



CONTRACTORS STATE LICENSE BOARD

# Strategic Plan 2011-12





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06/09/11

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## TABLE OF CONTENTS

	page
Overview	3
Significant 2010-2011 Accomplishments	4
Program Priorities	6
Challenges and Changes	7
Strategic Direction	8
Mission, Vision, Values, Goals	10
Ongoing Goals and Objectives	12
Current Objectives	14





State of California  
Department of Consumer Affairs  
Contractors State License Board

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## OVERVIEW

The California Contractors State License Board (CSLB) is the consumer protection board charged with licensing and regulating construction contractors who work in the state, resolving consumer complaints, educating consumers, and enforcing state laws that pertain to contractors. CSLB licenses or certifies contractors in 43 classifications and registers home improvement sales people.

Created in 1929, and now an independent board within the California Department of Consumer Affairs (DCA), CSLB is governed by a 15-member board consisting of licensed contractors, a building official, members of the public, and a labor representative. The Registrar of Contractors, appointed by the Board, directs administrative policy.

CSLB activities include reviewing applicant qualifications; administering examinations to test prospective licensees; issuing licenses; informing licensees of new and changing laws, guidelines, and opportunities; investigating complaints against licensed and unlicensed contractors; issuing citations and suspending or revoking licenses; and seeking administrative, criminal, and civil sanctions against violators; and informing consumers, contractors, and the industry about CSLB actions.

The construction industry in California is distinct from other states in terms of its breadth, magnitude, and complexity. California is one of the top 10 world economies, and construction has been one of the state's largest industries. 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.





## SIGNIFICANT 2010-2011 ACCOMPLISHMENTS

In developing this plan, Board members reflected on CSLB accomplishments from the previous fiscal year:

- CSLB has actively and successfully expanded partnerships by leveraging staff and resources.
- Despite furloughs and downsizing, staff has maintained productivity through continuous improvement efforts and re-invention.
- The Board and its new members are adaptable, actively participate, and collaborate well.
- Staff has displayed tenacity and passion for success in the intake-mediation process and with memoranda of understanding (MOU) with other state and local departments and organizations.
- The use of metrics and measurements has been used for continuous improvement methods.
- Management has placed a stronger emphasis on cost-effectiveness.
- Licensing has been diligent in maintaining priorities, focusing on renewals, and keeping licensees in business.
- There is an overall culture of continuous improvement, with outstanding morale and high competency among the Registrar and key staff.
- CSLB's information and education efforts for consumers and contractors through expanded public and media awareness and effective website use has been remarkably successful.
- CSLB has been able to forge strategic partnerships to implement legislation.
- Phase I Electronic Payment at CSLB Headquarters, which is the acceptance of credit/debit card payment at CSLB, has been implemented for the following transactions:
  - » Re-Exam Fee
  - » License Renewals
  - » Home Improvement Salesperson Renewals
  - » License Reactivation

- A CSLB mobile website was created to improve ease of use by designing smaller screens and more simple images to deliver a more convenient experience for the viewer. The navigation menu is streamlined, displaying only the most important information.
- The Information Technology division worked closely with the Public Affairs Office to develop and launch an email alert feature that allows people to sign up to receive various types of electronic communications from CSLB.
- CSLB reached a milestone by conducting its 100th Senior Scam Stopper<sup>SM</sup> seminar. The purpose of this fraud prevention outreach is to inform, empower, and protect seniors from becoming victims of construction fraud and other scams.
- CSLB entered the world of Social Media by launching websites on both Facebook and Twitter. The effort is to give interested parties a more interactive experience with the Board.





## PROGRAM PRIORITIES

The Board has established the following priorities to direct program activities:

1. Focus on early enforcement intervention and on serious (health and safety) complaints.
2. Help keep licensees in business, and maintain the collection of revenue by keeping renewals and license maintenance current.
3. License applicants by reviewing qualifications and criminal background, and administering legal and effective exams.
4. Educate consumers about their rights and responsibilities, with emphasis on ways that consumers can protect themselves.
5. Stress early intervention and resolution of reactive complaints, and refer minor complaints to small claims court.
6. Provide information services through the Licensing Information Center and the public counter.
7. Ensure that Administrative Services and Information Technology divisions provide the support necessary to maintain unit operations.





## CHALLENGES AND CHANGES

Construction has consistently been one of California's top industries. Considering that California is one of the world's largest economies, the importance of efficient and effective regulation of the construction industry by the Contractors State License Board (CSLB) extends beyond the state's borders and affects the economic vitality of the country and beyond.

Given the current economic struggles, CSLB must continually adjust to dynamic initiatives, technologies, and priorities to address the following in the coming fiscal year:

- New Administration priorities
- State budget challenges
- CSLB's long-term budget and revenue base
- Lack of resources due to hiring freeze and succession cross-training (Current cross-training limits work output.)
- Workers' compensation (WC) insurance costs and the impact of WC fraud on the construction industry
- Green contracting, including solar, HVAC, and other climate-related trades that are creating licensing, classification, and enforcement issues
- BReEZe and its impact on CSLB's Information Technology services
- Organizational development and training, and overall succession planning
- Executive order restricting travel
- Expanded processes and additional requirements to order equipment



## STRATEGIC DIRECTION

**The Board has identified the following actions in order for CSLB, to meet its challenges, capitalize on opportunities, and advance:**

### Enforcement

1. Further develop partner agency relationships to foster support of enforcement initiatives.
2. Strengthen partnerships with local agencies, such as the California District Attorneys Association for bench license revocation, and building departments for permitting and business license requirements.
3. Partner with labor compliance organizations.
4. Replace aging vehicles.
5. Increase mandatory settlements.
6. Create a training curriculum for new hires that includes basic enforcement procedures, a mentoring program, and specialized training.
7. Review and revise all MOUs for relevancy, information sharing, and effectiveness.
8. Establish criteria for the investigation and administrative prosecution of workers' compensation insurance violations originating from consumer complaints.
9. Coordinate with trade associations to establish baseline measurements regarding underground economy activity and effectiveness of enforcement strategies.
10. Develop Intake/Mediation Center (IMC), Investigative Center (IC), and Statewide Investigative Fraud Team (SWIFT) partnering protocol with local government officials.
11. Establish criteria to support elimination of partnering counties due to resource limitations, if necessary.
12. Establish IC peace officer working partnerships with local prosecutors and law enforcement to investigate and criminally prosecute workers' compensation violations.

### Public Affairs

1. Further publicize the [www.CheckTheLicenseFirst.com](http://www.CheckTheLicenseFirst.com) website.
2. Fine tune CSLB use of social media tools and train staff.
3. Analyze the effectiveness of paid advertising and develop alternatives.

4. Create tools to support licensee communications.
5. Increase the efficiency of the Senior Scam Stopper<sup>SM</sup> program, potentially training a group of existing statewide staff to minimize travel costs.
6. Expand communication and interaction with all types of media, including general market, foreign language, and industry-related outlets.
7. Expand content provided via social media websites and examine opportunities to initiate interactive features such as surveys and Web chats.
8. Expand video production with focus on educating various stakeholders, including applicants, licensees, consumers, and CSLB staff.
9. Consolidate CSLB's educational materials into a more manageable group of publications.
10. Attempt to maintain outreach efforts despite an Executive Order restricting PAO staff travel.

#### Licensing

1. Develop a plan to explore how to license contractors in the solar/alternative energy field.
2. Continue to pursue strategies to ensure licensees comply with workers' compensation insurance law.

#### Information Technology

1. Place the priority on maintenance and sustainability of existing systems (hardware, software, and infrastructure).
2. Develop a strategy for succession planning.
3. Create readiness for BreEZe (including credit card acceptance) and use other organizations' experiences and best practices.

#### Legislative Affairs

1. Successfully complete the Sunset Review process.
2. Increase Board engagement in the Senior Scam Stopper<sup>SM</sup> program.
3. Increase and improve relationships with legislators.



## 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 accomplishes this by:

- Requiring licensure for any person practicing or offering to practice construction contracting;
- Ensuring that contractors have skills to perform in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;
- Enforcing 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 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 services 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 professional dedication.
- CSLB focuses on prevention, providing educational information to consumers and contractors.
- CSLB is progressive, attempting to utilize the most advanced means for providing services.

## GOALS

**The Contractors State License Board has established goals based upon its five main divisions, to provide the framework of its operational mission:**

1. **Licensing** – Ensure that all applicants and licensees are qualified to provide construction services.
2. **Enforcement** – Prevent, reduce or eliminate unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.
3. **Public Affairs** – Educate consumers to make informed choices about construction services, and ensure that licensed contractors strengthen their technical management and service skills.
4. **Legislation** – Ensure that statutes, regulations, policies, and procedures strengthen and support CSLB operations.
5. **Administration** – Enhance organizational effectiveness, and improve the quality of customer service in all programs.



## ONGOING GOALS AND OBJECTIVES

### LICENSING

#### **Goal 1—Ensure that all applicants and licensees are qualified to provide construction services.**

The **Licensing Committee** meets this goal by:

- Ensuring that exams are current and relevant;
- Ensuring that all licensed contractors meet experience and education requirements and exhibit basic business competency skills;
- Ensuring accuracy of information submitted by the applicant and applicant integrity; and
- Ensuring that all processes in Licensing are current and efficient.

### ENFORCEMENT

#### **Goal 2—Prevent, reduce or eliminate unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.**

The **Enforcement Committee** meets this goal by:

- Adopting policies and procedures that encourage voluntary compliance;
- Providing appropriate information to the public on the status of enforcement activities;
- Developing policies and procedures to work with other governmental and law enforcement agencies; and
- Developing policies and procedures to improve the quality of legal actions.

### PUBLIC AFFAIRS

#### **Goal 3—Educate consumers to make informed choices about construction services and ensure that licensed contractors strengthen their technical management and service skills.**

The **Public Affairs Committee** meets this goal by:

- Informing the public about the role and function of CSLB;
- Educating the public about their rights and responsibilities in the contracting process;

- Educating consumers about the dangers of hiring unlicensed contractors;
- Educating contractors about building codes, construction methods, and business practices; and
- Ensuring that contractors understand their professional obligations and responsibilities.

## LEGISLATION

### **Goal 4—Ensure that statutes, regulations, policies and procedures strengthen and support Board operations.**

The **Legislative Committee** meets this goal by:

- Providing legislative and regulatory mechanisms for consumers to remedy problems and resolve disputes;
- Creating and maintaining a legal and regulatory framework that ensures an appropriate level of consumer protection; and
- Monitoring legislation that impacts the construction industry as it relates to public health, safety, and welfare.

## ADMINISTRATION

### **Goal 5—Enhance organizational effectiveness, and improve the quality of customer service in all programs.**

The **Executive Committee** meets this goal by:

- Ensuring that CSLB has the resources it needs to achieve its mission and goals;
- Monitoring implementation of the CSLB Strategic Plan; and
- Monitoring and improving organizational effectiveness.



## CURRENT OBJECTIVES

The Board has identified the following objectives to help meet its goals:

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Reorganize Enforcement division	Enforcement Committee	3rd quarter 2011
2. Establish Expanded Media Outreach Plan	Public Affairs Committee	3rd quarter 2011
3. Develop plan to explore licensure for solar/ alternative energy contractors	Licensing and Enforcement	4th quarter 2011
4. Create new flagship consumer education publication	Public Affairs Committee	4th quarter 2011
5. Create a training curriculum for new hires that includes basic enforcement procedures, a mentoring program, and specialized training.	Staff	4th quarter 2011
6. Coordinate with state and local agencies to establish baseline measurements of the underground economy and the effectiveness of enforcement strategies.	Staff	4th quarter 2011
7. Implement online licensure tool for credit card payment	Staff	1st quarter 2012
8. Develop legislator relationship plan	Legislative Committee	1st quarter 2012
9. Implement workers' compensation insurance recertification process for contractors exempt from WC coverage	Licensing Committee	1st quarter 2012
10. Create new flagship applicant/licensee education publication	Public Affairs Committee	1st quarter 2012
11. Produce new education video to assist license applicants	Staff	1st quarter 2012
12. Review and revise all MOUs for relevancy, information sharing, and effectiveness	Staff	1st quarter 2012
13. Recruit and hire nine (9) Peace Officer ERs in designated ICs.	Staff	2nd quarter 2012
14. Staff a Subsequent Arrest Unit through the BCP process	Staff	3rd quarter 2012
15. Update Enforcement staff classification system	Staff	3rd quarter 2012
16. Implement online license exam scheduling tool	Staff	4th quarter 2013







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