



CALIFORNIA  
CONTRACTORS STATE LICENSE BOARD

*Strategic Plan*  
**2002**

*Adopted by the Board January 24, 2002*



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## Overview of the Contractors State License Board

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The Contractors State License Board (CSLB) is the California consumer protection agency charged with licensing construction contractors who work in the state, resolving consumer complaints, and enforcing state laws pertaining to contractors. CSLB licenses contractors in approximately 45 categories and registers home improvement salespersons.

Created in 1929, and now an independent board within the California Department of Consumer Affairs (DCA), CSLB had a 2000-2001 operating budget of \$45.6 million and 466 authorized staff positions. In 2001, the agency regulated more than 278,000 licenses, administered approximately 41,000 examinations to license applicants, received 24,313 complaints, and closed 23,271 complaints.

CSLB is governed by a 15 member Board consisting of licensed contractors, a building official, consumers, and representatives of labor organizations. The Registrar of Contractors, appointed by the Board, administers the agency.

The mission of CSLB is to protect consumers by regulating the construction industry through policies that promote health, safety, and general welfare of the public in matters relating to construction. The Contractors State License Board attempts to accomplish this mission by:

- Ensuring that construction is performed in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring that any person practicing or offering to practice construction contracting be licensed;
- Enforcing the laws, regulations and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so that they may make informed choices.

CSLB activities include administering examinations to test prospective licensees, issuing licenses, investigating complaints against licensed and unlicensed contractors, issuing citations and suspending or revoking licenses, and seeking administrative, criminal, and civil sanctions against violators.

CSLB conducted its fifth strategic planning update session on October 23 and 24, 2001. The meeting built upon the 2000 strategic plan, noting 2000's accomplishments, and included an update of the key strategic issues and action plan.

## CSLB External Environment

In developing its strategic plan, CSLB must assess the external factors which have a significant impact on the field of construction in general and CSLB's mission in particular.

An update of the Board's Strategic Plan is preceded by an environmental scan. From an examination of CSLB's external environment, Board members and staff identify the potential issues and challenges that may affect CSLB's ability to carry out its mission over the long term.

The construction industry in California is distinct from that of other states in terms of the breadth, magnitude, and complexity of the individual circumstances that create its context. California has the fifth largest economy in the world, and construction is the state's number one industry. California's physical size, large and diverse population, varied landscape and climate, frequent seismic activity, distinctive legal framework, and massive economy create an unusually demanding context for contractor licensing.

Identified major trends and conditions that affect CSLB include the following:

- State of the Economy

Rising unemployment impacts large numbers of unqualified workers in the construction industry, many of whom act in the capacity of a contractor without having the required license or experience. Contractors feel increased pressure to "cut corners" in an effort to compete with those operating illegally and below cost in an "underground economy."

- Growing Cultural Diversity

Greater cultural diversity increases the challenge of educating both contractors and consumers regarding their roles, responsibilities and obligations in the contracting process.

- Changing Building Technologies and Code Requirements

New building technologies (e.g., photovoltaic systems), materials, and techniques increase educational requirements for contractors.

- Changing Labor Force

Use of traditional apprenticeship programs has decreased while reliance upon temporary workers and employment agencies has increased.

- Increased Liability

Increasing insurance and legal costs have strained the consumer/contractor relationship. Instability of the bond industry has reduced bond availability.

## Major Issues & Challenges Facing CSLB

During the last 10 years, CSLB has been the focus of many studies, audits and assessments. Drawing on the conclusions and recommendations from these reports, and from CSLB leadership's own internal assessment, the following list of major issues and challenges emerged:

- Strengthening and emphasizing CSLB's role in consumer protection
- Rebuilding CSLB's enforcement program
- Determining the appropriate level of disclosure of consumer complaint information
- Proper screening of contractor qualifications and determination of eligibility for licensing
- Setting reasonable performance bond requirements
- Obtaining the level of financial resources required by CSLB to fulfill its mission
- Taking full advantage of information technology to improve service delivery
- Recruiting, retaining and training staff
- Developing consumer and contractor educational programs to meet changing industry requirements and conditions
- Keeping license exams in all categories up to date
- Fulfilling all legislative mandates while improving relations with the Legislature
- Keeping contractor classifications up to date with current practice
- Improving processing times for contractor licenses and consumer complaint resolution
- Providing adequate Board and staff member orientation
- Clarifying the legal definitions and requirements for home improvement and commercial contracting
- Ensuring the competency of contractors

## Mission

The Contractors State License Board protects consumers by regulating the construction industry through policies that promote the health, safety and general welfare of the public in matters relating to construction.

The Contractors State License Board will accomplish this by:

- Ensuring that construction is performed in a safe, competent and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring that any person practicing or offering to practice construction contracting be licensed;
- Enforcing the laws, regulations and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so that they make informed choices.

## Vision

California consumers and contractors will have a safe, fair and competitive marketplace.

- Contractors possess the knowledge, skills and abilities necessary to provide clients and the general public with professional service and products.
- Consumers have access to adequate redress if they are harmed by incompetent or dishonest contractors.
- Consumers have information they need to make informed choices.
- Contractors have access to information they need to practice competently and honestly.



## Values

The Contractors State License Board will strive for the highest possible quality throughout all of its programs. To that end:

- CSLB believes in treating all consumers and contractors fairly.
- CSLB supports its staff and their dedication to their jobs.
- CSLB focuses on prevention, providing information to consumers and contractors.
- CSLB is progressive, utilizing the most advanced means for providing services.

## Goals

The Contractors State License Board has established five goals, which provide the framework for the results it wants to achieve in furtherance of its mission.

### 1. Enforcement

Reduce, eliminate or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety and welfare.

### 2. Licensing

Ensure that all applicants and licensees are qualified to provide construction services.

### 3. Legislation & Policies

Ensure that statutes, regulations, policies and procedures protect consumers and provide adequate remedies to resolve disputes.

### 4. Communication & Education

Educate consumers to make informed choices about construction services and ensure that licensed contractors strengthen their technical management and service skills

### 5. Organizational Development

Enhance organizational effectiveness and improve the quality of customer service in all programs.

## Customers & Needs

The California Contractors State License Board serves four primary user groups:

### 1. The Public

CSLB protects and serves the public at large. Californians of all walks of life rely on well-built structures and infrastructure.

### 2. Users of Contracting Services

CSLB's programs and regulatory activities benefit users of contractors' services. There is a clear need to ensure that these consumers are not harmed by incompetent or dishonest contractors. Similarly, there is a clear need to resolve disputes when conflicts occur.

### 3. Contractors

CSLB benefits contractors by providing information that enables them to pursue their business activities with appropriate protections. By providing dispute resolution services, CSLB attempts to minimize the cost and other difficulties associated with conflicts over construction work. By maintaining minimal licensing standards, CSLB raises the standards of the profession and respect for licensees.

### 4. Building Officials

California building officials and the CSLB share the common goal of ensuring that construction is performed competently and conforms to all relevant building codes and standards. Before issuing a permit for construction, the local building departments use CSLB information to verify the license status of individuals who are not otherwise exempt from licensure. In addition, local building officials regularly cooperate with CSLB to discipline licensees who commit the more egregious violations of the building codes.

## Action Plan

The Action Plan is a dynamic framework for the many activities the Contractors State License Board performs in promoting and meeting its goals. The goals and objectives are assigned to committees, subcommittees, task forces, staff, or individuals as appropriate who create more detailed action plans in order to meet the goals and objectives set by the Board.

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## Action Plan: Enforcement

**GOAL: Reduce, eliminate or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety and welfare.**

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Adopt policies and procedures that encourage voluntary compliance.	Enforcement Committee
Provide appropriate information to the public on the status of enforcement activities.	Enforcement Committee
Resolve disputes in a way that encourages future compliance.	Enforcement Committee
Encourage early intervention and mediation to resolve disputes.	Enforcement Committee
Ensure that the consequences of lack of compliance are fully enforced.	Enforcement Committee
Develop enforcement tools to ensure that contractors fulfill their contractual obligations and responsibilities.	Enforcement Committee
Coordinate government agencies' responses to enforcement issues.	Enforcement Committee

  

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Analyze all recommendations for improvement of enforcement processes and propose potential priority implementation order for Board consideration.	Staff	March 2002
2. Implement the first set of recommendations contained in the Enforcement Monitor's report.	Enforcement Committee	January 2003
3. Improve interagency coordination by implementing key recommendations from the Enforcement Monitor's report.	Enforcement Committee	January 2003
4. Implement recommendations contained within the Rebuilding report.	Enforcement Committee	January 2003
5. Study and implement appropriate final recommendations of Enforcement Monitor.	Enforcement Committee	May 2003

## Action Plan: Licensing

GOAL: **Ensure that all applicants and licensees are qualified to provide construction services.**

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Ensure that exams are current and relevant.	Licensing Committee
Ensure that all licensed contractors meet experience and education requirements and exhibit basic business competency skills.	Licensing Committee
Enforce penalties for application fraud and misrepresentation of qualifications.	Licensing Committee
Ensure accuracy of information submitted by the applicant and applicant integrity.	Licensing Committee

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Develop a plan for implementation of new applicant screening process.	Licensing Committee	May 2002
2. Develop a schedule for completion of exam updates for all categories.	Licensing Committee	July 2002
3. Eliminate trade exams for C-61 classification.	Licensing Committee	January 2003
4. Complete the update of the contractor classification system.	Licensing Committee	July 2003
5. Complete overhaul of applicant screening process.	Licensing Committee	January 2004

## Action Plan: Legislation & Policies

**GOAL: Ensure that statutes, regulations and procedures protect consumers and provide adequate remedies to resolve disputes.**

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Provide mechanisms for consumers to remedy problems and resolve disputes.	Legislative Committee
Create legal and financial tools to ensure an appropriate level of consumer protection.	Legislative Committee
Monitor legislation that impacts the construction industry as it relates to public health, safety and welfare.	Legislative Committee

  

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Respond to sunset review legislation.	Legislative Committee	March 2002
2. Develop revisions for home improvement and service and repair contracts.	Legislative Committee	May 2002
3. Complete the study of construction bonding and insurance plans.	Legislative Committee	July 2002
4. Implement contract reform legislation.	Legislative Committee	January 2003
5. Sponsor legislation for enactment regarding technical clean-up, arbitration, bonds, and consultants.	Legislative Committee	January 2003
6. Support legislation to raise the Board's fees.	Legislative Committee	January 2003
7. Support legislation to enact the Enforcement Monitor's recommendations.	Legislative Committee	January 2003
8. Determine the feasibility of expanded disclosure.	Legislative Committee	January 2004

## Action Plan: Communication & Education

**GOAL: Educate consumers to make informed choices about construction services and ensure that licensed contractors strengthen their technical management and service skills.**

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Ensure that contractors understand their professional obligations and responsibilities.	Communication & Education Committee
Educate the public about their rights and responsibilities in the contracting process.	Communication & Education Committee
Educate contractors about building codes, construction methods and business practices.	Communication & Education Committee
Inform the public about the role and function of the CSLB.	Communication & Education Committee

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Implement the contractor education seminar series.	Communication & Education Committee	July 2002
2. Implement newly defined role and process for the consumer advisory council.	Communication & Education Committee	July 2002
3. Update Board website to make it easier to use and understand.	Staff	July 2002
4. Update and continue implementing the CSLB communications plan.	Communication & Education Committee	January 2003

## Action Plan: Organizational Development

**GOAL: Enhance organizational effectiveness and improve the quality of customer service in all programs.**

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Ensure that CSLB has the resources it needs to achieve its mission and goals.	Board and Staff
Monitor implementation of the CSLB strategic plan.	Executive Committee
Monitor and improve organizational effectiveness.	Executive Committee
Conduct annual budget briefing sessions.	Executive Committee

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Complete Board orientation for all new members.	Executive Committee	April 2002
2. Develop a CSLB and State Legislature liaison program.	Executive Committee	May 2002
3. Implement new integrated voice response system.	Staff	June 2002
4. Complete the staff rebuilding program.	Executive Committee	July 2002
5. Develop a recommendation for a licensing fee increase.	Executive Committee	January 2003
6. Implement a new legislative mandate for CSLB.	Executive Committee	January 2003
7. Implement the new work flow system (IWAS).	Staff	September 2003



Appendix



