



CONTRACTORS STATE LICENSE BOARD

Strategic Plan 2012-13





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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 by:

- resolving consumer complaints;
- educating consumers; and
- enforcing state laws that pertain to contractors.

CSLB licenses or certifies contractors in 45 classifications and registers home improvement salespeople.

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; 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.

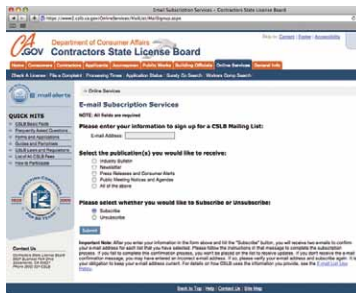


SIGNIFICANT 2011-2012 ACCOMPLISHMENTS

Board members develop CSLB's annual strategic plan after reviewing the previous fiscal year's accomplishments:

- CSLB actively and successfully expanded partnerships by leveraging Enforcement staff and resources.
- Despite the challenges associated with downsizing requirements, staff maintained productivity through continuous improvement efforts and re-invention.
- The Board maintained full membership and is adaptable, actively participates, and collaborates well.
- Staff displayed tenacity and passion for success in the intake-mediation process, and with memoranda of understanding (MOUs) with other state and local departments and organizations.
- The use of metrics and measurements contributed to continuous improvement methods.
- CSLB maintained 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 continued to expand through regular news media attention and an effective website.
- CSLB implemented license applications for limited liability companies, per Business and Professions Code section 392 (Statutes of 2010, Chapter 698).
- CSLB forged strategic partnerships to implement legislation.
- Phase III electronic payment at CSLB Headquarters is under way (citation payments, public sales jobs, duplicate wall certificates, pocket cards, etc.). Phase II was completed in 2011-12 and expanded the initial four credit/debit card payment types to the current 11 transactions:
 - » Contractor license renewal
 - » HIS registration renewal
 - » Contractor license reactivation

- » Re-examination
 - » Original exam/Exam waiver application
 - » Initial license
 - » Additional classification application
 - » Asbestos certification application
 - » Hazardous certification application
 - » Application to replace qualifying individual
 - » Home improvement salesperson application
- CSLB's mobile website, which provides instant access to the CSLB website, had 483,743 visits that averaged 3 minutes, 15 seconds duration in its first year of operation (February 15, 2011 to February 14, 2012).
 - The database for CSLB's online Email Alert feature, developed by the Information Technology division and Public Affairs Office, continued to increase to the current 94,978 registrants who receive automatic emails related to news and Board activity.
 - CSLB enhanced its proactive consumer education and fraud prevention efforts through expanded Senior Scam StopperSM seminars with legislators and other agencies to inform, empower, and protect seniors from becoming victims of construction fraud and other scams.
 - CSLB social media followers continue to grow on both Facebook and Twitter. The effort gives 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 high priority (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, and stress 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 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

California is one of the world's largest economies, and construction has consistently been one of the state's top industries. The importance of efficient and effective regulation of California's 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:

- Heightened issues and challenges during an election year
- State budget challenges that directly impact CSLB programs and staff
- Loss of staff positions; electronic communication devices; vehicles
- 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
- Preparation of CSLB business processes and staff for BreEZe transitions
- Organizational development and training, and overall succession planning



PROACTIVE PRIORITIES

The Board has 30 allocated Enforcement Representative positions to investigate reactive industry complaints. Demands for CSLB resources to combat the underground economy and level the playing field for law-abiding contractors continues to increase. Consequently, the Board was compelled to prioritize proactive complaint investigations and approve process changes to manage workload.

Priority	Controls to Manage Workload
1. Unlicensed Practice at Active Job Sites	Respond to leads with a CSLB enforcement representative conducting a site visit.
2. Workers' Comp Insurance Violations at Active Job Sites	Respond to leads with a CSLB enforcement representative conducting a site visit.
3. Labor/Health and Safety Code (DOSH/DSLE MOUs)	CSLB enforcement representative and partnering agency investigator will conduct a site visit.
4. Out-of-Classification (Licensees)	If there is a health and safety issue or CSLB is unsure whether the contractor is licensed, a site visit may be warranted. Otherwise this will be addressed by IMC or IC staff.
5. Building Permit Enforcement	Investigate only when a jurisdiction is cooperative: <ul style="list-style-type: none"> • Building department must be willing to waive fees associated with conducting the investigation • Jurisdiction must provide CSLB with their work product. Evidence of no permit must be attained If work is in progress, possibly conduct a site visit.
6. Public Works Investigations	SWIFT will respond to leads and perform sweeps with other state agencies as applicable. Otherwise, leads will be referred to the CSLB Public Works Unit.

Priority	Controls to Manage Workload
7. Electrician Certification	Only conduct a site visit to verify certification if CSLB is responding with partnering agencies and/or observes workers' compensation violations. Otherwise, work product from a labor compliance agency is required.
8. Illegal Print Advertisements	Process through the IMC where a warning letter, stop order or telephone disconnect can be issued. The action taken is then referred to SWIFT for use in future stings.
9. Referral Fees/Kickbacks	Referral fee enforcement will be handled primarily by IMC. Contractors will be contacted and educated on B&P §7157 – Referral Fee Restrictions. Warning letters will then be issued and used for more stringent action. IC staff will conduct two stings per calendar year to target egregious offenders.
10. Outreach	Public Affairs Office will take the lead; the Enforcement division will develop a list of enforcement representatives available to assist PAO when necessary. To minimize impact on Enforcement work load, staff will work with EDD to develop an outreach packet to educate legislators, contractors, and consumers on the dangers of the underground economy.



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/procedures to work with other governmental and law enforcement agencies;
- Developing policies and procedures to improve the quality of legal actions; and
- Prioritizing enforcement activities and complaints from consumers and industry.

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:

- Developing legislative proposals that support the Board’s mission and values;
- 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. Work with industry stakeholders regarding legislation that will provide for disclosure of a partnering agencies administrative action.	Enforcement	3rd Quarter 2012
2. Implement a workers' compensation insurance recertification process for contractors exempt from WC coverage.	Licensing	3rd Quarter 2012
3. Complete the flagship contractor and consumer publications.	Public Affairs	3rd Quarter 2012
4. Develop criteria and controls to monitor and prioritize proactive enforcement.	Enforcement	4th Quarter 2012
5. Develop an educational letter to consumers who repeatedly hire unlicensed operators. Work with IT to automate the letter.	Enforcement	4th Quarter 2012
6. Work with EDD to develop an outreach packet to educate legislators, contractors, and consumers about the dangers of the underground economy.	Enforcement	4th Quarter 2012
7. Develop a plan to explore licensure for solar/ alternative energy contractors.	Licensing, Enforcement	4th Quarter 2012
8. Increase examination testing sessions from 2.5 to 3.5 hours.	Testing	4th Quarter 2012
9. Evaluate the potential to expand use of CSLB testing centers for training and/or civil service exams.	Testing	4th Quarter 2012
10. Develop a contractor outreach program.	Public Affairs	4th Quarter 2012
11. Develop language for a regulation to clarify asbestos certification as trade-specific.	Licensing	1st Quarter 2013

Objectives	Lead Responsibility	Target Date
12. Identify strategies to collect licensee email addresses to improve contact for examination development surveys.	Testing	1st Quarter 2013
13. Develop a contractor presentation kit.	Public Affairs	2nd Quarter 2013
14. Create a website section with streamlined access to contractor outreach materials.	Public Affairs, Information Technology	2nd Quarter 2013
15. Develop CSLB style guide and identification standards manual.	Public Affairs	3rd Quarter 2013
16. Implement BreEZe for CSLB.	Information Technology	3rd Quarter 2013
17. Implement an online licensure tool for credit card payment.	Licensing	4th Quarter 2013
18. Staff a Subsequent Arrest Unit through the BCP process.	Executive	1st Quarter 2014
19. Review Contractors State License Law to simplify and update.	Legislative	1st Quarter 2014
20. Submit sunset review report.	Legislative	3rd Quarter 2014



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