

**CONTRACTORS**  

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**STATE LICENSE BOARD**

**2001**  
*Accomplishments  
& Activities*



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## Contractors State License Board

P.O. Box 26000, Sacramento CA 95826-0026

9821 Business Park Drive

(800) 321-CSLB

[www.cslb.ca.gov](http://www.cslb.ca.gov)

*January 2002*

## Enforcement

### Rebuilding the Enforcement Program

CSLB, with the assistance of the NewPoint Group, designed a new organizational structure to rebuild the Enforcement program and correct some of the negative impacts of the 1998 re-engineering project. Rebuilding activities completed during 2001 include:

- Restructuring some field offices to address span of control issues
- Selection and appointment of the new Chief of Enforcement, David Fogt
- Submission of budget change proposals (BCPs) to open new offices
- Submission of "hiring freeze" exemption requests
- Selection of two program managers to oversee the Investigative Centers in the northern and southern regions of the state

### "Underground Economy"

CSLB participates in the "underground economy" task force, which was designed to proactively combat cash payment of wages, unlicensed activity, failure to pay taxes, workers compensation violations and other violations of law. CSLB conducted the following activities in 2001 to address the underground economy:

- Attended monthly District Attorney task force meetings to discuss trends and strategize enforcement actions.
- Attended monthly Parole at Large (PAL) meetings to recognize fugitives engaged in the construction industry. Other participants include the Department of Corrections and local prosecutors.
- Actively participated in the "Premium Insurance Task Force." Completed investigations have resulted in grand jury indictments for workers' compensation/ insurance fraud.
- Issued proactive nonlicensee citations, nonlicensee warning letters, and nonlicensee "notice to appear (NTA) in court" citations.
- Conducted "sweeps" nearly every week in 2001. Participants in the sweeps include Division of Labor Standards Enforcement (DLSE), Employment Development Department (EDD), and California Occupational Safety and Health (Cal/OSHA) Program.
- Conducted undercover sting operations more than twice per month in 2001.

### CSLB Enforcement Monitor

The Director of the Department of Consumer Affairs appointed Tom Papageorge, Head Deputy District Attorney of the Consumer Protection Division in Los Angeles County, to serve as the CSLB Enforcement Monitor. The Monitor's initial report contains 33 recommendations for improving CSLB's enforcement program and processes. Many have been implemented, some require more study, and some require funding or legislation. CSLB submitted budget change proposals to fund the implementation of those recommendations that could not be achieved with current resources, but the BCPs were denied.

The Enforcement Committee conducted a detailed analysis of the first 33 recommendations and the full Board approved the Committee's recommendations at its October 23-24 Board meeting.

Arbitration An interagency agreement with the Office of Administrative Law (OAL) was approved that enables the OAL to provide CSLB with arbitration services. Training has been provided for all administrative law judges that will hear CSLB arbitration cases. The amendment to extend the contract with ArbitrationWorks was approved, providing CSLB the opportunity to prepare an appropriate Request for Proposal to continue the private portion of the arbitration program.

A refresher course on the application of the arbitration program was provided to all field staff. The increase in the number of cases referred to arbitration was immediately apparent.

Mandatory Settlement Conferences In an effort to improve the formal disciplinary process, staff started mandatory settlement conferences in 2001. These conferences have proved very successful in expediting formal cases, while reducing costs with the Attorney General (AG) and OAL.

Mandatory Settlement Conference Results

Cases scheduled	92
Cases settled	48
Cases defaulted	7
Cases withdrawn	2
Cases scheduled for hearing or next mandatory settlement conference	35

Intake Mediation Review A comprehensive review of the Intake/Mediation Program was undertaken in 2001, which resulted in process and procedure improvements that streamline the operation. This will improve the timeliness of case handling in the Intake/Mediation Centers and improve productivity.

Swimming Pool Contractors Meetings The CSLB, in conjunction with the California Spa and Pool Educational Council, met with swimming pool contractors in both Northern and Southern California to discuss business practices. The purpose of these meetings was to address “at risk” contractors, and to help prevent problems.

Training The Enforcement Analytical, Support, and Training Unit (EAST) developed and provided the following training in 2001:

- Leadership Team Training (Enforcement Supervisors)
- New Enforcement Representative Training, Part I
- Elder Abuse Training (Enforcement Representatives and Supervisors)
- Customer Service Excellence
- Industry Expert Training
- License Law Training
- Construction Terminology
- New Enforcement Representative Training, Part II
- Fraud Recognition Training
- Stress Management
- How to Take Oral Exams

Investigation Center Audits	Internal audits were initiated in 2001 at each investigative center to determine compliance with policy and procedures. This is primarily accomplished through the sampling of investigation cases, and is designed to improve oversight and quality control.
Industry Expert Training	The Enforcement Division provided training to more than 90 contractors in five sessions at four locations statewide in 2001. These experts are critical to CSLB's investigations and frequently testify at arbitration and administrative hearings. Additionally, this was the first year that CSLB tried selective recruitment of specific contractor classifications that are not plentiful on the present list of experts.
Case Management Paperless Processes	Case Management is the legal action center of the Enforcement Program. This is where, in conjunction with the Office of the Attorney General and the Office of Administrative Hearings, the disciplining of contractors takes place. Due to the legal process, this is a very paper-intensive operation. However, through electronic transfer, a "virtual file" can be maintained for the use of the Office of the Attorney General, the Office of Administrative Law, and the CSLB. This paperless process has increased efficiency of the transfer of legal action reports.
Virtual Private Network	The Enforcement Program communicates statewide on a Virtual Private Network (VPN). The homepage of this network has been adapted to provide the field offices with updated news "in a flash." The network also provides links to manuals, alert boards, industry expert lists, statistics, and other useful information. The Enforcement Division has created an enforcement magazine, <i>E-Zine</i> , which is available on the VPN. It is similar to an employee newsletter, and contains articles on law changes, training courses, individual achievements, and high profile cases.
New Complaint Forms	CSLB redesigned the consumer complaint form to simplify and eliminate recurring errors in the completion of the form. In addition, the complaint information pamphlet has been revised, along with the contact letters that are sent to the complainant and respondent.
Better Business Bureau	The Enforcement Division has partnered with the Better Business Bureau of the Southland to assist with the arbitration program in Southern California. The Better Business Bureau of the Southland has volunteered to assist elderly and vulnerable consumers who may have trouble representing themselves in an arbitration hearing. This should enable CSLB to handle more cases in a more expeditious manner.

## Licensing

### New Employee Training Video

Licensing staff produced a training video to provide new employees an overview of the duties and responsibilities of the various units within the Licensing Division. In addition to producing the video, Licensing staff developed the scripts, performed the on-screen presentations and assisted the Department of Consumer Affairs (DCA) video staff with the editing.

### Review of Classifications

Recent occupational analyses conducted by the Testing Division have revealed a need to make changes in some of the Licensing classifications. Consequently, the regulation process was initiated and public hearings held to amend the scope of work for C-9 Drywall and C-54 Tile contractors, and to amend the C-5 classification to divide rough and finish carpentry into two separate classifications. The C-5 class will cover Framing and Rough Carpentry, and a new C-6 classification will be added for Cabinet, Millwork and Finish Carpentry.

### Reinstatement of C-61/D-40

It is very common for the CSLB to be impacted by legislation sponsored by other state agencies. Such was the case with SB 989, which established a license requirement for the calibration of monitoring equipment for underground storage tanks. This limited specialty sub-classification was reinstated in order to comply with the legislation, and the CSLB amended the Contractors License Law to conform with provisions of the Health and Safety Code.

### New Applications/Forms

Licensing staff completed final revisions to the new license applications. Nearly all license applications and forms, such as the application to inactivate and name/address change forms, have been updated so that they are uniform in appearance and content. The forms revision was necessitated by the Board's relocation and Board letterhead changes. More importantly, the revisions were necessary for compatibility and availability on the Board's Web site.

### Reciprocity with Nevada

A written reciprocity agreement was established with the Nevada State Contractors Board for those classifications that have exam and experience qualifications similar to those required by the California Board. Staff is working with the Nevada Board to determine if additional classifications should be added to the list of reciprocal classes.

### Electronic Transfer of Bond Document

Another bonding company, American Contractors Indemnity, was added to the list of those that share information with the Board electronically. This addition means that 60 percent of all license bond cancellations and reinstatements are now being processed more efficiently through electronic data. CSLB has approximately 224,519 license bonds on record.

## Web Site Enhancements

- Nearly all licensing applications and forms are now available on the Internet. Most can be filled in on the computer and then printed for signature and mailing to the CSLB.
- Application status was added to the Board's Web site. By using a personal identification number (PIN) issued by the Board, applicants can track the progress of their application.
- Bonding history for contractor's bond and bond of qualifying individual was added to the license detail page.

## Application Investigations

The Board established a goal to investigate at least 8 percent of all license applications. (Three percent is the regulatory requirement.) The closure rate for applications sent to investigation during the first six months of 2001 was 5.6 percent. During the last six months of 2001, staff increased the rate to an average of 8.3 percent.

A pilot project to check applicant backgrounds using the Choice Point Internet site was started. Sufficient data to determine the usefulness of the program has not yet been collected.

## Reaction to Insolvency of Bond Companies

During the latter part of 2001, several bonding companies were declared insolvent. As a result, bonds written by these companies will or have been canceled. Every effort is made to notify contractors of the cancellations and to process the replacement bonds so as not to have an adverse effect on licensees. To help deal with these problems in the future, staff will work with the Department of Insurance to establish a memorandum of understanding allowing the Board to obtain information earlier whenever bonding companies have problems that are reportable by the Department of Insurance.

## License Applications Processing

The Application Processing Units and the Issuance Units were consolidated in anticipation of changes due to the Imaging and Workflow Automation System (IWAS) project. Consequently, licenses are now issued as they are processed.

Statistics for the 2001 calendar year were as follows:

- Applications received: 31,781—approximately 10 percent more than the next highest fiscal year.
- Applications processed: 30,337—approximately 6 percent more than the next highest fiscal year.

## Testing and Administrative Support

Testing focused on updating license examinations. The process involves two phases: occupational analysis and new exam development. The Board's goal is to conduct an occupational analysis for each classification every five years. At the start of 2001, 43 percent of the occupational analyses met the Board's five-year goal. Currently, 80 percent of the occupational analyses meet the goal. The Board is on schedule to have all its occupational analyses updated by June 2002. Based on the data collected during the occupational analyses, the Testing Unit also worked with the Licensing Unit to propose updates to classification descriptions. In 2001, the Testing Unit completed occupational analyses for 17 classifications and developed new examinations for 13 classifications. To improve customer service, the Ventura testing site was relocated to Oxnard.

Information Center  
(Call Center)

The statistical data has shown that, despite a staffing shortage, Information Center staff have made dramatic improvements in the individual service levels being provided to the public. Shifting some of the less complex duties and license research activities to student assistants and seasonal staff has resulted in approximately a 25 percent increase in the amount of time that technicians are directly available to take calls from the public.



## Legislation & Policies

- SB 2029 Pursuant to SB 2029 (Chapter 1005, Statutes of 2000), the Board was required to conduct four studies, address inadequacies in its complaint disclosure policies, and create specific consumer protection notices. SB 2029 also established the CSLB Enforcement Monitor position, and extended the Board's sunset date for two years.
- SB 135 Complaint Disclosure The Board successfully sponsored SB 135 (Chapter 494, Statutes of 2001), a law that expands CSLB's complaint disclosure policies to allow the Board to publicly disclose information about complaints containing allegations that, if proven, would be appropriate for suspension or revocation of the contractor's license or for criminal prosecution. Only the most serious of the cases would be disclosed – those that demonstrate a risk to the public. This law also limits the amount of time the Board's disciplinary actions (except revocations) must be disclosed. This legislation is widely regarded as a model for other boards and bureaus.
- SB 2029 Reports In addition to the successful sponsorship of SB 135, the CSLB also prepared and presented the four required reports as follows:
- *Home Equity Fraud and the Role of the Contractors State License Board* provided background information on home equity scams and predatory lending. The Board report describes the numerous public and consumer agencies and organizations that are involved in regulating the overlapping aspects of home equity fraud. The report also identifies the laws that govern such activity and makes recommendations for better enforcement. Implementation of the report's recommendations would require budget augmentations.
  - The *Reengineering Project Assessment* evaluated CSLB's 1998 reorganization. This report by the NewPoint Group proposed recommendations and strategies for rebuilding the Enforcement Program, including rebuilding the Enforcement Program's management structure, re-opening investigation centers and adding supervisory positions in specified areas. The Board has implemented as many of these recommendations as possible under present budget constraints.
  - *Analysis of State Recovery Funds* comprehensively evaluated existing recovery funds, including five California funds, to determine the effectiveness of such approaches for California contractors. The report concluded that California consumers would not be better off under any of the plans reviewed.
  - *Using Surety Bonds and Insurance to Protect Consumers* identified a broad range of issues arising out of the use of construction and license bonds as well as insurance. The report concluded with a series of issues that must be addressed to make bonds truly useful for consumers.

SB 2029 Notice  
Regulations

SB 2029 created three new consumer protection requirements – a provision mandating home improvement contractors to disclose whether they carry commercial general liability insurance and two notices to be developed by the Board. One of the notices explains the value of commercial general liability insurance. The other creates a checklist of the main points homeowners need to know when contracting for home improvement.

The Board created and adopted both regulations. The regulations were filed with the Secretary of State on November 28, 2001. The insurance disclosure requirements will be effective February 26, 2002.

Sunset Review Hearing

On December 6, 2001 the Joint Legislative Sunset Review Committee met to review the Board's reports and progress. The hearing went smoothly and no additional questions were asked. The Board was commended for its efforts and attempted improvements.

Omnibus Bill

The Board also sponsored a number of technical changes to the law in SB 724 (Chapter 728, Statutes of 2001). This bill made noncontroversial changes to the Contractors' Law, including provisions to:

- Allow the Board to meet once each quarter instead of during specified months
- Allow contractors to deal with underground storage tanks
- Allow the registrar to issue citations to unlicensed individuals and unregistered salespersons
- Authorize the registrar to use collection agencies to collect civil penalties

## Communication & Education

### Media Outreach

The Public Affairs Office (PAO) works closely with CSLB's enforcement and SWIFT staff to publicize enforcement actions throughout the state. The PAO also creates and launches public awareness campaigns to educate consumers about seasonal repair hazards, new and ongoing scams and their rights and responsibilities when hiring contractors. CSLB's Public Affairs staff orchestrated four public awareness campaigns and produced and disseminated 40 news releases during 2001.

The PAO's news releases generated extensive media coverage of high profile enforcement cases, including:

- Financial relief for more than 50 victims of a water filtration scam and conviction and jail time for the company's salespeople
- Consumer alerts about Traveler scams under investigation by CSLB
- Arrests, convictions and prison time for unlicensed contractors nabbed by CSLB investigators
- Suspension and ultimate revocation of a pool contractor's license for job abandonment

In April, the PAO launched its first public awareness campaign of 2001 - a spring remodeling campaign to educate consumers about how to avoid common spring remodeling pitfalls. In June and July, PAO reached out to seniors for the summer Senior Scam Stopper campaign. When the rainy season arrived in California, the PAO launched a fall campaign to educate consumers about hiring roofing contractors and how to avoid roof repair scams. And just in time for the holidays, the PAO conducted a winter campaign to help consumers avoid holiday home repair emergencies and select reputable contractors in advance. The four seasonal campaigns generated favorable print, TV and talk radio coverage statewide.

Home construction problems consistently top consumers' complaint lists, and media interest and inquiries about the topic are high. The PAO fields approximately 50 to 60 media inquiries and interview requests per month from reporters seeking information ranging from general tips for hiring a contractor and avoiding problems, to queries about high-profile contractor cases. CSLB was featured in hundreds of positive articles in California newspapers throughout the year, including front page news in the Los Angeles Times, Sacramento Bee and other largest-circulation newspapers in the state.

### Media Response

Summary of 2001 Media Relations Coverage:

- 178 total print, radio and TV stories
  - 113 print stories reached 15 million readers
  - 39 TV news stories reached 2.7 million viewers
  - 26 radio stories reached 350,300 listeners

As a result of the Public Affairs Office's media relations and outreach activities, more than 18 million Californians read, heard or saw CSLB's consumer protection and enforcement messages in 2001.

Public Relations Contract	<p>Katz &amp; Associates, a public relations firm, was selected through a competitive bid process and awarded a 40-month, \$3 million contract to team with the Public Affairs Office staff to perform outreach, marketing, and advertising activities. The new contract became effective May 23, 2001. Activities included a statewide baseline survey to gauge consumer awareness of CSLB and hiring contractors, a Los Angeles advertising campaign, and a targeted follow-up survey to measure changes in awareness and effectiveness of the campaign.</p>
Advertising	<p>This summer, CSLB launched a Los Angeles advertising campaign, which ran July 9 through August 5, 2001. Thirty-second spots aired on all cable networks in the LA market, along with 60-second English and Spanish radio spots aimed at 35-64 year old listeners. The ads featured key CSLB messages, including: hire only licensed contractors, get three bids and check references, get a written contract, and check out the contractor's license. Production costs were eliminated by revamping the still-timely ads produced as part of CSLB's successful 1998 "Get Information to Build On" campaign.</p> <p>The cost-effective \$300,000 ad buy reached 78.3% of the Los Angeles market — that means more than 4.7 million people saw or heard CSLB's ads an average of 8.6 times during the campaign.</p> <ul style="list-style-type: none"> <li>• 765 30-second cable spots ran on 10 cable stations including CNBC, Home and Garden TV, ESPN2, TNT, MSNBC</li> <li>• 925 60-second ads aired on English and Spanish radio stations</li> </ul>
Public Awareness Surveys	<p>In July, Katz &amp; Associates' marketing research subcontractor, Meta Information Services, conducted a statewide baseline survey to determine what California homeowners know about CSLB and about hiring and dealing with contractors. Meta then conducted a targeted survey of Los Angeles-area homeowners in mid-August, immediately following the ad campaign.</p> <p>Highlights of the survey findings:</p> <ul style="list-style-type: none"> <li>• The vast majority of California homeowners have heard of CSLB</li> <li>• 3 in 4 homeowners made a connection between CSLB and at least one of its main functions</li> <li>• CSLB is best known for licensing contractors</li> <li>• More than half of those who were aware of CSLB had positive impressions of the organization</li> <li>• 3 in 10 had used at least one of CSLB's services—that equates to 17 percent of California homeowners</li> <li>• 70 percent of those who had used CSLB services had a positive impression of CSLB</li> <li>• All but one of CSLB's "Ten Tips" were familiar to the majority of homeowners</li> <li>• Only 50 percent knew they should pay only 10 percent or \$1,000 down</li> </ul>

The findings of both surveys provide CSLB and the PAO with quantifiable information about what California homeowners know about CSLB and their rights and responsibilities related to hiring and dealing with contractors. The information gathered is being used to strategize future educational and outreach campaigns targeted to California homeowners' specific needs.

#### Senior Scam Stopper Seminars

Senior citizens are among the most likely groups to hire a contractor, but are also frequently the targets of fraud. In an effort to reach out to this vulnerable segment of California's citizens, the PAO coordinated seven Senior Scam Stopper Seminars throughout California during 2001. Held in communities where there are high concentrations of elderly homeowners and mobile home owners, the seminars took CSLB's consumer protection message directly to senior citizens. CSLB partnered with the Bureau of Automotive Repair (BAR), local law enforcement, and American Association of Retired Persons (AARP) representatives.

Media outreach tied to the seminars publicized recent local CSLB enforcement cases involving elder abuse. The successful combination resulted in extensive media coverage in all major media serving the seminar communities:

- 13 TV newscasts in the four largest markets (LA, Sacramento, SF, San Diego)
- 14 print articles, 2 talk radio segments

#### Home and Garden Shows

The PAO orchestrated CSLB's participation at 22 Home and Garden shows throughout the state in 2001, providing approximately 400,000 attendees with seminars and information about the CSLB and its services. Through its PR contract, CSLB was able to place cooperative print and radio advertising at seven of the shows. The \$18,650 ad cost resulted in \$367,300 in advertising value.

#### Community Outreach

In its efforts to reach out to vulnerable and underserved citizens, PAO staff coordinates or participates in community and special events throughout the state. PAO staff coordinated or participated in a total of 24 community events in 2001.

The highlight of the Community Outreach program was the third annual "Feria Informativa de Proteccion al Consumidor" consumer protection fair, held September 30 at El Pueblo de Los Angeles, Olvera Street. Orchestrated by PAO staff and sponsored by CSLB, the fair featured 27 exhibitors including DCA, BAR, DMV, AARP, Los Angeles County Consumer Affairs, and local community service organizations, and was attended by 3,500 attendees, primarily Latino consumers. Other events attended by PAO staff included the Evans Consumer Fair, Better Business Bureau's Scam Jam 2001, Greater LA Senior County Organizations Fair, Fiesta Educativa, Latin Business Expo and the Latin Book Fair.

#### Speakers Bureau

CSLB experts gave a total of nearly 100 presentations to consumer and service groups such as Kiwanis, Lions, and Rotary organizations, as well as trade and industry groups during 2000-01.

Contractor Education Seminars

The PAO partnered with Cal/OSHA and Bill Dexter, Director of the California Center for Construction Education at Cal Poly San Luis Obispo, to conduct the third series of CSLB Contractor Education Seminars. "Using the Contract as a Recipe for Excellence" and "Cal/OSHA: Your Partner in Worksite Safety" were the featured topics for the eight seminars held statewide during 2000-01.

Seminar locations:

Martinez	Salinas	Bakersfield	San Pedro
Auburn	Temecula	Willits	Sonora

Publications

The PAO currently publishes a total of 10 consumer and contractor booklets, eight consumer pamphlets and four contractor pamphlets and publishes two quarterly newsletters, the *California Licensed Contractor* industry newsletter and *CSLB Matters*, the Board's internal employee newsletter. Other outreach materials include information kits for seniors, contractors, and consumers coping with damage to their homes following natural disasters.

The PAO produced three new publications in 2001, the *Building Official Information Guide*, *Description of Classifications* and *Consumer Guide to Asbestos* booklets.

CSLB's flagship consumer booklet, *What You Should Know Before You Hire a Contractor*, was redesigned in August. PAO and CSLB staff revamped the consumer complaint pamphlet and related complaint forms into a more effective and user-friendly resource for consumers, and printed the complaint brochure in Spanish. PAO also published seven new reports for the Board and Legislature in 2001: *Home Equity Fraud*, *Analysis of State Recovery Funds*, *Using Surety Bonds & Insurance to Protect Consumers*, *CSLB 2002 Strategic Plan*, *Response to the Recommendations of the Enforcement Monitor*, and the *Board Administrative Manual*.

Building Officials

Local building officials surveyed in the mailing sent with the *Building Officials Information Guide* gave CSLB service a 95% positive rating. A favorable reaction to the December distribution of the *Guide* and the newly-redesigned *What You Should Know* consumer brochure prompted building officials to request thousands of additional copies of the publications for their staffs and public counters. The Board had a booth at the 2001 annual CALBO meeting and the Registrar spoke at the event. CSLB Board member Tony Elmo was elected First Vice President of CALBO.

Partnerships

CSLB's "Ten Tips" factsheet was redesigned in December into a two-sided English and Spanish card for consumers. New distribution partners CALFED and San Diego County Credit Union will disseminate more than 800,000 tipsheets to their members and negotiations are underway with Lowe's Home Improvement Warehouses for distribution to an additional 20,000 home construction consumers. Ongoing partners Golden One Credit Union, Dixieline Lumber and Emigh Hardware recently renewed their commitment to distribute 33,000 tipsheets to their customers. Home warranty companies and Pacific Gas & Electric Company also distribute CSLB publications to their customers.

CSLB Consumer  
Advisory Council

The CSLB Consumer Advisory Council, comprised of representatives of consumer and community-based organizations, met three times during 2001. The 17-member council provides consumer input to the Board and CSLB staff on a variety of issues to ensure that a consumer perspective is considered. The council's input on public outreach, the complaint process, service and repair contracts, and predatory lending contributed to the significant progress the Board made on these issues in 2001.

## Organizational Development

### Strategic Planning

The Board and staff worked together on the initial steps of developing an updated strategic plan. In October, the Board met to clarify the Board's mission and discussed many issues related to its constituents and the problems the Board faces. Major challenges were identified and prioritized in a list of objectives that focus primarily on consumer protection, improved enforcement and the underground economy. Significantly, the CSLB Enforcement Monitor's initial study recommendations support the Board's strategic direction.

### Enforcement Staffing

Administrative personnel worked closely with management in the rebuilding of the Enforcement Division. Toward this end, the Administration Division:

- Coordinated the recruitment and hiring of a Chief of Enforcement (Career Executive Assignment)
- Provided technical assistance to reorganize the management structure of the Enforcement Division.
- Coordinated an extensive statewide recruitment effort for the entry level Enforcement Representative I classification. Tested and qualified approximately 130 candidates to fill critical vacancies needed to reduce complaint backlogs and cycle times.
- Coordinated promotional examinations for Enforcement Representative II and Enforcement Supervisor I.

### Budget

Working with management, the Administration Division identified existing budget weaknesses and coordinated plans for reducing operating expenses to approximately FY 1998-99 levels. Several FY 2002-03 budget change proposals to implement recommendations of the NewPoint Group and the CSLB Enforcement Monitor were submitted to improve the Board's enforcement operations. The augmentations requested were:

- Application Screening – Public Records Search: \$681,000 and two positions to provide independent verification of license applicant identity and history.
- Infrastructure: Approximately \$1,718,000 to recover unavoidable increases in office rent rates due to lease expirations and communication rate and use increases, and to put CSLB's major equipment replacement schedule back on track. \$890,000 was for a permanent increase to offset the operating expense deficit, while \$828,000 was for a one-time increase to purchase major equipment delayed from FY 2000-01 and FY 2001-02.
- Field Office Rebuilding: Approximately \$400,000 for additional offices and salary upgrades for three new supervisors to restore an effective management and supervisory structure in the Enforcement Division. This proposal was a recommendation from the NewPoint Group's re-engineering study.

Most of the \$2,799,000 requested was not approved. Due to statewide funding constraints, the Board's budget proposed in the Governor's Budget for FY 2002-03 reflects an augmentation of \$389,000 to offset facility rent increases.



FISMA (Fiscal Integrity and State Manager's Accountability Act) Audit	The Board, in conjunction with the Department of Consumer Affairs (DCA), conducted a FISMA audit (Fiscal Integrity and State Manager's Accountability Act) of the Board's fiscal operations and prepared responses to the findings. The audit did not reveal any significant internal control problems or weaknesses, although some improvements were recommended. Taken as a whole, the Board's accounting and administrative controls were sufficient for meeting FISMA standards. Most of the recommended improvements were implemented within a few months. Ongoing work groups were established to address the other, more significant efforts.
Administration Division Reorganization	CSLB implemented a reorganization of the Board's Administration Division including the establishment of a Chief of Administration (Staff Services Manager II) to oversee all administrative functions. Through subordinate supervisors and lead persons, this position manages a multidisciplinary group of staff in the areas of Personnel, Fiscal, Business Services, Management Analysis, and Support Services. Reporting relationships were restructured, improving oversight of administrative services.
Board Member Administrative Policy Manual	CSLB developed an administrative procedure manual for use by the Board Members as a ready reference of important laws, regulations, DCA policies, and Board policies in the performance of their duties and to ensure Board effectiveness and efficiency.
IWAS (Imaging Workflow Automation System)	This is a multi-year project approved and funded for FY 2001-02 and FY 2002-03. An executive level project steering committee was established to oversee all activities. In addition, a project manager was hired and Electronic Image Designers, Inc. (EID) was selected to provide CSLB expertise in document management and workflow technology implementation. EID coordinated business process teams that developed baseline charts for all of the work processes within the Licensing Division as a complementary step toward full implementation. FileNet Corporation was selected to install and configure the system to CSLB specifications. Implementation of document imaging for the Licensing Division will begin in July 2002 and the Enforcement Division will follow in July 2003.
IVR (Interactive Voice Response) System	The current IVR system was expanded to include more Spanish content (i.e., messages and booklet material) through a toll free 1-800 number. Complaint related calls originating from the IVR are now being directed to either Sacramento or Norwalk Intake/Mediation Center. Approval was obtained to install a new IVR by June 30, 2002. Special Order Systems was selected to deliver and install the new system. This enhanced capability provides improved service to the public.
Web Site	The CSLB Web site was redesigned to conform to the Governor's eGovernment standards and to be more user-friendly. In addition, a "real-time" application processing status screen was implemented that allows applicants to obtain their status via the Internet rather than phoning the CSLB Call Center. Also, the Web-based License Status inquiry was modified to point the inquirer to other related licenses for a more complete status check.

VPN (Virtual Private Network)

The CSLB gained approval through the Department of Information Technology to continue its use of the Virtual Private Network (VPN). The VPN is the Board's statewide computer network that allows communications between all CSLB offices on a single platform. Staff in the Enforcement Division have benefited from a standardized, single full-featured e-mail package and statewide data file sharing.

NASCLA

CSLB continued its involvement in the National Association of State Contractors Licensing Agencies (NASCLA). CSLB Board Member Joe Tavaglione, who had served as 2<sup>nd</sup> Vice President in 2000-01, was elected 1<sup>st</sup> Vice President for 2001-02. Mr. Tavaglione also serves on the NASCLA Executive Committee and the NASCLA Membership Committee. Registrar Steve Sands was appointed to the NASCLA Publications Committee and Heidi Lincer-Hill was appointed to the NASCLA Examinations Standards Committee.