

2004
Accomplishments
& Activities

The seal is circular with a serrated, sunburst-like border. Inside the circle, the text "STATE BOARD OF CONTRACTORS" is written along the top inner edge, and "CALIFORNIA" is written along the bottom inner edge. In the center of the seal, there are faint icons of a building and a truck.

**California Contractors
State License Board**



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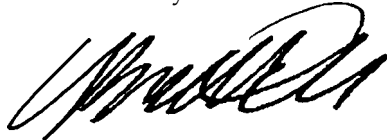
Preface

The Contractors State License Board (CSLB) is pleased to present its 2004 Accomplishments and Activities report. The Board was buffeted by budget and staff cuts the previous two years. The loss of resources combined with record workloads to create licensing backlogs and forced us to take staff off of the phones to process applications.

2004 was a year in which the Board turned the corner. As this report demonstrates, backlogs in licensing functions were eliminated and we were able to answer twice as many calls. Enforcement timelines continued to improve and new initiatives with other agencies were undertaken. Public Affairs created new consumer publications and continued its outstanding work.

The Board's challenges include operating with 20 percent fewer staff while coping with increasing workloads (exam applications having increased 60 percent the previous five years) and successfully implementing an applicant fingerprinting program in 2005. Phone service and unlicensed activity are focused items for the Board.

2005 proves to be another challenging year as we deal with reorganization and budget proposals. To all of you who helped the Board in 2004, a sincere thank you.



Larry Booth, *Chair*

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Enforcement

Enforcement Structure

In 2004, CSLB continued to make strides in providing enhanced public access and reducing supervisor span of control. An Enforcement Supervisor position has been established to open a ninth Investigative Center (IC) in Oxnard. The establishment of the Oxnard IC provides a CSLB office to service Ventura, Santa Barbara and San Luis Obispo Counties, filling the gap between the Los Angeles Basin and San Francisco Bay Area ICs. Furthermore, it is anticipated that administrative support staff positions will be permanently reassigned to the Oxnard IC, allowing the office to provide assistance to consumers, licensees, and applicants on a full-time basis within the next year.

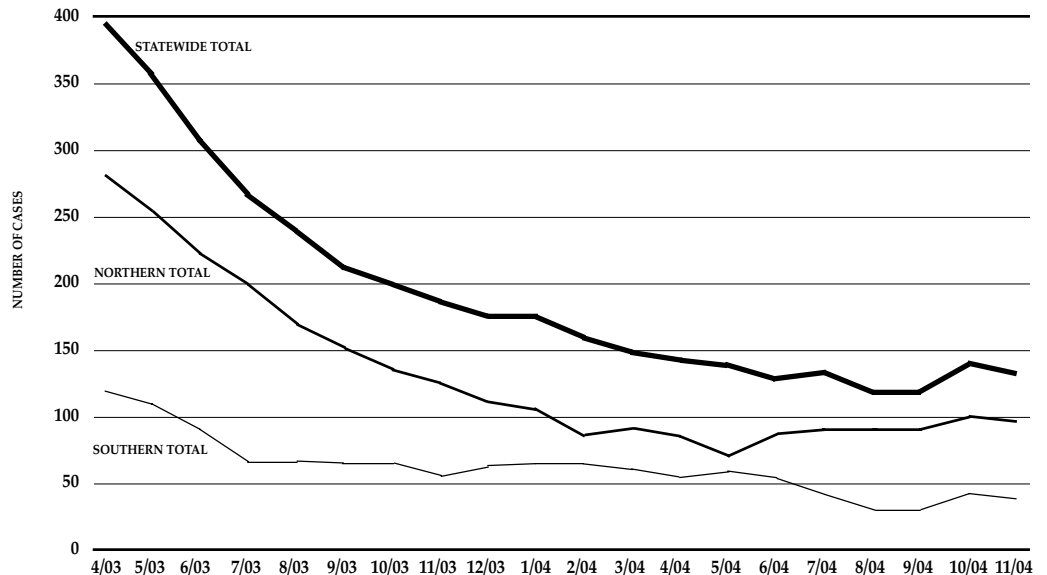
Complaint Handling

For Fiscal Year (FY) 2003/04, 20,175 complaints were opened, compared to 23,656 complaints opened during FY 2002/03. The decrease in open complaints is primarily the result of a reduction in pro-active enforcement and implementation of a suspension process, in lieu of complaint investigation for license bond payouts.

Due to Budget Letters 02-13 and 03-23, Enforcement lost 58 staff positions since July 2001. Despite the losses, Enforcement staff reduced pending complaints by 284 during the 2004 calendar year. In addition, complaint handling cycle times were reduced as shown in the following chart, which includes the number and age of pending complaints:

CALENDAR YEAR	NUMBER OF PENDING COMPLAINTS	COMPLAINTS AGED OVER 1 YEAR	COMPLAINTS AGED OVER 180 DAYS
2002	7,070	561	1,943
2003	5,315	173	978
2004	5,031	134	833

Reduction in Cases Over 1 Year Old



Complaint Filing Improvements

Specific complaint-filing improvements made during 2004 include:

Consumer Complaint Form

Revised to encourage the complainant to include “the remedy sought” and all pertinent information.

Consumer Guide to Filing the Complaint

Revised to include information regarding complaint jurisdiction, complaint-handling practices and alternative dispute resolutions venues that may need to be pursued if CSLB mediation attempts are not successful.

Consumer Guide to Filing a Small Claims Construction Claim

New publication that provides information on filing a small claims case and explains how CSLB can assist with collection of a civil judgment award.

Building Department Complaint Form

Developed specifically for use by Building Officials to alert CSLB of building code violations and to expedite the handling of complaints filed by Building Officials.

Restitution

In 2004 it continued to be a high priority for enforcement staff to assist industry and consumers in resolving construction-related disputes in non-egregious matters. Techniques used by Enforcement staff to achieve complaint resolution include:

- Mediation/ conciliation by phone;
- On-Site Negotiation;
- Disciplinary Orders; and
- Complaint referral to the CSLB private arbitration vendor.

Restitution paid to consumers during 2004 includes \$12,828,380 in cash refunds and \$1,587,237 in workmanship corrections.

Underground Economy

CSLB continued to focus on combating the underground economy (i.e. cash payment of wages, unlicensed activity, failure to pay wages, unlicensed activity, failure to pay taxes, workers’ compensation violations and other violations of law) in 2004. Efforts included aggressive investigations of consumer driven complaints, responding to industry leads, and developing and fostering stronger working relations with other regulatory and law enforcement agencies. Achievements include:

- The referral of 1,057 non-licensee complaints to the local District Attorneys’ (DAs) offices for advertising, workers’ compensation, and licensure violations. Comprised within the 1,057 complaints referred to local DAs were 34 sting operations that resulted in 329 misdemeanor and 21 felony arrests.
- The issuance of 1,487 non-licensee administrative citations, assessing \$1,989,100 in civil penalties.
- In February 2004, Enforcement’s Statewide Investigative Fraud Team (SWIFT) conducted a major offensive on the Underground Economy through a series of coordinated sweeps and DA Insurance Fraud investigators assisted in the stings. A record total of 81 persons were arrested or cited for non-licensed activity, workers’ compensation violations, and other violations.

- The development and implementation of a memorandum of understanding (MOU) with the Employment Development Department (EDD) to facilitate the sharing of records and database information maintained by EDD and CSLB to the extent permitted by applicable statutes and to enhance the enforcement of State licensing, labor, and tax laws. The agreement is intended to increase the efficiency of the enforcement efforts of EDD to allow joint prosecution of businesses that violate such laws and regulations. Additionally, the MOU provides for EDD and CSLB to partner in a joint enforcement action each month.
- As a member of the Underground Economy Task Force Criminal Activities Workgroup, CSLB participated in sending a letter to District Attorneys throughout California, encouraging them to become involved in enforcement activities aimed at the underground economy and to partner with the CSLB in these efforts.
- CSLB continued to develop and foster stronger working relationships with building departments. As such, Enforcement Staff provided training to building departments on recognizing unlicensed activity and workers compensation violations. During 2004, Enforcement staff visited 51 building departments.

Staff Training to Professional Organizations

CSLB is constantly trying to improve relations with other law enforcement, construction-related, and consumer organizations to expedite investigation of complaints and provide enhanced consumer protection. In 2004, CSLB provided training on construction-related topics at the following functions:

- Roofing Contractors Association – February 2004
- American Criminal Justice Association – March 2004
- National Spa and Pool Institute Northern Chapter Meetings – March & October 2004
- Department of Justice Senior Crime Alert Community Forum – April 2004
- National Association of Woman in Construction – May and November 2004
- Northern Electrical Contractors Association Monthly Meeting – September 2004
- San Diego County Chapter of the California Association of Purchasing Officers – September 2004
- Los Angeles County Bar Association Avoiding & Resolving Construction Claims 2004 Conference – September 2004
- Los Angeles Department of Building and Safety Supervisors Meeting – October 2004
- Administrative Law Judge training on the methods of roof construction – November 2004
- Division of Labor Standards Enforcement/Employment Enforcement Task Force Meetings – multiple district meetings
- International Code Council - multiple chapter meetings

Arbitration

In 2004, the Arbitration Mediation Conciliation Center (AMCC) became the CSLB's sole provider of arbitration services after the Office of Administrative Hearings stopped providing these services in October 2003. Since AMCC has provided these services, the time from referral to arbitration to the issuance of an award has been reduced from 100 days to 55 days.

The following arbitrations were performed by AMCC during 2004:

Mandatory	318
Voluntary	128
Total	446

Mandatory Settlement Conferences

In 2001, mandatory settlement conferences were initiated in the Norwalk Case Management Office. These conferences were handled with the assistance of the Los Angeles Attorney General's (AG's) Office. Since that time, the program has expanded statewide. While the AG's Offices have participated on a statewide basis, their involvement has been substantially reduced with CSLB performing most of the workload.

Mandatory Settlement Conference Results for 2004 are as follows:

Cases Scheduled	382
Cases Settled	234
Cases Defaulted	57
Cases Withdrawn	19

Alternative Dispute Resolution Achievement Award

On November 5, 2004, the California Dispute Resolution Council honored CSLB for its long-standing commitment to alternative dispute resolution. CSLB was selected for this prestigious award due in part to its arbitration programs, as well as its on-site negotiation program, mandatory settlement conference policies, and extensive conciliation efforts.

Licensing & Testing

Electronic Transfer of Bond and Workers' Compensation Information

In 2004, staff continued to successfully negotiate agreements with several bonding companies to submit new contractor license bonds to the CSLB in electronic format. Bond cancellations and reinstatements have been submitted electronically for a number of years. It was not until June 2003 that contractor bonds were electronically submitted. During 2004, 17,175 license bonds were transmitted electronically. This is an average of more than 1,400 per month.

In addition to the bond documents, CSLB staff worked with the State Compensation Insurance Fund (SCIF) to implement the electronic submission of certificates of insurance. This program was implemented in mid-September 2004 and a total of 9,043 certificates were electronically submitted and processed by the end of 2004.

Automating the processing of contractors' bonds and workers' compensation certificates makes for more accurate and efficient processing, faster turnaround time and less paperwork. Efforts to increase the number of documents electronically submitted are ongoing.

Reciprocity with Arizona

In November 2004, a formal written reciprocity agreement was established with Arizona. The agreement allows each state to waive the trade exam for applicants who have held a license in good standing in the reciprocal state for the five years immediately preceding the filing of an application. The agreement identifies 21 California classifications that are reciprocal with Arizona.

Fingerprinting

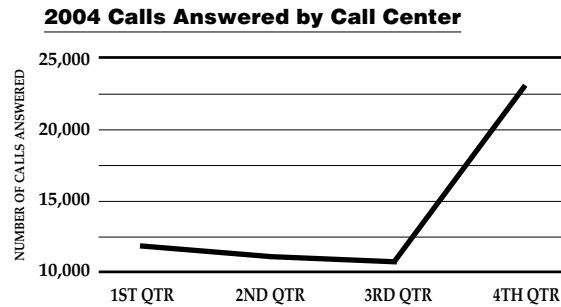
CSLB is prepared to begin implementation, effective January 1, 2005, of fingerprinting for all new license applicants and home improvement salesperson registrants. To prepare for the program in 2004, CSLB:

- Established and staffed a special unit for reviewing criminal history backgrounds;
- Completed procedures for the review and processing of applications with criminal histories;
- Completed programming to receive applicant criminal histories in an electronic format from the Department of Justice;
- Revised Board applications to include new fingerprinting requirements; and
- Developed a plan to implement the new fingerprint law in two phases.

Call Center

As a result of increased workload in the Licensing Division processing units during 2004, Call Center staff was utilized on an ongoing basis to process licensing documents so that backlogs do not occur. To address the drop in service level, a Call Center improvement group was formed in an effort to increase responsiveness to the Board's customers. As a result, during the last quarter of 2004 the number of calls answered doubled and the average wait time was dramatically decreased to less than ten minutes.

The chart below illustrates improvement made since the formation of the Call Center improvement group:



Licensing Processing Units

In an effort to streamline the workload and achieve greater efficiencies in the Licensing Division, the processing units have undergone a comprehensive review of all functions and activities performed, resulting in both immediate efficiencies and a plan of proposed improvement that will be instituted during the upcoming calendar year.

The table below illustrates workload statistics for 2004:

	RECEIVED	PROCESSED
Exam Applications	24,035	22,953
Waiver Applications	10,610	11,709
Add Classification/Replace Qualifier Applications	6,426	6,426
Renewal Applications	117,067	115,078
Contractor Bonds/Bonds of Qualifying Individual	not available	23,911
Workers' Compensation Certificates/Exemptions	not available	140,487

Licensing Backlogs

In April 2003 the Board implemented a plan to reduce backlogs and bring the Licensing Division's critical functions back to acceptable levels. The plan included:

- The temporary redirection of staff from Enforcement, Testing, Administration and the Call Center to process license documents;
- Utilization of overtime; and
- Reducing the number of hours Call Center staff answered calls.

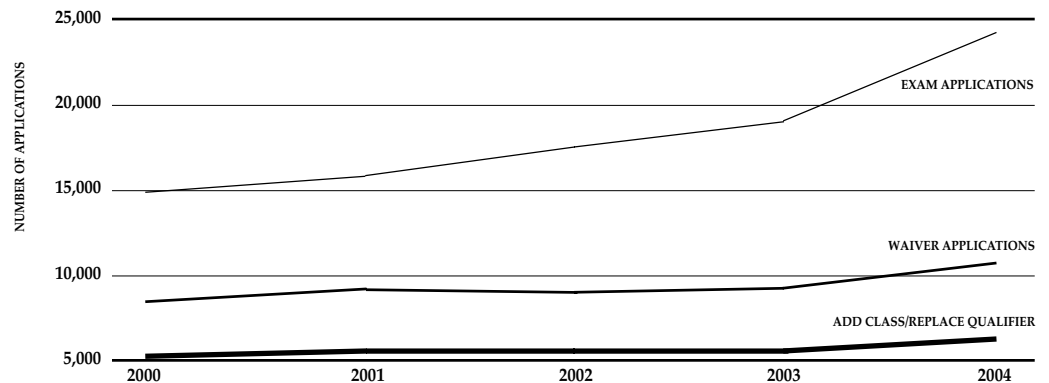
The Board's plan was successful in reducing processing times to more acceptable levels, and, during 2004 staff was able to maintain acceptable levels. The following table shows how the length of time it took for applications to be pulled for processing decreased from 2003 to 2004:

	2003 HIGHS	2004 AVERAGE
Exam Applications	28 weeks	3 weeks
Waiver Applications	31 weeks	4 weeks
Add Classification/Replace Qualifier Applications	24 weeks	3 weeks
Renewal Applications	8 weeks	2 weeks
Contractor Bonds/Bonds of Qualifying Individual	25 weeks	2 weeks
Workers' Compensation Certificates/Exemptions	8 weeks	1 week

Increase in Workload

Over the past five years the number of applications CSLB received has steadily increased. Since 2000, exam applications increased 61 percent; waiver applications increased 32 percent and add class applications increased 27 percent.

Licensing Applications Received



Examinations

In 2004, the Testing Division continued to focus on updating licensing examinations. The process involves two phases—Occupational Analysis and New Examination Development.

During 2004 the Testing Division completed nine occupational analyses and developed six new examinations. As a result, CSLB continues to meet its goal of performing an occupational analysis for each classification every five years. CSLB also met its goal of completing new examinations for the remaining classifications that were older than five years. All of CSLB's examinations are now updated and are based on recent occupational analyses.

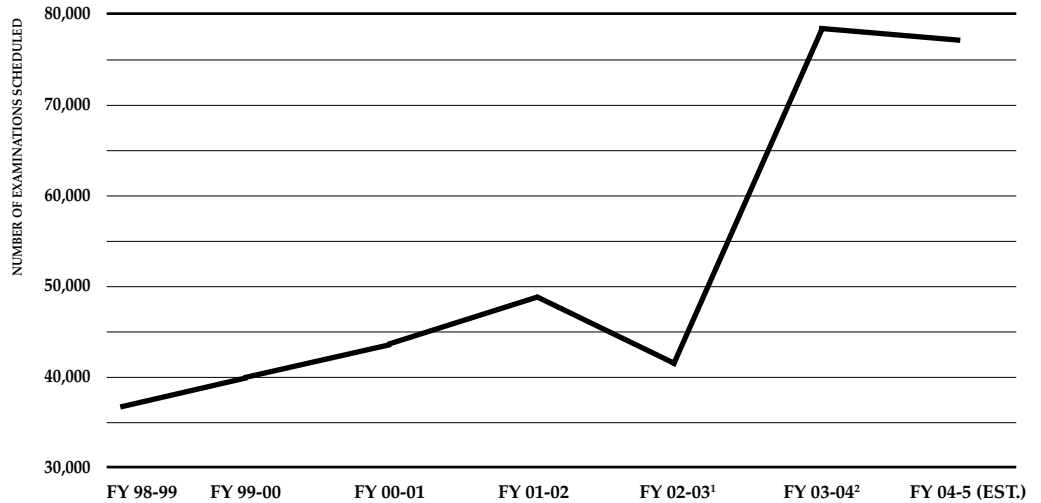
Occupational Analyses Completed

- B General Building
- C-10 Electrical
- C-20 Heating, Vent, AC
- C-27 Landscaping
- C-31 Traffic Control
- C-33 Painting
- C-36 Plumbing
- C-39 Roofing
- Law & Business

New Examinations Completed

- A General Engineering
- C-10 Electrical
- C-43 Sheet Metal
- C-51 Structural Steel
- C-57 Well Drilling
- C-60 Welding

Scheduled Examinations by Fiscal Year



¹ Temporary decrease due to application processing backlog.

² Includes 9,000 additional examinations administered in temporary mobile testing centers.

2004 Examination Statistics

CSLB maintains testing centers in Sacramento, San Jose, Fresno, Oakland, Oxnard, Norwalk, San Bernardino, and San Diego. In May 2004, CSLB contracted with an outside vendor to administer additional examinations on a temporary basis. The contract resulted in removing a backlog of 9,000 examinations.

However, CSLB continues to experience an increased demand for examinations. To help meet the demand, CSLB is in the process of expanding its San Jose Test Center. A process has also started to add an additional temporary testing center in Norwalk and to expand the San Bernardino Test Center.

Test Centers

- Completed a Budget Change Proposal (BCP) to request 2.5 positions and funding for additional examination proctors;
- Analyzed CSLB’s examination translator program and presented a report and recommendations to the Board;
- Analyzed CSLB’s licensing classifications on the basis of several criteria related to trade criticality to assist the Board in the event of budget cutbacks; and
- Completed an issue paper on the regulation of mold abatement work.

Major Projects for 2004

Examination types 42 trade, 2 certification, 1 Law and Business
 Number of examinations scheduled 83,865
 Number of confirmed misconduct incidents 32
 Overall passing percentage 52%

Legislation & Policies

AB 2216 (Nakanishi)

This Board-sponsored bill (Chapter 586, Statutes of 2004) made significant improvements to the enforcement program:

- Extends the statute of limitations for specified misdemeanor violations of CSLB law from one year to two years;
- Allows the Registrar, upon notification of an arrest of a member of the personnel of a licensee or home improvement salesperson, to require the arrestee to provide proof of the disposition of the matter; and
- Requires the CSLB to inform an applicant of the earliest date on which he or she may reapply for a license when CSLB has denied an application for licensure on grounds that the applicant has committed a crime substantially related to the qualifications, functions, or duties of a contractor.

SB 136 (Figueroa)

This Board-sponsored Bill (Chapter 909, Statutes of 2004) postponed the implementation of the requirement that all applicants for a contractor's license submit fingerprints for criminal background checks until CSLB receives the resources to implement the program, but not later than July 1, 2005, previously implementation date was July 2004. Implementation of the program began in phases on January 1, 2005.

SB 1914 (Senate Business & Professions Committee)

The annual Senate Business and Professions Committee omnibus bill (Chapter 865, Statutes of 2004) contained miscellaneous amendments for CSLB, including multiple technical, clarifying, and streamlining changes:

- Defines Enforcement Representative;
- Adds that it is also a misdemeanor for unlicensed individuals to engage in asbestos-related work;
- Eliminates the provision in current law that precludes a convicted unlicensed contractor from applying for a license for one year, giving the Board more control over the process as to the date application can be made;
- Clarifies that a qualifying individual's license bond amount shall be the same as the contractor's license bond amount (revised in SB 1919, Chapter 1123, Statutes of 2002);
- Formalizes address change requests;
- Expands the definition of cases eligible to be sent to arbitration;
- Provides that for failure to pay a civil penalty or comply with an order of correction, the required period for reinstatement of a license is 90 days, instead of the current one year, or the license shall be automatically revoked by operation of law for a period to be determined by the Registrar;
- Clarifies the term "associate;"
- Eliminates confusing "grace period" language for delinquent fees that erroneously leads licensees to believe their license has not expired when, in fact, it has; and
- Deletes several references to completed studies and a notice requirement.

SB 30 (Figueroa)

This complex bill (Chapter 566, Statutes of 2004) made multiple changes to the B&P Code that clarifies home improvement contracts to make them more readable and useful and splits larger home improvement contracts from smaller service and repair contracts.

Communication & Education

Media Outreach

During 2004, CSLB's Public Affairs Office (PAO) distributed 15 press releases, organized three media events and distributed four press releases to publicize undercover stings, and fielded more than 250 media inquiries in 2004. These activities resulted in an estimated 32 million media impressions.

Undercover Sting Media Events/Press Releases

In 2004, the PAO continued to work closely with the Enforcement Division to publicize high-profile cases. One valuable tool is teaming with the Statewide Investigative Fraud Team (SWIFT) to publicize undercover stings. PAO staff coordinated three sting media events. A press release was issued to highlight a fourth sting operation.

February 5, 2004

- Undercover stings in San Rafael, San Francisco and Burlingame
- 81 suspected unlicensed contractors cited
- Estimated audience reach: 801,965

April 29, 2004

- Carmichael
- 15 suspected unlicensed contractors cited
- Estimated audience reach: 100,000

June 22, 2004

- Undercover stings in Palm Springs, Temecula and Moreno Valley
- 41 suspected unlicensed contractors cited
- 16 licensed contractors cited for violations of workers' compensation laws and operating with suspended licenses

July 19, 2004

- Undercover sting against unlicensed swimming pool contractors in Sacramento
- Action taken against 13 suspects
- Estimated audience reach: 260,350

The February 5 event coincided with National Consumer Protection Week. All sting events were successful in warning consumers about illegal unlicensed contractors and continue to serve as a strong deterrent to underground activity. The media events attracted significant print and broadcast media coverage, reaching an estimated total of 1.16 million people.

New and Updated Publications

During 2004, PAO staff produced a number of new and updated publications.

New Publications

- *A Consumer Guide to Filing a Small Claims Court Construction Claim*
- *A Homeowner's Guide to Preventing Mechanic's Liens*

Updated Publications

- *What You Should Know Before You Hire a Contractor*
- *Home Improvement Contracts: Putting the Pieces Together*
- *A Consumer Guide to Filing a Construction Complaint*
- *Building Your Career as a Licensed Contractor*

Publication Distribution

The following are the 2004 distribution totals for the major CSLB publications. They include the distribution of the publication itself and the number of times the publication was accessed from the CSLB Web site:

<u>PUBLICATION</u>	<u>DISTRIBUTED</u>	<u>WEB SITE</u>	<u>TOTAL</u>
<i>10 Tips for Making Sure Your Contractor Measures Up</i>	103,150	17,977	121,127
<i>Advertising Guidelines for Contractors</i>	7,913	4,622	12,535
<i>Asbestos – A Contractor’s Guide</i>	24,443	3,873	28,316
<i>Before You Dive into Swimming Pool Construction</i>	14,917	40,311	55,228
<i>Blueprint for Becoming a California Licensed Contractor</i>	22,443	77,537	99,980
<i>Building Your Career as a Licensed Contractor (English & Spanish)</i>	16,794	3,473	20,267
<i>A Consumer’s Guide to Filing Construction Complaints (English & Spanish)</i>	61,425	97,422	158,847
<i>Home Improvement Contracts</i>	36,810	26,629	63,439
<i>Mandatory Arbitration Program Guide</i>	3,633	5,735	9,368
<i>Preventing Mechanic’s Liens</i>	8,504	2,463	10,967
<i>Tips for Hiring a Roofing Contractor</i>	12,280	4,857	17,137
<i>Voluntary Arbitration Program Guide</i>	2,848	6,161	9,009
<i>What Seniors Should Know Before Hiring a Contractor (English & Spanish)</i>	9,138	3,854	12,992
<i>What You Should Know Before You Hire a Contractor (Book)</i>	146,287	44,574	190,861
<i>What You Should Know Before You Hire a Contractor (Pamphlet) (English, Spanish & Chinese)</i>	16,380	4,358	20,738
<i>Owner/Builder Flyer (Available June 2004)</i>	N/A	8,789	8,789
<i>Owner/Builder Information</i>	N/A	9,737	9,737

Newsletters

During 2004, PAO staff produced and distributed three editions of the *California Licensed Contractor*. Each newsletter was printed and mailed to nearly 300,000 licensees and interested parties.

Four editions of the electronic employee newsletter, *CSLB Matters*, were distributed to CSLB staff statewide.

Public Awareness Campaign

PAO continued to emphasize consumer responsibility and complaint prevention in its consumer education messages in 2004. Special attention was paid to establishing partnerships with credit unions, home improvement centers and real estate offices.

During 2004, 102,900 “10 Tips for Making Sure Your Contractor Measures Up” sheets were distributed through partnerships with 42 credit unions, 15 real estate companies and two home improvement stores.

“Ask the Contractors Board” Column

In March 2004, the fourth installment of “Ask the Contractors Board” newspaper column was distributed to nearly 500 newspapers and magazines statewide. The quarterly column featured answers to questions about project delays and how to ensure the contract has a specific project schedule; worker’s compensation insurance and homeowners’ liability; and scams targeting senior citizens. The column will be re-launched in the first quarter of 2005.

Resale Homeowners Direct Mail Campaign

For the second consecutive year, PAO staff and PR contractor Katz and Associates conducted a direct mail program to recent buyers of resale homes. This strategy was designed to give the homeowners the tools to hire reputable licensed contractors and responsibly manage their project. This helps them avoid problems and ultimately reduces complaints to the Board. 38,120 informational post cards were distributed in 2004.

Senior Center Outreach

In 2004, PAO and Katz and Associates continued an aggressive outreach program targeted to California senior centers. A total of 39,640 *What Seniors Should Know Before Hiring a Contractor* brochures were distributed to 230 senior centers statewide.

PG&E Energy Efficiency Rebate Program

PAO distributed 100,000 copies of *What You Should Know Before You Hire a Contractor* booklet to Pacific Gas & Electric (PG&E). The booklets were distributed to PG&E customers applying for their Energy Efficiency Rebate Program

Ram Home Warranty

PAO distributed 9,000 copies of *What You Should Know Before You Hire a Contractor* booklet to Ram Home Warranty Company. The company made the booklet available to homeowner customers as part of its “Welcome Club.”

Builders’ Exchange Outreach

Tip sheet graphics were sent to 30 Builders’ Exchanges statewide for inclusion on their Web sites.

Building Department Materials Distribution

The following supplies of materials were distributed to various local building departments around the state:

- 50 *Advertising Do’s and Don’ts*
- 100 *Bill of Rights*
- 325 *Home Improvement Contracts* brochures
- 375 *Swimming Pool Construction* brochures
- 250 Tip Sheets
- 545 *What You Should Know Before You Hire a Contractor* brochures

Industry Bulletins

In December 2004, PAO instituted a new program to improve the Board’s ability to send out timely information to members of the industry and stakeholders. “Industry Bulletins” are distributed via email to more than 250 industry representatives. It’s hoped that industry groups will include the information in newsletters and correspondences to their members. The “Industry Bulletins” issued during December have received overwhelmingly favorable responses.

- December 10, 2004: Implementation of new fingerprinting law
- December 28, 2004: New contractor laws and the release of the 2005 edition of the *California Contractors License Law and Reference Book*.

Contractor Education

PAO staff partnered with industry groups to conduct CSLB's 2004 Contractor Education program. PAO staff took the seminar programs directly to the thousands of contractors who attend their industry organizations' annual trade shows and annual meetings. The objective of the 2004 program was to eliminate site rental costs and reduce travel and overtime costs, while increasing the audience reach. Partnership with the industry was a win-win for the trade groups and CSLB. The industry groups benefited from adding CSLB experts as part of their education agenda, which lent credibility and value to their programs. The events were selected to target major specialty trade and general contractors at six events between January and May 2004, as follows:

- Painting and Decorating Contractors of America Convention, Pasadena
- California Landscape Contractors Association Landscape Industry Show, Long Beach
- Plumbing, Heating & Cooling Contractors Association Southern California Trade Show, Pomona
- National Roofing Contractors Association Annual Convention, San Diego
- International Pool & Spa Service Association Western Pool and Spa Show, Long Beach
- Journal of Light Construction, Anaheim

These various industry partners generously donated the seminar and exhibit space, saving CSLB tens of thousands of dollars in rental fees. Several of these partners also picked up the tab for the audiovisual equipment and donated the technical staff to aid in production.

Topics for the 2004 Contractor Education program were developed as a result of consumer complaints. Many of those complaints were the result of contractors who were unaware of home improvement contract requirements and a breakdown of communications between the customer and the contractor. Topics included "Writing Effective Home Improvement Contracts" and "Customer Relations in Construction."

Home & Garden Shows

Due to budget restrictions, CSLB's participation in Home and Garden Shows was reduced in 2004. Although CSLB staff attended a number of events, PAO was able to supplement the distribution through partnerships and sponsorships. CSLB publications were distributed at some shows, even though no staff was present:

- San Diego Backyard and Landscape Expo*
- Anaheim Home Show*
- Cal Expo Home Show in Sacramento*
- World Media Home Show in Santa Clara
- Bakersfield Home and Garden Show
- San Mateo Expo Center
- Sacramento Home and Garden Show*
- Auburn Home and Garden Show
- Long Beach Show Biz*
- Truckee Home Building Show
- Anaheim Show Biz*
- San Diego Show Biz*

* Indicates shows where CSLB staff was in attendance.

Community Events

CSLB staff sponsored or participated in 32 community outreach events during 2004:

- Senior Scam Stopper with Assemblymember Marco Firebaugh
- Senior Scam Stopper with Congressmember Grace Napolitano
- Senior Scam Stoppers with Assemblymember Judy Chu
- Senior Scam Stoppers with Assemblymember Rudy Bermudez
- Senior Scam Stoppers with Senator Gloria Romero
- Senior Scam Stoppers with Congressmember Gloria Roybal-Allard
- Senior Scam Stopper for Cambodian and Vietnamese Communities in Westminster
- Senior Scam Stopper with Black Business Association, NAACP, Adelanto Committee, AARP and Los Angeles City Councilman Bernard Parks
- North Orange County Community College Construction Advisory Committee
- PHCC Trade Show, Sacramento
- Downey Street Fair
- Board of Equalization's Small Business Conference
- Wells Fargo/CSLB/CALBO Consumer Home Improvement Seminar
- City of Whittier Senior Information Fair
- Senior Awareness Day, Lodi
- KNBC-TV/ Attorney General's Office Health and Fitness Fair
- Southern California Health and Housing Council
- National Consumer Affairs Administrators' Conference
- Fiesta Educativa Educational Conference
- First Time Home Buyers' Fair, sponsored by Senator Tom Torlaksen
- Better Business Bureau's Consumer Information Fair in San Diego
- California Groundwater Association event in Fresno
- California Garage Sale in Sacramento
- Latino Book and Family Festival in Los Angeles
- English and Spanish Senior Scam Stopper with Assemblyman Marco Firebaugh, Cudahy – Partner: KMEX-TV reporter Francisco Ugalde
- Mexican-American Opportunity Foundation Senior Fiesta
- State Comp Insurance Fund Seminar in Sacramento
- Pool Industry Expo in Monterey
- Senior Scam Stoppers with Senator Martha Escutia
- Asian Pacific Islander Business Industry Seminar in San Francisco
- Latino Book and Family Festival in San Bernardino
- Addison Avenue Credit Union Home Fair

**Department
of Insurance/
Wildfire Task Force
Events**

PAO and Southern California SWIFT continued to work closely with the Department of Insurance, local law enforcement and district attorneys as part of the Wildfire Disaster Fraud Management Task Force. Insurance Commissioner John Garamendi held a series of news and community events in April 2004 to publicize results of the task force's efforts.

Organizational Development

ADMINISTRATION DIVISION

Personnel

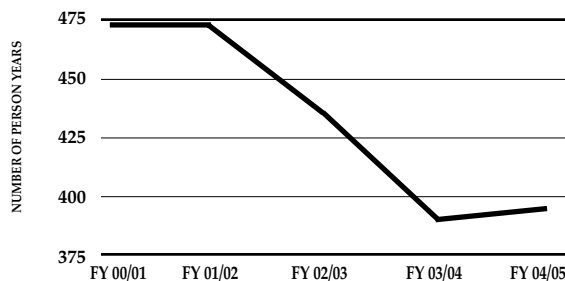
After the hiring freeze was lifted in May 2004, CSLB staff was able to begin making personnel moves:

- Between May 24 and the end of 2004, the Board made 39 permanent appointments, 15 temporary/seasonal hires, 18 promotions and 17 internal transfers of existing staff; and
- Promotional examinations were conducted for the Enforcement Representative II, Enforcement Supervisor I and Enforcement Supervisor II classifications. An open non-promotional examination was begun for the Consumer Services Representative classification.

The Department of Personnel Administration (DPA) approved three important personnel requests in 2004:

- Establish an Enforcement Supervisor I position for the newly created Oxnard Investigative Center;
- Establish a CEA I Chief of Legislation position; and
- Fill the vacant CEA I Chief of Licensing position.

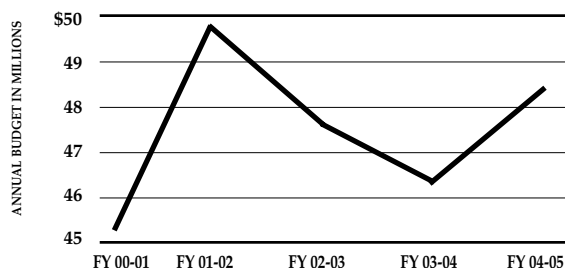
CSLB Staffing by Person Year (PY)



Budget

The Board continued to try to recover from the budget and staff cuts from the previous two years. The Board's budget for Fiscal Year 2004/05 includes 390.1 Personnel Years (PY's) and an appropriation of \$48,410,918. This includes increases in employee compensation, and Attorney General costs.

CSLB Annual Budget by Fiscal Year



2004/2005 Budget

The Board successfully submitted a Budget Change Proposal (BCP) for the Licensing Division which resulted in two new Program Technicians for the processing units.

Two Spring Finance Letters were submitted and approved for FY 04/05:

- Construction Management Education Account (CMEA) \$239,000
- Fingerprinting \$187,000 and 3 PY's

2005/2006 Budget

The following BCPs were approved for FY 05/06:

- Test Administration \$272,000, and 2.5 PY's
- SWIFT \$998,000, and 11 PY's
- Call Center \$225,000, and 4 PY's

Contracts

The Business Services Unit was successful in negotiating and getting approval for several key contracts including:

- **Mobile Marketing Testing and Training (MMTAT).** This \$450,000 contract provided temporary mobile testing facilities to reduce the backlog in exam administration;
- **Katz & Associates.** This three-year contract provides CSLB with the design, development, and statewide implementation of a public education awareness campaign; and
- **NewPoint Group.** This contract provided a review of core license processes and subsequent recommendations that aim toward efficiencies and process improvements as well as maximizing staff resources.

INFORMATION SERVICES DIVISION

Fingerprint Data

In 2004, CSLB completed the Phase I coding for the acceptance of the automated fingerprint file/ data from the Department of Justice.

Interactive Voice Response System

CSLB expanded the functionality of the Interactive Voice Response System (IVR) in 2004. Callers can now request various CSLB forms and publications to be faxed instead of leaving a voice mail and the form mailed. This enables a caller to select the desired form or publication, key in their fax number, and a fax of the form or publication will be sent/ faxed to them.

The IVR provides callers automated help in a number of areas:

- Checking a license status;
- Providing consumers with information on hiring contractors, complaints, and judgments;
- Processing requests for forms and publications; and
- Providing contractors with information on applying for and maintaining licensure.

Roughly 800,000 calls were placed to the IVR in 2004.

Call Center Management Information System

In 2004, the Call Center Management Information System (CCMIS) was upgraded. The CCMIS works in conjunction with the Automated Call Distribution (ACD) system. The ACD controls the distribution of incoming calls to CSLB's Call Center staff. The CCMIS provides supervisors with the ability to prioritize calls within the call queue, updates/adds new staff to the system, generates reports on the number of calls, the amount of time a caller has been waiting, call abandonment, etc.

Electronic Bonds

CSLB made changes to now accept electronic bonds on a daily basis instead of weekly. This has made it easier for the bond companies to process/send their data.

State Compensation Insurance Fund (SCIF)

In 2004, CSLB and SCIF made changes to our systems to now accept the submission of workers' compensation forms electronically. This change has improved processing in the CSLB Workers' Compensation Unit.

Network Software

During 2004, CSLB Information Technology (IT) staff installed the following software tools and/or made modifications to the network functions which will aid IT staff in support of CSLB's automated systems:

Altiris

A new server was purchased and configured with the ALTIRIS product to allow Tech Support staff to shadow (remotely connect to CSLB office staff's PC) and provide Tech Support the ability to push out Microsoft Patches and software updates.

WebSense

This product allows monitoring and blocking of Web sites that are not work-related or that may contain potential viruses (i.e., spyware).

Private IP Addressing

Allows CSLB to be more secure against outside hackers trying to scan our environment for access to our servers. This change went hand-in-hand with router reconfigurations from Teale, firewall (security) upgrades to tighten our security and the installation of a Cisco Virtual Private Network concentrator to allow remote users to access CSLB's Headquarters (HQ) network, including IWAS.

CSLB HQ Domain

This product allows all remote and HQ users to log into their local PC as themselves rather than generic users. This ability gives HQ staff the ability to change office users' passwords from HQ and provide services to all users including enterprise printing.

IP Printing

All printers were changed to an IP-based configuration. This means that instead of a PC being physically attached to a printer through a sharespool device (many PC's to one printer), the printers now have an IP address hard-coded so PCs can communicate to that printer via network connections.

**DirectApps Renewal/Help
Desk Software Update**

A one-year contract was negotiated with DirectApps to continue services. CSLB staff around the state utilizes the DirectApps system to communicate and share electronic files. Staff is also able to access their emails through any computer with an Internet connection.

**Imaging and Workflow
Automation System
(IWAS)**

On September 9, 2002, the Licensing Division implemented the initial phase of the Imaging and Workflow Automation System (IWAS). The system went into full production in July 2003. The system is used to scan, route, fax, retrieve (search) and print various documents used by Licensing staff in the processing of applications. Enforcement staff also has the ability to scan, retrieve, print, and fax documents for use in their analysis and processing of cases. Ultimately, all CSLB license records will be in electronic format under IWAS.

The major advantage of this system is the ability to perform electronic search and retrieval of license records. More importantly, the system provides accessibility of files for processing by all qualified Licensing staff, especially the Information Center staff, who now process documents on an as-needed basis. The paper system did not permit such processing capabilities.

The following IWAS-related projects were also completed during 2004:

- Completed and submitted the IWAS Post-Implementation Evaluation to the Department of Consumer Affairs, Project Management Office;
- Scanning resolution was changed to significantly reduce staff time in photocopying before scanning hard-to-read documents;
- Security was restructured to prevent users from performing tasks they are not authorized to do;
- Users' group has been re-established to educate staff in the process of IWAS;
- Hired a new staff to support IWAS; and
- Programmed an audit trail to capture images that a user deletes.