

JULY 30, 2014
FAIRFIELD, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Executive
Committee Meeting





CONTRACTORS STATE LICENSE BOARD

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF EXECUTIVE COMMITTEE MEETING

The Contractors State License Board (CSLB) will hold an Executive Committee meeting on Wednesday, July 30, 2014, at 9:00 a.m. in the Sheet Metal Workers' Local 104 Training Facility Assembly Hall, 4350 Central Place, Fairfield, CA 94534.

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 check CSLB's website, <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.

Committee meetings are open and the public is invited to attend. Meetings are 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 calling (916) 255-4000 or by sending a written request to the 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.

Members of the Board who are not members of the Committee may attend the meeting.

EXECUTIVE COMMITTEE MEETING

9:00 a.m.

Executive Committee Members

David Dias, Chair / Ed Lang / Agustin Beltran / Joan Hancock

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Administration Update
- D. Information Technology and CSLB Website Update
- E. Budget Update
- F. Update on Strategic Plan Objectives
- G. Hiring Plan for Registrar
- H. Review of CSLB Staffing and Vacancies
- I. Tentative Board Meeting Schedule
- J. Adjournment

AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

EXECUTIVE COMMITTEE MEMBERS:

DAVID DIAS, CHAIR

ED LANG, VICE CHAIR

AUGUSTIN BELTRAN, SECRETARY

JOAN HANCOCK, PAST CHAIR

Committee Chair David Dias will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Administration Update





BUSINESS SERVICES UPDATE

Facilities

San Bernardino – CSLB is coordinating with the Department of General Services (DGS) to increase rental space; plans and space availability are currently being reviewed.

West Covina – DGS is currently negotiating with the property management company to renew the West Covina field office lease for five (5) additional years. This would extend the lease until 7/1/2020. CSLB is requesting that the rental space be increased to accommodate adding two employees to the office.

Norwalk – DGS is currently negotiating with the property management company to renew the Norwalk field office lease. CSLB is requesting contract changes that will include a new card reader, video monitoring system, ADA-compliant interior signage, reconfiguration of the testing unit, new carpet, and paint.

Contracts and Procurement

Contracts in Progress:

- Alarm contract for Modesto office
- CHP contract for standby security
- Shredding contract for Berkeley office
- Transcription contract for Enforcement division
- CalHR psychological testing contract for Enforcement division

Procurement in Progress:

- Purchase of file cabinets for Berkeley office
- Purchase of nine (9) wireless audio systems for Enforcement division's SWIFT units

Executed Contracts/Procurement:

- New chairs purchased for headquarters hearing room
- Two suites of office furniture purchased
- Projector and screen for Enforcement division's SWIFT unit
- Surveillance cameras and lenses for Enforcement division's SWIFT unit

Training

The Department of Consumer Affairs (DCA) SOLID training center is now offering a Leadership Academy for all managers and supervisors that will satisfy the mandated state requirement of 80 hours of supervisory training within the first year of appointment.



Property & Asset Management

Business Services is in the developmental stage of purchasing a scanning system that will meet the business needs of Warehouse, Business Services Office, and IT staff. The equipment will enable proper tracking of CSLB property and parcels at headquarters and field offices to provide a more efficient property and asset management system.

Emergency Planning

CSLB recently purchased six (6) automated external defibrillator (AED) machines for five (5) of the field offices. Certification training is being provided by the DCA Emergency Response Coordinator.

Fleet

The CSLB Fleet Acquisition Plan has been approved; two new vehicles (Ford Fusions) are expected for the Sacramento Investigative Centers before August 29, 2014.

Enforcement Badges

Policy #DOI 14-01 is now effective; CSLB will replace all Enforcement Representative ID badges with a new format and metal badge emblem that has been approved by DCA.



PERSONNEL UPDATE

In May 2014, the California Department of Human Resources (CalHR) issued a policy memorandum advising all departments to be in compliance with Government Code (GC) section 12439 requirements. Under GC §12439(a), *“any state position that is vacant for six consecutive monthly pay periods shall be abolished by the Controller.”*

Under those circumstances, CSLB Personnel staff are working in concert with the Department of Consumer Affairs Office of Human Resources to address the re-establishment of such positions with appropriate GC §12439(b)(c) documentation and justification.

In addition, the Department of Finance’s Office of State Audits and Evaluations began a targeted audit to determine the current level of compliance with GC §12439 to assess the law’s effectiveness. The Personnel Office is working closely with all CSLB programs to ensure all vacant positions are filled timely and expeditiously. Personnel staff are tracking all vacancies and monitoring the recruitment process to ensure vacant positions are filled within six months.

Exception can be made for sworn positions and positions that have recruitment difficulties (i.e., remote locations, high cost of living, etc.) when the recruitment time frame exceeds six months.

Position Changes

Since June 5, 2014, CSLB has had four (4) internal transfers, four (4) transfers from other state departments, and eight (8) new hires.

Training and Development

The Enforcement division currently has three (3) Training and Development assignments.

Vacant Positions

CSLB had 39 vacant positions as of July 10, 2014:

DIVISION	AUTHORIZED PY'S	BL 12-03	VACANCIES
Administration	30	1	1
Enforcement	210	12	18
Executive	14	.5	4
Information Technology	24	0	5
Licensing	97.5	6	9
Testing	25	1	2



Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I/II, CSLB	Continuous Filing
	Enforcement Supervisor I/II	Exam will be administered in August 2014
	Consumer Services Representative	Eligibility list was released in April 2014
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician III	CalHR
	Program Technician series	CalHR
Testing	Test Validation and Development Specialist I/II	Continuous Filing
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Manager series	CalHR
	Office Technician/Office Assistant	CalHR

AGENDA ITEM D

Information Technology and CSLB Website Update





INFORMATION TECHNOLOGY

BreEZe

The Department of Consumer Affairs (DCA) continues to work with Accenture and the Release One Boards to ensure that the BreEZe system is meeting operational needs according to system requirements or modifications.

Release Two boards/committees are in the project design phase. The expected implementation for Release Two boards is currently spring 2015.

Three recently added Business and Professions (B&P) Code statutes may impact DCA boards and bureaus (whether part of BreEZe or not):

- **B&P Code § 114.5** (Assembly Bill 1057) requires the board to ask the question of all license applicants if they are currently serving in or have previously served in the military.
- **B&P Code § 114.3** (Assembly Bill 1588) requires programs to exempt licensees on military deployment from completing renewal requirements until they return; and
- **B&P Code § 115.5** (Assembly Bill 1904) expedites the licensing process for spouses of military personnel. This statute needs to be implemented by January 1, 2015.

CSLB IT and Licensing staff members are working toward implementing these laws by the end of 2014. IT staff also continues to prepare for the Phase Three release by working on data conversion cleanup, system documentation, and conducting meetings with other CSLB staff to discuss specific BreEZe requirements. CSLB's IT staff also continues to help identify specific business requirements for DCA's other boards and bureaus.

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

CSLB Website Update

CSLB's Public Affairs and IT staff worked together to redesign the CSLB website. Along with significant technology updates, the content organization was significantly re-evaluated. This reorganization allows a user to quickly identify and navigate to desired information more efficiently, and brings CSLB's website up to current State standards.

Technology updates will enable users to access more information from a variety of devices, such as tablets and smartphones. The CSLB Instant License Check has become truly "instant," with the ability to search by a license number directly from the



home page. A Google Translate feature also was added to the CSLB website to enable users to quickly translate text into their language of choice. Final testing will be completed by July 2014. The launch of CSLB's new website is late summer 2014.

SCORE 1.5 (Contractors Testing Application Upgrade)

CSLB's IT Client Server Application Team has successfully launched SCORE 1.5 in the Sacramento testing center. SCORE is CSLB's Statewide Contractors Official Regulatory Examination software, which was custom-developed by CSLB IT staff for the board's testing centers. CSLB-wide implementation of the upgraded touch-screen system is expected to be complete by mid-September.

This upgrade has allowed CSLB to bring advanced technologies into the testing centers. In addition to the touch-screen examination, upgrades to the program's infrastructure allow CSLB to capture higher resolution candidate images for security purposes. Upgrades also include larger monitors, and larger on-screen type fonts and other visual improvements while still taking into account the need to prevent neighboring candidates from copying answers. One of the immediate results is that it is taking candidates less time (an average of 15 minutes less) to complete their examinations and the testing centers have received very positive comments from test takers.

The previous version of SCORE and hardware had many significant drawbacks:

1. With Windows XP becoming an unsupported operating system, a migration to Windows 7 was necessary, and the previous SCORE version was not supported on Windows 7.
2. The hardware warranty of every exam station computer in every exam site had expired.
3. Ordering cameras and signature pads that were compatible with the existing version of SCORE was becoming exceedingly difficult.
4. There were several software features requested by the Examination Administration unit that were unable to be delivered using the outdated software. An example was that the application would appear "frozen" during parts of the examination and display undefined error codes.
5. As SCORE was successful in administering the ER1 and CSR examinations, several additional civil service examinations were being targeted, as well. A significant amount of software code is required for every additional non-CSLB examination.

Some of the key features implemented in the newest release of SCORE include:

1. The program software is Windows 7 compliant. This application was developed in C#.Net with operating system upgrades in mind. The newest version is also Windows 8.1 ready and also will be ready for the next Microsoft operating system.
2. The examination station hardware was overhauled. Every exam station is being replaced with an "all-in-one" touchscreen computer, all with 5-year warranties.



3. SCORE 1.5 was developed using the internal camera (replacing USB webcams) and having the candidate perform their signature on-screen using either their finger or a touchscreen stylus (replacing USB signature pads).
4. The use of progress bars and other on-screen indicators give the candidates visual confirmation that the application is still currently responding and processing information. Also implemented was a comprehensive error-handling procedure that allows proctoring staff and developers quick access to the root of application errors.
5. SCORE 1.5 was designed with the ability to add non-CSLB examinations, such as civil service or departmental exams. Most additional examinations will only require entries in the database to be fully functional.

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, and gives callers an option to speak to call center agents in Sacramento or Norwalk.

During the last three months (April through June 2014), CSLB’s IVR handled 118,228 calls, an average of 39,409 calls per month. The system is available 24 hours a day, seven days a week. There are dozens of possible menu options within the IVR system; following is a representative sample of the top 20 IVR requests.

Top 20 IVR Requests - April-June 2014

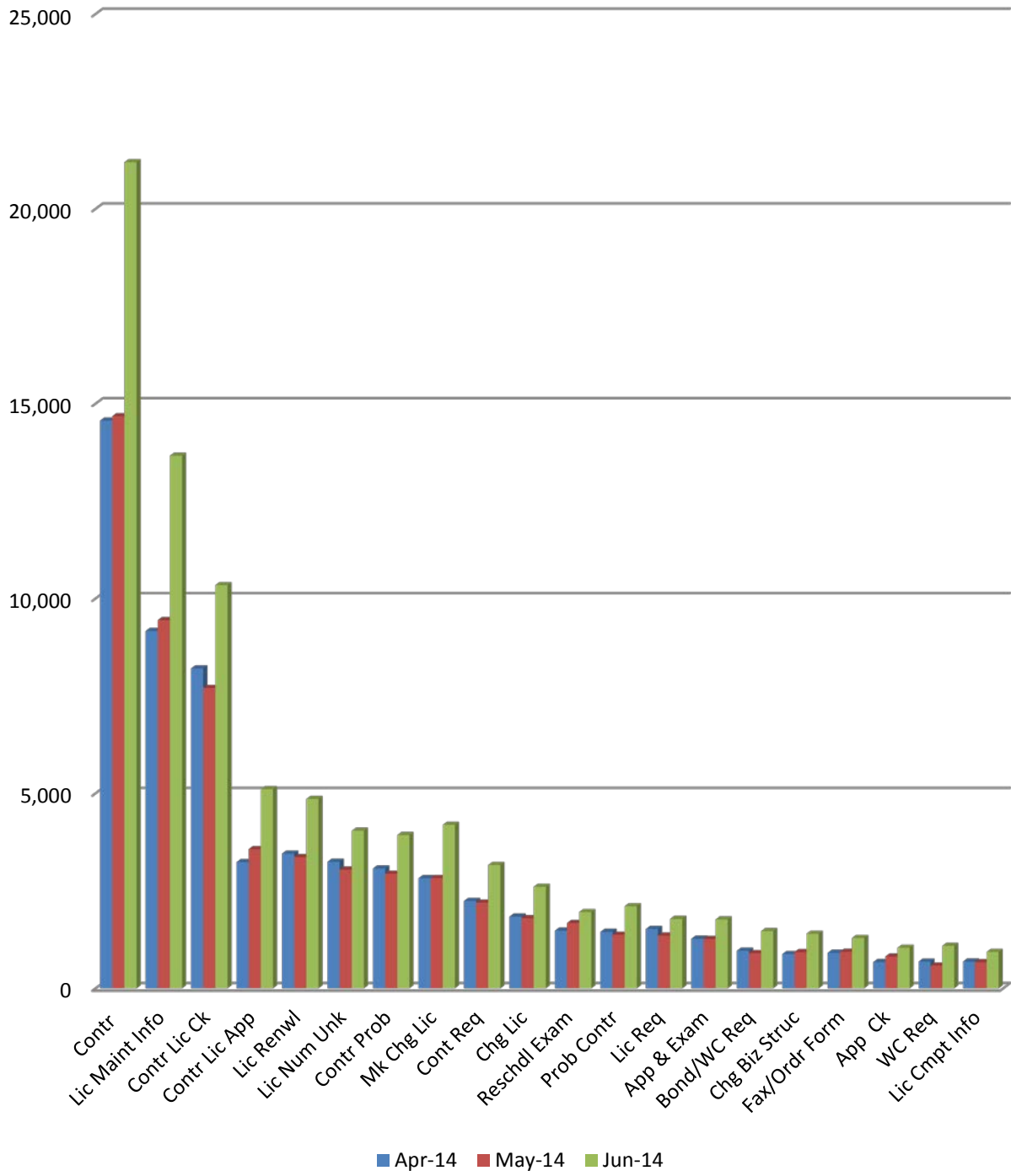
IVR Statistics		<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	Three Month Totals
IVR Calls Received		42,322	38,044	37,862	118,228
Monthly Average					39,409
Top 20 IVR Requests	Abbreviation	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	Three Month Totals
Contractor or Want to Become Contractor	Contr	14,566	14,678	21,195	50,439
Info on Maintaining or Changing License	Lic Maint Info	9,166	9,444	13,663	32,273
Contractor’s License Check	Contr Lic Ck	8,205	7,704	10,342	26,251
Contractor License Application	Contr Lic App	3,233	3,567	5,106	11,906
About License Renewal	Lic Renwl	3,452	3,362	4,854	11,668
License Number Not Known	Lic Num Unk	3,242	3,041	4,040	10,323



Hire or Problem with Contractor	Contr Prob	3,071	2,934	3,928	9,933
About Making Changes to License	Mk Chg Lic	2,820	2,825	4,189	9,834
About Continuing Requirements	Cont Req	2,236	2,195	3,160	7,591
For Changes to Existing Licenses	Chg Lic	1,836	1,797	2,601	6,234
Reschedule Exam Date	Reschdl Exam	1,477	1,672	1,953	5,102
Info on Problems with Contractor	Prob Contr	1,446	1,372	2,102	4,920
License Requirements	Lic Req	1,519	1,350	1,777	4,646
General Application & Examination Info	App & Exam	1,269	1,263	1,764	4,296
Info about Bond or Workers' Comp Requirements	Bond/WC Req	963	901	1,464	3,328
For Changing the Business Structure of an Existing License	Chg Biz Struc	877	927	1,399	3,203
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	910	937	1,289	3,136
Application Status Check	App Ck	672	816	1,039	2,527
Info about Workers' Comp Requirements	WC Req	684	583	1,087	2,354
License Complaint Information	Lic Cmpt Info	685	670	932	2,287



Top 20 IVR Requests - Apr'14 - Jun'14



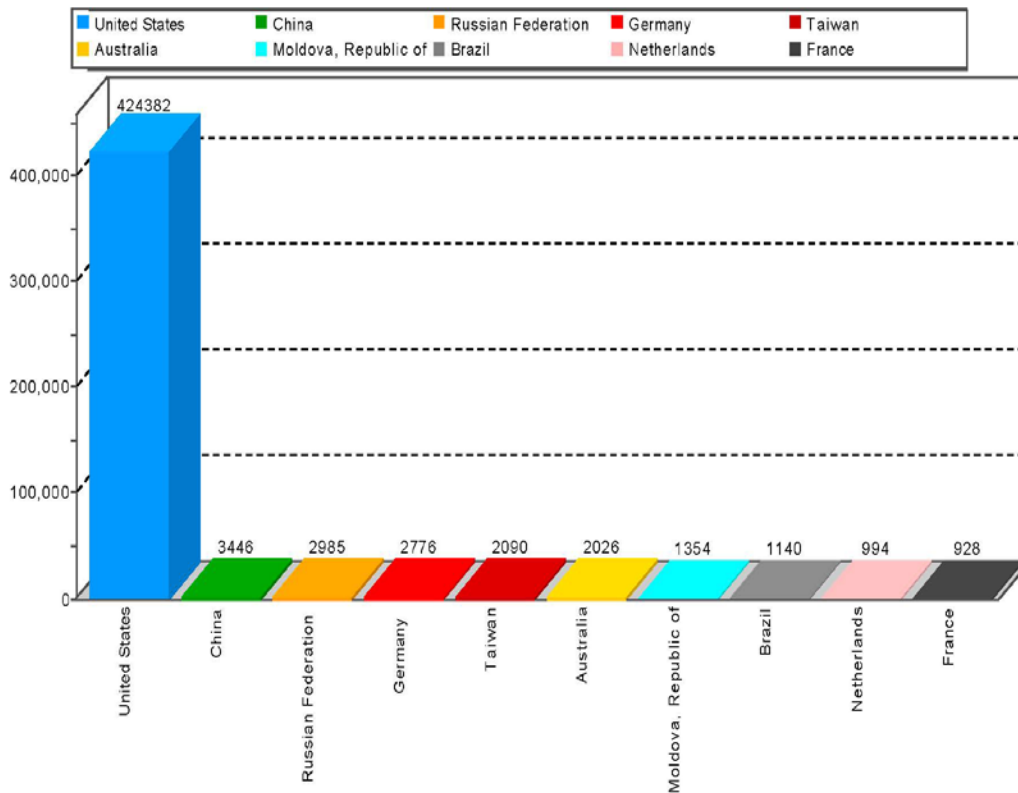


Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security for all of the Board’s information technology systems and applications. Using a multi-layered defense that relies on various security products (firewall, anti-spam, anti-virus programs, event management and correlation tools), CSLB is proactively blocking/denying any unauthorized attempts from all sources, including those in foreign countries. The chart below represents the top 10 locations where attempted access to CSLB systems and applications were generated between January 1, 2014 and July 15, 2014, and were successfully denied. To date, utilizing security best practices, CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have been successful.



Top 10 Countries - CSLB Firewall Hits



AGENDA ITEM E

Budget Update





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATIVE UPDATE

BUDGET UPDATE

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

- Through May 31, 2014, CSLB spent or encumbered \$52.1 million, roughly 85 percent of its FY 2013-14 budget. The following chart provides a summary of the FY 2013-14 CSLB budget, along with expenditures through May 2014:

EXPENDITURE DESCRIPTION	FY 2013-14 FINAL BUDGET	MAY 2014 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	21,740,723	19,021,524	2,719,199	12.5%
Board Members	15,900	13,400	2,500	15.7%
Temp Help	860,000	515,207	344,793	40.1%
Exam Proctor	41,168	106,983	-65,815	-159.9%
Overtime	146,000	176,140	-30,140	-20.6%
Staff Benefits	9,604,982	8,498,233	1,106,749	11.5%
TOTALS, PERSONNEL	32,408,773	28,331,487	4,077,286	12.6%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	20,378,610	19,298,997	1,079,613	5.3%
Exams	435,882	299,147	136,735	31.4%
Enforcement	8,404,238	4,629,982	3,774,256	44.9%
TOTALS, OE&E	29,218,730	24,228,126	4,990,604	17.1%
TOTALS	61,627,503	52,559,613	9,067,890	14.7%
Scheduled Reimbursements	-353,000	-173,076	-179,924	
Unscheduled Reimbursements		-238,364	238,364	
TOTALS, NET REIMBURSEMENTS	61,274,503	52,148,173	9,126,330	14.9%

❖ Revenue

- CSLB received the following revenue amounts through May 31, 2014:

Revenue Category	Through 05/31/2014	Percentage of Revenue	Change from prior year (05/31/2013)*
Duplicate License/Wall Certificate Fees	\$95,405	0.2%	2.4%
New License and Application Fees	\$9,221,806	17.6%	1.6%
License and Registration Renewal Fees	\$38,853,355	74.0%	0.1%
Delinquent Renewal Fees	\$2,837,884	5.4%	10.3%
Interest	\$47,419	0.1%	0.0%
Penalty Assessments	\$1,343,820	2.5%	31.2%
Misc. Revenue	\$119,850	0.2%	0.5%
Total	\$52,519,539	100.00%	1.5%

* Exception: License & Renewals are based on a 2-year cycle (data is from 5/31/12, a non-peak renewal year).



❖ **CSLB Fund Condition**

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

	Final FY 2012-13	Projected CY 2013-14	Projected BY 2014-15	Projected BY+1 2015-16
Beginning Balance	\$26,677	\$28,953	\$25,173	\$19,366
Prior Year Adjustment	\$645	\$0	\$0	\$0
Adjusted Beginning Balance	\$27,322	\$28,953	\$25,173	\$19,366
Revenues and Transfers				
Revenue	\$55,587	\$54,771	\$56,146	\$54,888
Transfer from General Fund				
Totals, Resources	\$82,909	\$83,724	\$81,319	\$74,254
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,627	\$58,275	\$61,903	\$62,579
State Controller (State Operations)	\$36	\$3		
Financial Info System Charges	\$293	\$273	\$50	
Total Expenditures	\$53,956	\$58,551	\$61,953	\$62,579
Fund Balance				
Reserve for economic uncertainties	\$28,953	\$25,173	\$19,366	\$11,675
Months in Reserve	5.6	4.9	3.7	2.3

Notes:

- 1) All dollars in thousands
- 2) Revenue assumes 1% interest earned
- 3) Assumes expenditure growth projected at 1% starting in FY 2015-16 and then ongoing
- 4) Assumes Workload and Revenue Projections are realized for FY 2013-14 to 14-15



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

- Through May 31, 2014, CMEA expended roughly \$8,000 in pro rata charges and awarded about \$150,000 in grant awards. Following is a summary of the FY 2013-14 CMEA budget, along with expenditures through May 2014:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	MAY 2014 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	15,215	0	15,215	100.0%
Pro Rata	7,785	7,785	0	0.0%
TOTALS, OE&E	23,000	7,785	15,215	66.2%
GRANT AWARDS				
Grant Awards	150,000	150,000	0	0.0%
TOTALS, GRANT AWARDS	150,000	150,000	0	0.0%
TOTALS	173,000	157,785	15,215	8.8%

❖ **CMEA Fund Condition**

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

	Final FY 2012-13	Projected CY 2013-14	Projected BY 2014-15	Projected BY+1 2015-16
Beginning Balance	\$ 259	\$ 165	\$ 61	\$ 116
Prior Year Adjustment	\$ (7)	\$ 0	\$ 0	\$ 0
Adjusted Beginning Balance	\$ 252	\$ 165	\$ 61	\$ 116
Revenues and Transfers				
Revenue	\$48	\$54	\$56	\$57
Totals, Resources	\$ 300	\$ 219	\$ 117	\$ 173
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$14	\$8	\$1	\$1
Local Assistance Grant Disbursements	\$121	\$150		
13-14 Fi\$Cal Assessment				
Total Expenditures	\$ 135	\$ 158	\$ 1	\$ 1
Fund Balance				
Reserve for economic uncertainties	\$ 165	\$ 61	\$ 116	\$ 172
Months in Reserve	12.5	4.6	-3.1	-10.8

Notes:

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

AGENDA ITEM F

Update on Strategic Plan Objectives





CONTRACTORS STATE LICENSE BOARD

2014-15 STRATEGIC PLAN OBJECTIVES UPDATE

LICENSING & TESTING OBJECTIVES (E) Essential; (I) Important; (B) Beneficial	TARGET	STATUS
1. Increase hi-tech security monitoring in test centers (I)	December 2014	<ul style="list-style-type: none"> Meeting with vendors; on schedule
2. Establish task force to analyze application process and reduce rejection rates (I)	January 2015	<ul style="list-style-type: none"> Time and workload study of application units complete Task force to be appointed to review results and develop implementation plan
3. Develop and apply consistent application evaluation criteria (E)	July 2015	<ul style="list-style-type: none"> Management staff developing standardized procedures for evaluation criteria
4. Develop online smart application package to reduce application decline rates (I)	January 2016	<ul style="list-style-type: none"> Tied to DCA's BreEZe project Staff continues to work with DCA vendor on CSLB BreEZe rollout
5. Fully automate bonds and workers' compensation insurance submission process (I)	January 2016	<ul style="list-style-type: none"> Tied to DCA's BreEZe project Staff continues to work with DCA vendor on CSLB BreEZe rollout
6. Implement online licensure tool for credit card payment (B)	January 2016	<ul style="list-style-type: none"> Tied to DCA's BreEZe project Staff continues to work with DCA vendor on CSLB BreEZe rollout



ENFORCEMENT OBJECTIVES	TARGET	STATUS
1. Establish enforcement strategy to address predatory service and repair scams (E)	July 2014 New Date: Ongoing	<ul style="list-style-type: none"> Task force established Implementation updates to be provided as they occur
2. Update Industry Expert training program (I)	October 2014 New Date: December 2014	<ul style="list-style-type: none"> Training program developed and rolled out to supervisors Procedures booklet in development Next step: schedule training with new IEs
3. Automate official educational letter to consumers who repeatedly hire unlicensed operators (B)	November 2014 New Date: September 2014	<ul style="list-style-type: none"> Letter was developed and approved by Board Staff is working with IT to automate letter
4. Establish RMO/Application Waiver Task Force to identify issues and make enforcement strategy recommendations (E)	December 2014 New Date: October 2014	<ul style="list-style-type: none"> Currently advertising the ER vacancy for the task force Once the position is filled, task force will be established
5. Create Peace Officer Special Investigations Unit (I)	December 2014	<ul style="list-style-type: none"> Staff continues to work with CSLB and DCA Personnel to establish SIU Once approved, an ES1 position will be advertised and filled
6. Implement Peace Officer training curriculum (I)	December 2014 New Date: March 2015	<ul style="list-style-type: none"> Management continues to identify PO training needs and ways to address those needs Establishing an SIU will enable uniform training curriculum to ensure statewide consistency
7. Provide for the disclosure of partnering agencies' administrative actions section on CSLB website (B)	December 2014 New Date: Ongoing	<ul style="list-style-type: none"> Currently working with several agencies to add disclosure information to CSLB's website Plan is to continue adding additional agencies throughout the fiscal year
8. Partner with Public Affairs Office and CA Energy Commission to create an energy efficiency campaign (B)	January 2015	<ul style="list-style-type: none"> This is an ongoing effort



PUBLIC AFFAIRS OBJECTIVES	TARGET	STATUS
1. Establish outreach strategy to address predatory service and repair scams (E)	August 2014	<ul style="list-style-type: none"> • First stage of outreach under way; articles sent to two north state newspapers • Assisted with July 10, 2014 San Leandro workshop for C-20 contractors
2. Complete flagship consumer publication	September 2014 New Date: November 2014	<ul style="list-style-type: none"> • Delayed until new graphic designer hired
3. Complete flagship contractor publications	December 2014 New Date: March 2015	<ul style="list-style-type: none"> • Delayed until new graphic designer hired
4. Work with IT division to determine feasibility of an opt-on “Find a Contractor” website feature (B)	December 2014	<ul style="list-style-type: none"> • Preliminary meetings have occurred
5. Work with IT division to determine feasibility/need to update pocket license cards (B)	December 2014	<ul style="list-style-type: none"> • Meeting planned for August 2014
6. Determine feasibility of developing system to send licensees renewal information an updates via text and email (B)	December 2014	<ul style="list-style-type: none"> • Not started
7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	December 2014	<ul style="list-style-type: none"> • Not started
8. Develop contractor bid presentation kit (B)	March 2015	<ul style="list-style-type: none"> • PAO has begun developing list of materials to include
9. Develop CSLB style guide and brand standards manual (B)	March 2015	<ul style="list-style-type: none"> • Delayed until new graphic designer hired



LEGISLATIVE OBJECTIVES	TARGET	STATUS
1. Prepare and submit Sunset Review Report to California Legislature (E)	November 2014	<ul style="list-style-type: none"> In process
2. Provide end-of-year training for staff on new laws that will take effect next year (B)	December 2014	<ul style="list-style-type: none"> On schedule
3. Pursue legislation to allow CSLB enforcement representatives to investigate active job sites (E)	January 2015	<ul style="list-style-type: none"> Included in SB 315 (Lieu)
4. Pursue legislation to increase amount of surety bond to reflect homeowner risk (I)	December 2015	<ul style="list-style-type: none"> In process
5. Review CSLB's laws and rules (B)	Ongoing	<ul style="list-style-type: none"> In process

IT & ADMINISTRATION OBJECTIVES	TARGET	STATUS
1. Request additional staff in Case Management (Citation Program) through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015	<ul style="list-style-type: none"> In process
2. Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the BCP process to meet operational demands (E)	July 2015	<ul style="list-style-type: none"> In process
3. Request additional staff for the Public Works Program through the BCP process to meet operational demands (E)	July 2015	<ul style="list-style-type: none"> In process
4. Implement State Contractors Official Regulatory Exam (SCORE) 2.0 testing system to improve security and make exams more user-friendly (I)	December 2015 New Date: September 2015	<ul style="list-style-type: none"> In process



CSLB

2014-15 STRATEGIC PLAN OBJECTIVES UPDATE

<p>5. Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team (E)</p>	<p>January 2017</p>	<ul style="list-style-type: none">• In process
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AGENDA ITEM G

Hiring Plan for Registrar





HIRING PLAN FOR REGISTRAR

Business and Professions Code section 7011:

7011. (a) The board, by and with the approval of the director, shall appoint a registrar of contractors and fix his or her compensation.

(b) The registrar shall be the executive officer and secretary of the board and shall carry out all of the administrative duties as provided in this chapter and as delegated to him or her by the board.

AGENDA ITEM H

Review of CSLB Staffing and Vacancies

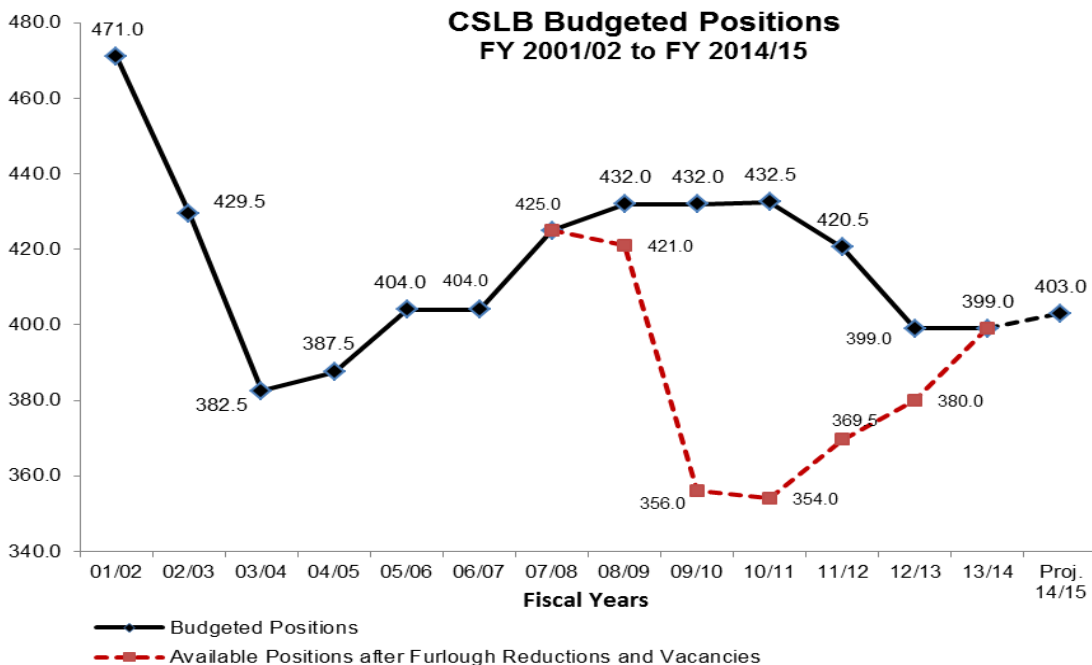




REVIEW OF CSLB STAFFING AND VACANCIES

The Contractors State License Board (CSLB) is charged with protecting consumers from unscrupulous construction activity by licensing, regulating, and enforcing California's contracting laws. CSLB is authorized to have 403 staff (PYs) throughout the state, dedicated to accomplishing its mandate.

In FY 2001-02, CSLB had 471 PYs. In the two subsequent years, CSLB lost 20 percent of its staff (88.5 PYs). During fiscal years (FY) 2008-09 through 2012-13, CSLB had even fewer positions due to furloughs and hiring freezes, reaching its nadir in 2010-11 with 354 available PYs.



From fiscal years 2001-02 to 2014-15, CSLB submitted 13 Budget Change Proposals (BCPs) and Spring Finance Letters (SFLs) to reestablish some of the 88.5 lost positions. Eventually, five CSLB BCPs were approved, which reestablished 30.5 of the 88.5 positions. During that same period, new mandates and programs were implemented, (fingerprinting, Central Valley SWIFT, subsequent arrest unit, EEEEC) for which CSLB submitted 21 BCPs/SFLs and eventually received 22 PYs to help implement those programs. Even with the approved positions through BCPs, CSLB still has 68 fewer PYs than it had in 2001-02.



CSLB Vacancies

At any given time during the fiscal year, there are about 40 vacancies that result from retirements, transfers, and promotions, which generate many types of daily staff transactions. Vacancies can range from Office Assistants to CSLB-specific classifications, such as Enforcement Representatives.

Historically, CSLB has maintained a 10 percent staff vacancy rate, which is in line with a 2008 analysis done by the Legislative Analyst's Office and concluded that "It is reasonable to assume that most departments should be able to maintain all but 5% to 10% of their authorized positions filled at any given time."

CSLB's Hiring Process

The standard state hiring process for CSLB civil servant positions can be complicated and lengthy, with even more time needed for "hard-to-fill" positions. These timelines can be even longer depending on staffing and workloads.

- Hiring supervisor notifies CSLB Personnel of upcoming vacancy
- CSLB Personnel staff completes a Request for Personnel Action (RPA) form *(This can take up to 10 business days, depending on whether the recruitment involves a new position allocation, job classification change, or if questions arise between Personnel and the hiring supervisor.)*
- RPA package is forwarded to DCA Position Control, Budget, and Classification & Pay units (in that order) *(The routing process can take up to 10 business days.)*
- Vacant Positions Database (VPOS) job announcement is posted for 10 business days
- DCA has 5 business days to code Certification List for hiring supervisor after posting closes
- Hiring supervisor reviews applications and selects candidates to interview *(This process can take from 3 weeks to 3 months, depending on a variety of situations, including hard-to-recruit positions, or if the job needs to be advertised a second time due to a lack of qualified candidates.)*
- Hiring supervisor completes reference check, approximately 1-2 business days
- Hiring supervisor forwards selected candidate's application to CSLB Personnel; CSLB Personnel submits to DCA's Office of Human Resources (OHR)
- Within 2-5 business days, OHR issues confirmation for appointment
- CSLB Personnel notifies hiring supervisor
- Additional pre-employment requirements are addressed, such as a criminal background check and/or medical exam



(Results for a criminal background check for non-sworn positions take 5 business days; sworn positions take 6-9 months; a medical exam takes 2 weeks.)

- After all clearances are received, official job offer can be made
(If the appointment involves a lateral transfer, the “losing” department may hold the employee for 30 days.)

Needless to say, the required hiring steps are time-consuming and become counter-productive. Here are a couple of examples of how a position can remain vacant for a long period of time.

- (1) A position becomes vacant, recruitment ensues, interviews are conducted, a candidate is selected, criminal background is checked, and an offer is made. In the meantime, the candidate has taken a job with another state agency.
- (2) A negative reference is received before the offer is made.

In both cases, three to four months into the hiring effort, staff is forced to repeat the entire process. (As indicated above, peace officer positions create their own challenge because of the six- to nine-month background and hiring clearances.)

“Hard-to-Fill” Positions

About half of CSLB’s 40 vacancies are deemed “hard-to-fill” positions. Almost all are in the Enforcement division and consist of Enforcement Representatives (ER), Peace Officers, and Enforcement Supervisors. These positions take longer to fill due to specific classification requirements, extensive criminal background checks for Peace Officers, lack of viable candidates for remote locations, and a higher cost-of-living index in some geographical locations. CSLB is not able to offer a pay differential and must compete against local government agencies that pay considerably more for similar work.

Positions outside of Sacramento can be very difficult to fill. It is difficult to find eligible candidates in remote parts of the state where CSLB has one-person offices (i.e., Monterey, Redding, and San Luis Obispo). In most cases, there are no current hiring lists for these regions.

Specific examples of hard-to-fill positions at CSLB:

1. While a CSLB ER investigating workmanship complaints in the Bay Area has a maximum salary of approximately \$60,000 per year, a building inspector in the same area can make \$100,000 per year.
2. When a Peace Officer candidate submits to a background and health examination, the process takes many months. During this time, the candidate can find employment elsewhere, often at a higher salary, which results in CSLB having to restart the process.



3. An Enforcement Supervisor position in Fresno was vacant for nearly two years because there were difficulties in establishing a candidate list of those in the region and, once established, finding viable candidates who lived in the region.
4. Positions in CSLB's Information Technology (IT) division are especially difficult to fill. Some IT positions can take years to fill due to competition from private sector companies.
5. Licensing Information Center (call center) positions are considered entry-level and turn over quickly as staff are promoted or move to other agencies.

Can Positions be Redirected?

CSLB is often asked if it can redirect vacant positions to staff new programs or handle increased workloads.

CSLB positions are vacated and filled on a daily basis. However, hiring constraints and/or conditions of employment cause these positions to remain vacant for long durations. This may give the impression that the positions are not essential and can be redirected or eliminated. Nothing could be further from the truth. These hard-to-fill positions simply take longer to fill with viable candidates. Vacancies are budgeted to address the board's essential workload, such as battling the underground economy in the construction industry. Since these vacancies occur daily, most have hiring documents initiated and/or are pending background investigations.

CSLB needs dozens of PYs to return to its previous manpower level and to meet all of its current and future obligations; the board has no vacant positions to redirect to help process workload and meet its current or future operational needs (new citations workloads, public works investigations, etc.).

Six-Month Vacancy Rule

Government Code 12439(a) states that any state position vacant for six consecutive monthly pay periods shall be abolished by the Controller on the following July 1. A recent Personnel Management Liaisons (PML) memorandum stated that the Department of Finance's Office of State Audits and Evaluation will begin a targeted audit to determine the level of compliance with that code.

However, the requirement does not take into consideration the obstacles faced in the hiring process, or the requirements/conditions of pre-employment for many job classifications.

For example, an ER position may become vacant in northern California, but those who are list-eligible live in southern California. Consequently, no one applies. As a result, a spot examination has to be given that, hopefully, will result in a viable candidate pool. Once a candidate has been chosen, as a condition of employment, they must submit and pass a criminal background check and/or medical examination. This can take longer than six months.



The law provides that the Department of Finance's (DOF) Director of Finance may authorize the reestablishment of any positions abolished pursuant to this section if one or more of six conditions existed during part or all of the six consecutive monthly pay periods.

While there is a means to reestablish positions, programs should not have to suffer uncertainty and the possibility of losing vital positions. Programs, departments, and DOF should not have to spend time and money processing these requests. This additional workload can cause more stress on supervisors and staff who already are spread thin, forcing them to take the focus off of their mission. Plus, there may be periods of time when positions are vacant while DOF processes the paperwork to determine reestablishment.

AGENDA ITEM I

FISCAL YEAR 2014-15:

Tentative Board Meeting Schedule

- September 23, Monterey
- Early December, East Bay Area
- March 2015, San Diego
- April 2015, San Francisco



AGENDA ITEM J

Adjournment

