

FEBRUARY 26, 2013
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 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.

NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting on Tuesday, February 26, 2013, in the John C. Hall Hearing Room at the CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

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 February 26, 2013 10:00 a.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Review and Approval of December 11, 2012 Board Meeting Minutes
- E. Enforcement Committee Report
 - 1. Enforcement Program Update
 - 2. Review and Approval of Disclosure by CSLB of a Partnering Agency's Disciplinary Action
- F. Public Affairs Committee Report
 - 1. Public Affairs Program Update
- G. Legislative Update
 - 1. Status of Legislative Proposals to Amend Business and Professions Code:
 - a. Section 7027.3 (Illegal Use of License Information)

CONTINUED

- b. Section 7031 and Others (Definition of Unlicensed Activity)
- c. Section 7068.1 (License Qualifiers)
- d. Section 7085.5 (Arbitration)
- e. Section 7114 (Aiding and Abetting Unlicensed Activity)
- f. Section 7141 (Delinquency Renewal Fee)

H. Licensing Committee Report

- 1. Licensing Program Update
- 2. Testing Division Update
- 3. Consideration of an Asbestos Abatement Specialty Classification

I. Executive Committee Report

- 1. Administration and Information Technology Update
- 2. Budget Update
- 3. Status of 2012-2013 Strategic Plan Objectives
- 4. Discussion Regarding Strategic Planning Process

J. Review of Tentative Schedule

K. 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

DAVID DIAS	LISA MILLER-STRUNK
JOAN HANCOCK	JOHN O'ROURKE
PASTOR HERRERA JR.	BRUCE RUST
MATTHEW KELLY	FRANK SCHETTER
ROBERT LAMB	PAUL SCHIFINO
ED LANG	MARK A. THURMAN
JAMES MILLER	



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Paul Schifino 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

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 D

Review and Approval of December 11, 2012 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

MEETING MINUTES December 11, 2012

A. CALL TO ORDER

Board Chair Paul Schifino called the meeting of the Contractors State License Board (CSLB) to order at 1:30 p.m. on Tuesday, December 11, 2012, in the Cabernet Room at the Doubletree by Hilton, 13111 Sycamore Dr., Norwalk, CA 90650. A quorum was established.

Board Secretary Mark Thurman led the Board in the Pledge of Allegiance.

Board Members Present

Paul Schifino, Chair	Frank Schetter
Joan Hancock, Vice Chair	Robert Lamb
Mark Thurman, Secretary	Ed Lang
David Dias	James Miller
Matthew Kelly	Lisa Miller-Strunk
Pastor Herrera Jr.	

Board Members Excused

John O'Rourke
Bruce Rust

Staff Present

Stephen Sands, Registrar	Erin Echard, Executive Office
Cindi Christenson, Chief Deputy Registrar	Karen Robinson, Licensing Chief
Don Chang, Legal Counsel	Mike Brown, Retired Annuitant
Rick Lopes, Public Affairs Chief	
David Fogt, Enforcement Chief	

Public Visitors

Alex Beltran	Joe Upchurch
Matt Levesque	Dave Arthurs
Bill Quisenberry	Soledad Gutierrez
Ken Grossbart	

B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS

Board Chair Paul Schifino opened the meeting by welcoming back Retired Annuitant Mike Brown temporarily to CSLB, as well as congratulating Karen Robinson on her marriage, noting a last name change from Ollinger. Mr. Schifino also wanted to clarify that each Committee Chair will need to present his or her own committee's motions. Mr. Schifino then asked if there were additional comments to be made by any Board members. Pastor Herrera Jr. wished to acknowledge a Los Angeles Times article concerning a real estate development company laundering money.



C. PUBLIC COMMENT

Dave Arthurs of Re-pipe California spoke to the Board about being displeased with his experience when renewing a qualifier for a contractor's license.

D. REVIEW AND APPROVAL OF THE SEPTEMBER 11, 2012 BOARD MEETING MINUTES

Motion to Approve the September 11, 2012, Board Meeting Minutes

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Robert Lamb to approve the September 11, 2012, Board Meeting Minutes. The motion carried unanimously, 11-0.

E. ENFORCEMENT COMMITTEE REPORT

Enforcement Committee Chair David Dias provided the Enforcement Committee Report.

1. Review and Approval of October 24, 2012, Enforcement Committee Meeting Report.

Motion to Approve the October 24, 2012 Enforcement Committee Meeting Report

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Ed Lang to approve the October 24, 2012, Enforcement Committee Meeting Report. The motion carried unanimously, 11-0.

2. Enforcement Program Update

Enforcement Committee Chair David Dias presented an award of recognition to the Southern SWIFT unit for its accomplishments this year. Enforcement Chief Dave Fogt updated the Board on division vacancies, Intake and Mediation Centers, Investigative Centers, SWIFT statistics, and proposed training updates in relation to PC 832 and telemarketing issues. He also noted that the goals for staff are to finish 2012 with fewer than 100 aged cases. Mr. Fogt noted the new peace officers will complete training in February, and encouraged Board members to attend their graduation. Nora Urias, an investigator in the West Covina office, was called to the podium to tell of her experience with the aged fleet and shortage of vehicles. Nora drives a 2004 Ford Taurus with approximately 89,000 miles on it. Her vehicle has many issues and she said she sometimes fears for her safety driving it. A discussion among the Board members began with ideas on addressing the problem.

MOTION: A motion was made by Board Member James Miller and seconded by Board Vice Chair Joan Hancock to research the issue of state vehicles and report back to the Board. The motion carried unanimously, 11-0.



3. Review and Approval of Minimum Peace Officer Training Requirements

California peace officers are required to complete training established by the California Commission on Peace Officer Standards and Training (POST). CSLB peace officers must go to a Specialized Investigator Basic Course Academy, which is only given at one institution. This course will be closed in 2013, and the closure may become permanent. While this course is unavailable, CSLB must find alternative training for newly hired peace officer candidates.

Motion to Approve the Minimum Peace Officer Training Requirements

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Ed Lang to approve the Minimum Peace Officer Training requirements. The motion carried unanimously, 11-0.

4. Review and Approval of Letter to Consumers Warning of Potential Employer Status

Approval would allow CSLB to send a letter to educate consumers who have complained about an unlicensed operator to provide a disposition of their case and warn about their potential employer status when hiring unlicensed individuals.

Motion to Approve the Letter to Consumers Warning of Potential Employer Status

MOTION: A motion was made by Board Vice Chair Joan Hancock and seconded by Board Member James Miller to approve the Letter to Consumers Warning of Potential Employer Status. The motion carried unanimously, 11-0.

F. PUBLIC AFFAIRS PROGRAM UPDATE

Public Affairs Committee Chair Pastor Herrera Jr. provided the Public Affairs Committee Report.

1. Review and Approval of October 24, 2012, Public Affairs Committee Meeting Report

Motion to Approve the October 24, 2012, Public Affairs Committee Meeting Report

MOTION: A motion was made by Board Vice Chair Joan Hancock and seconded by Board Member Robert Lamb to approve the October 24, 2012, Public Affairs Committee Meeting Report. The motion carried unanimously, 11-0.

2. Public Affairs Program Update

Mr. Lopes told the Board that the Public Affairs Office (PAO) has hired two new Information Officers and is now fully staffed. Mr. Lopes also informed the Board that



several CSLB brochures have been updated, one of which has been translated into Spanish. Mr. Lopes mentioned an impromptu visit from a Singapore delegation, the success of the Veterans Assistance Program, and that CSLB's instructional YouTube video is now being tracked. Mr. Lopes also reported on a scam by at least one unscrupulous company targeting licensees and applicants, leading them to believe they are being contacted by CSLB and that money is needed for a new license exam or for continuing education to renew a license. Finally, Mr. Lopes updated Board members on the Contractors Outreach Program and the Senior Scam StopperSM program.

G. LEGISLATIVE COMMITTEE REPORT

Legislative Committee Chair Lisa Miller-Strunk gave the Legislative Committee Report.

1. Review and Approval of November 19, 2012, Legislative Committee Meeting Report

Motion to Approve the November 19, 2012, Legislative Committee Meeting Report

MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member Robert Lamb to approve the November 19, 2012, Legislative Committee Meeting Report. The motion carried unanimously, 11-0.

2. Proposals to Amend the Business and Professions Code

a. Section 7027.3 – (Illegal Use of License Information).

Approval would allow CSLB to take administrative actions for violations of specified provisions in Section 119.

Motion to Approve the Recommended Position on B&P Code Section 7027.3

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Vice Chair Joan Hancock to approve the recommended position on B&P Code section 7027.3. The motion carried unanimously, 11-0.

b. Section 7031 and Others (Definition of Unlicensed Activity)

Approval would allow CSLB staff to develop a proposal with language to address problems with licensed contractors entering into a contract with an entity that is not duly licensed.

Motion to Approve the Recommended Position on B&P Code Section 7031

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Matthew Kelly to approve the recommended position on B&P Code section 7031. The motion carried unanimously, 11-0.

c. Section 7068.1 – (License Qualifiers)



Approval would amend law to discipline qualifiers on licenses who fail to comply with supervision and control requirements.

Motion to Approve the Recommended Position on B&P Code Section 7068.1

MOTION: A motion was made by Board Member Mark Thurman and seconded by Board Member James Miller to approve the recommended position on B&P Code section 7068.1. The motion carried unanimously, 11-0.

d. Section 7085.5 – (Arbitration)

Approval would increase the clarity of the process for both homeowners and contractors and would be more in line with current case law and best practices.

Motion to Approve the Recommended Position on B&P Code Section 7085.5

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Pastor Herrera Jr. to approve the recommended position on B&P Code section 7085.5. The motion carried unanimously, 11-0.

e. Section 7114 – (Aiding and Abetting Unlicensed Activity)

Approval would delete the reference to section 7099 (Citation – subdivision (b)).

Motion to Approve the Recommended Position on B&P Code Section 7114

MOTION: A motion was made by Board Vice Chair Joan Hancock and seconded by Board Member David Dias to approve the recommended position on B&P Code section 7114. The motion carried unanimously, 11-0.

3. Review and Approval of Language to Amend Business and Professions Code Section 7141 (Delinquency Renewal Fee)

Motion to Approve the Language to Amend B&P Code Section 7141

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Ed Lang to approve the Language to Amend B&P Code section 7141. The motion carried, 10-0. Board Vice Chair Joan Hancock abstained.

H. LICENSING COMMITTEE REPORT

Licensing Committee Chair Ed Lang provided the Licensing Committee Report.

1. Licensing Program Update



Licensing Chief Karen Robinson provided updates on the Criminal Background and Judgments Units. Call volumes and wait times in the call center are down from last year and recruitment for five more positions continues. New applications received continues to decline. Ms. Robinson also mentioned the success of the LLC program, which has been in place for nearly a year.

2. Testing Division Update

Licensing Chief Robinson informed the Board that CSLB's testing centers also will be used for other projects involving DCA, such as BreEZe, for the first time. Employees in the Examination Administration unit are assisting with occupational analysis since DCA is short staffed.

3. Review and Approval of Board Policy on Asbestos:

DCA Legal Counsel Don Chang prepared a legal summary on whether a licensed contractor that holds an asbestos certification can perform asbestos removal work in a classification that is not held by the contractor. Approval would mean a licensed contractor may perform asbestos-related work only in the license classification(s) for which it is licensed.

Motion to Approve the Board Policy on Asbestos

MOTION: A motion was made by Board Vice Chair Joan Hancock and seconded by Board Member Pastor Herrera Jr. to approve the Board Policy on Asbestos. The motion carried unanimously, 11-0.

4. Review and Approval of Construction Management Education Account Committee Proposal regarding Grants to Qualifying Programs

Licensing Chief Robinson summarized the notice of intent to award grants.

Motion to Approve the Recommended Position on Construction Management Education Account Committee Proposal regarding Grants to Qualifying Programs

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member David Dias to approve the recommended position on Construction Management Education Account Committee Proposal regarding Grants to Qualifying Programs. The motion carried unanimously, 11-0.

I. EXECUTIVE COMMITTEE REPORT

Chief Deputy Registrar Cindi Christenson presented the Executive Committee Report.

1. Administration and Information Technology Update

Ms. Christenson welcomed new Information Technology Chief Raju Sah, who replaced Jason Piccione. She informed the Board that the Personnel Department is stepping up to help the onboarding process for hiring new employees. She also noted that a top priority is to hire a deputy chief in Enforcement. Ms.



Christenson gave an update on the delay of Phase I in BreEZe, the request to purchase 11 new vehicles, and the issues with getting travel advances approved. DCA also is looking to improve processing times for travel reimbursement claims.

2. Budget Update

Ms. Christenson provided information on revenue and funds.

3. 2012-2013 Strategic Plan Update

Registrar Steve Sands gave an update on the status of each objective the Board established, whether completed, on track or delayed.

J. REVIEW OF TENTATIVE SCHEDULE

Registrar Steve Sands advised the Board of the future scheduled meetings. The next Board Meeting will be held Tuesday, February 26, 2012, in San Jose. The time has not yet been determined.

K. ADJOURNMENT

Board Chair Paul Schifino adjourned the meeting at 3:54 p.m.

Paul Schifino, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM E

Enforcement Committee Report



AGENDA ITEM E-1

Enforcement Program Update





Intake and Mediation Centers (IMC)

**IMCs
Financial Settlement Amount
2012 Calendar Year**

• \$ 8,512,033.78

Contractor Claims He Was Pressured to Use Uninsured Workers

A contractor entered into a \$3,800 contract with a homeowner to paint a house and install interior blinds. The homeowner was unhappy with the quality of materials used by the contractor and the significant delays in completing the project. A complaint was filed and a consumer services representative (CSR) contacted the homeowner to verify the specific complaint issues. During the interview, the homeowner revealed that the contractor had eight workers on the job. Upon further investigation, the CSR became aware that the contractor had an exemption from workers' compensation insurance on file, claiming to have no employees.

The CSR contacted the contractor who, when questioned about the use of employees, tried to avoid the topic but eventually admitted to the use of employee labor. The contractor claimed he hired day laborers because of the pressure from the homeowner to complete the job. The CSR cancelled the contractor's exemption and initiated the suspension process. The case was transferred to the IC for further action.

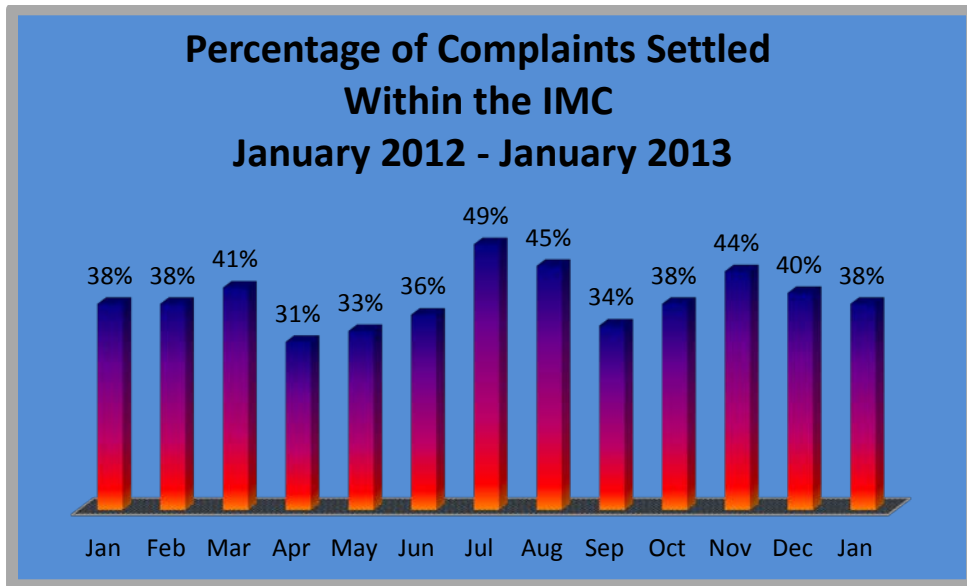
Construction Dust Causes Large Settlement

A contractor accepted a \$20,000 project for the dry out and restoration of a dental surgery center that had experienced flood damage. The surgery center owners filed a complaint stating that some of their equipment had been damaged by dust particles, rendered unusable, and in need of complete replacement. They felt the contractor was to blame because he failed to properly cover the expensive equipment. The CSR contacted the contractor to mediate a resolution. Even though the owners of the surgery center had no complaints about the actual work performed, the contractor was not only willing to pay the clean-up cost of the medical equipment of \$25,793 but agreed to forego the contracted price of \$20,000 because of the inability of the medical facility to continue with their practice during the clean-up. The contractor preferred to pay out \$45,793 to satisfy the consumer and keep his good history with CSLB. He admitted he made a mistake that will not happen again.



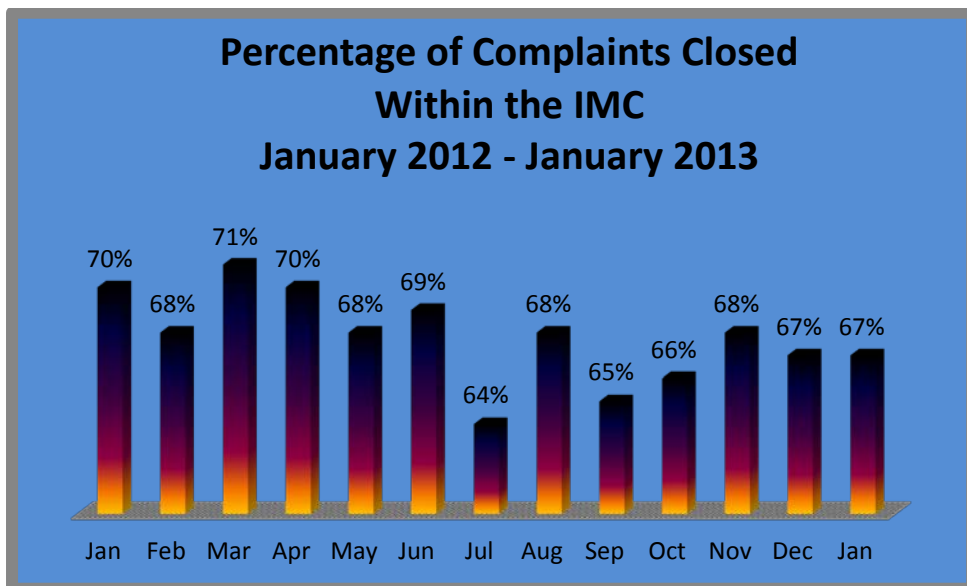
Settled Complaints in the IMC

The Board's objective is to settle 30 percent of licensee complaints with restitution paid to financially injured parties. From January 2012 to January 2013, an average of 38 percent of licensee complaints has been settled by IMC staff, exceeding the Board's goal.



Licensee Complaints Closed in the IMC

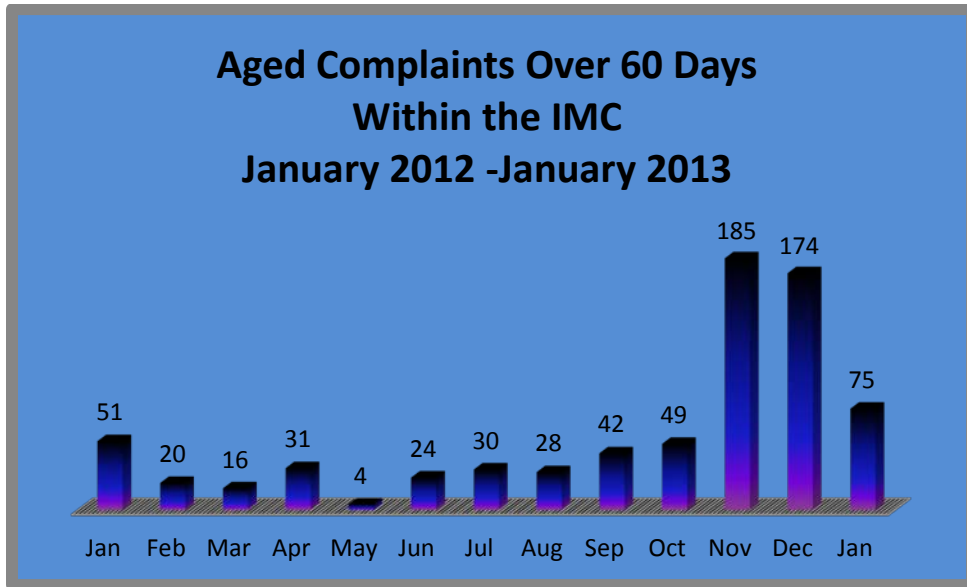
The Board's objective is to disposition 70 percent of licensee complaints in the IMC. From January 2012 to January 2013, IMC staff dispositioned an average of 68 percent of complaints.





Aged Complaints Over 60 Days in the IMC

The Board's objective is to disposition or refer to the field within 60 days of receipt no more than 1,000 complaints received each month in the IMC. The following chart depicts how many complaints are over the 60-day objective.





Investigative Centers (IC)

**ICs
Financial Settlement Amount
2012 Calendar Year**

• \$ 4,108,168.84

CSLB Staffing Challenges in Bay Area

The high cost of living in the San Francisco Bay Area is severely affecting CSLB's ability to retain staff and fill vacant positions. One decade ago, CSLB operated three Bay Area Investigative Centers (IC), staffed by more than 20 Enforcement Representatives (ERs).

Due to an inability to attract and hire qualified candidates, two ICs (San Jose and Oakland) now have been closed, with those ER positions transferred to the Sacramento ICs. In addition, four out of seven ER positions in the San Francisco IC are currently vacant.

While the position transfer has not negatively affected CSLB's ability to investigate complaints in the East Bay, staff is currently not able to efficiently investigate complaints in the North Bay, San Francisco, the Peninsula, and South Bay. CSLB's inability to fill positions in the San Francisco IC has increased commute time and expenses as ERs are forced to travel from Sacramento to the Bay Area to investigate complaints.

The current situation in the San Francisco IC is indicative of the challenges CSLB faces in retaining staff and filling vacancies. Currently, there are seven full-time ER positions in the San Francisco IC, 1.5 clerical positions, and one Enforcement Supervisor.

As noted above, four (4) ER positions are currently vacant. Over the last month, job offers were made to three (3) individuals. One candidate declined after accepting a position in Sacramento; another declined after initially accepting due to the lack of affordable housing in the Bay Area; and, a current candidate accepted a position, but is reconsidering due to the high cost of living in the Bay Area. In addition, one ER in the San Francisco IC is looking for another job because of an increased workload due to vacancies. If nothing is done, CSLB may be forced to close the San Francisco IC, losing all presence in the Bay Area. CSLB has been seeking a solution to this problem for more than a decade, but has not been able to find a different solution other than having Sacramento IC staff travel to the Bay Area.

CSLB's Latest Peace Officers Graduate from Academy

San Diego Investigative Center ER II Vicki Coore completed a 25-week course and graduated from San Diego's Regional Public Safety Training Institute on February 1, 2013. CSLB Board Member Pastor Herrera presented Vicki with the pinning of her badge. West Covina IC Peace Officer Bernard Lim and San Bernardino IC Peace Officer John Anderson



attended Golden West's 17-week Specialized Investigator's Basic Course (SIBC). Bernard Lim was selected as the class president and was asked to make a speech during the graduation ceremony held on February 14, 2013. Vicki Coore, Bernard Lim, and John Anderson now can fully assume their job duties as CSLB peace officers.

Two Contractors and an Engineer Stipulate to Revocation of Licenses

In June 2006, San Clemente homeowners contracted with Toussieng Landscape Construction Inc. (TLC), to landscape their San Clemente residence based on plans drawn by an architect for \$308,792. The owners requested revisions to the plans, increasing the contract amount to \$327,990 in September 2006, which included a 500 square foot second story deck, bathroom, a block view wall with caissons, as well as plants, shrubs, and trees. The contracts were presented by Dennis Toussieng, who only holds a C-27 Landscaping license. A separate contract was entered into with a pool contractor, Seiko Pools, a sole ownership issued to Henry Dennis Gankema, to install a swimming pool and waterfall for \$85,175; however, Toussieng was to oversee construction of the pool and water feature and install the coping and pool tile. There were additional verbal change orders that reduced the contract amount with TLC to \$299,760.

Work did not start until February 2007 and, by that time, TLC had been paid a total of \$45,000. A dispute arose around July 2007, when the owners noticed the glass pool tile was failing and that the precast caps varied in size and color. Work ceased in mid-July 2007. The owners and TLC came to an agreement to start work again in September 2007, but when Toussieng showed up to start work, he asked for additional money that the owners refused to pay. The total amount paid to Toussieng was \$203,770, and Seiko Pools was paid \$66,990. The owners hired their own industry expert and determined that much of the work was substandard and that there was faulty engineering, as the house was built on 100% fill dirt. Seiko Pools hired Abnish Amar to conduct a soils engineering report and failed to disclose the true scope of the project to Amar. However, it was later discovered that Amar never performed soil testing but stamped the reports approved; his engineering license was revoked in Hawaii.

The owners' independent expert determined the work performed was worthless, and all needed to be removed and replaced. The complaints were referred for accusation in July 2010, and the assigned Deputy Attorney General filed a third accusation against Amar. Initially, all three appealed the accusation, but TLC stipulated to revocation, and the license was revoked on April 25, 2012. Seiko Pools stipulated to revocation in December 2012, and the license was revoked on February 20, 2013. Amar agreed to surrender his license, effective April 1, 2013. The owners settled other monetary disputes civilly, receiving monies from the contractors' general liability insurance companies.

Central Valley Operator Arrested

On November 9, 2010, Christopher & Suzette Porter entered into a written contract with Jared Lee Moline, dba Moline Development Corporation (MDCO) for remodeling work at their Tulare home. The contract price was \$139,105.85. Moline asked for and received two down payments; one down payment of \$2,500.00 for building plans, and a second down payment of \$10,000.00 before starting work on the construction remodel project. After



Moline was paid \$152,413.80, he abandoned the project. Christopher & Suzette Porter spent an additional \$34,378.12 to complete and correct the defective work.

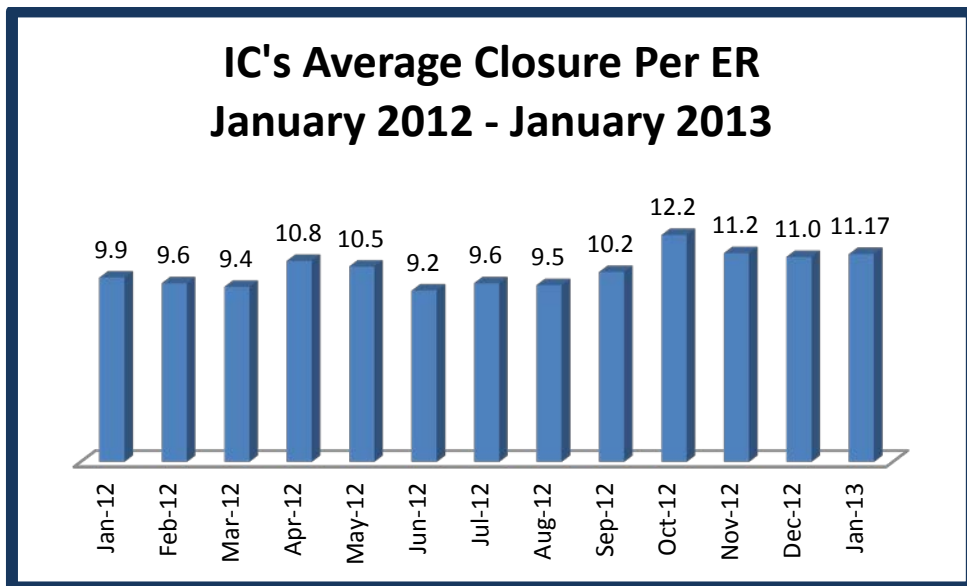
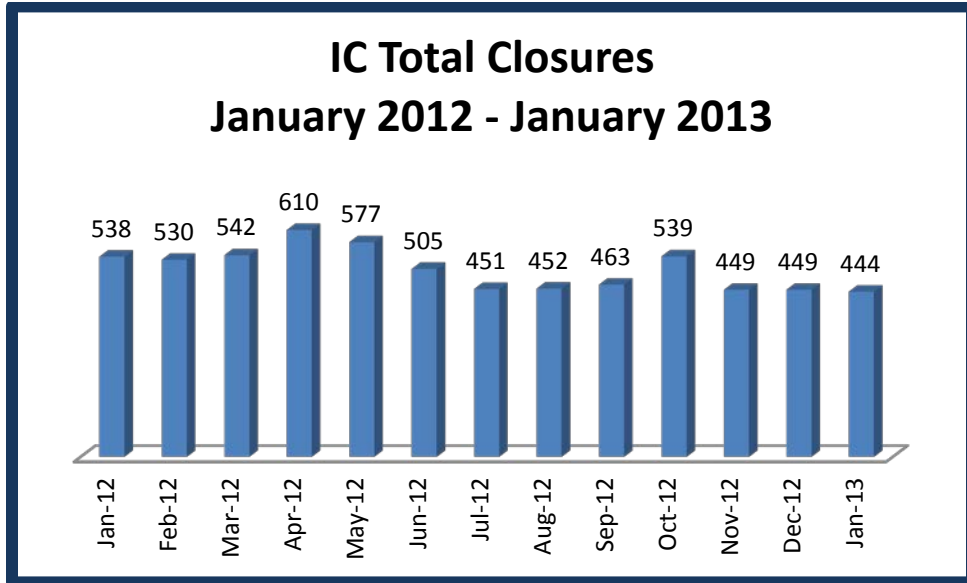
A Valencia IC Investigator determined that Moline was using a license number that did not belong to him. CSLB records revealed that Moline had been issued a license in 2001 but was disassociated from the license in 2010 and; therefore, was not a licensed contractor.

The case was submitted to the Tulare County District Attorney's Office for prosecution of unlicensed contracting, felony misrepresentation of a license number, and illegal advertising. The DDA filed the case and a \$35,000.00 felony arrest warrant was issued. On February 7, 2013, the Clovis Police Department, having received assistance from a CSLB peace officer, arrested Moline.



Investigative Center Pending Complaints

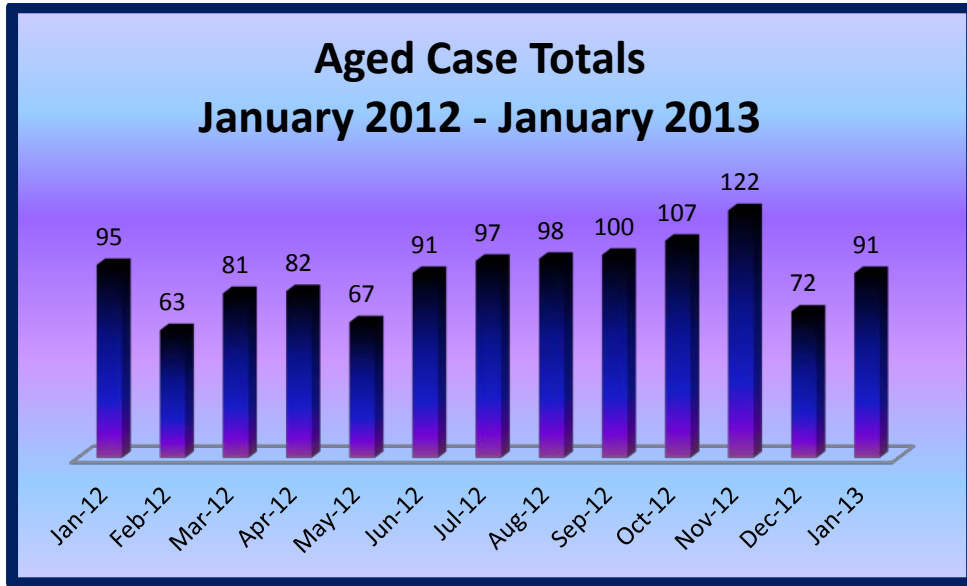
ERs continue to exceed the Board's objective of nine closures per month.





Aged Cases

The Board’s objective is to have 100 or fewer aged complaints. As of January 2013, there were 91 aged cases statewide. The San Bernardino IC lost half of its staff – one ER was attending the 17-week academy and is to be a sworn peace officer upon return, another ER transferred elsewhere, and the remaining ERs are on medical leave. Despite these challenges, IC staff continues to meet goals and expectations.





SWIFT HIGHLIGHTS

Unlicensed Operator Gets Jail Time

Unlicensed operator José Gonzalez, of Salinas, purchased homes at auction, remodeled them, and sold them for a profit. Gonzalez pulled permits as an “owner-builder” but used employee labor on the remodeling work without having workers’ compensation insurance for his employees. Gonzalez was not registered as an employer with EDD, was not deducting payroll taxes, and was not a licensed contractor.

A Central SWIFT investigator referred the case to the Monterey County District Attorney’s office and, on February 4, 2013, Gonzalez admitted to charges that he had contracted without a license, failed to secure workers’ compensation insurance for his employees, and failed to register as an employer with the Employment Development Department. Gonzalez was placed on misdemeanor probation for three years. He also was ordered to serve 40 days in county jail, pay more than \$15,000 in fines, and not to contract without a valid state contractor license.

Unlicensed Operator Fails to Comply with Stop Order

A Southern SWIFT investigator issued Robert Cabot Smith a Stop Order on December 22, 2011, when he was found working with employees but failing to carry workers’ compensation insurance. He failed to obey his Stop Order.

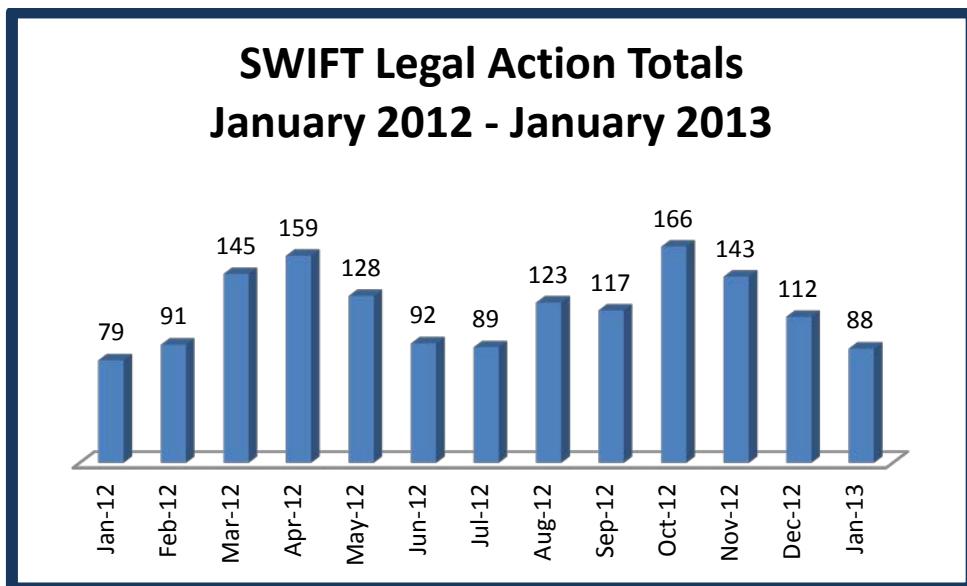
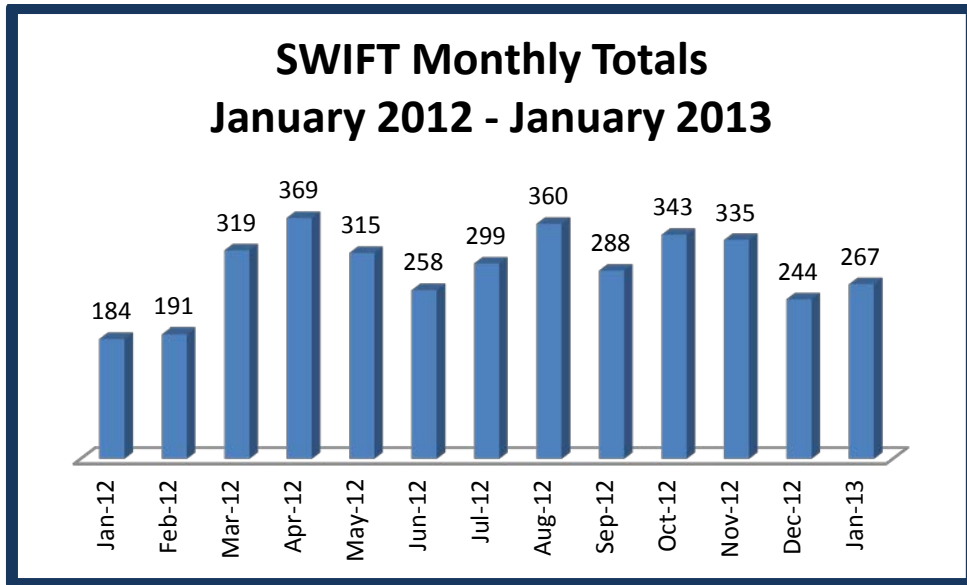
The case was referred to the San Diego County District Attorney’s Office for failure to carry workers’ compensation insurance, failure to provide itemized statement to employee, illegal advertising, contracting without a contractor license, and failure to observe a Stop Order. Smith pleaded guilty to one count of Labor Code section 3700.5(a), failure to obtain workers’ compensation insurance.

He was ordered to three years of informal probation, court fines of \$425, and to obey all laws and Labor Code requirements including obtaining workers’ compensation insurance coverage. He also has to comply with all Department of Industrial Relations (DIR) requirements, including payment of all fully adjudicated penalty assessments and/or judgments, examination of business records, and restitution of \$1,250.



SWIFT STATS

The following chart includes Statewide Investigative Fraud Team (SWIFT) response to leads as well as undercover sting and sweep operations with partner agencies and local law enforcement. Between January 2012 and January 2012, SWIFT received a total of 3,772 complaints. SWIFT staff averaged 101 legal actions (criminal and administrative) per month for the same time period.





**CASE MANAGEMENT
(JANUARY 2012 – JANUARY 2013)**

ARBITRATION	
Arbitration Cases Initiated	481
Arbitration Decisions Received	458
Licenses Revoked for Non-Compliance	85
Arbitration Savings to the Public – Restitution	\$1,919,959

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,095	892
Citations Appealed	466	370
Citation Compliance	581	480

MANDATORY SETTLEMENT CONFERENCES	
Scheduled	293
Settled	172
Civil Penalties Collected	\$817,476
Total Savings to the Public	\$1,350,163

ACCUSATIONS / STATEMENTS OF ISSUES	
Revocations by Accusation (Applicants Revoked)	394
Restitution for Accusations	\$118,712
Statement of Issues (Applicants Denied)	54
Cost Recovery Received	\$123,259.62
Number of Cases Opened	478
Number of Accusations/Statements of Issues Filed	417
Number of Proposed Decisions Received	454
Number of Stipulations Received	92
Number of Defaults Received	171
Number of Decisions Mailed	378



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 calendar year:

- 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 is 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 Business and Professions Code sections: 7107 (abandonment), 7116 (fraud), and 7125.4 (false reporting of a workers' compensation insurance exemption certificate).
- 2. Module 2: Interview Techniques** **January – June 2012**
This course is 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 includes 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. This 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 training given by Sommer Kehrli, 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 enforcement representatives by enhancing their writing skills so they can 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 Managers, encompassed 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 solid, standard baseline of knowledge and practices for employees who perform enforcement functions while creating an opportunity for individuals from all 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 ES Is and ES IIs. 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 class. The class was offered to northern California staff on January 7-10 in Sacramento and to southern staff in West Covina February 4-7. The course is similar to the POST course, excluding the hands-on physical methods of arrest (handcuffing and control holds). Staff was required to pass a final exam. Retired annuitant instructor Doug Galbraith, who has taught POST’s PC832 class for many years at a community college, taught this course.





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

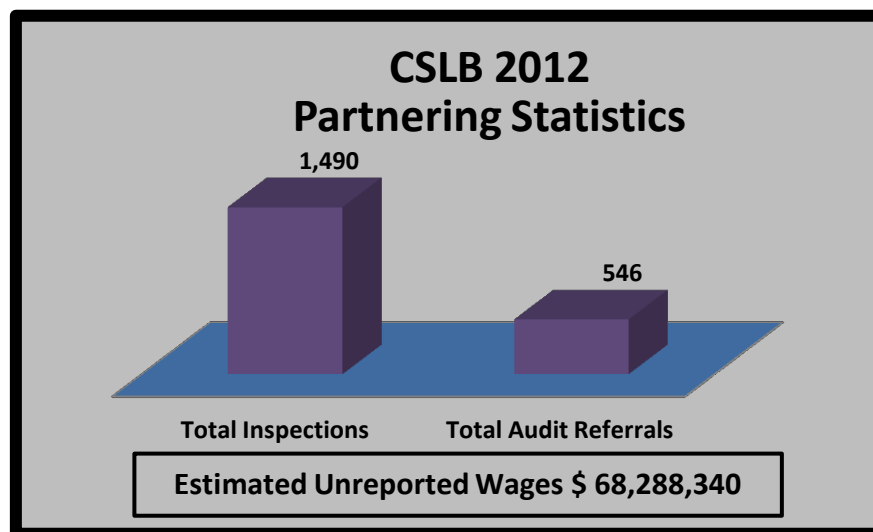
2012 Construction Enhancement Project (CEP)

In January 2012, CSLB and EDD established the Construction Enhancement Project (CEP) to increase the number of joint CSLB/EDD investigations during the calendar year, targeting contractors that intentionally evade payroll taxes, licensing, and workers' compensation (WC) insurance requirements.

Goal: Pair 21 CSLB investigators with 21 EDD agents to target unlicensed and tax-evading contractors by performing 56 inspections per month that result in 768 tax investigations, yielding an estimated \$23 million in tax assessment through payroll and tax audits and CSLB disciplinary actions. Specific enforcement actions:

- Conduct four sting operations per month
- Perform two sweeps per month
- Respond to leads on a daily basis
- CSLB will identify the top 10 suspected tax and insurance violators, one per construction trade for investigation by JESF.
- CSLB will partner with EDD to develop an MOU as required by AB1794 to share information and discipline contractors that do not report a new hire within 20 days.
- CSLB and CDI will partner on a joint operation targeting public works contractors suspected of Premium Insurance Fraud. CDI may serve search warrants rather than perform job site inspections.

During 2012, 1,490 inspections were performed, resulting in an estimated **\$68 million** in unreported wages being identified, exceeding the established goals:





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

2012 Outstanding Tax and Civil Liability Suspension

CSLB's partnership with EDD, Franchise Tax Board (FTB), and the Department of Industrial Relations' (DIR), Division of Labor Standards Enforcement (DLSE) and Division of Occupational Safety and Health (DOSH) resulted in the suspension of 877 licenses for more than **\$25 million in unpaid outstanding liabilities**. CSLB's license suspension program resulted in payment of more than \$10 million to FTB, DLSE and/or DOSH:

Liability Suspension: \$25,832,017.40

Penalty Recovered: \$10,815,762.03





CONTRACTORS STATE LICENSE BOARD

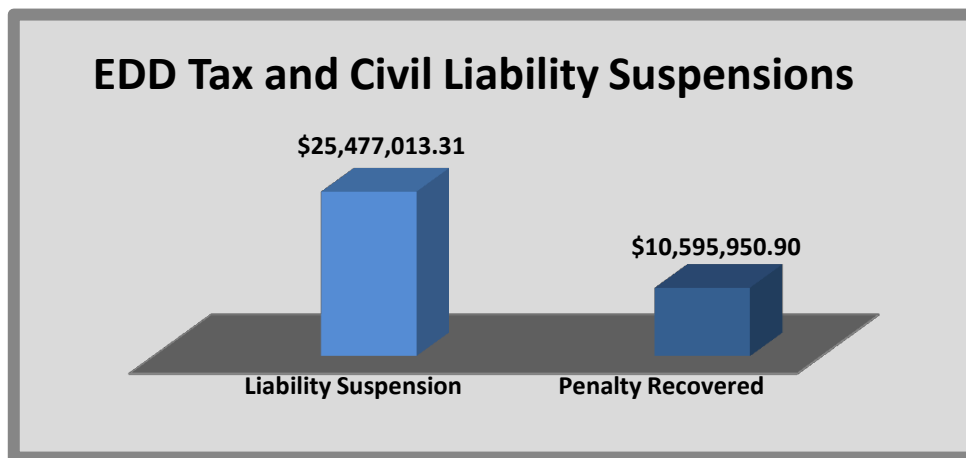
ENFORCEMENT PROGRAM UPDATE

EDD Outstanding Tax and Civil Liability Suspensions

CSLB provides EDD query access to CSLB's licensing system, including licensing data, and pending application data within agreed-upon security and confidentiality provisions. The ability to share information online expedites the exchange of information and allows integration with EDD's Automated Collection Enhancement System (ACES) data warehouse. Shared information includes EDD referrals of unresolved tax liability cases, which results in automatic license suspension until the outstanding liabilities are satisfied. In 2012, EDD Collected:

Liability Suspension: \$25,477,013.31

Tax Liability Recovered: \$10,595,950.90

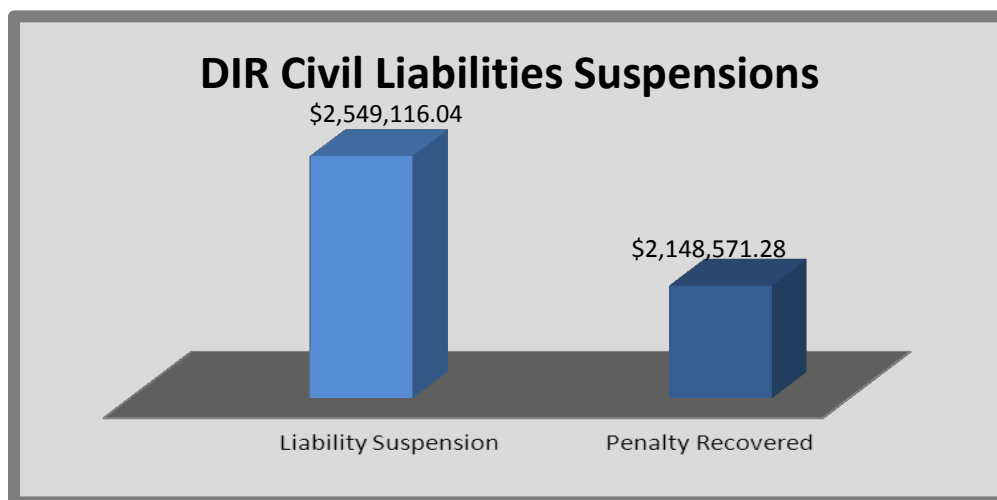


DIR Outstanding Civil Liability Suspensions

DLSE and DOSH refer civil wage claim liability cases to CSLB, resulting in automatic license suspensions until the outstanding liabilities are satisfied. DIR collected the following amounts in 2012:

Liability Suspension: \$2,549,116.04

Penalty Recovered: \$2,148,571.28





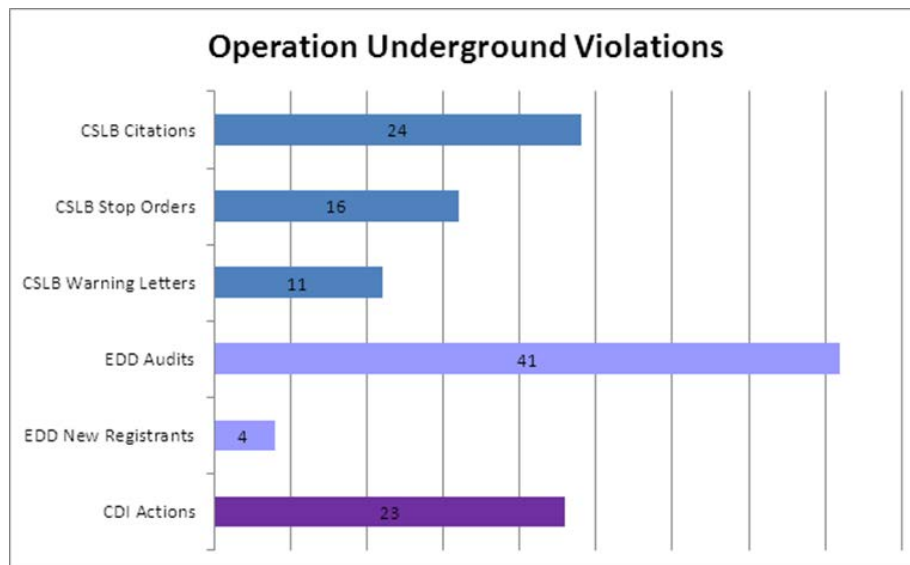
CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

Operation Underground

On June 20 and 21, 2012, investigators partnered with CDI, EDD, and DA investigators to take action against contractors operating in California's underground economy. More than 100 personnel conducted sweeps at suspected illegal construction sites in eleven counties: Alameda, Butte, El Dorado, Kern, Los Angeles, Monterey, Orange, Riverside, San Bernardino, Santa Clara, and Yolo.

The operation targeted contractors suspected of insurance premium fraud, failing to provide WC insurance for employees, failing to register as employers with EDD, and/or failing to withhold payroll taxes. Following are the results of the two-day operation:



JESF 2013 PROPOSED GOALS: CDI, CSLB, EDD PARTNERING GOALS

CSLB/EDD Partnering Goals:

- Pair 21 CSLB investigators with 21 EDD agents to target unlicensed tax evading contractors.
- Conduct 1,490 inspections (number is at the discretion of EDD enforcement chief; last year's goal of 768 was substantially exceeded).
- Develop an MOU as required by AB1794 to share information and discipline contractors who do not report a new hire within 20 days.



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

- CSLB will impose discipline on 50 contractors during 2013, for failure to report the hire of employees to EDD within 20 days.

CSLB/CDI/EDD Tax Withholding and Premium Insurance Fraud Partnering Goals:

- Partner with state and local government authorities to develop a list of 20 contractors in seven jurisdictions suspected of premium fraud.
- Obtain certified payroll records (CPRs) for the 20 contractors that are approximately 12 months old.
- Provide the list of contractors with CPRs to CDI and EDD for review by March 1, 2013.

Upon receiving the CPRs, each partner agency will perform the following:

- EDD will confirm that identified contractors are registered as employers and will use CPRs to determine if payroll was adequately reported.
- CDI will confirm with the contractors' WC providers that reported payroll matches or exceed payroll documented in CPRs.
- CSLB and EDD will perform site visits of suspect contractors, working on active public works projects. The purpose of the site visit is to obtain the necessary employee statements to support an administrative CSLB action, without the need for the CPRs or any evidence obtained by CDI.
- With CDI's permission, CSLB will take administrative actions against violating contractors who fail to report employees within 20 days of hire (new law took effect 1/1/2013, CSLB legal actions by 12/31/2013).
- CDI will serve search warrants on contractors when probable cause has been established that payroll was underreported to WC providers to lower premiums (date TBD by CDI).

Top Ten Targets by Industry

CSLB will consult with industry partners to develop a list of "Top Ten" violators within 10 different construction industries.

- Develop a task force to develop a plan to investigate, prosecute, and publicize joint enforcement efforts.

AGENDA ITEM E-2

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





CONTRACTORS STATE LICENSE BOARD

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

STATE OF CALIFORNIA
Edmund G. Brown Jr., Governor

REVIEW AND APPROVAL OF CSLB'S DISCLOSURE OF A PARTNERING AGENCY'S DISCIPLINARY ACTION

The Contractors State License Board (CSLB) can only provide information regarding complaints against licensed contractors in certain specified instances, pursuant to Business and Professions (B&P) Code section 7124.6. Specifically, CSLB can only release information regarding complaints that have 1) been referred for accusation, 2) resulted in a citation, or 3) been referred for investigation of a serious violation that will likely result in suspension or revocation of the license.

CSLB often becomes aware of problems encountered by other public agencies dealing with licensees, which have resulted in disciplinary/punitive action, including local debarment. CSLB is aware of hundreds of complaints against licensees by other public agencies for violations of the Public Contract Code, Labor Code, and Business and Professions Code. However, the complaints and administrative actions of other agencies cannot be disclosed by CSLB without CSLB initiating a formal disciplinary action because of the restrictions set forth in B&P section 7124.6, so this information is not readily available to the public or awarding authorities.

CSLB subsequently met with the Office of the Attorney General and Department of Consumer Affairs Legal Counsel to discuss this proposal and the need for legislation. The consensus was that enabling legislation was not needed for CSLB to provide an informational flag and an electronic link to other governmental agency websites, without violating the provisions of B&P section 7124.6.

ACTIONS TAKEN

In January 2013, CSLB met with members of the Association of State Capital Outlay Managers (ASCOM) and with members of the Southern California Compliance Officers Coalition (SCCOC). These meetings were attended by representatives of several large public agencies, including the Department of Industrial Relations Division of Labor Standards Enforcement, California Department of Corrections and Rehabilitation, California State University system, Department of General Services, Los Angeles Unified School District, Los Angeles Community College Districts, Southern California Regional Airport Authorities, and the Orange and Los Angeles County District Attorney's Offices.

All attendees voiced the same frustration: there is no centralized information source to identify licensees who may have a history of problems with other public agencies, but are not subject to CSLB complaint disclosure.

At the meeting with ASCOM, it was agreed that it would be beneficial for CSLB's website to provide an electronic link to ASCOM for information they have on problem contractors. This link would serve as a "flag" for awarding authorities and prime contractors to further investigate a licensee before accepting a bid.

RECOMMENDATION

It is proposed that CSLB, through the Department of Industrial Relations, ASCOM, and SCCOC, encourage all public agencies to advise CSLB of their documented complaints and other problems encountered with licensees. Upon verification of the information, CSLB will flag the licensee on the CSLB website with an advisory statement and, where possible, an electronic link. (If no link is available, the involved agency's name will be provided for follow-up.) CSLB is recommending an advisory statement similar to the following:

Potential Labor Code Violation Determination by the Labor Commissioner

CSLB is aware of a potential Labor Code violation relating to a civil wage and penalty assessment 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 allegation:

http://www.dir.ca.gov/dlse/transparency/trans_list2012.asp

SUMMARY

CSLB believes this proposed approach to disclosure can accomplish the goal of our Strategic Objective quickly and without legislative action. Additionally, the possibility of CSLB posting erroneous information (and incurring liability as a result) is minimized by referring interested parties to the initiating agency.



DEPARTMENT OF CONSUMER AFFAIRS

Contractors State License Board

Contractor's License Detail - License # 494855

⚠️ 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 7124.6](#)) 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	494855	Extract Date 2/6/2013
	F & H REAL ESTATE MANAGEMENT	
Business Information	Business Phone Number: (415) 264-8993	
	P O BOX 59663 NORWALK, CA 90650	
Entity	Partnership	
Issue Date	07/08/1986	
Expire Date	08/31/2013	

Potential Labor Code Violation Determination by the Labor Commissioner

License Status CSLB is aware of a potential labor code violation relating to a civil wage and penalty assessment 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 allegation:

http://www.dir.ca.gov/dlse/transparency/trans_list2012.asp

Classifications	CLASS	DESCRIPTION
	A	GENERAL ENGINEERING CONTRACTOR
	B	GENERAL BUILDING CONTRACTOR

Bonding CONTRACTOR'S BOND
This license filed a Contractor's Bond with [PENNSYLVANIA INSURANCE COMPANY](#).

Bonding **Bond Number:** 12345CR
Bond Amount: \$12,500
Effective Date: 01/01/2007
[Contractor's Bond History](#)

Workers' Compensation WORKERS' COMPENSATION

EXAMPLE:

State of California
Department of Industrial Relations

CA.gov | Contact DIR | Press Room

Search [] This Site California

Home Labor Law Workplace Safety Workers' Comp Self Insurance Apprenticeship Director's Office Boards

Division of Labor Standards Enforcement (DLSE)
-0914 Division of Labor Standards Enforcement (DLSE)

Civil Wage and Penalty Assessments

Beginning August 1, 2011, all Civil Wage and Penalty Assessments issued on January 1, 2011 and thereafter will be posted along with documentation that evidences the final disposition of the Assessment. If no additional documentation is attached to an Assessment issued after January 1, 2011, the original Assessment became final without modification. If you require information on the final disposition of an Assessment issued before January 1, 2011, please write to: CWPAinfo@dir.ca.gov

As of 9/14/12

- 2012
 - 2012-02-10 CWPA Custom Painting Inc 40-29380-552
 - 2012-02-28 CWPA A&F Lath & Plastering, Inc 40-30065-137
 - 2012-03-02 CWPA A&F Lath & Plastering, Inc 40-30066-137
 - 2012-03-19 CWPA Down to Earth Construction 40-30361-575
 - 2012-03-19 CWPA Down to Earth Construction, Inc. 40-30361-575
 - 2012-03-20 CWPA Grover Electric, Inc. 40-29021-124
 - 2012-03-22 CWPA Corporate Interior Solutions, A California Corporation 40-29946-137
 - 2012-03-26 CWPA American Air Mechanical Inc, a California Corporation 40-27243-552
 - 2012-04-16 CWPA Luis J. Colondres Company 40-29704-124
 - 2012-05-29 CWPA East Bay Glass Company, Inc 40-30255-137
 - 2012-06-04 CWPA CV Fabricators, Inc. 40-27080-259-315
 - 2012-06-18 CWPA Fjeld Turf Construction Inc, a California Corporation aka Grass Valley Turf Company Inc. 40-29703-124
 - 2012-17-26 CWPA Kings Brass & Iron Works Inc 40-30153-570

Quick Links

- ▶ Make an online payment
- ▶ Verify a license or registration
- ▶ Find a wage order
- ▶ Labor law training
- ▶ Forms
- ▶ Publications
- ▶ Frequently asked questions

About DLSE

- ▶ About Us
- ▶ Contact Us
- ▶ Locations

DLSE Home

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List of contractors assessed penalties by awarding agencies that is not currently disclosed to the public:

Violators Provided by Southern California Compliance Officers Coalition								
DBA	License#	Date	Issue	Restitution	Penalties	License Status	Total Restitution Per License	Total Penalties Per License
AAA HVAC	871172	Aug-11	Underpayment of Prevailing Wage	\$ 16,139.32	\$ 2,600.00	ACTIVE	\$ 16,139.32	\$ 2,600.00
Siapin Horticulture, Inc.	740818	Nov-09	Underpayment of Prevailing Wage	\$ 5,231.28	\$ 710.00	ACTIVE	\$ 24,173.28	\$ 9,610.00
		Aug-10	Under Reporting Hours Worked	\$ 18,942.00	\$ 8,900.00			
West Coast Storm, Inc.	888152	Mar-09	Underpayment of Prevailing Wage	\$ 47,584.64	\$ ————	EXPIRED	\$ 689,769.45	\$ 761,700.00
		May-09	Underpayment of Prevailing Wage	\$ 412.39	\$ ————			
		Jun-10	Under Reporting Hours Worked	\$ 67,532.95	\$ ————			
		Jun-12	Underpayment of Prevailing Wage	\$ 480,141.33	\$ 761,700.00			
			Under Reporting Hours Worked	\$ 94,098.14	\$ ————			
Tek-Up Construction, Inc.	634655	Sep-09	Underpayment of Prevailing Wage	\$ 439,116.48	\$ 87,275.00	ACTIVE	\$ 439,116.48	\$ 87,275.00
			Under Reporting Number of Workers					
Tobo Construction, Inc.	758012	Aug-07	Underpayment of Prevailing Wage	\$ 22,329.95	\$ 7,550.00	ACTIVE	\$ 75,947.44	\$ 22,725.00
		Jun-09	Underpayment of Prevailing Wage	\$ 26,236.03	\$ 9,200.00			
		Aug-10	Underpayment of Prevailing Wage	\$ 27,381.46	\$ 5,975.00			
			Under Reporting Number of Workers					

AGENDA ITEM F

Public Affairs Committee Report



AGENDA ITEM F-1

Public Affairs Program 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 content.

STAFFING UPDATE:

PAO is fully staffed with six full-time (FT) positions. Two vacant Information Officer positions were filled in November.

WEBSITE HIGHLIGHTS:

Website Assistance Project

PAO has trained all staff members to assist Information Technology (IT) staff in coding materials for CSLB's website. Coding is the process of transferring written copy into HTML code. HTML is the language that is used to write Web pages. The coding determines how pages are displayed and how they function.

Since September 2011, PAO staff has been coding all press releases, industry bulletins, and a variety of other items that are posted to CSLB's website. IT staff is still responsible for verifying PAO's work, then uploading the material to the website. This partnership enables timely posting.

Application Instructional Video

PAO staff completed a Web page redesign for the new tutorial video that explains how to correctly fill out a CSLB license application. The video was launched August 28, 2012.

Scripting for the video was created with assistance from the Licensing division. Particular attention was paid to parts of the application where staff has identified high error rates.

Common errors include failing to include a full legal name, listing an incorrect business type, failing to disclose a criminal incident, or simply forgetting to sign the application.

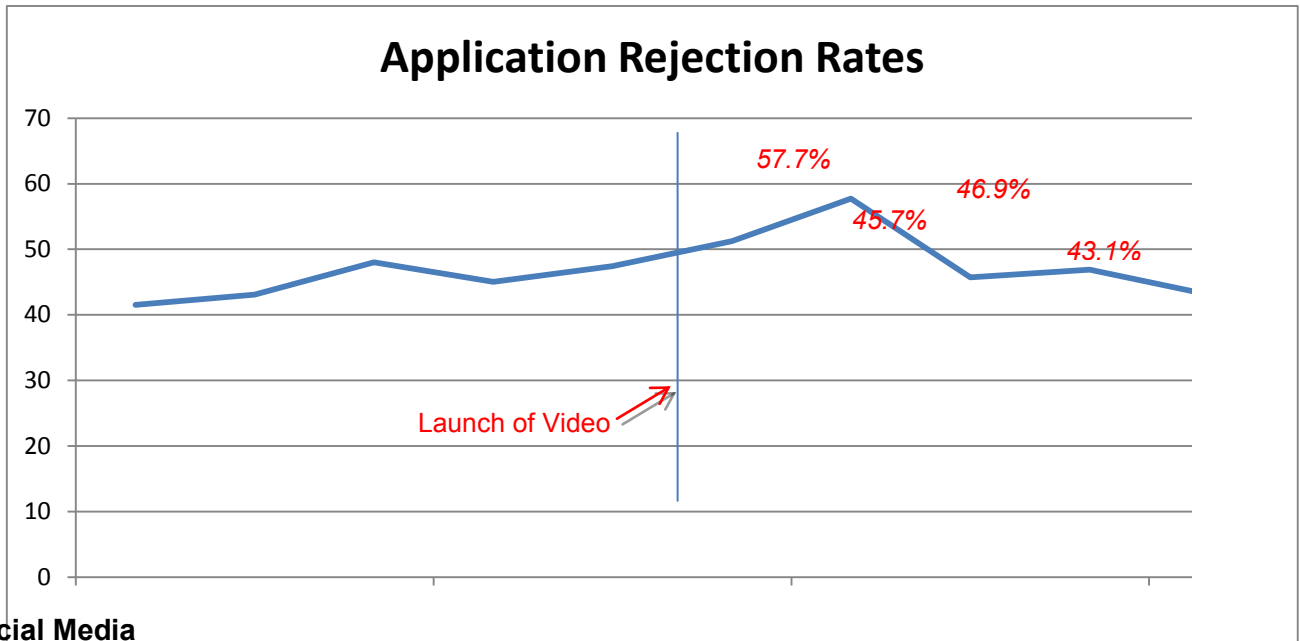
The video can be viewed in its entirety, or in individual sections.

Through February 6, 2013, the entire video has been viewed 8,513 times. Videos of individual sections have been viewed a total of 12,875 times.

PAO and Licensing will track application rejection rates to see if the percentage drops as a result of the video.

At this point, it is still too early to determine the effect the video will have on the rejection rate.



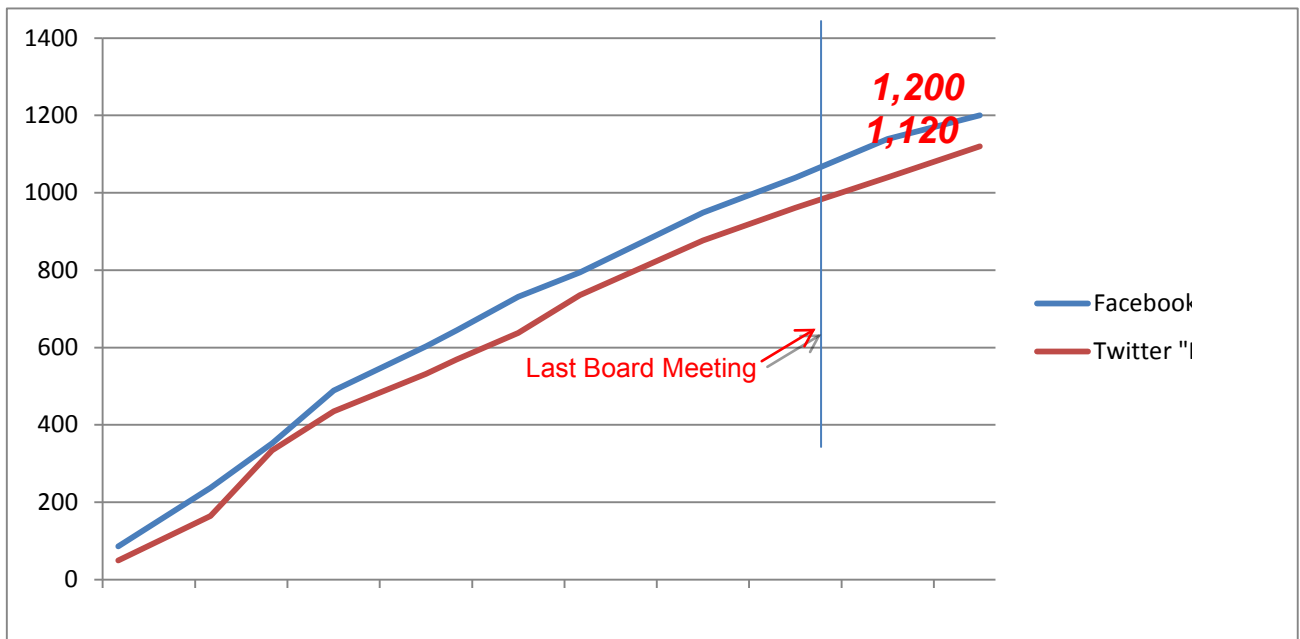


Social Media

CSLB steadily continues to gain followers of its Twitter posts and Facebook pages. PAO staff continues to monitor demographic data and track the number of “likes” and “followers.” As of February 6, 2013, 1,200 individuals, businesses or other government entities “like” CSLB’s Facebook page and 1,120 “follow” CSLB on Twitter. Growth is outlined on the following graph.

PAO also maintains a YouTube page, which includes videos of Board meetings, sting operations and educational materials. As of February 6, 2013, there have been 103,364 video views of the 24 videos on CSLB’s YouTube page.

Facebook “Likes” and Twitter “Followers”





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
- Press Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

A total of 19,973 subscriptions were activated as of February 6, 2013 – an increase of 631 since the December 2012 Board meeting. Each of the four lists is growing at about the same rate, with the greatest number of subscribers to newsletters, followed by industry bulletins, press releases, and meeting notices. Growth of the list is outlined on the graph below.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,487 active email addresses, which brings the combined email database to more than 98,000 addresses.



e-mail alerts

Please enter your information to sign up for a CSLB Mailing List:

Email address

First name

Last name

Select the list you would like to subscribe to:

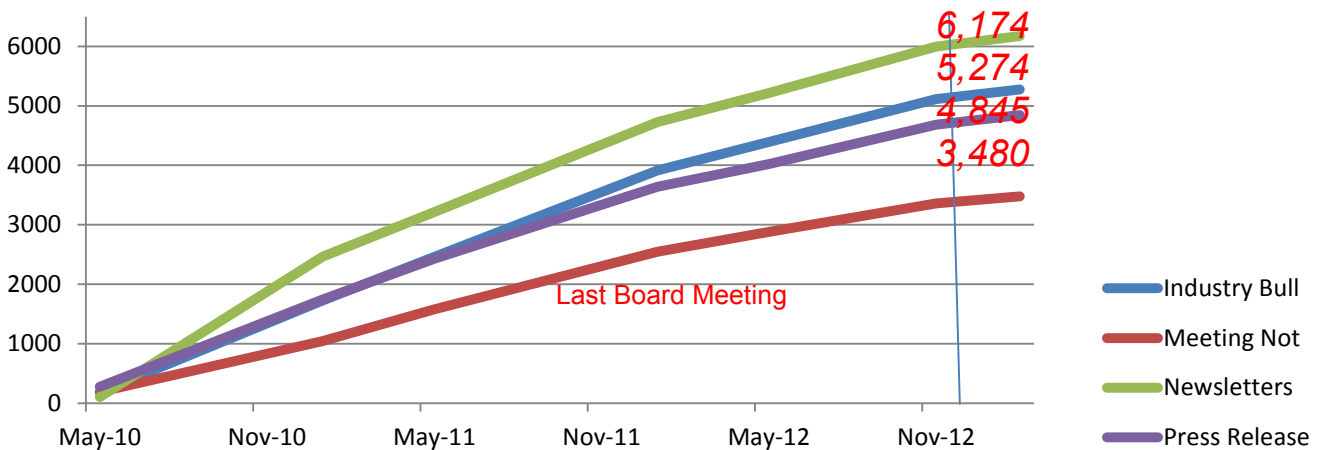
California Licensed Contractor Newsletter

Press Releases/Consumer Alerts

Industry Bulletins

Public Meeting Notices/Agendas.

Email Alert Sign-Up Statistics





MEDIA RELATIONS HIGHLIGHTS:

Media Calls

Between December 1, 2012 and February 6, 2013, PAO staff responded to 21 separate media inquiries and provided interviews to a variety of newspaper, radio, and television outlets.

News Releases

PAO continued its policy of aggressively distributing news releases to the news media, especially to publicize enforcement actions and undercover sting operations. Between November 26, 2012 and February 6, 2013, PAO distributed seven news releases.

Date	News Release Title
December 3, 2012	Contractors State License Board Reminds Storm Victims to Check the License First Before Making Repairs
December 5, 2012	CSLB Catches Dozen Unlicensed Operators in Camarillo Undercover Sting
December 12, 2012	Illegal Contractors Get a Holiday Surprise in Cameron Park
December 19, 2012	Double Trouble: No Contractor License or Workers' Comp Insurance
December 31, 2012	New, Revised Laws Affect State Contracting Practices
January 22, 2013	Former Unlicensed Contractor Helps CSLB Sting His Competition
January 25, 2013	CSLB Undercover Sting in Fresno Targets Phony Contractors Advertising on Craigslist
January 31, 2013	Contractors State License Board Busts Two in Kings County Who Should Have Known Better

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS:

California Licensed Contractor Newsletter

The winter 2012 edition of the licensee newsletter, *California Licensed Contractor*, was posted online on December 21, 2012. A printable version also is available on CSLB's website. The spring 2013 edition is currently in production and should be available online in March, and there will be a printed edition before the end of the fiscal year on June 30, 2013.

Industry Bulletins

PAO continues to alert industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to approximately 5,300 people and various groups. Distribution includes those who signed up to receive the bulletins via CSLB's new Email Alert system. Three Industry Bulletins were distributed since the last Board meeting.



Date	Industry Bulletin Title
December 20, 2012	Asbestos Work Must Be Performed within License Classification
December 31, 2012	CSLB Authorized to Discipline Contractors Who Fail to Report New Employees
January 18, 2013	Contractors License Law & Reference Book Now Available

PUBLICATION HIGHLIGHTS:

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

Completed

- 2013 Contractors License Law & Reference Book
- Winter 2013 *California Licensed Contractor* Newsletter
- 2012 Accomplishments & Activities Report
- Commonly Used California Codes for Peace Officers (for Enforcement staff)

At Office of State Publishing (OSP)

- Sting/Sweep brochure

Translation – Final Review

- Stop Order brochure (Spanish)
- Description of License Classifications (Spanish)

At Department of Consumer Affairs (DCA) Business Services Office

- A Consumer Guide to Asbestos

PAO Development

- Consumer Guide (Booklet)
- 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

Interest in Senior Scam StopperSM seminars increased since a promotional/informational brochure and letter were sent to each legislator in September 2011. The letter was personalized and showed elderly population statistics in the legislators' districts.

In addition to providing information about construction-related scams and how seniors can protect themselves when hiring a contractor, Senior Scam StopperSM seminars feature expert speakers from many local, state, and federal agencies who present broader topics, including identity theft, auto repair fraud, and investment scams.

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



Date	Location	Legislative/Community Partners
January 11, 2013	Sacramento	Asm. Roger Dickinson
January 15, 2013	Sacramento	Asian Community Center
January 18, 2013	Los Angeles	Sen. Curren Price
January 29, 2013	Whittier	Cong. Linda Sanchez
February 22, 2013	Pico Rivera	Sen. Ron Calderon
February 28, 2013	Los Angeles	Sen. Curren Price
March 4, 2013	Vallejo	Florence Douglas Senior Center
March 8, 2013	West Hills	Sen. Fran Pavley
March 22, 2013	Commerce	Sen. Ron Calderon
April 9, 2013	Sacramento	Sylvan Oaks Library
April 12, 2013	Redlands	Asm. Mike Morrell
April 19, 2013	Wilmington	Asm. Isadore Hall III
April 26, 2013	South El Monte	Sen. Ron Calderon
May 3, 2013	Kern County	Asm. Rudy Salas
May 10, 2013	Kings County	Asm. Rudy Salas



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, and includes information about current scams in the local region. Most seminars will be conducted in the Sacramento area until other staff is trained. Here are a list of programs conducted since the last Board meeting, and those already scheduled.

Date	Location	Legislative/Community Partners
January 24, 2013	North Hollywood	North Hollywood Regional Library
March 6, 2013	Granite Bay	Granite Bay Library
March 7, 2013	Carmichael	Sylvan Oaks Library
April 23, 2013	Carmichael	Carmichael Parks & Recreation District
August 14, 2013	Carmichael	Carmichael Parks & Recreation District

Speakers Bureau

CSLB speakers continue to be in demand. Since more requests are for enforcement-related topics, most of the requests are being accommodated by utilizing Enforcement division staff. PAO is conducting training sessions for interested staff during February 2013.

Contractor Outreach Program

The 2012-13 Public Affairs Committee Strategic Plan (Plan) calls for CSLB’s Public Affairs Office (PAO) to develop a contractor outreach program.

The objective received Board approval on April 17, 2012.

Program Goal

The contractor outreach program goal is two-fold:

- Provide licensees with tools they can use to educate consumers/potential clients; and
- Provide licensees with resources that will help ensure that they are aware of laws and best business practices.

This program will encourage licensees to share ownership of CSLB’s message that promotes the value of hiring a licensed contractor, and will further inform consumers about the risks they take when either hiring an unlicensed operator or a licensee who is cutting corners by operating in the underground economy. This will give law-abiding licensees a more competitive business platform and help CSLB achieve its consumer protection goal.

By participating in consumer education efforts, and by receiving information on laws and best business practices, licensees also would have a greater understanding of the direct benefit they receive from their license fee.



Campaign Elements

- Conduct Research
- Develop (update) Print/Web Materials
- Develop Online Contractor Resource Center
- Develop “State of California Licensed Contractor” Logo
- Develop Videos
- Other Web Elements

Current Status

An online survey has been completed, with information used by PAO staff who have begun developing outreach materials. Prospective logos have been developed, as well.

Next Steps/Timeline

Develop *State of California Licensed Contractor* logo

Deadline: March 2013

Build website feature to display new/updated materials

Deadline: late April 2013

Launch new contractor resources on CSLB website

Deadline: June 2013

Determine other program elements

Deadline: July 2013

Print materials for licensee website

Video communications with licensees

Live Web chats on CSLB website

Opt-in “Find a Contractor” feature

Determine if Outside Contracts are Needed

Deadline: July 2013

AGENDA ITEM G

Legislative Update



AGENDA ITEM G-1

Status of Legislative Proposals to Amend Business and Professions Code:

- a. Section 7027.3 (Illegal Use of License Information)
- b. Section 7031 and Others (Definition of Unlicensed Activity)
- c. Section 7068.1 (License Qualifiers)
- d. Section 7085.5 (Arbitration)
- e. Section 7114 (Aiding and Abetting Unlicensed Activity)
- f. Section 7141 (Delinquency Renewal Fee)



AGENDA ITEM H

Licensing Committee Report



AGENDA ITEM H-1

Licensing Program Update





CONTRACTORS STATE LICENSE BOARD

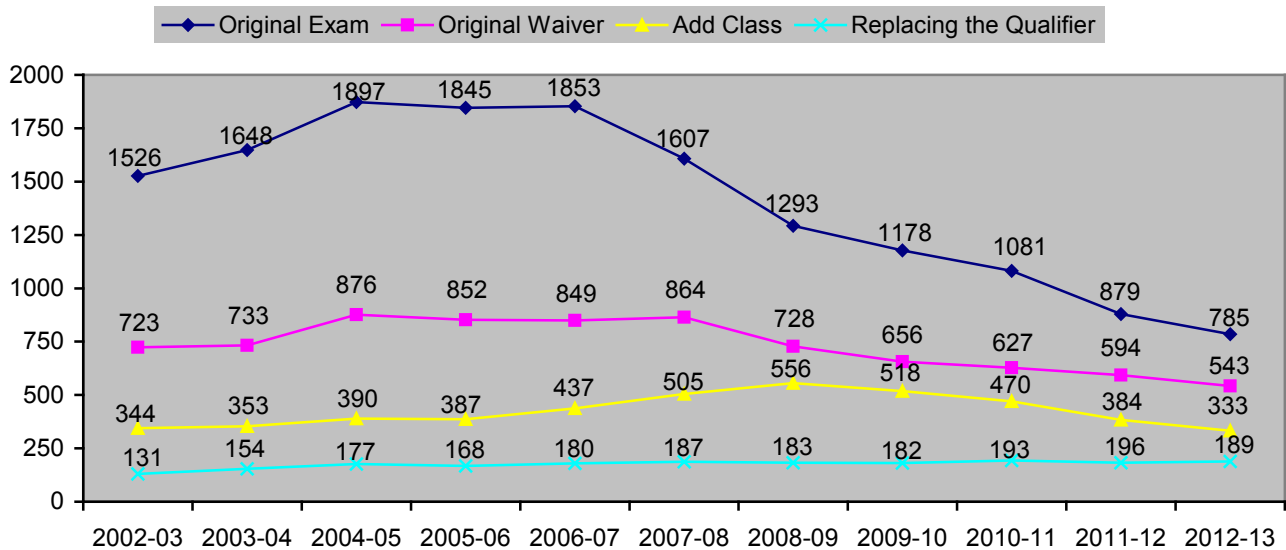
LICENSING PROGRAM UPDATE

License Application Workload

The following chart shows the average number of applications received per month for the past 10 fiscal years (FY). Fingerprint requirements went into effect January 2005.

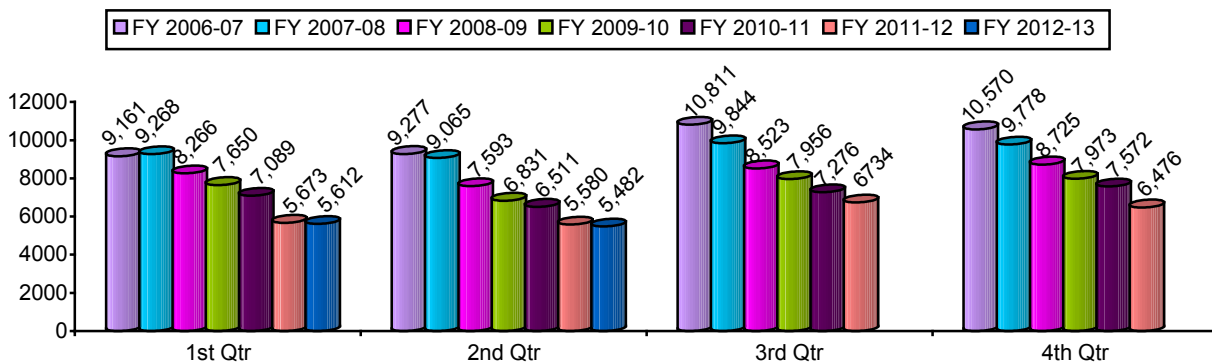
The number of applications received continues to decline due to the economic recession and housing downturn. The average number of original applications received per month for FY 2011-12 is down 8 percent from the overall average for FY 2010-11.

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.

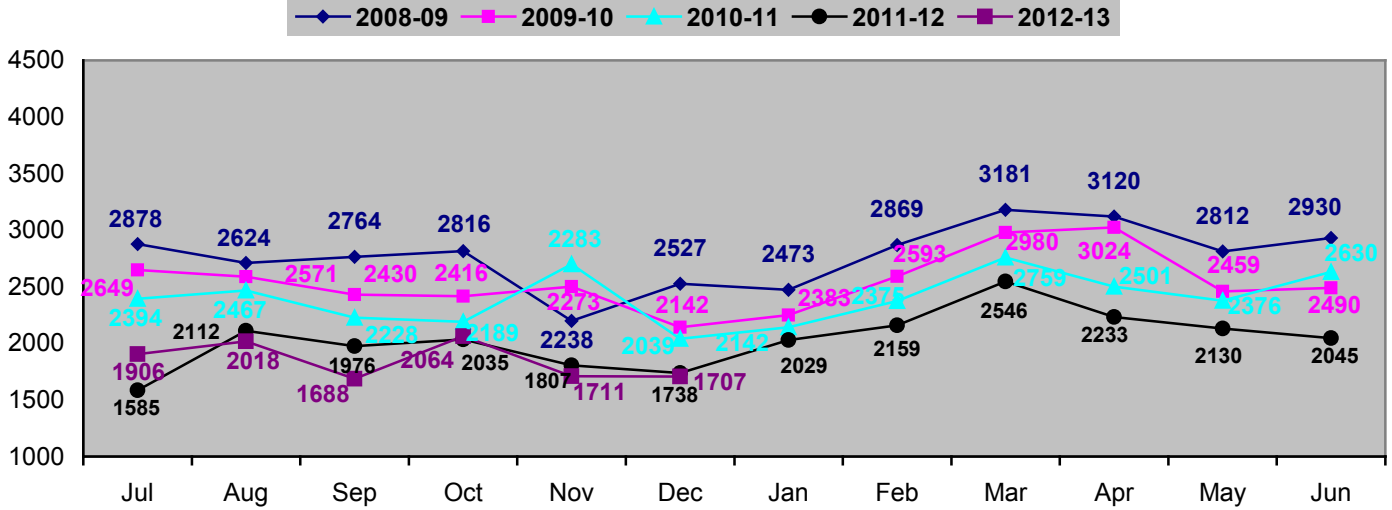
COMPARISON OF APPLICATIONS RECEIVED PER QUARTER
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



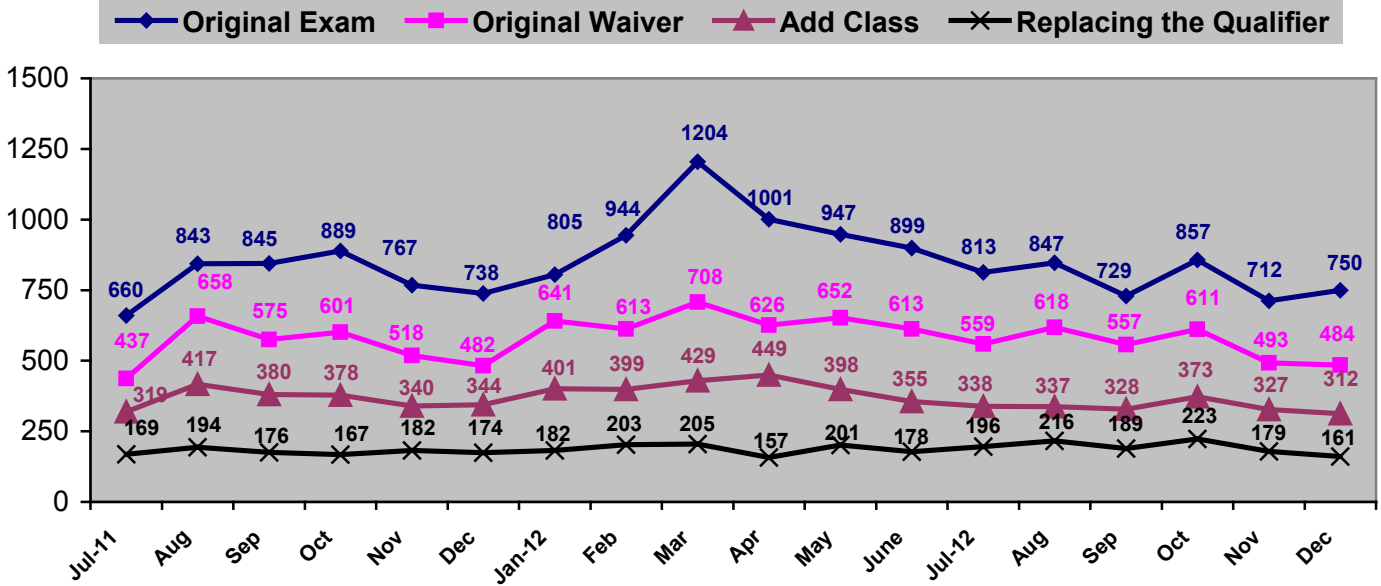
Decrease of 14% for total applications received for 2011-12 as compared with 2010-11



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



NUMBER OF APPLICATIONS RECEIVED





Limited Liability Companies (LLCs)

A new law (SB 392) that authorized CSLB to issue licenses to LLCs became effective January 1, 2012. During the first year of implementation, 169 LLC licenses were issued.

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, not to exceed \$5 million.

The chart below illustrates the number of LLC applications received from January 1, 2012 through December 31, 2012.





LLC APPLICATION PROCESSING -- FY 2012-13

	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr
	JUL		AUG		SEP		OCT		NOV		DEC	
Received	19	43	18	38	22	37	27	37	14	24	21	22
Rejected	16	27	14	27	17	28	20	25	10	11	11	9
Issued as Submitted	0	1	0	1	0	5	0	1	0	2	0	2
Post-Sched for Exam – No Reject	2	0	0	0	1	0	2	0	0	0	6	0
Post-Sched for Exam - After Reject	1	0	2	0	4	0	5	0	4	0	4	0
Posted, Bond & Fee Sent - No Reject	0	4	0	5	0	3	0	3	0	2	0	3
Posted, Bond & Fee Sent – After Reject	0	6	0	4	0	1	0	8	0	8	0	6
App Void or Withdrawn	0	5	2	1	0	0	0	0	0	1	0	2
App Not Processed	0	0	0	0	0	0	0	0	0	0	0	0

The Most Common Reasons for Rejection:

1. Personnel listed on application needs to match the personnel listed on 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 667 LLC applications received through December 31, 2012, 182 limited liability company contractors’ licenses have been issued. As shown by the chart above, the most common reasons for rejection continues to be staff’s inability to confirm the required LLC business name and/or LLC registration number provided by the Office of Secretary of State and match the name(s) title(s) and total count of LLC personnel. SOS is still experiencing a delay in entering Statements of Information (SOI) into its database. This four-month backlog is beyond CSLB’s control. 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). SOS offers expedited 24-hour processing of SOI for an additional fee.



Workers Compensation Recertification

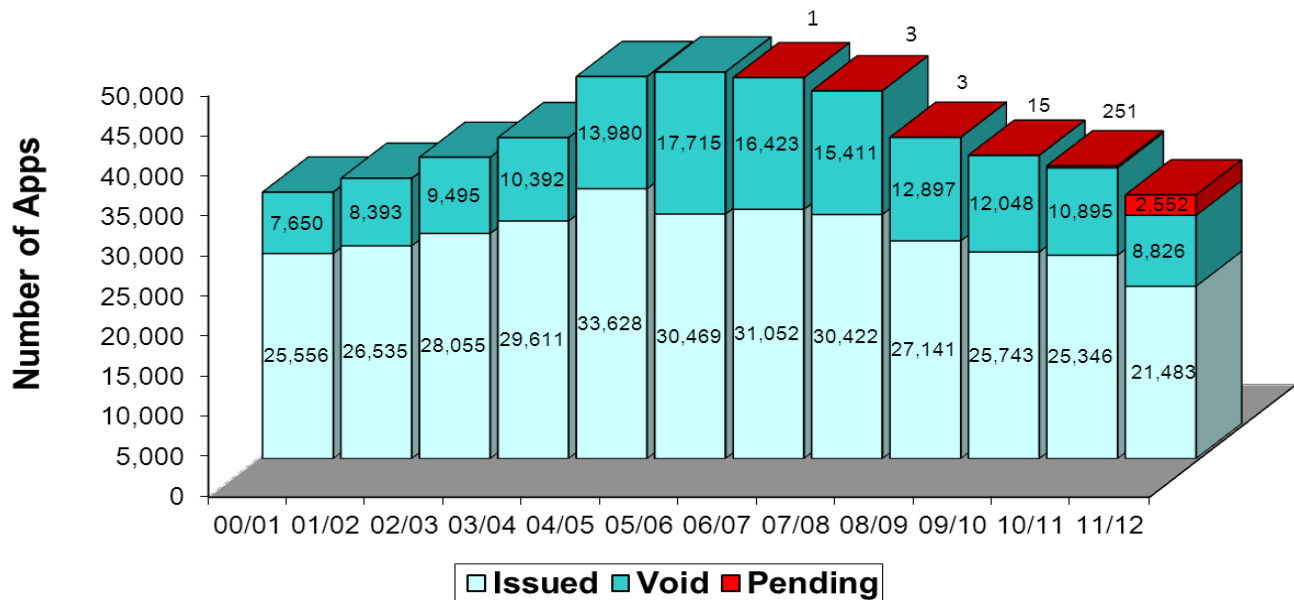
Business & Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This new law requires, at the time of renewal, that an active contractor licensee with an exemption for workers' compensation insurance on file with CSLB to either recertify the licensee's exemption or to provide 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 the board of the renewal rejection.

In January 2013, Licensing implemented the requirements of the new law, effective for licensees expiring March 31, 2013, by sending notification to approximately 8,000 currently exempt licensees.



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 01-02-2013

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



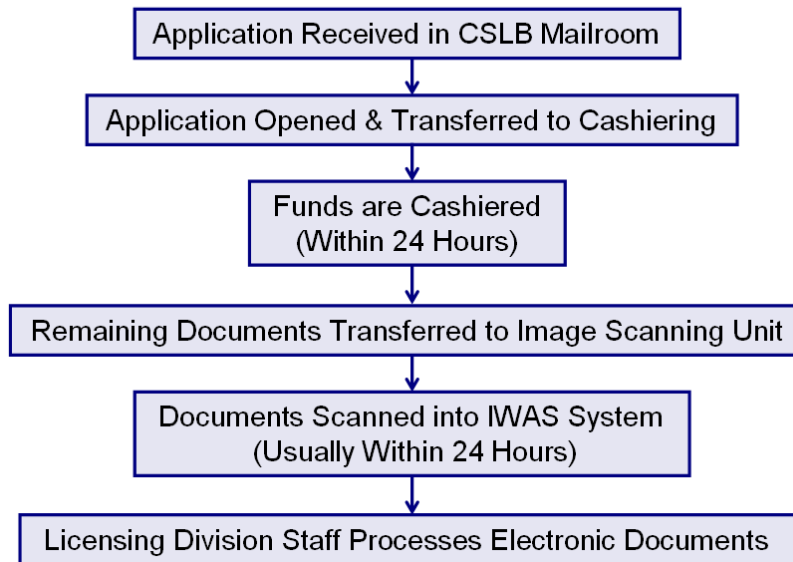
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 16-18 track the “weeks to process” for the various application and license maintenance/transaction units.

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 due to furloughs, Licensing has maintained acceptable processing times. This can be attributed to the significant decrease in applications as shown 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 be home improvement salespersons, 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 those applicants who have minor, clearable convictions, provided the applicant was honest in disclosing this on the CSLB application. Applicants who did 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 270,000 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 47,000 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 December 31, 2012, CBU denied 1,126 applications and issued 1,261 probationary licenses. Of the denied licenses, 561 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	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	9,908	271,217
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	2,067	47,969
Denials	224	219	237	88	76	63	108	70	33	1,126
Appeals	71	113	130	45	47	29	62	39	16	561
Probationary Licenses Issued	0	0	126	290	206	203	243	146	35	1,261

Licensing Information Center (LIC)

Call Center Workload

The volume of incoming calls during the fourth quarter of 2012 (calendar year) increased approximately 7.8 percent compared with the fourth quarter of 2011. Call wait times and abandoned calls marginally increased. This can be attributed to the higher call volume, backlogs in workers’ compensation processing, and time dedicated to train new staff.

Time Period	Incoming Calls	Wait Time	Abandoned Calls
Oct – Dec 2011	32,009	4:59	9%
Oct – Dec 2012	34,496	6:24	11%

LIC expects call volume to increase at the beginning of each quarter due to the large influx of contractor workers’ compensation policy renewals. Workers’ compensation processing backlogs create additional calls and negatively affect call wait times. Once the backlogs are eliminated, call volumes are expected to return to normal levels.

***Staffing Update***

LIC hired three additional full-time Program Technician IIs who started in November 2012 (two in the call center and one at the front counter). LIC has three remaining vacancies and hopes to be fully staffed by March, 2013. 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 have previously worked in CSLB's call center and are trained on CSLB laws and policies. LIC will continue to recruit the most qualified Program Technician IIs to fill remaining vacancies.

LIC previously had four student assistants who provided support in a number of areas, including assisting customers at the front counter, handling return mail, processing forms and publication requests, research, and special projects. Due to a side letter agreement with the Service Employees International Union (SEIU), all LIC student assistant positions were eliminated August 30, 2012. This has posed new challenges for LIC as the student assistant workload has been shifted to full-time staff. LIC has hired one seasonal clerk to help with the increased clerical workload.

Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. In working toward this goal, LIC established a position to serve as a trainer and expert resource to other LIC staff. On July 23-25, LIC held a Board Orientation and Licensing Training program for 30 new employees. The training proved to be an effective way to provide new employees with an in-depth look at CSLB and the roles of the various units. LIC is planning another orientation for new employees during the first quarter of 2013.

CSLB's Classification Deputy also has set up bimonthly classification training for call center and front counter employees.

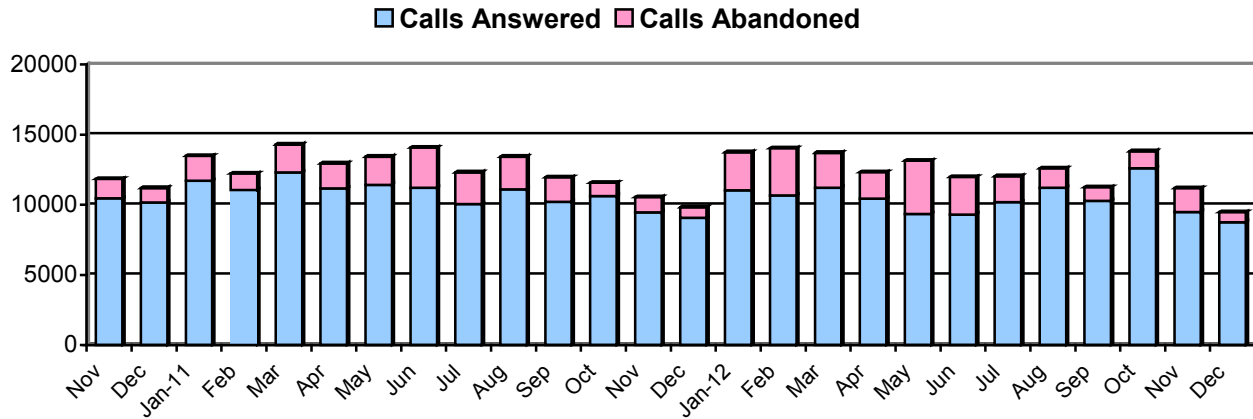
Call Center Processing

A call center processing email inbox (callcenterprocessing@cslb.ca.gov) has been established as a full-service resolution program for licensees who need their licenses updated to satisfy a suspension or to avoid a suspension. These are urgent matters that often require immediate resolution. In certain circumstances, this capability has kept contractors working and their ability to pull local building permits. Having this processing capability allows these matters to be resolved on the spot and prevents these types of callers from being transferred to other processing units. Additionally, the call center now has the ability to scan and email renewal applications to licensees whose licenses are due to expire within the month. Requests are processed within 24-48 hours at the call center level, and licensees have been pleased with the increased level of service.

LIC must dedicate staffing resources to keep up with the urgent processing requests, which may temporarily affect call wait times. However, taking care of these requests within 24 hours ultimately helps decrease call volume because licensees do not need to call back numerous times to check the status of their processing request.



Licensing Information Center Call Data



	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec 2012
Calls Received	10,552	9,880	13,698	14,042	13,705	12,337	13,150	11,985	12,044	12,061	11,259	13,821	11,202	9,473
Calls Answered	9,465	9,080	11,036	10,667	11,220	10,427	9,334	9,309	10,176	11,211	10,271	12,598	9,485	8,758
Calls Abandoned	1,086	746	2,714	3,372	2,484	1,903	3,815	2,675	1,867	1,386	987	1,223	1,702	715
Longest Wait Time	12:25	10:39	25:20	39:00	26:14	16:17	27:22	22:44	16:29	16:41	13:20	11:04	19:39	13:27
Shortest Wait Time	1:34	1:02	4:41	4:03	2:47	2:54	7:29	6:02	3:10	1:37	1:42	0:59	2:15	0:10
Average Wait Time	7:39	4:21	7:44	14:38	8:49	8:59	16:33	9:49	9:03	6:07	4:56	5:24	9:11	4:49



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.

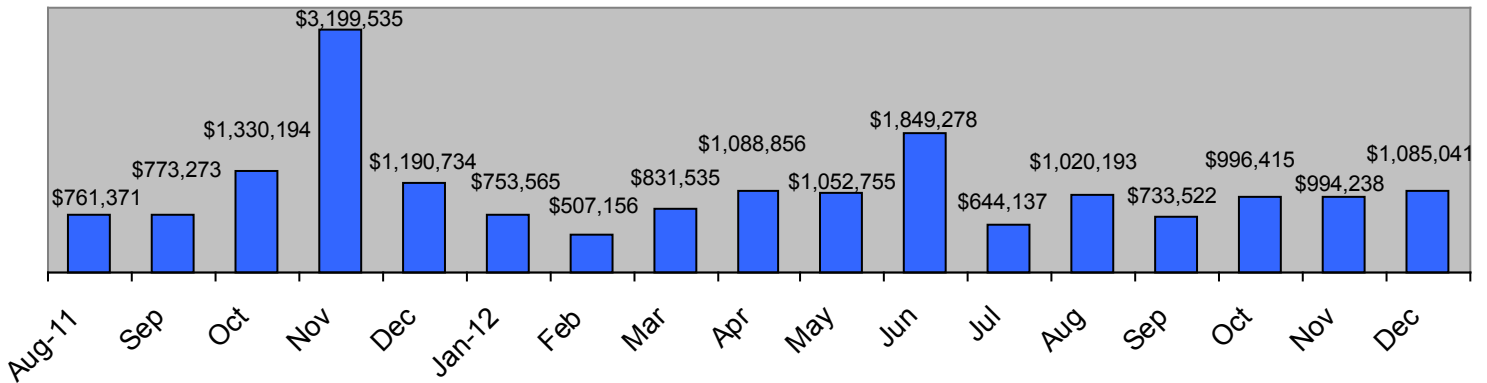
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



OUTSTANDING LIABILITIES

Letter Type Sent	Aug 2011	Sep	Oct	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Initial	73	71	48	71	174	98	56	52	39	56	48	69	80	54	114	67	33
Suspend	57	56	64	42	89	79	66	53	52	48	35	45	42	56	88	46	68
Reinstate	38	52	41	32	117	48	35	32	48	44	31	35	32	35	98	24	28

SAVINGS TO THE PUBLIC

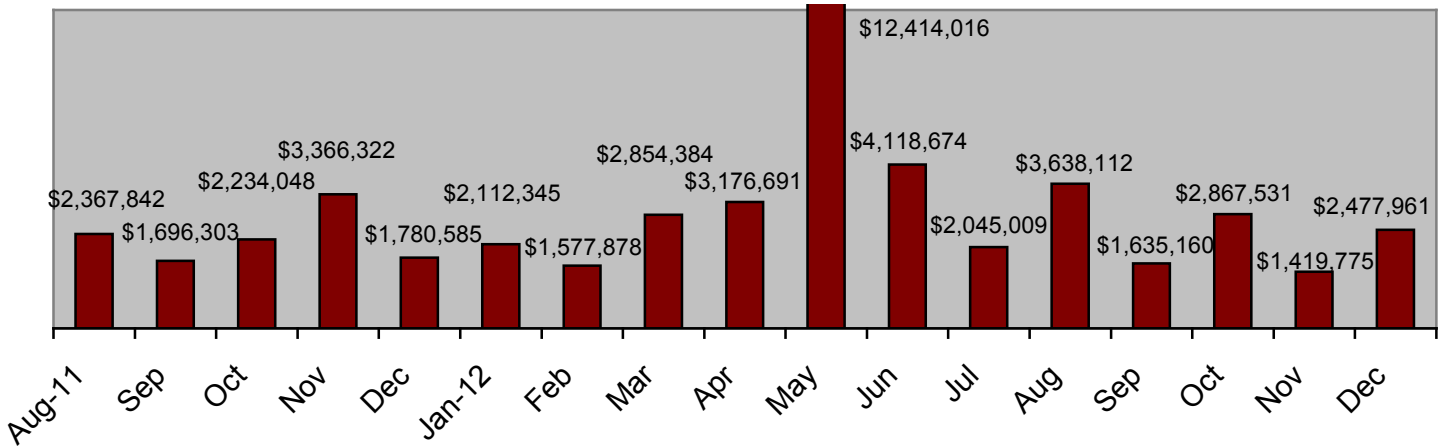




JUDGMENTS

Letter Type Sent	Aug 2011	Sep	Oct	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Initial	205	225	219	170	192	186	177	204	190	188	180	185	184	158	224	132	166
Suspend	114	82	84	81	93	85	74	79	75	75	64	70	75	65	79	62	87
Reinstate	186	145	162	132	127	156	153	169	194	165	163	173	158	107	172	113	119

SAVINGS TO THE PUBLIC

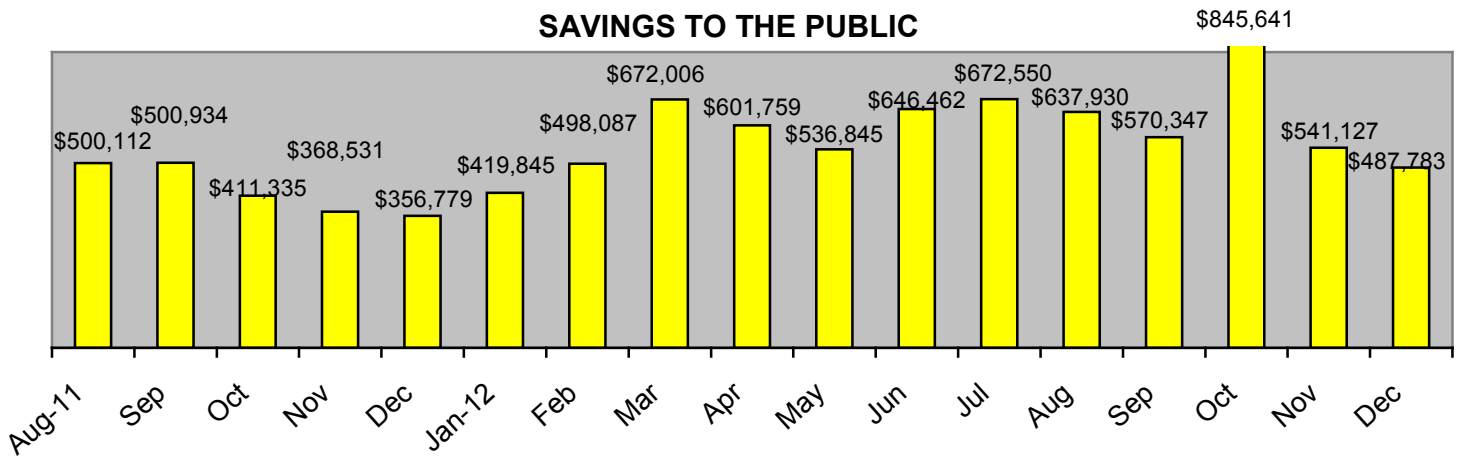




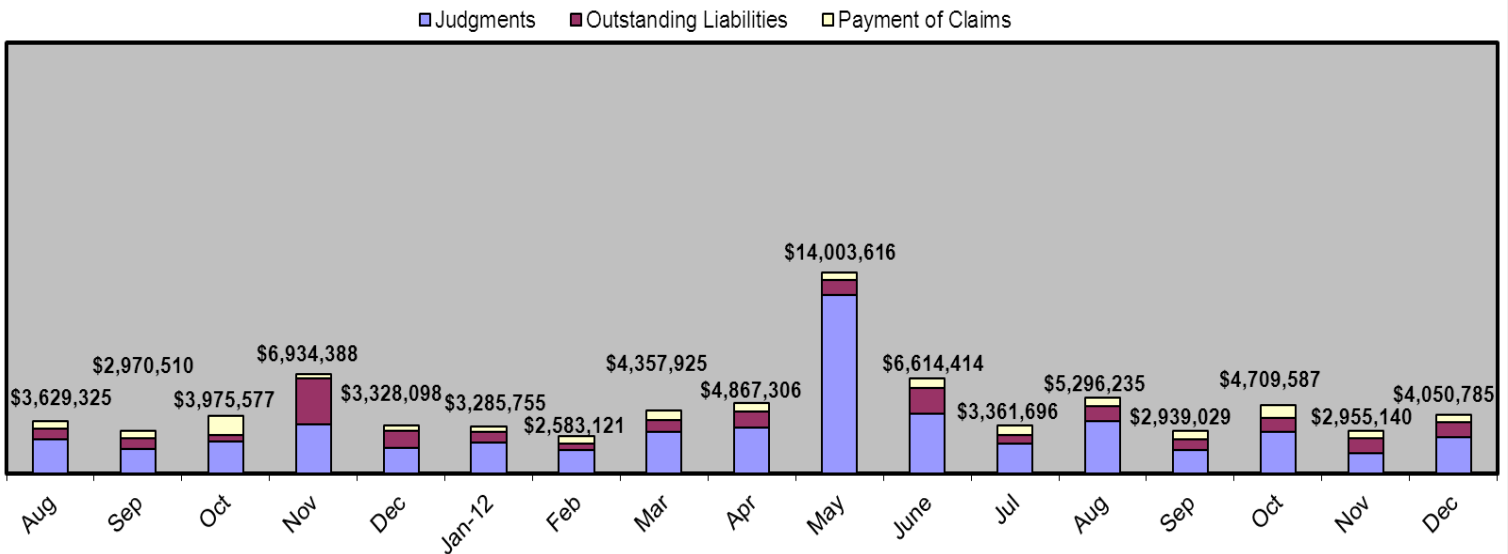
PAYMENT OF CLAIMS

Letter Type Sent	Aug 2011	Sep	Oct	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Initial	177	120	224	155	152	106	124	241	165	150	223	146	220	209	170	105	197
Suspend	159	116	139	103	86	174	99	103	92	87	127	113	71	128	79	113	120
Reinstate	110	114	84	78	85	87	116	130	124	112	119	128	125	111	139	97	99

SAVINGS TO THE PUBLIC



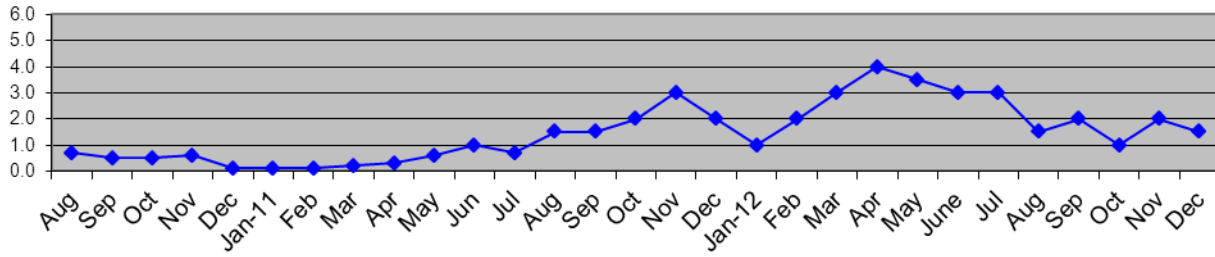
TOTAL SAVINGS TO PUBLIC



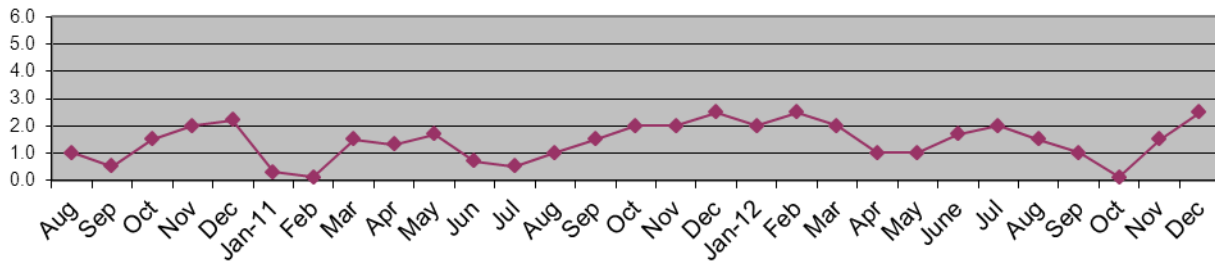


Number of Weeks Before Being Pulled for Processing

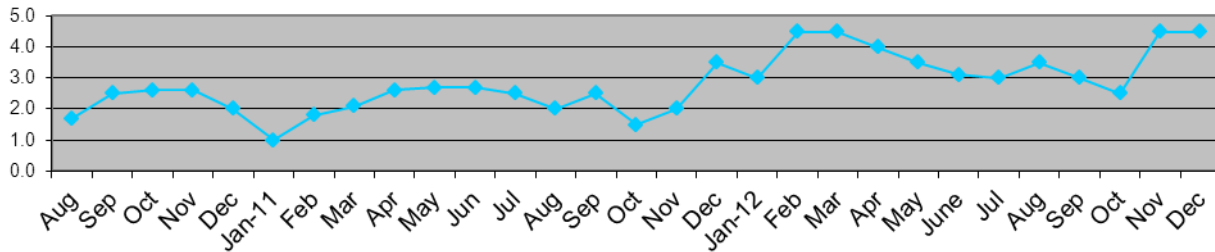
Application for Original License - Exam



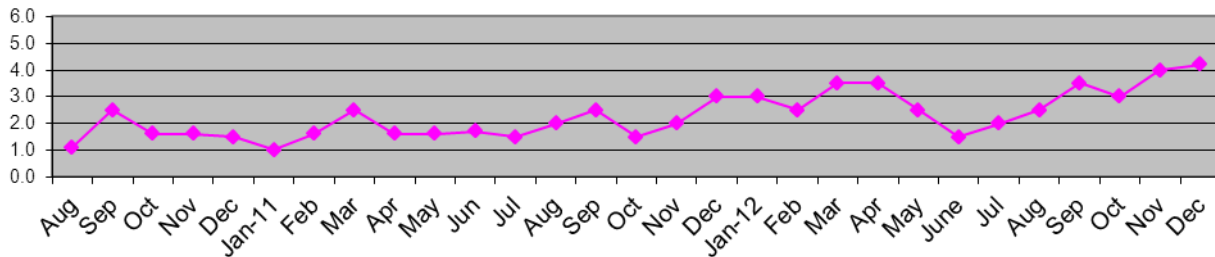
Application for Original License - Waiver



Application for Additional Classification



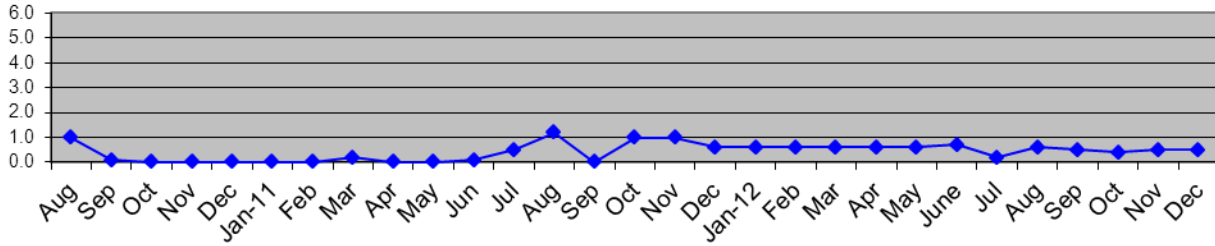
Application to Replace the Qualifier



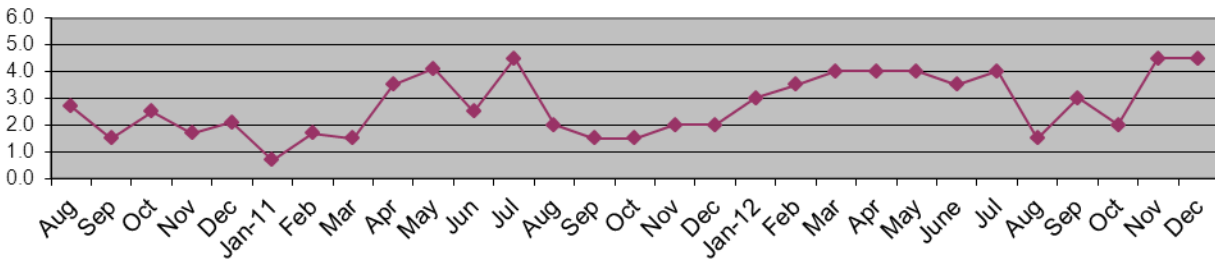


Number of Weeks Before Being Pulled for Processing

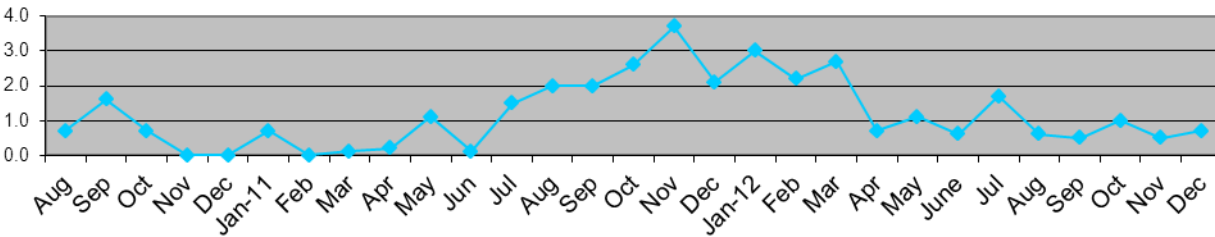
Application for Renewal



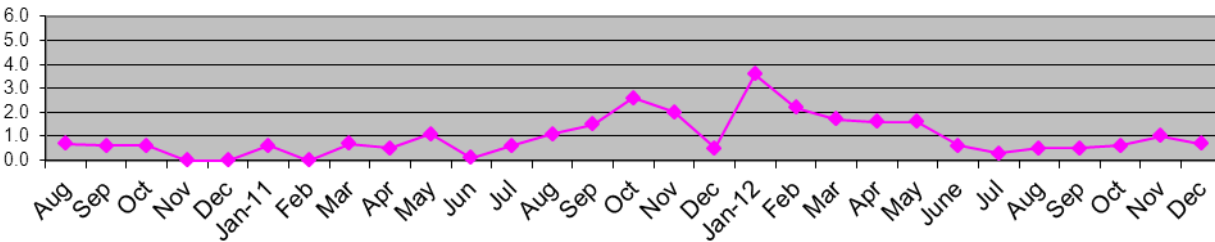
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



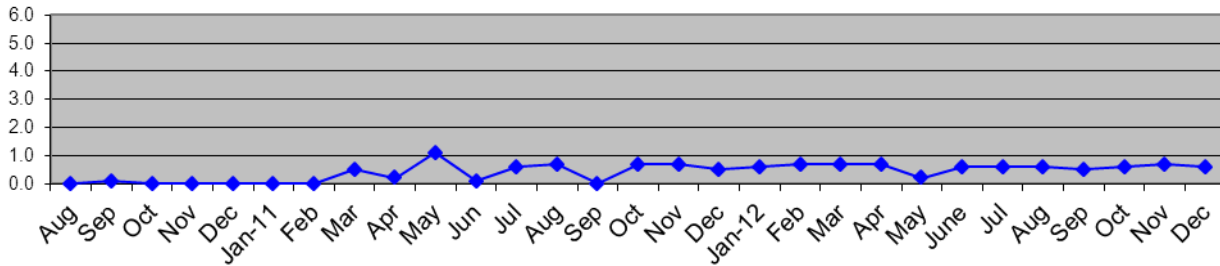
Application to Change Business Name or Address



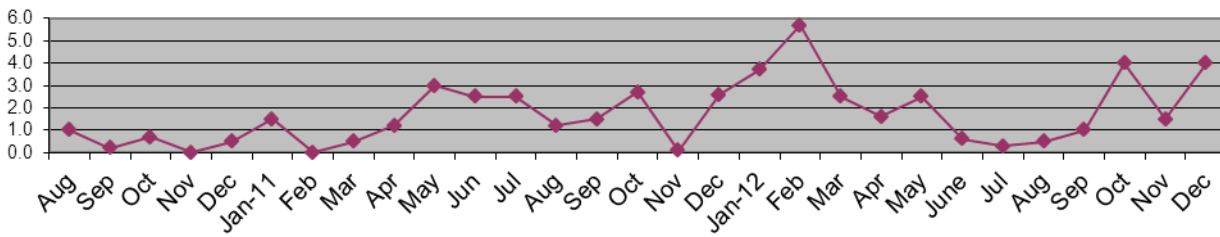


Number of Weeks Before Being Pulled for Processing

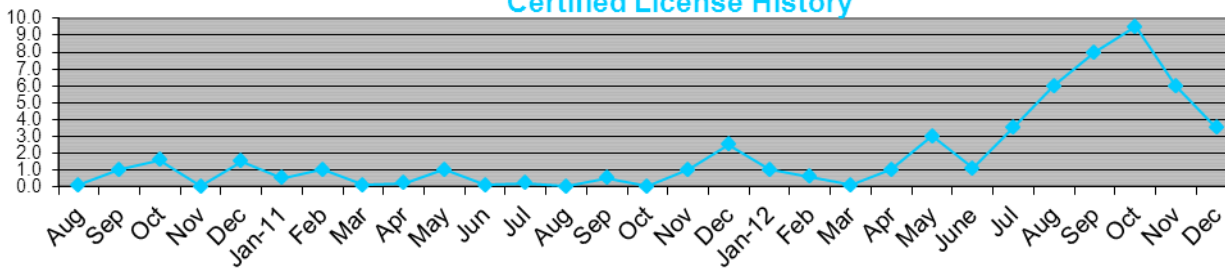
Contractor's Bond and Bond of Qualifying Individual



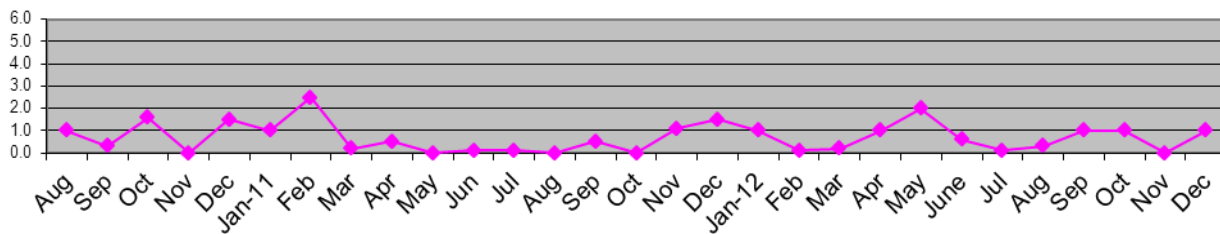
Workers' Compensation Certificates and Exemptions



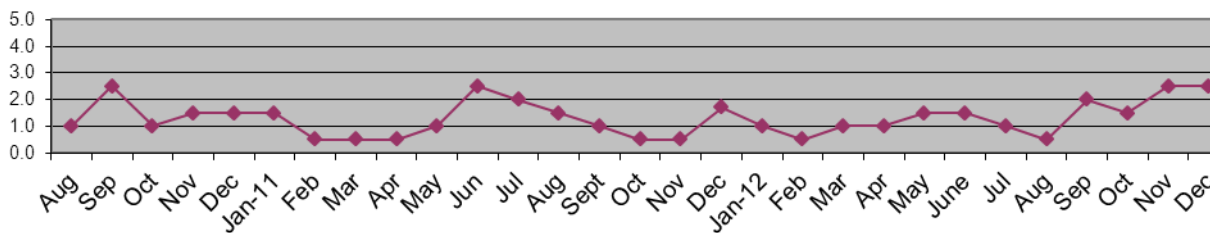
Certified License History



Request for Copies of Documents



Criminal Background Unit - CORI Review



AGENDA ITEM H-2

Testing Division Update

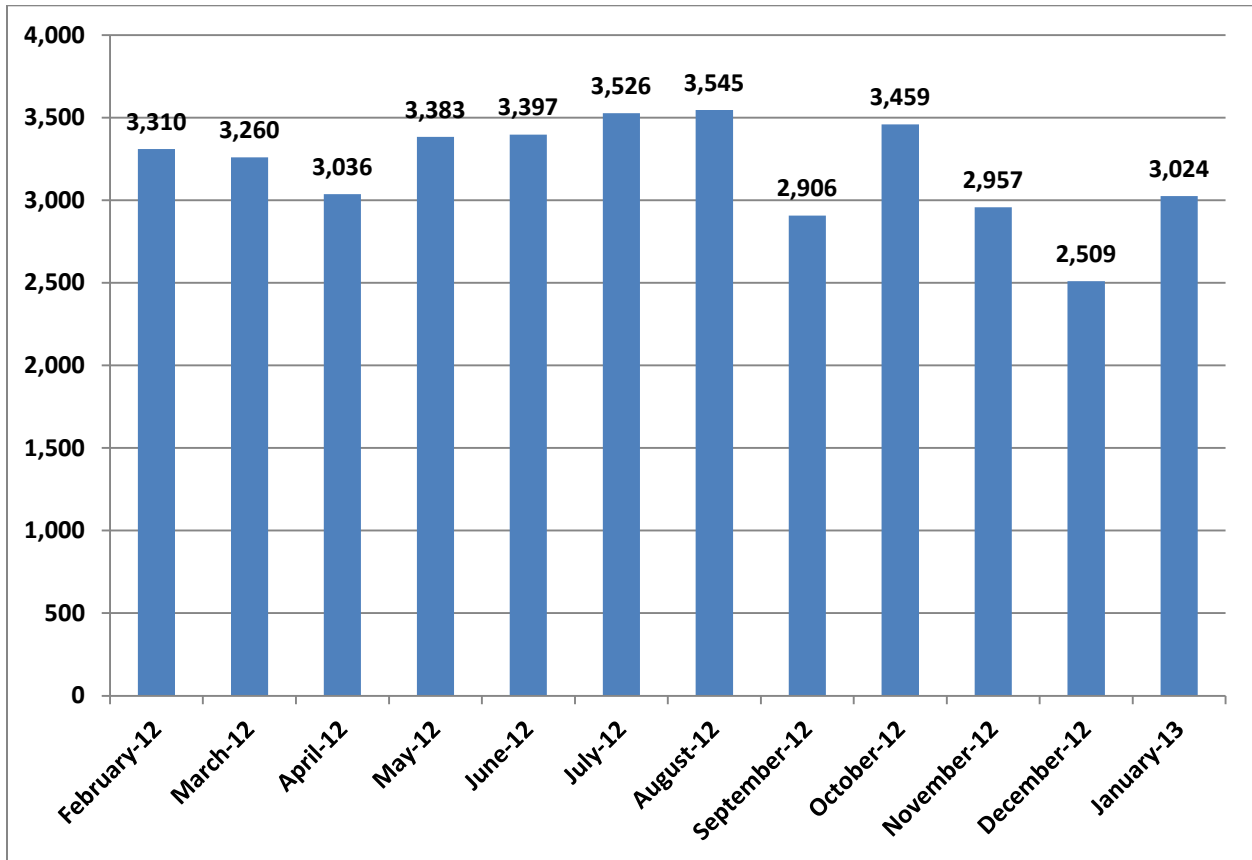




Examination Administration Unit

The Examination Administration Unit (EAU) is responsible for administering the CSLB's 45 examinations at eight computer-based testing centers. The following chart shows the number of examinations scheduled at all testing centers for the last twelve months.

Number of Examinations Scheduled February 2012-January 2013



Examination Administration Staffing

The Staff Services Manager I position that supervises the EAU was filled in mid-December after a fifteen month vacancy. This position was filled with an internal employee, creating a vacant analyst position. This position will be filled as soon as position control issues with DCA are corrected.

We have one test monitor vacancy in the San Jose testing center. Part-time proctors will be utilized until a new employee can be hired. All other testing centers are fully staffed with two test monitors.



Testing Center Status

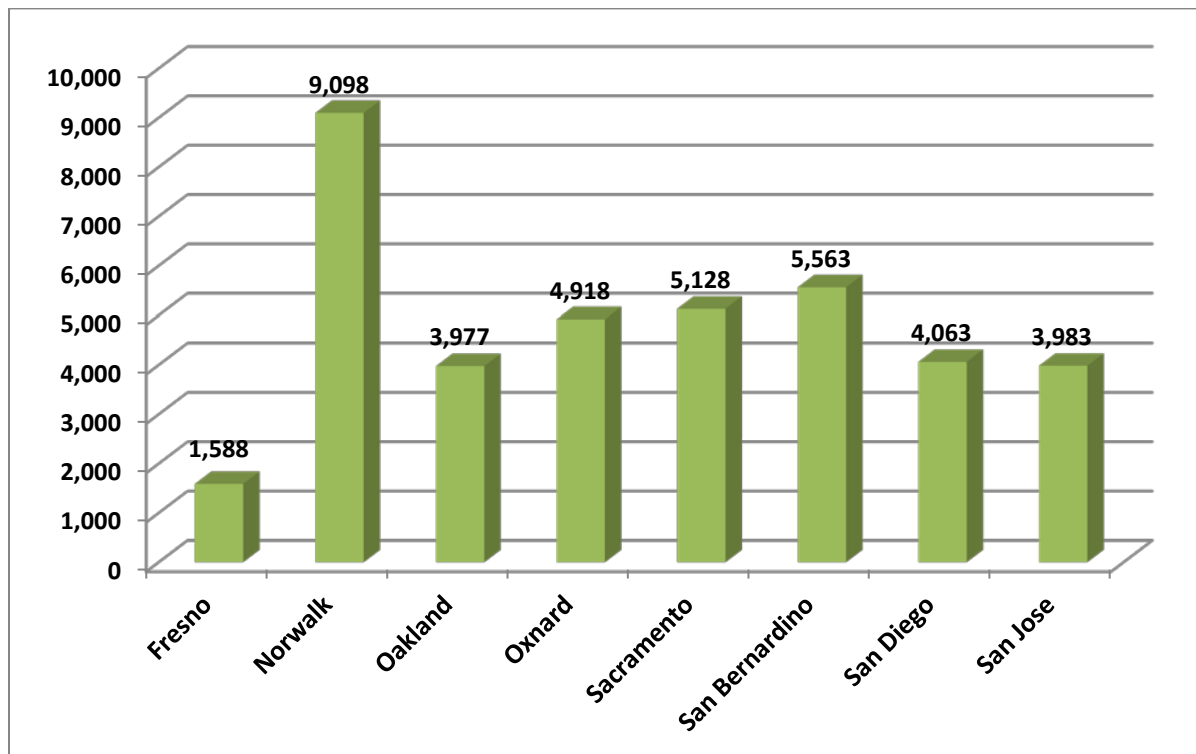
The CSLB maintains eight testing centers:

1. Sacramento
2. Oakland
3. San Jose
4. Fresno
5. Oxnard
6. Norwalk
7. San Bernardino
8. San Diego.

The Testing Division is working with the Department of General Services to relocate the Oakland Testing Center to another office in Berkeley. The new office building is occupied by the Department of Toxic Substances Control and Cal/EPA. The space in the building has been selected and the plans are currently being drawn.

The following chart shows the number of examinations scheduled at each testing center for the last twelve months.

Number of Examinations Scheduled by Testing Center February 2012-January 2013





Examination Wait Time

The wait time for an examination date is three weeks statewide. On any given day, walk-in applicants have an excellent chance of finding an available seat in any CSLB testing center.

Utilization of Testing Centers for Other Projects

The Norwalk and San Bernardino testing centers were used by DCA to train other Boards on the new BreZE software. Each center was used twice a week for training for three weeks in January and February. After some issues with operating system compatibility were resolved, DCA was able to successfully utilize the testing centers for their training sessions. The testing centers are also being used to administer the CSLB's Enforcement Representative I examination twice per year.

Examination Development Unit

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

Examination Development Unit Staffing

The Testing Division still has one vacant testing specialist position in the Examination Development Unit. This is a specialized position and it is difficult to find qualified applicants.

Occupational Analysis and Examination Development Workload

The examination development process involves two phases: occupational analysis and new examination development, and 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 proportions it should be tested. The new examination development phase involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for the new examination.

The EDU has completed new examinations for the following classifications:

- C-42 Sanitation Systems
- C-47 Manufactured Housing.



The table that follows indicates the occupational analysis and examination development projects that are currently under way:

Occupational Analyses in Progress	New Examinations in Progress
C-5 Carpentry	C-34 Pipeline
C-28 Lock & Security Equipment	C-45 Signs
C-38 Refrigeration	C-46 Solar
C-60 Welding	C-50 Reinforcing Steel
	C-55 Water Conditioning
	C-57 Well Drilling
	Hazardous certification

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

The Testing Division is working with the Public Affairs Division to update the style of the EDU's letters, forms, and reports. The EDU is switching from paper folders to binders for examination development workshops with Subject Matter Experts. The binders help protect materials that can be re-used to reduce printing costs, and they provide a more professional appearance.

Ongoing Consumer Satisfaction Survey

The Testing Division 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 on 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. The 2012 report will be ready for the next board meeting.

AGENDA ITEM H-3

Consideration of an Asbestos Abatement Specialty Classification



January 22, 2013

Stephen P. Sands
Registrar of Contractors
Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95826

**Sent Electronically
and via U.S. Mail**

Re: Request for Agenda Item – February 26, 2013 Board Meeting

Dear Mr. Sands:

The Association of Environmental Contractors (AEC) respectfully requests that the establishment of a new specialty license classification for hazardous material abatement be included on the February 26, 2013 Contractors State License Board Meeting Agenda.

Thank you for your consideration and attention to this matter.

Sincerely,



Frank Redle
Association of Environmental Contractors

cc: Karen Robinson, Chief of Licensing
Don Chang, CSLB Legal Counsel

February 14, 2013

Karen Robinson
Chief of Licensing
Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95826

**Sent Electronically
and via U.S. Mail**

Re: Establishment of New Specialty Classifications

Dear Ms. Robinson:

The Association of Environmental Contractors (AEC) requests that the Contractors State License Board consider two new trade classifications: 1) Asbestos Abatement and 2) Hazardous Material Abatement. The proposed classifications read as follows:

§832.63 Class C-63 Asbestos Abatement Contractor - An Asbestos Abatement Contractor builds negative pressure containments with chambered egress, dons personal protective equipment, removes asbestos containing materials, and decontaminates surfaces in buildings and structures.

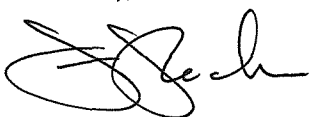
§832.64 Class C-64 Hazardous Material Abatement Contractor - A Hazardous Material Abatement Contractor is required when two or more hazardous materials are required to be removed or disturbed.

Attached please find AEC's proposal for the above-referenced classifications. The proposal was prepared by Mike Ely, AEC Board Member and CEO of Janus Corporation.

Representatives from AEC plan to attend the February 26, 2013 Contractors State License Board Meeting.

Thank you for your attention to this matter.

Sincerely,



Frank Redle
Association of Environmental Contractors

cc: Stephen Sands, Registrar of Contractors
Don Chang, CSLB Legal Counsel

AEC Proposal Regarding the Abatement of Asbestos and Other Hazardous Materials

February 14, 2013

BACKGROUND

The work performed by Association of Environmental Contractors (AEC) members is best described as removal/demolition and clean-up of any material that, when disturbed, requires a microscope to determine if it is sufficiently clean and safe for human contact. We recognize that this broad definition does not fit easily within the Contractors State License Board's (CSLB) criteria of a specific trade classification. In order to more readily conform to CSLB criteria, we have separated asbestos, one of the hazardous elements we deal with, from all of the other hazardous elements that we deal with. Asbestos is a commonly-found hazard in construction and has its own licensing requirements from the Division of Occupational Safety and Health. Since asbestos is encountered by many separate trades licensed by the CSLB, the ASB certification was created to address awareness for trades and removal of small quantities.

California is home to Silicon Valley, the biotech industry, world-class medical facilities, and many other entrepreneurial endeavors. In order to serve these vital industries, special construction techniques such as the utilization of clean rooms (positive pressure containments with HEPA, ULPA and PTFE filtration) are necessary. Our work requires the use of negative pressure containments (HEPA filtration) to deal with the hazards encountered in the renovation of various structures, including biotech and Silicon Valley facilities. As we continue to learn more about the epidemiology of disease, there is an increased emphasis on preventing exposure to hazardous materials that are disturbed during the process of renovation. As a result, all hospitals now require that construction work be isolated with containments and HEPA filtration. The renovation work may or may not contain asbestos, but the demolition is essentially done under asbestos containment provisions to prevent aspergillus spores (a specific type of mold spore) from proliferating throughout areas where there are immunocompromised patients. Aspergilliosis is fatal and there is no known cure.

Asbestos, lead, and mold are commonly encountered in the construction industry. In fact, multiple hazardous materials are frequently present within a single building or structure. Lead is only one of 17 heavy metals that are monitored for exposure to humans, in addition to many other bioaccumulative toxic substances. Furthermore, one must also take into account ignitability, reactivity, and corrosivity criteria in renovation projects.

It has been estimated that approximately 30 million tons of asbestos have been used in the construction and manufacturing industries since the early twentieth century. Asbestos abatement has been an active trade for over 30 years, coinciding with the ban on asbestos products. While the amount of asbestos remaining in construction materials has been steadily declining since the 1980s, the number of "asbestos abatement workers" has been steadily increasing. The reason for the increase is due to the recognition of other hazards associated with the disturbance of construction materials and the advances of technology.

In the decades to come, our trade will have more mandated materials than just asbestos and we ask the Board to consider Hazardous Material Abatement to be a general category when two or more hazards are present. For example, when renovating an indoor gun range, one will encounter lead and asbestos; however, an additional hazard is present. The ignitability of an unspent round could kill someone in the lead recycling facility. A painter can handle lead paint, and a roofer can handle asbestos roofing, but when more than one hazard exists, as in the example above, a general contractor classification is inadequate. There should be a separate, general classification for circumstances such as this.

PROPOSAL

Based on the foregoing, AEC requests that the CSLB establish the following trade classifications commensurate with the work performed by its members:

§832.63 Class C-63 Asbestos Abatement Contractor - An Asbestos Abatement Contractor builds negative pressure containments with chambered egress, dons personal protective equipment, removes asbestos containing materials and decontaminates surfaces in buildings and structures.

§832.64 Class C-64 Hazardous Abatement Contractor - A Hazardous Material Abatement Contractor is required when two or more hazardous materials are required to be removed or disturbed.

AGENDA ITEM I

Executive Committee Report



AGENDA ITEM I-1

Administration and Information Technology Update





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATIVE PROGRAM UPDATE

PERSONNEL UPDATE

Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous merge; statewide at CSLB testing centers
	Enforcement Representative II, CSLB	Exam development meetings will begin February 2013
Information Technology	Assistant Information Systems Analyst	Continuous Filing, Open Exam
	Associate Information System Analyst	Continuous Filing, Open Exam
Licensing	Supervising Program Technician II/III	Certification list was released in November 2012
Testing	Test Validation and Development Specialist I/II	No longer continuous filing; last exam was administered in October 2012
All CSLB	Associate Governmental Program Analyst	Continuous Filing, Open Exam; Online Testing
	Staff Services Manager I	Continuous Filing, Open Exam; Online Testing
	Staff Services Manager II	Continuous Filing, Open Exam; Online Testing
	Staff Services Manager III	Continuous Filing, Open Exam; Online Testing

Positions

As of February 5, 2013, there are **32.5** vacant positions at CSLB. Between November 28, 2012 and February 5, 2013, CSLB had **4** transfers within CSLB, **7** transfers from another department, **12** promotions, and **9** new hires. The following table illustrates the vacancy breakdown as of February 5, 2013:

DIVISION	AUTHORIZED PY'S	VACANCIES
Administration	29.85	3
Enforcement	208.2	15
Executive/Public Affairs	12.5	0
Information Technology	22.15	5
Licensing	97.5	5
Testing	27.5	4.5



BUSINESS SERVICES

In 2012, the Business Services Unit:

- Relocated Fresno SWIFT with the Fresno IC and Fresno Testing Center.
- Site search was completed for a new Bakersfield office. Tenant improvements were completed, and modular furniture has been ordered. The anticipated move date is March 2013.
- Reconfigured Oxnard Testing office to ensure candidates have enough room at each workstation.
- Completed plans and bids for the reconfiguration to add a public counter with bullet proof glass at the San Bernardino IC Office.
- Office space in Berkeley was selected to relocate the Oakland Testing office. The Department of General Services (DGS) is preparing final plans. The anticipated move date is May 2013.
- Executed 12 contracts including: Ablegov for maintenance support of the Uninterrupted Power Supply, CHP for standby security services, FedEx and Golden State for mailing services, Inbind for laminating services, Inter-Con Security for security guard services, Newcal for maintenance of copy machines, Paper Recycling & Shredding for shredding services, Smile Business Products for maintenance of copy machines, and Viking Shred for shredding services, installed 10 new copiers with maintenance.
- The Industry Expert Program has 325 current contracts utilized by the Testing and Enforcement divisions.
- Per the DGS Fleet Reduction, CSLB purged 11 vehicles from its fleet.
- Completed the BAR Government Fleet Smog Check Program.
- More than 100,000 files were purged from the file room.



INFORMATION TECHNOLOGY DIVISION UPDATE

BreEZe

When implemented, BreEZe, DCA's enterprise wide licensing and enforcement system, will include e-payment/online licensure, renewals, and on-line complaints. It is being implemented in 3 phases; CSLB is in Phase 3. On February 4, 2013, it was announced that the planned BreEZe Release 1 go-live date of February 19, 2013, is being delayed. The go-live date did not allow sufficient time to produce a quality BreEZe product acceptable to DCA and the Release 1 Boards. The BreEZe project leadership team is working with Accenture to assemble an achievable plan, which will determine the new go-live date. The Executive Steering Committee will announce a new date once it is established. The BreEZe project leadership teams' goal is to receive a fully functional BreEZe system for all programs and customers.

CSLB staff continues to work with the BreEZe project staff to prepare for Release 3 implementation. CSLB staff is participating in discussions involving functions that will directly impact CSLB operations, and soon will be participating in development of CSLB's detailed configuration requirements. CSLB staff is continuing to assist DCA by helping other boards and bureaus with Acceptance Testing and Data Validation. In addition, CSLB's provided our test center for training of DCA R1 staff on the BreEZe system.

AB 397 – Workers' Compensation Insurance Exemption Recertification

IT programming staff completed the necessary changes and successfully implemented the mandate associated with AB 397. The new law, effective January 1, 2012, requires that at renewal, an active contractor with an exemption from workers' compensation insurance on file with the board must either recertify the exemption or provide current and valid workers' compensation coverage.

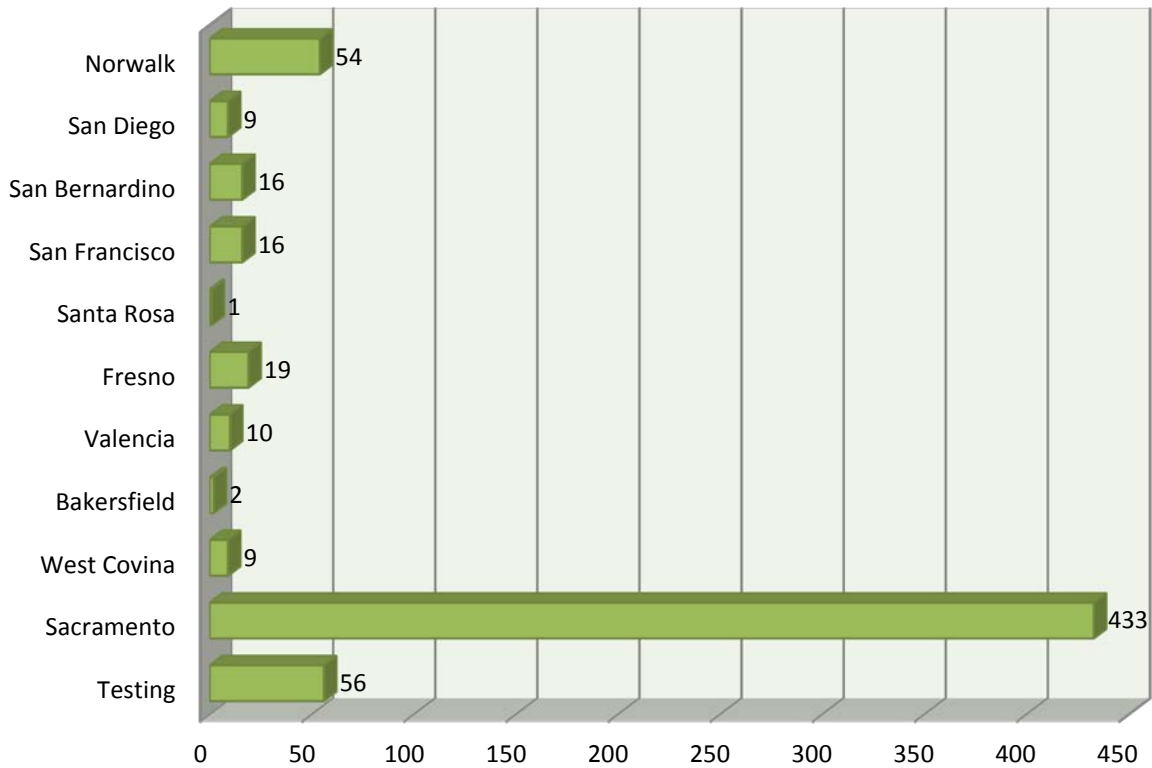
Help Desk

CSLB's Help Desk staff process an average of 367 tickets a month. Those tickets are generated by CSLB employees who have issues with desktops, laptops, printers, phones, etc. Tickets are generated 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 queued and resolved in approximately 60 minutes.

From December 1, 2012 to February 1, 2013, 419 help tickets were opened by CSLB employees via the CSLB intranet site. During this time, 208 help tickets were opened through calls to the Help Desk or paperwork requests.



CSLB IT Help Desk Totals



CSLB Green IT Efforts

- IT staff has consolidated single function devices into multifunction office machines. Individual printers, faxes, and scanners were replaced with 37 multifunction copier machines.
- Legacy telephone systems are being replaced with Voice over Internet Protocol (VoIP) phones. Eleven of 13 legacy phone systems have been fully converted; the remaining two sites are expected to be completed in spring 2013.
- CSLB IT Programming staff completed the conversion of mainframe print jobs generated from Service Network Architecture (SNA) printers to Internet Protocol (IP) printers using IP printway. This allows jobs/reports to print at multiple CSLB locations and eliminates the need for multiple printing systems.
- A Self Service Report Center was created converting paper reports to Adobe PDF format on the CSLB intranet website accessible to all staff members in a more timely fashion.
- Enhanced the electronic bond filing process to provide letters and reports directly to bonding companies through Adobe PDF format, increasing efficiency, timely notification, and eliminating printing of hard copy documents and postage.



Interactive Voice Response (IVR) System

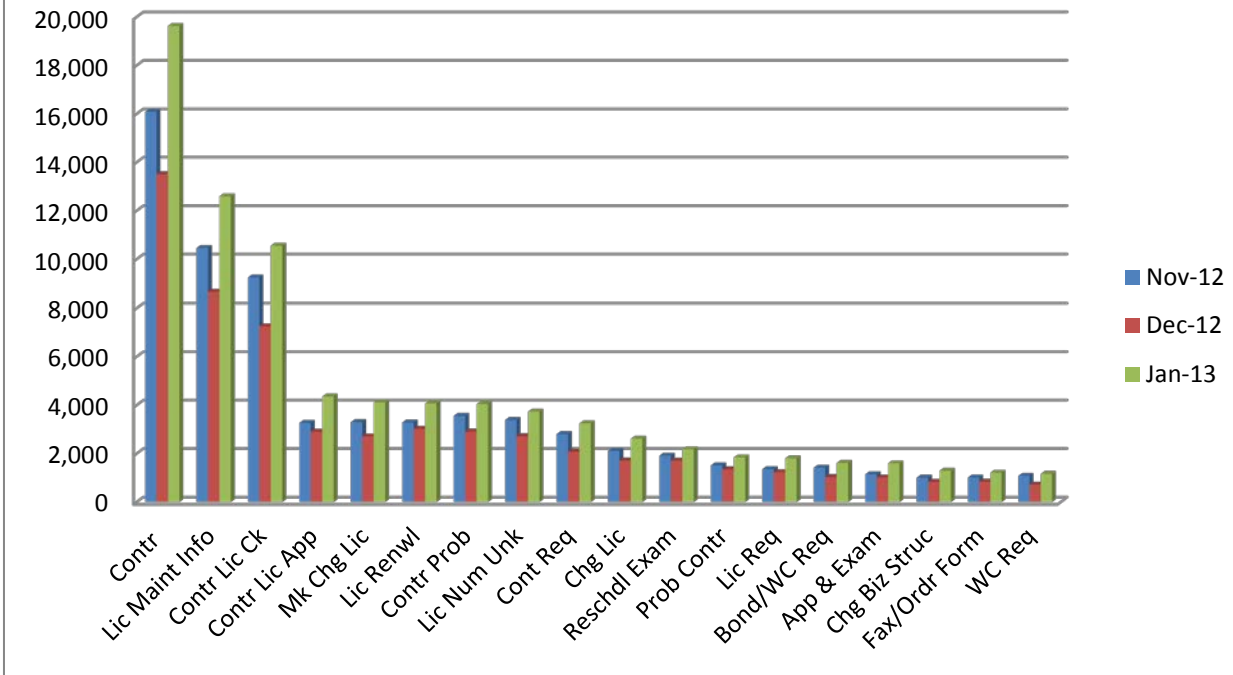
CSLB’s IVR is an interactive, self-directed telephone system that is a valuable source of information for consumers, contractors, and others. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check 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. In 2012, the IVR handled over 37,000 calls per month and 444,000 calls per year; it is available 24 hours a day, seven days a week.

There are dozens of possible menu options within IVR system; following is a representative sample of the top IVR requests during the past three months.

	Abbreviation	Nov-12	Dec-12	Jan-13
Contractor or Want to Become Contractor	Contr	16,090	13,509	19,631
Info on Maintaining or Changing License	Lic Maint Info	10,464	8,688	12,597
Contractor's License Check	Contr Lic Ck	9,276	7,260	10,562
Contractor License Application	Contr Lic App	3,270	2,905	4,360
About Making Changes to License	Mk Chg Lic	3,302	2,711	4,119
About License Renewal	Lic Renwl	3,286	3,024	4,075
Hire or Problem with Contractor	Contr Prob	3,560	2,911	4,048
License Number Not Known	Lic Num Unk	3,391	2,722	3,734
About Continuing Requirements	Cont Req	2,807	2,076	3,251
For Changes to Existing Licenses	Chg Lic	2,119	1,717	2,619
Reschedule Exam Date	Reschdl Exam	1,919	1,712	2,180
Info on Problems with Contractor	Prob Contr	1,517	1,351	1,846
License Requirements	Lic Req	1,360	1,234	1,805
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,422	1,035	1,616
General Application & Examination Info	App & Exam	1,146	1,013	1,601
For Changing the Business Structure of an Existing	Chg Biz Struc	1,007	840	1,293
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	1,014	848	1,211
Info about Workers' Comp Requirements	WC Req	1,083	720	1,167



Top IVR Requests



AGENDA ITEM 1-2

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2012-13 CSLB Budget and Expenditures

- Through December 31, 2012, CSLB spent and encumbered \$27.9 million, roughly 48 percent of its FY 2012-13 final budget. The following chart provides a summary of the FY 2012-13 CSLB budget, along with the FY 2012-13 expenditures through December 2012:

EXPENDITURE DESCRIPTION	FY 2012-13 REVISED BUDGET	DECEMBER 2012 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	20,146,589	9,455,498	10,691,091	53.1%
Board Members	15,900	5,800	10,100	63.5%
Temp Help	812,100	400,592	411,508	50.7%
Exam Proctor	41,168	51,968	-10,800	-26.2%
Overtime	124,575	78,330	46,245	37.1%
Staff Benefits	8,924,620	4,264,746	4,659,874	52.2%
TOTALS, PERSONNEL	30,064,952	14,256,934	15,808,018	52.6%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	20,032,425	11,446,815	8,585,610	42.9%
Exams	435,882	96,320	339,562	77.9%
Enforcement	8,296,033	2,274,377	6,021,656	72.6%
TOTALS, OE&E	28,764,340	13,817,512	14,946,828	52.0%
TOTALS	58,829,292	28,074,446	30,754,846	52.3%
Scheduled Reimbursements	-353,000	-71,624	-281,376	
Unscheduled Reimbursements		-82,202	82,202	
TOTALS, NET REIMBURSEMENTS	58,476,292	27,920,620	30,555,672	52.3%

❖ Revenue

- CSLB received the following revenue through December 31, 2012:

Revenue Category	Through 12/31/2012	Percentage of Revenue	Change from prior year (12/31/2011)
Duplicate License/Wall Certificate Fees	\$44,616	0.1%	-18.9%
New License and Application Fees	\$4,687,579	15.5%	-0.9%
License and Registration Renewal Fees	\$23,502,348	78.0%	5.8%
Delinquent Renewal Fees	\$1,290,590	4.3%	15.0%
Interest	\$22,483	0.1%	0.0%
Penalty Assessments	\$548,974	1.8%	17.6%
Misc. Revenue	\$52,814	0.2%	-14.8%
Total	\$30,149,404	100.00%	2.6%



❖ **FY 2012-13 CSLB Budget and Adjustments**

- CSLB’s revised final FY 2012-13 budget totals \$58.5 million. This budget includes the following one-time adjustments and reductions: reconciling of salaries and wages with the projected operating expenditures, adjustments to employee retirement contribution rates, budgetary reductions for savings resulting from employee one day a month Personal Leave Program (PLP) furlough day, and budgetary reductions to the IT budget (TEALE) to reflect savings in IT operations, and related expenditures.
- The following chart shows the approved FY 2012-13 budget (2012 Budget Bill) and the overall budgetary impact of the reductions and adjustments to CSLB’s revised final FY 2012-13 budget:

EXPENDITURE DESCRIPTION	FY 2012-13 APPROVED BUDGET	7A ADJ	RETIREMENT ADJ	EMPLOYEE COMP FURLOUGH ADJ	IT ADJ	FY 2012-13 REVISED BUDGET
PERSONNEL SERVICES						
Salary & Wages (Staff)	21,708,381	-585,935		-975,857		20,146,589
Board Members	15,900					15,900
Temp Help	812,100					812,100
Exam Proctor	41,168					41,168
Overtime	124,575					124,575
Staff Benefits	8,593,310		413,741	-82,431		8,924,620
TOTALS, PERSONNEL	31,295,434	-585,935	413,741	-1,058,288		30,064,952
OPERATING EXPENSES & EQUIPMENT						
Operating Expenses	19,779,384	585,935	76,330	-192,529	-216,695	20,032,425
Exams	435,882					435,882
Enforcement	8,296,300		269	-536		8,296,033
TOTALS, OE&E	28,511,566	585,935	76,599	-193,065	-216,695	28,764,340
TOTALS	59,807,000	0	490,340	-1,251,353	-216,695	58,829,292
Scheduled Reimbursements	-353,000					-353,000
Unscheduled Reimbursements						
TOTALS, NET REIMBURSEMENTS	59,454,000	0	490,340	-1,251,353	-216,695	58,476,292



❖ **CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2011-12 reserve (over \$26 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2012-13 through FY 2014-15:

	Final FY 2011-12	Proj. FY 2012-13	Proj. FY 2013-14	Proj. FY 2014-15
Beginning Balance	\$14,859	\$26,678	\$27,390	\$25,126
Prior Year Adjustment	\$391	\$0	\$0	\$0
Adjusted Beginning Balance	\$15,250	\$26,678	\$27,390	\$25,126
Revenues and Transfers				
Revenue	\$54,917	\$56,173	\$53,631	\$56,566
Transfer from General Fund	\$10,000			
Totals, Resources	\$80,167	\$82,851	\$81,021	\$81,692
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,286	\$55,071	\$55,622	\$56,178
State Controller (State Operations)	\$64	\$72		
Financial Info System Charges	\$139	\$318		
Fi\$cal Assessment			\$273	
Total Expenditures	\$53,489	\$55,461	\$55,895	\$56,178
Fund Balance				
Reserve for economic uncertainties	\$26,678	\$27,390	\$25,126	\$25,514
Months in Reserve	5.8	5.9	5.4	5.4

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 1% starting in FY 2013-14 and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2012-13 to 13-14.



❖ **Construction Management Education Account (CMEA) FY 2012-13 Budget and Expenditures**

- Through December 31, 2012, CMEA expended nearly \$6,800 in pro rata charges. The following chart provides a summary of the FY 2012-13 CMEA budget, along with FY 2012-13 expenditures through December 2012:

EXPENDITURE DESCRIPTION	FY 2012-13 BUDGET	DECEMBER 2012 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	14,331	0	14,331	100.0%
Pro Rata	13,669	6,769	6,900	50.5%
TOTALS, OE&E	28,000	6,769	21,231	75.8%
GRANT AWARDS				
Grant Awards	150,000	0	150,000	100.0%
TOTALS, GRANT AWARDS	150,000	0	150,000	100.0%
TOTALS	178,000	6,769	171,231	96.2%

❖ **CMEA Fund Condition**

- Below is the CMEA fund condition, which shows the final FY 2011-12 reserve (\$259,000 – over 31 months’ reserve), along with the projected reversion amounts for FY 2012-13 through FY 2014-15:

	Final FY 2011-12	Proj. FY 2012-13	Proj. FY 2013-14	Proj. FY 2014-15
Beginning Balance	\$338	\$259	\$217	\$175
Prior Year Adjustment	\$(2)	\$0	\$0	\$0
Adjusted Beginning Balance	\$336	\$259	\$217	\$175
Revenues and Transfers				
Revenue	\$57	\$58	\$58	\$58
Totals, Resources	\$393	\$317	\$275	\$233
Expenditures				
Disbursements:				
Grants	\$121	\$86	\$86	\$86
State Operations	\$13	\$14	\$13	\$13
Fi\$cal Assessment			\$1	
Total Expenditures	\$134	\$100	\$100	\$99
Fund Balance				
Reserve for economic uncertainties	\$259	\$217	\$175	\$134
Months in Reserve	31.1	26.0	21.0	16.2

Notes:

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



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2009-10	2010-11	2011-12	2012-13
July	3,154	2,966	2,082	2,564
August	3,105	3,137	2,801	2,786
September	2,953	2,904	2,572	2,408
October	2,914	2,702	2,688	2,857
November	2,736	2,852	2,257	2,431
December	2,453	2,531	2,269	2,266
January	2,806	2,705	2,599	2,736
Total	20,121	19,797	17,268	18,048
			<i>% Change from Prior FY</i>	4.5%

Original Licenses Issued

	2009-10	2010-11	2011-12	2012-13
July	1,090	1,134	1,278	925
August	1,210	1,138	1,395	1,013
September	1,115	1,140	1,247	1,249
October	1,295	1,067	1,055	1,138
November	787	1,108	885	762
December	1,237	1,089	1,021	922
January	1,425	1,106	935	1,095
Total	8,159	7,782	7,816	7,104
			<i>% Change from Prior FY</i>	-9.1%

Licenses Renewed

	2009-10	PEAK 2010-11	2011-12	PEAK 2012-13
July	9,287	13,287	9,291	11,125
August	9,439	10,710	11,856	11,273
September	9,957	10,816	9,863	9,868
October	10,735	9,772	9,634	10,167
November	6,600	8,364	8,373	8,988
December	8,913	10,365	8,828	7,335
January	10,456	9,552	9,850	11,439
Total	65,387	72,866	67,695	70,195
			<i>% Change from Peak FY 2010-11</i>	-3.7%

**HIS Registrations Renewed**

	2009-10	2010-11	2011-12	2012-13
July	108	132	99	115
August	89	110	139	180
September	117	113	114	130
October	95	82	120	136
November	70	117	89	104
December	93	100	121	100
January	21	131	113	132
Total	593	785	795	897
			<i>% Change from Prior FY</i>	<i>12.8%</i>

License Population by Status

	January 2011	January 2012	January 2013
Active	240,523	234,236	227,822
Inactive	66,705	67,909	67,064
Subtotal	307,228	302,145	294,886
Other /1	409,626	427,227	446,361
Expired	352,820	367,666	382,583
Expired % of Other	86.2%	86.1%	85.7%
Grand Total	716,854	729,372	741,247

/1 "Other" includes the following license status categories: canceled, canceled due to death, expired, or revoked.

HIS Registration Population by Status

	January 2011	January 2012	January 2013
Active	7,943	8,710	9,035
Other	77,346	80,184	83,799
Total	85,289	88,894	92,834

**Complaints By Fiscal Year**

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

CSLB Position Vacancies

	January 2012	January 2013
Administration	6.0	4.0
Executive/Public Affairs	1.0	0.0
IT	2.0	5.0
Licensing	19.0	5.0
Enforcement	24.0	13.0
Testing	5.5	4.0
Total	57.5	31.0

AGENDA ITEM 1-3

Status of 2012-2013 Strategic Plan Objectives





CONTRACTORS STATE LICENSE BOARD

STATUS OF 2012-2013 STRATEGIC PLAN OBJECTIVES

Objective	Current Status
1. Work with industry stakeholders regarding legislation that will provide for disclosure of partnering agency administrative actions.	<ul style="list-style-type: none"> • Meeting was held with awarding authorities, district attorneys, and other state agencies in January • Groups were agreeable with proposed disclosure • Staff current working w/DCA Legal Affairs to select the best method for providing disclosure on CSLB's website
2. Implement a workers' compensation insurance recertification process for contractors who are exempt from WC coverage.	<ul style="list-style-type: none"> • Completed
3. Complete the flagship contractor and consumer publications.	<ul style="list-style-type: none"> • In progress with new staff now assisting • New target dates: <ul style="list-style-type: none"> ○ Consumer Publication <ul style="list-style-type: none"> ■ 2nd Quarter 2013 ○ Contractor/Applicant Publication <ul style="list-style-type: none"> ■ 3rd Quarter 2013
4. Develop criteria and controls to monitor and prioritize proactive enforcement.	<ul style="list-style-type: none"> • Revised priorities presented to Enforcement Committee • Suggested revisions have been implemented.
5. Develop an educational letter to consumers who repeatedly hire unlicensed operators. Work with IT to automate the letter.	<ul style="list-style-type: none"> • Approved by Board at December 11, 2012 meeting • Currently working with Information Technology staff to automate letter
6. Work with EDD to develop an outreach packet to educate legislators, contractors, and consumers about the dangers of the underground economy.	<ul style="list-style-type: none"> • Completed and now available
7. Develop a plan to explore licensure for solar/alternative energy contractors.	<ul style="list-style-type: none"> • Completed – No further action at this time
8. Increase examination testing sessions from 2.5 to 3.5 hours.	<ul style="list-style-type: none"> • Completed
9. Evaluate the potential to expand use of CSLB testing centers for training and/or civil service exams.	<ul style="list-style-type: none"> • Testing centers successfully used for BreZE training in January • Testing centers being used twice per year for Enforcement Representative I examination • Staff to contact State Personnel Board to gauge interest on using testing centers for other civil service exams



10. Develop a contractor outreach program.	<ul style="list-style-type: none">• In progress with new staff now assisting• New Target Date:<ul style="list-style-type: none">○ 3rd Quarter 2013
11. Develop language for a regulation to clarify asbestos certification as trade-specific.	<ul style="list-style-type: none">• Board policy adopted at December 11, 2012 meeting
12. Identify strategies to collect licensee email addresses to improve contact for examination development surveys.	<ul style="list-style-type: none">• Email addresses added to the renewal application on January 17, 2013
13. Develop a contractor presentation kit.	<ul style="list-style-type: none">• In progress with new staff now assisting• New target date:<ul style="list-style-type: none">○ 4th Quarter 2013
14. Create a website section with streamlined access to contractor outreach materials.	<ul style="list-style-type: none">• In progress with new staff now assisting• New target date:<ul style="list-style-type: none">○ 4th Quarter 2013
15. Develop CSLB style guide and identification standards manual.	<ul style="list-style-type: none">• Delayed by other projects. Preliminary work has begun.• New Target Date:<ul style="list-style-type: none">○ 4th Quarter, 2013
16. Implement BreEZe for CSLB.	<ul style="list-style-type: none">• DCA delayed Release 1 “go-live” date, originally scheduled for February 19, 2013• No new “go-live” date has been determined.• CSLB staff continues to work with BreEZe project staff to prepare for Release 3 (CSLB)<ul style="list-style-type: none">○ Participating in development of CSLB’s detailed configuration requirements.○ Assisting DCA by helping other boards and bureaus with acceptance testing and data validation○ Providing testing centers for DCA staff training of BreEZe system
17. Implement an online licensure tool for credit card payment.	<ul style="list-style-type: none">• Tie to BreEZe program
18. Staff a Subsequent Arrest Unit through the BCP process.	<ul style="list-style-type: none">• BCP to be submitted in May
19. Review Contractors’ State License Law to simplify and update.	<ul style="list-style-type: none">• Ongoing
20. Submit Sunset Review Report, Legislative 3rd Quarter 2014	<ul style="list-style-type: none">• On track

AGENDA ITEM I-4

Discussion Regarding Strategic Planning Process





CSLB will utilize the Department of Consumer Affairs (DCA) SOLID office to provide strategic planning services. Here is a list of steps SOLID will follow. Attached are biographies of the facilitators, who will attend the Board meeting to answer questions.

- SOLID will draft an email invitation to be sent to industry representatives and other stakeholders identified by the Board. **Target: February 15, 2013**
- SOLID will facilitate a two-to-three hour meeting with senior staff to discuss internal and external program threats and opportunities as well as gather their views about the Board's strategic focus for the coming fiscal year. **Target: Late February 2013**
- Schedule individual face-to-face or phone interviews with Board members. These interviews will be 45 minutes to one hour and cover the industry climate as well as their views on the Board's strategic focus for the coming fiscal year. **Target: Late February/Early March 2013**
- Upon completion of all interviews, surveys and focus group, SOLID will compile and analyze the data and produce a number of final draft documentation and presentation materials. This material will be sent to staff for review and approval. Approved material will become the basis of the presentation to all participants before the planning session. **Target completion: March 22-April 5, 2013**
- The strategic plan development session will be conducted with Board members and senior staff on **April 23-24, 2013**.
- SOLID will use the information gathered at the planning session to update the Board's 2013-2014 Strategic Plan following the format of CSLB's existing plan. SOLID should have a comprehensive draft to CSLB by **May 31, 2013**.



SOLID FACILITATOR BIOGRAPHIES

Tom Roy

Tom Roy has worked with DCA strategic planning for more than two years. He assisted in strategic plan implementation for 15 DCA boards, bureaus, and programs; and action planning for 10 DCA boards, bureaus, and programs. Tom also helped identify and implement process improvement initiatives within department programs. He is the lead departmental analyst, responsible for collecting, vetting, and posting DCA Enforcement Performance Measures. Tom earned his BA degree in Psychology from Chico State University, and is a certified ToPS facilitator and strategic planner. Most recently, he helped facilitate strategic plans for the Physical Therapy Board and the California Architects Board.

Roy Fleshman

Roy Fleshman joined the SOLID planning team in October 2012, and brings facilitation experience from the U.S. Army and National Guard, where he has over 300 hours of formal military training in facilitation and strategic planning. His last assignment with the U.S. Army was in 2009, when he was assigned to the National Guard Marksmanship Training Center. The Center is home to various marksmanship teams, an Army sniper course, and the Small Arms Master Gunner course. Roy is a certified Senior Army Instructor who has taught at the Center and at the Army Parachute School. His primary responsibility was facilitating meetings at the federal level among multi-agency leadership in the fight against the global war on terror. Roy also has worked in the private sector as a trainer for DeWalt, Black & Decker, and as a property and asset manager for multi-family and commercial properties. Roy earned a BA degree in Political Science from St. Martin's University and is a graduate of various military technical and leadership courses. Most recently, Roy co-facilitated strategic plans for the California Architects Board and the Respiratory Care Board.

AGENDA ITEM J

Review of Tentative Schedule

The following is a list of Board meetings scheduled for 2013:

- April 23-24 San Diego
- June 11 Orange County



AGENDA ITEM K

Adjournment

