

DECEMBER 10, 2013
NORWALK, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting at 1:00 p.m. on Tuesday, December 10, 2013, in the Chardonnay Room at the Doubletree by Hilton, 13111 Sycamore Drive, Norwalk, CA 90650, phone (562) 863-5555. This meeting will be webcast.

All times are approximate and subject to change. Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. The meeting may be canceled without notice. For verification of the meeting, call (916) 255-4000 or access the CSLB website at <http://www.cslb.ca.gov>. Action may be taken on any item listed on this agenda, including information-only items. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Erin Echard at (916) 255-4000 or by sending a written request to CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

AGENDA

December 10, 2013

1:00 p.m. – 5:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Special Agenda Item – Public Remembrance of Sam K. Abdulaziz, Construction Attorney. Special recognition by Board, construction industry representatives, and others may last between 30 and 60 minutes.
- D. Public Comment Session
- E. Review and Approval of September 6, 2013 Board Meeting Minutes
- F. Enforcement Committee Report
 - 1. Review and Approval of October 21, 2013 Enforcement Committee Summary Report
 - 2. Enforcement Update
 - 3. Possible Update on Electrician Certification Enforcement Policy

CONTINUED

G. Public Affairs Committee Report

1. Public Affairs Update

H. Legislative Committee

1. Review and Approval of November 18, 2013 Legislative Committee Summary Report
2. Review and Consideration of Recommended Legislative Proposals for the Upcoming Legislative Session:
 - a. Amendment to Business and Professions Code Section 7011.4 – Notice to Appear Authority
 - b. Amendment to Business and Professions Code Section 7027.2 – Required content of advertisements issued by contractors not licensed by the Contractors State License Board
 - c. Amendment to Business and Professions Code Section 7110.5 – Initiation of action against a contractor after Labor Commissioner's finding of violation
 - d. Addition of new Business and Professions Code and Government Code Sections – Creation of an Evidence Fund

I. Licensing Committee Report

1. Review and Approval of October 21, 2013 Licensing Committee Summary Report
2. Licensing Update
3. Testing Update
4. Review and Approval of Construction Management Education Account Committee Proposal Regarding Grants to Qualifying Programs

J. Executive Committee Report

1. Review and Approval of November 18, 2013 Executive Committee Summary Report
2. Administration Update
3. Information Technology Update
4. Budget Update
5. Review of Strategic Planning Process

K. Review of Tentative Board Meeting Schedule

L. Adjournment

AGENDA ITEM A

Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

Board Member Roster

KEVIN J. ALBANESE

ED LANG

LINDA CLIFFORD

JOHN O'ROURKE

DAVID DIAS

BRUCE RUST

JOAN HANCOCK

FRANK SCHETTER

PASTOR HERRERA JR.

PAUL SCHIFINO

MATTHEW KELLY

NANCY SPRINGER

ROBERT LAMB



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Joan Hancock will review the scheduled Board actions and make appropriate announcements.

Board members may comment on issues not on the agenda; they may not debate or vote on issues not included on the agenda notice.



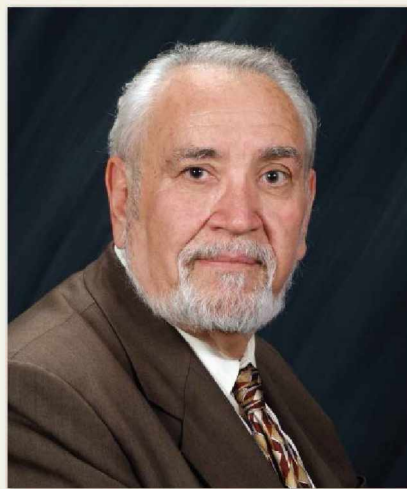
AGENDA ITEM C

Special Agenda Item

Public Remembrance of
Sam K. Abdulaziz, Construction Attorney

Special recognition by Board,
construction industry representatives, and others
may last between 30 and 60 minutes.





Sam Abdulaziz

The Contractors State License Board recognizes the passing of a great supporter of the construction industry, Sam K. Abdulaziz, senior partner of the Law Offices of Abdulaziz, Grossbart & Rudman in North Hollywood. Sam attended countless CSLB Board meetings and events as an expert in construction law, and provided meaningful information and recommendations over the years. His contributions, thoughtfulness, and humorous antics have been greatly appreciated and will be sorely missed.

The following information appeared in the October 13, 2013, Los Angeles Times:

April 10, 1939 - October 11, 2013: Sam K. Abdulaziz passed away in his sleep on Friday, October 11, 2013. Sam was born on April 10, 1939, in Baghdad, Iraq and migrated with his family at a young age to New York where he would frequently watch Dodger games at Ebbets Field through a knot hole in the fence. His family moved to the Los Angeles area before Sam began High School. While married with a small child, he attended UCLA, where he played baseball, beginning his lifelong love of Bruin athletics. He graduated from the UCLA School of Business Administration with a Bachelor's of Science in 1962, and began working in the aerospace industry. With a full time job and two children at home he attended Loyola University School of Law and earned his Juris Doctorate in 1971. He became a member of the California State Bar in 1972. He garnered a gigantic reputation over the past four decades as one of the foremost experts in construction law in the State of California and across the nation, earning various awards and accommodations along the way. He spent that time writing and publishing articles and books, lecturing, litigating and arbitrating cases, serving as arbitrator, mediator, and judge pro tem as well as representing several construction related trade associations and exchanges as well as making many lasting friendships. He had a great sense of humor and was well known for his practical jokes. Sam is survived by his wife of 53 years, Joyce, his children Mike and Debbie, daughter-in-law Michele, son-in-law Kyle, grandchildren Kevin, Sarah, Benjamin and Samantha and sister Blanche Murad. He now joins his grandson Joey and parents Joseph and Rachael Abdulaziz, and sister Marguerite Levis to watch over the family. He was greatly respected, admired and loved by those that knew him and will be greatly missed. Donations may be made in Sam's name to the Alzheimer's foundation.

AGENDA ITEM D

Public Comment Session

Members of the public may address the Board at this time on matters that are not on the agenda. However, because such matters are not on the agenda, the Board may not take action at this meeting. The Board Chair will allow public comment during other agenda items at his/her discretion.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board shall not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending or criminal administrative action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
 - (a) Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
 - (b) Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
- (3) The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.



AGENDA ITEM E

Review and Approval of September 6, 2013 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Friday, September 6, 2013

A. CALL TO ORDER

Board Chair Joan Hancock called the meeting of the Contractors State License Board (CSLB) to order at 10:00 a.m. on Friday, September 6, 2013, in the John C. Hall Hearing Room at CSLB headquarters located at 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

Board Member David Dias led the Board in the Pledge of Allegiance.

Board Members Present

Joan Hancock, Chair
David Dias, Vice Chair
Ed Lang, Secretary
Pastor Herrera Jr.
Kevin J. Albanese
Robert Lamb

Matthew Kelly
John O'Rourke
Bruce Rust
Paul Schifino
Linda Clifford

Board Members Excused

Frank Schetter

CSLB/DCA Staff Present

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Karen Robinson, Licensing Chief
Don Chang, Legal Counsel

David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Erin Echard, Executive Office
Laura Zuniga, Legislative Chief

Public Visitors

Ken Grossbart
Sue Gathman
Aileen Scrodin
Jeff Seaters
Shauna Krause
Beverly Carr

Phil Vermeulen
Daniel Cohen
Phil Coccianta
Greg Johnson
Terry Seabury

B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS

Board Chair Joan Hancock opened the meeting by welcoming two new Board members, Linda Clifford and Kevin J. Albanese. Each gave a brief background and expressed their pleasure to be working with CSLB. Ms. Hancock then presented a certificate of appreciation to Testing Chief Heidi Lincer-Hill, who is leaving CSLB for a promotion. Ms. Hancock asked if there were any additional comments. Board Member Robert Lamb announced that contractor and friend, John Odom, who was injured in the Boston



Marathon massacre, will finally be able to return home to California. A short video was shown and he then asked for a motion to be made to send a letter of support to Mr. Odom.

Motion to Draft a Letter of Support for John Odom

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member John O'Rourke to Draft a Letter of Support for John Odom. The motion carried unanimously, 12-0.

C. PUBLIC COMMENT SESSION

Daniel Cohen requests CSLB consider suspending the additional experience verification process. A packet of sample letters sent to contractors was distributed to Board members. He requested that this item be added to the next Board meeting agenda; Board Chair Joan Hancock requested that he first speak with Chief of Licensing Karen Robinson.

DCA Board and Bureau Relations Deputy Director Christine Lally introduced herself.

Aileen Scrodin expressed her frustration with the new work experience requirements which she feels are prohibiting applicants from obtaining licenses.

D. ELECTION OF BOARD OFFICERS

Board Chair Joan Hancock advised that previously elected Vice Chair Mark A. Thurman was not re-appointed and that a new election would take place. Ms. Hancock provided the recommended slate of officers for consideration by the Board:

- Joan Hancock – Chair
- David Dias – Vice Chair
- Ed Lang – Secretary

Ms. Hancock asked if there were any nominations from the floor. None were received.

Motion to Approve the 2013-2014 Board Officers

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member John O'Rourke to approve the 2013-2014 Board Officers. The motion carried unanimously, 11-0.

E. REVIEW AND APPROVAL OF THE JUNE 11, 2013, BOARD MEETING MINUTES

Motion to Approve the June 11, 2013, Board Meeting Minutes

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member John O'Rourke to approve the June 11, 2013, Board Meeting Minutes. The motion carried unanimously, 11-0.

**F. ENFORCEMENT COMMITTEE REPORT**

Enforcement Committee Chair Ed Lang commented on the energy efficiency and permit compliance campaign and “going green” with a joint task force.

1. Enforcement Program Update

Enforcement Chief David Fogt reported on a pilot program with CHP and provided peace officer highlights. Mr. Fogt detailed activity in CSLB Intake and Mediation Centers, Investigative Centers, Case Management, and SWIFT. He also provided updates on the public works arena, staffing vacancies and general complaint-handling statistics, as well as training and vehicles.

2. Review and Approval of Disclosure by CSLB of a Partnering Agency's Disciplinary Action

It is proposed that CSLB encourage all public agencies to advise the CSLB of their documented complaints as well as other problems encountered with licensees. After verification, the CSLB will then flag the licensee on the CSLB website with an advisory statement and an electronic link.

Motion to Approve Disclosure by CSLB of a Partnering Agency's Disciplinary Action

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member Paul Schifino to Approve Disclosure by CSLB of a Partnering Agency's Disciplinary Action. The motion carried unanimously, 11-0.

G. PUBLIC AFFAIRS COMMITTEE REPORT

Public Affairs Committee Chair Pastor Herrera Jr. commended the Public Affairs Office on educating the Hispanic community and the success of Senior Scam StopperSM seminars.

1. Public Affairs Program Update

Public Affairs Chief Rick Lopes gave community outreach, publication, and Internet highlights (including working with IT to provide a new look and feel to the CSLB intranet and public website) to the Board, and noted that social media activity continues to increase. A “Catch a Contractor” reality show will air on Spike TV. License certificates and the 10 Tips brochure were modernized by staff.

H. LEGISLATIVE COMMITTEE REPORT

Legislative Chief Laura Zuniga provided the Legislative Report.

1. Status of 2013 Legislation

Signed by Governor:

- SB 261 Contractors: Fraudulent Use of License



- SB 262 Supervision and Control of a Contractor's Business

Two-year bills:

- AB 993 Contractors: Arbitration
- SB 263 Contractors: Unlicensed Activity

Expected to be signed later this year:

- SB 822 Delinquency Fee

2. Review of License Suspension Chart

This chart was created to show the different ways a license-related issue could occur and the effect the issue could have on a license. This chart will be available to the public once it is finalized.

I. LICENSING COMMITTEE REPORT

1. Licensing Program Update

Licensing Chief Karen Robinson reported on the licensing application workload and processing times. She also reported on progress in the LLC, Workers' Compensation, Criminal Background, Licensing Information Center (call center), and Judgment Units.

2. Testing Program Update

Heidi Lincer-Hill provided updates on the Examination Administration Unit, eight testing centers, staff recruitment efforts, and testing wait times.

3. Review and Approval of Language for Asbestos Classification Regulation

CSLB has been discussing the necessity of having a new license classification, C-22 - Asbestos Abatement. The idea has now been approved and staff has been given the task of amending the proposed language.

Motion to Approve Language for Asbestos Classification Regulation

MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member Robert Lamb to Approve Language for Asbestos Classification Regulation. The motion carried unanimously, 11-0.



L. ADJOURNMENT

Board Chair Joan Hancock adjourned the Board meeting at 12:49 p.m. without completing Agenda Items J – Executive Committee Report and K - Review of Tentative Schedule.

Joan Hancock, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM F

Enforcement Committee Report



AGENDA ITEM F-1

Review and Approval of October 21, 2013 Enforcement Committee Summary Report





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE SUMMARY REPORT

ENFORCEMENT COMMITTEE MEETING

October 21, 2013

Sacramento, CA

A. CALL TO ORDER

Enforcement Committee Chair Ed Lang called the Enforcement Committee meeting to order at 1:30 p.m. in the John C. Hall Hearing Room, located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California 95827. Board Chair Joan Hancock asked that the Enforcement Committee meeting be convened in honor of the late Sam Abdulaziz, attorney, and long-time CSLB supporter.

Enforcement Committee Members Present:

Ed Lang, Chair
Linda Clifford
Bob Lamb
John O'Rourke
Bruce Rust
Frank Schetter

Other Board Members Present:

Joan Hancock
Kevin Albanese
David Dias
Nancy Springer

Board Staff Present:

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Kurt Heppler, DCA Legal Affairs
David Fogt, Enforcement Chief
Karen Robinson, Licensing Chief
Laura Zuniga, Legislation Chief
Melanie Bedwell, Public Affairs Staff
Steve Breen, Public Affairs Staff
Christina Delp, Enforcement Staff
Connie Bouvia, Enforcement Staff
Scott Weber, Enforcement Staff
Wood Robinson, Enforcement Staff
Ana Rodriguez, Enforcement Staff
Marco Bautista, Enforcement Staff
Marcela Diaz, Enforcement Staff
Jose Barajas, Enforcement Staff
Joseph Martinez, Enforcement Staff
Jeff Miller, Enforcement Staff

Others Present:

Larry Back, Contractor
Rick Clement, Contractor
Daniel Cohen
Brad Diede, CALPASC
Chris Lindholm, El Dorado County District Attorney's Office
Jim Walshaw, Amador County District Attorney's Office
Gene Fahy, Marin County District Attorney's Office
Mike Miller, Marin County District Attorney's Office
Homan Hosseinioun, Riverside County Deputy District Attorney's Office
Jose Mejia, California State Council of Laborers
Rick Pires, Basic Crafts
Phil Vermeulen, Governmental Relations Advocate
Chris Walker, CAL-SMACNA

B. PUBLIC COMMENT SESSION

Brad Diede, CALPASC Executive Director, recognized the efforts of CSLB's Enforcement division in collaborating with the Construction Enforcement Coalition to address the "cheaters in the construction industry." CSLB has cooperated with various industry associations in identifying unlicensed and uninsured contracting activity.

Jose Mejia, California State Council of Laborers, acknowledged the Enforcement division's aggressive efforts to combat the underground economy. Mr. Mejia told the Committee about a recent meeting with BCSH Agency Secretary Anna Caballero where he discussed the leadership role that CSLB takes with the task force that he chairs.

C. RECOGNITION OF CSLB LAW ENFORCEMENT

Board Member Ed Lang thanked and recognized District Attorney Investigators who routinely partner with CSLB. Northern SWIFT Enforcement Representative Jeff Miller shared his experience in partnering with the DA investigators who routinely accompany CSLB investigators on compliance checks and provide armed back-up during undercover operations.

D. REVIEW AND DISCUSSION OF CSLB PEACE OFFICER DUTIES AND RESPONSIBILITIES

Riverside County Deputy District Attorney Homan Hosseinioun addressed the Committee and summarized the important role of CSLB Peace Officers. Mr. Hosseinioun has worked closely and provided training to CSLB Peace Officers. Chief David Fogt mentioned how important peace officers are in serving search and arrest warrants, and investigating elder abuse cases and white collar crimes. CSLB Peace Officer Joseph Martinez shared his experiences with the committee and mentioned how crucial having peace officer status is to his investigations.

E. REVIEW AND DISCUSSION OF ENFORCEMENT REPRESENTATIVES' AUTHORITY TO ISSUE A WRITTEN NOTICE TO APPEAR IN CRIMINAL COURT

Chief Fogt discussed the importance of Enforcement Representatives (ER) having authority to issue a written Notice to Appear (NTA) in criminal court for unlicensed practice. Chief Fogt provided the Committee with CSLB's History of Investigating Unlicensed Activity timeline and complimented SWIFT staff for their innovated approaches and commitment to partnering with local law enforcement to identify and prosecute unlicensed operators.



Chief Fogt stressed the need to have one ER in each Investigative Center with the authority to issue NTAs to help enforce Contractors State License Law.

Director of the State Council of Laborers' Jose Mejia addressed the Committee and discussed how CSLB has been able to partner with industry associations and partnering agencies to address unlicensed and uninsured activity by taking the lead and aggressively tackle the underground economy. He supported enforcement representatives' ability to issue Notices to Appear to help enforce contractor license law more effectively.

Governmental Relations Advocate Phil Vermeulen commended Enforcement staff for their partnership with the construction industry in combatting the underground economy. He commented on how he works closely with the Board to gain compliance in the Public Works arena and the continuing battle against those who do not play by the rules.

F. REVIEW AND DISCUSSION OF DISCLOSURE BY CSLB OF A PARTNERING AGENCY'S DISCIPLINARY ACTION

Chief David Fogt presented a PowerPoint presentation regarding CSLB's disclosure of a partnering agency's disciplinary action. The disclosure, now available via links on CSLB's website, was developed in an effort to increase license, workers' compensation and permit compliance. Chief Fogt thanked Board Members for unanimously approving the disclosure at the September 6, 2013 Board Meeting. Board Member Ed Lang thanked Board Member Linda Clifford for working with CSLB staff to help develop criteria for disclosure of Stop Notices filed with Caltrans.

G. ENFORCEMENT PROGRAM UPDATE

Enforcement Chief David Fogt provided the Enforcement Program Update. He updated the Committee on various Intake and Mediation Center (IMC) pilot programs including a recent partnership with Pacific, Gas and Electric (PG&E) and the Workers' Compensation Suspension Program.

SWIFT highlights included an update on the Santa Monica sting pilot that focused on material suppliers and to whom they are supplying materials. Chief Fogt presented a new complaint form that was developed at the request of industry associations to track and address illegal advertising. Board Member Bob Lamb made a motion to adopt the advertisement complaint form as is and make it immediately available to the public via CSLB's website.

MOTION: The motion made by Board Member Bob Lamb was seconded by Board Member Bruce Rust. Motion carried unanimously, 6-0.

Chief Fogt reported that 15 of 25 approved vehicles have been delivered to field offices around the state. The remaining 10 will be delivered in November.

Chief Fogt provided an overview of a pilot program involving Butte County. Industry experts would be used to identify unlicensed and uninsured activity. The program would be modeled after many citizen volunteer programs that are used by local law enforcement agencies and lead by a retired annuitant.

H. ADJOURNMENT

Having no further business, Chair Ed Lang adjourned the meeting at 3:00 p.m.

AGENDA ITEM F-2

Enforcement Update





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

INTAKE AND MEDIATION CENTERS

IMCs

**Financial Settlement Amount
(July 2012- August 2013)**

• \$ 10,374,615.24

IMC Partners with PG&E

In July, CSLB Enforcement staff met with senior management from PG&E to discuss partnering to ensure that public safety is not jeopardized by contractors striking gas lines. Almost all strikes are due to a contractor's failure to call in advance to have gas lines properly marked. The main points agreed to are as follows:

- Coordinate outreach efforts.
- Include DOSH as a partner to enforce active job sites where a gas line strike occurred.
- Discipline contractors with a history of failing to call the 811 notification service where severe health and safety issues resulted.

During a September follow-up meeting, PG&E reported success stories after filing complaints with CSLB. PG&E indicated that CSLB's involvement has helped change contractor behavior, and reported that two contractors who had CSLB complaints filed against them now are PG&E's spokespeople for the construction industry. One has participated in a training video and accompanies PG&E to training events, the other has sent all of his employees to special PG&E training and distributes educational literature to other contractors about the need to call 811 prior to excavation. Since August, the IMC has received 13 referrals, three of which have resulted in citations for failing to call prior to beginning to dig.

Retired U.S. Airman Gets \$30K Roofing Settlement

A retired U.S. Air Force airman filed a complaint against his former friend for botching a roof installation. The roofing contractor, who was hired in 2010 while the airman was deployed, failed to correct problems, resulting in severe roof leaks. The airman and his wife both attempted to negotiate with the contractor, but he was not receptive, and all forms of communication broke down. The complaint was assigned to a Norwalk Consumer Services Representative (CSR). The airman hired an independent roofing expert and, using the expert's report, the CSR was able to perform an effective mediation. Although an attorney was hired, he was not needed because the CSR was able to negotiate and obtain a \$30,000 cash settlement for the airman from the roofing contractor.

**Deployed Soldier Gets Lien Relief**

A soldier, who is currently deployed in Japan, received word that the \$90,000 he paid pursuant to the contract for his home remodel was not enough money. Unbeknownst to him, the contractor had placed a lien on his property for an additional \$30,000. The soldier filed a complaint, and a Sacramento CSR began to mediate with the parties. The contractor started to outline additional work that caused the unexpected increase, but when asked to support the charges, the contractor was unable to provide any documentation. Ultimately, the contractor agreed to remove the lien and not have any additional contact with the soldier.

Large Solar Settlement Achieved For 250 Homeowners

Twenty-three consumer complaints were received by CSLB in October 2013 relating to faulty solar panels installed by a major home builder in an El Dorado Hills subdivision, and two of the complaints indicated that fires were associated with the faulty panels. A Sacramento CSR started to work the complaints and found out there were 250 homes in the subdivision with the same panels. The builder's attorney was contacted and mediation began. Initially, the attorney failed to concede any responsibility by the builder. The CSR informed the attorney that over 100 additional complaint forms were handed out by homeowners in the development, and a CSLB investigation would have to be conducted. The attorney went back to the builder, who agreed to permanently correct the problem by replacing the panels on all the homes at a cost of \$7,500 per house, totaling approximately \$1,875,000. In addition, the attorney agreed to give priority to the homes that filed CSLB complaints.

Solar Energy Savings Fall Short

A consumer contracted for a residential solar system to heat his pool. The contractor's representative estimated the correct number of solar panels needed to heat the pool and provide the promised energy savings. The consumer was hopeful that the \$36,675 investment would significantly reduce his energy costs when the project was completed in June 2011. After a year, the homeowner contacted the contractor, disappointed that the system had not provided a reduction in energy costs. The contractor offered to visit the home where he reviewed the energy bills and advised that the solar system was only working at 60% efficiency because there were not enough panels. The contractor left the home and stopped returning the homeowner's calls. A CSR in the Norwalk CSLB office contacted the contractor to mediate. After several discussions, the contractor returned to the home and installed 10 additional panels at a cost to the contractor of \$20,000.

Complaint Resolution Statistics

CSLB's two IMCs are responsible for initiating consumer complaints filed against licensed and unlicensed contractors. IMCs are staffed with CSRs, whose primary function is to intervene with the conflicting parties and promote reconciliation, compromise, or settlement of the issues. IMC staff prepares unsettled licensee complaints for field investigation and also refers complaints regarding unlicensed



practice and other violations of Contractors State License Law for investigation. The IMC continues to meet Board objectives regarding complaint resolution. A recap of the production statistics for FY 2012-13 period is as follows:

- Licensee complaints dispositioned in the IMC – **68%**
- Settled complaints – **41%**

**INVESTIGATIVE CENTERS****ICs****Financial Settlement Amount
(July 2012- September 2013)**

- \$ 4,552,838.10

\$99 Offer for Furnace Cleaning Leads to \$19,000 Fraud

An 87-year-old woman living alone in her San Bruno residence received an unsolicited telemarketing call in March 2012, offering a \$99 furnace inspection and duct cleaning. She accepted the offer, and the HVAC contractor upsold additional work for a total of \$759. A year later, another call from the same contractor was made, and an appointment was set to perform a furnace tune-up. The elderly woman was charged \$824 for the tune-up and an upsold inducer motor. She also was convinced that she needed to have her heating ducts replaced due to rodent damage for an additional \$8,498. When the ducts were being replaced, representations were made that her copper pipes were leaking and needed to be replaced for another \$8,925, and the work was authorized.

In total, \$19,006 was paid. Subsequently, it was discovered that the furnace inducer motor and copper pipes were not replaced, and the HVAC ducts were only partially done. The existing copper pipes were merely polished using sandpaper to make them appear to be new. Further, the ductwork was installed without a building permit and will have to be replaced because the installation is in violation of the Building Code. A San Francisco IC investigator conducted the investigation, and although the financial injury was resolved through a \$12,500 bond payout and a \$6,500 refund, the matter was referred to accusation due to the egregiousness of the contractor's conduct. Violations include performing work without a permit, fraudulent billing and receipt of funds for work not performed, contracting out-of-class, failure to carry workers' compensation (WC) insurance, and making substantial misrepresentations in the procurement of a contract.

Associating with a Revoked Contractor is Grounds for Disciplinary Action

Dean Wallie Dominguez's (aka Wallie Dean Dominguez, Jr.) contractor license was revoked in March 2002 for multiple violations stemming from four consumer complaints. In May 2006, Dominguez was convicted of contracting without a license and felony diversion of construction funds and was sentenced to two years in prison. But his legal violations didn't prevent his wife, Mollie Jean Maness, dba M J Maness Construction, from obtaining an individual contractor license in March 2008.

Dominguez, representing himself as the owner of M J Maness, obtained a \$153,000 contract in November 2010 to renovate a fitness center in San Francisco. The fitness



center's owners did not have a contact with Mollie Maness; all work on the project was performed and coordinated by Dominguez.

When the owners questioned the progress and quality of the work, and refused to advance additional funds to Dominguez, the project was abandoned after more than \$110,000 had been paid. During the investigation, Mollie Maness acknowledged that her husband negotiated and signed all contracts, hired subcontractors and oversaw construction projects while her role in the business was limited to doing paperwork. The matter was referred to accusation for violations that included associating with a revoked contractor in a capacity other than as a non-supervising bona fide employee. In addition, two spin-off cases are being referred to the San Francisco District Attorney's (DA's) Office: one for Maness for perjury and employment of an individual with a revoked license pursuant to B&P Code section 7121.7, and one against Dominguez for contracting without a license.

Paying the Consequences of Letting Your Children Use Your License

A San Bernardino IC investigator investigated a complaint filed by a Corona resident against a licensed contractor who aided and abetted his unlicensed son, Jeremiah Mansfield, in securing a contract to construct a pool with spa, a fire pit, a barbeque, and block wall for \$38,500. In addition, another licensed contractor, who was a schoolmate of Mansfield, was at the jobsite from day one overseeing the project as a subcontractor commencing in May 2012.

After several months of Mansfield sporadically showing up for work, requests to be paid ahead of schedule, and mounting correction notices from the county building inspector, the homeowner contacted CSLB to check the license. To the homeowners' chagrin, they were informed that Mansfield, doing business as JM Pools, was an unlicensed contractor. The license number and company name referenced on the contract belonged to Mansfield's father, who was the sole owner of the license. Mansfield also had an exemption from WC on file, claiming he did not have any employees. The homeowner terminated the contact and barred Mansfield from the property. At this point, Mansfield had been paid \$31,550.00 towards the contract price. The homeowner then obtained an estimate from a licensed contractor to complete the project at \$38,150.00. Most of the work completed by Mansfield was substandard and needed to be demolished and replaced. A CSLB industry expert determined the cost to correct and complete the project at \$43,510.00.

During the interview with Mansfield's father, the investigator secured an admission that the licensee had assisted his son with the bid for the project, and that they had unknowingly underbid the project. He further stated that this was the first pool project that they had ever built. The father's bond paid out \$11,446.34, which the licensee claimed he did not object to. Permits for the project were pulled under the father's license number by Mansfield. All payments were made by check and were paid to JM



Pools. The checks were deposited into JM Pools' account that only Mansfield had access to.

The investigator recommended an accusation against the licensed father for violation of B&P Code section 7114 for aiding, abetting, or conspiring with an unlicensed person to evade the law. In addition, a case was opened against Mansfield, which will be referred to the Riverside County DA for prosecution for violation of B&P Code section 7028, contracting without a license, and B&P Code section 7027.3, fraudulent use of incorrect license number. A third case was opened against the subcontract friend, will result in the recommendation of a legal action for violation of B&P Code section 7118, entering into a contract with an unlicensed contractor.

GENERAL COMPLAINT-HANDLING STATISTICS

(July 2012 – September 2013)

It has been determined that a manageable level of pending complaints for all current CSLB staff is **3,010**. As of September 2013, the pending caseload was **3,076**.

The Board objective is for ER's assigned to the nine investigative centers (ICs) to investigate and appropriately disposition 10 complaints per month. The maximum working case load for ERs has been established at 35 per ER. CSLB has 54 ER's; therefore, the nine ICs have the capacity for 1,890 open complaints. As of September 1, 2013, the ICs had a total of 1,956 complaints open and under investigation.

It is anticipated that caseloads will rise with time and possibly exceed current manageable levels. An increase in caseloads will lead to a longer investigation process for consumers.

This chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Caseload per ER	Maximum Number of Cases per Classification
ERs	54	10	4	35	1,890
CSRs	28	30	2	40	1,120
TOTAL					3,010

In February 2006, the Board adopted the following Enforcement Objectives regarding complaint-handling.

- **MAINTAIN ER 1 PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
In September 2013, ERs closed an average of 10 complaints.
- **INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30%**



Licensee complaints settled in the IMCs during September 2013 averaged 41%.

- **ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70%**

The licensee disposition average in September 2013 was 68%.

- **REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**

Staff's effective management of pending complaints has resulted in consistently maintaining the Board's goal. At the end of September 2013 there were only 54 aged cases.

Vehicle Update

All 25 new vehicles have been delivered to Enforcement division offices around the state. ER Nora Urias (seen below) addressed the Board during the December 11, 2012, Board Meeting in Norwalk, voicing concerns regarding the condition of the fleet and the shortage of vehicles. ER Urias primarily drove a 2004 Ford Taurus at the time, and she felt the condition of the vehicle posed a safety risk.



**CASE MANAGEMENT**
(JULY 2012 – SEPTEMBER 2013)

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,395	1,090
Citations Appealed	615	434
Citation Compliance	781	532
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	399	
Settled	239	
Civil Penalties Collected	\$1,127,588	
Legal Fee Savings	\$1,540,439	

ARBITRATION	
Arbitration Cases Initiated	472
Arbitration Decisions Received	431
Licenses Revoked for Non-Compliance	84
Arbitration Savings to the Public – Restitution	\$2,006,963
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	485
Restitution for Accusations	\$250,487
Statement of Issues (Applicants Denied)	68
Cost Recovery Received	\$270,434.45
Number of Cases Opened	528
Number of Accusations/Statement of Issues Filed	435
Number of Proposed Decisions Received	114
Number of Stipulations Received	111
Number of Defaults Received	233
Number of Decisions Mailed	489

**STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT) STATISTICS**

From July 2012 to September 2013, SWIFT conducted dozens of successful undercover sweep and sting operations, and developed new strategies and partnerships to combat the underground economy, as follows:

Stings / Sweeps

During this time frame, SWIFT conducted 232 sting and sweep days, resulting in over 2,235 legal actions, including NTAs and citations.

- SWIFT performed 84 sting days with partnering law enforcement offices, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. Sting operations targeted unlicensed, repeat offenders and wanted criminals working in the construction industry.

As a result of the extensive efforts to combat unlicensed operators, SWIFT was able to achieve the following results:

1,050	Suspects received NTAs for contracting without a license, illegal advertising and workers' compensation (WC) insurance violations
89	Licensed individuals referred to District Attorneys for criminal prosecution of WC violations
1,511	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations
469	Stop Orders served upon construction employers, prohibiting use of employee labor until workers' compensation insurance was obtained

Fall California Blitz

SWIFT investigators partnered with state and local law enforcement agencies to conduct the fall California Blitz in mid-October. Seventy-five (75) people were caught in six simultaneous undercover sting operations conducted in Fresno, San Bernardino, Placer, El Dorado, Riverside and Monterey counties. Among those arrested were two registered sex offenders; two individuals with several prior felonies including robbery, rape, burglary and drug possession; three who active arrest warrants; and several caught using contractors' license numbers not belonging to them. Three of the suspects were taken to jail and one vehicle was towed.

SWIFT investigators posed as homeowners seeking bids for home improvements such as painting, electrical, plumbing, landscaping, flooring, drywall, fencing, concrete, and



tree removal work. Of the 75 individuals arrested, 72 now may face misdemeanor charges for contracting without a license. Fifty-six (56) suspects also may be charged with illegal advertising. Ten others may be charged with requesting an excessive down payment. Thirteen of the phony contractors also were issued Stop Orders for not have workers' compensation insurance coverage for employees.

Man Faces 37 Years in Fraud Case

A 54-year-old Pacific Grove man pleaded guilty on November 8, 2013, to more than 30 felony and misdemeanor charges related to contracting-related fraud. Danny Jess Langley was arrested on August 27, 2013, while in Monterey Superior Court to answer to previous CSLB charges on another CSLB case. Langley, who was placed on probation in 2011 for contracting without a license on yet another CSLB case, was charged with 11 counts of premium insurance fraud, insurance fraud, five counts of using a false contractor's license, filing a false document, grand theft, forgery, and failing to register as an employing unit. He also was charged with 10 misdemeanors including two counts of failure to secure WC insurance, five counts of contracting without a license, two counts of advertising as a contractor and failure to observe a Stop Order.

Langley, who is a convicted felon and served time in San Quentin Prison, also admitted to the special allegation that he had a prior conviction for a violent felony and that he committed felonies while out on bail. He previously was found to be in violation of two misdemeanor probation cases.

In May 2012, Langley continued to illegally contract without a license, failing to provide WC insurance for employees and using a false contractor's license. A Central SWIFT investigator continued to receive information that Langley was committing the same and similar crimes by telling homeowners he was fully licensed and insured.

The subsequent CSLB investigation resulted in the case being referred to the Monterey County DA's Office in July 2013, and Langley was also issued a Stop Order. Further investigation revealed Langley made false statements to the State Compensation Insurance Fund to obtain a lower premium, filed a false document with CSLB, used a false contractor's license and committed grand theft and forgery. Langley also stole personal checks and credit card information from one homeowner while working on her house.



Langley Arrest /8/27/2013

Langley will seek to have his violent felony conviction strike stricken by the court. The Monterey County DA's Office "intends to vigorously oppose that motion," according to a press release. With the strike allegation, Langley faces a



total of 37 years and two months in prison. A copy of the Monterey County DA's press release is attached.

LETF and JESF

SWIFT is comprised of 30 non-sworn investigators who are assigned to either the Labor Enforcement Task Force (LETF) or the Joint Enforcement Strike Force (JESF).

LETF primarily conducts sweeps with partner state agencies DLSE, DOSH, EDD, and FTB at active job sites to verify employee wages as well as verify compliance with licensing, WC insurance, tax, and job safety requirements. In general, LETF partners issue administrative actions against violators.

CSLB's participation in JESF is primarily to enforce criminal sanctions against violators for licensure and WC insurance requirements with DA investigators and EDD. The majority of JESF actions are criminal.

Following are statistics for LETF and JESF operations for January through September 2013:

LETF Legal Actions January – September 2013										
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Accusations	0	0	1	0	1	0	0	1	0	3
Admin Licensee Citations	14	20	24	13	20	16	19	13	24	163
Criminal Referrals - Licensed	1	1	0	1	1	2	1	1	2	10
Criminal Referrals - Unlicensed	14	2	31	45	100	21	25	36	24	298
Admin Non-Licensee Citations	15	22	21	30	33	21	8	25	20	195
Stop Orders	19	23	25	30	39	23	13	27	33	232
Total Actions										669
2013 LETF Stop Orders										
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
Licensee Stop Orders	12	18	12	18	20	14	6	16	19	135
Unlicensed Operator Stop Orders	7	5	14	12	19	9	7	11	14	98
Policies Obtained	5	6	18	10	14	2	7	8	20	90
Licenses Suspended	11	4	3	5	2	1	8	3	6	43

MOU-Related Outstanding Liabilities (JESF)		
January – September 2013		
TOTAL LIABILITIES	Liability Suspension	Penalty Recovered
CSLB, EDD, DOSH, DLSE, & FTB	\$25,883,218.74	\$11,963,362.91
EDD Only	\$19,753,203.44	\$6,980,443.71



Training Update

As part of CSLB's Strategic Plan, the Enforcement division has an ongoing commitment to create a training curriculum for staff that includes basic enforcement procedures, a mentoring program, and specialized training. Following is a list of training that has been conducted during the 2012-13 calendar years:

- 1. Module 1: Basic Investigative Techniques** **January – June 2012**
This course was developed by CSLB management staff in conjunction with retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin. The course was an eight-hour block of instruction on basic investigative techniques, roles and responsibilities of an investigator, effective case management, overview of rules of evidence, and elements to B&P Code sections: 7107 (abandonment), 7116 (fraud), and 7125.4 (false reporting of a WC insurance exemption certificate).
- 2. Module 2: Interview Techniques** **January – June 2012**
This course was designed to enhance enforcement representatives' interview techniques; understand the importance of obtaining accurate statements, admissions, and confessions; and prepare to provide expert testimony in court and at administrative hearings. The course included a workshop for participants to test their interview skills in several CSLB-related scenarios.
- 3. Bankruptcy Case Law & Impact on Enforcement** **February 2012**
This one-day course was provided by Supervising Deputy Attorney General (SDAG) Marc Greenbaum and his staff. The training included an overview of bankruptcy case law and the impact that a bankruptcy filing has on CSLB Enforcement actions and a consumer's ability to recover financial restitution.
- 4. Security Assessments for Enforcement Staff** **February 2012**
Dr. Steve Albrecht discussed workplace violence in addition to violence as a process. Staff learned techniques to identify "danger zones" in the field, the importance of preplanning, scene containment, and scene management. This training helps staff effectively document threatening statements and behaviors.
- 5. Northern California Fraud Investigators Association** **March 2012**
This three-day course brought together law enforcement, prosecutors, civil attorneys, corporate leaders, insurance personnel, and designated Enforcement staff to address common issues in the fight against fraud. Last year's conference featured over 40 guest speakers and had over 400 attendees. Annual anti-fraud education and networking are fundamental to prosecuting fraud and related crimes.
- 6. Improving Enforcement Skills** **April 2012**
Enforcement staff was invited to learn about interpersonal dynamics and emotional intelligence in this course, given by Sommer Kehrl, Ph.D. Training highlights included personal and social competence skills along with self-management skills that play key roles in successful job performance.



- 7. Advanced Negotiation** **April 2012**
This interactive seminar focused on advanced techniques and principles for improving negotiation effectiveness. Designated staff attended this training, which concentrated on sharpening existing skills and deepening practical and theoretical knowledge of fundamental principles of successful negotiation.
- 8. Supervisor Training** **June 2012**
Enforcement Supervisors were invited to attend the Centre for Organizational Effectiveness' Enforcement Supervisor I training held in Sacramento and Norwalk. Supervisors brushed up on techniques to improve their supervisory skills. Enforcement Managers served as presenters during the training and discussed CSLB challenges and changes.
- 9. Basic National Certified Investigator/Inspector Training (NCIT)** **June 2012**
This three-day course provided hands-on training and a certification program in investigation and inspection techniques and procedures. Staff learned specifics regarding professional conduct, principles of administrative law and the regulatory process, the investigative process, and the principles of evidence. In addition, investigators were instructed on interview techniques, report writing, and testifying in administrative and criminal proceedings. Upon completion of the course and successful completion of the final exam, investigators received certification by the Council on Licensure, Enforcement and Regulation (CLEAR).
- 10. Module 3: Effective Report Writing** **Third Quarter 2012**
This course was designed to assist ERs by enhancing their writing skills to create professional, accurate, and complete investigative reports. Emphasis was given on credibility, proofreading, and ensuring findings will pass scrutiny during a trial or hearing. The class included a practical report-writing exercise and an exercise where participants engaged in a mock trial.
- 11. Elder Abuse Training** **September 2012**
This two-day course, offered to CSLB peace officers, gave an in-depth look at gypsy and traveler crime, "non-traditional organized crime" groups, crimes committed against the elderly, ruse entry and impostor burglaries, and how to deal with investigative impediments.
- 12. Improving Employee Performance & Accountability** **September/October 2012**
This two-day course, offered by CPS for Enforcement Supervisors and Enforcement Managers, stressed the importance of job documentation, communicating expectations, and coaching employees to ensure success. Participants learned steps to identify and establish performance measurements and conduct the Performance Appraisal/Individual Development Plan. Most important, participants learned how to motivate employees to change behavior, and the steps to sustain performance levels.
- 13. DCA's Enforcement Academy** **October/November 2012**
DCA's Enforcement Academy provides a strong foundation of knowledge and practices for employees who perform enforcement functions while creating an opportunity for individuals from all of DCA's boards, bureaus and divisions to network and learn from



one another. The Academy is one week long and must be attended in its entirety for successful completion.

14. Enforcement Supervisor I and II Team-Building Workshop **October 2012**

This one-day course, offered by the Centre for Organization Effectiveness, was designed to assist with bridging and team-building between Enforcement Supervisors and Enforcement Managers. Attendees learned ways to improve working relationships and develop strategies to ensure statewide continuity regarding employee hiring, case reviews, calendars, and work expectations.

15. Professional Assistants Academy **December 2012**

This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: the changing role of the office professional; understanding interpersonal style differences; creating a positive image; service orientation; organizational savvy; characteristics of high-performing teams; a writing, proofing and editing lab; career management; communication skills; and negotiation and conflict resolution skills. This course was successful in Southern California last year and is now being offered to Office Assistants, Office Technicians, and Program Technicians in Northern California.

16. CSLB's Penal Code 832 Equivalent Course **January/February 2013**

This four-day course focused on the laws of arrest, search and seizure. The class was offered to Northern California staff from January 7-10 in Sacramento and to Southern staff in West Covina February 4-7. The course is similar to the Commission on Peace Officer Standards and Training (POST) course, excluding the hands-on physical methods of arrest (handcuffing and control holds). Staff was required to pass a final exam. The course was taught by Retired Annuitant Doug Galbraith, who has instructed POST's PC832 class for many years at a community college.

17. Criminal Investigation Meeting **March 2013**

Over 100 Enforcement staff attended Consumer Fraud Investigation and Case Filing presentations that were held throughout the state. Riverside County Senior Deputy DA (DDA) Elise Farrell, DDA Homan Hosseinioun, and Senior DA Investigator Paul Pantani presented an overview of identifying and investigating criminal violations, writing effective reports, and tips for successfully referring a criminal complaint to a local prosecutor.

18. SOLID Writing Workshop **May 2013**

DCA's SOLID Training Solutions provided a writing workshop to nearly 50 Norwalk staff. SOLID customized the class, which was a blend of their Basic Writing Skills and Effective Business Writing courses specially developed for Enforcement staff. The workshop offered practical hands-on exercises designed to develop skills needed to write clear, complete content to convey a credible message and project a professional image. Class topics included preparing business letters, memos, and professional email; developing an appropriate tone for your audience and purpose; organizing information and prewriting; and revising and proofreading your work.

**19. DCA's Division of Investigation Peace Officer Training****June 2013**

DCA's Division of Investigation developed a customized defensive tactics training module for CSLB peace officers. Peace officers were trained on defensive tactics, development of verbal skills, and investigative strategies.

20. Elder Abuse Training with San Diego County DDA**August 2013**

CSLB peace officers met with San Diego County DDA Attorney Paul Greenwood to discuss his experiences in prosecuting elder abuse investigations. Greenwood has served as the supervisor of San Diego County DA's Elder Abuse Unit for the last 17 years. Each peace officer was encouraged to bring a pending elder abuse investigation to discuss with the group. DDA Greenwood dispelled several common myths regarding elder abuse investigations and provided a list of elements that need to be present. He also reviewed relevant case law. The information provided to staff will play a crucial role in having more success in the prosecution of these cases.

*** NEWS RELEASE ***

UNLICENSED CONTRACTOR PLEADS TO TWO CASES INVOLVING ELEVEN FRAUDULENT FELONIES AND TEN MISDEMEANORS

FOR IMMEDIATE RELEASE

November 1, 2013

**CONTACT: CAROL REED, Deputy District Attorney
(831) 755-5128**

Monterey County District Attorney Dean D. Flippo announced today that Danny Jess Langley, age 54 of Pacific Grove, pled to all charges in two cases. The charges included eleven felonies of Premium Insurance Fraud, Insurance Fraud, five counts of Using a False Contractors License, Filing a False Document, Grand Theft, Forgery and Failing to Register as an Employing Unit and ten misdemeanors that included two counts of Failure to Secure Workers' Compensation Insurance, five counts of Contracting without a License, two counts of Advertising as a Contractor and one count of Failure to Observe a Stop Order. The defendant also admitted a special allegation that he suffered a prior violent felony conviction, also known as a "strike," and a special allegation that he committed felonies while out on bail. The defendant had previously been found to be in violation of two misdemeanor probation cases. The defendant will be sentenced by the Honorable Larry E. Hayes on December 12, 2013.

Langley was first cited in 2011 for contracting without a license and placed on probation. The defendant was again found to be contracting without a license, not having workers' compensation insurance for his employees and using a false contractor's license in May, 2012. Contractors State Licensing Board [CSLB] Investigator David Leary continued to receive information that Langley was committing the same and similar crimes by telling homeowners he was fully licensed and insured. The defendant was cited again in July, 2013 and issued a stop order to cease all work until he obtained workers' compensation insurance. CSLB Investigator Leary and District Attorney Investigator Mark Trueblood continued their investigation and uncovered the additional fraudulent crimes committed by Langley. These included making false statements to the State Compensation Insurance Fund (SCIF) to obtain a lower premium, filing a false document with CSLB, using a false contractor's license, grand theft and forgery. The defendant had stolen personal checks and credit card information from one homeowner while he was doing work at her house. The defendant was arrested on August 27, 2013 and has been in custody since his arrest.

Langley will seek to have the violent felony conviction "strike" allegation stricken by the Court. The District Attorney's Office intends to vigorously oppose that motion. If the strike allegation is not stricken and all charges and special allegations were to run consecutive the defendant's maximum exposure is 37 years and 2 months.

Homeowners can check to see if a contractor is licensed by going to the CSLB website at <https://www2.cslb.ca.gov/OnlineServices/CheckLicenseII/CheckLicense.aspx>. Employers are required to secure workers' compensation insurance for their employees so that there is an assurance of adequate medical coverage and other benefits for employees for any work-related injuries that may occur. The Workers' Compensation Unit of the District Attorney's Office investigates and prosecutes cases involving applicant fraud, employer fraud, premium fraud, provider fraud and employers who do not carry workers' compensation insurance.

AGENDA ITEM F-3

Possible Update on Electrician Certification Enforcement Policy





CONTRACTORS STATE LICENSE BOARD

PARTNERSHIP WITH RIVERSIDE COUNTY

Unlicensed Contractor Makes Death Threats

A homeowner in Menifee, California, entered into a verbal contract with non-licensee Alfredo Guerrero to perform extensive concrete work in the front, side, and back yards of his new residence. Mr. Guerrero's business card falsely stated that he was fully licensed and insured.

After work began, the homeowner became increasingly concerned with the project's slow progress, poor quality, and Mr. Guerrero's aggressive solicitations for additional work. When a city building inspector announced that Mr. Guerrero's work was not in compliance with local building code, the homeowner terminated the project. The homeowner already had paid Mr. Guerrero over \$4,200 in cash, but the contractor demanded more money he claimed to be owed. When the homeowner refused to pay, Mr. Guerrero threatened to kill the homeowner and his family. The homeowner immediately called 911 and armed himself with his gun.

Approximately 15 minutes later, Guerrero arrived at the homeowner's residence and physically forced his way into the home. When the homeowner ordered Guerrero to leave at gunpoint, the contractor retreated outside and was met by arriving Sheriff's deputies. The Sheriff's Department elected not to arrest Mr. Guerrero. However, the homeowner was not finished with Mr. Guerrero: he obtained a restraining order, filed a civil lawsuit (which later resulted in a \$7,500 judgment), and filed a consumer complaint with CSLB.

CSLB's San Bernardino office peace officer completed a thorough investigation, and obtained a full admission from Mr. Guerrero. The case was referred to the Riverside County District Attorney's office for criminal prosecution. On February 28, 2013, Deputy District Attorney (DDA) Lauren Dossey skillfully negotiated a plea bargain with Guerrero, which included guilty pleas to Penal Code (PC) section 422, criminal threats; two counts of PC 487, grand theft; two counts of Business & Professions Code (B&P) section 7028(a), contracting without a license; and two counts of B&P 7027.1, advertising without a license. On March 28, 2013, Mr. Guerrero was sentenced to the custody of the Riverside County Sheriff for 180 days, 178 days in a work release program, 36 months of formal probation, victim restitution in the amount of \$13,905, and payment of \$2,086 in administrative fees and fines.

Elder Abuse Leads to Revocation and Jail

For over two years, a rogue contractor preyed on unsuspecting homeowners in Riverside County, targeting owners of manufactured homes (many of whom were elderly). CSLB received numerous consumer complaints that were investigated by a CSLB peace officer and enforcement representative (ER). Allegations included the completion of unnecessary work, unregistered sales personnel, permit violations, lack of workers' compensation insurance, and misrepresentation. CSLB investigators partnered



with Riverside County District Attorney Investigator David Topping, and obtained a statement from the licensee regarding the projects and the questionable business practices. CSLB's assigned peace officer and ER recommended administrative legal actions against the licensee and referral to the Riverside District Attorney's Office for criminal prosecution.

A preliminary hearing for criminal charges was held on July 19, 2013. The CSLB peace officer coordinated an appearance by Deputy Attorney General Adrian Contreras pursuant to Penal Code section 23, and the contractor stipulated to the revocation of his license. On August 15, 2013, the contractor pleaded guilty to 39 counts of B&P 7159.5(a)3, excessive deposit, and Labor Code (LC) section 3700.5(a), lack of workers' compensation insurance. Two of the company's sales personnel each pleaded guilty to 26 counts of B&P 7153, selling without registration. The contractor was sentenced to one day in the county jail and three years of informal probation. Both salespeople were sentenced to one day in county jail and two years' informal probation.

All in the Family

CSLB's San Bernardino-based peace officer recently investigated two complaints filed by Riverside residents against convicted felon and repeat offender, Vake Tupou. Mr. Tupou previously had been issued three administrative citations by CSLB for unlicensed contracting; in March 2012, he pleaded guilty to contracting without a license and felony grand theft based on criminal investigation referrals filed by CSLB ERs. Riverside County DDA Lauren Dossey secured the plea bargain, which included 180 days of custody, formal probation for 36 months, and payment of victim restitution and fines. As part of the plea bargain, Mr. Tupou was allowed to enroll in an electronic monitoring program with an ankle bracelet.

In November 2012, one month after having his ankle bracelet removed, Tupou entered into separate construction contracts with two distant relatives who live in Riverside County. Mr. Tupou fraudulently used a license number and name style which belonged to a licensee who was another distant relative. One of the two contracts was for \$14,800, and included construction of a patio cover, concrete walkways, an outside barbeque, a retaining wall, and backyard landscaping. The second contract consisted of constructing a stamped concrete walkway, a patio cover, a masonry block wall, and backyard landscaping for \$6,200. Mr. Tupou completed both projects using day laborers, and the homeowners paid Tupou in full. However, the homeowners were not pleased with the substandard work and, despite the family relationship, they filed consumer complaints with CSLB.

CSLB's peace officer completed a thorough investigation, and is submitting his findings to the Riverside County District Attorney. The investigation supports prosecution of Mr. Tupou for violations of B&P 7028 (c), unlicensed contracting; B&P 7027.3, fraudulent use of incorrect license number; B&P 7159.5 (a)(3), excessive deposit; LC 3700.5, lack of workers' compensation insurance; and PC 1203.2, violating conditions of probation. In addition, CSLB's peace officer is investigating the licensee, who is



reportedly out of the country, for probable violations of B&P 7114, aiding and abetting a non-licensee, and B&P 125, misdemeanor offense by a licensee.

Unlicensed Contractor Absconds with Funds

In September 2006, non-licensee Edgar Torres was hired to provide labor and materials for the construction of a 564 ft. home addition, retaining wall, and deck for the contract price of \$62,770. The consumer in this case was lead to believe that Torres was a licensed contractor. Within three months, the consumer had unwittingly paid Torres over \$61,000 for a project that was only half complete. Torres then abandoned the project, leaving the consumer in financial disarray. The consumer was forced to complete the project through the assistance of their family and friends, as they had no money to hire a completion contractor.

A criminal disposition in the case of non-licensee Edgar Torres was realized through the diligent efforts of a CSLB ER and Riverside County DDA Lauren Dossey. Torres pled guilty to one charge of P.C. 484(b) and B&P 7028(a). He has been sentenced to be incarcerated for 270 days in county jail and fined \$1,345.48. Following his incarceration, Torres will be placed on probation for 36 months. The probation department will be responsible for determining the amount and payments for victim restitution.

Revoked Licensee Sentenced to Two Years in State Prison

Revoked licensee Christopher Heisser, dba Hamercop Homes Inc., was contracted to build two homes in La Quinta for approximately \$2.5 million each. After two complaints were filed, a CSLB investigator determined that Heisser forged the signature of one of the homeowners on construction loan documents and illegally obtained hundreds of thousands of dollars from the mortgage company. In addition, Heisser forged his brother's signature on a CSLB License Renewal form and on Secretary of State forms.

Based on the completed CSLB investigations, Homan Hosseinioun of the Riverside County District Attorney's Office filed criminal charges against Heisser for 42 counts of forgery/corruption of records, two counts of grand theft, one count of using the personal identification of another, and one count of unlicensed business transaction.

In a negotiated plea bargain, Heisser pled guilty to three of the charges, including two felonies. On January 5, 2012, Heisser was sentenced to serve two years in state prison and 180 days in county jail, with the sentences to run concurrently. He also was ordered to pay \$652,697 in victim restitution, with additional amounts to be determined by the Probation Department. Following the hearing, Heisser was taken into the custody of the Riverside County Sheriff for immediate delivery to Chino State Prison.

Riverside DA Provides CSLB Criminal Investigation Training

On Tuesday, May 17, 2011, 30 CSLB Enforcement staff from the five southern ICs and Norwalk SWIFT units attended training conducted by DDA Homan Hosseinioun at the Riverside County District Attorney's office.



The primary reason for Riverside County DDA Elise Ferrell suggesting her office conduct this training was to help our field investigators "think outside the box" when filing complaints with the prosecutor's office. Too often they submit a simple B&P 7028 misdemeanor case when, in fact, there are acts that violate one or more Penal Code sections which are felonies, and should be included in the investigator's report.

Among the agenda topics was Proposition 115 Case Law. Staff was treated to an interesting video depicting investigators and law enforcement officers taking witness statements and gathering evidence to prepare an investigation report for a criminal case. From the video and training by DDA Hosseinioun and his colleague Lauren Dossey, staff became "Prop. 115-certified" by the end of the training. This allows CSLB's ERs to testify to hearsay evidence in preliminary criminal hearings.

Definitions and examples of hearsay evidence were introduced in the video along with the DDA presentation and handouts, including abbreviated "cheat sheets" for future reference.

There was a brief overview of the most common Penal Code, Business & Professions Code and Labor Code sections which the DA's office would like our staff to consider when investigating consumer complaints against non-licensees and licensees. Staff was provided a handout listing several of the charging sections, statute of limitations for each, and correlated punishment for each violation. Staff also received a sample of a search warrant and was advised that obtaining a search warrant for bank records, for example, is not a difficult process. In fact, their own investigator is able to assist CSLB staff in preparing and serving the search warrants.

Senior DA Investigator Scott Michaels spoke to the group from an investigator's perspective. The three points he asked all investigators to remember when conducting their investigations - and writing for the DDA, judge and defense counsel - is to 1) Record all interviews, primarily with the complainant/victim and respondent/suspect; 2) Document everything pertinent to support the elements of a crime, and paraphrase (in the body of the report) the statements of all parties whose complete statements are on the digital recorder (to be transcribed and provided on a CD at time of hearing), and 3) Ask Questions of the DDA, a DAI, supervisors and managers before, instead of after, the case is submitted to the prosecutor. It is better to give the DA's staff a correct and thorough investigation report than to have it kicked back for more information, or have it rejected altogether.

Staff was interested and enthusiastic about the information they were given, and are now better prepared to recognize felony Penal Code violations when they see them (ex: elder abuse, burglary, grand theft, ID theft, and extortion - all related to construction activities).

AGENDA ITEM G

Public Affairs Committee Report



AGENDA ITEM G-1

Public Affairs Update





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, including Senior Scam StopperSM and Consumer Scam StopperSM seminars, speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and intranet content.

STAFFING UPDATE

PAO is fully staffed with six positions. Interviews are underway to hire a part-time Student Assistant. The position may be filled by the Board meeting date. Also of note, PAO staffer Tom O'Hair recently took second place in CSLB's annual chili cook off.

WEBSITE HIGHLIGHTS

Intranet Redesign Project

A new employee-only intranet site was launched on November 18, 2013. The new site, called **CSLBin**, features the latest employee news and photos, along with easier-to-find forms, policies, and other information used by staff around the state.

The site also features bios of all Board members, an enhanced staff phone list, event calendar, 10-second employee bio features, and photo slide shows.

The CSLB intranet site is completely separate from the website. It is impossible for the general public to access any part of the intranet.



Website Redesign Project

PAO staff is working with Information Technology (IT) staff to design and develop an entirely new CSLB website. The website will utilize the latest state templates (current cslb.ca.gov on left and draft of new site shown on right).

The new template will make content management more efficient. Another benefit of the new site will be its adaptability to be viewed on smart phones and tablets. Currently, CSLB employs a mobile site with basic features, including a license look-up. As part of the project, every page on the current website will need to be recoded.

It's hoped that the new website will launch by spring 2014.



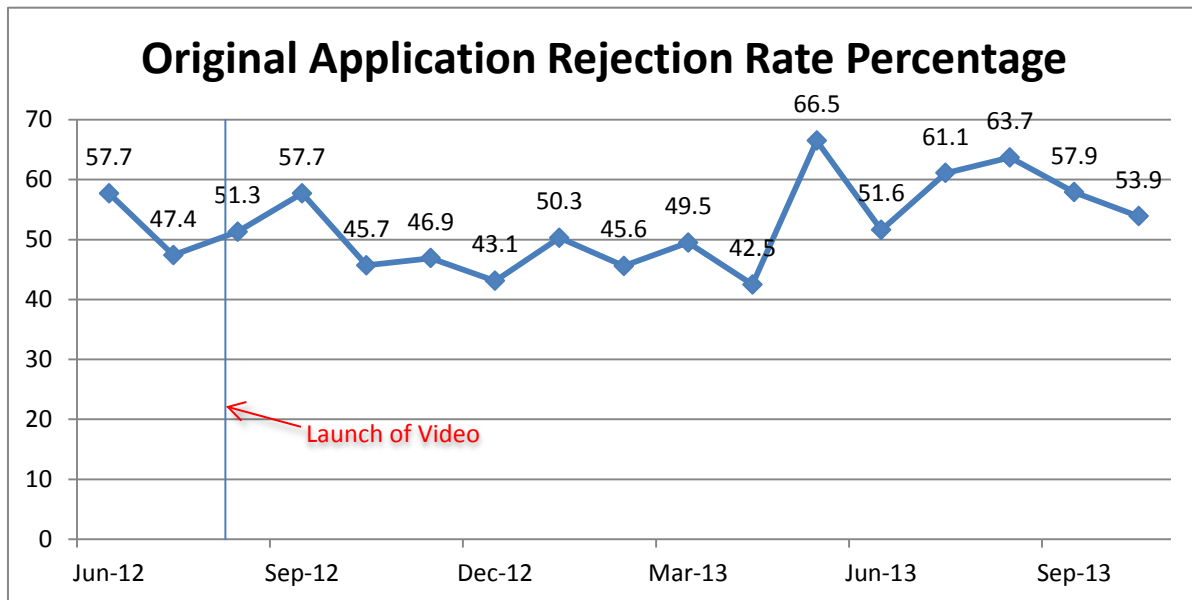
Application Instructional Video

PAO continues to work with Licensing division staff to track changes to the application rejection rate, following release of a tutorial video that explains how to correctly fill out a CSLB license application. The video was launched August 28, 2012; it can be viewed in its entirety, or in individual sections.

Through November 13, 2013, the entire video has been viewed 21,117 times, an increase of 3,933 since the September Board meeting. Videos of individual sections have been viewed a total of 35,348 times, an increase of 6,535 since the September Board meeting. The total number of video views is 56,465.

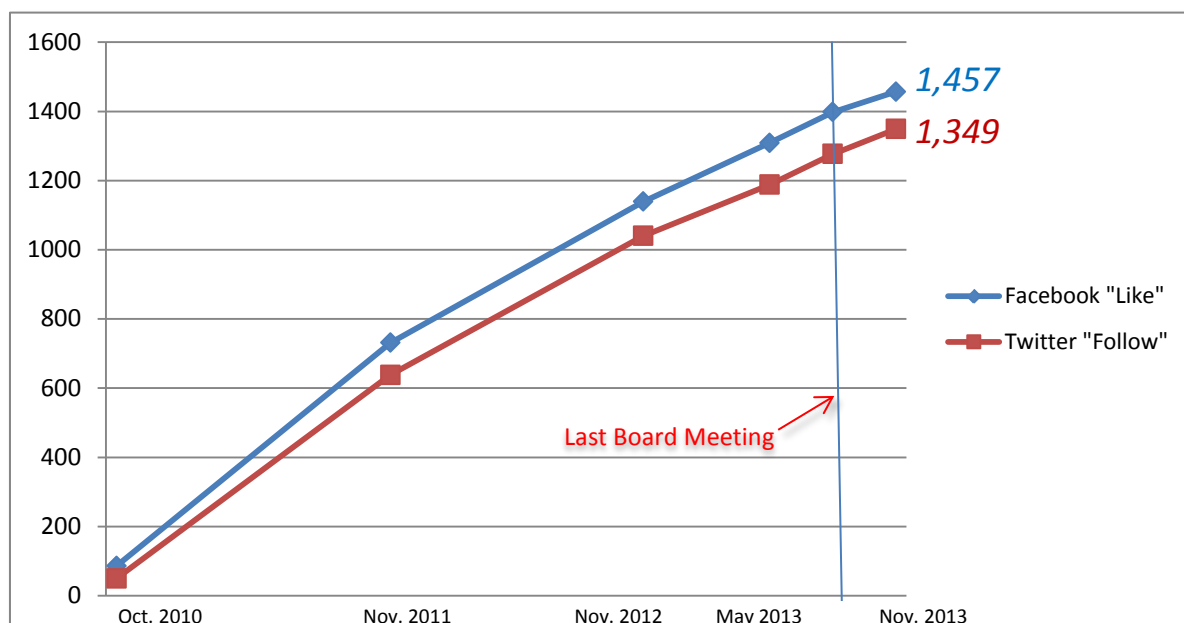
For no specific reason, rejection rates have bounced up and down over the past seven months. The April 2013 rejection rate (42.5%) was the lowest rate since the launch of the video. But that number jumped to 66.5% in May and has fluctuated between 51.6% and 63.7%.

PAO will work with Licensing staff to determine if there are other opportunities to let potential applicants know about the application video.



Social Media

CSLB steadily continues to gain followers of its Twitter feed and Facebook pages. PAO staff continues to monitor demographic data and track the number of “likes” and “followers.” As of November 20, 2013, 1,461 individuals, businesses or other government entities “like” CSLB’s Facebook page. This equals a 3.5% increase over the past three months. A total of 1,351 “follow” CSLB on Twitter. We typically gain about 10 followers per month.



Between September 6, 2013 and November 20, 2013, 15 new items were posted to CSLB's Facebook page.

The top post was on November 4, 2013, regarding a sting operation conducted in Yucaipa. The posting received 1,400 views.

The second most popular post was a September 16, 2013 link from KSTS-TV, the Telemundo television station serving the San Francisco Bay Area. The link was to a story regarding a CSLB Spanish language statewide media tour.



Statistically, most of our Facebook fans (nearly 10%) are accessing our page from the Los Angeles area; 68% of our Facebook followers are men between the ages of 35-54 years old.





PAO also maintains a YouTube channel, which includes videos of Board and Committee meetings, sting operations, and educational materials. As of November 20, 2013, there have been 196,535 total views of videos, an increase of 30,169 or 15.4% since the last Board meeting. Five new videos have been posted since the last meeting, bringing to 37 the total number of videos on CSLB's YouTube Channel.



Email Alert Feature

PAO continues to publicize a website feature launched in May 2010 that allows people to sign up to receive up to four different email alerts from CSLB.

Subscribers can receive alerts for:

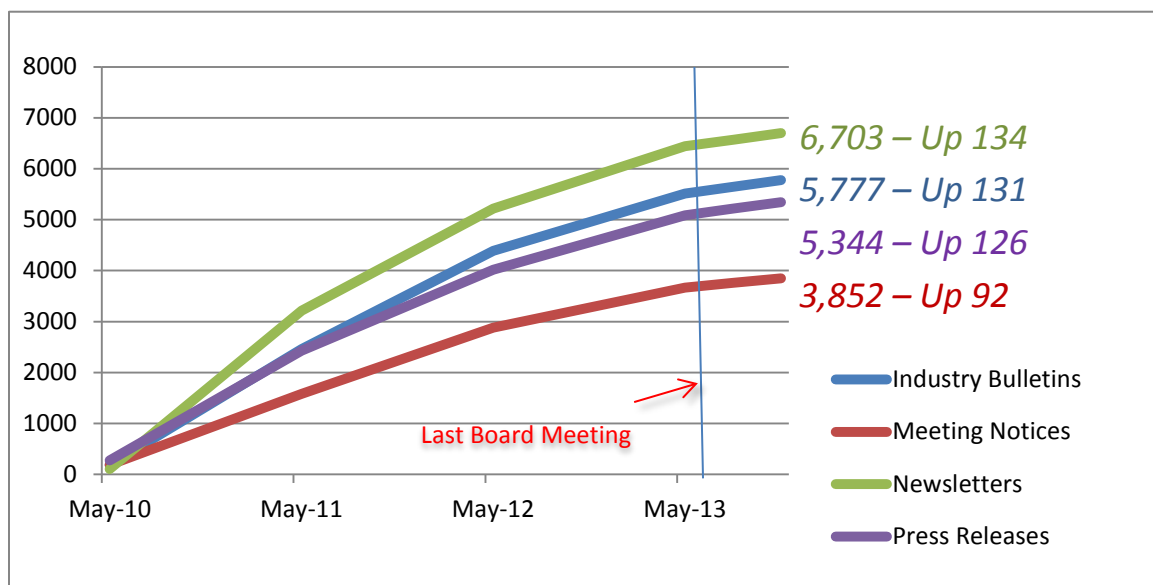
- *California Licensed Contractor* newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas



A continual slow build of subscribers continues, with a total of 21,676 subscriptions activated since the September Board meeting, an increase of 483. The increase in each category is noted in chart on next page.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,445 active email addresses, which brings the combined email database to 100,121 addresses.

Email Alert Sign-Up Statistics





MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between August 24, 2013 and November 20, 2013, PAO staff responded to more than two dozen media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets. PAO staff was interviewed for an extensive interview for Angie's List. In addition, CSLB utilized new video equipment to shoot an interview for KBAK-TV in Bakersfield, and sent the video file to the reporter over the Internet.

Media Contact Service

PAO continues with a subscription to an online media contact database service. This service allows staff to quickly build updated lists of media contacts throughout the state and nation. This helps guarantee that media outreach gets the greatest possible coverage. In addition, the service has opened up new media opportunities, especially for industry-related media.

Media Event

PAO staff conducted a press event in Salinas on October 14, 2013, to promote the results of the *Fall California Blitz*. A total of 75 people faced various criminal charges after being caught during six undercover sting operations at locations throughout California.

The news conference was held at the offices of the Monterey County District Attorney. Attendees at the news conference included Monterey County District Attorney Dean Flippo, Secretary of the Business, Consumer Services and Housing Agency Anna Caballero, CSLB Board Chair Joan Hancock, and a licensed contractor.



Widespread media coverage resulted from the event from simultaneous outreach to media around the state. Sting operations were held in Seaside, Banning/Poppet Flats, Clovis, Ontario, Roseville, and South Lake Tahoe.

**News Releases**

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between August 24, 2013 and November 20, 2013, PAO distributed nine news releases.

Release Date	Release Title
August 27, 2013	Ventura County Grand Jury Indicts Revoked CSLB Licensee Avi Gozlan after Elaborate Scheme to Defraud Consumers
August 29, 2013	Fake Contractors, and Real Ones Not Following Rules Get Surprised at CSLB Roseville Sting
August 30, 2013	Unlicensed Electrician Being Held Without Bail After Arrest at Monterey County Superior Court House
September 4, 2013	Unlicensed Contractor Convicted in Monterey County Elder Abuse Case Sentenced to State Prison
September 27, 2013	CSLB Undercover Sting in Santa Monica Leaves Unlicensed Painters Feeling Blue
October 14, 2013	Sex Offenders, Convicted Felons Snagged in Contractors State License Board Statewide Sting
October 18, 2013	Fifteen Unlicensed Operators Caught in One-Day Kern County Undercover Sting Conducted by Contractors State License Board
October 25, 2013	Repeat Offenders Caught Working Illegally in Yucaipa by Contractors State License Board
November 8, 2013	CSLB Undercover Sting in Artesia Catches All First-Time Offenders

Media Training

PAO staff has completed media training for Statewide Investigative Fraud Team (SWIFT) staff. Training was conducted on:

- September 25, 2013 – Fresno
- October 1, 2013 – Sacramento
- October 30, 2013 – Norwalk

Future training sessions will be conducted for other Enforcement staff.



INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

The fall 2013 online edition of the licensee newsletter, *California Licensed Contractor*, was posted online on October 3, 2013. Three of the four quarterly newsletters are published online only; one edition per year is printed and mailed.



Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to almost 5,800 people and various groups. Distribution includes those who signed up to receive the bulletins via CSLB's Email Alert system. No Industry Bulletins were distributed since the last Board meeting.

NASCLA Articles

CSLB was prominently featured in an October 2013 newsletter produced by the National Association of State Contractors Licensing Associations (NASCLA).

Articles included:

- State Member Spotlight – Overview of CSLB
- State Member News – Story focused on qualifiers who “rent” licenses being criminally charged in California



A copy of the newsletter is included at the end of this report.



VIDEO PRODUCTION HIGHLIGHTS

New Video Production Equipment

PAO has taken delivery of new video equipment. The equipment is helping PAO expand its abilities to produce professional quality videos, as well as live and recorded Web events.

It was determined that one of the main pieces of equipment received was defective. It was shipped back to manufacturer in Texas, repaired and returned to PAO. It is now working properly.

As a result, PAO has now taken over the responsibility from DCA to provide live Web streams and audio services of all CSLB meetings. The first PAO-produced meeting was held on November 18, 2013.

Previously, meetings were streamed with one camera, limiting the ability to show people speaking and other items of importance at meeting.



Meetings are now shot with a minimum of three remotely-controlled high-definition cameras, with live meeting streams placed on the home page of CSLB's website.



**Screen Shots from November 18, 2013 Web Stream**

PAO plans to provide a live Web stream of a Licensing division training seminar for licensing schools on December 4, 2013. Archives of web streams are placed on CSLB's YouTube channel for later viewing.

Electronic Monitoring Equipment

PAO is working with Enforcement division staff to research equipment that may assist Statewide Investigative Fraud Team members during undercover operations. The equipment will help staff communicate during operations, as well as helping them be more efficient in the gathering and maintenance of audio and video surveillance evidence.

PUBLICATION HIGHLIGHTS

Following is a status of CSLB publications (print and online) that are in production:

Completed

- Fall 2013 *California Licensed Contractor* newsletter (online)
- New licensee wall certificates
- New 10 Tips cards

In Production

- Consumer Guide (booklet)

In Development

- Contractor/Applicant Guide (booklet)
- Contractor Outreach Materials
 - Checklist of Consumer Questions During Bid
 - Why You Should Hire a State-Licensed Contractor



- Building Permit Information
- Contractor Insurance and Bond Information
- Contractor Reference form

COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars

PAO staff work with legislators, members of Congress, state, and local agencies and community-based organizations on an ongoing basis to coordinate Senior Scam StopperSM (SSS) seminars and to participate in other community events around the state. Senior outreach helps inform and empower a vulnerable population against fraud at the local level, and brings government to the people.

The Senior Scam StopperSM seminars are becoming more popular, especially among newly-elected legislators. They are pleased with the seminar and feedback from constituents, and often reschedule (Asm. Jim Frazier, Richard Bloom, Rich Gordon, Mike Gatto and Bill Quirk; Rep. Scott Peters and Eric Swalwell are examples of legislators who scheduled more than two this year.) In addition, several legislators value the program, and routinely schedule one-two per year.

As of November 14, 2013, 71 seminars have been conducted in 2013. The average attendance has been 60. Seventy-six seminars will be held in 2013, bringing the total number conducted since 1999 to 299.

The 300th SSS is tentatively scheduled for January 10, 2014, with Assembly Member Luis Alejo. Secretary Anna Caballero will be in attendance. Last year, 50 seminars were held with an average attendance of 57.

The following seminars have been conducted or were scheduled since the Board's September meeting:

Date	Location	Legislative/Community Partners
September 6, 2013	Rolling Hills Estates	Asm. Al Muratsuchi
September 18, 2013	Hollister	Asm. Luis Alejo
September 19, 2013 AM	Los Angeles	Asm. Jimmy Gomez
September 19, 2013 PM	Whittier	Sen. Ron Calderon
September 20, 2013	San Leandro	Asm. Rob Bonta
September 25, 2013	Downey	Sen. Ron Calderon



Date	Location	Legislative/Community Partners
September 26, 2013	Manhattan Beach	Sen. Ted Lieu
September 27, 2013	Redwood City	Sen. Jerry Hill/Richard Gordon/Asm. Kevin Mullin
October 3, 2013	Los Angeles	Asm. Mike Gatto
October 4, 2013	Brentwood	Asm. Richard Bloom
October 7, 2013	Pleasanton	Sen. Ellen Corbett
October 15, 2013	LaVerne	Sen. Carol Liu/Asm. Chris Holden
October 16, 2013	San Lorenzo	Rep. Eric Swalwell/Asm. Bill Quirk
October 18, 2013	Millbrae	Asm. Kevin Mullin
October 21, 2013	San Leandro	Rep. Eric Swalwell/Asm. Bill Quirk
October 23, 2013	Antioch	Asm. Jim Frazier
October 24, 2013	Riverside	Asm. Jose Medina
October 25, 2013	Fountain Valley	Sen. Lou Correa
October 29, 2013	Palo Alto	Asm. Richard Gordon
October 30, 2013	Fairfield	Asm. Jim Frazier
October 31, 2013	Monterey Park	Asm. Ed Chau
November 4, 2013	San Diego	Rep. Scott Peters/Sen. Marty Block
November 7, 2013	San Dimas	Sen. Carol Liu/Asm. Chris Holden
November 13, 2013	Fresno	Asm. Henry Perea
November 14, 2013	Downey	Barbara Riley Senior Center
November 18, 2013	South Pasadena	Sen. Carol Liu
November 19, 2013	Sunnyvale	Asm. Richard Gordon
November 22, 2013	San Mateo	Sen. Leland Yee
December 11, 2013	Agoura Hills	Asm. Richard Bloom
December 12, 2013	San Diego	Rep. Scott Peters



Board members are also encouraged to attend. The following members have attended seminars in 2013:

Board Member	# of Seminars	Dates / Locations
Pastor Herrera	13 Seminars	April 18 – La Canada April 16 – South El Monte May 8 – Los Angeles May 10 – Huntington Park May 17 – Baldwin Park July 26 – Santa Fe Springs July 29 – Huntington Park August 2 – Los Angeles August 9 – West Hollywood September 19 – Los Angeles September 26 – Manhattan Beach October 3 – Los Angeles October 4 – Brentwood
Matt Kelley	Two Seminars	January 11 – Sacramento January 15 – Sacramento
Kevin Albanese	One Seminar	August 23 – San Jose

Consumer Scam StopperSM Program

The Consumer Scam StopperSM (CSS) program is an outgrowth of the Senior Scam StopperSM program, and was launched in September 2012. It is aligned with CSLB's mission to provide valuable information to help consumers make informed choices related to construction and home improvement.

CSS seminars are for all ages and audiences, and include a tailored one-hour presentation regarding identifying and reporting fraud. Most seminars will be conducted in the Sacramento area until other staff is trained.

NATIONAL ASSOCIATION OF STATE CONTRACTORS LICENSING AGENCIES NEWSLETTER



Volume 9, Issue 4

October 2013

NATIONAL ASSOCIATION OF STATE
CONTRACTORS LICENSING AGENCIES



It is an honor and privilege to serve again as NASCLA's president. Thank you for the confidence you have in my leadership. I am looking forward to a productive and exciting year.

As we head into the season of autumn, and foliage begins to change to vibrant colors, I can't help but reflect on how much NASCLA has changed and what has been accomplished over the last decade when I first served as president. The achievements and accomplishments of this great organization were recently showcased at our conference in Coeur d'Alene, Idaho. Under the dedicated leadership of Steve Pinther, NASCLA started to set the course for our next 50 years. As one of our past presidents, Craig Smith, put it so eloquently, "NASCLA is only as good as its members choose to make it." We are very fortunate to have new and hardworking members who have stepped up to participate in committees and contribute their time and talent to this association.

NASCLA's excellent staff led by Executive Director, Angie Whitaker, are dedicated, loyal, and efficient in managing, planning and organizing all publications, meetings, and events. This talented staff is truly instrumental to our success. They are the heart of this organization.

NASCLA's purpose is to assist states with important issues facing them concerning licensing, education, and public safety. Our success is dependent upon our ability to execute and fulfill our mission statement and strategic plan. This year we plan to further develop our strategic plan and I am most fortunate to have a dedicated team of elected officers and committees working together with our professional staff members to achieve this objective. The key to our continued progress and development is teamwork.

Our past president and those before him have set the foundation upon which we will continue to build, from expanding our publications and examination program, to the development of new programs for education and the work of the NASCLA Model Legislation and Special Projects Committees. Dedicated committee members and respected chairs have accomplished so much already and will hopefully continue to deliver new and exciting ventures for the future. Forming partnerships with respected members of the construction industry and consumer protection agencies will further enhance NASCLA's ability of assist states with a wide range of expertise, education, and training.

As NASCLA grows and prospers, we must maintain our focus on why NASCLA exists. NASCLA is dedicated to the mutual assistance of its members in striving for the better regulation of the construction industry to protect the health, welfare and safety of the general public. Our goal is to help provide states with the necessary tools to achieve excellence in licensing and registration programs. NASCLA is a great forum to bring states together rather than standing alone. The passion of our members, along with the ideas generated, have set the course for the upcoming years. TOGETHER we will work to achieve all our objectives.

Enjoy the upcoming holidays with your friends and family. I look forward to our mid-year meeting in Las Vegas, Nevada where we will be developing our new strategic plan for the future of NASCLA.

Yes, things are changing all around us. Yet, one thing remains constant: NASCLA's continued commitment for excellence. Thank you for all your help as we embark on this journey together.

George Whalen
NASCLA President

NASCLA STATE MEMBER SPOTLIGHT!

Inside This Issue:

NASCLA President
Message 1

NASCLA State Member
Spotlight 2-3

NASCLA Officers, Board of
Directors & Committee
Members 4-7

NASCLA 2013 Annual
Conference 8-9

NASCLA Committee
Reports 11-14

Qualifiers Who "Rent"
License Criminally Charged
in California 15

Maryland Law Slams Door on
Shady Contractors 16

Featured NASCLA
Resource 17

NASCLA Calendar of
Events 17

Meeting New NASCLA
Members 18

The Contractors State License Board licenses and regulates about 300,000 contractors in 43 classifications, and is regarded as one of the leading consumer protection agencies in the United States. CSLB also registers about 9,000 home improvement salespeople. In fiscal year 2012-13, CSLB helped recover nearly \$44 million in ordered restitution for consumers.

CSLB was established in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards. Today, it operates within the California Department of Consumer Affairs.

A 15-member Board appoints CSLB's executive officer, or Registrar of Contractors, and directs administrative policy for the agency's operations. The Board includes nine public members (eight non-contractors and one local building official), five contractors, and one labor representative. Appointments are made by the governor and the legislature.

Stephen P. (Steve) Sands has served as Registrar of Contractors since January 1, 2001. He serves as the CSLB executive officer and oversees a \$60 million budget and more than 400 employees at CSLB headquarters in Sacramento and 10 other offices around the state.

Under Mr. Sands' leadership, CSLB has been recognized as a leader in proactive enforcement programs and partnerships with state and local agencies that help curb the underground economy. CSLB's Licensing, Examination, Enforcement, and Public Affairs programs have been used as models for national contractor agencies, as well as other agencies within the Department of Consumer Affairs.

CSLB's headquarters office receives and processes applications for new licenses, additional classifications, changes of license records, and license renewals. Headquarters staff reviews and maintains records of disciplinary actions initiated by the regional offices and provides other support services. This office also provides information on the status of a license as well as the verified certificates of licensure used in court or other actions. Headquarters directs the activities of the field offices and initiates all disciplinary actions resulting from their investigations. Field office staff investigates consumer complaints against licensed and unlicensed contractors. CSLB's Statewide Investigative Fraud Team (SWIFT) focuses on the underground economy and on unlicensed contractors by conducting proactive stings and sweeps to help curtail illegal contracting, and cites those who are not licensed.

CSLB holds regularly scheduled public meetings throughout the state. These meetings provide the public an opportunity to testify on agenda items and other issues.

CSLB provides a comprehensive website and a toll-free line with call center agents during business hours as well as the automated telephone system feature that



Steve Sands, Registrar of the California
Contractors State License Board

NASCLA STATE MEMBER **SPOTLIGHT!**



provides consumer and contractor information 24/7. The board provides an opt-in feature to receive automatic Email Alerts about news and meetings.

Partnerships with other state agencies and industry organizations—such as the California Energy Commission, Department of Industrial Relations,

Employment Development Department, Franchise Tax Board, California Association of Specialty Contractors, Labor Enforcement Task Force, Joint Enforcement Strike Force, local building departments, and others have extended CSLB's enforcement resources and helped provide stronger consumer protection. As a result, 3,454 legal actions were taken against unlawful contracting practices in 2012; 1,188 were referred to local prosecutors. More than \$13 million in restitution was the result of establishing new programs and partnerships.

About 450 active jobsite sweeps and 87 undercover sting operations were conducted in 2012 by CSLB's Enforcement division.

CSLB receives about 20,000 complaints against contractors each year. Mediation and arbitration programs provided through CSLB's Enforcement division enable resolution for disagreements between consumers and contractors to help avoid costly court cases.



CSLB administers about 50,000 examinations each year for original licenses and added

classifications in its eight statewide testing centers through the use of a computer-based software program developed by CSLB's IT division.

CSLB authors and/or takes part in the legislative processes that create, enhance or clarify state laws and regulations related to the construction industry.

CSLB's Licensing division processes applications for original, added classification(s), and renewal(s), and for certifications.



In addition to news conferences and regular news releases about CSLB's operations, the Public Affairs Office Outreach Program teams with legislative offices and other state and local regulatory and law enforcement agencies to provide more than 50 Senior Scam Stopper SM and Consumer Scam Stopper SM seminars each year to educate consumers about legal contracting and how to avoid fraud.

CSLB Board meetings are held quarterly throughout California, and Board Committee meetings are held as needed. CSLB also partners with Border States to enhance enforcement efforts and share best practices.



NASCLA FY 2013/2014 OFFICERS



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Conditioning and Refrigeration
Contractors



Keith Warren
Executive Director
Alabama Electrical Contractors
Board



J.R. "Chip" Carden, Jr.
Executive Director
Alabama Home Builders
Licensure Board



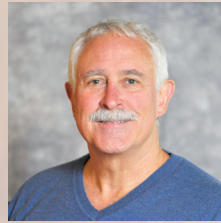
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General Contractors



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Examining Board



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Tennessee Board for
Licensing Contractors



Melissa McBride
Management Analyst 3
Washington State Department of
Labor & Industries

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Greg Crow (AR) (FY 14/15)
Margi Grein (NV)
Michael McDuff (LA)
Steve Pinther (ID)
Joe Rogers (AL)
Craig P. Smith (OR)
Keith Warren (AL)
George Whalen (RI)

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Dale Dawson (NC)
Lillia Ann Gray (SC)
Jan Hubbard (OK)
Stephen Thompson (TX)
Keith Warren (AL)
George Whalen (RI)

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Greg Crow (AR)
Jan Hubbard (OK)
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Ellen Leonard (AL)
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NASCLA 2013 ANNUAL CONFERENCE

NASCLA members and supporters gathered in Coeur d'Alene, Idaho on August 26 – 29, 2013 for NASCLA's 51st Annual Conference held at the Coeur d'Alene Hotel. The agenda included NASCLA Committee Meetings, 9 Educational General Sessions led by some of the most prominent industry professionals, breakout sessions tailored to Testing, Attorneys and Executive Directors/Board Members and also networking events. The NASCLA Program Committee and Staff worked diligently once again to provide attendees with a truly wonderful conference experience.

The NASCLA Committee meetings commenced Monday morning, August 26th, and continued on Tuesday, August 27th. During the various meetings the members worked hard to accomplish NASCLA Committee goals and projects. NASCLA would like to recognize all the committee members for their ongoing dedication, hard work and support throughout the year. You can find the newly appointed committee members of FY 2013/2014 on page 7.

The conference officially began on Monday evening, August 26th, when attendees gathered for the opening reception on the Lakeville Terrace outside of the Coeur d'Alene Hotel where attendees had the opportunity to mingle and network. During the opening reception the NASCLA 2013 Conference Sponsors were



George Whalen, Steve Pinther and Angie Whitaker in the NASCLA Board of Directors Meeting



Steve Pinther welcoming attendees at the NASCLA Opening Reception in Coeur d'Alene, Idaho

acknowledged. The 2013 sponsors included: PSI Services, The Home Depot, Sears Home Improvement Products, Iron Data Solutions, Access Laserpress, VCC and Alabama Board of Heating, Air Conditioning and Refrigeration Contractors.

On Tuesday, August 27th, Steve Pinther, NASCLA President and Board Chairman of the Idaho State Contractors Board, welcomed everyone to the NASCLA 51st Annual Conference. Before General Sessions began, Steve Pinther introduced Jerry Jaeger, President of Hospitality for the Hagadone Corporation followed by Mayor of Coeur d'Alene, Sandi Bloem, who also gave a warm welcome to attendees.

David Swankin, President and CEO of Citizen Advocacy Center (CAC) kicked off the first General Session on Positive Attitude Towards Regulation, who discussed the role of regulation in promoting and protecting the public welfare and making it as effective as possible. Ken Simonson, Chief Economist with the Associated General Contractors of America (AGC), followed with a session on Construction in the Current Economy, giving attendees a summary of the current and future economy. Phae Howard, Executive Director for the National Center for the Prevention of Home Improvement Fraud (NCPHIF) spoke on Protecting the Industry from Contractor Fraud and Scams, providing an overview of typical and not so typical scams run by these con-artists. The last session of the day, Facebook... Friend Not Foe, was presented by Jennifer Turner, Public Information Officer for the Nevada State Contractors Board, and focused on Social Media being utilized in State Agencies. Later that afternoon, breakout sessions tailored to Attorneys and Testing commenced giving attendees the opportunity to participate in an open forum with colleagues to discuss important issues in their fields.

Sessions held on Wednesday, August 28th, included Top Regulatory



Attendees gearing up for the start of General Sessions at the NASCLA Annual Conference

NASCLA 2013 ANNUAL CONFERENCE

Cases: How Judicial Decisions Shape Regulation of the Construction Industry presented by Dale Atkinson of Atkinson & Atkinson and Executive Director of the Federation of Associations of Regulatory Boards (FARB). The session Construction Facing Workers Shortage followed with a panelist discussion moderated by Michael McDuff, Executive Director of the Louisiana State Licensing Board for Contractors, and included Mike Glavin with Associated Builders and Contractors (ABC), Steve Greene with National Center for Construction Education & Research (NCCER), Tim Johnson, with the Central Gulf Alliance (CGIA) and Andy Dupuy with Chicago Bridge & Iron (CB&I). The last presentation of the day was given by Steve Sands, Registrar of the California Contractors State License Board on Program Effectiveness Through Successful Strategic Partnerships. The day concluded with the final NASCLA Board of Directors meeting later that afternoon.



Panelist discussion Left to Right; Mike Glavin (ABC), Steve Greene (NCCER), Andy Dupuy (CB&I) and Tim Johnson (CGIA)

Thursday, August 29th, the final day of the conference, welcomed back Dale Atkinson of Atkinson & Atkinson and Executive Director of the Federation of Associations of Regulatory Boards (FARB) who presented a second session on Challenges to Effective Regulation and to Regulators as well as welcoming Mark Mullaly and Jako VanderLinde of The Home Depot and Margi Grein, Executive Officer of the Nevada State Contractors Board who presented an update of the recently launched pilot permit project in Southern Nevada, Permitting & Contractor Licensing Initiative. The sessions ended with the NASCLA Report of States given by NASCLA State Members and another open forum breakout session designed for Executive Directors and Board Members.



NASCLA Board of Directors Meeting on Wednesday, August 28th, 2013

Coeur d'Alene. The Installation of Officers for FY 2013/2014 took place and Steve Pinther gave his final remarks as he welcomed George Whalen, Executive Director of the Rhode Island Contractors' Registration and Licensing Board, as NASCLA FY 2013/2014 President. Attendees enjoyed Idaho's beautiful scenery, dinner and music all while traveling on the rooftop deck of the Mish-an-Nook cruise boat. This conference will be one to remember as NASCLA provided exceptional speakers in an outstanding location. We look forward to the 2014 Annual Conference next year in Newport, Rhode Island!



Final Evening Dinner Boat Cruise aboard the Mish-an-Nook.

NASCLA 2013 ANNUAL CONFERENCE

Thank you 2013 Sponsors!

PLATINUM



GOLD



BRONZE



NASCLA COMMITTEE REPORTS

*FIND OUT WHAT THE COMMITTEES CURRENT
PROJECTS ARE FOR FY 2013/2014!*

No
Photo
Available

NASCLA ACCREDITED EXAMINATION PROGRAM COMMITTEE; DOUG TRAYLOR, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- NASCLA Accredited Examination Program Survey
 - Target Residential/General and Electrical Licensing.
 - Follow-up calls and correspondence to targeted state agencies that have this classification. Outreach to NASCLA State Member Electrical Boards.
 - Work with targeted trade associations.



NASCLA MARKETING COMMITTEE; GREG CROW, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- NASCLA Marketing Committee Plan – Target States that are Interested in Administering/Accepting the NASCLA Accredited Examination Program for Commercial General Building Contractors.



NASCLA EDUCATION COMMITTEE; JOHN CURL, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- NASCLA Education Program Launch with States
- Develop a Marketing Presentation and Plan for NASCLA State Members

NASCLA COMMITTEE REPORTS CONTINUED



NASCLA MEMBERSHIP COMMITTEE; MELISSA McBRIDE, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- *NASCLA Membership Plan Promotion for State Members/Local Jurisdiction, new first time state members will have a complimentary free membership for the first year only, ongoing.*
- *NASCLA Membership discount to new first time business, contractors, associate and affiliate members; they will receive a 50% membership discount off the regular membership dues rate. Effective September 1, 2013.*
- *NASCLA Membership Committee to continue state outreach efforts to non-members and members.*
- *The committee will look into applying special publication discounts for NASCLA Members.*



NASCLA MODEL LEGISLATION & SPECIAL PROJECTS COMMITTEE; JAMIE DURHAM, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- *NASCLA Model Legislation & Special Projects Physical Committee Meeting in FY 2013/2014, in early spring.*
- *NASCLA Investigator Training Program, Completed*
 - *Develop NASCLA Education Provider Application*
 - *Develop Time Requirements for each Training Module*
 - *Training Courses launched at the NASCLA 2014 Annual Conference*
- *Laws for the NASCLA Resources Committee Toolkit for Contractor Regulators on Elderly Abuse Prevention and Natural Disasters.*
- *Code of Ethics for Contractors*
- *Rules and Regulations*



NASCLA NOMINATION COMMITTEE; STEVE PINTHER, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- *NASCLA Officers & Board of Director Nominations for FY 2014/2015 (Elected at the NASCLA 2014 Annual Conference)*

NASCLA COMMITTEE REPORTS CONTINUED



NASCLA PROGRAM COMMITTEE; KEITH WARREN, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- NASCLA 2014 Mid Year Meeting
 - Formulate Meeting Agenda
 - 1-Day Strategic Planning Meeting with Michael Barrett, Facilitator, and NASCLA Board of Directors
 - NAHB Design and Construction Week, NASCLA Supporting Member
- NASCLA 2014 Annual Conference
 - NASCLA 2014 Annual Conference Identify Speakers
 - Formulate Conference Agenda and Conference Sessions
 - Target Sponsorships



NASCLA PUBLICATIONS COMMITTEE; GREG CROW, CO-CHAIR GEORGE WHALEN, CO-CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- NASCLA Consumer Guide for Home Improvement Projects Publication, Completed.
 1. Target Insurance Companies and Trade Associations
 2. Publishing Licensing Agreement
- NASCLA Online Training Program on the NASCLA Contractors Guide to Business Law and Project Management, Basic Edition.
- NASCLA Publications Brochure Update.
- NERP Website Navigation Updates.
- Expand NASCLA Code Publications.
- HVAC Publication.



NASCLA COMMITTEE REPORTS CONTINUED



NASCLA RESIDENTIAL COMMITTEE; JANET BAUMBERGER, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- *NASCLA Consumer Guide for Home Improvement Projects, Ongoing*
 - *Develop Marketing Plan and Materials*
 - *Target Insurance Companies and Trade Associations (NAHB)*
 - *Publishing Licensing Agreement*
- *NASCLA Online Training Program on the NASCLA Contractors Guide to Business Law and Project Management, Basic Edition*
- *NASCLA Code Publications with the State of Kentucky and ICC, finalize the Kentucky Building and Residential Code Publications. Continue to market to other states, states that have expressed interest: Alabama, Arkansas and Idaho.*
- *Review legal comments regarding deadline dates and penalties from Reese Anderson, NASCLA Legal Counsel, on JF Publishing Contract.*
- *NASCLA In-house publishing option towards to end of JF Publishing Contract.*
- *NASCLA State Publishing Production Schedule and Agreements.*



NASCLA RESOURCES COMMITTEE; MARGI GREIN, CHAIR

FY 2013/2014 COMMITTEE PROJECTS

- *Finalize Government Affairs/Legislator Partnering Plan for NASCLA State Members.*
- *Social Media Plan & Continue Presentations at NASCLA Meetings/Conferences.*
- *Business Assistance Program.*
- *NASCLA Resources Physical Committee Meeting in FY 2013/2014.*



NASCLA STATE MEMBER NEWS

QUALIFIERS WHO “RENT” LICENSE CRIMINALLY CHARGED IN CALIFORNIA

California contractors must exercise direct supervision and control of business activities and projects of the license(s) they qualify or face criminal charges. A new state law that became effective in August (Senate Bill 262, Business and Professions Code section 7068.1) enables the California Contractors State License Board to seek misdemeanor charges (punishable by up to six months in county jail, a fine of \$3,000 to \$5,000, or both) against any active or inactive licensee who “rents” his or her license to a contracting operation without having direct participation.

“We’ve found that some home improvement operations in California have been enticing retired or inactive licensees by paying them several hundred dollars a month to serve as a license qualifier,” said Registrar Steve Sands. “The licensees haven’t been involved in day-to-day operations or projects and, in some cases, have no knowledge whatsoever of the company’s activities.”

An ongoing multi-million dollar case against a revoked California licensee is a sobering example of the need for qualifiers to have direct control and supervision. In the southern California case, the mastermind hid behind several shell companies by renting legitimate licenses from other contractors as part of a complex network of home improvement services offered by high-pressure telemarketers. Much of the performed work was substandard, only partially completed, or was never provided. Thousands of consumers, including many elderly people, were defrauded by this operation.

Three license qualifiers already have pleaded guilty to felony conspiracy charges. Criminal charges have been levied against 18 individuals; 13 were indicted in August by the Ventura County Grand Jury in connection with the home improvement telemarketing scheme, including the operation’s leader (who must answer to 32 felony counts).

Beyond the initial license that is being qualified, a California contractor cannot act as a qualifier for an additional individual or firm unless there is common ownership of at least 20 percent. An additional firm may be a subsidiary or joint venture of the initial company where at least 20 percent of the equity is owned by the initial firm. Also, a qualifying individual can be the qualifier for no more than three firms in any one-year period. CSLB now requires every applicant or licensee who is acting as the qualifier to submit detailed information about the individual’s supervision and control duties and responsibilities in the operation.

A qualifier can be found guilty of a crime whether or not he or she has knowledge of the business activity of the company that’s being qualified. In addition to disciplinary action against the license, a contractor can be held liable in civil court for damages that may arise from defective work done by the entity they qualified.



NASCLA STATE MEMBER NEWS

MARYLAND LAW SLAMS DOOR ON SHADY CONTRACTORS

REBATES BILK CONSUMERS, INSURERS

By Christina Bramlet,
PropertyCasualty360.com

For years, unscrupulous contractors have manipulated homeowners into signing shady contracts that invariably lead to subpar repairs and fraud. The predatory practice not only victimizes consumers but also affects property values and drives up insurance premiums.

Maryland is one of many states to seek a legal remedy and just yesterday approved a bill that will ostensibly deter the crime. In a move endorsed by The Coalition Against Insurance Fraud (the Coalition), Gov. Martin O'Malley signed a new law forbidding contractors from offering rebates.

"The door was slammed on a shameful ruse that lets crooked contractors invade a homeowner's castle to do shoddy and inflated repairs," says Howard Goldblatt, the Coalition's director of government affairs. "Prosecutors now have a focused legal tool that can better sweep cheating contractors off the streets."

Goldblatt deemed the law "a foresightful consumer protection," praising both Gov. O'Malley and the Maryland legislature, noting that SB 736 overwhelmingly cleared the General Assembly this year.

Shady contractors often use rebates of insurance deductibles to convince

homeowners to sign contracts. Once in the front door, quite literally, dishonest contractors are free to try and defraud homeowners and their insurers.

"The money that contractors steal through the repair project can earn an illicit and inflated profit that easily offsets the deductible they paid," Golblatt explains. "Honest contractors with good reputations do not need to dole out backhanded bribes to earn repair contracts. Rebating is a last-ditch ploy by often-incompetent contractors who can't earn business honestly."

Post-Cat Cons

Rebating offers are especially common after storms sweep through neighborhoods and cause considerable home damage. Storm-chasing contractors, often unlicensed and out of state, typically seek business by knocking on doors, the Coalition notes.

The lure of saving hundreds of dollars can carry a certain appeal to distressed homeowners, who may urgently need repairs to damaged roofs or other parts of the home structure.

"Once contractors gain access to the home, they may demand a large down payment and then disappear without doing any work," Goldblatt says.

When inflated repairs are actually made, they can be shoddy, using substandard materials. In fact, the Coalition notes some contractors have even used tree limbs to enlarge holes in roofs and fraudulently inflate insurance bills.

Fixing up poorly executed repairs can obviously take an emotional toll on homeowners. Moreover, a homeowners' insurance policy may not be obligated to cover the cost of fraudulent repairs.

Goldblatt stresses the importance of educating consumers about the flipside of rebates. It's likely that other states may follow Maryland's lead, too.

"Public and private agencies should continuously educate homeowners about the rebating ploy and other contractor scams," Goldblatt says. "Educating consumers must happen well before storms strike. Once the storm hits and dishonest contractors swoop in, that may be too late."



FEATURED NASCLA RESOURCE!

NASCLA INFO SHARE



NASCLA members gain online access to NASCLA's Members Only Website. This portion of the website gives members access to our Calendar of Events, Constitution and Bylaws, Legal News, Meeting Minutes and contact information for our Executive Committee and Board of Directors. The members only site also provides access to our Info Share System. This system was developed as a way for our members to interact directly with their counterparts. Through our Info Share email system, members can post questions and/or concerns which are fielded to industry experts for answers and clarification.

NASCLA CALENDAR OF EVENTS

FISCAL YEAR 2013/2014

December 5 - 6, 2013

NASCLA Strategic Planning Meeting

Location: New York, New York

The Annual Strategic Planning Meeting is a two-day meeting designed to work on both NASCLA and NASCLA Educational Resources and Publications (NERP) 3 Year Strategic Plan/Vision and develop long term projects and goals.

December 12, 2013

NASCLA Executive Committee & NASCLA Board of Directors Conference Call

February 4 - 6, 2014

NASCLA 2014 Mid Year Meeting

Las Vegas, Nevada

The Mid Year Meeting is designed as a planning and project oriented session for NASCLA's Board of Directors, Committee Members and State Members.

NASCLA Strategic Planning Refresh Workshop

February 5, 2014

April 22, 2014

NASCLA Executive Committee & NERP Board of Directors (Only) Conference Call

May 2014

NASCLA Budget Meeting

Location: TBD

NASCLA's Executive Committee and Fiscal Policy and Procedures Committee will meet to review the interim financials and prepare the NASCLA and NASCLA Educational Resources and Publications (NERP) forecasted budgets for fiscal year 2014/2015.

June 24, 2014

NASCLA Executive Committee & NASCLA Board of Directors Conference Call

August 25 - 28, 2014

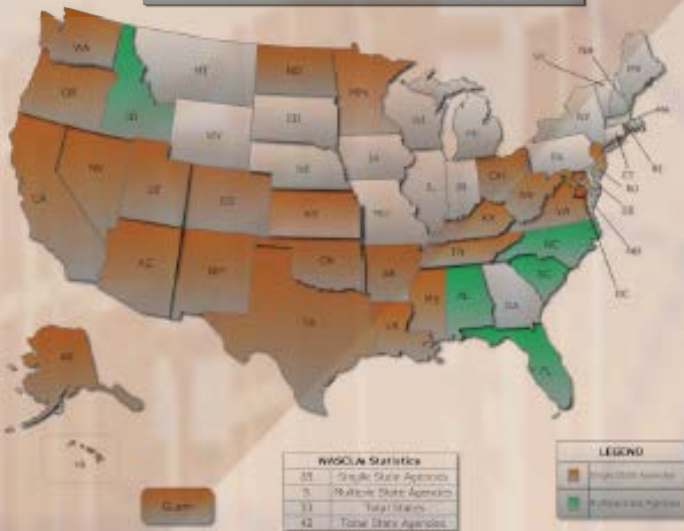
NASCLA 2014 Annual Conference

Newport, Rhode Island

NASCLA's Annual Conference is a great opportunity for NASCLA Members to come together to discuss current issues relevant to the regulation of contractors. The conference also provides a forum for participants to interact and exchange information on current issues in the industry.

MEET NEW NASCLA MEMBERS!

NASCLA State Members FY 2013/2014



New Contractor Members:

- ASD
- Batson-Cook
- Foundation Repair Services, Inc.
- Precision Services, Inc.
- Smithson, Inc.
- Wilson & Company, Inc.
- Zachry Industrial, Inc.
- Precision Services, Inc.
- Batson-Cook
- Lattice Communications, Inc.
- Restocon Corporation

NASCLA MEMBER BENEFITS!

- Networking Opportunities with Industry Experts and Representatives
- Complimentary Copies of the Annual Membership Directory and Quarterly Newsletter
- Reduced Registration Fees for NASCLA Annual Conferences & Training Seminars
- Continuing Education Opportunities
- Opportunity for Committee Service
- Access to the NASCLA Members Only Website

To Apply for NASCLA Membership, please visit the following link: www.nascla.org/membership-signup

THE NATIONAL ASSOCIATION OF STATE CONTRACTORS LICENSING AGENCIES (NASCLA) WAS FOUNDED IN 1962 AS A NONPROFIT CORPORATION. ITS MEMBERSHIP IS COMPRISED OF STATES THAT HAVE ENACTED LAWS REGULATING THE BUSINESS OF CONTRACTING. NASCLA IS DEDICATED TO THE MUTUAL ASSISTANCE OF ITS MEMBER STATES IN STRIVING FOR THE BETTER REGULATION OF THE CONSTRUCTION INDUSTRY TO PROTECT THE HEALTH, SAFETY AND WELFARE OF THE GENERAL PUBLIC.



NATIONAL ASSOCIATION OF STATE CONTRACTORS LICENSING AGENCIES
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AGENDA ITEM H

Legislative Committee Report



AGENDA ITEM H-1

Review and Approval of November 18, 2013 Legislative Committee Summary Report





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE SUMMARY REPORT

LEGISLATIVE COMMITTEE MEETING

November 18, 2013

Sacramento, CA

A. CALL TO ORDER

Committee Chair Paul Schifino called the Contractors State License Board (CSLB) Legislative Committee to order on Monday, November 18, 2013, at approximately 11:05 a.m. in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive Sacramento, CA 95827.

CSLB Staff Present

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Laura Zuniga, Chief of Legislation
David Fogt, Chief of Enforcement
Rick Lopes, Chief of Public Affairs
Karen Robinson, Chief of Licensing
Raju Sah, Chief of Information Technology
Melanie Bedwell, Public Affairs
Tom O'Hair, Public Affairs
Kurt Heppler, Staff Counsel

Committee Members Present

Paul Schifino
Pastor Herrera Jr.
Nancy Springer

Committee Members Absent

Linda Clifford

Board Members Present

David Dias
Joan Hancock
Matt Kelly
Ed Lang
Frank Schetter

Mr. Schifino welcomed Committee Members Nancy Springer and Pastor Herrera Jr., and noted that Committee Member Linda Clifford had an excused absence due to illness. He then provided a brief overview of the different types of enforcement authority.

B. PUBLIC COMMENT SESSION

Larry Adams spoke to ask why CSLB does not do more to provide information on contractors who are the target of lawsuits. Registrar Steve Sands responded that CSLB does take action when notified of outstanding judgments against a license. Mr. Adams also asked about mandatory continuing education (CE) and why there is no requirement for contractors. Mr. Sands explained that the Governor and the Legislature have not been supportive of a requirement for contractors, and that CSLB adopted a Board policy opposing a CE requirement.

C. LEGISLATIVE UPDATE

Chief of Legislation Laura Zuniga gave a summary of the Senior Scam StopperSM (SSS) program. Committee Member Pastor Herrera Jr. spoke about the benefits of the program. Mr. Schifino thanked Mr. Herrera for his attendance at SSS events.

Ms. Zuniga then presented the update on the status of 2013 legislation that will impact CSLB, recommended that the Board consider not pursuing AB 993 (Linder) further next year, and that the Board also not continue to pursue amendments to Business and Professions Code section 7031, which were previously contained in SB 263 (Monning). Mr. Herrera recommended that the legislative update be split into two lists: one of pending bills and one of enacted bills, and recommend that each bill's sponsor be included.

D. LEGISLATIVE PROPOSALS

Ms. Zuniga presented the four legislative proposals:

1. Agenda Item D-1 (Business and Professions Code section 7011.4)

Mr. Schifino asked about the current practice, and David Fogt gave an overview of the process now and explained that this proposal will give Investigative Center staff the ability to bring our unlicensed contractors (identified by consumer complaints) to a sting. Board Member Matt Kelly asked if this would give Stop Order authority as well; Enforcement Chief David Fogt indicated that is an administrative process and staff already has this authority.

Motion to Approve the Proposal

MOTION: A motion was made by Committee Member Nancy Springer and seconded by Committee Member Pastor Herrera Jr. The motion carried unanimously, 3-0.

2. Agenda Item D-2 (Business and Professions Code section 7027.2) – Mr. Schifino recommended staff further refine this proposal and consider specifying the format of the advertisement by an unlicensed contractor, including font size. This proposal was approved unanimously, with the request that staff do further research on additional requirements.

Motion to Approve the Proposal

MOTION: A motion was made by Committee member Pastor Herrera Jr. and seconded by Committee member Nancy Springer to approve the proposal. The motion carried unanimously, 3-0.

3. Agenda Item D-3 (Business and Professions Code section 7110.5) – Mr. Schifino asked about the disclosure of partnering agency actions. Mr. Fogt and Information Technology Chief Raju Sah spoke about the process and the types of actions that CSLB links to for disclosure.

Motion to Approve the Proposal

MOTION: A motion was made by Committee Member Nancy Springer and seconded by Committee Member Pastor Herrera Jr. The motion carried unanimously, 3-0.



4. Agenda Item D-4 (Business and Professions Code Section 7017) – Mr. Herrera recommend that additional background information on the need for this proposal be included in the summary. Ms. Zuniga asked that this proposal be approved with the ability for staff to further work on it and refine the language. The proposal was approved unanimously, as amended to increase the limit to \$20,000.

Motion to Approve the Proposal

MOTION: A motion was made by Committee Member Pastor Herrera Jr. and seconded by Committee Member Nancy Springer to approve the proposal as amended. The motion carried unanimously, 3-0.

E. ADJOURNMENT

Legislative Committee Chair Paul Schifino adjourned the meeting at approximately 12:00 p.m.

AGENDA ITEM H-2

Review and Consideration of Recommended Legislative Proposals for the Upcoming Legislative Session:

- a. Amendment to Business and Professions Code § 7011.4 – Notice to Appear Authority
- b. Amendment to Business and Professions Code § 7027.2 – Required content of advertisements issued by contractors not licensed by the Contractors State License Board
- c. Amendment to Business and Professions Code § 7110.5 – Initiation of action against a contractor after Labor Commissioner's finding of violation
- d. Addition of new Business and Professions Code and Government Code Sections – Creation of an Evidence Fund



2013 Legislation (**Enacted**)

CA AB 44	AUTHOR:	Buchanan [D]
	TITLE:	Subletting and Subcontracting Fair Practices Act
	FISCAL COMMITTEE:	Yes
	URGENCY CLAUSE:	No
	INTRODUCED:	12/18/2012
	ENACTED:	09/09/2013
	DISPOSITION:	Enacted
	LOCATION:	Chaptered
	CHAPTER:	258
	SPONSOR:	Northern California Carpenters Regional Council
	SUMMARY:	Amends the Subletting and Subcontracting Fair Practices Act that requires the entity taking bids for the construction of any public work or improvement to specify certain information regarding each subcontractor who will perform work or labor or render service to the prime contractor in or about the work or improvement. Requires that the state contractor license number of each subcontractor also be provided.
	STATUS:	
	09/09/2013	Signed by GOVERNOR.
	09/09/2013	Chaptered by Secretary of State. Chapter No. 258
	POSITION:	SUPPORT
CA AB 263	AUTHOR:	Hernandez R [D]
	TITLE:	Employment: Retaliation: Immigration-Related Practices
	FISCAL COMMITTEE:	No
	URGENCY CLAUSE:	No
	INTRODUCED:	02/07/2013
	ENACTED:	10/11/2013
	DISPOSITION:	Enacted
	LOCATION:	Chaptered
	CHAPTER:	732
	SPONSOR:	CA Labor Federation
	SUMMARY:	Prohibits employer retaliation or adverse action against an employee or applicant for engaging in specified protected conduct. Provides for employment reinstatement and lost wages. Provides civil penalties. Prohibits immigration-related employment practices against employees in retaliation. Prohibits any person from making and/or enforcing a rule that prohibits disclosing information to a government entity or law enforcement. Prohibits preventing an employee from changing their personal information.
	STATUS:	
	10/11/2013	Signed by GOVERNOR.
	10/11/2013	Chaptered by Secretary of State. Chapter No. 732
CA AB 811	AUTHOR:	Lowenthal B [D]
	TITLE:	Excavations: Regional Notification Center System
	FISCAL COMMITTEE:	No
	URGENCY CLAUSE:	No
	INTRODUCED:	02/21/2013
	ENACTED:	09/06/2013
	DISPOSITION:	Enacted

LOCATION: Chaptered
CHAPTER: 250
SPONSOR: Underground Service Alert (North and South)

SUMMARY:

Amends existing law that requires any person planning to conduct an excavation to contact a regional notification center prior to excavation. Requires statewide information provided by operators and excavators regarding facility events to be compiled and made available in an annual report by regional notification centers and posted on the Internet websites of those regional notification centers.

STATUS:

09/06/2013 Signed by GOVERNOR.
09/06/2013 Chaptered by Secretary of State. Chapter No. 250
POSITION: WATCH

CA SB 261*

AUTHOR: Monning [D]
TITLE: Contractors Fraudulent Use of License
FISCAL COMMITTEE: Yes
URGENCY CLAUSE: No
INTRODUCED: 02/13/2013
ENACTED: 08/27/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 163
SUMMARY:

Provides that any licensed or unlicensed contractor who commits any of specified activities with respect to a contractor's license is subject to the administrative remedies authorized by the Contractors' State License Law.

STATUS:

08/27/2013 Signed by GOVERNOR.
08/27/2013 Chaptered by Secretary of State. Chapter No. 163
POSITION: SPONSOR

CA SB 262*

AUTHOR: Monning [D]
TITLE: Contractors
FISCAL COMMITTEE: Yes
URGENCY CLAUSE: No
INTRODUCED: 02/13/2013
ENACTED: 08/27/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 180
SUMMARY:

Relates to the Contractor's State License Law. Makes the qualifying person responsible for exercising that direct supervision and control to secure compliance with the law and its related regulations; Makes a violation of specified provisions of the law relating to construction operations, grounds for disciplinary action and a misdemeanor penalty.

STATUS:

08/27/2013 Signed by GOVERNOR.
08/27/2013 Chaptered by Secretary of State. Chapter No. 180
POSITION: SPONSOR

CA SB 822*

AUTHOR: Bus, Prof and Econ Dev Cmt
TITLE: Professions and Vocations
FISCAL COMMITTEE: Yes
URGENCY CLAUSE: No
INTRODUCED: 03/20/2013
ENACTED: 09/20/2013
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 319
SUMMARY:

Provides for licensure of out-of-state accountants. Relates to delinquency fees regarding a renewal application under the Contractor's State License Law. Relates to common interest development managers. Deletes a meeting requirement of the State Board of Guide Dogs for the Blind for certification of schools that provide training of guide dogs. Creates a retired license category and fee for geologists or geophysicists. Allows a fictitious business name statement to be signed by either party to a marriage.

STATUS:

09/20/2013

Signed by GOVERNOR.

09/20/2013

Chaptered by Secretary of State. Chapter No. 319

POSITION:

SPONSOR

*** CSLB sponsored**

CA AB 186	AUTHOR:	Maienschein [R]
	TITLE:	Professions and Vocations: Military Spouses: Licenses
	FISCAL COMMITTEE:	Yes
	URGENCY CLAUSE:	No
	INTRODUCED:	01/28/2013
	LAST AMEND:	06/24/2013
	DISPOSITION:	Pending
	LOCATION:	Senate Business, Professions & Economic Development Committee
	Sponsor:	None
	SUMMARY:	Establishes a temporary licensure process for an applicant who holds a current license in another jurisdiction and who supplies satisfactory evidence of being married to or in a domestic partnership or other legal union with an active duty member of the Armed Forces and is assigned to a duty station in the state under official active duty military orders. Requires a signed affidavit from the applicant attesting to the fact he or she meets all requirements. Authorizes certain background checks.
	STATUS:	
	07/01/2013	In SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT: Heard, remains in Committee.
	POSITION:	OPPOSE
CA AB 834	AUTHOR:	Williams [D]
	TITLE:	Private Postsecondary Education: Performance Sheets
	FISCAL COMMITTEE:	Yes
	URGENCY CLAUSE:	No
	INTRODUCED:	02/21/2013
	LAST AMEND:	06/25/2013
	DISPOSITION:	Pending
	LOCATION:	Senate Education Committee
	Sponsor:	None
	SUMMARY:	Provides that a law school that meets specified criteria shall be deemed to satisfy the requirements of the State Private Postsecondary Education Act of 2009 regarding a School Performance Fact Sheet by complying with a specified standard of the American Bar Association relating to the disclosure of consumer information and by providing completion, placement, bar passage, and salary and wage information of graduates to prospective students prior to enrollment through a specified application process.
	STATUS:	
	07/03/2013	In SENATE Committee on EDUCATION: Not heard.
	NOTES:	No longer impacts CSLB. Previously dealt with energy efficiency regulations.
	POSITION:	WATCH

CA AB 972

AUTHOR: Calderon I [D]
TITLE: Employment Electricians: Certification
FISCAL COMMITTEE: Yes
URGENCY CLAUSE: No
INTRODUCED: 02/22/2013
LAST AMEND: 04/29/2013
DISPOSITION: Pending
LOCATION: Senate Labor and Industrial Relations Committee
Sponsor: CA State Association of Electrical Workers

SUMMARY:

Amends existing law that requires contractors and subcontractors to keep payroll records that include various forms of personal information of each journeyman, apprentice, worker, or other employee employed in conjunction with a public works project. Requires those records for projects that use an electrician to include the electrician's state certification number.

STATUS:

06/26/2013 In SENATE Committee on LABOR AND INDUSTRIAL
RELATIONS: Heard, remains in Committee.

CA AB 993*

AUTHOR: Linder [R]
TITLE: Contractors: Arbitration
FISCAL COMMITTEE: Yes
URGENCY CLAUSE: No
INTRODUCED: 02/22/2013
LAST AMEND: 06/10/2013
DISPOSITION: Pending
LOCATION: Senate Judiciary Committee

SUMMARY:

Amends the Contractors' State License Law. Provides a party that submits a dispute with a contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for an arbitration-related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the reopening of a hearing prior to any award.

STATUS:

06/17/2013 From SENATE Committee on BUSINESS, PROFESSIONS &
ECON. DEVELOPMENT: Do pass to Committee on
JUDICIARY. (10-0)

POSITION: SPONSOR

CA SB 263*

AUTHOR: Monning [D]
TITLE: Contractors: Unlicensed Activity
FISCAL COMMITTEE: Yes
URGENCY CLAUSE: No
INTRODUCED: 02/13/2013
LAST AMEND: 06/05/2013
DISPOSITION: Pending
LOCATION: Assembly Business, Professions and Consumer Protection Committee

SUMMARY:

Amends the Contractor's State License Law. Provides that it is a misdemeanor for a person to act in the capacity of a contractor if the person either has never been licensed, or the person was a licensee, but performed acts covered by the law under a license that was under suspension for failure to pay a civil penalty, comply with an order of correction, or failure to resolve all outstanding final liabilities.

STATUS:

06/05/2013 From ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION with author's amendments.
06/05/2013 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.
POSITION: SPONSOR

***CSLB sponsored**

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT:

This bill will allow the Contractors State License Board (CSLB) to implement legislation that provided all enforcement representatives (ERs) the authority to issue a written Notice to Appear (NTA), without having to modify its organizational structure.

PROBLEM/SUMMARY:

CSLB sponsored legislation in 2012 (AB 2554, Berryhill, Chapter 85, Statutes of 2012) that provided all ERs with NTA authority. Prior to AB 2554, only ERs in CSLB's Statewide Investigative Fraud Team had the authority to issue an NTA. However, after the bill's enactment, it appeared that CSLB would need to revise its organizational structure by placing all ERs from the different enforcement units into a separate division. That would have been unwieldy; therefore, CSLB is proposing additional legislation to implement AB 2554 without having to modify its organizational structure.

PROPOSED CHANGE (Include the Related Sections of Law):

This proposal will further revise Business & Professions Code (BPC) section 7011.4, as recommended by CSLB's legal counsel, to clearly provide that all CSLB enforcement representatives may issue a written NTA.

PROPOSED LANGUAGE:

BPC 7011.4

(a) Notwithstanding Section 7011, there is in the Contractors' State License Board, ~~a separate~~ *an* enforcement division which shall rigorously enforce this chapter prohibiting all forms of unlicensed activity.

(b) Persons employed as enforcement representatives in this division and designated by the Director of Consumer Affairs are not peace officers and are not entitled to safety member retirement benefits. They do not have the power of arrest. However, they may issue a written notice to appear in court pursuant to Chapter 5c (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT:

§7027.2 Business and Professions Code – Required content of advertisements issued by contractors not licensed by the Contractors State License Board.

PROBLEM/SUMMARY:

The California Business and Professions (B&P) Code provides for the licensure and regulation of contractors by the Contractors State License Board (CSLB). Existing law requires that contractors must maintain a valid and properly classified license to perform contracting activity as specified within the State of California. Contractors who do not have a valid contractor license are permitted by statute to perform construction work, providing “the aggregate contract price which for labor, materials, and all other items, is less than five hundred dollars” (B&P Code §7048). Such unlicensed contractors also are permitted by statute to publicly advertise their services, providing “that he or she shall state in the advertisement that he or she is not licensed” (B&P Code §7027.2).

The stated intent of these exemptions is that unlicensed contractors should be permitted to complete construction work “of casual, minor, or inconsequential nature” (B&P Code §7048). The stated intent notwithstanding, unlicensed contractors routinely use the exemption provided in B&P Code §7027.2 to openly advertise their services for any and all construction services, including large-scale projects that clearly are in excess of the \$500 limit prescribed by law. Internet bulletin boards, such as “craigslist,” are brimming with ads from unlicensed contractors for major construction projects, including new home construction, room additions, kitchen remodels, etc. (see samples attached).

Under existing law, such advertising is legal – even though the work itself is prohibited by law. Legitimate, licensed contractors are consequently forced to compete in the marketplace side-by-side with the unlicensed scofflaws. Consumers also can be deceived by the advertising – thinking that no one would so brazenly advertise illegal activity – and be at risk of financial harm from illegal contracting work.

PROPOSED CHANGE (Include the Related Sections of Law):

In furtherance of CSLB’s efforts to combat the underground economy, CSLB is proposing the amendment of §7027.2 to require further disclosure in advertisements placed by unlicensed contractors. As noted above, this section currently requires that a person declare in their advertisement that “he or she is not licensed.” CSLB is proposing that unlicensed contractors also be required to state in their advertising that any contracting work they perform cannot exceed a total of \$500 for any one project, as specified in B&P Code §7048.

The adoption of this proposal would help level the playing field for legitimate, licensed contractors; reduce the open advertising of illegal activity; and reduce the risk of harm to the public.

PROPOSED LANGUAGE:

Section 7027.2 of the Business and Professions Code is amended as follows:

7027.2. Notwithstanding any other provision of this chapter, any person not licensed pursuant to this chapter may advertise for construction work or work of improvement covered by this chapter, provided that the work is valued at less than \$500.00 and he or she ~~shall~~ states in the advertisement that he or she is not licensed under this chapter.

CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE PROPOSAL FORM

SUBJECT:

Business and Professions (B&P) Code § 7110.5 – Initiation of action against a contractor after Labor Commissioner's finding of violation; modification of requirements.

PROBLEM/SUMMARY:

B&P Code provides for the licensure and regulation of contractors by the Contractors State License Board (CSLB). Existing law requires that contractors who perform works of improvement in California, as specified in B&P Code § 7126 and §7126.1, maintain a valid and properly classified license. In addition to specific license requirements, California contractors also must comply with many other statutes and regulations, which apply to all business owners in the state. Existing statutes require that CSLB take action against licensees for specified violations of other state codes.

Specifically, B&P Code §7110.5 currently requires that CSLB "initiate disciplinary action against the licensee within *30 days of notification*" by the Division of Labor Standards Enforcement (DLSE), also known as the Labor Commissioner, that a licensee has been found in "willful or deliberate violation of the Labor Code" (emphasis added). Under existing procedures, CSLB reviews each DLSE referral when it is received. If the violation or Civil Wage and Penalty Assessment (CWPA) is egregious, CSLB will initiate an investigation with the intent of pursuing discipline on the license.

Unfortunately, the CSLB's Enforcement division does not have the resources or personnel to investigate and pursue each of the hundreds of CWPAs issued by DLSE each year. The primary mission of CSLB is consumer protection; and ancillary sanctions for Labor Code violations, while important, are necessarily a secondary focus.

Those CWPA cases which are pursued are investigated by a CSLB field office. After completion, investigations are routed through CSLB's Disciplinary Services Section to the Office of the Attorney General (AG). The AG reviews the investigation and determines whether an accusation should be filed for revocation of the contractor's license. The entire process can take up to several months with the primary delay being AG review and approval. Even when CSLB completes its investigation quickly, delays beyond CSLB's control preclude compliance with the 30-day requirement contained in B&P Code §7110.5.

There are some unfortunate consequences of the current procedures used for processing DLSE referrals. Awarding agencies and prime contractors that are vetting bids to determine the lowest responsible, responsive bidder for public works projects are, in most cases, unaware of any prior Labor Code violations. Even if the Labor Code violation is egregious and revocation is in progress at CSLB, contractors can continue with business as usual, sometimes for years, until the revocation is finalized, and awarding authorities/prime contractors remain oblivious of the pending action.

To improve disclosure and enhance consumer protection, CSLB is in the process of initiating a new program to publicly disclose the disciplinary actions of other partner state agencies, including DLSE. When CSLB is notified by the Labor Commissioner of a CWPA against a licensed contractor, CSLB's website will be updated to include a link on the violator's license look-up detail page to the issuing agency's website with the following advisory statement:

CSLB is aware of a potential Labor Code violation, relating to a Civil Wage and Penalty Assessment (CWPA) by the Labor Commissioner on one or more public works projects. Please refer to the following link for additional information and to verify the status of the CWPA: [website link provided here].

This new disclosure project will help address the problem of information disclosure to consumers, but it will not address the unrealistic mandates currently specified in B&P Code §7110.5.

PROPOSED CHANGE (Include the Related Sections of Law):

Recognizing that CSLB's primary mission is consumer protection and that CSLB is unable to meet with the statutory mandates of B&P Code § 7110.5, CSLB is proposing the following two amendments to the Section:

- Diminish the Section's mandate that requires CSLB to take disciplinary action on Labor Code referrals from DLSE. Given current staffing levels, CSLB must have the flexibility to pursue only those cases where the misconduct is egregious and/or the risk to public harm is great. Newly-implemented disclosure procedures at CSLB will ensure that the public is better and more promptly informed of all DLSE referrals.
- Remove the Section's unachievable requirement that disciplinary action be initiated "within 30 days of notification." As previously discussed, procedural delays outside of CSLB's control have made compliance with this deadline impossible, even under the best of circumstances.

PROPOSED LANGUAGE:

Section 7110.5 of the Business and Professions Code is amended as follows:

§ 7110.5. Upon receipt of a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of the Labor Code by a licensee, pursuant to Section 98.9 of the Labor Code, the registrar *shall may* initiate disciplinary action against the licensee ~~within 30 days of~~ notification.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Evidence Fund

PROBLEM/SUMMARY:

This proposal would establish a separate revolving fund for the Contractors State License Board (CSLB) to use for the procurement of evidence in an administrative or criminal investigation.

CSLB periodically has expenditures for evidential matter when pursuing administrative or criminal matters against licensees or non-licensed operators, almost exclusively to pay for sting properties. Historically, expenditures for this purpose have been withdrawn from the revolving fund sub-account – Miscellaneous Expenses. The evidence expenditures are required to be for specific use in an approved case or investigation. California Government Code (GC) allows any state agency to use moneys for the purpose of a confidential nature, without requiring documentation at the time of expenditure; however, such usage is not allowed to exceed \$2,000 in any one fiscal year. As CSLB exceeds the \$2,000 threshold each 3 to 6 months, the revolving fund usage does not meet the requirement of the GC.

This proposal is the result of a Department of Consumer Affairs audit, which found unauthorized use of the Office Revolving Fund in the issuance of evidence funds. The sub-account from which the funds are issued is restricted to no more than \$2000 per year, but evidence fund checks can vary from \$1600 to \$2000 every three months. The audit found that no separate evidence fund has been created from which the funds can be issued or accounted for.

The applicable sections of the GC and the State Administrative Manual (SAM) are as follows:

GC Section 16401 states: "Any revolving fund drawn under the provision of section 16400 may only be used in accordance with law for payment of compensation earned, travel expenses, travel expense advances, or where immediate payment is otherwise necessary."

GC Section 16404, states in part: "Where the duties of any state agency for which an appropriation is available made necessary the use of moneys for purposes of a confidential nature, such agency may, without at the time furnishing vouchers and itemized statements, draw from such appropriation an advance for such confidential purposes... shall not exceed two thousand dollars (\$2,000) in any one fiscal year..."

GC Section 16405 states: "No State agency or person shall use or disburse any money withdrawn under the provisions of this article for any purpose whatever, unless authorized by law."

SAM Section 8110 Permissible Uses, states in part: "Revolving funds drawn under the provisions of Government Code section 16400 may be used only, in accordance with law, for payment of compensation, travel expenses , travel expense advances, or where immediate payment is necessary, the determining factor is whether payment could be made through the normal claim processing procedures and a State Controller's warrant issued."

PROPOSED CHANGE (Include the Related Sections of Law):

Since the \$2,000 revolving fund maximum provided for in GC section 16404 is insufficient, a new GC section needs to be added, which will increase the allowable usage for CSLB. GC section 16404.5 provides for an increase in the revolving fund maximum amount for confidential use by the Department of Corrections to \$10,000 per fiscal year. A new GC section 16404.6 needs to be added that will provide an increase in the allowable revolving fund withdrawals by CSLB.

In addition, a new Business and Professions Code section needs to be added that will authorized evidence expenses, for evidence included in an approved case or investigation, as a proper charge to the respective revolving funds. The section will address the internal reporting requirements for administering the revolving fund.

PROPOSED LANGUAGE:

Government Code section 16404.6 should be added as follows:

16404.6. Notwithstanding section 16404, the Contractors State License Board may separately withdraw funds for confidential use in an amount not to exceed twenty thousand dollars (\$20,000) per fiscal year. The sums so withdrawn may be used as a revolving fund where cash advances are necessary. At the close of each fiscal year, the Board shall account for and substantiate to the Controller the amount of moneys so withdrawn during the fiscal year with vouchers and itemized statements, exclusive of names and locations, along with a certificate of the purpose and necessity for confidentiality. The Controller is authorized to perform audits of these vouchers and itemized statements as may be necessary.

Business and Professions Code section 7017 should be added as follows:

7017. Evidence expenses in Administrative and Criminal actions
Evidence expenses incurred by the board, whereby the evidence is used in an approved case or investigation, are proper charges against the respective funds. The usage will be accounted for in the revolving fund sub-account – evidence expense. The revolving fund sub-accounts require that vouchers and itemized statements be retained for verification purposes and outstanding fund advances be closed in 180 days or less.

AGENDA ITEM I

Licensing Committee Report



AGENDA ITEM I-1

Review and Approval of October 21, 2013 Licensing Committee Summary Report





CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

LICENSING COMMITTEE MEETING

October 21, 2013

Sacramento, CA

A. CALL TO ORDER

Licensing Committee Chair Frank Schetter called the Licensing Committee meeting to order at 3:00 p.m. on October 21, 2013, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California.

Licensing Committee Members Present

Frank Schetter, Chair

Kevin J. Albanese

John O'Rourke

Bruce Rust

Other Board Members Present

Linda Clifford

David Dias

Joan Hancock

Bob Lamb

Ed Lang

Nancy Springer

Board Staff Present

Stephen Sands, Registrar

Cindi Christenson, Chief Deputy Registrar

Kurt Heppler, Legal Counsel

Rick Lopes, Public Affairs Chief

David Fogt, Enforcement Chief

Laura Zuniga, Legislation Chief

Karen Robinson, Licensing Chief

Rick Villucci, Licensing Staff

Betsy Figueira, Licensing Staff

Melanie Bedwell, Public Affairs Staff

Steve Breen, Public Affairs Staff

Ana Rodriguez, Enforcement Staff

Charlotte Allison, Licensing Staff

Others Present

Larry Back, Contractor

Daniel Cohen, Television Education, Inc.

Brad Diede, CALPASC

Jose Mejia, California State Council of Laborers

Rick Pires, Basic Crafts

Phil Vermeulen, Governmental Relations Advocate

Chris Walker, CAL-SMACNA

Mary Birch, Contractor's State License Schools

Eileen Scroggin, Contractors License Courses



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

B. PUBLIC COMMENT

See Item E.*

C. LICENSING PROGRAM UPDATE

Licensing Chief Karen Robinson provided updates on the division's Application and Transaction Unit's workload and processing times, and indicated a slight increase in the number of original applications received by CSLB. Call volume and wait times in the Licensing Information Center (call center) are down, and currently exceed the Board's "wait time" goal. She also updated the Committee on the status of the Workers' Compensation Recertification Program, and the Criminal Background and Judgments Units.

D. TESTING DIVISION UPDATE

Acting Chief of Testing Wendy Balvanz provided updates about the eight testing centers, examination wait times, and the occupational analysis and trade examination development that is in progress.

E. APPLICATION EXPERIENCE VERIFICATION PROCESS

Licensing Manager Rick Villucci provided a PowerPoint presentation that explained the advantages the Application Experience Verification Process provides to both CSLB and applicants.

*Public comment was provided after the presentation by Daniel Cohen, Mary Birch, and Eileen Scroggin. All three individuals requested additional training to assist their licensing school clients through the experience verification process.

Licensing Chief Karen Robinson indicated management staff has already completed a comprehensive training presentation detailing this process, and that CSLB would be inviting licensing schools to attend training so they may better understand the experience verification requirements.

F. ADJOURNMENT

Licensing Chair Frank Schetter adjourned the meeting at 4:09 p.m.

AGENDA ITEM I-2

Licensing Update





CONTRACTORS STATE LICENSE BOARD

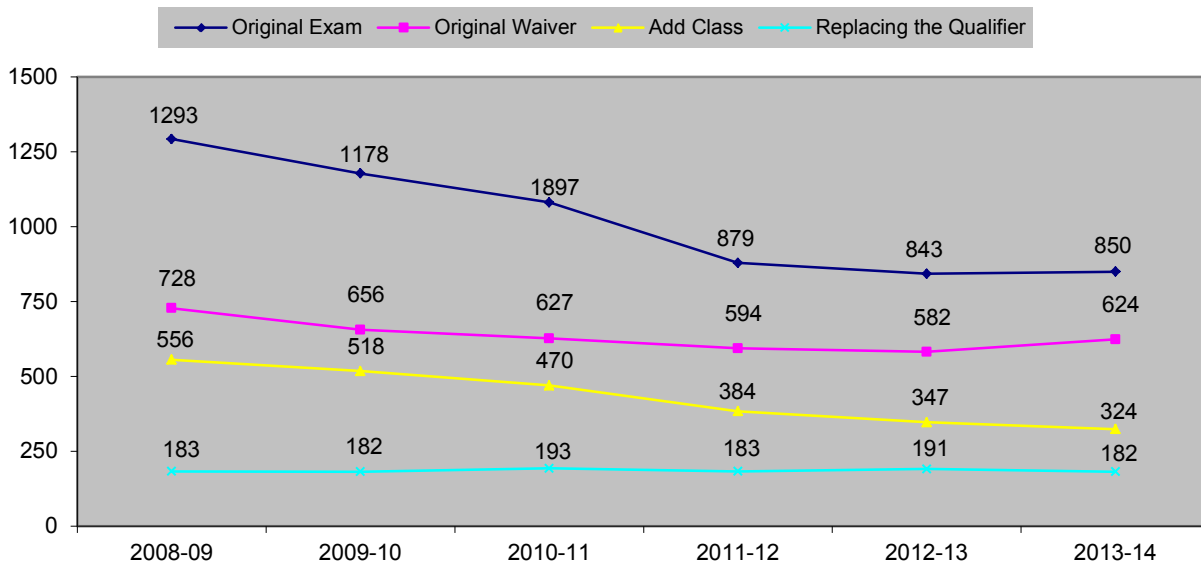
LICENSING PROGRAM UPDATE

License Application Workload

The following chart shows the average number of applications received per month for the past six (6) fiscal years (FY). Fingerprint requirements went into effect January 2005.

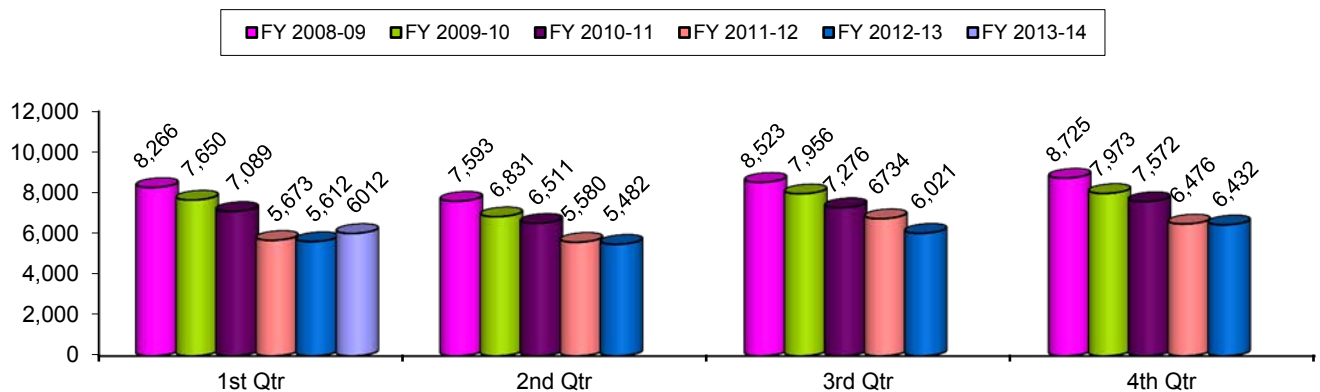
The number of applications CSLB received in FY 2012-13 continued to decline due to the economic recession and housing downturn. The average number of original applications received per month for FY 2012-13 was down 4 percent from the FY 2011-12 average.

AVERAGE NUMBER OF APPLICATIONS RECEIVED PER MONTH



The following chart compares the total number of applications received by quarter for the past six fiscal years.

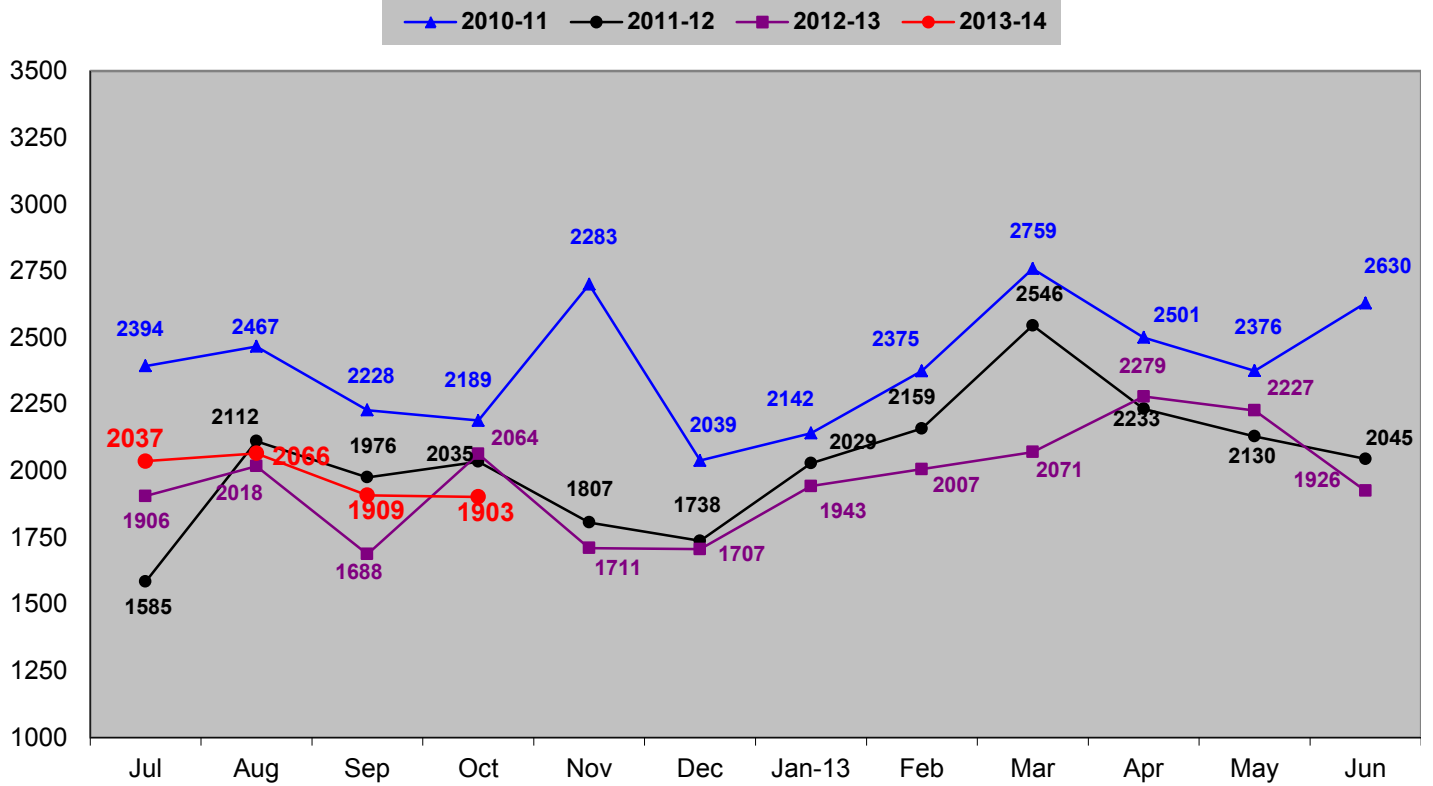
COMPARISON OF APPLICATIONS RECEIVED PER QUARTER
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



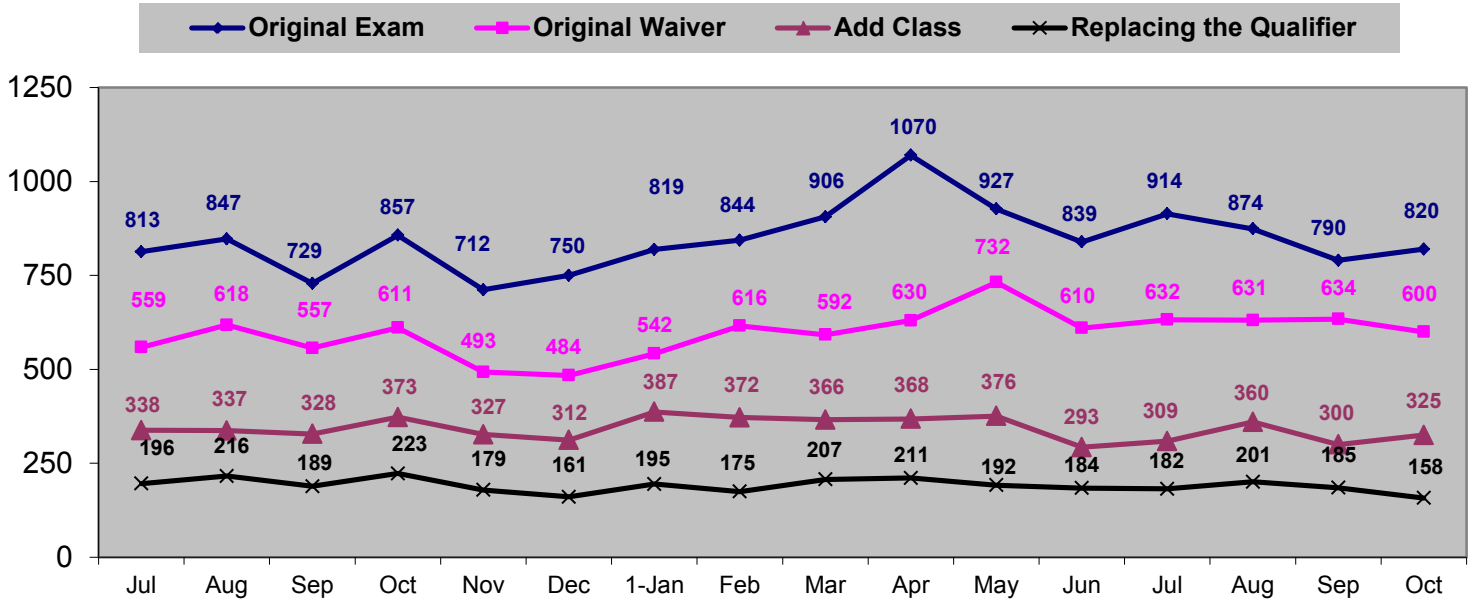
Decrease of 4% for total applications received for 2012-13 as compared with 2011-12



TOTAL NUMBER OF APPLICATIONS RECEIVED PER MONTH
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



NUMBER OF APPLICATIONS RECEIVED



**Limited Liability Companies (LLCs)**

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

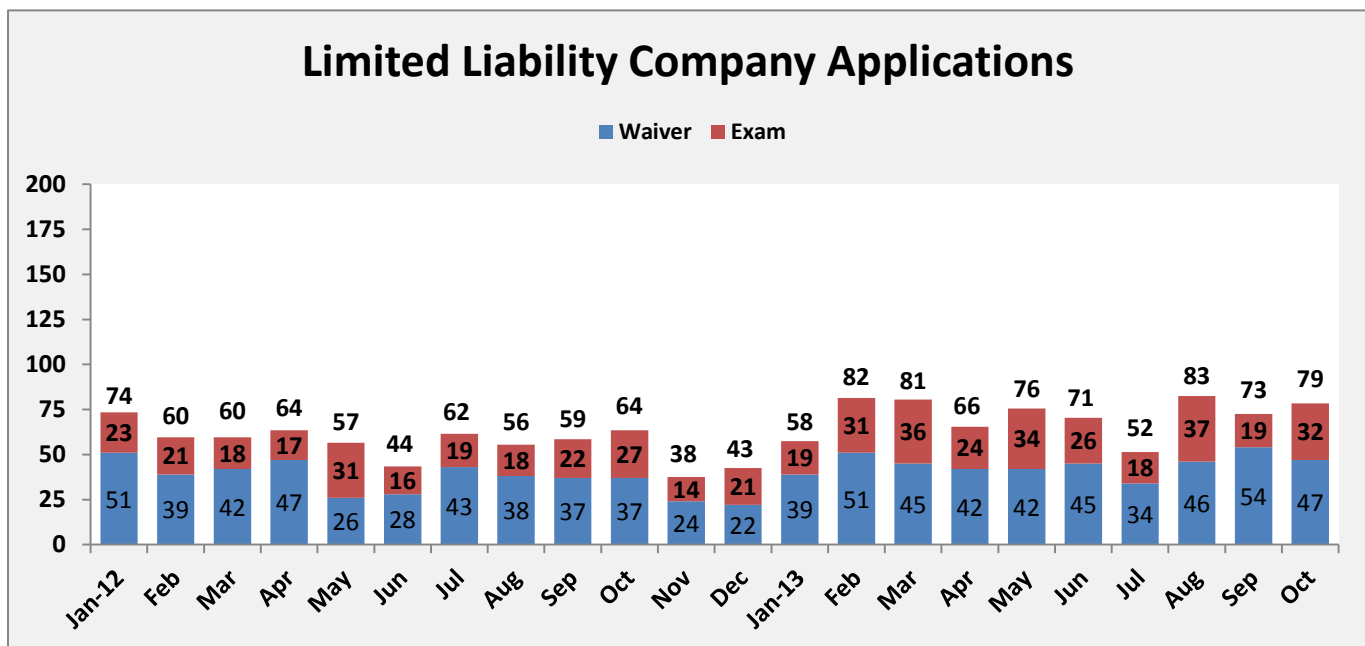
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to LLCs.

Since there is not yet case law establishing this principle in California, an additional \$100,000 bond requirement for the benefit of workers relative to payment of wages and fringe benefits was established. This ensures that workers are protected despite the absence of case law dealing with LLCs. This bond is in addition to the \$12,500 contractor bond.

LLCs are qualified by responsible managing officers, responsible managing members, responsible managing managers, or responsible managing employees. All officers, members, managers, directors, and qualifiers of LLCs must be listed on the application as personnel of record.

LLCs also are required to have \$1 million in liability insurance when five or fewer persons are listed as personnel, with an additional \$100,000 required for each additional personnel member, not to exceed \$5 million.

The chart below illustrates the number of LLC applications received per month beginning in January 2012.



**LLC APPLICATION (WAIVERS & EXAMS COMBINED) PROCESSING DATA PER QUARTER**

Received	194	165	172	132	663	223	204	208		
Rejected	113	99	129	86	427	134	133	134		
Acceptable Upon Submittal - Issued	5	10	7	5	27	16	8	9		
Processed	70	53	33	38	194	72	56	57		
Void or Withdrawn	6	3	3	3	15	1	7	8		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Yearly Totals	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Yearly Totals
Year	2012					2013				

The Most Common Reasons for Rejection:

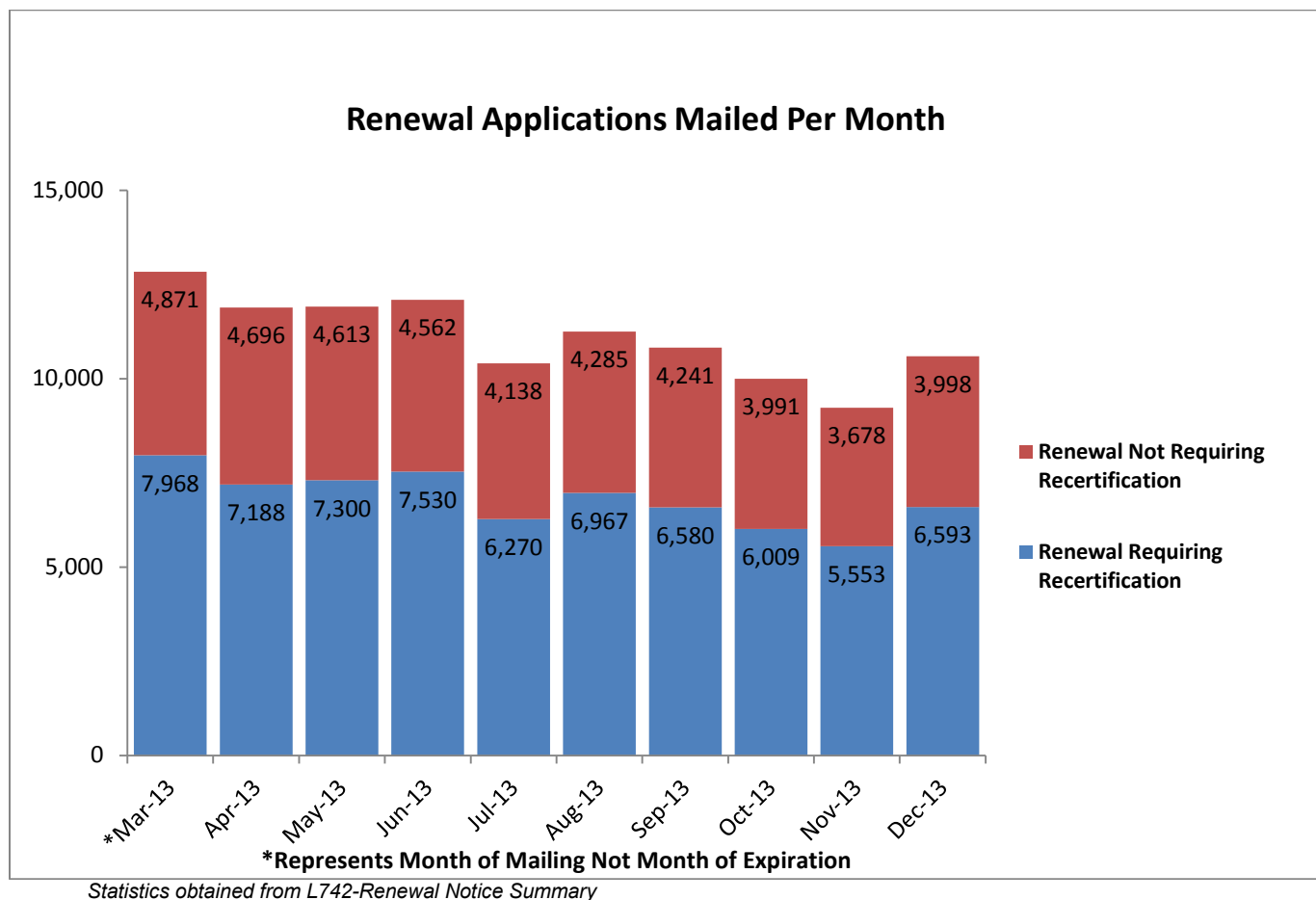
1. Personnel listed on the application needs to match the personnel listed in SOS records.
2. The LLC/SOS registration number and/or business name is missing or incorrect.
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title.
4. Questions (page 2 of application, #10-14) are missing or incomplete.

Of the 1,375 LLC applications received through October 31, 2013, 387 limited liability company contractor licenses have been issued. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of Secretary of State. The SOI information is required for processing the LLC application: It provides staff with the total number and names of LLC personnel, crucial in determining the appropriate amount for the LLC liability insurance requirement (between \$1 million and \$5 million).

**Workers' Compensation Recertification**

Business & Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This new law requires, at the time of renewal, that an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If the licensee fails to recertify his or her exempt status or provide a workers' compensation policy at the time of renewal, the law allows for the retroactive renewal of the license if the licensee provides the required documentation within 30 days after notification by CSLB of the renewal rejection.

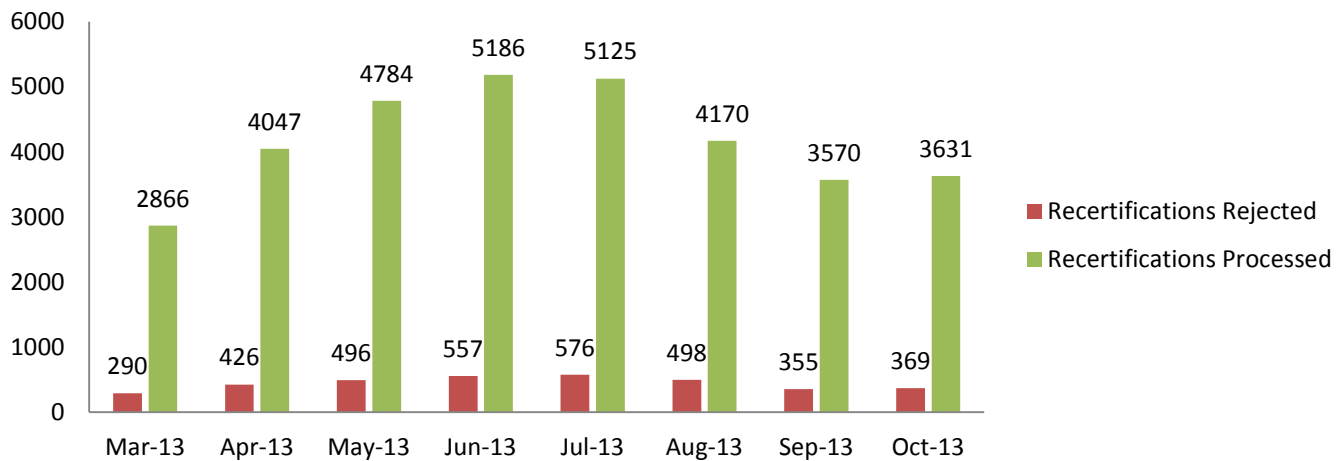
Licensing implemented the requirements of the new law in January 2013, effective for licensees expiring March 31, 2013. The following chart illustrates the number of renewal applications mailed each month that will require recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license.





The chart below provides a snapshot of the number of renewal applications processed each month that required recertification, beginning with licenses that expired on March 31, 2013.

**BPC Section 7125.5 Renewal of License
Recertification of Exemption for Workers' Compensation Insurance**

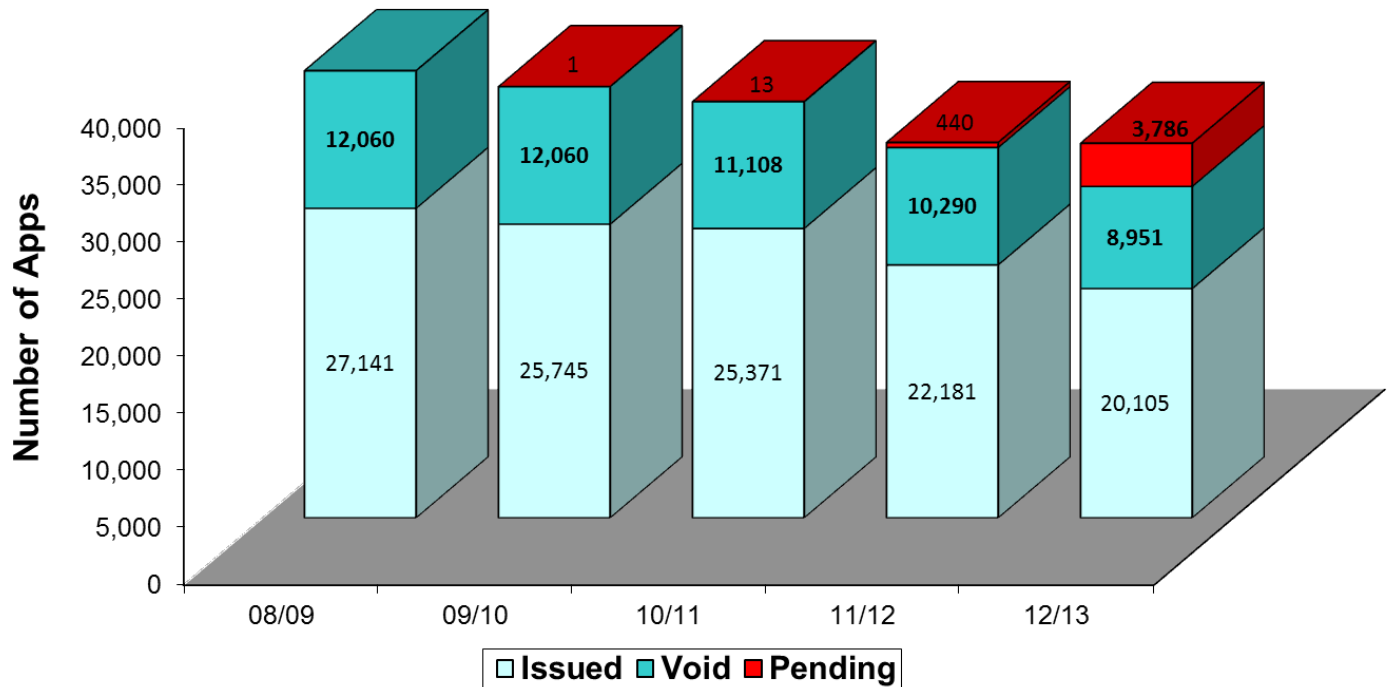


Statistics obtained from L742-Renewal Notice Summary; effective 8-1-2013, L73-Renewal Statistics Report



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 11-01-2013

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



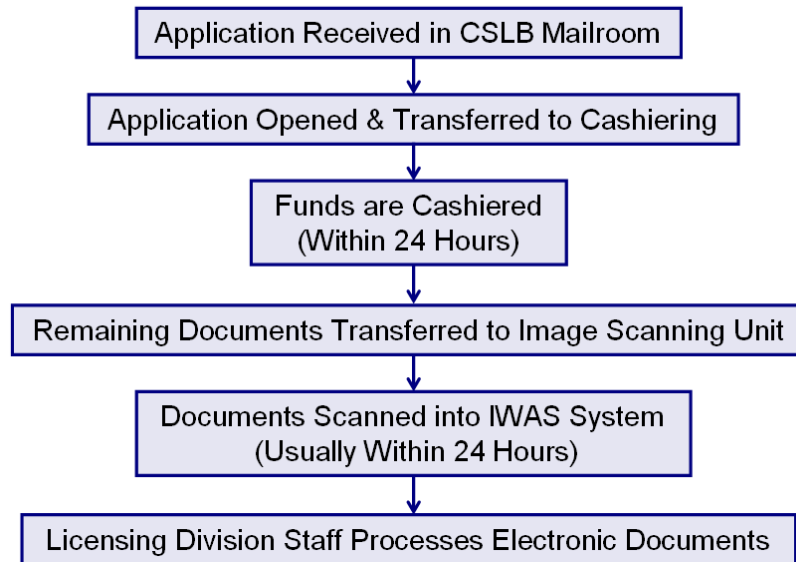
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 16-18 track the “weeks to process” for the various application and license maintenance and/or transaction units.

The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the number of weeks after an application or document arrives at CSLB before that application or document is initially pulled for processing by a technician.

When considering the weeks-to-process timelines, it is important to understand that CSLB’s application and renewal processing schedule automatically has approximately two days of backlog built into the timelines because of cashiering and image-scanning tasks that must be performed before the application or document can be pulled for processing.



CSLB Application Processing Route



Since FY 2008-09, Licensing has used a minimal amount of overtime in contrast to previous fiscal years when overtime was a regular occurrence. Despite the minimal amount of overtime and the reduction in staff hours that occurred during recent furlough years, Licensing has maintained acceptable processing times. This can be attributed to the decrease in applications illustrated on the first page of this program update.

**Fingerprinting/Criminal Background Unit**

Since January 2005, all applicants for a CSLB license and each officer, partner, owner, and responsible managing employee, as well as all applicants to become a Home Improvement Salesperson, must be fingerprinted and undergo a criminal background check conducted by the California Department of Justice (DOJ). Individuals currently licensed by CSLB who do not apply for any changes to their license and applicants for a joint venture license are not required to be fingerprinted.

CBU staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage and clearing applicants who have minor, clearable convictions, provided that the applicant was honest in disclosing this on the CSLB application. Applicants who do not disclose what would have been considered minor, clearable convictions may be given the opportunity to withdraw the false application and submit a new one that accurately discloses their conviction(s), and includes appropriate fees. These withdrawal offers also are processed as part of the triage.

Since the fingerprint program began, CSLB has received more than 285,000 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants who were fingerprinted during that time period, CSLB's Criminal Background Unit (CBU) received CORI for more than 49,900 applicants. That means DOJ and/or the Federal Bureau of Investigation reported that the individual had a criminal conviction(s) on record.

As a result of CORI files received through October 31, 2013, CBU denied 1,172 applications and issued 1,395 probationary licenses. Of the denied licenses, 590 applicants appealed their denials.

CBU has seen a reduction in the number of fingerprint submissions as a result of the decline in applications, and those adding classifications when a background check already has been conducted.

Below is a breakdown of CBU statistics by fiscal year:

Criminal Background Unit Statistics											
	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	18,270	7,094	286,673
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	3,663	1,281	50,846
Denials	224	219	237	88	76	63	108	70	67	12	1,172
Appeals	71	113	130	45	47	29	62	39	36	9	590
Probationary Licenses Issued	0	0	126	290	206	203	243	146	71	29	1,395

**Licensing Information Center (LIC)****LIC Workload**

LIC (call center) staff has continued to exceed Board goals. During the last quarter (July-September) call wait times have averaged 01:12 with 98 percent of all incoming calls answered.

The improved statistics can be attributed to staffing levels and training. Employees hired in 2012 have benefited from comprehensive training and are becoming more proficient each day.

Staffing Update

The last two call center Program Technician II vacancies were filled in November and the call center is currently fully staffed.

The call center has retained two part-time retired annuitants who work during peak call hours (10 a.m.-2 p.m.). Both retired annuitants previously have worked in CSLB's call center and are trained in CSLB laws and policies. LIC currently has one seasonal clerk to handle clerical workload and mail forms and applications to licensees and consumers requested through our Interactive Voice Response (IVR) system.

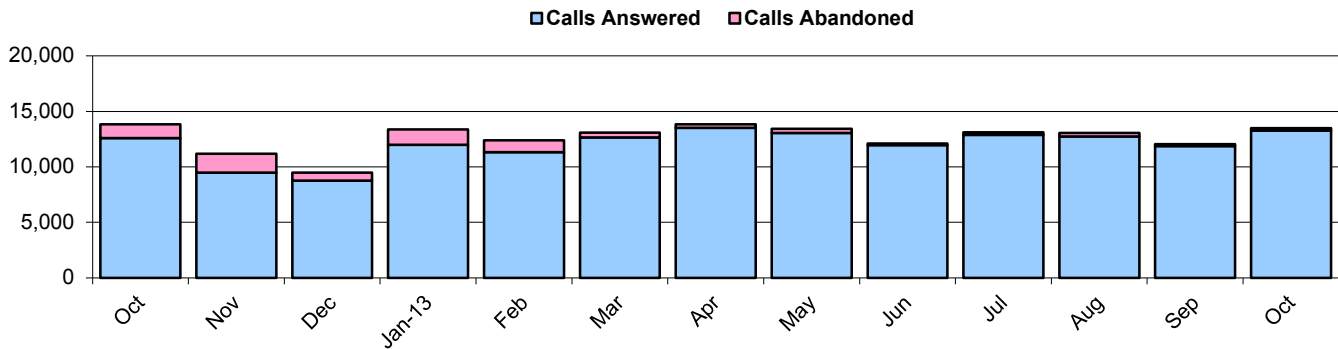
Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent a significant amount of time getting one-on-one training with seasoned staff and supervisors. LIC also plans to schedule bi-monthly classification training with the CSLB Classification Deputy as well as cross-training with other licensing units. A new employee Board orientation will be held at the Sacramento headquarters on January 7-9, 2014.



Licensing Information Center Call Data

	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Calls Received	13,821	11,202	9,473	13,385	12,399	13,079	13,839	13,441	12,096	13,104	13,070	12,057	13,480
Calls Answered	12,598	9,485	8,758	12,000	11,327	12,652	13,525	13,053	11,971	12,881	12,735	11,876	13,264
Calls Abandoned	1,223	1,702	715	1,383	1,072	421	314	387	124	221	330	180	216
Longest Wait Time	11:04	19:39	13:27	16:17	13:54	10:17	5:30	8:23	0:48	4:07	3:51	2:14	4:37
Shortest Wait Time	0:59	2:15	0:10	2:50	1:27	0:14	0:15	0:13	0:11	0:16	0:14	0:13	0:17
Average Wait Time	5:24	9:11	4:49	6:12	5:45	2:07	1:34	3:58	3:52	1:02	1:35	0:59	0:57



**Judgment Unit**

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment Unit processes all documentation and correspondence related to resolving these issues, such as satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
 - Division of Occupational Safety and Health
 - Division of Labor Standards Enforcement
- Franchise Tax Board
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

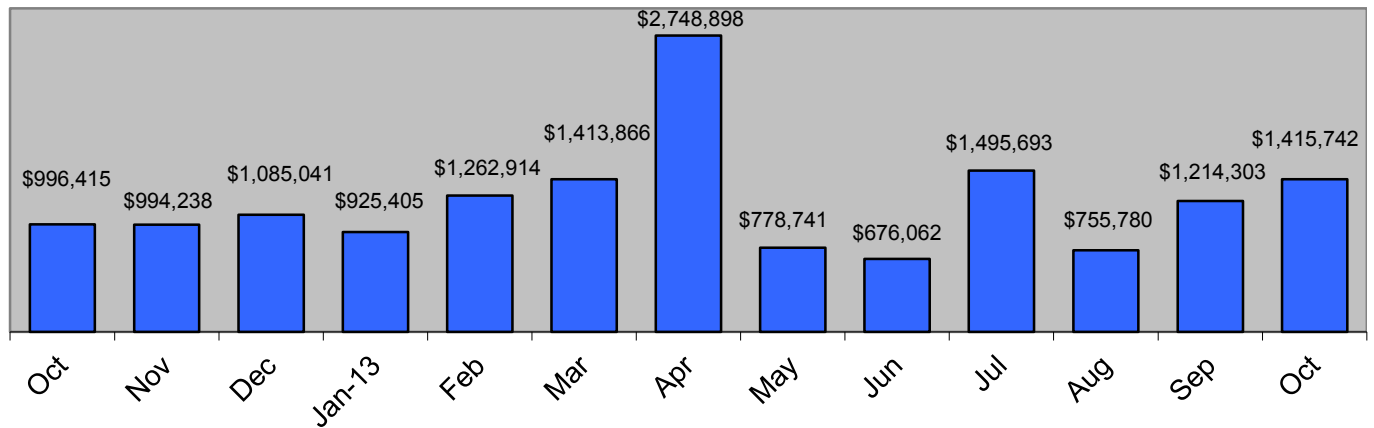
- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment, or payment of claim, an initial letter is sent to the licensee explaining options and a time frame for complying, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.

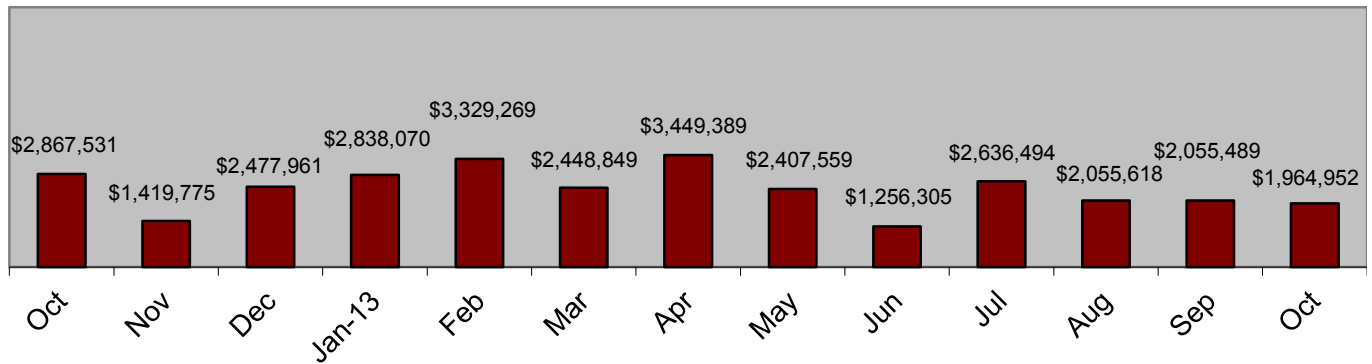
**OUTSTANDING LIABILITIES**

Letter Type Sent	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Initial	114	67	33	98	45	62	47	70	58	80	51	34	41
Suspend	88	46	68	79	29	40	50	53	37	65	54	68	44
Reinstate	98	24	28	48	29	85	53	36	28	27	35	45	37

SAVINGS TO THE PUBLIC

**JUDGMENTS**

Letter Type Sent	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Initial	224	132	166	164	145	136	135	158	138	143	147	146	160
Suspend	79	62	87	76	56	62	68	67	50	69	57	53	51
Reinstate	172	113	119	142	135	120	129	129	109	120	130	132	138

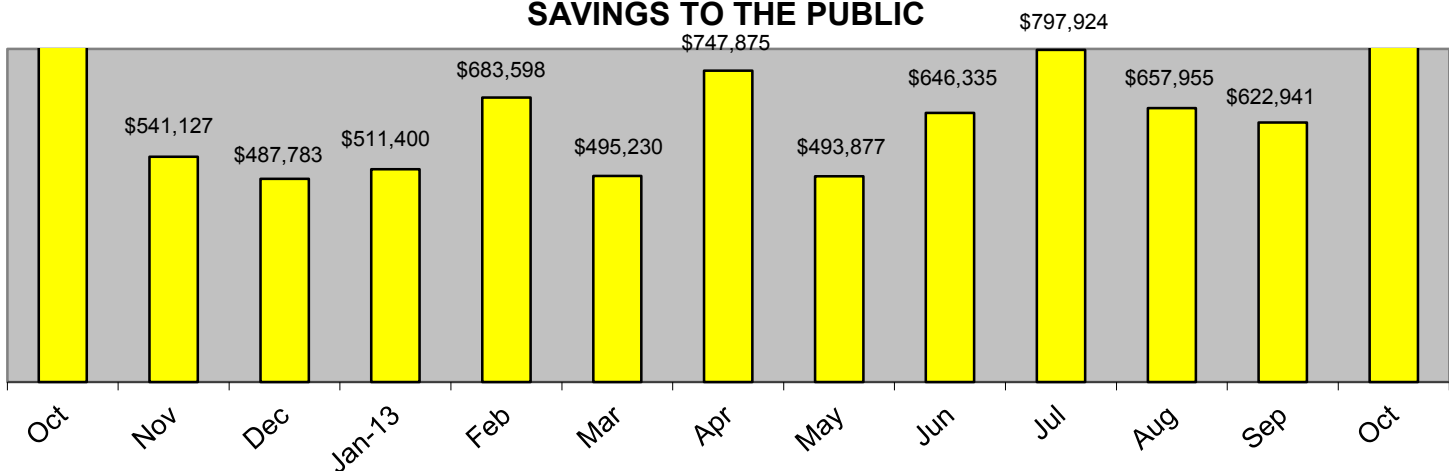
SAVINGS TO THE PUBLIC



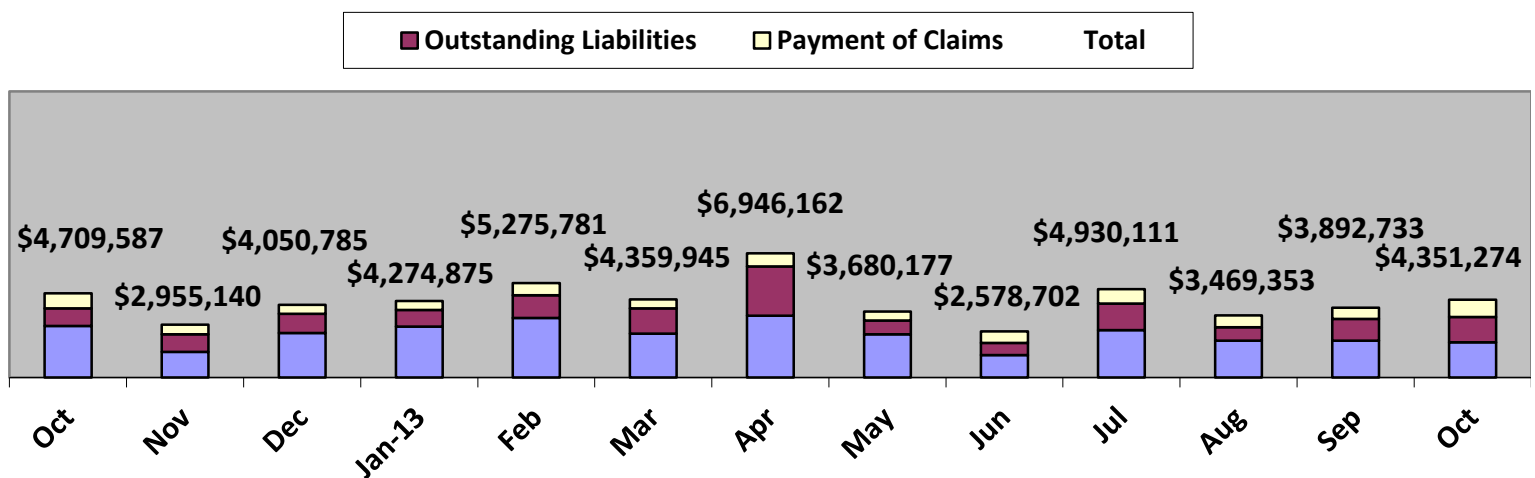
BOND PAYMENT OF CLAIMS

Letter Type Sent	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Initial	170	105	197	105	127	77	252	56	178	160	142	102	315
Suspend	79	113	120	98	35	123	44	66	25	180	88	89	68
Reinstate	139	97	99	107	126	105	132	93	107	133	124	111	154

SAVINGS TO THE PUBLIC



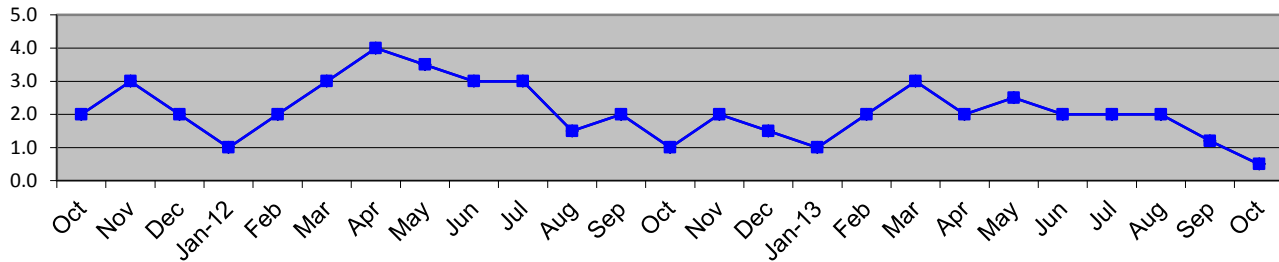
TOTAL SAVINGS TO THE PUBLIC



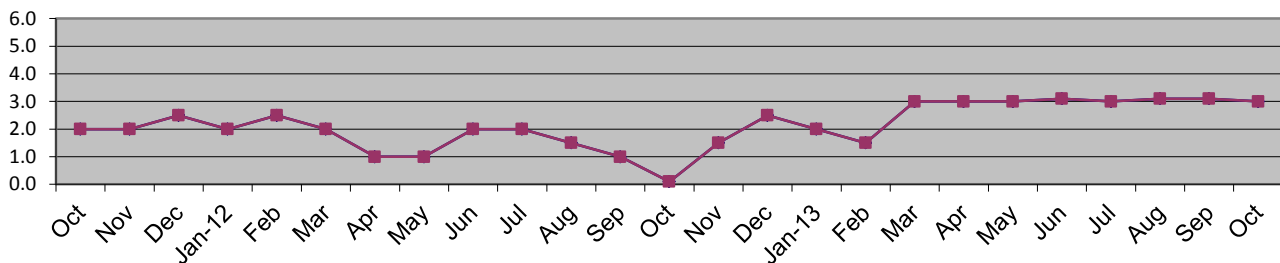


Number of Weeks Before Being Pulled for Processing

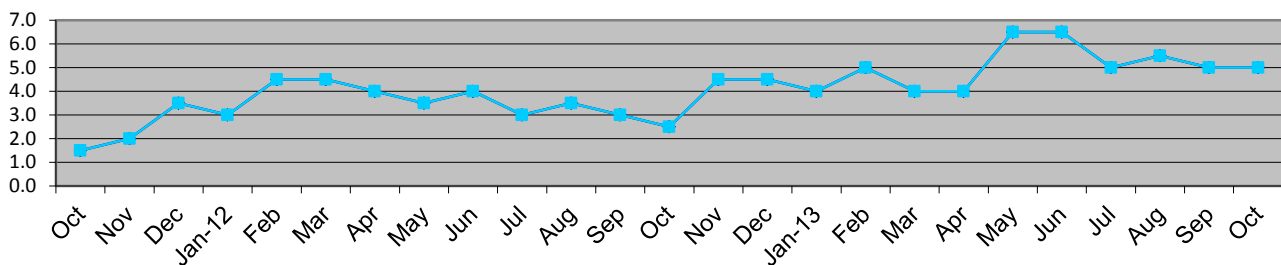
Application for Original License - Exam



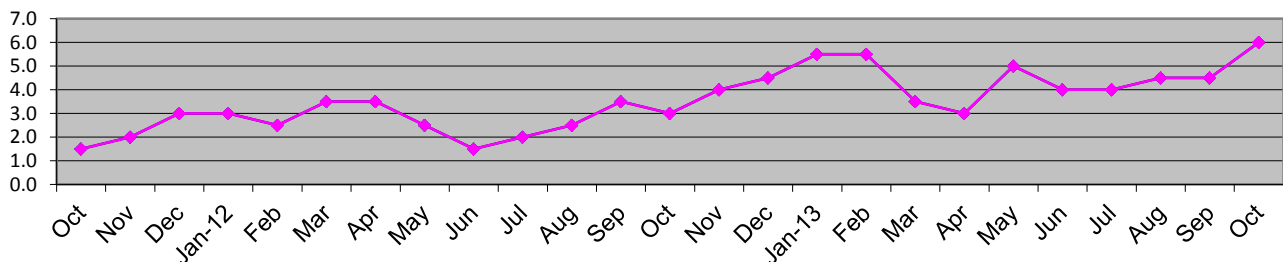
Application for Original License - Waiver



Application for Additional Classification



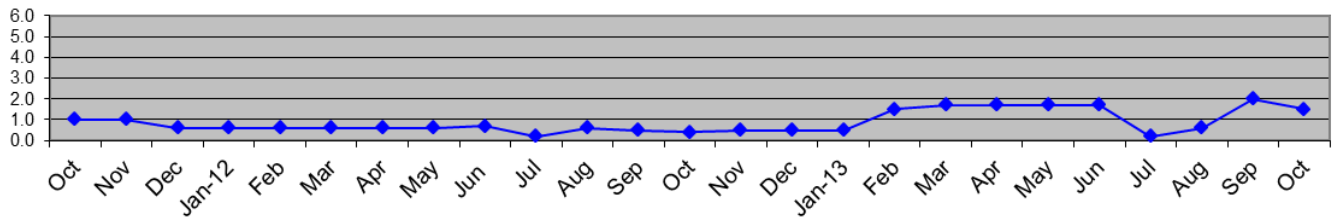
Application to Replace the Qualifier



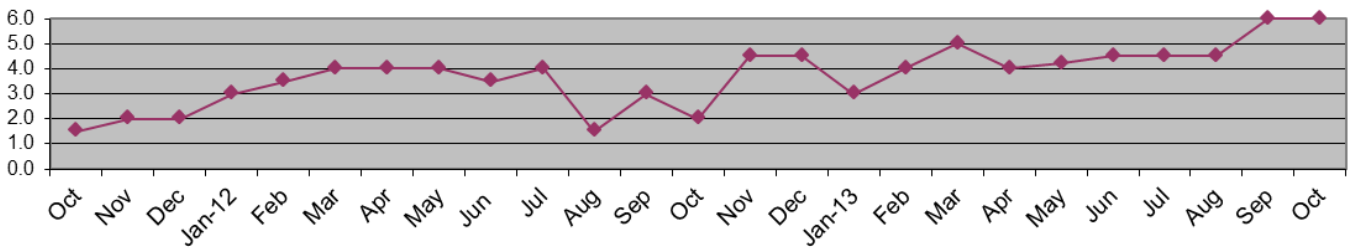


Number of Weeks Before Being Pulled for Processing

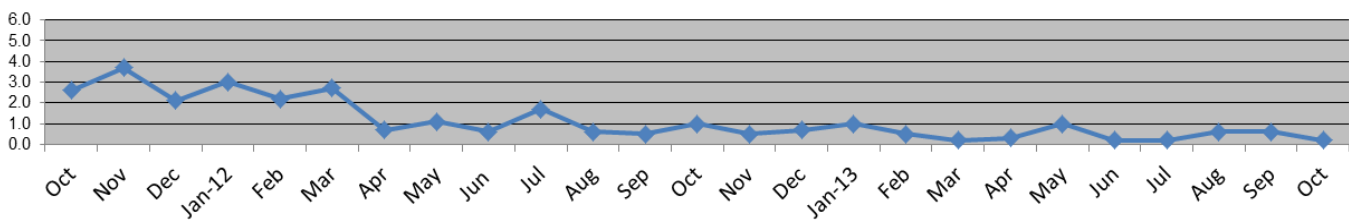
Application for Renewal



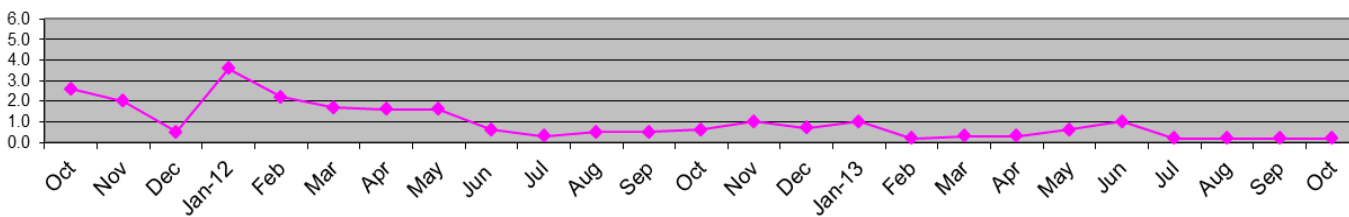
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



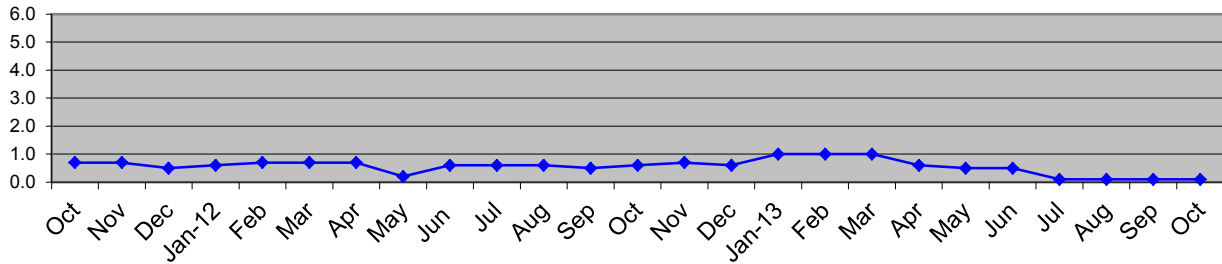
Application to Change Business Name or Address



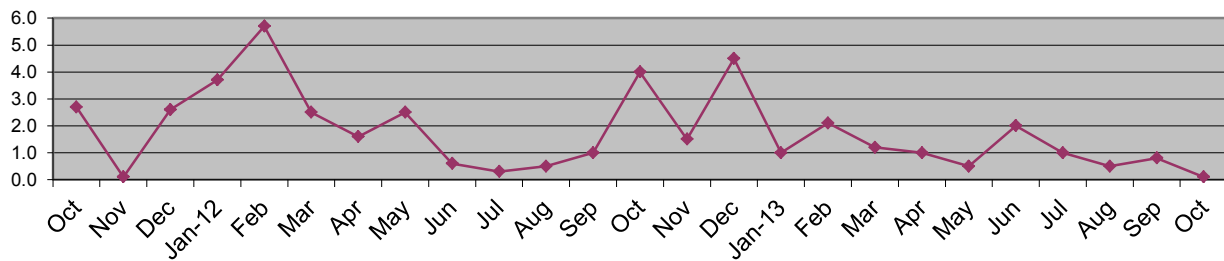


Number of Weeks Before Being Pulled for Processing

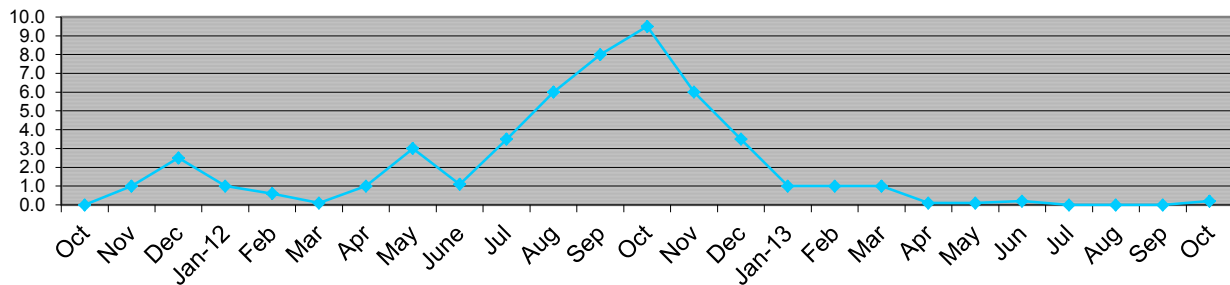
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond



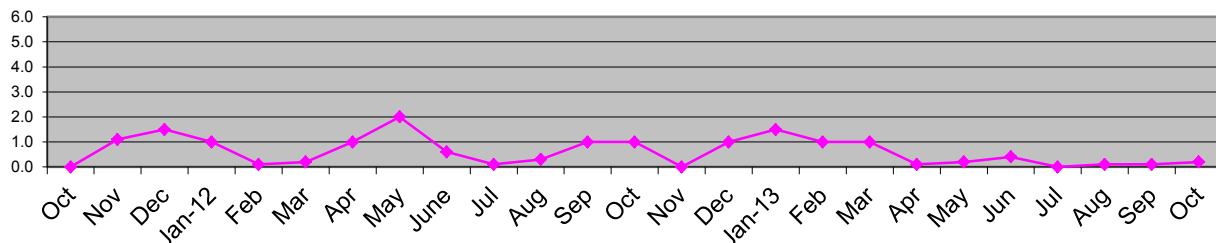
Workers Compensation Certificates and Exemptions



Certified License History



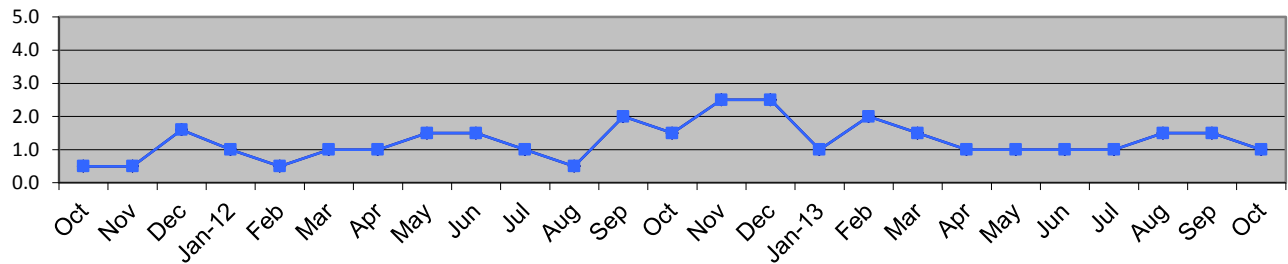
Request for Copies of Documents





Number of Weeks Before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM I-3

Testing Update





CONTRACTORS STATE LICENSE BOARD

TESTING DIVISION UPDATE

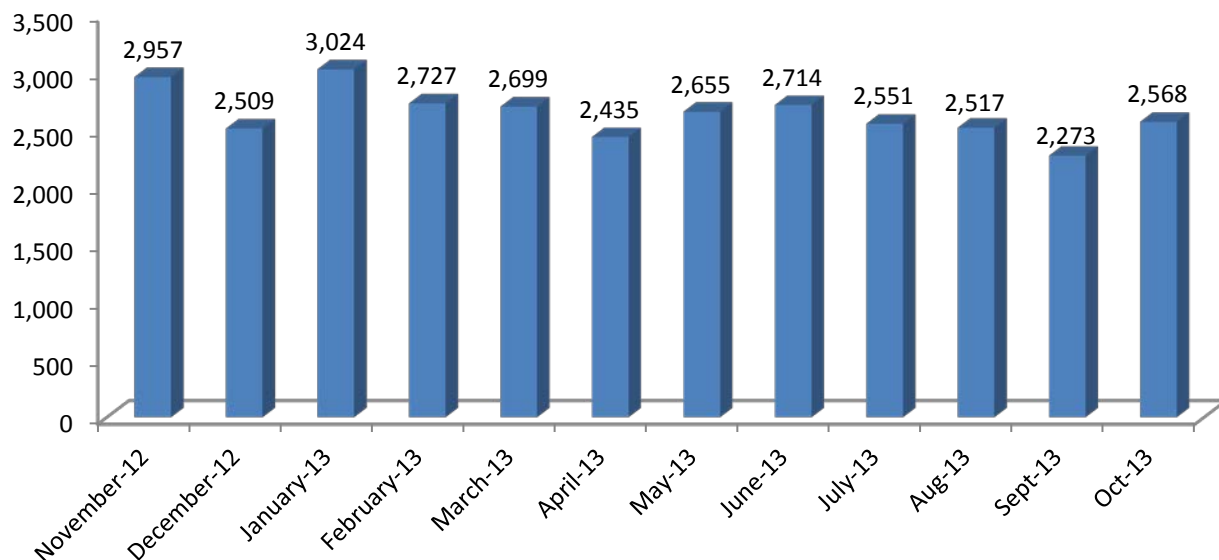
Testing Division

The Testing division chief position is in the process of being filled.

Examination Administration Unit

The Testing division's Examination Administration Unit (EAU) is responsible for administering CSLB's 45 examinations at eight computer-based testing centers. Most testing centers are allocated two full-time test monitor positions. Part-time proctors are used to fill in when test monitors are not at work. When test monitors are not actively monitoring examinations, they respond to all of the testing-related interactive voice response (IVR) calls that are received by CSLB.

Number of Examinations Scheduled November 2012-October 2013



Testing Center Status

CSLB maintains eight testing centers in the following locations:

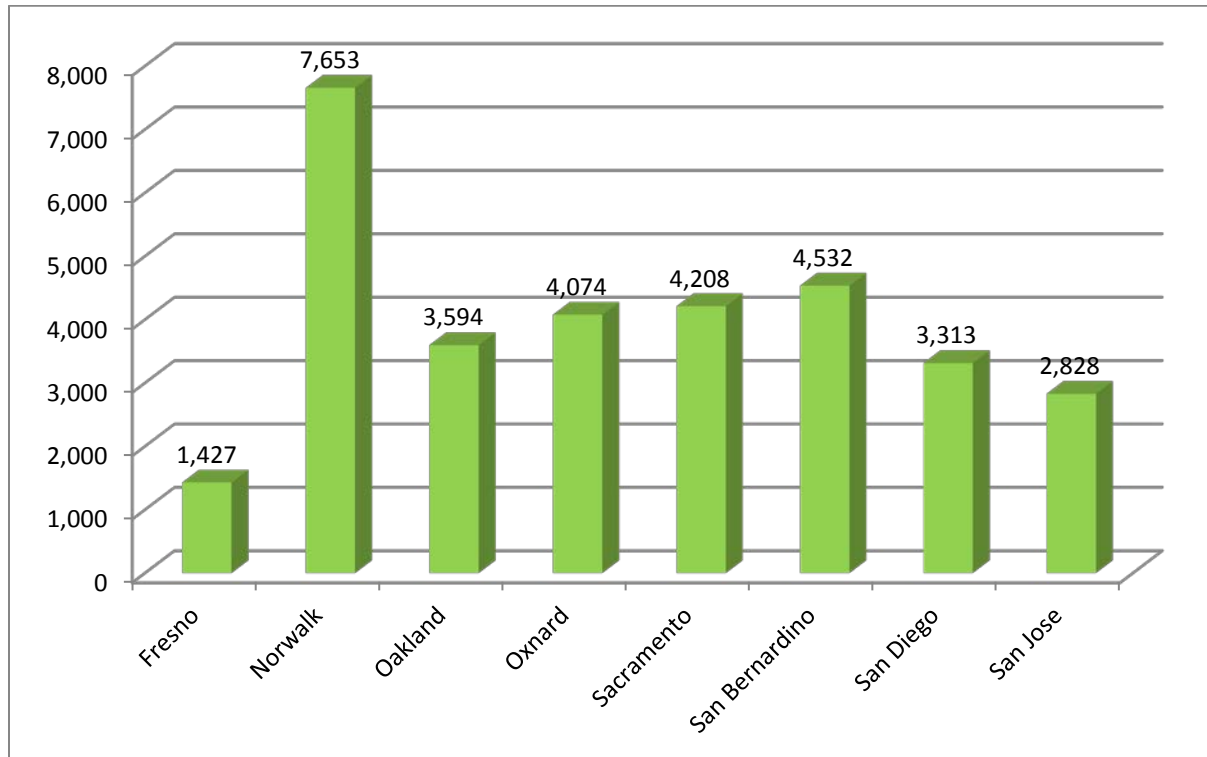
- Sacramento
- Oakland
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego

CSLB is working with the Department of General Services to relocate the Oakland testing center to Berkeley. The new office building is occupied by the Department of



Toxic Substances Control and Cal/EPA. The move has been delayed and is tentatively scheduled for January 31, 2014. The project is currently in the remodel phase.

**Number of Examinations Scheduled by Testing Center
November 2012-October 2013**



Examination Administration Staffing

Testing has filled an Office Technician vacancy in EAU at headquarters. An Office Technician position is in the process of being filled in Fresno.

EAU continues to add individuals to the Department of Consumer Affairs Proctor List. These proctors have not worked in CSLB's testing centers before and are in the process of being trained.

The Enforcement Representative I examination was successfully administered November 19, 2013, at four of the testing centers.

Examination Administration Projects

The EAU analyst/editor has been auditing one testing center each month, and continues to write the EAU Procedure Manual.

Examination Development Unit

The Testing division's Examination Development Unit (EDU) is responsible for ensuring that CSLB's 45 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

To maintain a licensure examination, two phases are required in an ongoing cycle: occupational analysis and examination development. The cycle must be completed every five to seven years for each of CSLB's examinations. The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The examination development phase involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for examinations from that point forward.

EDU recently completed occupational analyses for the "B" General Building and C-35 Lathing and Plastering classifications. In addition, two new examinations were released – C-55 Water Conditioning and C-57 Well Drilling.

The following table shows the occupational analysis and examination development projects currently under way:

Occupational Analyses in Progress	New Examinations in Progress
C-10 Electrical	B General Building
C-13 Fencing	C-5 Framing and Rough Carpentry
	C-28 Lock and Security Equipment
	C-35 Lathing and Plastering
	C-38 Refrigeration
	C-45 Sign
	C-50 Reinforcing Steel
	C-60 Welding

Testing uses email surveys as much as possible for occupational analysis projects because they are quicker, less expensive, and require no data entry. CSLB does not have email addresses for all contractors, so paper surveys also are being utilized to make sure a large enough sample of licensees is reached.

With the 2013 California Building Codes becoming effective on January 1, 2014, many code workshops have been added to the normal workload.

Completed Code Update Workshops	
"A" General Engineering	"B" General Building
C-5 Framing and Rough Carpentry	C-7 Low Voltage Systems
C-8 Concrete	C-10 Electrical
C-17 Glazing	C-20 Warm-Air Heating, Ventilating and Air- Conditioning
C-23 Ornamental Metal	C-27 Landscaping
C-29 Masonry	C-35 Lathing and Plastering
C-36 Plumbing	C-38 Refrigeration
C-45 Sign	C-47 General Manufactured Housing

In addition to licensure examinations, EDU works on civil service classification examinations specific to CSLB. A job analysis was completed and examination development was started for the Consumer Services Representative classification.

Examination Development Unit Staffing

EDU is fully staffed. The EDU supervisor is acting Testing division chief until that position can be filled.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed. The survey is designed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process, so consumers who do not initially respond to the survey receive an email reminder one month later.

AGENDA ITEM I-4

Review and Approval of Construction Management Education Account Committee Proposal Regarding Grants to Qualifying Programs





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800-321-CSLB (2752) • www.cslb.ca.gov • CheckTheLicenseFirst.com

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

Date: December 10, 2013

To: CSLB Board Members

From: Stephen P. Sands
Registrar of Contractors

Subject: "Notice of Intent" to Award Grants Pursuant to the
Construction Management Education Sponsorship Act of 1991

Pursuant to the *Delegation of Authority* conferred upon the Registrar, this memorandum serves as the Registrar's "Notice of Intent" to award grants as provided in the Construction Management Education Sponsorship Act of 1991 and is being submitted to the Board for approval.

As recommended by the Construction Management Education Advisory Committee, it is the intent of the Registrar to issue the following grant awards:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
CSU Chico	120	\$493.42	\$59,210.40
CSU Fresno	57	\$493.42	\$28,124.94
CSU Long Beach	30	\$493.42	\$14,802.60
Cal Poly SLO	65	\$493.42	\$32,072.30
CSU Sacramento	32	\$493.42	\$15,789.44
Total	304	\$493.42	\$149,999.68

AGENDA ITEM J

Executive Committee Report



AGENDA ITEM J-1

Review and Approval of November 18, 2013 Executive Committee Summary Report





CONTRACTORS STATE LICENSE BOARD

EXECUTIVE COMMITTEE SUMMARY REPORT

EXECUTIVE COMMITTEE MEETING

November 18, 2013

Sacramento, CA

A. CALL TO ORDER—CHAIRS REMARKS

Committee Chair Joan Hancock called the Contractors State License Board (CSLB) Executive Committee meeting to order at 10:00 a.m. in the John C. Hall Hearing Room at CSLB Sacramento headquarters, 9821 Business Park Drive, Sacramento, CA 95827, and a quorum was established.

Committee Members Present:

Joan Hancock, Chair
David Dias, Vice Chair
Ed Lang, Secretary
Paul Schifino, Past Chair

Staff Present:

Steve Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Raju Sah, Information Technology Chief
Larry Parrott, Administrative Chief
Stacey Paul, Budget Analyst
Erin Echard, Executive Analyst

DCA Staff Present:

Kurt Heppler

Committee Chair Joan Hancock described her attendance at the 2nd annual California Economic Summit on November 7 and 8, 2013.

The Summit conference was hosted by California Forward the non-partisan and non-profit organization dedicated to helping communities advance the triple bottom line of prosperous economies, a sustainable environment, and community equity. The event was attended by business leaders, educators, economic developers, non-profits and important government leaders throughout California. Policy initiatives for consideration at the Summit were developed by cross-regional Action Teams based on high priority issues identified in advance during 16 regional forums held in our state this year. Action team leaders led discussions among workgroups in each of the seven identified priority



areas of manufacturing, capital, infrastructure, regulations, workforce development, working landscapes, and housing.

I joined the housing workgroup discussion, which was led by Business, Consumer Services and Housing Agency Secretary Anna Caballero. Participants involved in this discussion focused on the importance of providing affordable housing. The impact of high housing costs – the biggest expenditure most families ever make – trickle into every other aspect of the state’s economy: It severely limits opportunities for low-income families, makes it harder for businesses to locate in certain areas, and hurts the environment by forcing people away from transit centers and into their cars. This piqued my notion of consumer protection in the sense that this protection could also be achieved by incentivizing community development, and improving housing in some of our poorest communities. Consistent among workgroups was the position that curtailing overreaching regulations would spur economic growth. The platform offered by the several thousand summit attendees emphasized that a sustainable economy will effectively strengthen California’s middle class, and energize a united effort toward eliminating poverty. From opening remarks shared in letters from George Shultz and Leon Panetta through closing challenges by Lt. Governor Gavin Newsom, the common dialogue shared among Californians of diverse interests participating at the “summit” was the urgency of growing and sustaining a healthy economy.

B. PUBLIC COMMENT SESSION

There was none.

C. ADMINISTRATION AND INFORMATION TECHNOLOGY UPDATE

Administration Chief Larry Parrott updated the Committee on vacancies and hiring efforts. He also briefed the Committee on the status of upgrades to existing facilities and the tentative move date for the Oakland office to relocate to Berkeley in 2014.

IT Chief Raju Sah advised the Committee that the first phase of BreEZe has been implemented and that CSLB is in phase 3. An IT project has been completed to have all production servers backed up at the Sacramento data center and replicated to the Fresno site. He also demonstrated how the intranet has been redesigned and implemented. Employees have a more user-friendly experience on “CSLBin,” the name of the new intranet portal.

D. BUDGET UPDATE

Budget Analyst Stacey Paul indicated that to date, CSLB has spent approximately 26 percent of the FY 13-14 budget. She also provided the Committee with a brief overview of the Board’s Fund Condition and the Construction Management Education Account.

E. REVIEW AND POSSIBLE RECOMMENDATIONS REGARDING STRATEGIC PLANNING

Mr. Sands advised the Committee that the Board will continue to utilize DCA’s SOLID Training Unit to help facilitate the Strategic Planning session in April due to last year’s success. The status of the plan’s objectives will be reviewed at the next Board Meeting.

**F. REVIEW AND POSSIBLE RECOMMENDATIONS REGARDING THE BOARD MEMBER ADMINISTRATIVE PROCEDURE MANUAL**

Chief Deputy Registrar Cindi Christenson advised the Committee that the Board manual is reviewed annually by this Committee and CSLB staff. She indicated that only minor grammatical changes are being recommended. Video recording and the change in leadership also will be added.

Motion to Approve Board Member Administrative Manual

MOTION: A motion was made by Board Member David Dias and seconded by Board Member Paul Schifino to approve the Board Member Administrative Manual. The motion carried unanimously, 4-0.

G. ADJOURNMENT

The Committee adjourned at 10:59 a.m.

AGENDA ITEM J-2

Administration Update





BUSINESS SERVICES

Facilities

- **San Bernardino**
 - Plans are under way to remodel the office, including the addition of a public counter with bulletproof glass.
- **Oakland/Berkeley**
 - Early next year, the Oakland Testing Center and Enforcement office will be relocated to Berkeley, in space being sub-leased from the Department of Toxic Substance Control, at a cost savings. The Board of Equalization will be backfilling CSLB's current space in the Oakland State Building.
- **Sacramento Headquarters**
 - The front counter area and security camera system are being upgraded.
- **Norwalk**
 - A five-year lease renewal and replacement of the office's security camera system are in progress. The office also will be re-painted and re-carpeted.
- **Modesto**
 - The office lease has been renewed through June 30, 2021.
- **San Diego**
 - Some of the glass in the office will be replaced by solid walls to provide better security and sound-proofing.
- **West Covina**
 - The office lease is being renewed for five years, and will include more space for additional staff.

Contracts and Procurement

The following contracts were signed:

- CHP for standby security;
- Publication of annual *California Contractors License Law & Reference Book*;
- New mail machines for all offices, including two-year maintenance contracts;
- Fax machines, including three-year maintenance agreements;
- Shredding services for headquarters and field offices; and
- Multiple maintenance contracts to support CSLB office equipment.

Staff ergonomic evaluations have been completed at various CSLB offices. Necessary equipment, identified by the evaluator, has been ordered.



New ergonomic chairs and conference room furniture was ordered for the following offices:

- Bakersfield
- Norwalk
- Oxnard
- Sacramento
- San Diego
- Valencia

Fleet

In fiscal year (FY) 2012-13, CSLB surveyed 25 vehicles. The 25 vehicles have been replaced with new, fuel-efficient, hybrid models approved by the Department of General Services. As of November 15, 2013, all vehicles have been delivered:

- 9 Ford Fusions
- 2 Dodge Avengers
- 2 Chevrolet Impalas
- 12 Toyota Prius

Employees report that all the vehicles are running very well and are fuel-efficient.

Records Management

- CSLB continues to purge files that are beyond their useful life per the Records Retention Schedule, and is in compliance with the Records Retention Schedule.
- CSLB continues to scan all new license files into the IWAS program.
- The California Records Information Management (CalRIM) report was completed and submitted to DCA in October 2013.

**PERSONNEL****Examinations**

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous Filing
	Enforcement Supervisor I	Exam planning scheduled for spring 2014
	Consumer Services Representative	Exam item writing in progress
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing	Supervising Program Technician III	CalHR
	Program Technician series	CalHR
Testing	Test Validation and Development Specialist I/II	Continuous Filing
	Personnel Selection Consultant I/II	Promotional Exam
	Supervising Personnel Selection Consultant	Recruitment in progress
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Manager series	CalHR
	Office Technician/Office Assistant	CalHR

As noted above, the Supervising Personnel Selection Consultant (SPSC) examination has been completed and the new certification list is available. CSLB is in the process of filling a vacant SPSC position in the Testing division.

Position Changes

Between August 15, 2013 and November 22, 2013, there were **11** transfers within CSLB; **5** transfers to CSLB from other state departments; **11** promotions; **7** new hires; and **2** CSLB employees were bilingual-certified in Spanish.

Training and Development

CSLB encourages the use of Training and Development (T&D) assignments to:

1. Provide employees with opportunities to broaden their work experience and skills;
2. Prepare employees for career advancement and future promotion; and/or
3. Facilitate entry into new occupational fields.

Between August 15, 2013 and November 22, 2013, the CSLB Personnel Office facilitated **one (1)** T&D assignment in the Enforcement Representative classification.

**Vacant Positions**

As of November 22, 2013, there were **38.95** vacant positions, as follows:

DIVISION	AUTHORIZED PERSONNEL YEARS (PY)	BUDGET LETTER 12-03	VACANCIES
Administration	29.8	1	2.8
Enforcement	210.5	11	21.15
Executive	13	.5	1
Information Technology	24	0	5
Licensing	97.5	6	7
Testing	25	1	2

AGENDA ITEM J-3

Information Technology Update





BreEZe:

The Department of Consumer Affairs' (DCA) new Enterprise Licensing and Enforcement System (BreEZe) went into production for Release One Boards on October 8, 2013.

The programs in Release One are:

- Board of Barbering and Cosmetology
- Board of Behavioral Sciences
- Board of Podiatric Medicine
- Board of Psychology
- Board of Registered Nursing
- Medical Board of California
- Naturopathic Medicine Committee
- Osteopathic Medical Board of California
- Physician Assistant Board
- Respiratory Care Board of California

After all three releases are completed, BreEZe will be the largest enterprise licensing and enforcement solution in the world.

CSLB staff continues to work with BreEZe project staff preparing for the Phase Three release by participating in discussions about functions that will directly impact CSLB operations, working on data conversion, and conducting meetings with other CSLB staff to discuss specific BreEZe requirements. CSLB IT staff continues to help DCA by assisting other Boards and Bureaus with Data Validation and Acceptance Testing. CSLB also has provided its testing center to train staff on the BreEZe system.

RPA/Personnel Tracking Application:

Personnel and IT are finalizing the creation of an application that will allow Personnel staff to track and monitor Requests for Personnel Action (RPA) positions within CSLB. Currently, IT is in the final stages of alpha launch completion for this application.

The application will allow Personnel to input and track RPA positions in a more timely and efficient manner, while decreasing the possibility of lost data. That data is backed up nightly.

The application also will allow Personnel to provide more accurate and precise reports for their business needs. IT expects to have the application fully functional within the next quarter. After the completed implementation at CSLB, IT staff will begin researching the possibility of deploying the application throughout DCA.

**CSLB Enterprise Backup and Storage Systems:**

IT implemented a project that provides enhanced storage and protection of critical data for all CSLB production computer systems, as well as the EMC VNX Storage Array and Avamar Enterprise Backup Solution.

Ensuring that staff has access to vital records, and keeping that information safe, is mission-critical for CSLB. IT staff members helped design a “redundant” storage system that uses a second location in Fresno as a data backup center in case the Sacramento system fails. This system will prevent the loss of critical information. Sacramento headquarters staff will be able to work without interruption, giving CSLB a disaster recovery capacity it did not previously have.

IT also has replaced its existing network storage array with a newer, more robust system. All virtual servers and user data files are stored on this new array, which includes a duplicate system at CSLB’s backup site in Fresno. All CSLB production data and file systems, including user data files, are replicated throughout the day from the HQ site to the Fresno site.

IT also installed two new computer file back-up systems; one is in Sacramento, the other in Fresno. All backups are replicated from HQ to Fresno and from Fresno to HQ each evening. With this system there is no longer a need for weekly tape backups that were taken offsite to DCA.

Intranet Redesign:

CSLB’s Public Affairs Office and IT staff worked together to redesign the employee intranet, creating a more efficient and user-friendly experience. The new site, titled *CSLBin*, launched on November 18, 2013, and is an information and resource portal to showcase CSLB programs and employees efforts around the state.

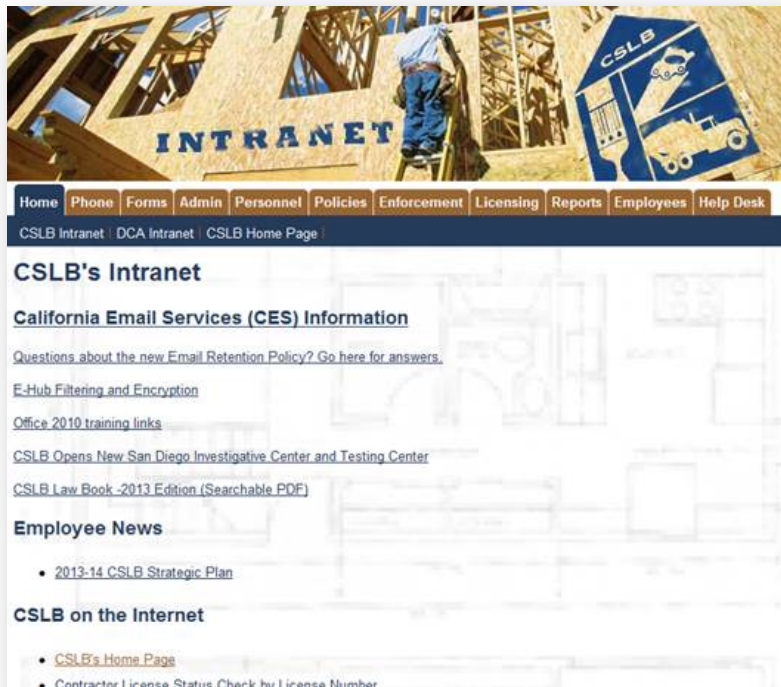
The new intranet site features the latest CSLB news, employee information, and photos. Other new features include a “10 Second Bio” that spotlights an employee; current local weather; and faster, easier access to internal phone numbers, reports, forms, policies, and the IT Help Desk. (See examples below.)



CSLB

INFORMATION TECHNOLOGY UPDATE

Old Intranet Home Page:



New Intranet Home Page:





Old Intranet Phone Details:



The screenshot shows the 'Old Intranet' website. The header features a construction-themed banner with the word 'INTRANET' and a CSLB logo. Below the banner is a navigation menu with links: Home, Phone, Forms, Admin, Personnel, Policies, Enforcement, Licensing, Employees, and Help Desk. A sub-header reads '** New Phone App **'. The main content area is titled 'Office Personnel Lookup' and displays a table with contact information for Sah, Raju.

Name:	Sah, Raju
Office:	HQ, Tech Support
Email:	Raju.Sah@cslb.ca.gov
Office Phone:	916-255-3964
Mobile Phone:	916-214-5708
Teale ID:	LB
Mailing Address:	9821 Business Park Drive Sacramento 95827

New Intranet Phone Details:



The screenshot shows the 'New Intranet' website, branded as 'CSLBbin'. The header features the 'CSLBbin' logo and a folder icon, with the tagline 'Employee News and Resources'. Below the header is a navigation menu with links: Home, Office, Reports, Policies, Forms, Publications, and Employees. The main content area is titled 'Personnel Details' and displays contact information for Sah, Raju, along with a photo. To the right of the photo is a weather forecast for Monday, November 04, 2013, showing a high of 70°F and a low of 41°F. Below the weather forecast are links to 'Staff Phone List', 'IT Help Desk', 'License Lookup', and 'Application Status'.

Personnel Details

Name: Sah, Raju
Office: HQ, Tech Support
Email: Raju.Sah@cslb.ca.gov
Office: 916-255-3964
Mobile: 916-214-5708
Teale: LB
Mailing Address: 9821 Business Park Drive
Sacramento

Monday, November 04, 2013

Currently: 68°F Clear
Tomorrow: High 70°F Low 41°F
Forecast provided by: www.underground.com

Staff Phone List
IT Help Desk
License Lookup
Application Status



Disclosure of a Partnering Agency's Disciplinary Action Project:

At a January 2013 stakeholder meeting, attendees voiced frustration that there was no centralized information source to identify licensees who may have a history of problems with other public agencies that are not subject to CSLB complaint disclosure.

On September 6, 2013, Board Members unanimously approved disclosing disciplinary actions by partnering agencies on CSLB's website.

CSLB will flag the licensee on the CSLB website with an advisory statement and an electronic link to a partnering agency's website. Through disclosure via links on CSLB's website, awarding authorities and prime contractors will be able to easily access information.

IT has completed analysis, programming, and the testing required to implement this project. To date, IT has linked the disciplinary actions taken by two partner agencies (Department of Industrial Relations' Division of Labor Standards Enforcement and the Department of Transportation) on CSLB's website and is working toward disclosing additional partner agencies' disciplinary actions as information becomes available and agreed upon by CSLB Enforcement and the partnering agency.

Contractor's License Detail - License # 766727

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.5). If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

License Number	766727	Extract Date	11/5/2013										
Business Information	LEGG INC Business Phone Number: (925) 605-4500 2551 2ND ST LIVERMORE, CA 94550 Corporation												
Entity													
Issue Date	07/30/1999												
Expire Date	07/31/2015												
License Status	ACTIVE												
Additional Information	This license is current and active. All information below should be reviewed. License may be suspended at a future date for failure to comply with a bond payout. The license may be suspended at a future date for failure to comply with an unsatisfied final civil judgment. The license may be suspended at a future date because of its association with another license, if that other license fails to comply with an outstanding civil judgment. Click here for Complaint Disclosure Information												
Classifications	<table border="1"><thead><tr><th>CLASS</th><th>DESCRIPTION</th></tr></thead><tbody><tr><td>A</td><td>GENERAL ENGINEERING CONTRACTOR</td></tr><tr><td>B</td><td>GENERAL BUILDING CONTRACTOR</td></tr><tr><td>C28</td><td>LOCK AND SECURITY EQUIPMENT</td></tr><tr><td>C33</td><td>PAINTING AND DECORATING</td></tr></tbody></table>			CLASS	DESCRIPTION	A	GENERAL ENGINEERING CONTRACTOR	B	GENERAL BUILDING CONTRACTOR	C28	LOCK AND SECURITY EQUIPMENT	C33	PAINTING AND DECORATING
CLASS	DESCRIPTION												
A	GENERAL ENGINEERING CONTRACTOR												
B	GENERAL BUILDING CONTRACTOR												
C28	LOCK AND SECURITY EQUIPMENT												
C33	PAINTING AND DECORATING												
CONTRACTOR'S BOND	This license filed a Contractor's Bond with HANOVER INSURANCE COMPANY Bond Number: 1954152 Bond Amount: \$12,500												



CSLB

INFORMATION TECHNOLOGY UPDATE

CA.GOV DEPARTMENT OF CONSUMER AFFAIRS
Contractors State License Board

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[Check A License](#) | [File a Complaint](#) | [Processing Times](#) | [Application Status](#) | [Surety Co Search](#) | [Workers Comp Search](#)

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- CSLB Basic Facts
- Frequently Asked Questions
- Forms and Applications
- Guides and Pamphlets
- CSLB Laws and Regulations
- List of All CSLB Fees
- How to Participate

Contact Us
Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95827
Phone (800) 321-CSLB

[Online Services](#) → [Check a License](#) → [License Detail](#) → Detail

Contractor's License Detail (Complaint Disclosure)

Contractor License #: 766727
Contractor Name: LEGG INC

DISCLAIMER: Any complaint listed is only an allegation of a probable violation. A complaint does not affect the status of the license at this time. If a complaint is referred to the Office of the Attorney General for legal action, it may result in the suspension or revocation of the license. Pursuant to [7124.6](#) of the Business and Professions Code, the following complaints meet the criteria for disclosure.

Select a complaint to view any violations.

COMPLAINT#	DATE	STATUS	CASE
N.A. 2012 9496	09/22/2013	REFERRED TO LEGAL ACTION	N 2013 157
S.F. 2012 9297	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157
S.F. 2012 9294	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157
N.A. 2012 8357	09/29/2013	REFERRED TO LEGAL ACTION	N 2013 157

Public Works
10/30/2013
CSLB is aware of a potential Stop Notice filed with Caltrans. Please refer to the following link for additional information from Caltrans and to verify the status of the allegation.
Complaints: www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm

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Public Works
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Complaints: www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm

The page at <https://www2.cslb.ca.gov> says:
You are now leaving the CSLB website.
Once you leave, you will be subject to the privacy and security policies and procedures of the destination website. CSLB does not control this website and is not responsible for their content.
Thank you for visiting CSLB On-Line.

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www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm



CSLB Intranet Contract: 060N2204 Stop Notice History

www.dot.ca.gov/hq/asc/oap/payments/public/sn/060n2204.htm

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Caltrans... We're Here to Get You There

Caltrans > Major Construction Payment & Information Home > Contract List > Contract: 060N2204 Stop Notice History

State of California
DEPARTMENT OF TRANSPORTATION
Major Construction Payment & Information System

Stop Notice History for Contract 060N2204

Stop Notice #1	[Back to Contract #060N2204]	[Top of Page]
Claimant: Jack Davenport Sweeping Services, Inc. Po Box 9222 Bakersfield Ca 93389	History: Claim established for \$30,412.59 on 12/04/2012 by s134388 *** Claim Date: 11/30/2012 *** Suit Date: 02/07/2013	
Stop Notice #2	[Back to Contract #060N2204]	[Top of Page]
Claimant: ESWPPP Consultants LLC 902 Cortina Court Walnut Creek, CA 94598	History: Claim established for \$1,049.00 on 12/04/2012 by s134388 Release Claim - Legal Dept. on 07/18/2013, by s130442 \$0.00 Paymt to contract payee Per legal, no lawsuit filed. *** Claim Date: 12/04/2012	
Stop Notice #3	[Back to Contract #060N2204]	[Top of Page]
Claimant: California Parking & Hwy 230 Kaiser Ln Bakersfield, CA 93307	History: Claim established for \$82,176.00 on 12/19/2012 by s129656 *** Claim Date: 12/18/2012 *** Suit Date: 05/16/2013	

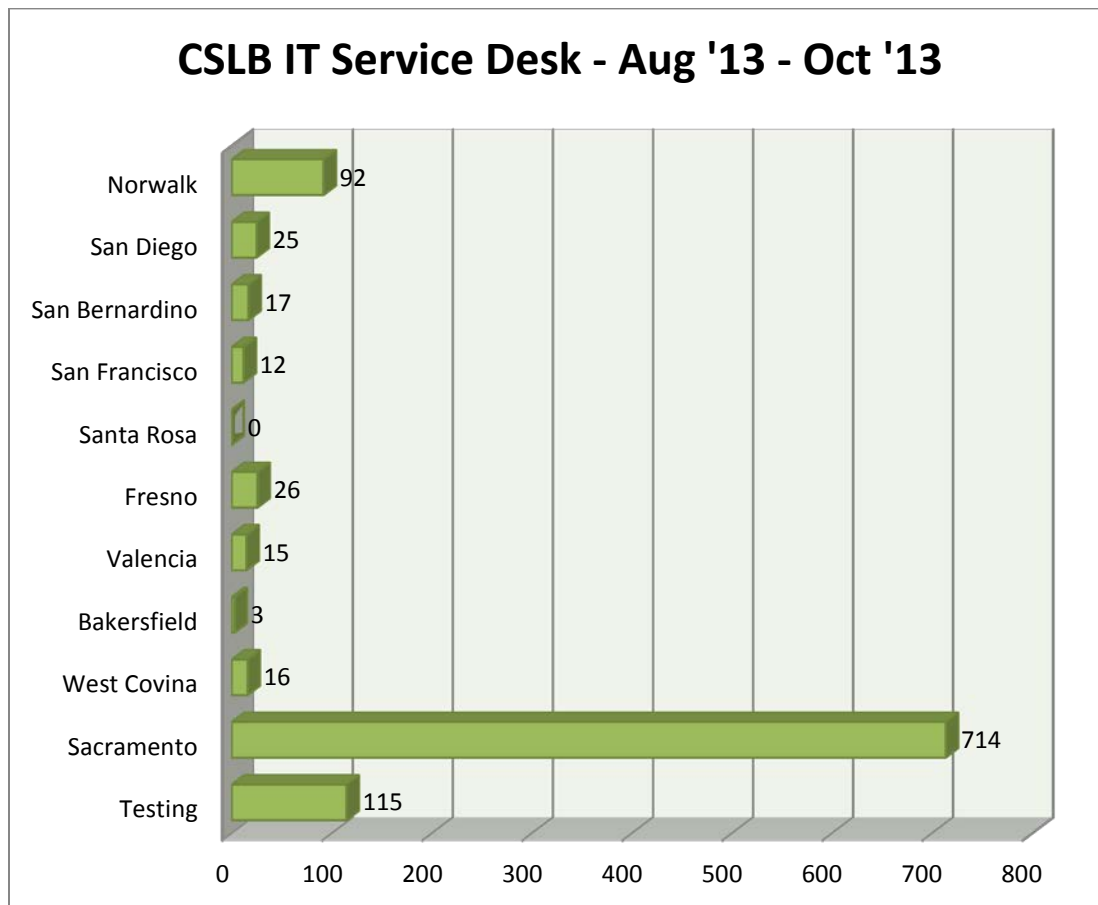
data-protection.jpg Show all downloads...



IT Service Desk

CSLB's IT Service Desk technical staff resolve Level -1 and Level -2 IT issues for the board. CSLB employees who need assistance with their desktops, laptops, printers, faxes, phones, etc., generate a ticket via phone or the CSLB intranet site. Incoming tickets are reviewed and assigned within 15 minutes. The average Level-1 ("user down") priority tickets are resolved or fixed in under 30 minutes and Level-2 more complex tickets are resolved in approximately 60 minutes.

During the August through October 2013 period, a total of 1,035 tickets (693 online and 342 via phone/walk-in) were processed by the IT Service Desk.



Interactive Voice Response (IVR) System

CSLB's IVR is an interactive, self-directed telephone system that is a valuable source of information for consumers, contractors, and others. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check the status of their exam application. The IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor. In addition to providing information, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. During the August through October 2013 period, the CSLB IVR handled a total of 110,758 calls, which is an



average of 36,919 calls a month; the system is available 24 hours a day, seven days a week.

There are dozens of possible menu options within the IVR system; following is a representative sample of the top 20 IVR requests during August through October 2013.

Top 20 IVR Requests - Aug '13 - Oct '13

	Abbreviation	Aug-13	Sep-13	Oct-13
Contactor or Want to Become Contractor	Contr	17,738	16,601	18,393
Info on Maintaining or Changing License	Lic Maint Info	11,181	10,396	11,702
Contractor's License Check	Contr Lic Ck	10,724	9,417	10,479
Contractor License Application	Contr Lic App	4,308	3,976	4,306
Hire or Problem with Contractor	Contr Prob	4,165	3,916	4,201
About License Renewal	Lic Renwl	3,929	3,750	4,144
License Number Not Known	Lic Num Unk	3,774	3,420	3,727
About Making Changes to License	Mk Chg Lic	3,461	3,315	3,765
About Continuing Requirements	Cont Req	2,680	2,322	2,652
For Changes to Existing Licenses	Chg Lic	2,193	2,036	2,442
Info on Problems with Contractor	Prob Contr	1,892	1,870	1,948
Reschedule Exam Date	Reschdl Exam	1,981	1,822	1,819
License Requirements	Lic Req	1,809	1,690	1,844
General Application & Examination Info	App & Exam	1,563	1,445	1,479
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,229	993	1,250
For Changing the Business Structure of an Existing License	Chg Biz Struc	1,102	1,151	1,133
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	1,114	1,071	1,134
Info about Workers' Comp Requirements	WC Req	841	669	892
License Complaint Information	Lic Cmpt Info	773	749	850



For Adding Classifications, Certifications or
Changing Qualifiers

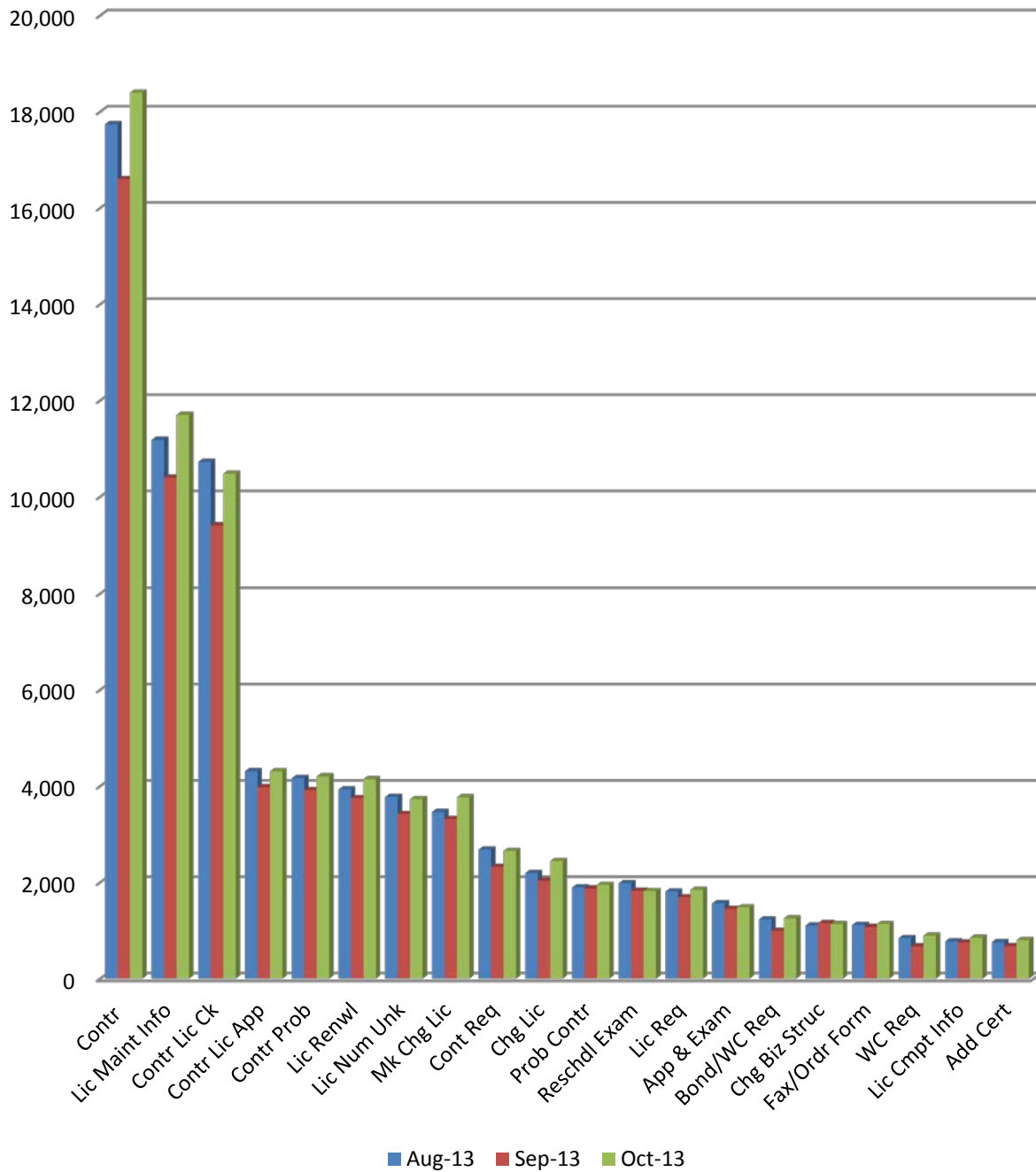
Add Cert

756

673

798

Top 20 IVR Requests - Aug '13 - Oct '13



AGENDA ITEM J-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

Fiscal Year (FY) 2013-14 CSLB Budget and Expenditures

- Through October 31, 2013, CSLB spent or encumbered \$22 million, roughly 36 percent of its FY 2013-14 budget. Following is a summary of the FY 2013-14 CSLB budget, along with the expenditures through October 2013:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	OCTOBER 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	21,420,545	6,871,425	14,549,120	67.9%
Board Members	15,900	2,800	13,100	82.4%
Temp Help	812,100	206,890	605,210	74.5%
Exam Proctor	41,168	29,232	11,936	29.0%
Overtime	124,575	55,257	69,318	55.6%
Staff Benefits	9,320,455	3,105,696	6,214,759	66.7%
TOTALS, PERSONNEL	31,734,743	10,271,300	21,463,443	67.6%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	21,126,554	10,494,469	10,632,085	50.3%
Exams	435,882	95,994	339,888	78.0%
Enforcement	8,401,821	1,283,472	7,118,349	84.7%
TOTALS, OE&E	29,964,257	11,873,935	18,090,322	60.4%
TOTALS	61,699,000	22,145,235	39,553,765	64.1%
Scheduled Reimbursements	-353,000	-80,096	-272,904	
Unscheduled Reimbursements		-65,255	65,255	
TOTALS, NET REIMBURSEMENTS	61,346,000	21,999,884	39,346,116	64.1%

Revenue

- CSLB received the following revenue through October, 2013:

Revenue Category	Through 10/31/2013	Percentage of Revenue	Change from prior year (10/31/2012)
Duplicate License/Wall Certificate Fees	\$29,999	0.1%	-2.8%
New License and Application Fees	\$3,285,807	15.2%	2.6%
License and Registration Renewal Fees	\$16,738,148	77.5%	-4.4%
Delinquent Renewal Fees	\$1,025,205	4.7%	13.6%
Interest	\$17,318	0.1%	0.0%
Penalty Assessments	\$462,495	2.1%	33.6%
Misc. Revenue	\$37,729	0.2%	5.3%
Total	\$21,596,701	100.00%	-2.0%

**CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2012-13 reserve (over \$28 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Proj. CY 2013-14	Proj. BY 2014-15	Proj. BY+1 2015-16
Beginning Balance	\$26,678	\$28,952	\$22,841	\$16,735
Prior Year Adjustment	\$643	\$0	\$0	\$0
Adjusted Beginning Balance	\$27,321	\$28,952	\$22,841	\$16,735
Revenues and Transfers				
Revenue	\$55,588	\$55,508	\$55,853	\$55,822
Transfer from General Fund				
Totals, Resources	\$82,909	\$84,460	\$78,694	\$72,557
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,628	\$61,346	\$61,959	\$62,579
State Controller (State Operations)	\$36			
Financial Info System Charges	\$293			
13-14 Fi\$cal Assessment		\$273		
Total Expenditures	\$53,957	\$61,619	\$61,959	\$62,579
Fund Balance				
Reserve for economic uncertainties	\$28,952	\$22,841	\$16,735	\$9,978
Months in Reserve	5.6	4.4	3.2	1.9

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 1% starting in FY 2014-15 and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2013-14 to 14-15.

**Construction Management Education Account (CMEA)****FY 2013-14 Budget and Expenditures**

- Through October 31, 2013, CMEA expended roughly \$2,000 in pro rata charges. The following chart provides a summary of the FY 2013-14 CMEA budget, along with the expenditures through October 2013:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	OCTOBER 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	15,215	0	15,215	100.0%
Pro Rata	7,785	1,946	5,839	75.0%
TOTALS, OE&E	23,000	1,946	21,054	91.5%
GRANT AWARDS				
Grant Awards	150,000	0	150,000	100.0%
TOTALS, GRANT AWARDS	150,000	0	150,000	100.0%
TOTALS	173,000	1,946	171,054	98.9%

CMEA Fund Condition

- Below is the CMEA fund condition, which shows the final FY 2012-13 reserve (\$165,000 – approximately 15 months' reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Proj. CY 2013-14	Proj. BY 2014-15	Proj. BY+1 2015-16
Beginning Balance	\$ 259	\$ 165	\$ 84	\$ 4
Prior Year Adjustment	\$ (7)	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 252	\$ 165	\$ 84	\$ 4
Revenues and Transfers				
Revenue	\$48	\$54	\$54	\$54
Totals, Resources	\$ 300	\$ 219	\$ 138	\$ 58
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$14	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$121	\$121	\$121
13-14 Fi\$cal Assessment		\$1		
Total Expenditures	\$ 135	\$ 135	\$ 134	\$ 134
Fund Balance				
Reserve for economic uncertainties	\$ 165	\$ 84	\$ 4	\$ (76)
Months in Reserve	14.7	7.5	0.4	-6.8

Notes:

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



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2010-11	2011-12	2012-13	2013-14
July	2,966	2,082	2,564	2,850
August	3,137	2,801	2,786	3,084
September	2,904	2,572	2,408	2,682
October	2,702	2,688	2,857	2,719
Total	11,709	10,143	10,615	11,335
% Change from Prior FY				6.8%

Original Licenses Issued

	2010-11	2011-12	2012-13	2013-14
July	1,134	1,278	925	1,008
August	1,138	1,395	1,013	845
September	1,140	1,247	1,249	1,023
October	1,067	1,055	1,138	970
Total	4,479	4,975	4,325	3,846
% Change from Prior FY				-11.1%

Licenses Renewed

	2010-11	2011-12	2012-13	2013-14
July	13,287	9,291	11,125	11,751
August	10,710	11,856	11,273	9,313
September	10,816	9,863	9,868	8,016
October	9,772	9,634	10,167	8,481
Total	44,585	40,644	42,433	37,561
% Change from Non-Peak FY 2011-12				-7.6%

HIS Registrations Renewed

	2010-11	2011-12	2012-13	2013-14
July	132	99	115	150
August	110	139	180	150
September	113	114	130	101
October	82	120	136	152
Total	437	472	561	553
% Change from Prior FY				-1.4%

**License Population by Status**

	October 2011	October 2012	October 2013
Active	235,777	229,541	224,358
Inactive	67,768	67,222	64,986
Subtotal	303,545	296,763	289,344
Other /1*	424,194	442,092	459,211
Expired	365,106	379,882	394,257
Expired % of Other	86.1%	85.9%	85.9%
Grand Total	727,739	738,855	748,555

* Other/1 - includes the following license status categories: cancelled, cancelled due to death, expired, or revoked.

HIS Registration Population by Status

	October 2011	October 2012	October 2013
Active	8,551	8,948	9,117
Other	79,724	82,988	86,570
Total	88,275	91,936	95,687

Complaints By Fiscal Year

	2009-10	2010-11	2011-12	2012-13
Received	19,876	21,320	19,239	18,101
Reopened	1,010	1,076	1,094	844
Closed	21,532	22,483	20,366	19,118
Pending (As of June 30)	3,958	3,891	3,901	3,762

CSLB Position Vacancies

	October 2012	October 2013
Administration	2.0	2.8
Executive/Public Affairs	0.0	1.0
IT	2.0	6.0
Licensing	5.0	8.0
Enforcement	15.0	18.2
Testing	2.5	3.0
Total	26.5	39.0

AGENDA ITEM J-5

Review of Strategic Planning Process





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN UPDATE

LICENSING & TESTING OBJECTIVES	TARGET FY 2013-14	STATUS
1. Develop language for establishment of an asbestos abatement specialty classification.	June 2014	Language is completed and approved by the Board; a regulation hearing is tentatively scheduled for Jan 2014.
2. Increase hi-tech security monitoring in testing centers.	January 2015	CSLB will place cameras at all testing centers and has a long-term goal to install bio-metric security features at its testing sites.
3. Develop an online smart application package to reduce application decline rates.	January 2016	This objective is tied to the DCA BreEZe project.
4. Evaluate the productivity of CSLB's Licensing Information Center and determine if changes are needed.	June 2014	Study is completed; proposals are to be implemented June 2014.
5. Fully automate bonds and workers' compensation insurance submission processes.	January 2016	This objective is tied to the DCA BreEZe project.
6. Expand license application video to other languages.	January 2015	Licensing and PAO will work together to produce video in other languages.
7. Inform applicants about the top reasons applications are rejected.	Completed	"Completing a Contractor License Application" video is available on CSLB's website.
8. Establish a task force to analyze the application process and reduce rejection rates.	January 2015	Study to be performed.
9. Implement an online licensure tool for credit card payment.	January 2016	This objective is tied to the DCA BreEZe project.



ENFORCEMENT OBJECTIVES	TARGET FY 2013-14	STATUS
1. Update the Industry Expert training program.	3 rd Quarter	Staff is currently developing an IE Training Module that will be conducted by Investigative Center Supervisors and staff. Once the module is completed, staff will determine which classifications are needed for each region and schedule training as necessary.
2. Provide for the disclosure of a partnering agency's administrative action on CSLB's website.	Completed	Disclosure is now available via CSLB's website for DLSE and Caltrans violations. Disclosure includes Civil Wage Penalty Assessments made by the Labor Commissioner and Caltrans-issued Stop Notices. Consideration to disclosure of additional state and local government agencies will be ongoing.
3. Partner with the California Energy Commission (CEC) to create an energy efficiency campaign.	FY 2014-15 2 nd Quarter	Staff continues to work closely with CEC. A campaign has been developed and is in the process of being implemented.
4. Address enforcement vacancies in hard-to-fill geographic areas.	Ongoing	An investigator was hired in the San Luis Obispo area. A second vacancy was advertised in the Walnut Creek area but did not result in viable candidates. Staff continues to pursue hiring in other remote locations.
5. Develop criteria and controls to monitor and prioritize proactive enforcement.	Completed	Meetings are held regularly with Labor and Enforcement Strike Force and Joint Enforcement Strike Force partners, and targets have been determined.
6. Automate an official educational letter to consumers who repeatedly hire unlicensed operators.	3 rd Quarter	A letter was submitted to the Enforcement Committee for approval on October 24, 2012. The committee reviewed the letter and offered suggested edits. The revised letter was approved by DCA Legal Affairs and approved by the Board on December 11, 2012. Staff is currently working with IT to make the letter automated.



7. Prioritize enforcement complaints based on potential harm to the public.	Completed	The Board approved the Enforcement Prioritization Chart. Staff committed to reviewing priorities on an ongoing basis to meet changing consumer protection needs.
8. Conduct a feasibility study of a pilot program similar to law enforcement's citizens patrol.	3 rd Quarter	The Butte County Industry Expert Volunteer Pilot Program was approved by the Board and will begin implementation on January 1, 2014, pending the successful hire of a Retired Annuitant to lead the program.



PUBLIC AFFAIRS OBJECTIVES	TARGET FY 2013-14	STATUS
1. Migrate CSLB's website to the new state of California website standards.	3 rd Quarter	PAO and IT staff meet monthly to discuss content and design.
2. Establish a multimedia unit with focus on video production.	4 th Quarter	Established PAO studio 1 st quarter; equipment arrived 2 nd quarter; procedures/protocols and studio set-up is expected 3 rd quarter.
3. Create an archive of consumer stories for use in various outreach efforts and educate staff on the benefits of sharing information.	3 rd Quarter	Completed media training for statewide staff 4 th quarter 2013; staff is to be contacted regularly to encourage case submissions.
4. Complete the flagship contractor and consumer publications.	3 rd - 4 th Quarter	Consumer publication is in design; contractor publication is in content development.
5. Develop a contractor presentation kit.	4 th Quarter	A committee will provide input for content and design prior to production and distribution.
6. Develop a CSLB style guide and brand standards manual.	4 th Quarter	Rough draft is in development.



LEGISLATION OBJECTIVES	TARGET FY 2013-14	STATUS
1. Review and recommend changes to simplify Contractors State License Law and update by 2014.	2 nd Quarter	Initial draft is in process.
2. Prepare and submit Sunset Review Report.	September 2014	Received draft template to begin report.

IT & ADMINISTRATION OBJECTIVES	TARGET	STATUS
1. Prepare CSLB for implementation of BreEZe. (Information Technology)	TBD	Release 1 Boards went live on October 8, 2013. CSLB is one of 19 boards/bureaus in Release 3, and has not been given an implementation timeline. CSLB IT staff continues to help DCA by assisting other boards and bureaus with Data Validation and Acceptance Testing. CSLB also has provided its testing center for training DCA Release 1 staff on the BreEZe system.
2. Create a Subsequent Arrest Unit through the BCP Process.	July 2014	BCP submitted.

AGENDA ITEM K

Review of Tentative Schedule

Following is a list of Board meetings scheduled for 2014:

February 19, 2014..... San Francisco Bay Area

April 23-24, 2014 San Diego

June 6, 2014..... Newport Beach



AGENDA ITEM L

Adjournment

