salesperson was arrested in the parking lot for elder fraud and grand theft.

The Santa Clara County District Attorney's Office did not file a criminal complaint based upon the police report but, instead, asked CSLB to conduct an investigation. A San Francisco Peace Officer 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 teardown of the garage, which needed 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 the salesperson provided false information to the loan officer during the mortgage loan application process.

Within days of receiving the investigative report, the Santa Clara County Deputy District Attorney assigned to the matter stated that charges would be filed against the salesperson 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. On February 20, 2015, the criminal case against the salesperson was settled. In exchange for paying \$47,260.51 in restitution (\$41,000 based on the industry expert report and \$6,260.51 for costs the family incurred to undo the reverse mortgage), the felony counts were dismissed and he pled no contest to two misdemeanor counts. The salesperson paid \$41,000 of the restitution on February 20, 2015, and will pay the remaining \$6,260.51 at his sentencing on April 22, 2015. He also will serve 30 days in county jail and receive three years of probation, during which time he shall not perform any work for elders or dependent adults.



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 the company 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.

Whistleblower Tip Results in Revocation

CSLB staff testified at a January 22, 2015, administrative hearing after investigating a tip from the owner of a Contractors' License School that an employee was stealing and re-selling the school's trade books and exams. The owner also said that the employee had qualified licenses for various construction companies, for a fee. Through investigation and testimony staff established that the individual had no construction experience.

From 2008 to 2012, the individual worked as director of the school during which time, and unbeknownst to the owner, he instructed a student to sign a blank CSLB Certification of Work Experience form, which the student believed was paperwork for the procurement of his own contractor's license. The student never saw the employee perform any construction work and his only interaction with him occurred at the school.

In May 2010, CSLB issued a license for which this individual was named the RMO and, between September 2010 and December 2012, issued three more licenses on which he was named the qualifier. At the hearing, he insisted that he had the requisite experience for a license. However, as he lacked written documentation to support this claim, his testimony was unpersuasive. On February 24, 2015, the four licenses with which he was associated were revoked based on the following charges: willfully misrepresenting material facts on an Application for Original Contractor's License (Business and Professions Code §7112) and committing a fraudulent act (Business and Professions Code §7116). The Board was awarded \$6,530.59 in recovery costs.

The individual was fired in 2012 from his job at the Contractor's License School.

Do the Right Thing

CSLB investigated a consumer complaint against a service and repair business that the complainant alleged, through her attorney, had taken advantage of her over a two-month period and collected over \$90,000 for unnecessary and incomplete repair work. Unfortunately, the consumer passed away before CSLB completed its investigation. However, her attorney, on behalf of her estate, filed a \$1,400,000 civil lawsuit against the company.

Prior to the death of the consumer, CSLB staff had considered filing administrative and criminal charges against the company. The company's attorney contends that his client



CONTRACTORS STATE LICENSE BOARD

did not know that his employee was overcharging and taking advantage of the consumer. CSLB staff informed the lawyer that his client could be held accountable his employee's wrongdoing.

A settlement agreement has been reached between the consumer's estate and the business, which calls for the company to compensate the estate \$116,634.60 to resolve all matters. The consumer's siblings signed the agreement.



Statewide Investigative Fraud Team (SWIFT)

SWIFT primarily enforces compliance with license and workers' compensation insurance requirements and provides a rapid response to active criminal activity. Staff responds daily to leads at active project sites, conducts approximately one sting per week, and performs multiple sweeps each month with partnering state agencies.

Between July 2014 and January 2015, SWIFT performed **39** sting days, partnering with law enforcement, District Attorneys, building department 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. In addition, SWIFT performed **135** sweeps at active construction sites with partnering state agencies.

Homeowner's Tip Leads to Jackpot Bust



On February 20, 2015, CSLB staff, with the Employment Development Department and El Dorado DA's Office, responded to a request for assistance from an elderly homeowner. The homeowner became suspicious when Peter Soros continued to ask for additional money for a kitchen remodel. After a brief interview, Soros was arrested for an outstanding warrant. CSLB Enforcement staff will submit his investigative report to the

El Dorado District Attorney, alleging that Soros committed the following criminal violations: contracting without a license, fraudulent use of a license, failure to obtain workers' compensation insurance, elder abuse, burglary, and theft by false pretenses.

Elder Abuse Case Referred to District Attorney

A suspect entered into a contract with an 85-year-old homeowner to perform a roof replacement. The suspect eventually received over \$9,000 from the consumer, but did not complete the project. On February 19, 2015, CSLB staff conducted a thorough investigation that established the culpability of the suspect, and referred the case to the Madera County District Attorney for violations of unlicensed practice, failure to provide workers' compensation insurance, elder abuse, burglary, diversion of funds, and grand theft.



Contractor Sings the Blues after SWIFT Investigation

The legendary Troubadour club in West Hollywood has hosted celebrities such as Bob Dylan, Neil Diamond, and Elton John. RAT Sound Systems, Inc. is now singing the blues after CSLB staff issued the company a citation for contracting under a suspended license. RAT Sound Systems failed to replace their qualifier and did not have a current bond. The investigation began when Southern SWIFT received a lead referral that the company was installing a speaker system with a suspended license.



Unlicensed Repeat Offender Convicted

A former licensee continued to operate without a current contractor's license and was caught, most recently, during the November 2014 Blitz. The suspect did submit a license application last year that eventually became void. In the opinion of the Santa Barbara District Attorney's Office, he should never be issued a license. CSLB staff worked closely with the DA's office to obtain a conviction against him for operating without a license and preying on elderly victims. He pled guilty to four counts of contracting without a license and one count of failure to obtain workers' compensation. The criminal conviction resulted in a 180-day jail sentence and three years of probation.

CSLB Staff Conducts Joint Enforcement Strike Force (JESF) Sweep in Compton

Building on a partnership recently entered into with the City of Compton, on January 15, 2015, CSLB staff, along with Department of Labor Standards Enforcement (DLSE) Commissioner Eduardo Martinez and Compton Code Enforcement Officer Bob Childs, conducted a construction sweep that resulted in the following:



- One Stop Order and administrative citation issued to a licensee for failing to have workers' compensation;
- One Stop Order and an administrative citation issued to a non-licensee for failing to have workers' compensation for his four employees and for contracting without a license. On this same project, a licensee was found to be contracting with the unlicensed contractor and will be cited for violating Business and Professions Code section 7118;
- DLSE Labor Commissioner Eduardo Martinez issued two NTAs to the contractors for a misdemeanor Labor Code section 3700.5 violation. Both criminal cases will be filed with the Compton City Prosecutor; and
- The Compton Code Enforcement Officer issued two administrative citations to the contractors for failure to obtain a city business license.

Placer County Sting Nabs Sex Offenders and Wanted Person

On February 18 and 19, 2015, SWIFT conducted a two-day sting in Roseville and issued 11 Notices to Appear (NTA) in criminal court and two administrative citations. Among them were NTAs issued to registered sex offenders Fredrick Wilburn and James Pryor, an administrative citation issued to Eric Chipchase, who sent his bid to perform exterior painting via email without visiting the sting site, and an NTA issued to John Vanbuskirk, who has 79 previous arrests in Sacramento County.



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 answer 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. Advanced Enforcement Course **January 2015**

An advanced course that builds upon the Enforcement Academy was developed and implemented that included the following:

- Situational awareness
- Investigator awareness
- Investigator demeanor and image
- Case and time management
- Code training
- Case review in open forum

7. Enforcement Academy **February 2015**

CSLB Enforcement Staff conducted a second Academy that included the following:

- Investigation techniques
- Evidence
- Time management
- Proposition 115/certification
- Phone tactics
- Interview techniques/practical
- Report writing/practical
- Art of testifying/practical
- Code training

AGENDA ITEM F-3

Predatory Service and Repair Task Force Update





Your New Heating, Ventilating and Air-Conditioning (HVAC) System

Dear Customer:

We are a state-licensed contractor, and endorse and follow the attached recommendations from the California Contractors State License Board.

As you review your HVAC system purchasing information, know that we are available to answer all of your questions and are committed to providing you with a properly installed system that can yield up to a 300 percent return on your investment over the life of the equipment.

When you compare other bids for your HVAC purchase, make sure that each contractor is licensed and ready to perform the work, as we do, with the legally required permits and appropriate workers' compensation and general liability insurance.

Thank you for choosing **F & H Property Management**
California contractor license number: **600000**

If you have any questions about our bid please contact **John Doberment (Property Representative) at (916) 444-4444**

ATTACH BUSINESS CARD HERE



Overview of Potential HVAC Energy Savings

Most energy providers and the U.S. Environmental Protection Agency's Energy Star program offer online tools that calculate your expected average monthly savings with HVAC systems that meet energy efficiency requirements. Over the lifetime of the equipment, a properly installed HVAC unit can yield up to a 300 percent return on your investment through lower energy bills.

EnergyStar.Gov recommends the following:

Energy Efficient Equipment

If your HVAC equipment is more than 10 years old or not keeping your house comfortable, have it evaluated by a professional HVAC contractor. If it is not performing efficiently or needs upgrading, consider replacing it with a unit that has earned the ENERGY STAR. Depending on where you live, replacing your old heating and cooling equipment with ENERGY STAR-qualified equipment can cut your energy bill by nearly \$200 a year.



Duct Sealing

Duct systems that are properly sealed and insulated can make homes much more comfortable and energy efficient. Sealing and insulating ducts can improve the efficiency of a home's heating and cooling system by as much as 20 percent.



Quality HVAC Installation

Replacing your old heating and cooling equipment with new, energy-efficient models is a great start. But to make sure that you get the best performance, the new equipment must be properly installed. In fact, improper installation can reduce system efficiency by up to 30 percent.





Doing It Right!

The Contractors State License Board and the California Energy Commission want consumers who are planning to purchase and install new heating, ventilating, and air-conditioning (HVAC) units to fully realize the anticipated savings from their investment in energy efficient equipment, and to avoid unscrupulous contractors. A hassle-free experience depends on understanding the benefits of having the job done right, and the potential risks when it isn't.



Use the HVAC checklist on the following page to protect yourself and your investment.

RIGHT CONTRACTOR <i>Job Done Correctly</i>		WRONG CONTRACTOR <i>Potential Risks</i>
<p>Hire a licensed contractor in good standing with the Contractors State License Board (CSLB) to ensure recourse through the CSLB complaint process.</p> <p>"Check the License" at www.cslb.ca.gov or by calling 800-321-2752</p>	VS	<p>Hiring an unlicensed contractor or a licensed contractor not in good standing may result in a poor or incomplete installation and limits your ability to seek financial redress.</p>
<p>Be sure the contractor carries workers' compensation insurance when using employees so you won't be financially responsible for any injuries sustained on the job.</p>	VS	<p>Using a contractor who does not carry workers' compensation insurance may subject you to liability for the costs of medical care and rehabilitation for any worker(s) injured on your property.</p>
<p>Obtain a building permit so the building department can confirm proper installation through an inspection.</p>	VS	<p>Forego a permit and there will be no independent 3rd-party inspection of the work and you may be charged fines and penalties.</p>
<p>Ensure that ducts are properly sealed and insulated to realize energy savings of up to 20%.</p>	VS	<p>Improperly sealed and insulated duct systems leak, decreasing heating and cooling efficiency.</p>
<p>Receive a final inspection to confirm that your HVAC system is operating properly so to yield energy savings—up to 300% over the life of the equipment.</p>	VS	<p>HVAC units not subject to final inspection may reduce your system's efficiency by up to 30%.</p>



Instant License Check Example from CSLB's Website

License Status

Look for the **green** text color next to "License Status" to make sure the selected license is active and eligible to perform work within the scope of the classification(s).

Workers' Compensation Insurance

If the selected contractor license indicates workers' compensation insurance, work may be performed using employees who are covered under their policy. If workers' compensation insurance is not indicated, the license has certified employees **do not** work for the contractor.

License Number	555555	Extract Date	5/1/2014				
Business Information	F & H Property Management 5555 Dream House Way Mayberry, CA 55555						
Entity	Sole Ownership						
Issue Date	12/15/2012						
Expire Date	12/31/2014						
License Status	ACTIVE This license is current and active. All information below should be reviewed.						
Classifications	<table><thead><tr><th>CLASS</th><th>DESCRIPTION</th></tr></thead><tbody><tr><td>C20</td><td>WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING</td></tr></tbody></table>	CLASS	DESCRIPTION	C20	WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING		
CLASS	DESCRIPTION						
C20	WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING						
Bonding	CONTRACTOR'S BOND This license filed a Contractor's Bond with AMERICAN CONTRACTORS INDEMNITY COMPANY . Bond Number: XXXXXX Bond Amount: \$12,500 Effective Date: 11/06/2012						
Workers' Compensation	WORKERS' COMPENSATION This license has workers compensation insurance with STATE COMPENSATION INSURANCE FUND Policy Number: XXXXXX Effective Date: 07/22/2013 Expire Date: 07/22/2014 Workers' Compensation History						



HVAC Checklist

- Licensed Contractor**
Hire a state-licensed contractor and verify that your contractor is in good standing at www.cslb.ca.gov or by calling (800) 321-CSLB (2752).
- Obtain a Permit**
Make sure your contractor obtains a building permit from your local building department. Beware of any contractor that offers a lower price to install a unit without a permit; having a permit ensures work will be inspected.
- 3-Day Right to Cancel**
Make sure your contract includes a 3-day right to cancel clause. Information about home improvement contracts can be found in the Consumers section of CSLB's website.
- Insurance**
Verify that your contractor has workers' compensation (WC) and general liability insurance. WC insurance can be verified at www.cslb.ca.gov or by calling (800) 321-CSLB (2752). Homeowners may be financially liable for the cost of medical care for worker(s) who are injured on their property.
- Written Contract**
Insist on a written, fix-priced contract and don't sign anything until you completely understand the terms.
- Down Payment**
Do not pay more than 10% down or \$1,000, whichever is less.
- Payment Schedule**
Do not make payments ahead of the work. Keep a record of all payments.
- Permit Inspections**
Make sure that your local building department performs all required inspections, including in progress and final inspections, and that there are not any correction notices or red tags. Inspections ensure proper installation.
- Final Payment**
Do not make final payment before the final inspection has been conducted, the permit completed by the building department, and you are satisfied with the work.
- Documentation**
Keep a file of all documents and photos related to your project.



PREDATORY SERVICE AND REPAIR TASK FORCE UPDATE

Background

On April 24, 2014, the Board directed staff to create a task force to address predatory service and repair companies as part of the 2014-15 Strategic Plan.

In August 2014, the Enforcement division formed the Service and Repair Task Force, comprised of four CSLB Peace Officers, one Enforcement Representative (ER), and an Enforcement Analyst. The task force also includes representatives from the Federal Bureau of Investigation (FBI), district attorney (DA) offices, and local law enforcement.

Task force objectives include:

1. Identifying predatory service and repair contractors
2. Establishing investigation partnerships with industry and local law enforcement
3. Developing consumer and industry outreach material

Identifying Predatory Service and Repair Contractors

In coordination with the California District Attorneys Association, Office of the Attorney General, and Better Business Bureau, criteria was developed relating to unscrupulous Warm-Air Heating, Ventilating and Air-Conditioning (HVAC) contractors that target consumers, especially the elderly, through telephone and direct mailing solicitations, offering maintenance services at reduced prices. Consumers lured in by these low-cost ploys are subject to the following harm by predatory contractors:

- Hard-sell tactics to obtain grossly inflated contracts;
- Unnecessary and additional work misrepresented as necessary or safety-related and in need of immediate correction;
- Building permits not obtained;
- Workers' compensation insurance not provided for employees, putting consumers at risk if an employee is injured on the job; and
- Failure to provide the three-day right to rescind home improvement contracts.



Investigation Highlights from Established Partnerships

The task force has prioritized consumer complaints relating to numerous unlicensed contractors obtaining work through a common telemarketing firm, herein referred to as Indoor Air, which then refers consumers to unlicensed entities for service and repair. CSLB has received numerous complaints from elderly victims statewide who were charged thousands of dollars for unnecessary repairs on their homes. Task force highlights follow:

Yair Zilberman Sentenced to Two Years in State Prison

Yair Zilberman used bogus telemarketers to solicit business from vulnerable, elderly consumers, and then charged them thousands of dollars for unnecessary home repairs. Arrested on July 1, 2014, by the Los Angeles Police Department Van Nuys Division, he was housed at Pitchess Detention Center South Facility. He appeared at the Van Nuys Municipal Court on January 14, 2015, where the case was settled. Zilberman received a two-year sentence in state prison. He has one strike, and will have to pay \$200,000 on the day of his official sentencing. He was sentenced for the following felony counts: three counts of Penal Code section 368(D), theft by non-caretaker; and one count of Penal Code section 459, burglary. (He received two years for each count, though his sentence will run concurrent.) No bail has been set since his sentencing.

Eldad Syton Unable to Make Bail, Incarcerated at LA County Jail for Eight Months

Eldad Syton, an accomplice of Yair Zilberman, was arrested on June 28, 2014, by the Los Angeles Police Department, Van Nuys Division and has been housed at Pitchess County Jail for eight months. He is scheduled to appear in court on February 24, 2015, at Van Nuys Municipal Court Division 112. His bail is \$1,000,000.

84-Year-Old Consumer Needs Water Heater Replacement; Scammed for \$600,000

A Sacramento Enforcement Representative investigated a case regarding an 84-year-old woman who entered into a contract to repair or replace her water heater. The daughter of the homeowner said her mother had been diagnosed with early cognitive impairment. The company representative, an unlicensed salesperson, negotiated additional contracts, using several different business names. Between February and June 2014, the homeowner entered into dozens of different contracts, totaling over \$600,000. She has paid all of these contractual obligations. The respondent failed to pull the permits necessary for the work and CSLB's investigator has secured an industry expert to assess the value of the work performed.

\$31,500 Paid; No Work Performed

In December 2013, an 85-year-old complainant was contacted via phone by a representative of Indoor Air. The company representative that came to her residence went upstairs for a short time and then left the premises. He returned a few days later and verbally agreed to replace her vents and repair cracked ductwork for an unstated dollar amount. The complainant made five payments to the company totaling \$31,500.



Approximately one week later, a company representative contacted the complainant and asked to return to re-inspect the vents. Increasingly suspicious about the quality of work being performed, the homeowner contacted a family member and a complaint was subsequently filed with CSLB. A CSLB Industry Expert subsequently inspected the work allegedly performed and confirmed that no heating, ventilation, or air conditioning-related work had been performed at the residence.

Rocket Scientist Scammed for \$50,000

A 92-year-old retired Apollo Space Engineer also was scammed by one of the Indoor Air respondents for contracts totaling \$50,000 for work that was either not performed or unnecessary. CSLB will file the completed investigation with the Los Angeles County District Attorney's office for theft from an elder, first-degree burglary, identity theft, and contracting without a license.

Consumer and Industry Outreach

Ambassador Program

On March 2, 2015, the Heating, Ventilating, and Air Conditioning (HVAC) Ambassador Program officially launched, as part of CSLB's 2014 Strategic Plan. The Ambassador Program was developed in coordination with industry partners and the California Energy Commission.

The program aims to educate consumers who plan to purchase and install new HVAC units about how to fully realize the anticipated savings from their investment in energy efficient equipment and to avoid unscrupulous contractors that do not comply with license and permit requirements.

Contractors participating in the Ambassador Program receive the following:

- Introductory letter, which can be modified by the contractor to include the contractor's name, license number, and contact information
- Description of expected energy savings from a proper HVAC installation from the U.S. Environmental Protection Agency's Energy Star program
- A comparison chart showing the benefits of contracting with a licensed contractor
- A consumer checklist to guide consumers as they navigate the HVAC purchase process

The Ambassador Bid packet, available on the CSLB website, follows.

AGENDA ITEM F-4

Review, Discussion and Possible
Action Regarding Recommendation
to Establish Operational Agreements
with Building Departments





REVIEW AND CONSIDER ESTABLISHING OPERATION AGREEMENTS WITH BUILDING DEPARTMENTS

The Contractors State License Board (CSLB) and the (city or county name) share a common goal to establish a cooperative state/local partnership aimed at identifying and resolving problems created by licensed and unlicensed contractors that do not comply with code requirements and engage in underground economic activity. Further, the collaboration between CSLB and building departments to identify, discourage, report, and prosecute unscrupulous and/or negligent individuals will provide greater safeguards to our communities.

Following are 14 slides that outline the benefits of operational agreements with building departments as well as a sample agreement.

CSLB Code Enforcement

Presented by David Fogt
Chief of Enforcement

Permit Compliance Importance

- o Unanimous Board vote to place a high priority on enforcing building permit requirements



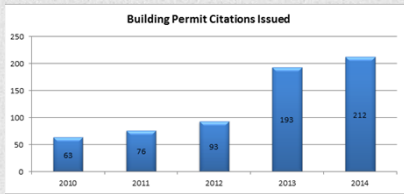
Enforcement Penalties

- o Civil Penalty Assessments up to \$5,000
- o Citation can require licensee to pay permit fees and assessed penalties
- o Licensee responsible for construction code compliance costs (when appropriate)
- o Failure to comply with permit requirements can result in suspension or revocation of the license.

Building Department Violation Form

A screenshot of a software application window titled "Building Permit Violation Report". The window contains a form with various fields for reporting violations, including sections for "Violator Information", "Violation Details", and "Enforcement Actions". The form is displayed within a standard Windows-style window with a taskbar at the bottom.

Legal Action Statistics



Partnering Challenges

- Not all Building Officials support CSLB's efforts
- Inconsistent reporting policies
- Jurisdictions do not always allow Building Inspectors to testify to code requirements
- Some City Attorneys demand \$250 witness fee when subpoena is served

Individual Operational Agreements

- CSLB to enter into operational agreements with receptive cities and counties



CSLB Responsibilities

- Provide rapid response to complaints filed by building departments
- Review owner-builder permits for active job sites for CSLB inspection

CSLB Responsibilities

- o Provide field Enforcement staff to attend building department staff meetings as requested
- o Report on enforcement success
- o Support local partnering government officials at public meetings

Building Department Responsibilities

- o Make CSLB consumer/contractor publications available
- o Promptly report suspected violators using the Building Department referral form

Building Department Responsibilities

- o Provide building inspectors to testify about code requirements
- o Waive \$250 fee or provide for payment after court appearance

Direct Contacts

- o CSLB and partnering Building Departments to provide a liaison with a direct phone number

Goals

Establish a cooperative state/local partnership to identify and resolve problems created by licensed and unlicensed contractors who:

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

Operational Agreement



AGENDA ITEM G

Licensing



AGENDA ITEM G-1

Licensing Program Update





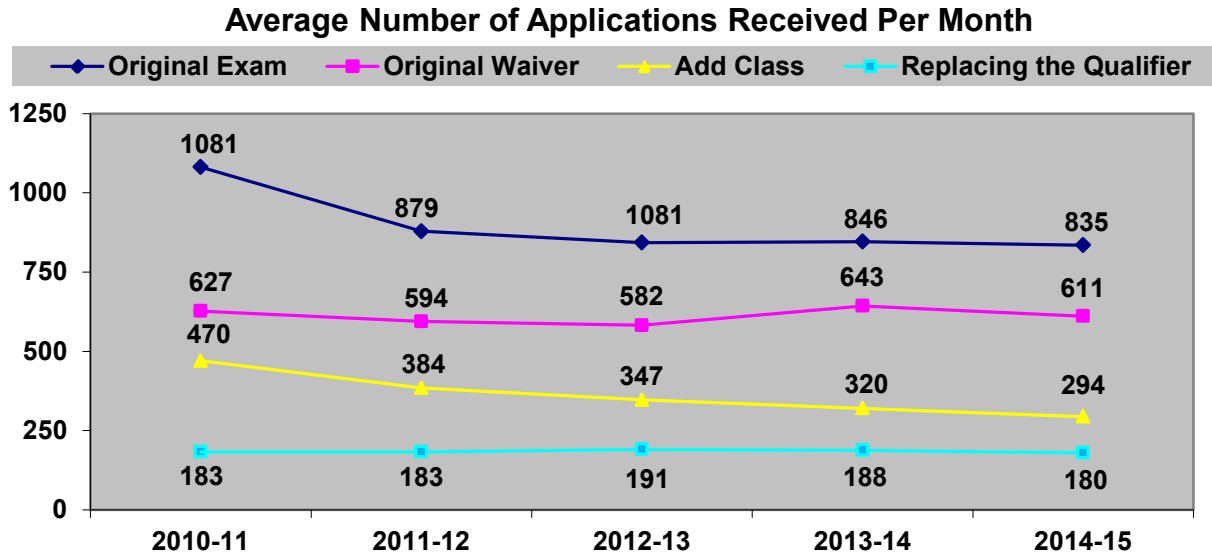
CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

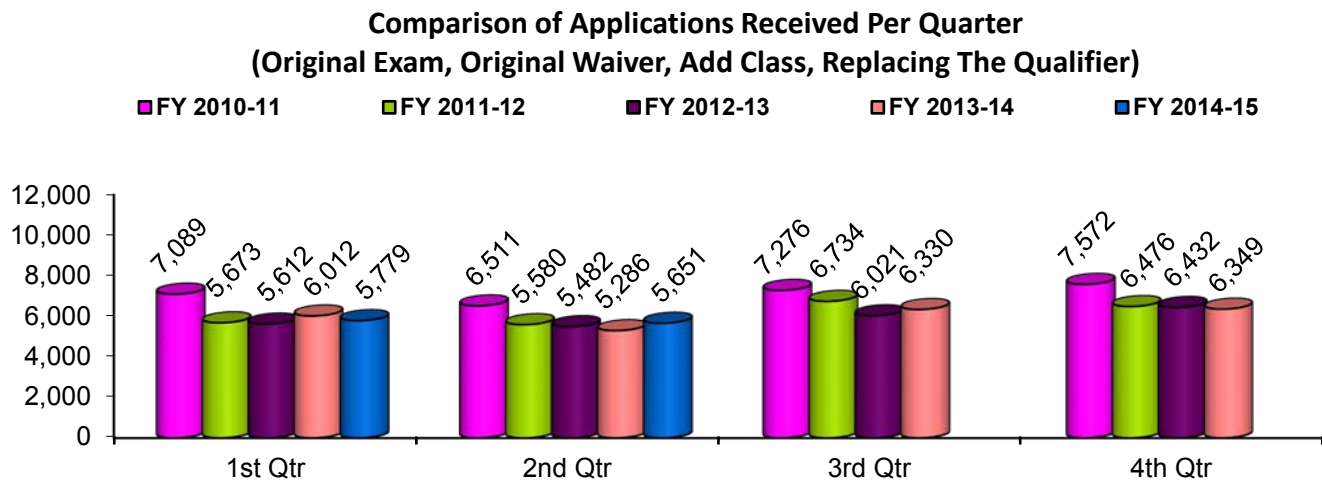
LICENSE APPLICATION WORKLOAD

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:

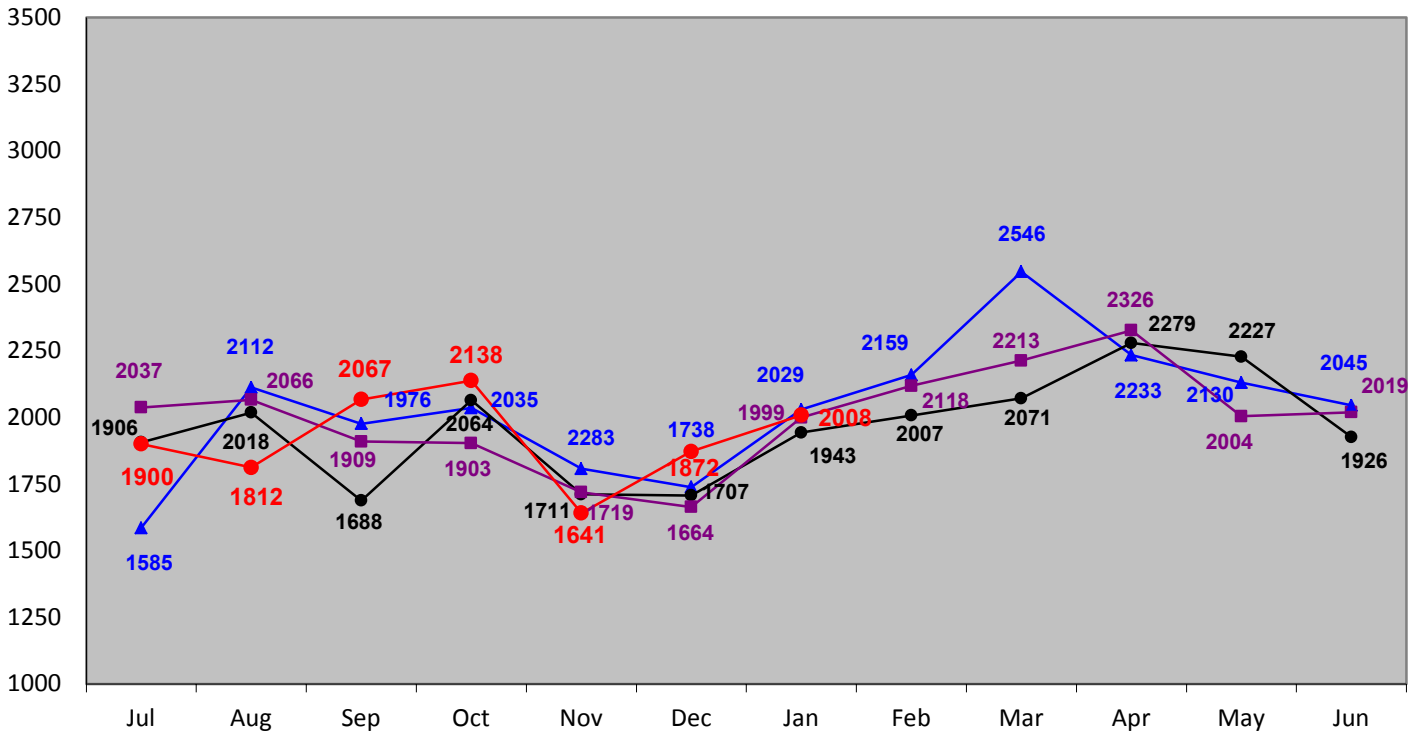


Increase of 2 percent for total applications received for FY 2013-14 compared with FY 2014-15



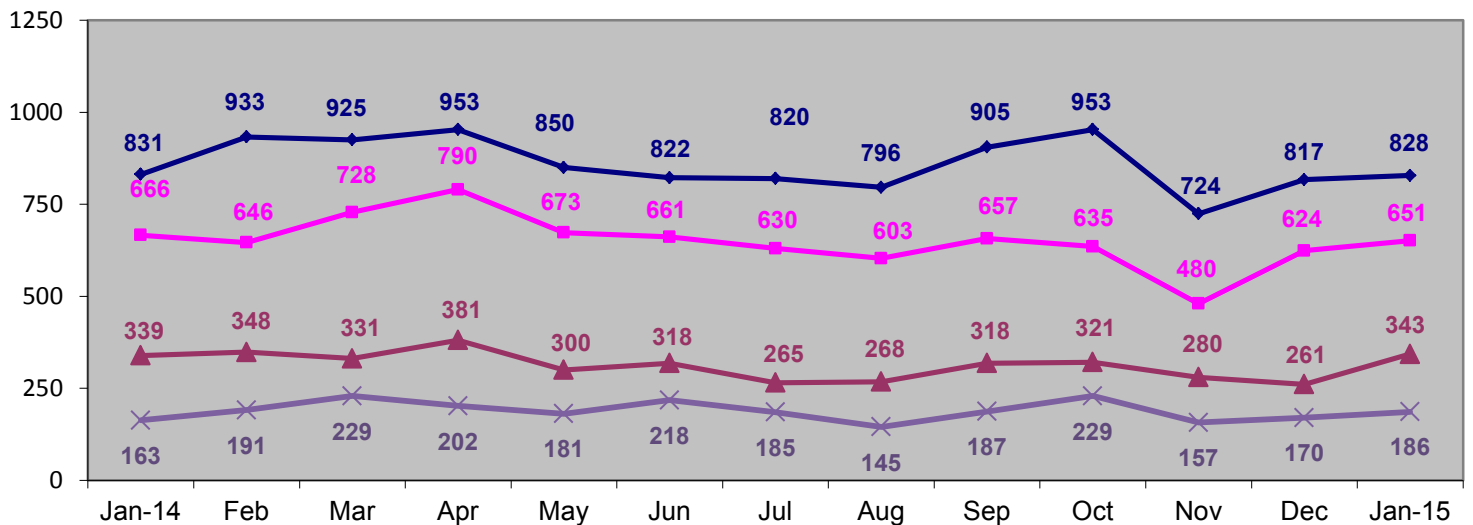
Total Number of Applications Received Per Month (Original Exam, Original Waiver, Add Class, Replacing the Qualifier)

2011-12 2012-13 2013-14 2014-15



Number of Applications Received

Original Exam Original Waiver Add Class Replacing the Qualifier



LIMITED LIABILITY COMPANIES (LLCs)

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

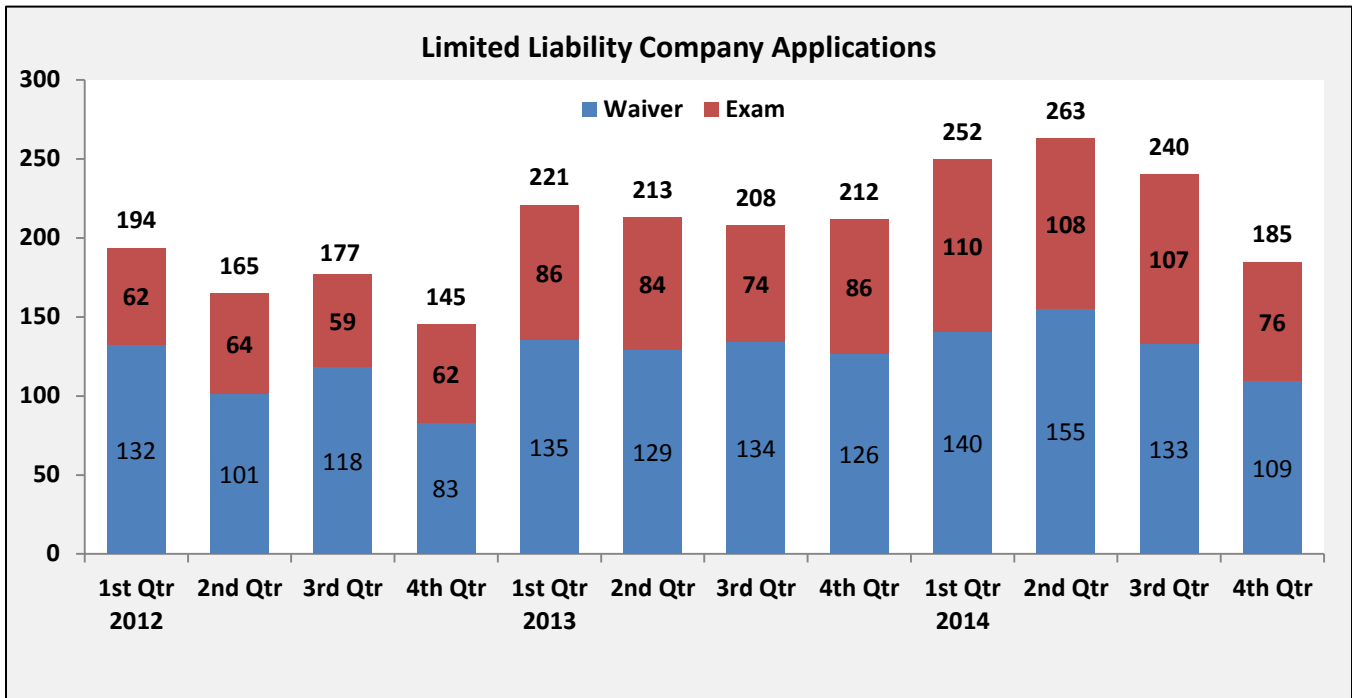
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” With this law, the Legislature intended to also apply this doctrine 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	185	938
Returned for Corrections	113	99	129	86	427	134	133	134	126	527	156	152	136	119	563
Issued	5	10	7	5	27	16	8	9	2	35	16	12	13	24	65
Processed	70	53	33	38	194	72	56	57	79	264	72	91	88	39	290
Void or Withdrawn	6	3	3	3	15	1	7	8	5	21	6	8	3	3	20
Not Yet Processed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Yr. End Total	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Yr. End Total	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Yr. End Total
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 2,448 original LLC applications received through December 31, 2014, CSLB issued 817 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.

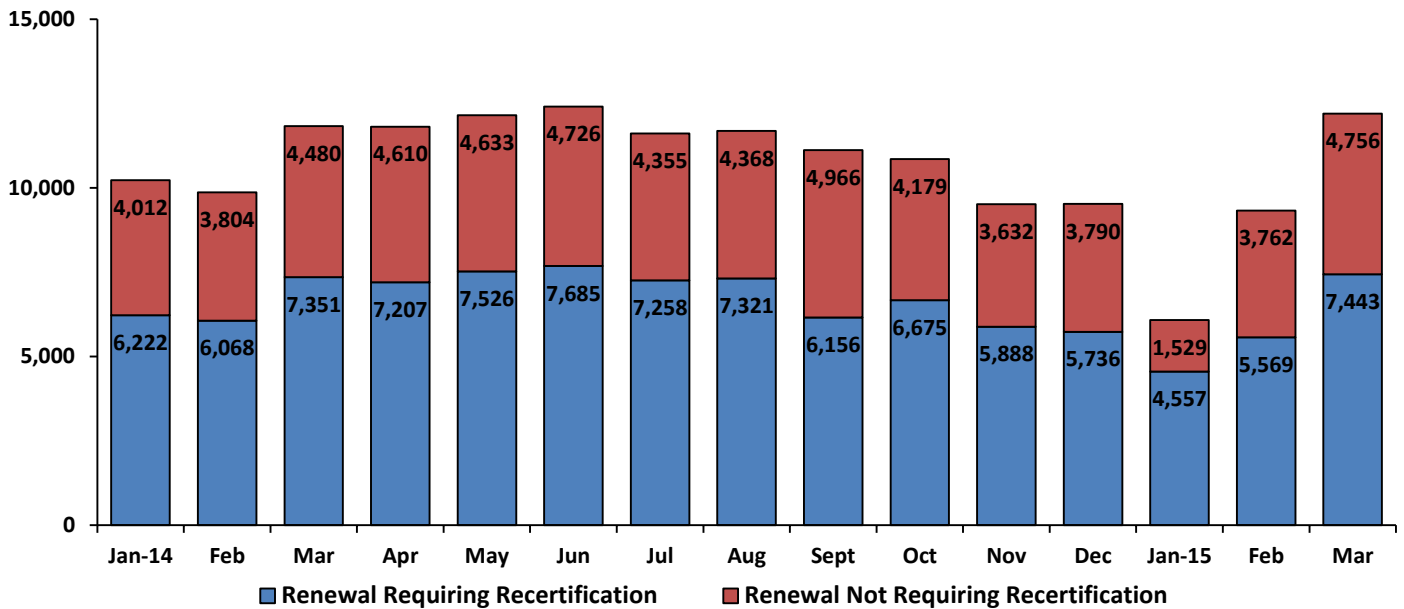


WORKERS' COMPENSATION RECERTIFICATION

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 that required recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license.

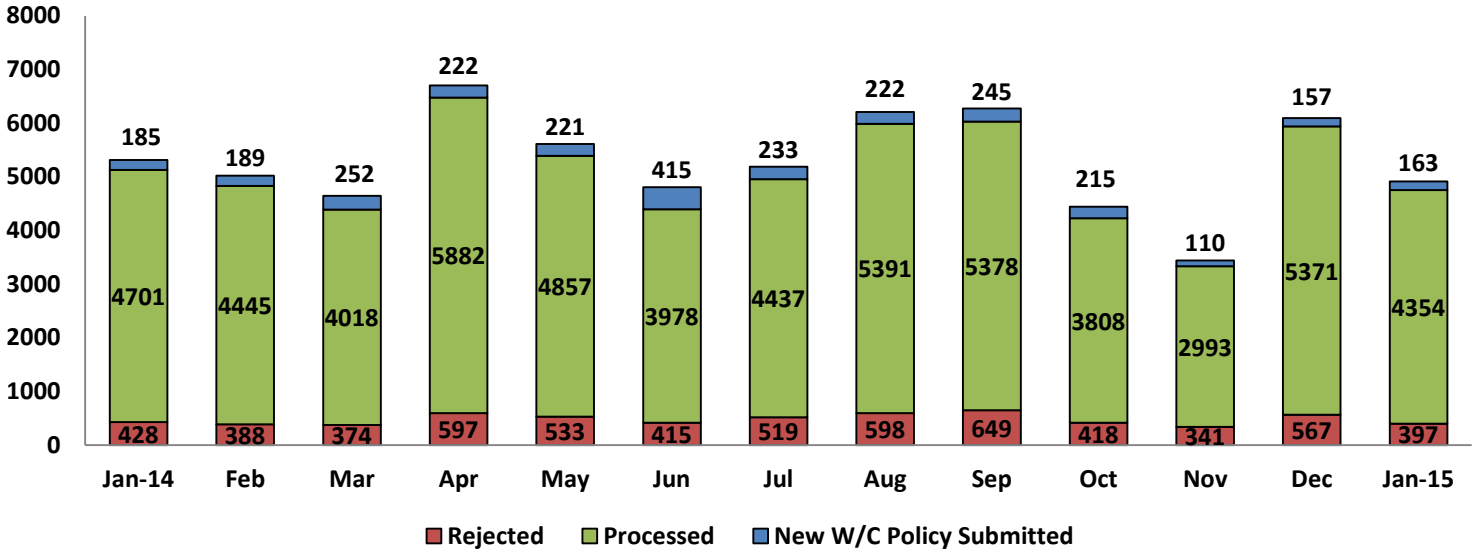
Renewal Applications Mailed Per Month



*Represents month of mailing, not month of license expiration

The chart below indicates the number of renewal applications processed each month, beginning in January 2014, which required workers' compensation recertification. Included is the number of new workers' compensation policy certificates received and placed on record during renewal recertification.

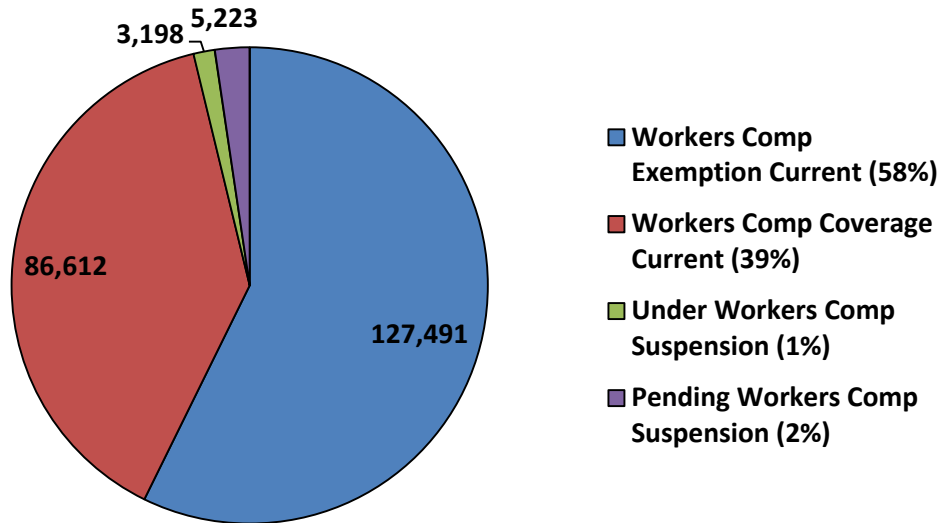
**B&P Code section 7125.5 Renewal Of License
Recertification of Exemption for Workers' Compensation Insurance**



Data obtained from L737-Renewal Statistics Report

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

**Workers' Comp Coverage for
Active Licenses - February 1, 2015**

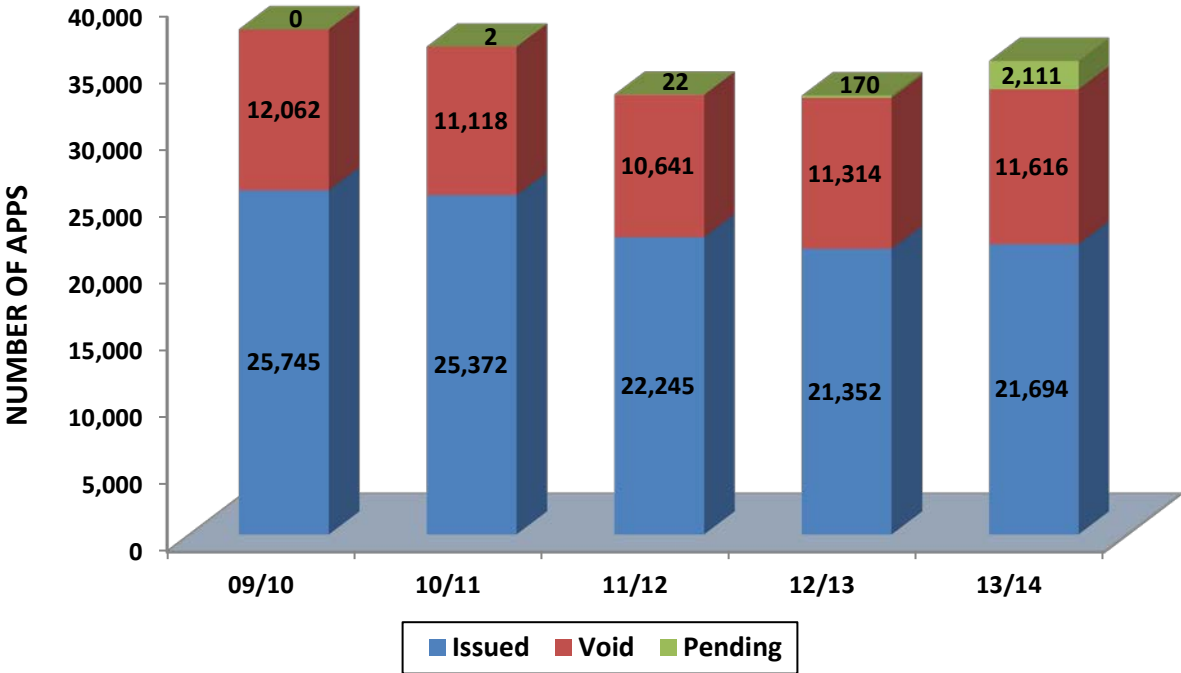


Total Number of Active Licenses: 222,524

Data obtained from Teale Program ACTLICWC

**Disposition of Applications by Fiscal Year
Teale Report S724: Run Date 02-01-2015**

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



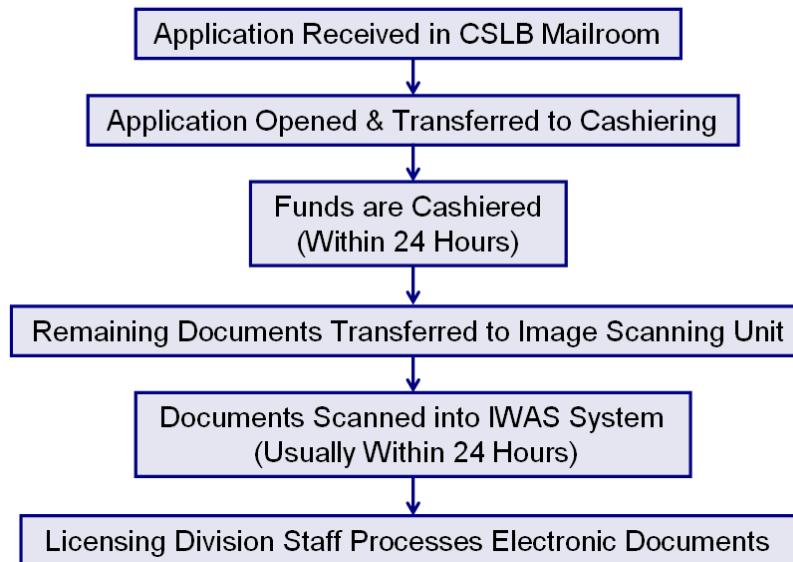
CSLB management continues to monitor processing times for the various licensing units on a weekly and monthly basis. The charts on pages 18-21 track the “weeks to process” for the application and license maintenance/transaction units.

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 cashiering 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 314,273 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants fingerprinted during that time, CBU staff received CORI for over 55,000 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 January 31, 2015, CBU denied 1,210 applications and issued 1,421 probationary licenses; 607 applicants appealed their denials.

Below is a breakdown of CBU statistics by fiscal year.

Criminal Background Unit Statistics								
	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	15,896	314,273
CORI RAPP Received	30,153	5,254	5,201	3,997	3,663	3,768	2,178	55,002
Denials	844	63	108	70	67	37	21	1,210
Appeals	406	29	62	39	36	23	12	607
Probationary Licenses Issued	622	203	243	146	71	76	60	1,521

EXPERIENCE 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:



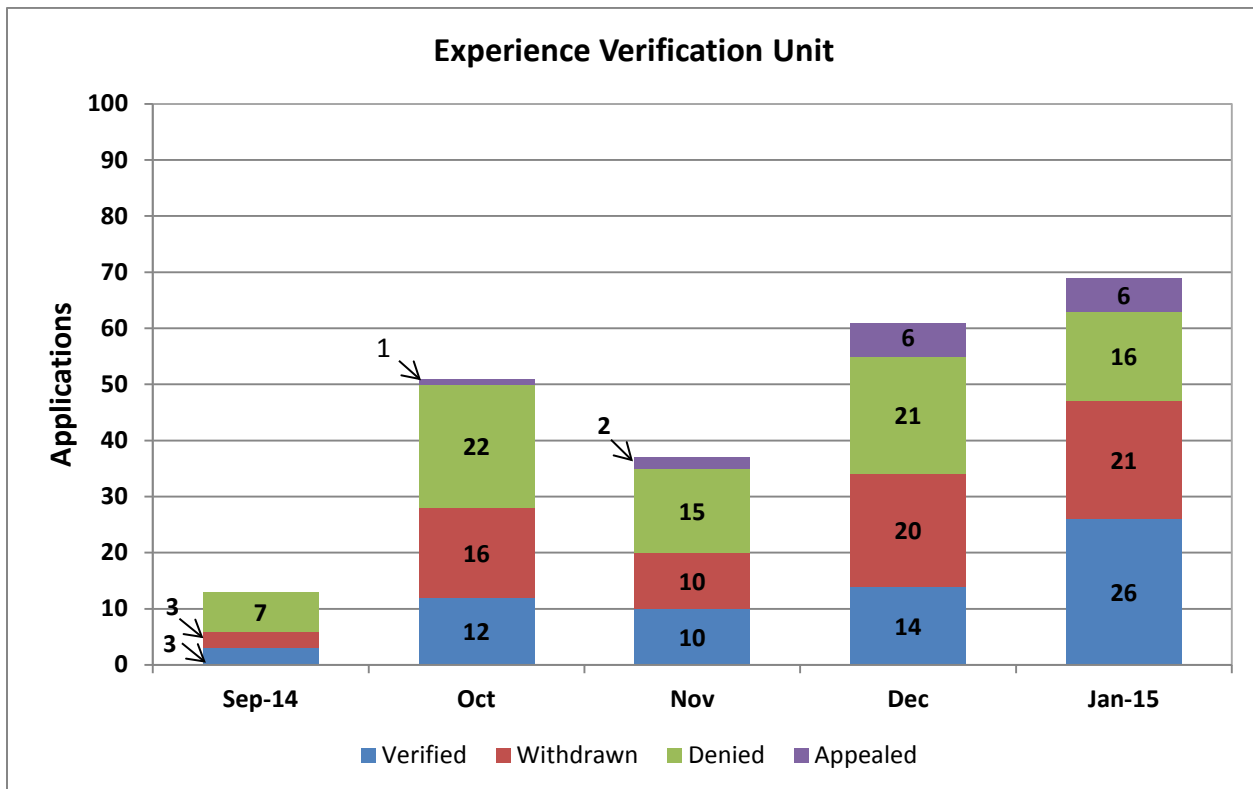
- Identify a new qualifier who possesses the required experience;
- Withdraw the application and reapply when the necessary experience has been gained; or
- Request a formal experience investigation.

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

The Experience Verification Unit was transferred to the Licensing Division on July 1, 2014 and fully staffed by November 20, 2014. Statistical reporting for the unit was in place September 1, 2014.

The following chart provides a monthly breakdown of the action taken for applications referred to the Experience Verification Unit.





Since implementation, the Experience Verification Unit staff has been assigned a total of 368 applications for experience verification and the number of applications referred to the unit each month meets the 3 percent minimum requirement (Business and Professions Code §7068(g) and California Code of Regulations 824).

The Experience Verification Unit denied 81 applications, of which 15 were appealed, and verified 65 for continued processing. Seventy applications were withdrawn. Currently, 136 applications are pending further review or awaiting additional supporting experience documentation from the applicant.

The chart below provides the classification breakdown for appeals, denials, withdrawals, and experience verifications:

**Experience Verification By Classification
FY 2014-15 To Date**

Classification	Appealed	Withdrawn	Verified	Denied
A General Engineering	1	9	7	4
B General Building	11	51	35	55
C-6 Cabinet-Millwork			1	
C-7 Low Voltage			2	
C-8 Concrete			1	1
C-10 Electrical		3	2	1
C-12 Earthwork & Paving		1		1
C-15 Flooring			1	1
C-16 Fire Protection			1	
C-17 Glazing				1
C-20 HVAC	1	2	2	4
C-27 Landscaping	1	2	3	3
C-31 Construction Zone				1
C-33 Painting			1	1
C-35 Lath-Plaster				1
C-36 Plumbing		1	5	4
C-39 Roofing				1
C-46 Solar	1		1	1
C-54 Tile			1	
C-57 Well Drilling			1	
C-61 Limited Specialty		1	1	1
Totals	15	70	65	81

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 14,000 calls per month. Call wait times averaged only 1:31, with 95 percent of all incoming calls answered. The average length of each call was 3:37.

These improved statistics can be attributed to improved staffing levels and training. Employees hired in 2014 continue to benefit from comprehensive training and are becoming more seasoned each day.

Staffing Update

Three new Program Technician IIs hired September 1, 2014, are now shadowing veteran LIC agents, listening and observing in preparation for taking live calls. The Call Center currently has four vacancies, with 11 full-time Program Technician II's and two Retired Annuitants.

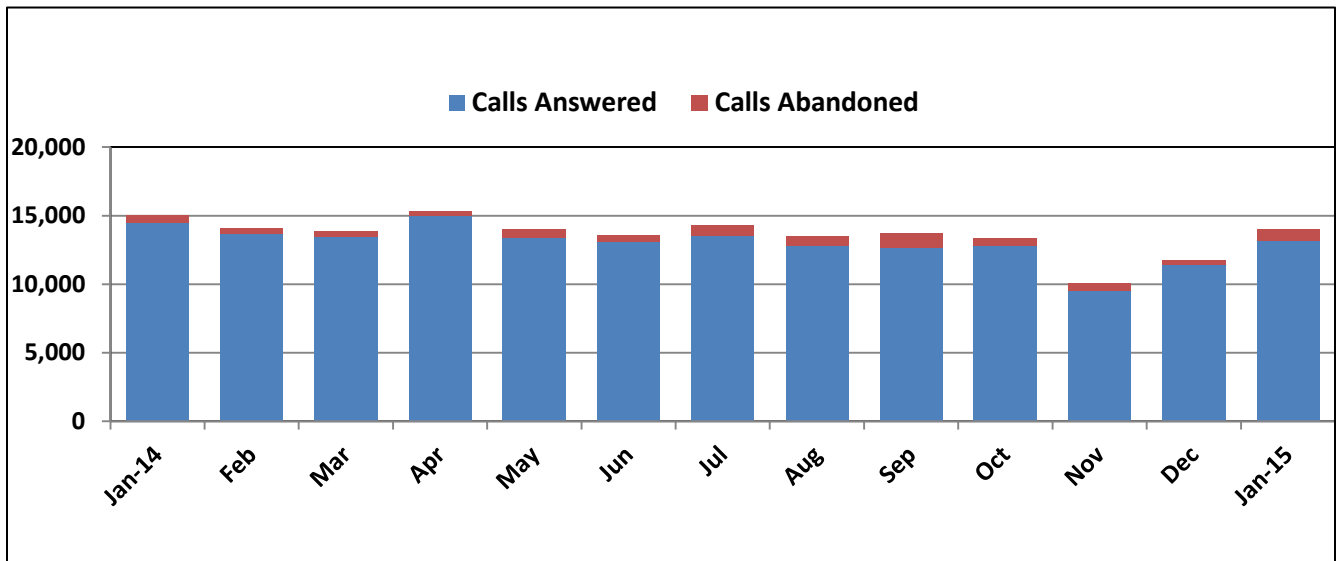
Increased Training

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

	Jan '14	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '15
Calls Received	14,484	13,699	13,868	15,289	13,997	13,566	14,271	13,467	13,759	13,397	10,090	11,735	13,984
Calls Answered	13,919	13,325	13,456	14,983	13,370	13,100	13,521	12,805	12,637	12,809	9,507	11,405	13,156
Calls Abandoned	564	373	412	305	626	466	747	657	1067	567	566	327	823
Longest Wait Time	10:46	4:46	4:39	5:48	8:37	5:49	10:50	13:35	10:10	7:52	12:05	5:56	10:32
Shortest Wait Time	0:27	0:26	0:17	0:18	0:27	:26	0:30	0:39	1:18	0:28	0:19	0:10	0:45
Average Wait Time	2:37	1:50	2:10	1:23	1:44	2:28	4:36	4:35	4:53	4:48	4:43	4:46	4:39



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
- State Board of Equalization
- 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.

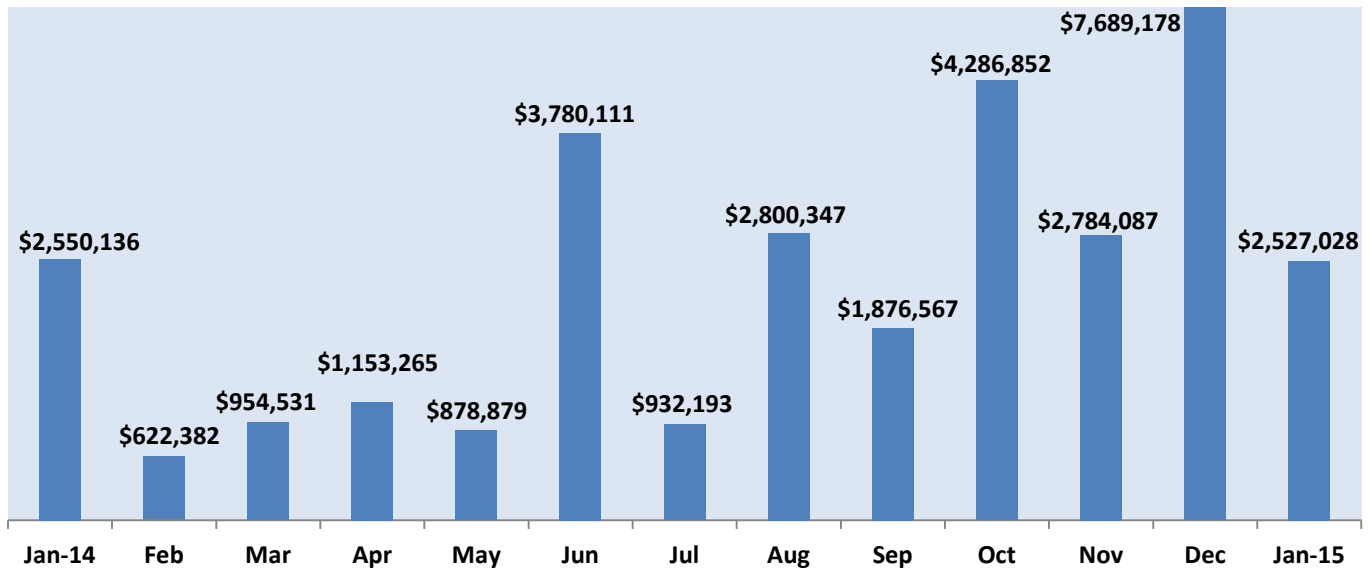
If the licensee fails to comply within the allotted timeframe, the license is suspended and a notice of suspension is sent to the contractor. Upon compliance, a reinstatement letter is sent to the licensee.



Outstanding Liabilities

Letter Type Sent	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015
Initial	75	80	42	82	54	41	91	24	86	89	48	54	46
Suspend	64	30	40	97	37	66	41	31	72	22	63	88	42
Reinstate	47	29	40	42	33	60	36	31	61	83	63	173	63

Savings to the Public

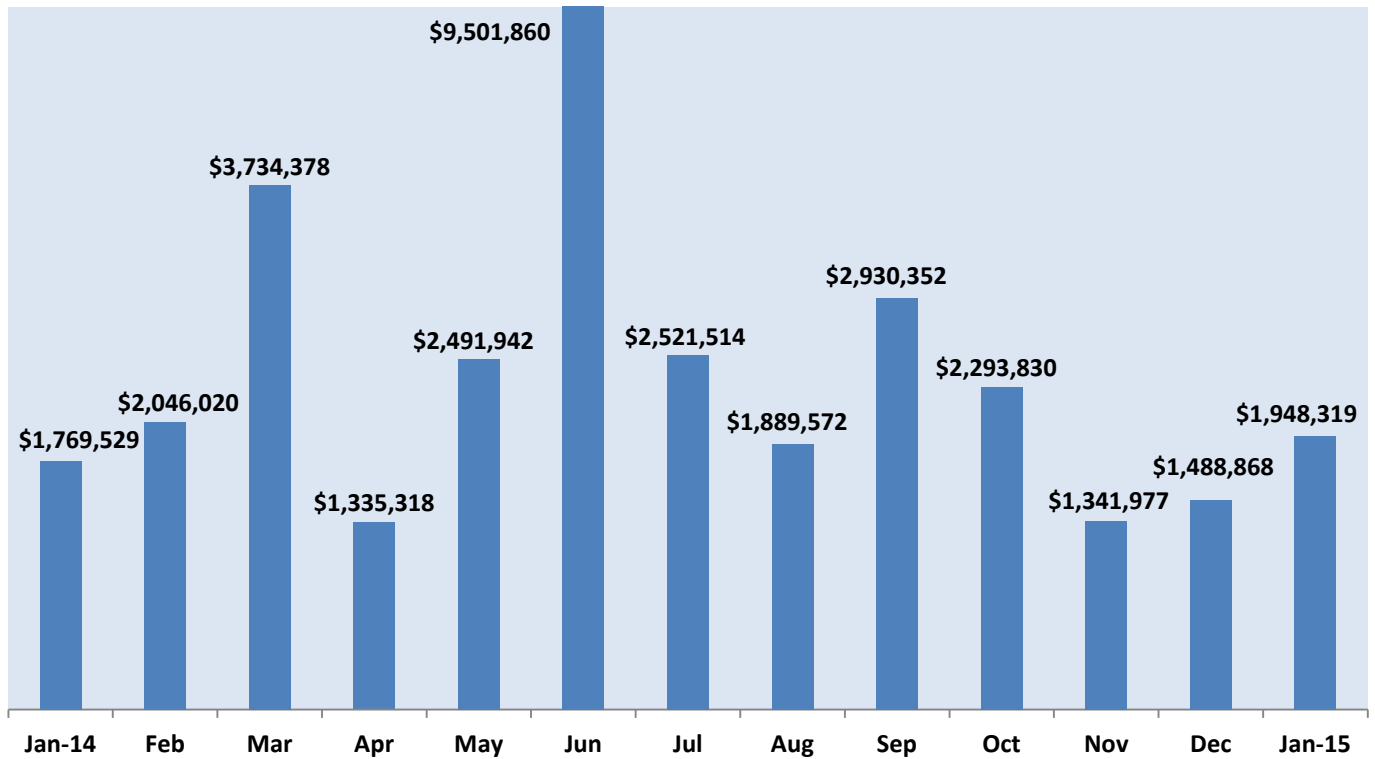




Judgments

Letter Type Sent	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015
Initial	159	149	199	213	151	220	184	191	183	192	137	145	181
Suspend	48	56	52	54	33	72	86	57	117	95	100	103	96
Reinstate	108	115	137	128	118	118	118	109	123	117	97	116	109

Savings to the Public

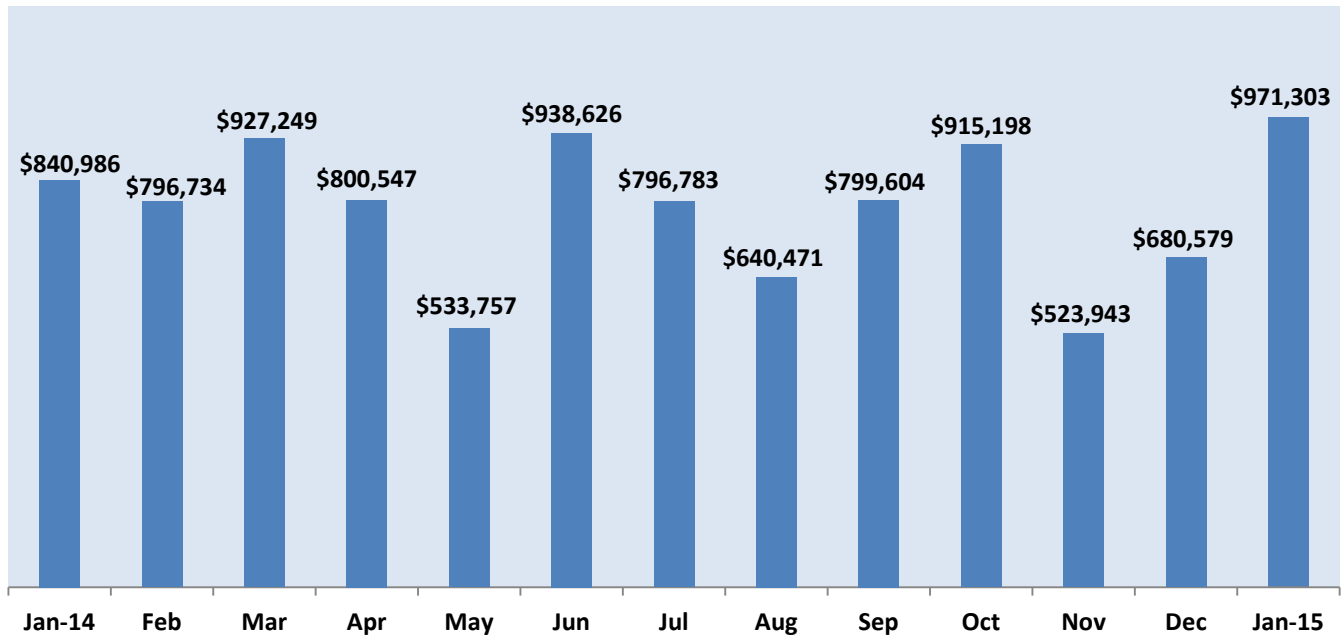




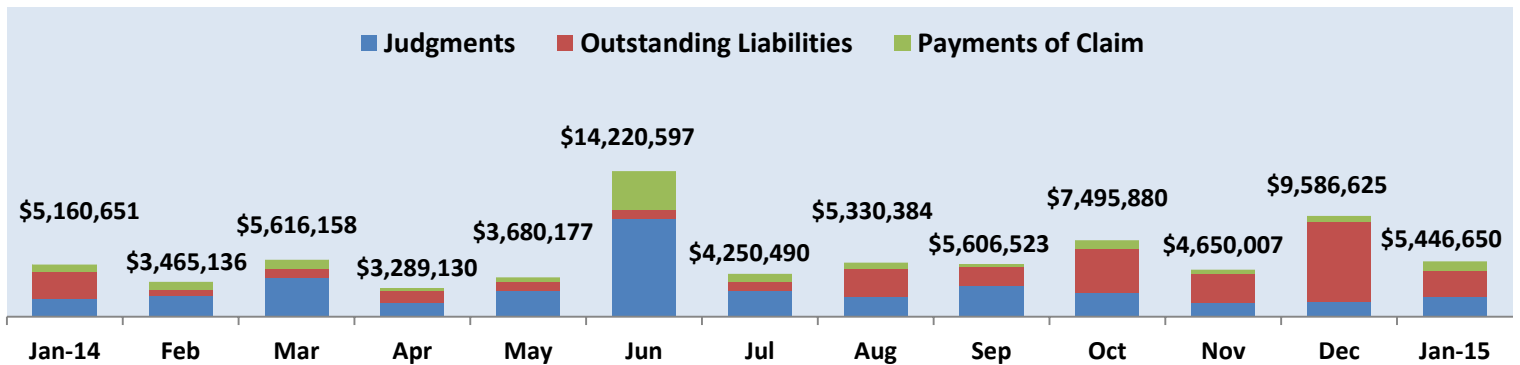
Bond Payment of Claims

Letter Type Sent	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015
Initial	157	122	201	150	56	323	183	124	219	271	93	150	253
Suspend	173	106	41	60	62	98	57	8	187	86	41	142	126
Reinstate	154	135	144	133	90	176	147	118	140	155	103	126	159

Savings to the Public



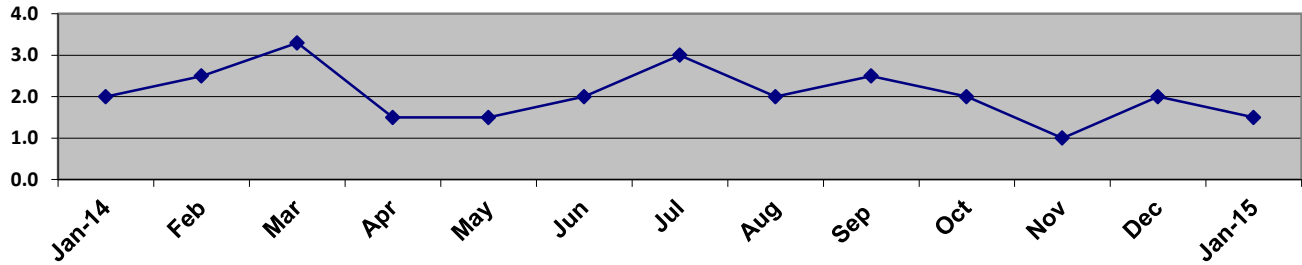
Total Savings to the Public



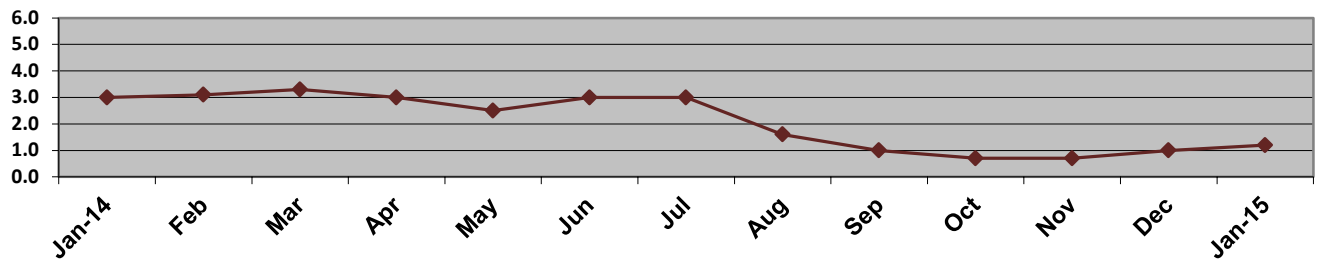


Number of Weeks Before Being Pulled for Processing

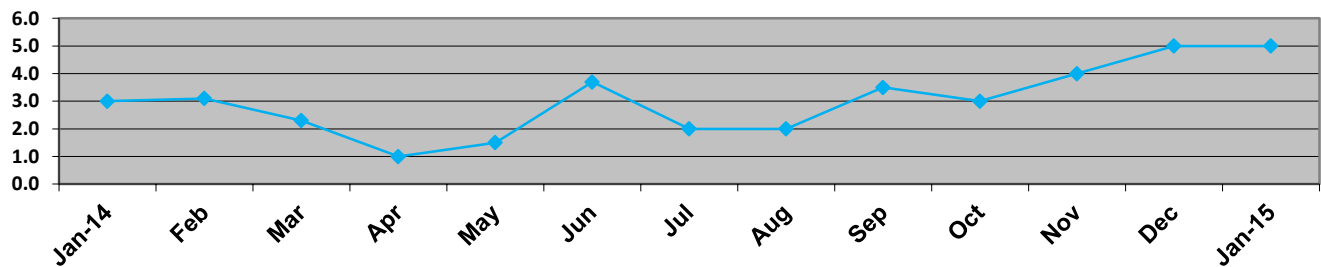
Application for Original License - Exam



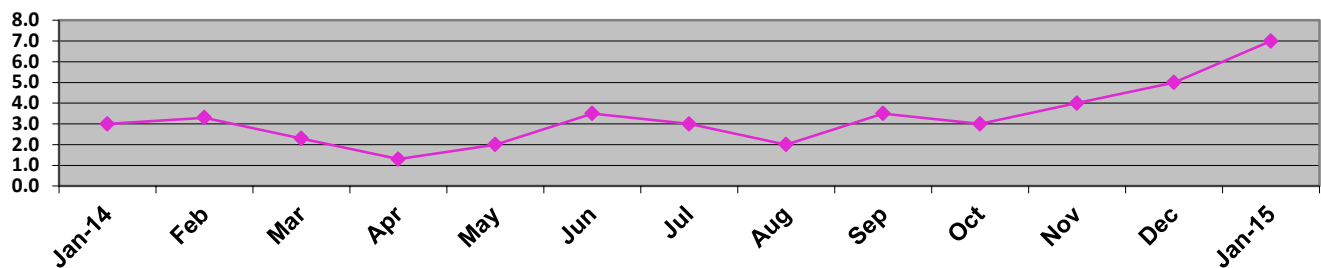
Application for Original License - Waiver



Application for Additional Classification



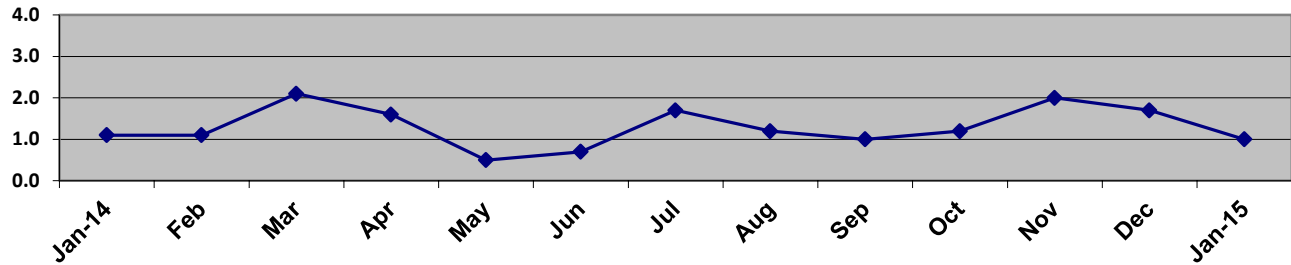
Application to Replace the Qualifier



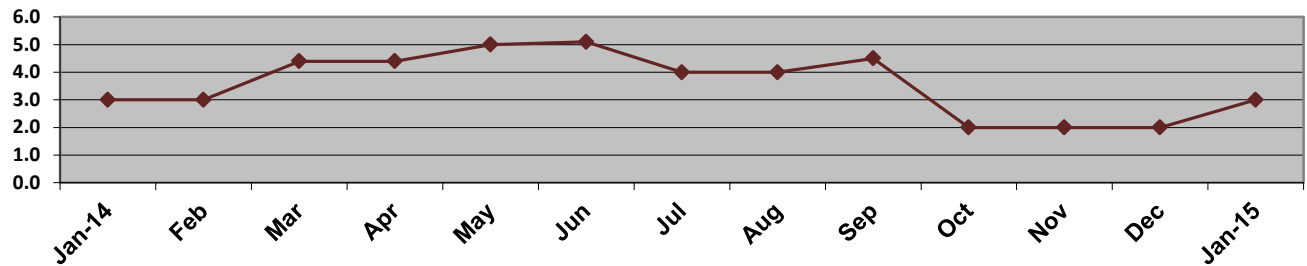


Number of Weeks Before Being Pulled for Processing

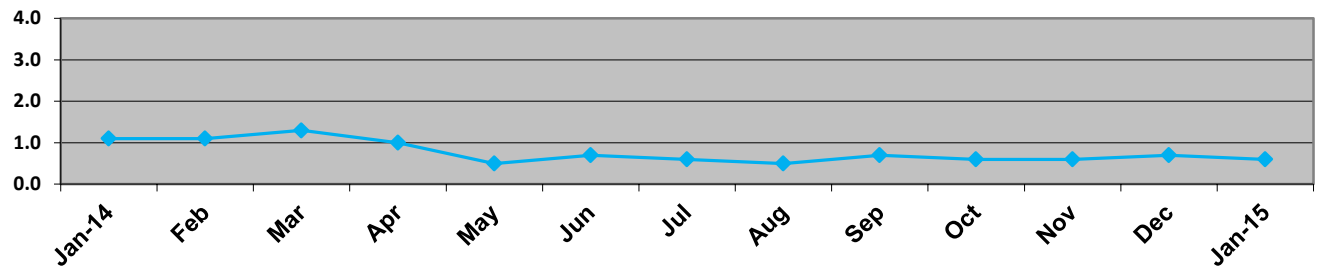
Application for Renewal



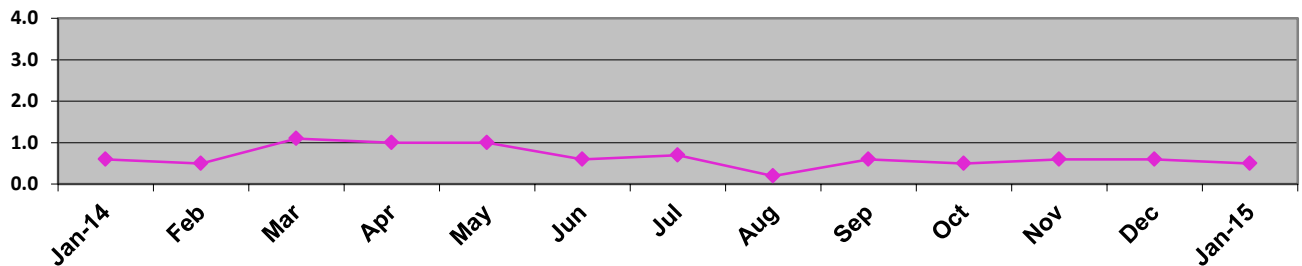
Home Improvement Salesperson (HIS) Application



Application to Add New Officer

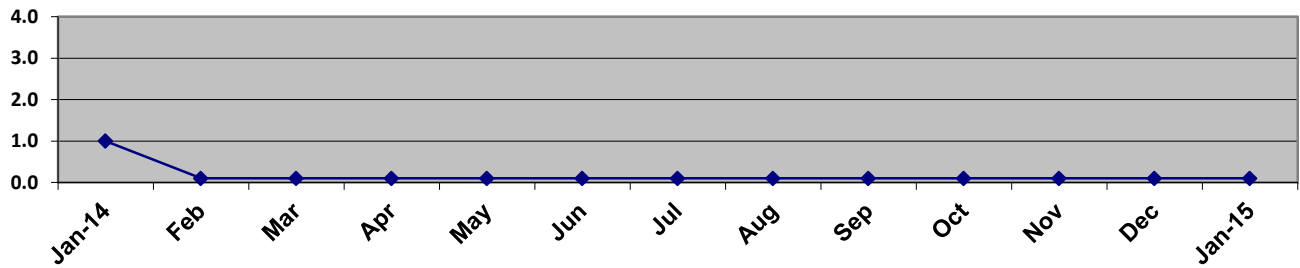


Application to Change Business Name or Address

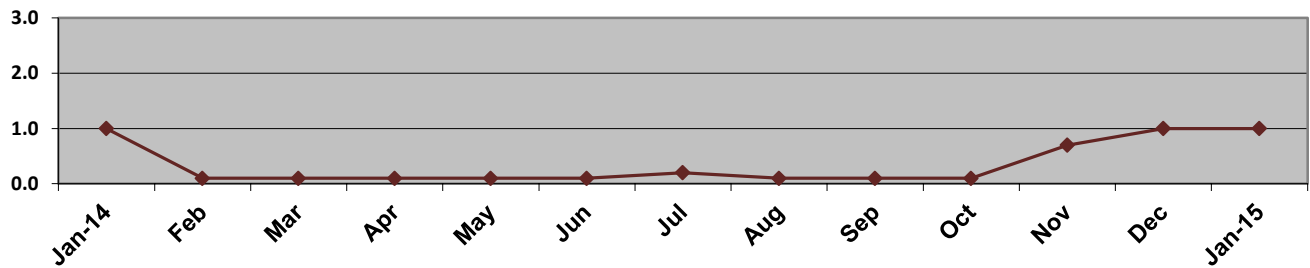


Number of Weeks Before Being Pulled for Processing

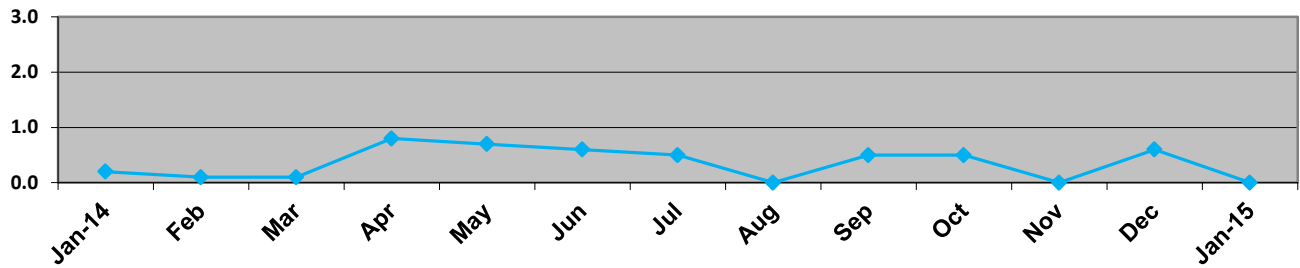
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond, Disciplinary Bond and Qualifier Exemptions



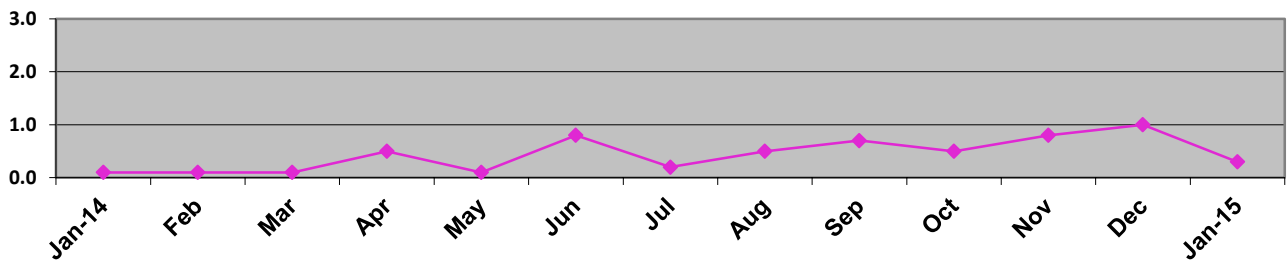
Workers' Compensation Certificates and Exemptions



Certified License History



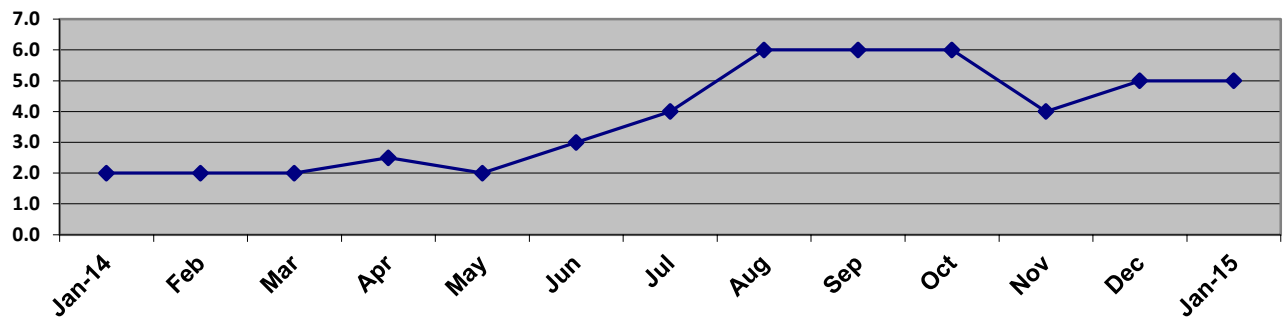
Request for Copies of Documents





Number of Weeks Before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM G-2

Testing Program Update

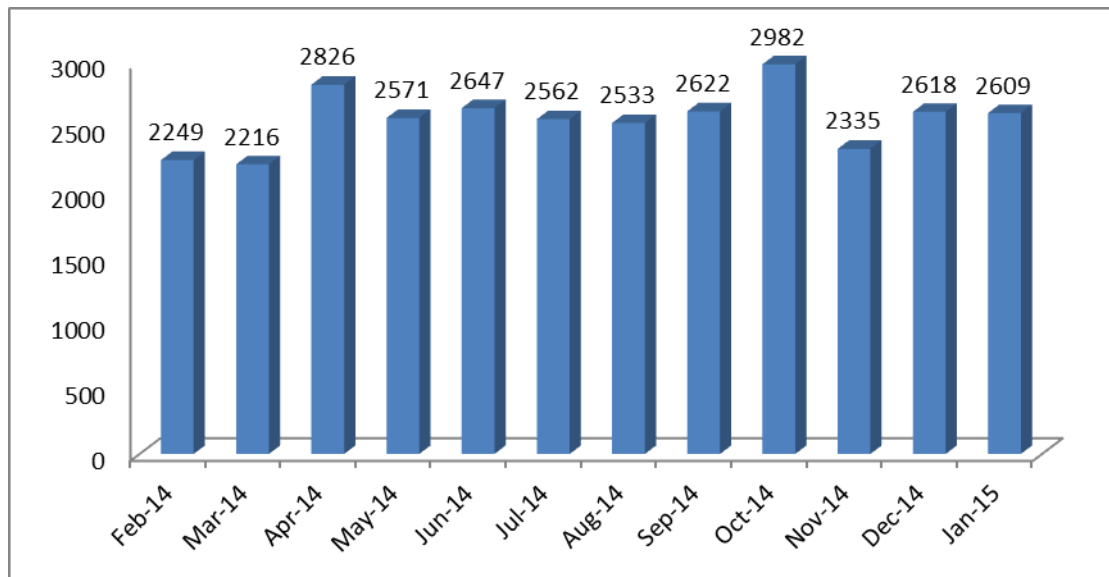




EXAMINATION ADMINISTRATION UNIT (EAU)

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

Number of Examinations Scheduled February 2014 – January 2015



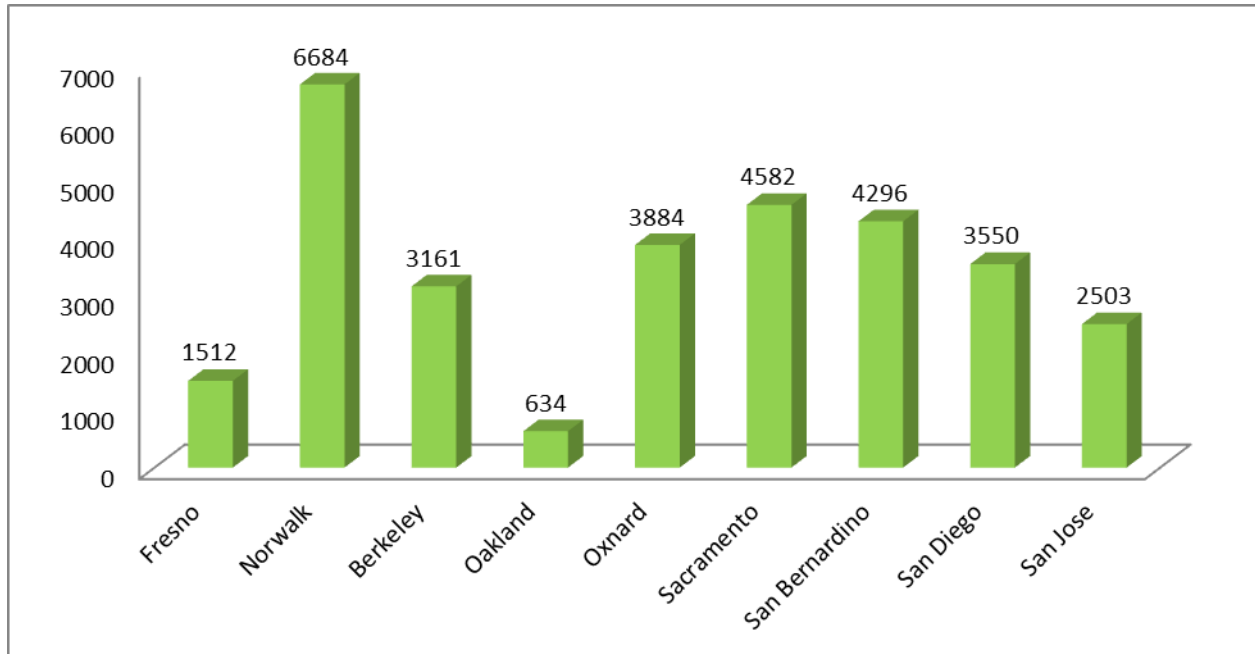
Test Center Status

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 February 2014 – January 2015



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

Examination Administration

EAU is fully staffed, with some proctors added to the lists in the Fresno and Oxnard Test Centers.

All test centers now display new posters concerning the prohibition of weapons and other items.

EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division’s Examination Development Unit ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

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, along with online surveys of job tasks and relevant 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 to review and revise existing test questions, write new test questions, and determine the passing score for examinations from that point forward.

EDU released two new examinations in January 2015: C-22 Asbestos Abatement and ASB Asbestos Certification. In February 2015, EDU released the C-10 Electrical examination.

Occupational Analyses in Progress	New Examinations in Progress
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
ASB Asbestos Certification	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 one Office Technician vacancy.

C-22 Asbestos Abatement Project

The new C-22 Asbestos Abatement license examination and the new Asbestos Certification examination were both ready for use on January 1, 2015. Full occupational analyses will be completed for both examinations in 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 Management Services Technician examination is now ready for use in the spring.

AGENDA ITEM H

Public Affairs



AGENDA ITEM H-1

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 StopperSM and Consumer Scam StopperSM 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.

Website statistics for September 5, 2014 through February 16, 2015 follow:

Statistic	Title	Description
3,727,577	Number of Sessions	Number of sessions when a user is actively engaged on the CSLB website
1,461,561	Number of Users	Number of new and returning users to the CSLB website
25,962,482	Number of Page Views	Total number of pages viewed
6.96	Average Pages per Session	Average number of pages viewed during a session (includes repeated views to same page)
5:30	Average Session Duration	Average length of a session
27.72%	Bounce Rate	Percentage of visits to CSLB website where visitor viewed only one page
34.44%	Percentage of New Sessions	Estimate of the percentage of first-time visits



Country	# of Sessions	% of Sessions
United States	3,611,265	96.88%
China	63,157	1.69%
India	23,366	0.63%
Philippines	4,308	0.12%
Canada	3,507	0.09%
Mexico	3,091	0.08%

State	% of Sessions
California	75.30%
Virginia	11.15%
Illinois	2.27%
Texas	1.70%
Arizona	1.11%

Device Type	% of Sessions
Desktop	82.65%
Mobile	13.63%
Tablet	3.72%

Desktop Browser	% of Sessions
Internet Explorer	36.15%
Chrome	35.22%
Firefox	13.29%
Safari	13.27%

Mobile/Tablet Devices	% of Sessions
Apple I-Phone	38.85%
Apple I-Pad	17.66%
Samsung SM-G900V Galaxy S5	2.18%
Samsung SCH-I545 Galaxy S IV	1.32%
Samsung SM-G900A Galaxy S5	1.19%
Samsung SM-N900V Galaxy Note 3	1.16%
Samsung SM-G900P Galaxy S5	1.01%
Samsung SCH-I535 Galaxy S III	0.97%
Samsung SM-N900T Galaxy Note 3	0.86%

VIDEO/DIGITAL SERVICES

Public Meetings

- *Committee Meeting Live Webcasts*

On February 20, 2015, PAO provided live webcasts of two committee meetings (Legislative and Enforcement). Until PAO hires a new Information Officer I, the Department of Consumer Affairs' Office of Public Affairs will assist with webcasts of Board meetings.

Social Media

Flickr Growth

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

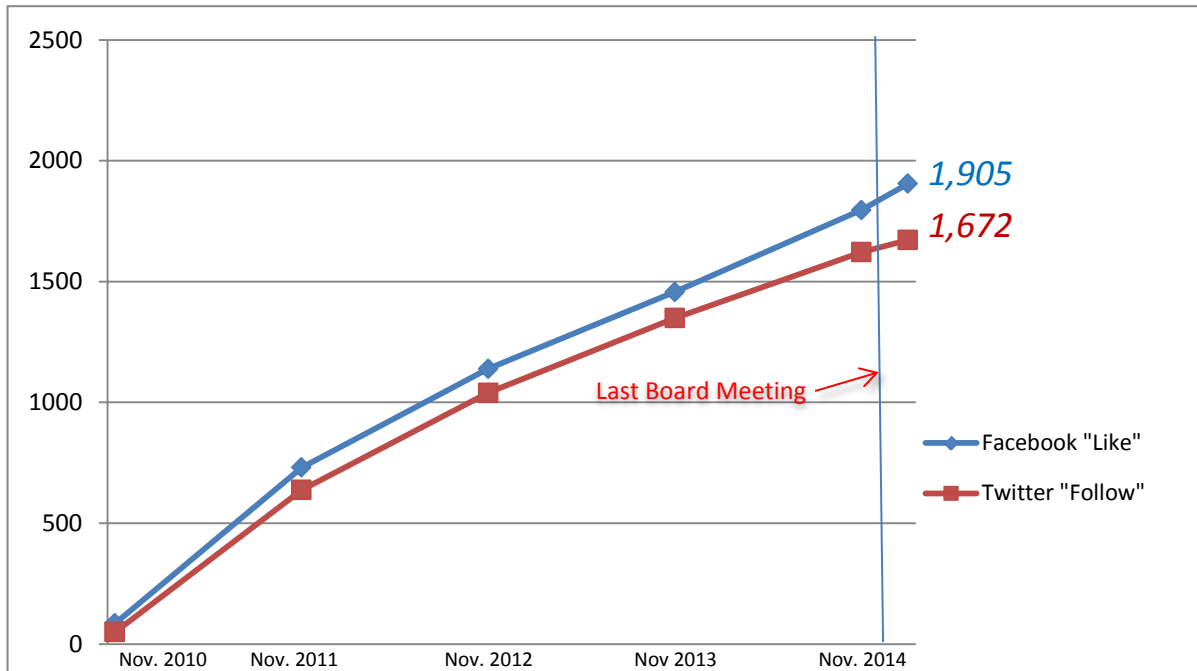
Flickr allows PAO staff to upload and post high-resolution photos as individual photographs, or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.



As of February 20, 2014, CSLB has 83 photos on Flickr available for download.



Social Media Growth



Twitter Growth

Between November 19, 2014 and February 22, 2015, CSLB gained 50 followers on Twitter, growing from 1,622 to 1,672.

- 82% of followers are male; 18% female
- CSLB’s Twitter page gets approximately 360 views per day
- On average, CSLB tweets receive 8,200 views per month
- Most viewed tweets:
 - Registrar Steve Sands Receiving Legislative Resolution at his final Board meeting (1,358 views)
 - Contractors State License Board Issues 1,000,000th Contractor License (1,125 views)



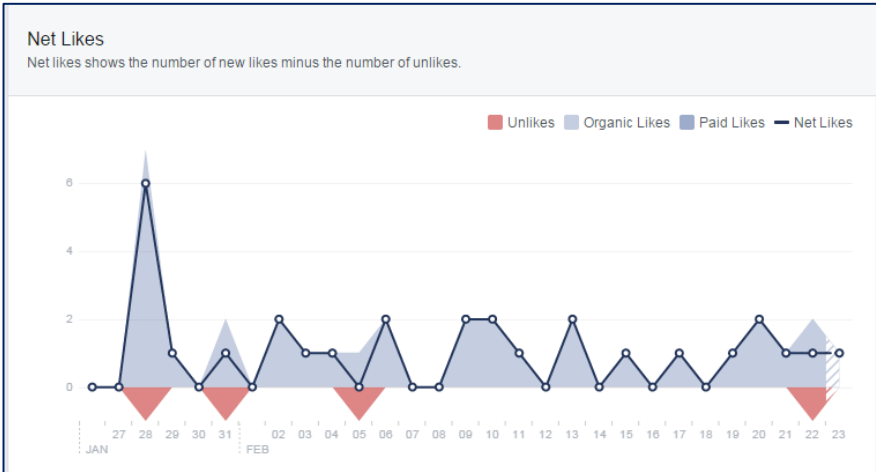
Facebook Growth

As of February 22, 2015, CSLB has 1,905 “likes” on its Facebook page, an increase of 109 since the December 2014 Board meeting.

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 chart shows the net growth per day since mid-January 2015, for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas individuals who “liked” CSLB at one point, but have since “un-liked” CSLB.





YouTube Growth

Since the December 2014 Board meeting, videos on CSLB's YouTube channel have been viewed 9,697 times, for a total of 34,988 minutes of watched video. An average of ten people subscribe to the channel each month.

More than two-thirds (67.9%) of views come from computers and 27.9 percent from mobile devices and tablets. The site has been viewed a total of 284,232 times, an increase of 68,433 over the past year.

The video series, "Completing a Contractor License Application" accounts for more than one-third (36.7%) of the views. The nine videos in this series have been watched 111,803 times.

Email Alert Feature

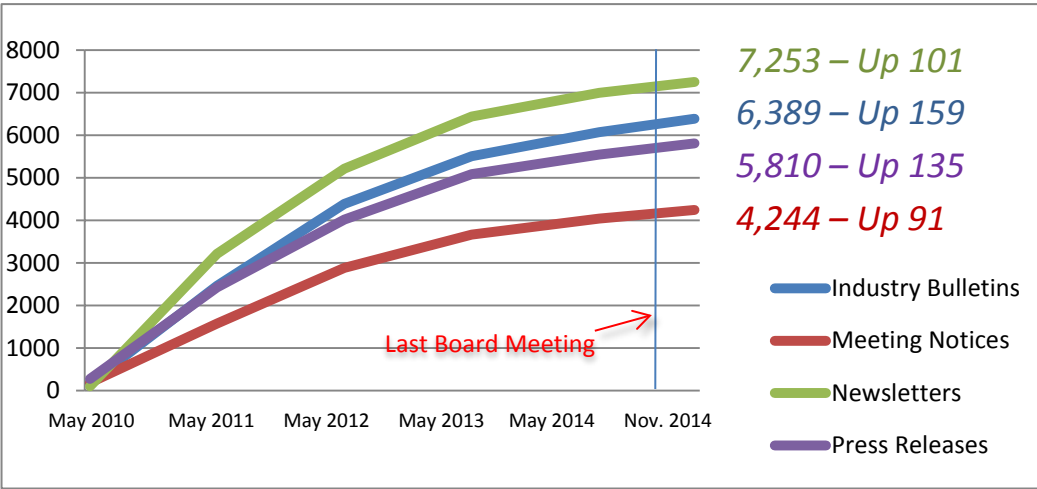
PAO continues to publicize a website feature launched in May 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

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

The subscriber database has a current total of 23,696 subscriptions, which includes 302 new accounts since the December 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 78,410 active email addresses, which brings the combined email database to 102,106 addresses.

Email Alert Sign-Up Statistics



MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between December 1, 2014 and February 20, 2015, PAO staff responded to more than 40 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 December 11, 2014 and February 18, 2015, PAO distributed 10 news releases.

Release Date	Release Title
December 17, 2014	Cindi Christenson Named Contractors State License Board Registrar of Contractors
December 29, 2014	CSLB Holiday Sting Targets Fake Contractors in Monterey County
January 12, 2015	Contractors State License Board Issues 1,000,000th Contractor License
January 28, 2015	CSLB Sting Catches 12 Bogus Contractors in Madera
February 2, 2015	Craigslist Remains Fertile Ground for Predatory Unlicensed Contractors in California
February 2, 2015	CSLB Tosses Wrench into Illegal Los Angeles County Contracting Plans
February 11, 2015	Contractors State License Board Releases Information on Licensee Arrested in San Diego TV Sports Anchor Shooting

February 18, 2015	Beware Bogus Contractors with Criminal Pasts, Fresno-Area Sting Shows
February 18, 2015	Contractors State License Board Teams with Local Agencies to Target Orange County Unlicensed Contractors

News Media Events

No media events have been conducted since the December 2014 Board meeting.

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 December 11, 2014 and February 18, 2015, PAO distributed two industry bulletins.

Release Date	Bulletin Title
January 13, 2015	1,000,000th Contractor License Issued by Contractors State License Board
February 6, 2015	State Agency Appealing to Licensed Contractors to Help Fill Statewide Job Openings

PUBLICATION HIGHLIGHTS

CSLB publications (print and online) in production:

Completed

- 2014 Accomplishments & Activities Report
- 2015 California Contractors License Law & Reference Book
- HVAC Ambassador Bid Packet
- February 20, 2015 Legislative Committee Meeting Packet
- February 20, 2015 Enforcement Committee Meeting Packet

In Production

- Description of Classifications Booklet
- 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
- Updated Stop Order Brochure

COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars

Fifteen Senior Scam StopperSM seminars were conducted since the December 2014 Board meeting. The 400th seminar was conducted on Tuesday, March 10, 2015.

The following seminars have been conducted or scheduled through early April 2015:

Date	Location	Legislative/Community Partner(s)
January 16, 2015	Los Gatos	Sen. Jim Beall
January 23, 2015	Walnut Creek	Asm. Susan Bonilla
February 6, 2015 AM	Antioch	Asm. Jim Frazier
February 6, 2015 PM	Oakley	Asm. Jim Frazier
February 12, 2015	Folsom	Pinebrook Mobile Home Park
February 13, 2015	Van Nuys	Asm. Adrin Nazarian
February 17, 2015	San Diego	Rep. Scott Peters
February 18, 2015	Santa Clarita	Sen. Fran Pavley
February 19, 2015	Pomona	Rep. Norma Torres
February 20, 2015	Citrus Heights	Lakeview Mobile Home Park
February 27, 2015 AM	Pasadena	Sen. Carol Liu
February 27, 2015 PM	Jurupa Valley	Sen. Richard Roth
March 5, 2015	Glendale	Asm. Mike Gatto
March 6, 2015	Fountain Valley	Asm. Travis Allen
March 10, 2015	San Diego	Rep. Scott Peters – 400 th Seminar
March 20, 2015	Anaheim	Asm. Tom Daly
March 26, 2015	Suisun City	Asm. Jim Frazier
March 27, 2015	Santa Ana	Asm. Tom Daly
April 1, 2015	Sacramento	Neil Orchard Sr. Activities Center
April 2, 2015	San Fernando Valley	Sen. Ben Allen

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.



AGENDA ITEM I

Legislative



AGENDA ITEM I-1

Review, Discussion and Possible Action
Regarding New Legislative Proposal to
Authorize Sharing of Licensee
Information with the Employment
Development Department



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Sharing Licensee's Social Security Numbers with the Employment Development Department

IDENTIFICATION OF PROBLEM/SUMMARY:

The Department of Consumer Affairs recently informed the Contractors State License Board (CSLB) that though it has clear statutory authority to share licensee Social Security numbers with the Franchise Tax Board (Business and Professions Code §30 (2)(d)(3)), it does not have authority to share them with the Employment Development Department (EDD). Sharing this information constitutes a critical part of CSLB's enforcement program. This proposal would authorize CSLB to share Social Security numbers (SSN) with the Employment Development Department.

The Contractors State License Board partners with other state agencies to identify and address contractors that fail to withhold payroll taxes from employees, provide workers' compensation insurance, or comply with license requirements. Specifically, CSLB partners with EDD to enforce tax withholding requirements and to identify enforcement targets. As part of this partnership, EDD depends on access to information in the CSLB database of 285,000 licensees, which uses SSNs as an identifier, to correlate with their own tax registrant data as well as with that in the State Compensation Insurance Fund. Collectively, this shared information allows CSLB and EDD to determine whether or not a licensee is compliant with tax, insurance, and licensing laws and regulations. Eighty percent of the contractors identified through this process for a construction site inspection have been found to have a significant violation. In 2014, CSLB and EDD conducted over 534 joint inspections, an effort that identified more than \$171 million in unreported wages and resulted in the collection of over \$20 million in unpaid taxes to the State of California.

PROPOSED CHANGE:

Add a new section to the Contractors State License Law to authorize CSLB to share licensee Social Security or taxpayer identification numbers with the Employment Development Department to carry out its enforcement responsibilities.

AGENDA ITEM 1-2

Review and Approval of
February 20, 2015
Legislative Committee Meeting
Summary Report





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE MEETING

February 20, 2015

Sacramento

A. CALL TO ORDER

Committee Chair Joan Hancock called the Contractors State License Board (CSLB) Legislative Committee to order at approximately 9:32 a.m. 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 Schifino
Nancy Springer

Board Members Present

Kevin Albanese
David Dias
Pastor Hererra Jr.
Ed Lang
Frank Schetter

CSLB/DCA Staff Present

Cindi Christenson, Registrar
David Fogt, Enforcement Chief
Karen Robinson, Licensing Chief
Christina Delp, Deputy Chief of Enforcement
Betsy Figuera, Licensing Manager
Rick Lopes, Public Affairs Chief
Melanie Bedwell, Public Affairs
Kurt Heppler, Supervising Staff Counsel
Kristy Schieldge, Staff Counsel

Public Visitors

Greg Armstrong, National Electrical Contractors Association
G.V. Ayers, Retired Business and Professions Committee Consultant
Eddie Bernacchi, Politico Group
Beverly Carr, Politico Group
Richard Markuson, Pacific Advocacy
Larry Rohlifes, California Landscape Contractors Association

Committee Chair Joan Hancock welcomed members and asked for introductions.

B. PUBLIC COMMENT SESSION

There was no public comment.

C. UPDATE ON SUNSET REVIEW

Legislation Chief Laura Zuniga provided an update on the sunset review process and informed the committee that the legislative hearing is scheduled for March 18, 2015 at 9:00 a.m. Legislative committee staff will issue a background paper prior to the hearing date, which will be made available to board members and the public.

D. REVIEW AND CONSIDERATION OF 2015 LEGISLATIVE PROPOSALS

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

Ms. Zuniga presented the item and noted that the language is the same as that approved by the Board at the December 2014 meeting. Senator Monning has agreed to carry this legislation. In response to a question from Paul Schifino, Ms. Zuniga explained that these cases are referred to local district attorneys for filing and would then proceed to local courts. Enforcement Chief David Fogt explained further that because unlicensed contractors often bring employees to stings CSLB would like to include this action in the formal disciplinary charge. Linda Clifford asked if the proposed language needs to be written more broadly.

During public comment, Richard Markuson stated that this authority would be important for the Board to use and that the payment of insurance premiums, not merely the acquisition of a policy, should be confirmed.

Kurt Heppler and Kristy Schieldge, staff counsel, suggested some modifications to the language that could address the comments.

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

Committee Chair Joan Hancock provided an overview of the proposal. Ms. Zuniga reported that one legislator declined to sponsor the proposal because of privacy concerns and that CSLB staff, upon further review, recommends that the Board not proceed with this proposal. Ms. Zuniga explained that, for enforcement purposes, the Board will need to seek other legislation this year to provide for the sharing of licensee data, including Social Security numbers, with other state agencies.

Paul Schifino asked what recourse is currently available to the board that does not entail the use of a Social Security number. David Fogt explained current procedures and noted that staff is currently soliciting bids for a contract with a collection agency to improve citation collection. Augie Beltran asked if the



concern centered on the collection of all types of taxpayer identification numbers or just Social Security numbers. Registrar Cindi Christenson stated that the Legislature has general privacy concerns.

Motion to Approve Not Proceeding with the Proposal

MOTION: A motion was made by Committee Member Linda Clifford and seconded by Committee Member Augie Beltran to not proceed with the proposal. The motion carried unanimously, 5-0.

3. Amendment to Business and Professions Code Section 7083 – Notification of Licensees of Change in Recorded information

Ms. Zuniga summarized the proposal and stated that it will be included in the Senate Business, Professions and Economic Development Committee's omnibus legislation.

4. Amendment to add Business and Professions Code Section 7013.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement

Ms. Zuniga presented the proposal and summarized the work done to modify the proposal since the December 2014 Board meeting. She also explained that staff recommends not to proceed with the proposal and to, instead, take several steps within CSLB's existing authority. Paul Schifino asked David Fogt to summarize the actions staff would take and how they would be tracked. Mr. Fogt did so and said that staff will report back to the Board. Augie Beltran stated that he preferred the original proposal language and hoped to see it returned to the Board in the future, but understood that people need to see a pattern of behavior before approving changes.

Motion to Approve Staff Recommendation

MOTION: A motion was made by Committee Member Augie Beltran and seconded by Committee Member Linda Clifford not to proceed with the proposal. The motion carried unanimously, 5-0.

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

Ms. Zuniga presented a summary of the proposal. She informed the committee that the final version of the proposed language required approval and that, so far, she has been unable to secure an author for this proposal. Linda Clifford noted her sensitivity to concerns that the expedite fee establishes a two-tier system of application processing, as well as a concern about the significant increase in other fees.

During public comment, Richard Markuson inquired if requests for expedited applications from disabled veterans would be exempted from the fee. Ms. Clifford asked if any applications statutorily required to be expedited would



proceed without payment of this new fee. Ms. Zuniga responded that veterans and their spouses would continue to receive priority processing without an additional fee.

Motion to Approve Proposal

MOTION: A motion was made by Committee Member Linda Clifford and seconded by Committee Member Augie Beltran to approve the proposal. The motion carried unanimously, 5-0.

6. Amendment to Business and Professions Code Sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5 and 7156 – Home Improvement Salesperson Registration

Ms. Zuniga presented the proposal and explained that, since the Board approved only the concept at its December 2014 meeting, the specific language required committee approval.

Mr. Heppler suggested amending the language to provide authority to accept electronic signatures.

Motion to Approve Proposal, as Amended

MOTION: A motion was made by Committee Member Augie Beltran and seconded by Committee Member Linda Clifford to approve the language as amended to include authority to accept electronic signatures. The motion carried unanimously, 5-0.

E. ADJOURNMENT

Legislative Committee Chair Joan Hancock adjourned the meeting at approximately 10:40 a.m. The Committee reconvened at 10:48 a.m. to accept additional public comment and adjourned again at 10:49 a.m.

AGENDA ITEM 1-3

Review, Discussion and Possible
Action of Recommended Position on
AB 750 (Low), AB 1060 (Bonilla),
SB 119 (Hill), SB 465 (Hill),
SB 560 (Monning), SB 561 (Monning)



AGENDA ITEM I-4

Legislative Program Update



AGENDA ITEM I-5

Review, Discussion and Possible Action Regarding 2015 Legislative Proposals:

- 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 Add Business and Professions Code Section
7103.5 – Effect of Disciplinary Action by Division of Labor
Standards Enforcement
- d. Amendment to Business and Professions Code Section 7137 –
Fee Schedule
- e. Amendment to Business and Professions Code Sections 7152,
7153, 7153.2, 7153.3, 7154, 7155.5, 7156 and 7156.5 –
Home Improvement Salesperson Registration



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

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 ensuring payment of worker's compensation insurance, as required by Labor Code Section 3700.5.

(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.

EXISTING LAW

Labor Code Section 3700

Every employer except the state shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this state.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

(c) For any county, city, city and county, municipal corporation, public district, public agency, or any political subdivision of the state, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the state itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the director of ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the state which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of Section 3702.

For purposes of this section, "state" shall include the superior courts of California.

Labor Code Section 3700.5

(a) The failure to secure the payment of compensation as required by this article by one who knew, or because of his or her knowledge or experience should be reasonably expected to have known, of the obligation to secure the payment of compensation, is a misdemeanor punishable by imprisonment in the county jail for up to one year, or by a fine of up to double the amount of premium, as determined by the court, that would otherwise have been due to secure the payment of compensation during the time compensation was not secured, but not less than ten thousand dollars (\$10,000), or by both that imprisonment and fine.

(b) A second or subsequent conviction shall be punished by imprisonment in the county jail for a period not to exceed one year, by a fine of triple the amount of premium, or by both that imprisonment and fine, as determined by the court, that would otherwise have been due to secure the payment of compensation during the time payment was not secured, but not less than fifty thousand dollars (\$50,000).

(c) Upon a first conviction of a person under this section, the person may be charged the costs of investigation at the discretion of the court. Upon a subsequent conviction, the person shall be charged the costs of investigation in addition to any other penalties pursuant to subdivision (b). The costs of investigation shall be paid only after the payment of any benefits that may be owed to injured workers, any reimbursement that may be owed to the director for benefits provided to the injured worker pursuant to Section 3717, and any other penalty assessments that may be owed.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS

Subject: Enforcement of Licensing Provisions

Relevant Provisions: Business and Professions Code section 7011.4

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

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

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

Subject: Authority to Issue Citations – Collection of Additional Information

Relevant Provisions: Business and Professions Code section 7028.6

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:

UPDATED RECOMMENDATION: While the Board approved this proposal at the December 2014 meeting, staff recommends not pursuing this change at this time. One legislator declined the proposal due to privacy concerns. Staff then reevaluated the proposal and recommends, instead, pursuing a contract with a collection agency to try to recover these unpaid citations, which would not require the collection of Social Security numbers. The Legislative Committee voted to withdraw this proposal at its February 20, 2015 meeting.

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

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Violation of Prevailing Wage Requirement

ISSUE: At the December 11, 2014, Board meeting staff presented this proposal to add Business & Professions (B&P) Code section 7103.5 to permit the Contractors State License Board (CSLB) to use a certified copy of the final order of a Civil Wage and Penalty Assessment (CWPA) issued by the Division of Labor Standards Enforcement (DLSE) as conclusive evidence to take disciplinary action against a contractor's license.

BACKGROUND: At the Board meeting, some members expressed concern with this proposal. Specifically, there was concern that a CWPA can be issued over a very minor pay differential, and that the proposed language should be limited to serious or egregious violations of prevailing wage law. There was also concern that this proposal provides new enforcement authority outside of CSLB's mission. The Board appointed two members, Kevin Albanese and Agustin Beltran, to work with staff to further refine the proposal.

Staff did revise the language to limit its application to serious violations. However, the new language did not completely address the issues raised at the December Board meeting. It also raised new issues for staff to consider, such as whether or not CSLB should, under its existing authority, suspend licenses that have a CWPA.

PROBLEM/SUMMARY:

The Labor Commissioner's Office, also known as 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 pursuant to Labor Code section 1741.

To protect the public from unscrupulous contractors that disregard the law, 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 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.

STAFF RECOMMENDATION:

Staff recommends that the Board not pursue this legislative proposal this year. Instead, direct staff to pursue the following recommendations:

1. Suspend Licenses Pursuant to Business and Professions Code section 7145.5 for Outstanding CWPA's – *Failure to resolve outstanding liabilities as grounds for refusal to renew a license.* Staff believes that CSLB has the authority, under B&P Code section 7145.5, to suspend licenses for failure to comply with a CWPA. If so, the Licensing suspension program will serve as a viable avenue to suspend licenses for unresolved CWPA's and to provide public disclosure. CSLB does not have the ability to suspend licenses if the contractor discharges the debt in bankruptcy. Staff will meet with Licensing Division management to discuss this option further.

2. Amend the Application for Licensure to Require Disclosure of Outstanding Labor and/or Tax Liability

Currently, applicants for a license are only required to disclose an outstanding construction-related liability that has become an official judgment. Staff will consult with Legal Counsel to determine if B&P Code section 7145.5 provides authority for the Registrar to disclose an assessed Labor liability, such as a CWPA, that is not an official judgment.

3. Revise the Existing Memorandum of Understanding (MOU) with DLSE

CSLB will request to meet with Labor Commissioner staff to revise the existing MOU to provide for the early identification of contractors engaged in egregious prevailing wage violations that warrant formal CSLB disciplinary action. Such a revision will provide CSLB the ability to take timely action against egregious offenders when they have failed to provide certified payroll records, as required, and/or issued fraudulent checks to employees.

4. Monitor Two "Test" Accusations

Deputy Attorney General Rosie Perez has agreed to take two appealed prevailing wage accusations to hearing. Staff anticipates that the resulting Administrative Law Decision will assist in determining the need for legislation. The two test cases are:

- a. Williams Masonry – Charged with violating B&P §7113 (failure to complete a job for the contract price) as a result of a CWPA that was satisfied by the prime contractor, Devcon, in the amount of \$34,550.42.
- b. Precision Tile & Granite – Charged with violating B&P §7116 (willful or fraudulent act injuring another) and Labor Code 1776 (failure to keep

accurate payroll records under penalty of perjury) for submitting fraudulent Certified Payroll Records and issuing fraudulent duplicate checks to employees in order to evade paying the prevailing wages as set forth by the City of San Jose.

ORIGINAL PROPOSED LANGUAGE:

Add the following new section:

§ 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

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

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

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

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

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 one hundred fifty dollars (\$150).

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.

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 an 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 for an additional classification or 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 three hundred dollars (\$300).

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 Fiscal Year 2013-14, CSLB received approximately 392 requests to expedite an application, of which 171 were approved. 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 three hundred dollars (\$300).

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.

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)~~ three hundred dollars (\$300).

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)~~ three hundred dollars (\$300).

The application fee to add personnel, other than a qualifying individual, to an existing license shall not be more than one hundred fifty dollars (\$150).

(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 three hundred dollars (\$300). Approved expedited processing of applications for licensure, as required by other provisions of law, shall not be subject to this paragraph.

(m) The application fee for priority processing of applications for home improvement salesperson registration shall not be more than seventy-five dollars (\$75).

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

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE PROPOSAL ANALYSIS**

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

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 completed a review of workload and staff time dedicated to this work, which was used to determine the appropriate fees for each of these activities.

Date: February 9, 2015

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

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), who is registered to solicit, sell, negotiate, or execute contracts for home improvements on behalf of the contractor. Existing law requires that an HIS apply for, and be separately registered for each distinct contractor for which he or she works.

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

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

Currently, CSLB has approximately 11,170 active HIS registrants, nearly 5,500 expired registrants, and almost 85,000 invalid registrants.

PROPOSED LANGUAGE:

Amend Business and Professions (B&P) Code section 7152 as follows:

(a) "Home improvement salesperson" is a person, employed by a home improvement contractor licensed under this chapter, *who is registered under this chapter* to solicit, sell, negotiate, or execute contracts for home improvements, for the sale, installation or furnishing of home improvement goods or services, or of swimming pools, spas, or hot tubs.

(b) The following shall not be required to be registered as home improvement salespersons:

(1) An officer of record of a corporation licensed pursuant to this chapter, or a manager, *member, or officer* of record of a limited liability company licensed pursuant to this chapter.

(2) A general partner listed on the license record of a partnership licensed pursuant to this chapter.

(3) A qualifying person, as defined in Section 7025.

(4) A salesperson whose sales are all made pursuant to negotiations between the parties if the negotiations are initiated by the prospective buyer at or with a general merchandise retail establishment that operates from a fixed location where goods or services are offered for sale.

(5) A person who contacts the prospective buyer for the exclusive purpose of scheduling appointments for a registered home improvement salesperson.

(6) A bona fide service repairperson who is in the employ of a licensed contractor and whose repair or service call is limited to the service, repair, or emergency repair initially requested by the buyer of the service.

(c) The exemption to registration provided under paragraphs (1), (2), and (3) of subdivision (b) shall apply only to those individuals who, at the time of the sales transaction, are listed as personnel of record for the licensee responsible for soliciting, negotiating, or contracting for a service or improvement that is subject to regulation under this article.

(Amended by Stats. 2010, Ch. 698, Sec. 38. Effective January 1, 2011.)

Amend B&P Code section 7153 as follows:

(a) It is a misdemeanor for any person to engage in the occupation of salesperson for one or more home improvement contractors within this state without having, at the time of the sales transaction, a current and valid home improvement salesperson registration issued by the registrar ~~for each of the home improvement contractors by whom he or she is employed as a home improvement salesperson~~. If, upon investigation, the registrar has probable cause to believe that a salesperson is in violation of this section, the registrar may issue a citation pursuant to Section 7028.7.

It is a misdemeanor for any person to engage in the occupation of salesperson of home improvement goods or services within this state without having, at the time of the sales transaction, a current and valid home improvement salesperson registration issued by the registrar.

(b) Any security interest taken by a contractor, to secure any payment for the performance of any act or conduct described in Section 7151 that occurs on or after January 1, 1995, is unenforceable if the person soliciting the act or contract was not a duly registered salesperson or was not exempt from registration pursuant to Section 7152 at the time the homeowner signs the home improvement contract solicited by the salesperson.

(Amended by Stats. 2001, Ch. 728, Sec. 63. Effective January 1, 2002.)

Amend B&P Code section 7153.2 as follows:

All home improvement salesperson registrations issued under the provisions of this article shall ~~expire on a date established pursuant to Section 152.6~~ two years from the last day of the month in which the registration is issued, or two years from the date on which the renewed registration last expired.

(Amended by Stats. 1991, Ch. 1160, Sec. 44.)

Amend B&P section 7153.3 as follows:

(a) To renew a home improvement salesperson registration which has not expired, the registrant shall before the time at which the registration would otherwise expire, apply for renewal on a form prescribed by the registrar and pay a renewal fee prescribed by this chapter. Renewal of an unexpired registration shall continue the registration in effect for the two-year period following the expiration date of the registration, when it shall expire if it is not again renewed.

(b) An application for renewal of registration is delinquent if the application is not postmarked by the date on which the registration would otherwise expire. A registration may, however, still be renewed at any time within three years after its expiration upon the filing of an application for renewal on a form prescribed by the registrar and the payment of the renewal fee prescribed by this chapter and a delinquent renewal penalty in ~~the an amount of twenty-five dollars (\$25)~~ equal to 50 percent of the renewal fee, if the registration is renewed after its expiration. If a registration is not renewed within three years, the person shall make new application for registration pursuant to Section 7153.1.

(c) The registrar may refuse to renew a registration for failure by the registrant to complete the application for renewal of registration. If a registrant fails to return the application rejected for insufficiency or incompleteness within 90 days from the original date of rejection, the application and fee shall be deemed abandoned. Any application abandoned may not be reinstated. However, the person may file a new application for registration pursuant to Section 7153.1.

The registrar may review and accept the petition of a person who disputes the abandonment of his or her renewal application upon a showing of good cause. This petition shall be received within 90 days of the date the application for renewal is deemed abandoned.

(Amended by Stats. 1984, Ch. 1174, Sec. 13.)

Amend B&P Code section 7154 as follows:

(a) A home improvement contractor licensed under this chapter shall notify the registrar in writing, on a form prescribed by the registrar, about the pending employment of a registered home improvement salesperson, pursuant to the terms of this article. This notification requirement shall include, but not be limited to, the name and registration number of the home improvement salesperson who is pending employment by the contractor. The form shall be submitted prior to the home improvement salesperson beginning work for the contractor.

(b) A home improvement contractor shall notify the registrar in writing, on a form prescribed by the registrar, when a registered home improvement salesperson ceases to be employed by the contractor. This notification requirement shall include, but not be limited to, the name and registration number of the home improvement salesperson who had been employed by the contractor. The form shall be submitted within 90 days after the home improvement salesperson ceases to be employed by the contractor.

(c) A home improvement contractor who employs a registered home improvement salesperson to sell home improvement contracts but who fails to report to the registrar the pending employment or the cease of employment of the registrant, as provided in this article, is subject to disciplinary action by the registrar.

(d) A home improvement contractor who employs a person to sell home improvement contracts while such person is not registered by the registrar as a home improvement salesman, as provided in this article, is subject to disciplinary action by the registrar.
(Repealed and added by Stats. 1972, Ch. 1138.)

Amend B&P Code section 7155.5 as follows:

Violations of any provisions of this chapter by a home improvement salesperson, likewise constitutes a cause for disciplinary action against the contractor by whom he or she was employed at the time the violation occurred, whether or not ~~he or she~~ the contractor had knowledge of or participated in the act or omission constituting violations of this chapter.

(Amended by Stats. 1997, Ch. 813, Sec. 3. Effective January 1, 1998.)

Amend B&P Code section 7156 as follows:

It shall be a misdemeanor and a cause for disciplinary action to commit any of the following acts:

(a) For any home improvement salesperson to fail to account for or to remit to his or her employing contractor any payment received in connection with any home improvement transaction or any other transaction involving a work of improvement.

(b) For any person to use a contract form in connection with any home improvement transaction or any other transaction involving a work of improvement if the form fails to disclose the name of the contractor principal by whom he or she is employed.

(Amended by Stats. 1997, Ch. 813, Sec. 4. Effective January 1, 1998.)

Add section 7156.5 to the Business and Professions Code to read as follows:

(a) Notwithstanding any other provision of law, the board may implement a system that provides for the electronic submission of an initial application or renewal application for the registration required by this article and the electronic transmission of the notices required by subdivisions (a) and (b) of section 7145.

(b) The board by regulation may specify the form and manner of these submissions and transmissions, including the adoption of any protocols necessary to ensure the validity and security of any information, data or document transmitted electronically. Upon adoption of the regulations, the electronic submission of an initial registration application, a renewal application, or the electronic transmission of a notice required by subdivisions (a) and (b) of section 7145 shall satisfy the requirements of this article, as applicable.

AGENDA ITEM J

Executive



AGENDA ITEM J-1

Review and Approval of Registrar Duty Statement





CONTRACTORS STATE LICENSE BOARD

The Registrar Duty Statement follows. The Board is required to vote on and approve the duty statement at this meeting, after which it will be signed by the Board Chair and Registrar.

PROPOSED MOTION

Approve the Registrar Duty Statement.

Department of Consumer Affairs

Position Duty Statement

HR-041 (new 05/04)

Classification Title	Board/Bureau/Division
Registrar of the Contractors	Contractors State License Board
Working Title	Office/Unit/Section / Geographic Location
	Sacramento
Position Number	Effective Date
622-501-8941-001	January 1, 2015

Under the administrative direction and policy guidance of the Board, the Registrar serves as the executive officer for the Contractors State License Board. The Registrar, through subordinate staff, is responsible for the administration and management of the Board's programs, resources, and staff; interpreting and executing the intent of all Board policies; enforcing sound licensing standards; interpreting and executing the Contractors License Law, including prosecuting violations of the California Contractors License Law through an effective Enforcement Program; maintaining responsibility for enforcing the completion of required continuing education; overseeing the disciplinary process and initial discipline of licensees; and educating the consumer public about the construction profession. The Registrar's duties include, but are not limited to:

A. SPECIFIC ACTIVITIES [Essential (E) / Marginal (M) Functions]

- 30%(E) Oversees all administrative activities of the Board's Enforcement, Licensure, Information Technology, and Administration programs, including the Board's legislation and regulation activities; recommends modification of proposed legislation for consistency with the Board programs and policies, identifying the need for new legislation, and representing the Board and testifying before the Legislature; oversees the development and implementation of regulations adopted by the Board in compliance with the Administrative Procedures Act and Legislatively-mandated standards. Responsible for the Board's operating budget, and negotiating with high level managerial staff from the Department of Finance; Legislative Analyst; Legislative Budget Committees; and the Business, Consumer Services, and Housing Agency on fiscal matters relating to the Board. Reviews and approves Board fiscal reports to the Legislature, and ensures that appropriate action is taken.
- 25%(E) Maintains overall responsibility for the law enforcement activities of the Board's Enforcement Program. Responsible for interpretation and execution of the California Contractors License Law, relevant sections of the Business and Profession Code, Criminal Records Information Security Policy, and all pertinent provisions of the law. Responsible for all disciplinary decisions and ensuring actions are carried out. Administers the receipt, evaluation, investigation, and action upon complaints received. Provides oversight and direction in the

**Position Duty Statement
Registrar of Contractors**

investigation, evaluation, prosecution, and settlement of cases against licensees.

20%(E) Serves as the Board's liaison to a wide array of governmental, professional, and volunteer organizations. Maintains positive working relationships with National Association of State Contractors Licensing Agencies, the construction industry, the news media, and other organizations interested in Board activities. Acts as a Board representative at all meetings and hearing as delegated by the Board; serves as Board's chief spokesperson to the news media. Conducts oversight of and participates in the formulation, implementation, and administration of a comprehensive communications and education program to educate and inform the consumer public about the Board's regulatory role and statutory responsibilities.

15%(E) Responsible for the development of the CSLB Strategic Planning by providing the vision and initiatives that advance the CSLB towards its mission and goals. Responsible for directing the preparation of the Board's meeting agendas, schedules and minutes of the Board and committee meetings. Oversees the preparation of statistical reports, surveys, correspondence and special studies.

10%(E) Maintains overall responsibility for the Board's administration of the licensing examination; including the evaluation of candidate applications and qualifications, scheduling of examinations, compliance with the Americans with Disabilities Act and ensuring examination security. Has overall responsibility for the issuance and renewal of all licensees, verification of reported continuing education, and the evaluation of course providers.

B. SUPERVISION RECEIVED

Serves under the administrative direction of the Board.

C. SUPERVISION EXERCISED

Provides vision, leadership, and oversight for all of the CSLB programs.

D. ADMINISTRATIVE RESPONSIBILITY

Responsible for all functions and aspects of the CSLB programs.

E. PERSONAL CONTACTS

Regular contact with all level staff, legislators, members of the public, the Governor's office, members of the trade and industry groups.

F. ACTIONS AND CONSEQUENCES

**Position Duty Statement
Registrar of Contractors**

Failure to effectively carry out the directions of Board members through the performance of described duties could result in severely diminishing consumer protection, placing consumers at harm by unscrupulous contractors, resulting in inappropriate actions taken against licensed and unlicensed contractors, and negatively impacting the CSLB relationships with other State and local agencies, and trade and industry groups.

G. FUNCTIONAL REQUIREMENTS

No specific physical requirements are present: the incumbent works up to 40 hours per week in an office setting, with artificial light and temperature control. Daily access to and use of a personal computer and telephone is essential. Sitting and standing requirements are consistent with office work. This position requires frequent travel including overnight travel by all available transportation methods.

H. OTHER INFORMATION

This position has access to Criminal Offender Record Information (CORI). Title 11, Section 703(d) of the California Code of Regulations requires criminal record checks of all personnel who have access to CORI. Pursuant to this requirement, incumbents in this position will be required to submit fingerprints to the Department of Justice and be cleared before hiring. Incumbent in this position will be required to maintain a good driving record and participate in the Department of Motor Vehicles, Employer Pull Notice program.

**Position Duty Statement
Registrar of Contractors**

I have read and understand the duties listed above and I can perform these duties with or without reasonable accommodation. (If you believe reasonable accommodation is necessary, discuss your concerns with the hiring supervisor. If unsure of a need for reasonable accommodation, inform the hiring supervisor, who will discuss your concerns with the Health & Safety analyst.)

Employee Signature

Date

Printed Name

I have discussed the duties of this position with and have provided a copy of this duty statement to the employee named above.

Supervisor Signature

Date

Printed Name

(Rev. September 2014)

AGENDA ITEM J-2

Administration Update Regarding Personnel and Facilities





BUSINESS SERVICES

Facilities

San Bernardino – The Department of General Services (DGS) leasing officer is currently preparing the lease renewal agreement, which will include the following upgrades: increased rental space, a new alarm system, a new security system, and additional voice/data cabling. The lessor is procuring bids for the requested improvements and work on the property will begin once DGS receives the bids from the lessor.

West Covina – Renovations to the office are complete and include: the addition of one enclosed office space, the relocation of three workstations, new paint throughout the office, and the installation of new carpet.

Norwalk – The DGS leasing officer is currently preparing the lease renewal agreement. Prior to the renewal the DGS space planner will review the office space specifications to identify any needed adjustments. Additionally, the lessor is working on the ADA Survey and Seismic Report to ensure compliance with State of California regulations.

Testing Field Offices – To provide better security for CSLB testing center staff and clients, surveillance cameras at eight testing centers throughout California are being installed.

Sacramento Headquarters – Three electric vehicle charging stations have been installed; one in front of the building for public use and two in the enclosed state vehicle parking lot for official vehicles only. The stations will be usable after SMUD installs meters.

The replacement of the employee security card reader system is in progress.

The design and planning phase is underway for an additional enclosed office space within the Administration division to accommodate the relocation of the Business Services Manager's office.

Contracts and Procurement

Contracts in Process:

- Five copiers, with maintenance service contracts, for various field offices;
- Maintenance service contracts for three UPS machines for various field offices; and



- New scanning system for packages/letters received in the mailroom at Sacramento headquarters.

Procurements in Process:

- Twenty-four ergonomic chairs for the Berkeley Testing Center;
- Seventeen utility chairs for the Sacramento SWIFT conference room;
- Ergonomic furniture for the Information Technology (IT) programming office located within the Sacramento Testing unit; and
- Polo shirts for Enforcement division staff.

Executed Contracts/Procurement:

- Collection agency to pursue monies owed by unlicensed contractors; and
- Two 50” Smart Televisions for the IT division.

Training

In January 2015, CSLB contracted with the California Department of Human Resources (CalHR) to provide onsite training at the Sacramento headquarters office during the quarterly Enforcement Manager meeting. CalHR provided 40 CSLB managers and supervisors, from all divisions, with in-depth training on “The Supervisors Guide to Managing Poor Performance.”

Fleet

CSLB has submitted a Fleet Acquisition Plan to DCA to replace seven vehicles statewide: five for the Enforcement division (San Francisco (1), Valencia (1), Fresno (1), and Norwalk (2)), one for the Administration division, and one for the Testing division. The Enforcement division has requested four Ford Fusions and one Ford F-150 truck and the Administration division has requested an all-electric vehicle, which will help meet the Governor’s office requirement that 10 percent of DCA’s fleet be zero emission. The Testing division has requested a Dodge Caravan. The Fleet Acquisition Plan is pending approval from DCA, DGS, and the Governor’s Office Agency Secretary.

Imaging Workflow Automated System (IWAS)

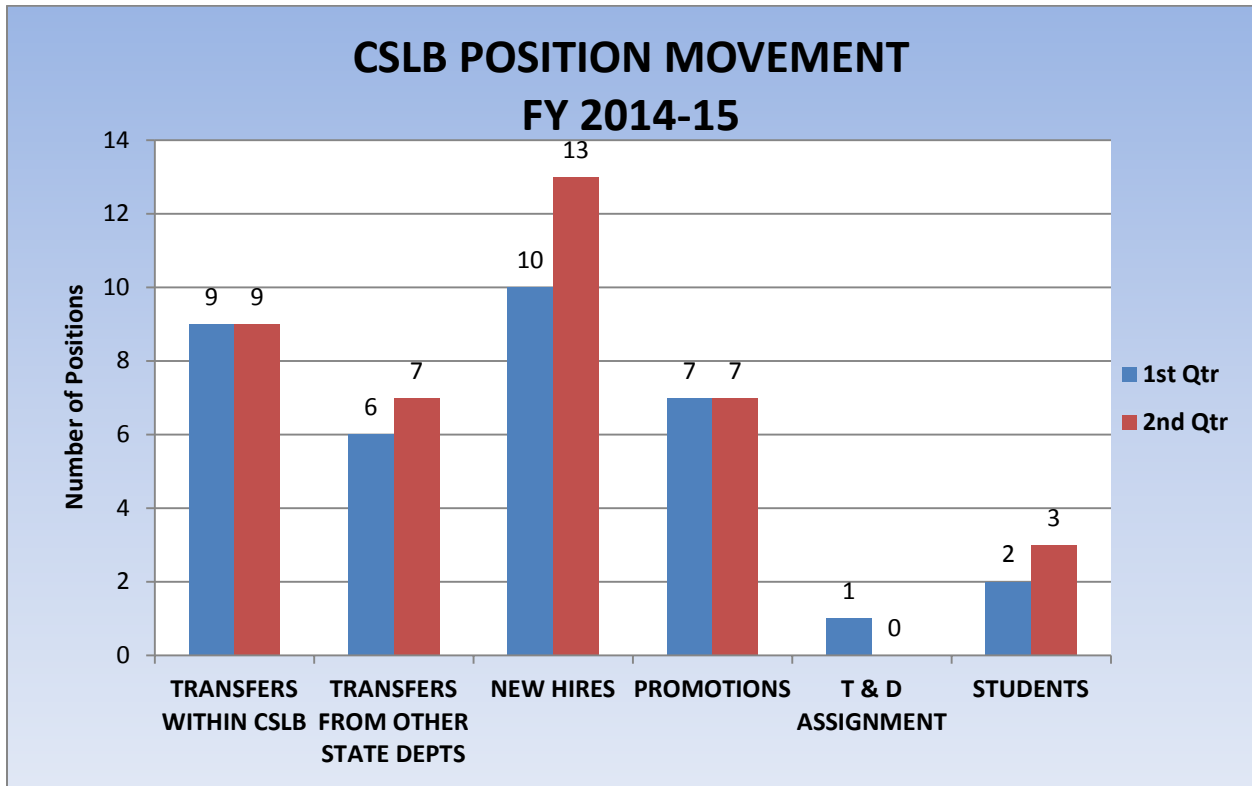
The IWAS unit, along with the Programming and Technical Support units, is upgrading and replacing the current Microsoft software since it can no longer support the IWAS programming system. This upgrade will affect only the IWAS system’s infrastructure. Also, a proposal has been submitted to DCA to add a second indexing feature to all new documents received at CSLB, which will ensure greater accuracy when Licensing division staff research information associated with a document in IWAS.



PERSONNEL UPDATE

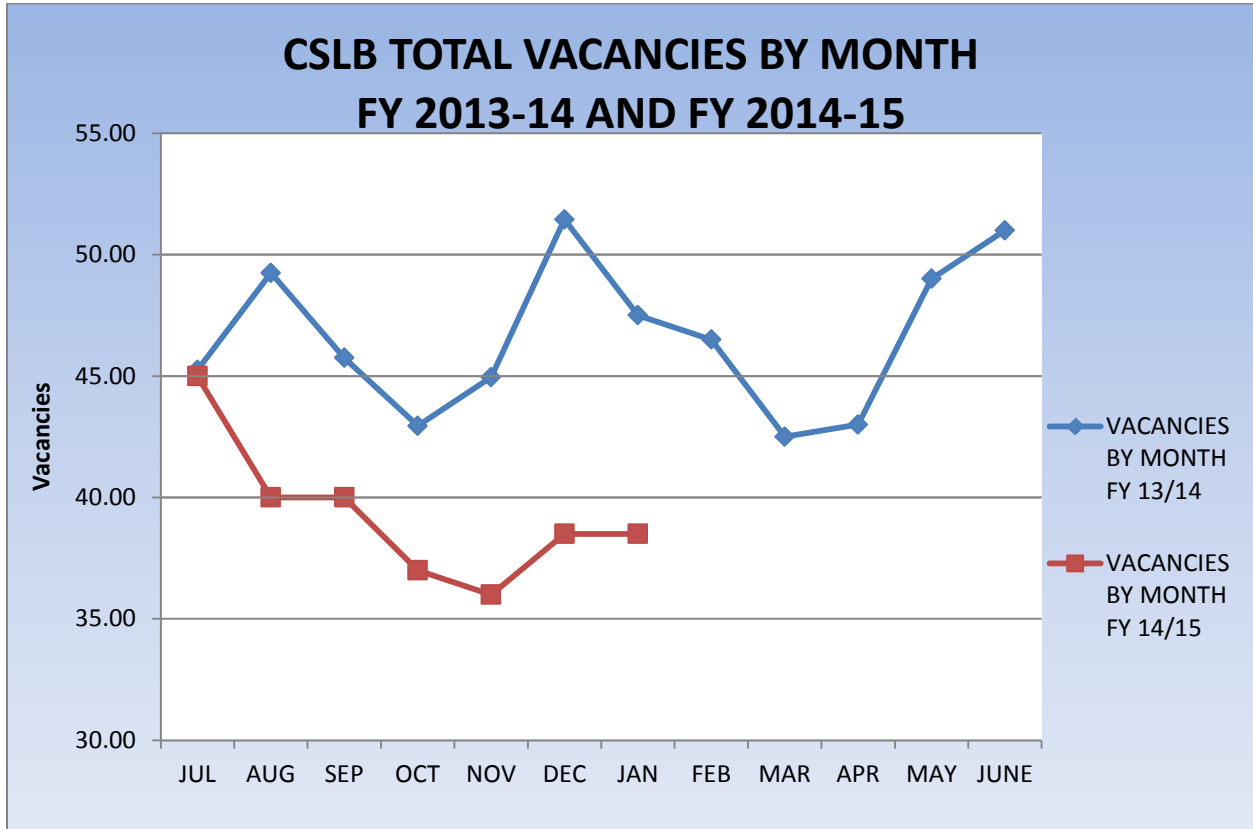
From September 2014 through December 2014, Personnel actively coordinated with the Department of Consumer Affairs Office of Human Resources (OHR) in the recruitment process for CSLB’s newly appointed Registrar of Contractors, Cindi Christenson. Ms. Christenson, the first female Registrar, assumed office January 1, 2015. Recruitment efforts are currently underway to fill Ms. Christenson’s former position of Chief Deputy Registrar.

During the second quarter of fiscal year 2014-15, CSLB had nine (9) internal transfers, seven (7) transfers from other state agencies, thirteen (13) new hires, seven (7) promotions, three (3) student hires, and one (1) training and development assignment.





The number of vacancies per month has declined as Personnel staff has worked closely with management to ensure adherence to the six-month vacancy rule under Government Code section 12439.





To ensure that staff are up-to-date on current policies and procedures, all CSLB employees received updated Staff Expectations and Workplace Guidelines and must submit an acknowledgement that they understand and will comply with these policies and procedures.

The Guidelines includes the following policies and procedures:

- Incompatible Work Activities - OHR 14-01
- Workplace Violence Prevention Policy - DOI 08-01
- Sexual Harassment Prevention Policy - EEO 12-01
- Non-Discrimination Policy and Complaint Procedures - EEO 14-01
- Drug-Free Workplace Policy - PER 04-05
- Acceptable Use of Information Technology Systems Policy - ISO 05-01
- Information Security Policy - ISO 06-01
- Communications Devices Policy - ISO 07-01
- Disposal of Confidential Information - DPM ISO 06-03
- Portable Computing Device Security - DPM ISO 07-01
- Safeguarding Social Security Numbers - DPM ISO 08-01
- Information Security/Privacy Protection Training - SOLID
- Guidelines for Information and Equipment Security - CSLBITSecurityGuidelines.pdf

To continue to offer quality service to CSLB employees, Personnel staff are being cross-trained in many areas, including the completion of various reports such as the Management Information Retrieval System Report (MIRS) and the Weekly RPA/Vacancy Report. Additionally, Personnel staff are in the development planning phase of a training tool, *Career Consultation*, to assist CSLB employees with state civil service career advancement. Personnel has also updated the Hiring Guide for supervisors and managers to help ensure that CSLB hires the best qualified candidates.



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

DIVISION	EXAM	STATUS
Enforcement	Consumer Services Representative	DCA Continuous Filing
	Enforcement Representative I, CSLB	Last Exam Administered–12/8/14 Application Cut Off–April 2015 Tentative Exam Scheduled–June 2015
	Enforcement Representative II, CSLB	Application Cut Off–February 2015 Tentative Exam Scheduled–March 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	Personnel Selection Consultant I/II	Tentative Exam Scheduled–February 2015
	Test Validation and Development Specialist I	DCA Continuous Filing
	Test Validation and Development Specialist II	Last Exam Administered–12/3/14
All CSLB	Information Officer I (Sp)	CalHR
	Management Services Technician	Application Cut Off–3/2/15 Tentative Exam Scheduled–April 2015
	Office Technician/Office Assistant	CalHR OT Self-Scheduling–2/19/15 Last Exam Administered–2/20/15, 2/21/15
	Program Technician Series	PTII Self-Scheduling–2/11/15 Last Exam Administered–2/14/15
		PTIII Self-Scheduling–2/10/15 Last Exam Administered–2/14/15
	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Analyst Transfer Exam	Tentative Schedule–Feb/June/Sept/Dec
Staff Services Manager Series	CalHR	

AGENDA ITEM J-3

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 build phase of the project. The expected implementation of Release Two Boards is currently spring 2016.

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 November 2014 through January 2015, CSLB’s IVR handled a total of 95,624 calls, which is an average of 31,875 calls a month. The system is available 24 hours a day, seven days a week.

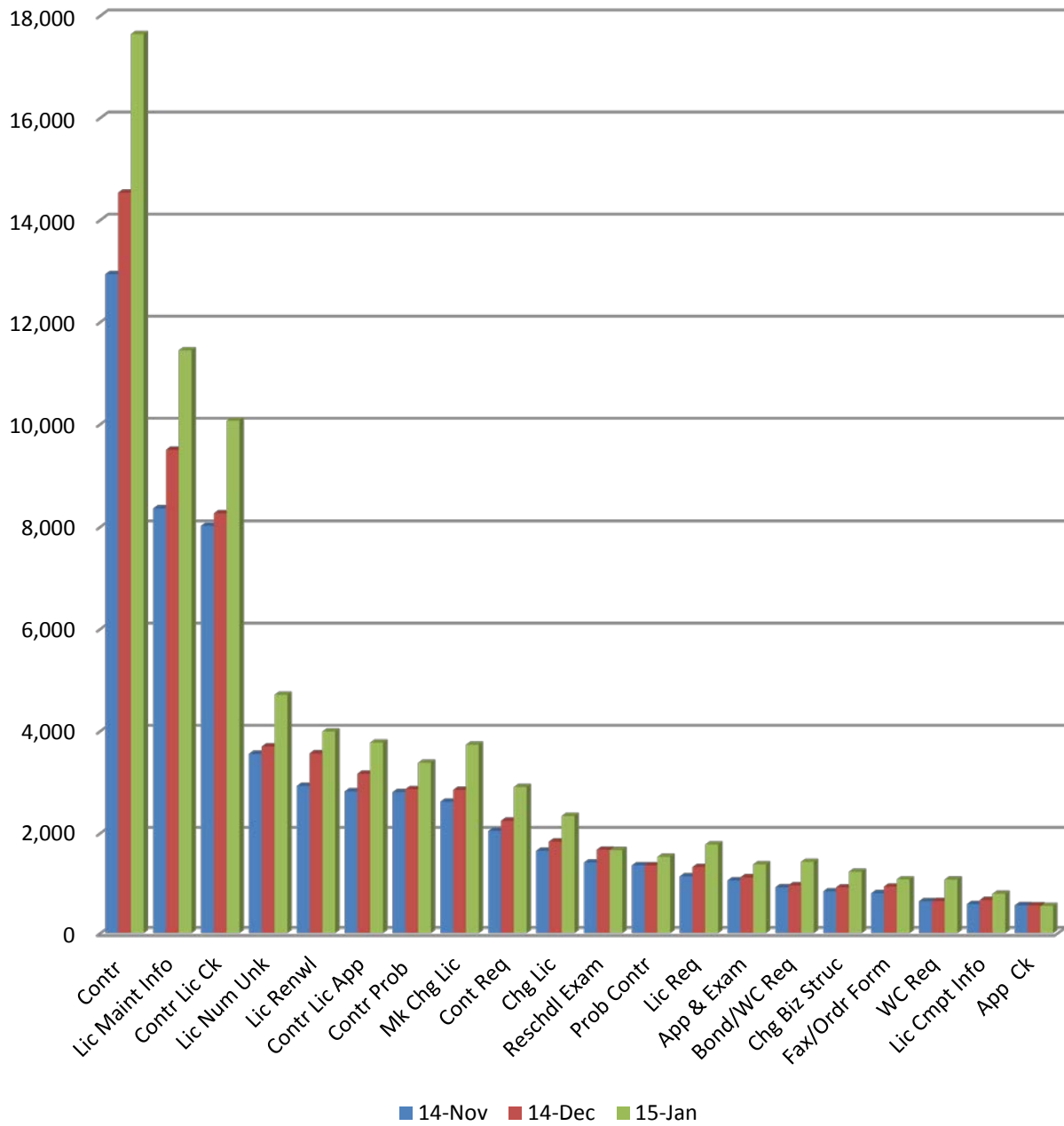
The IVR system offers dozens of possible menu options. Following is a representative sample of the top 20 IVR requests from November 2014 through January 2015.

**Top 20 IVR Requests - Nov '14 - Jan '15**

IVR Statistics		<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	Three Month Totals
IVR Calls Received		28,246	30,856	36,522	95,624
Monthly Average					31,875
Top 20 IVR Requests	Abbreviation	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	Three Month Totals
Contractor or Want to Become Contractor	Contr	12,937	14,533	17,637	45,107
Info on Maintaining or Changing License	Lic Maint Info	8,360	9,496	11,445	29,301
Contractor's License Check	Contr Lic Ck	8,020	8,263	10,069	26,352
License Number Not Known	Lic Num Unk	3,553	3,695	4,708	11,956
About License Renewal	Lic Renwl	2,923	3,562	3,988	10,473
Contractor License Application	Contr Lic App	2,817	3,163	3,772	9,752
Hire or Problem with Contractor	Contr Prob	2,802	2,859	3,376	9,037
About Making Changes to License	Mk Chg Lic	2,615	2,846	3,731	9,192
About Continuing Requirements	Cont Req	2,043	2,241	2,901	7,185
For Changes to Existing Licenses	Chg Lic	1,648	1,833	2,336	5,817
Reschedule Exam Date	Reschdl Exam	1,415	1,670	1,662	4,747
Info on Problems with Contractor	Prob Contr	1,357	1,355	1,526	4,238
License Requirements	Lic Req	1,136	1,323	1,775	4,234
General Application & Examination Info	App & Exam	1,056	1,117	1,376	3,549
Info about Bond or Workers' Comp Requirements	Bond/WC Req	919	955	1,426	3,300
For Changing the Business Structure of an Existing	Chg Biz Struc	837	917	1,228	2,982
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	798	931	1,076	2,805
Info about Workers' Comp Requirements	WC Req	638	642	1072	2,352
License Complaint Information	Lic Cmpt Info	581	662	787	2,030
Application Status Check	App Ck	557	556	542	1,655



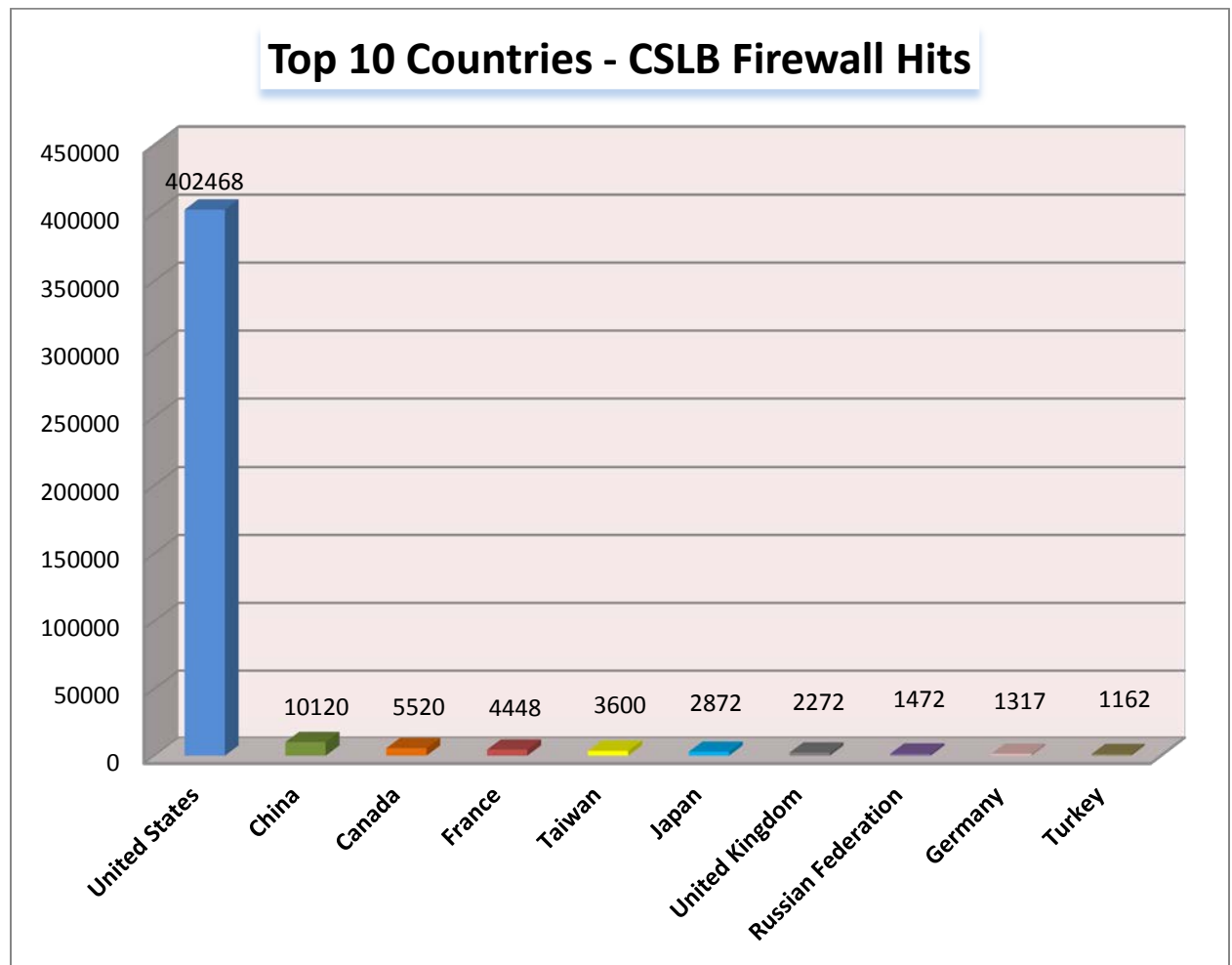
Top 20 IVR Requests - Nov'14 - Jan'15





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 to access CSLB data from all sources, including those emanating from foreign countries. The chart below shows the top 10 countries from which users have attempted to access CSLB systems and applications between January 1, 2015 and February 22, 2015, all of which were successfully denied. To date, utilizing best practices, CSLB’s IT security systems have effectively safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have succeeded.





E-Payment Expansion to Norwalk

Currently, contractors throughout the State can mail check or cash payments for licensing and application fees, along with the appropriate documents, to the Sacramento HQ office. However, in-person payments can only be made in the Sacramento office – at the front counter if paying by check or cash, or using a dedicated kiosk station if paying by credit card.

CSLB first began to accept in-person electronic credit card payments in Sacramento in August of 2010, an option limited to this location because of other Department of Consumer Affairs projects. Designed initially by CSLB programming staff and a consultant, the system allowed payment for four different CSLB transactions. In August of 2011, CSLB programming staff expanded the payment offerings to 16.

CSLB plans to expand the e-Payment system, utilizing technology to better serve applicants and contractors. Norwalk, site of the first phase of this expansion, should have a usable kiosk system for electronic payments by the end of March 2015. IT staff will demonstrate the kiosk system at the March 16, 2015, Board Meeting in Glendale, CA. Following the launch in Norwalk, expansion at additional field offices throughout the State, including San Diego, Fresno, and San Bernardino, will be considered.

AGENDA ITEM J-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

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

Through January 31, 2015, CSLB spent or encumbered \$36.7 million, roughly 58 percent of its FY 2014-15 budget. The chart below details the CSLB budget, including expenditures through January, 2015:

EXPENDITURE DESCRIPTION	FY 2014-15 REVISED BUDGET	JANUARY 2015 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	22,317,572	12,467,131	9,850,441	44.1%
Board Members	15,900	7,700	8,200	51.6%
Temp Help	860,000	589,581	270,419	31.4%
Exam Proctor	41,168	66,892	-25,724	-62.5%
Overtime	146,000	119,649	26,351	18.0%
Staff Benefits	10,477,885	5,972,199	4,505,686	43.0%
TOTALS, PERSONNEL	33,858,525	19,223,152	14,635,373	43.2%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	20,565,111	14,180,687	6,384,424	31.0%
Exams	435,882	157,832	278,050	63.8%
Enforcement	8,635,175	3,347,278	5,287,897	61.2%
TOTALS, OE&E	29,636,168	17,685,797	11,950,371	40.3%
TOTALS	63,494,693	36,908,949	26,585,744	41.9%
Scheduled Reimbursements	-353,000	-102,128	-250,872	
Unscheduled Reimbursements		-144,582	144,582	
TOTALS, NET REIMBURSEMENTS	63,141,693	36,662,239	26,479,454	41.9%

❖ Revenue

CSLB received the following revenue amounts through January 31, 2015:

Revenue Category	Through 01/31/2015	Percentage of Revenue	Change from prior year (01/31/2014)*
Duplicate License/Wall Certificate Fees	\$51,738	0.1%	-4.9%
New License and Application Fees	\$5,781,087	15.9%	4.9%
License and Registration Renewal Fees	\$27,788,729	76.5%	2.6%
Delinquent Renewal Fees	\$1,580,380	4.3%	-11.2%
Interest	\$31,338	0.1%	4.7%
Penalty Assessments	\$1,035,598	2.9%	26.6%
Misc. Revenue	\$63,785	0.2%	-1.7%
Total	\$36,332,655	100.00%	2.8%

* License & Renewals are based on 2-year cycle (comparative data is from FY 2012-13, a peak renewal year).



❖ **Fiscal Year (FY) 2014-15 CSLB Revised Final Budget and Adjustments**

- The CSLB revised final FY 2014-15 budget increased by \$1.2 million, from \$61.9 to \$63.1 million. This budget includes the following one-time adjustments and reductions: reconciliation of salaries and wages with projected operating expenditures, adjustments to employee retirement contribution rates, and adjustments to employee compensation and health rates.
- The following chart shows the approved FY 2014-15 budget (2014 Budget Bill) and the overall budgetary impact of the reductions and adjustments to the revised final FY 2014-15 CSLB budget:

EXPENDITURE DESCRIPTION	FY 2014-15 APPROVED BUDGET	7A ADJ	RETIREMENT ADJ	EMPLOYEE COMP & HLTH ADJ	FY 2014-15 REVISED BUDGET
PERSONNEL SERVICES					
Salary & Wages (Staff)	22,233,596	-209,993		293,969	22,317,572
Board Members	15,900				15,900
Temp Help	860,000				860,000
Exam Proctor	41,168				41,168
Overtime	146,000				146,000
Staff Benefits	9,743,121		582,556	152,208	10,477,885
TOTALS, PERSONNEL	33,039,785	-209,993	582,556	446,177	33,858,525
OPERATING EXPENSES & EQUIPMENT					
Operating Expenses	20,156,802	209,993	99,085	99,231	20,565,111
Exams	435,882				435,882
Enforcement	8,622,531		9,994	2,650	8,635,175
TOTALS, OE&E	29,215,215	209,993	109,079	101,881	29,636,168
TOTALS	62,255,000	0	691,635	548,058	63,494,693
Scheduled Reimbursements	-353,000				-353,000
Unscheduled Reimbursements					
TOTALS, NET REIMBURSEMENTS	61,902,000	0	691,635	548,058	63,141,693



CSLB Fund Condition

Below is the fund condition for the Contractors' License Fund which shows the final FY 2013-14 reserve (\$26 million – approximately 5 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
Beginning Balance	\$28,953	\$26,387	\$23,518	\$16,371
Prior Year Adjustment	\$129	\$0	\$0	\$0
Adjusted Beginning Balance	\$29,082	\$26,387	\$23,518	\$16,371
Revenues and Transfers				
Revenue	\$54,992	\$57,001	\$55,621	\$57,377
Totals, Resources	\$84,074	\$83,388	\$79,139	\$73,748
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$57,411	\$59,820	\$62,768	\$63,082
State Controller (State Operations)	\$3			
Financial Info System Charges	\$273	\$50		
Total Expenditures	\$57,687	\$59,870	\$62,768	\$63,082
Fund Balance				
Reserve for economic uncertainties	\$26,387	\$23,518	\$16,371	\$10,666
Months in Reserve	5.3	4.5	3.1	2.0

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 January 31, 2015, CMEA expended roughly \$5,000 in pro rata charges. Grant Awards are suspended until the fund is sufficiently replenished to meet the annual minimum disbursement amount of \$150,000 in awards. This chart provides a summary of the CMEA budget, including expenditures through January, 2015:

EXPENDITURE DESCRIPTION	FY 2014-15 BUDGET	JANUARY 2015 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	0	0	0	0.0%
Pro Rata	8,000	4,597	3,403	42.5%
TOTALS, OE&E	8,000	4,597	3,403	42.5%
GRANT AWARDS				
Grant Awards	0	0	0	0.0%
TOTALS, GRANT AWARDS	0	0	0	0.0%
TOTALS	8,000	4,597	3,403	42.5%

❖ **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
Beginning Balance	\$ 165	\$ 33	\$ 81	\$ 131
Prior Year Adjustment	-\$27	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 138	\$ 33	\$ 81	\$ 131
Revenues and Transfers				
Revenue	\$53	\$56	\$58	\$60
Totals, Resources	\$ 191	\$ 89	\$ 139	\$ 191
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$8	\$8	\$8	\$8
Local Assistance Grant Disbursements	\$150			
Total Expenditures	\$ 158	\$ 8	\$ 8	\$ 8
Fund Balance				
Reserve for economic uncertainties	\$ 33	\$ 81	\$ 131	\$ 183
Months in Reserve	2.6	-5.2		

Notes:

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



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2011-12	2012-13	2013-14	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
November	2,257	2,431	2,435	2,542
December	2,269	2,266	2,315	2,944
January	2,599	2,736	2,832	2,958
Total	17,268	18,048	18,917	20,637
			<i>% Change from Prior FY</i>	9.1%

Original Licenses Issued

	2011-12	2012-13	2013-14	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
November	885	762	759	724
December	1,021	922	812	887
January	935	1,095	971	1,225
Total	7,816	7,104	6,388	7,642
			<i>% Change from Prior FY</i>	19.6%

Licenses Renewed

	2011-12	<i>PEAK</i> 2012-13	2013-14	<i>PEAK</i> 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
November	8,373	8,988	8,674	6,467
December	8,828	7,335	8,672	11,886
January	9,850	11,439	10,279	9,847
Total	67,695	70,195	65,186	69,816
			<i>% Change from Peak FY 2012-13</i>	-0.5%

HIS Registrations Renewed

	2011-12	2012-13	2014-15	2014-15
July	99	115	150	158
August	139	180	150	147
September	114	130	101	187
October	120	136	152	158
November	89	104	143	117
December	121	100	124	143
January	113	132	140	179
Total	795	897	960	1,089
			<i>% Change from Prior FY</i>	13.4%



License Population by Status

	January 2013	January 2014	January 2015
Active	227,822	223,522	222,523
Inactive	67,064	64,571	62,242
Subtotal	294,886	288,093	284,765
Other*	446,361	462,604	476,290
Expired	383,477	396,950	407,846
Expired % of Other	85.9%	85.8%	85.6%
Grand Total	741,247	750,697	761,055

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

HIS Registration Population by Status

	January 2013	January 2014	January 2015
Active	9,035	9,242	11,291
Other	83,799	87,271	90,770
Total	92,834	96,513	102,061

Complaints By Fiscal Year

	2010-11	2011-12	2012-13	2013-14
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

	January 2014	January 2015
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
Total	39.0	33.0

AGENDA ITEM J-5

Strategic Plan Update

- a. 2014-15 Update
- b. 2015-16 Update





CONTRACTORS STATE LICENSE BOARD

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #1 LICENSING & TESTING OBJECTIVES	TARGET	STATUS
1. Increase high-tech security monitoring in test centers (I)	December 2015	At Department of General Services. Surveillance cameras planned for December 2015.
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 experience evaluation criteria (E)	July 2015 January 2016	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	Currently tied to DCA BreEZe project. Research other options to move forward.
5. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.
6. Implement online licensure tool for credit card payment (B)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.

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"

GOAL #2 (Cont.) ENFORCEMENT OBJECTIVES	TARGET	STATUS
3. Automate official educational letter to consumers who repeatedly hire unlicensed operators (B)	December 2014	Completed. 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	Completed.
6. Implement Peace Officer Training Curriculum (I)	December 2014	Completed.
7. Provide section for the disclosure of partnering agencies' administrative actions on CSLB website (B)	December 2015	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.

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #3 PUBLIC AFFAIRS OBJECTIVES	TARGET	STATUS
1. Establish outreach strategy to address predatory service and repair scams (E)	August 2014	Completed – ongoing adjustments
2. Complete flagship consumer publication (E)	September 2014 December 2014 March 2015 May 2015	Delayed due to graphic designer vacancy and Sunset Review report
3. Complete flagship contractor publication (E)	December 2014 March 2015 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 BreEze
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 June 2015	Tied to BreEze
7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	December 2014 June 2015	Not necessary at this time
8. Develop contractor bid presentation kit (B)	March 2015	Completed – "Ambassador Program" Information Posted Online
9. Develop CSLB style guide and grand standards manual (B)	March 2015 June 2015	Delayed due to graphic designer vacancy

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #4 LEGISLATION OBJECTIVES	TARGET	STATUS
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	Completed
3. Pursue legislation to allow CSLB enforcement representatives to investigate active job sites (E)	January 2015	SB 315 approved by Legislature, and signed by the Governor
4. Pursue legislation to increase amount of surety bond to reflect homeowner risk (I)	December 2015	Included in Sunset Review Report as a new issue
5. Review CSLB's laws and rules (B)	Ongoing	In process

GOAL #5 IT & ADMINISTRATION OBJECTIVES	TARGET	STATUS
1. Request additional staff in Case Management (Citation Program) through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015	BCP denied Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
2. Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the BCP process to meet operational demands (E)	July 2015	BCP denied Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
3. Request additional staff for the Public Works Program through the BCP process to meet operational demands (E)	July 2015	BCP denied 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)	Fall 2016	When fully implemented, SCORE 2.0 will consist of six applications. IT finished the development of the first application "Score Exam", and is gathering user/business requirements on the proctoring application.

(E) "Essential"

(I) "Important"

(B) "Beneficial"

<p>5. Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team (E)</p>	<p>January 2017</p>	<p>CSLB staff continues to prepare for the Release Three release by working with programs to document and map current "As Is" business processes; conducting meetings with CSLB end users to verify mapping and completing Gap/Fit analysis from the current system to BreEZe.</p>
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CONTRACTORS STATE LICENSE BOARD

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #1 LICENSING & TESTING OBJECTIVES	TARGET	DESCRIPTION
1. Research Security Devices for Testing Center and Workshop Conference Room Windows (I)	June 2015	Research and evaluate various security devices that could be installed in test centers and conference rooms.
2. Evaluate Testing Centers for Functionality (I)	August 2015	Determine possible improvements to the layout (floor plan, types of cubicles, etc.) of test centers.
3. Research National Contractor Examinations (B)	August 2015	Testing Division staff will review and evaluate existing examinations for licensure in the construction field.
4. Install Surveillance Cameras in Testing Centers (I)	December 2015	The Department of General Services is putting this project out to bid. This will enhance the security at all eight test centers.
5. Review Current Reciprocity Agreements (I)	January 2016	Review current agreements with Arizona, Nevada, and Utah; research licensing criteria for other states to determine whether reciprocity should/can be expanded.
6. Determine Feasibility of Tiered General Building "B" Classification (I)	January 2016	Determine whether a secondary "B" classification is needed to address contractors who provide home improvement services that do not include structural changes.
7. Fully Implement SCORE 2.0 (E)	September 2016	The most critical SCORE 2.0 modules will be completed first, with completion date of Fall 2016. SCORE 2.0 will provide enhanced functionality for examination development and administration.

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #2 ENFORCEMENT OBJECTIVES	TARGET	DESCRIPTION
1. Establishment of Government Accounts to Obtain Court Records (I)	October 2015	County criminal records are online, but require establishment of a fee-based account to access them.
2. Disclosure of Partner Agency Information (I)	December 2015	DLSE and CalTrans disciplinary actions are now disclosed. Disclosure protocol needs to be established with city, county and other state entities.
3. Revision of Enforcement Manual (E)	December 2015	Establish task force to update and improve the existing complaint handling manual.
4. Update Regulation for Assessment of Civil Penalties (I)	December 2015	Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements.
5. Refine Proactive Strategies and Objectives (I)	December 2015	Develop a matrix to prioritize proactive response to leads, sweeps, and stings.

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #3 PUBLIC AFFAIRS OBJECTIVES	TARGET	DESCRIPTION
1. Complete Flagship Consumer Publication (E)	May 2015	Continued from 2014-15 strategic plan
2. Complete Flagship Contractor Publication (E)	July 2015	Continued from 2014-15 strategic plan
3. Develop Realtor Outreach Program (B)	September 2015	Develop program to educate realtors, a prime referral source for new homeowners to locate contractors.
4. Develop CSLB Style Guide and Standards manual (B)	December 2015	Continued from 2014-15 strategic plan
5. Determine Feasibility of Building a Full-Service Broadcast Studio (I)	December 2015	Assess feasibility/costs of constructing a broadcast studio in space currently occupied by Public Affairs Office staff.
6. Determine Feasibility of Updating John C. Hall Hearing Room, including Video Monitors, and Improved Audio System (B)	December 2015	Assess feasibility/cost of updating hearing room to improve visual/audio services for meeting participants and audience.

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #4 LEGISLATION OBJECTIVES	TARGET	DESCRIPTION
1. Seek Legislation to Authorize Sharing of Licensee Information with the Employment Development Department (E)	July 2015	To address new issue raised by the Department of Consumer Affairs.
2. Prepare Legislative Proposal to Eliminate Capital Requirement for Licensure and Increase Contractor's Bond by Corresponding Amount (B)	September 2015	To address new issue raised by the Board in the Sunset Review Report.
3. Prepare Draft Proposal to Contractors State License Law (I)	December 2015	To make the law easier to follow.
4. Prepare Legislative Proposal to Provide for Comprehensive Rewrite of the Home Improvement Contractor Provisions	December 2015	To address new issue raised by the Board in the Sunset Review Report.
5. Seek Amendments to Arbitration Program Statutory Provisions (I)	December 2015	To address issue the awarding of attorney's fees as a result of participation in arbitration program.

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #5 IT & ADMINISTRATION OBJECTIVES	TARGET	DESCRIPTION
1. Continue to Prepare for Implementation of BreEZe (E)	Ongoing	Map "as-is" process for critical licensing and enforcement transactions. Identify business requirements and complete gap-fit analysis.
2. Determine Feasibility of Relocating Front Counter and Record Certification Unit (E)	December 2015	Plan, reorganize, and consolidate office workgroups that best meet the needs of CSLB divisions.
3. Establish Process Improvement and Evaluation Unit (E)	December 2015	Provide on-going evaluation and analysis of the Board's business processes.
4. Continue Expansion of ePayment Kiosks to Various Locations Around the State (E)	December 2015	Provide payment kiosks at CSLB offices in Fresno, San Diego, and San Bernardino. Pursue continued expansion opportunities.
5. Explore Available Online Licensing and Payment Options (E)	July 2016	Conduct business analysis of current environment and technology necessary to provide online functionality.
6. Request Additional Enforcement Staff through BCP Process (E)	July 2016	Additional Enforcement staff is critical to process increased workload and backlog due to focused enforcement activity.

AGENDA ITEM J-6

Tentative Board Meeting Schedule

Following is a list of Board meetings scheduled for 2015:

June 18 & 19, 2015 Fairfield
August 31, 2015..... San Diego



AGENDA ITEM K

Review, Discussion and Possible Action Regarding Potential Revisions to Proposed Sunset Review Report



AGENDA ITEM L

Adjournment

