

**CONTRACTORS**  

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**STATE LICENSE BOARD**

**2002**  
*Accomplishments  
& Activities*





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## Preface

The Contractors State License Board (CSLB) is pleased to present its *2002 Accomplishments & Activities* report. As a state agency, we were affected by the state hiring freeze and the deepening budget crisis. Despite that, the Board moved significantly ahead in many areas. Backlogs in enforcement decreased as the Board's enforcement program continued to improve and become both more efficient and effective. While staffing shortages and increased workloads increased backlogs in licensing functions, the Board began a new phase when it implemented the Imaging and Workflow Automation System. Public Affairs had another stellar year in getting the word out to consumers and contractors, and focused attention on unlicensed practice through its media blitz on stings. Finally, the Board had another outstanding year in the Legislature, successfully sponsoring and supporting five major bills.

2003 will be challenging as we all deal with the state budget deficit. But to all of you who helped the Board in 2002, a sincere thank you.

Larry Booth, *Chair*

# Contents

	<b>PAGE</b>
Enforcement .....	1
Licensing & Testing .....	6
Legislation & Policies .....	9
Communication & Education .....	11
Organizational Development .....	16

## Enforcement

Enforcement Structure	<p>CSLB continues to implement the recommendations of the New Point Group and the CSLB Enforcement Monitor, including making strides in reducing supervisors' span of control and infrastructure expenses. Rebuilding activities completed during 2002 include:</p> <ul style="list-style-type: none"><li>• Relocation of Long Beach staff to a new Norwalk Investigative Center.</li><li>• Selection and appointment of a supervisor to provide for the "splitting" of the Sacramento Investigative Center.</li><li>• Case Management staff now providing assistance to licensing by reviewing completed application investigations.</li></ul>
Complaint Handling Process Changes	<p>If mediation attempts are not successful and there is no evidence of a threat to public safety or serious economic harm (e.g. repeat offenders, elder abuse, or underground economy), the following types of alternative resolution processes have been implemented at the Intake and Mediation Centers to reduce the number of complaints referred to field investigation:</p> <ul style="list-style-type: none"><li>• Refer consumers with private arbitration clauses in their contract to the arbitration process contained in their contract.</li><li>• Refer consumers to small claims court for simple complaints involving minor contract amounts under \$5,000 or complaints involving minor financial injury amounts under \$5,000.</li><li>• Refer complaints with disputes between suppliers/subcontractors and prime contractors to civil remedies.</li></ul>
Underground Economy	<p>CSLB participates in the Underground Economy Task Force that was designed to proactively combat cash payment of wages, unlicensed activity, and failure to pay taxes, workers' compensation violations, and other violations of law. CSLB staff participated in the following activities in 2002 to address the underground economy:</p> <ul style="list-style-type: none"><li>• Attended monthly District Attorney task force meetings to discuss trends and strategize enforcement actions.</li><li>• Attended monthly breakfast meeting of enforcement agencies to coordinate investigations and improve partnering efforts.</li><li>• Facilitated the development of a Memorandum of Understanding with the Department of Industrial Relations to address employer misconduct that results in serious injury to an employee(s).</li><li>• Actively participated in the Premium Insurance Fraud Task Force and provided testimony to the grand jury. Completed investigations have resulted in grand jury indictments for workers' compensation/insurance fraud.</li><li>• Checked for license compliance at active construction projects, issuing administrative and "Notice to Appear in Court" citations when appropriate.</li><li>• Conducted undercover sting operations more than twice per month in 2002.</li></ul>

Arbitration

In calendar year 2002, the Arbitration Program saw many changes. The year began with the program functioning as it had in 2001, with both the Office of Administrative Hearings (OAH) and Arbitration Works providing arbitration services for CSLB. However, prior to June 2002, the OAH expressed a desire to take on all arbitration services for CSLB. Consequently, CSLB entered into a new interagency agreement with OAH, making that agency the sole provider of arbitration services for the CSLB.

Unfortunately, the State’s serious budget problems impacted the ability of the OAH to provide arbitration services in the future. Therefore, CSLB has prepared a Request for Proposal, asking private vendors to bid on the opportunity to provide arbitration services to CSLB in lieu of OAH.

The following table depicts arbitrations performed by OAH and private vendor Arbitration Works during calendar year 2002:

	MANDATORY OAH	VOLUNTARY OAH	MANDATORY AWI	VOLUNTARY AWI
January	31	6	42	12
February	27	10	23	20
March	37	11	43	14
April	32	12	39	17
May	15	9	41	24
June	25	8	30	22
July	36	19	n/a	n/a
August	66	36	n/a	n/a
September	69	23	n/a	n/a
October	71	29	n/a	n/a
November	32	13	n/a	n/a
December	48	13	n/a	n/a
<b>Total</b>	<b>489</b>	<b>189</b>	<b>218</b>	<b>109</b>
<b>Grand Total</b>	<b>1005</b>			
<b>Mandatory Total</b>	<b>707</b>			
<b>Voluntary Total</b>	<b>298</b>			

Mandatory Settlement Conferences

Mandatory Settlement Conferences started in 2001 in the Norwalk Office of Case Management. These conferences were handled with the assistance of the Los Angeles Attorney General’s (AG’s) Office. Since that time, the program has expanded to include the San Diego AG’s Office. Future plans call for the involvement of the Sacramento and San Francisco AG’s Offices. While the AG’s Offices now participate on a statewide basis, the AG’s Offices’ actual involvement has decreased as CSLB has taken on a greater share of the workload. For example, non-licensee citation appeals are now handled independently by CSLB.

Mandatory Settlement Conference Results for 2002 are as follows:

Mandatory Settlement Conference Results, 2002

Cases Scheduled	228
Cases Settled	128
Cases Defaulted	32
Cases Withdrawn	7

On-Site Negotiations  
(OSN)

An OSN pilot project in Southern California proved to be very successful (90%+ settlement rate). Statewide training was given to Enforcement Representatives (ERs) and industry experts (IEs), so the program could be implemented statewide. Approximately 225 OSNs have been conducted statewide. OSN is an alternative method of dispute resolution that can be used for workmanship-related complaints. The ER, the IE, the complainant, and the contractor meet at the jobsite to review complaint items. The fact that the contractor and the IE can discuss the problems and corrective actions face to face has contributed to the high success rate of this program. OSNs can achieve an early settlement to a complaint, precluding the need for an IE report, an investigation report recommending legal action, and AG costs.

Industry Expert Training

An article in the Summer/Fall 2002 edition of the *California Licensed Contractor* newsletter helped CSLB recruit critically needed classifications of contractors for the IE program. CSLB's current list of experts contains the names of more than 600 contractors, but none in these specialty classifications. Approximately 90 specialty contractors who responded to the article will be trained and added to the list by February 2003.

Staff Training

The Enforcement Analytical, Support and Training (EAST) Unit developed and provided the following training at minimal cost in 2002:

- Performance Problem Solving (Enforcement Supervisors ESs)
- Time Management (ERs and Consumer Services Representatives (CSRs))
- Stress Management
- License Law Training
- Complaint Disclosure Training
- On-Site Negotiation Training (ERs)
- Procedural Changes, Phone Ethics and Small Claims Court Training (CSRs)
- Case Review Workshop (ESs)
- WORD training

Case Management—  
Attorney General Costs

In 2002, Case Management was given the goal of finding ways to save \$1 million in the budget line item reserved for the AG's Office. In this respect, there are two basic approaches to accomplish this task. The first approach is to reduce the workload sent to the AG's Office. The second approach is to manage the work, monitor the timeframes, and set production standards. However, without available and trained analytical staff, the monitoring, managing, and setting of supportable standards must wait.

The first approach to controlling the volume of work that goes to the AG's Office resulted in the initiation of these new policies:

1. When possible, revocation or disciplinary action is obtained from the court in a criminal court action. This eliminates the need for a full administrative hearing after a separate criminal hearing has occurred.
2. When possible, all non-licensee citation appeals are sent to mandatory settlement conference. Also, the non-licensee citation appeals are handled in-house without the presence of a Deputy Attorney General.

3. Expanding the use of citations by increasing the citations' maximum financial injury limit before using accusations.
4. Increasing the issuance of citations, by issuing citations in lieu of accusations when the respondent is not likely to appeal the case and/or appear at a hearing. The issuance of a citation in these circumstances can have a substantial savings with little risk. Since non-compliance with a citation results in an automatic suspension or revocation, the costly accusation pleadings process is eliminated, providing less expensive and faster results.
5. Expanding Mandatory Settlement Conferences for all eligible citation appeals.

Complaint Production

For FY 2001/02, 26,408 complaints were opened, compared to 23,913 complaints opened FY 2000/01. Although this reflects an increase of 2,495 complaints, Enforcement staff significantly increased complaint-handling production and was able to decrease pending complaints by 945 complaints during FY 2001/02, including elimination of the holding files in the Intake Mediation Centers (IMCs).

Additionally, severe staffing shortages in the Bay Area and the Board's inability to fill vacant positions due to the state's hiring freeze caused Bay Area investigators to carry caseloads of over 100 complaints. However, by distributing Bay Area complaints statewide, investigator caseloads in the Bay Area were reduced to a manageable caseload of 50 to 60 complaints per investigator.

Enforcement Statistical Summary

MONTH	CSR GOAL	CSR ACTUAL	ER GOAL	ER ACTUAL
January	1820	1673	705	757
February	1820	1539	710	709
March	1755	1777	710	788
April	1820	1593	721	744
May	1820	1577	706	785
June	1755	1420	705	688
July	1755	1366	686	681
August	1755	1416	686	732
September	1690	1261	686	728
October	1690	1503	686	784
November	1755	1096	696	682
December	1690	1157	682	687
<b>Total</b>	<b>21125</b>	<b>17378</b>	<b>8379</b>	<b>8765</b>



## Equipment & Resources

The Enforcement Program continued to use technology to improve complaint-handling efficiencies and quality of complaint resolution. Using fiscal year 2001-02 funding, the following equipment and resources were provided to Enforcement staff during 2002:

- A new resource guide, *California Building Performance Guidelines for Residential Construction and Homeowner Maintenance Guide*, was supplied to staff to help in evaluating workmanship issues.
- New “All-in-Ones / Four-in-Ones” (printer, copier, fax, and scanner) were supplied to employees qualifying for the home office program.
- Half of Enforcement staff were provided with new laptops.
- San Diego, San Francisco, and Fresno Investigation Centers were wired for high-speed data access.
- Copiers and office printers were provided to some offices.
- Cellular equipment accessories, such as the “hands-free headset,” were issued to staff.
- Digital cameras were supplied to all field investigators.
- The Imaging Workflow Automation System (IWAS) work group was formed to provide staff with the technology to electronically retrieve license records and archived investigations.

## Licensing & Testing

### IWAS Implementation

On September 9, 2002, the Licensing Division implemented the initial phase of the Imaging and Workflow Automation System (IWAS). Ultimately, all of the CSLB license records will be in electronic format under IWAS. The major advantage of the system is the ability to perform electronic search and retrieval of license records. The initial implementation has not been without challenges. However, a distinct advantage has become readily apparent: accessibility of files for processing by all qualified Licensing staff who can now process documents on an as-needed basis. The paper system did not permit such processing capabilities.

### Specialty License Classification Updates

CSLB reviewed and updated four licensing classifications based on industry changes. The regulatory process was completed for the following license classifications, making the scope of work for each class more consistent with current industry practice:

- **C-9 (Drywall)**

Language was amended to include the application of texturing compounds.

- **C-6 (Cabinet, Millwork and Finish Carpentry)**

Classification was reinstated as of January 1, 2003. Applicants and licensees will be held responsible for a scope of work that is more applicable to their actual trade experience.

- **C-5 (Framing and Rough Carpentry)**

The C-5 class previously included "finish" carpentry. Effective January 1, 2003, it will only include framing and rough carpentry work.

- **C-54 (Tile, Ceramic and Mosaic)**

Language was amended to specifically include the installation of granite and other natural and simulated stone slabs for bathtubs, showers and horizontal surfaces, such as counter tops.

### Reciprocity with Nevada

The Licensing Committee approved a recommendation to add the following eleven classifications to the reciprocity agreement with the Nevada State Contractors' Board. License classification documents were requested from Arizona and Utah and will be reviewed in 2003.

- C-4 Boiler, Hot Water Heating and Steam Fitting
- C-5 Framing and Rough Carpentry
- C-6 Cabinet, Millwork and Finish Carpentry
- C-7 Low Voltage Systems
- C-10 Electrical
- C-11 Elevator
- C-12 Earthwork and Paving
- C-16 Fire Protection
- C-34 Pipeline
- C-35 Lathing and Plastering
- C-36 Plumbing

Department of  
Insurance Notification

The CSLB obtained Department of Insurance approval for early notification regarding surety companies that are at risk of financial insolvency. This will provide the time needed for the Board to identify and develop a plan of action if the surety company is declared insolvent, and will help the Board avoid problems like those caused by last year's sudden notification of insolvency of the Far West, Amwest and Frontier Pacific insurance companies.

Legislation Impacting  
Licensing

Legislation passed during 2002 will impact the Licensing Division in the coming year. Bills were passed that:

- Require the Board to obtain fingerprints from all new license applicants and home improvement salesperson registrants starting January 1, 2004.
- Allow the Board to access records of the Employment Development Department to verify experience requirements needed for licensing.
- Increase the bond amount to \$10,000 effective January 1, 2004, and to \$12,500 effective January 1, 2007.
- Eliminate the trade exam for the C-61 Limited Specialty license classification effective January 1, 2003.

Technical changes were also made that:

- Amend Section 7057 to clarify that a General Building contractor may subcontract with either a specialty contractor or a General Engineering contractor as appropriate. This change allows General Engineering contractors to act as subcontractor for work that falls under their license classification.
- Amend Section 7141 to clarify that failure to renew a license by the expiration date constitutes a "break" in the licensing time.

Workload Statistics, Calendar Year 2002

	<u>TOTAL RECEIVED</u>
Exam Applications	17,600
Waiver Applications	8,800
Add Class/Replacing the Qualifier Applications	5,700
Renewal Applications	114,800
Bond Documents	88,200
Workers' Compensation Documents	119,000

Examination Update

The Testing Unit continued to focus on updating licensing examinations. The process involves two phases: occupational analysis and new examination development. The Board's goal is to conduct an occupational analysis for each classification every five years. At the start of 2002, 80 percent of the occupational analyses met the Board's five-year goal. As of June 2002, 100 percent of the occupational analyses met the goal. The Testing Unit has updated examinations for 75 percent of the licensing classifications.

C-61 License Classification

The Testing Unit successfully proposed legislation to eliminate the trade examination for the C-61 classification. Testing staff worked in conjunction with Licensing staff to propose a reorganization of the C-61 classification. The reorganization proposal (including the creation of four new C-classifications) was approved by the Board's Licensing Committee and, if approved by the Board, will be implemented over the next two years.

Staffing Test Centers

Due to staffing shortages caused by the hiring freeze and subsequent budget cuts, the Testing Unit lost four Computer Assisted Testing Center positions and closed the Long Beach Testing Center. To maintain a consistent level of customer service, six test stations were added to the Norwalk Testing Center and three to the San Diego Testing Center. In addition to Norwalk and San Diego, the Board maintains Testing Centers in Sacramento, Oakland, Fresno, Oxnard, and San Bernardino.

Examination Statistics

Examination types ..... 42 trade, 3 certification, 1 Law and Business  
Number of examinations scheduled ..... 47,822  
Number of confirmed misconduct incidents ..... 29  
Overall passing percentage ..... 52%

## Legislation & Policies

- SB 1953 The successful passage of Board-sponsored SB 1953 (Figueroa, Chapter 744, Statutes of 2002) is important for many reasons. Specifically, it: 1) extends the sunset date of the CSLB for four years; 2) clarifies CSLB's legal mandate by giving highest priority to public protection; 3) beginning in 2004, requires applicants for licensure to furnish a set of fingerprints, by electronic format where available, for the purpose of a criminal history record check; 4) gives the Board the authority to set CSLB fees through regulation; 5) increases the Board's reserve fund from 3 months of annual authorized Board expenditures to 6 months; 6) establishes CSLB statistical reporting requirements; and, 7) allows the Board to access records of the Employment Development Department (EDD) to verify experience requirements needed for licensing. The bill was supported by many organizations representing the building industry, labor, law enforcement, and consumer groups.
- Regarding fingerprinting, allowing the Board to provide higher scrutiny of the criminal convictions of applicants for licensure (and home improvement salespersons for registration) will help protect consumers from construction-related crime, saving the public time, money, and distress. Currently the Board has no structured means of acquiring information about an applicant's criminal conviction. Only crimes that are substantially related to the duties of a contractor licensee are relevant as a reason to deny licensure.
- SB 1919 Sponsored by the Board's legislatively-created Enforcement Monitor, SB 1919 (Figueroa, Chapter 1123, Statutes of 2002) requires that an applicant for licensure or a licensee have on file, by January 1, 2004, a contractor's bond in the sum of \$10,000, regardless of classification. The bond proceeds in excess of the current bond amount, \$7,500, will be reserved exclusively for consumers. On or after January 1, 2007, the sum of the bond will be \$12,500, with \$5,000 of that amount reserved for consumers. This bill addresses the ongoing problem of inadequate consumer remedies for damages caused by dishonest or incompetent contractors.
- AB 264 The Board sponsored AB 264 (Correa, Chapter 311, Statutes of 2002) which: 1) specifies that no trade examination shall be required of an applicant for the Limited Specialty license classification, C-61, made up of 29 very diverse subcategories of construction-related skills and crafts; 2) clarifies the date that a license is suspended as a result of a lapse in, or the omission of, worker's compensation; and, 3) amends existing law to establish a process and procedures for the board to respond more quickly and effectively to a surety company's payment of a bond claim and also closes a loophole which allowed certain licensees to avoid license suspension.
- AB 728 Also sponsored by the Board, AB 728 (Correa, Chapter 312, Statutes of 2002) improves the board's arbitration procedures. Specifically, 1) it increases the amount of contracts or damages eligible for mandatory arbitration from \$5,000

to \$7,500; 2) allows complaints to be referred to arbitration even though the license was not in “good standing” at the time of the referral as, on occasion, licenses may be temporarily suspended for reasons that do not preclude arbitration as an appropriate consumer remedy; 3) clarifies statute of limitations to include the complaints referred to the CSLB arbitration program; and, 4) adds a new section which holds qualifiers responsible for arbitration awards.

SB 2026      The Board sponsored a number of technical changes contained in SB 2026 (Figueroa, Chapter 1013, Statutes of 2002). This bill made non-controversial additions, revisions, and clarifications to CSLB law. Specifically, it: 1) clarifies that the Board may contract with licensed professionals whose skills/expertise are required to aid in complex investigations; 2) clarifies that a General Building contractor may subcontract with either a specialty contractor or a General Engineering contractor, as appropriate; 3) clarifies that the Registrar retains jurisdiction over a license for disciplinary purposes when it is canceled as a result of a partner’s disassociation from the license; 4) clarifies that the failure to renew a license by the expiration date constitutes a “break” in the licensing time; and 5) repeals an obsolete code section and an obsolete reference.

Sunset Review Hearing      On November 19, 2002, the Joint Legislative Sunset Review Committee met to review the Enforcement Monitor’s third report submitted October 1, 2002. The Enforcement Monitor and the Registrar testified and answered committee questions on progress being made and on staffing and budget problems. The Board was commended for its efforts and for the improvements made on the enforcement program.

## Communication & Education

Media Outreach	<p>The Public Affairs Office (PAO) works closely with CSLB's enforcement and SWIFT staff to publicize high profile enforcement actions throughout the state. The PAO also creates and launches public awareness campaigns to educate consumers about their rights and responsibilities when hiring contractors, as well as seasonal repair hazards and new and ongoing scams. CSLB's Public Affairs staff launched seven public awareness campaigns and produced and disseminated 22 news releases during 2002.</p>
Undercover Sting Media Events	<p>The highlight of Public Affairs' 2002 media outreach was a successful new media strategy: undercover sting media events. Public Affairs staff teamed with SWIFT investigators to orchestrate a series of three sting events in February, April and October in Sacramento, Fresno, and the San Francisco Bay Area, respectively. The sting events were very successful in delivering CSLB's consumer protection messages to northern California consumers, with all three events receiving comprehensive TV and print media coverage from every major media outlet in each of the locations. An estimated 3.5 million people saw or read about the stings and how they can protect themselves from unscrupulous contractors as a result of the coverage.</p> <p>Here's how it worked . . . SWIFT investigators set up stings targeting unlicensed contractors in undercover houses in each of the respective communities. A Department of Consumer Affairs videographer filmed the sting action as it occurred and then created broadcast-quality footage for distribution to the media. PAO staff then held press conferences at the undercover sting house the day after the busts, coordinated media interviews with investigators and law enforcement representatives onsite, and distributed press kits and the sting video footage.</p> <p>During the two-day "Bay Area Blitz" in November, three SWIFT investigative teams orchestrated six separate stings in four cities—Saratoga, San Rafael, Kensington and San Francisco. Their efforts resulted in a record-breaking 66 unlicensed contractors being cited for unlicensed activity—more busts than in any other single previous CSLB sting operation.</p>
Public Awareness Campaigns	<p>To help the Board meet its budget and staffing challenges, the PAO shifted its consumer education messages to increase focus on consumer responsibility and preventing problems <i>before</i> they occur. Toward this end, PAO launched a major public awareness campaign, the <i>Home Improvement Bill of Rights</i>, in 2002. Designed to educate consumers about their rights when hiring and managing contractors – along with their responsibilities for taking proper steps to protect themselves, the goal of the campaign was to reduce consumer harm and subsequent complaints. Campaign materials included a consumer pamphlet and reader-friendly checklist to help consumers take responsibility for their project and exercise their rights. Publicity activities for the <i>Home Improvement Bill of Rights</i> campaign included distribution of a statewide news release and direct mailing to monthly and national consumer publications; news radio and TV pitches; development of an opinion-editorial article with CSLB Board member bylines; and Home and Garden editor meetings. The campaign messages and materials were tied in to all outreach and media activities throughout the year.</p>

The PAO also conducted six seasonal public awareness campaigns in 2002, as follows:

- Spring Home Remodeling print & radio campaign (April)
- Older Californians Month (May)
- Before You Dive into Swimming Pool Construction campaign (May)
- Give Bad Contractors the Cold Shoulder This Winter (September/October)
- Roofing Tips campaign (September)
- Holiday Hazards print & radio campaign (October/November)

#### San Francisco Bay Area Campaign

PAO and PR Contractor Katz and Associates conducted a radio advertising campaign in the San Francisco/Bay Area market in November, coinciding with the Bay Area sting event. The objective of the campaign was to saturate the market with preventative consumer education to reduce consumer harm. The campaign included radio ads and promotions on three of the top five Bay Area stations (KGO, KSFO and KFRC) as well as the top Hispanic radio and Asian radio and newspapers. The ads ran from November 11 to December 7. Katz and PAO also secured value-added, no-cost radio promotions that doubled CSLB paid ad airtime. Promotions included radio contests, news talk interviews with CSLB experts, public service announcements, and DJ pitches during morning and drivetime shows. The ad campaign achieved 11.5 million impressions throughout the Bay Area market.

#### Media Coverage & Audience Reach

As a result of the Public Affairs Office's media relations and outreach activities, ads and promotions, **more than 40 million people** read, heard or saw CSLB's consumer protection and enforcement messages in 2002.

##### Summary of 2002 Media Relations Coverage

- 268 total print, radio and TV stories
  - 137 print stories reached 17 million readers
  - 52 TV news stories reached 3.9 million viewers
  - 79 radio stories reached 914,000 listeners
- Ads & Promotions:
  - Bay Area Radio Campaign: 11.5 million impressions

#### Senior Scam Stopper Forums

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, PAO staff coordinated or participated in six Senior Scam Stopper forums in 2002:

- **January:** South Central LA, cosponsored by Black Business Association and Los Angeles NAACP
- **April:** Monterey Park
- **May:** Arcadia, cosponsored with Senator Bob Margett
- **June:** Pico Rivera, cosponsored with Congresswoman Grace Napolitano
- **June:** Temple City, cosponsored with Assembly Member Carol Liu and State and Consumer Services Secretary Aileen Adams
- **August:** Manteca, cosponsored with Senator Michael Machado



## Home & Garden Shows

The PAO coordinated CSLB's participation at 20 Home and Garden shows throughout the state in 2002, providing more than half a million home improvement consumers with seminars and consumer protection information. Through its PR contract with Katz and Associates, CSLB was able to secure cooperative print and radio advertising at selected shows to maximize publicity at very low ad cost. The \$5,600 ad cost resulted in nearly \$25,000 worth of advertising value.

### 2002 Home Shows

- **January:** 4-6, Sacramento; 11-13, Santa Clara
- **June:** 22, ECHO Homeowners
- **February:** 15-17, San Mateo; 15-17, Ontario; 22-24, Bakersfield
- **July:** 12-14, Long Beach; 26-28, Fresno
- **March:** 1-3, Fresno; 8-10, Sacramento; 15-17, Santa Rosa
- **September:** 27-29, Del Mar
- **April:** 19-21, San Jose; 26-28, Long Beach
- **October:** 25-27, Bakersfield
- **May:** 11-13, Sacramento; 17-19, Napa; 24-26, Truckee; 28, San Jose
- **November:** 8-10, Victorville

## Community Outreach

In an effort to reach out to vulnerable and underserved citizens, PAO staff coordinates or participates in community and special events throughout the state.

The highlight of the 2002 Community Outreach program was the fourth annual "Feria Informativa de Proteccion al Consumidor" consumer protection fair. Held October 6 at El Pueblo de Los Angeles Historical Monument on Olvera Street, the event is organized by PAO staff and cosponsored by CSLB, Councilman Nick Pacheco and El Pueblo de Los Angeles. The event hosted more than 30 exhibitors from state and local government agencies who provided information about how Spanish-speaking consumers in Los Angeles can protect themselves from unscrupulous contractors, mail fraud, telemarketing schemes, auto repair fraud and insurance and health care scams. Three thousand consumers attended the event.

PAO staff participated in nearly 30 community and consumer information events in 2002, including:

- Evans Community Consumer Information Fair
- Mexican American Opportunity Foundation (MAOF) Women's Conference
- Los Angeles Minority Business Opportunity Committee meeting
- Latino Book & Family Festivals
- Cherry Blossom Japanese Festival
- Greater East Los Angeles Senior Citizens Organization Annual Senior Fair
- Norwalk Health Fair
- Fiesta Educativa
- Women of Excellence Conference

## Speakers Bureau

CSLB experts gave a total of 58 presentations to consumer, industry and service groups during 2002, an average of more than one speaking engagement per week throughout the year. Staff brought CSLB messages directly to more than 15,000 people at these presentations, reaching more than 10,000 industry representatives and more than 5,000 consumer attendees.

## Contractor Education Seminars

CSLB wrapped up its fourth annual consumer education seminars in April. The 2002 program consisted of a series of six seminars held statewide in five locations from January through April:

- Santa Clara
- Sacramento
- Fresno
- Van Nuys
- Carlsbad

PAO again teamed with Cal Poly San Luis Obispo expert Bill Dexter to present “Does Your Contract Measure Up?,” a seminar on contract requirements based on the five most common consumer complaints. The seminars also featured a question and answer panel discussion with experts from CSLB’s Licensing and Enforcement divisions, local building officials and a CalOSHA representative. For the first time this year, the seminars included a very popular addition: exhibitor booths. Representatives from the local builders exchange, building department, NARI, SCORE, and a construction bookstore had booths and experts on hand to distribute materials and answer attendees’ questions. A total of 1,120 licensed contractors attended the seminars statewide.

## Publications

The PAO currently publishes 11 consumer and contractor booklets, 11 consumer pamphlets, and four contractor pamphlets, and publishes two newsletters: the *California Licensed Contractor*, which is distributed to 280,000 licensed contractors statewide, and *CSLB Matters*, the Board’s internal employee newsletter.

Public Affairs staff created and published four new consumer publications in 2002:

- *Before You Dive Into Swimming Pool Construction*, a new brochure with common-sense information about managing a pool construction project and avoiding common pitfalls;
- *Tips for Hiring a Roofing Contractor: A Consumer’s Rights & Responsibilities*, a new trifold pamphlet that gives consumers the basics on repairing vs. replacing their roof and how to responsibly manage a roofing project;
- *What Seniors Should Know Before They Hire a Contractor*, a newly redesigned trifold pamphlet geared to protecting seniors from unscrupulous scam artists who target the elderly;
- The *Home Improvement Bill of Rights* booklet and checklist was designed and published by PAO and Katz and Associates as part of the Home Improvement Bill of Rights public awareness campaign. This “modern scroll” booklet highlights consumers’ rights when hiring a contractor, along with a reader-friendly checklist to help consumers take responsibility for their project and exercise their rights.

The *Home Improvement Contract* booklet was revised to incorporate SB2029 changes and disclosure notices, and the Voluntary and Mandatory Arbitration Guides were redesigned and printed.

All of the publications are also available on CSLB's Web site.

#### Building Officials

PAO and Executive Staff worked to enhance and expand partnerships with local building officials and trade organizations. PAO and Enforcement staff worked with CALBO's CSLB Advisory Committee to explore joint education and outreach opportunities and to foster ongoing dialogue between local building officials and CSLB licensing and enforcement representatives. PAO and Enforcement representatives staffed a booth and answered attendees' questions at CALBO's 40<sup>th</sup> anniversary annual business meeting in San Diego, and Registrar Steve Sands served as a panelist at the State Agencies Update seminar.

#### Partnerships

PAO staff and Katz and Associates continued to add new corporate partners for distribution of CSLB consumer protection materials, including the *Ten Tips* factsheet. New tipsheet partners Washington Mutual, Vista Paint, California Coast Credit Union and Summer Winds Nursery joined ongoing partners Golden 1 Credit Union, Emigh Hardware, and Dixieline Lumber to distribute more than 20,000 tipsheets to their customers. Pacific Gas & Electric Company began distributing 10,000 "*What You Should Know...*" booklets per month to their customers as part of their new energy efficiency home remodeling program.

## Organizational Development

### Licensing Fee Regulations

In October, the CSLB developed proposed regulations to set its licensing fees. Section 7137 of the B&P Code was amended effective January 1, 2003, requiring the Board to adopt a regulation to set its licensing fees within upper limits set by the statute. In addition to the standard process, an emergency regulation was requested to provide continued authority for the Board's existing fees. The emergency regulations were approved January 1, 2003.

### Staff and Budget Reductions—Vacancies

The Legislature adopted budget control language that required the Department of Finance to cut 6,000 vacant positions and associated funding statewide. As a result, 41.5 of the Board's 64 vacant positions were eliminated, along with \$1.8 million in associated funding, effective July 1, 2002. This required the staff to develop plans to reduce expenditures and redirect or eliminate workload.

### Cost-Saving Measures

The CSLB has undertaken several measures to reduce operational expenditures. Some of the measures are as follows:

- Facilities
  - Consolidated the Long Beach Investigative Center and Computer Assisted Testing (CAT) site to the Norwalk facility.
  - Terminated the lease for the Santa Ana state facility.
- Test development
  - Deferred Occupational Analyses for FY 2002/03
- Newsletter
  - Eliminated one of the quarterly *California Licensed Contractor* newsletters
- Outreach
  - The Public Awareness contract with Katz and Associates was reduced for FY 2002/03
- Enforcement
  - Staff has begun a major effort to reduce Attorney General expenses through a combination of prioritization of cases, process streamlining, case monitoring and enforcement policy shifts.

### Hiring Freeze Exemption Requests

The CSLB submitted 12 hiring freeze exemption requests to fill vacancies within its Enforcement, Licensing and Information Technology divisions. One exemption for two Office Technician positions in the Oakland Investigative Center was approved. Six exemption requests were denied, including the requests to fill all Enforcement Representative (ER) vacancies in field positions. Three of the freeze exemption requests are still pending (IWAS and Licensing); one was withdrawn based on revised criteria allowing internal promotions; and one was cancelled due to the position cuts.

Staffing	<p>The Board’s administrative personnel staff worked closely with management in its continued efforts to improve organizational efficiencies. The following actions were taken:</p> <ul style="list-style-type: none"> <li>• Coordinated promotional examinations for the Enforcement Supervisor II (ESII) classification and the Program Technician series.</li> <li>• Obtained DPA approval to create two additional ES I positions – one in Oakland and one in Sacramento.</li> <li>• Obtained DPA approval to reorganize the Case Management Unit to appoint one ES II over statewide operations and one ES I for day-to-day oversight in Norwalk.</li> </ul>
Safety Assessment	<p>The Board’s Emergency Response Team coordinated a building safety assessment with the CHP. The CSLB implemented several safety measures to improve security with the headquarters site. In addition, the CHP conducted safety training for all interested employees at headquarters.</p>
Web Site	<p>CSLB’s Web site was improved with the addition of these publications or features:</p> <ul style="list-style-type: none"> <li>• Expanded complaint disclosure, per SB 135</li> <li>• Links to professional organizations</li> <li>• Home Improvement Bill of Rights pamphlet</li> <li>• Asian language consumer publications</li> <li>• Current study guides</li> <li>• Arbitration Program Guides</li> </ul>
Technology	<p>In addition to integrating Imaging and Workflow Automation System (IWAS) hardware, Information Technology staff:</p> <ul style="list-style-type: none"> <li>• Coordinated high speed data wiring installation for the Fresno, San Diego and San Francisco Investigative Centers.</li> <li>• Transferred the Virtual Private Network (VPN) to the Teale Data Center</li> <li>• Installed new network security protections</li> <li>• Completed 1,400 public sales requests for licensee data</li> <li>• Replaced pocket licensing embossing equipment</li> </ul>
Interactive Voice Response (IVR) System	<p>CSLB’s initiative to build a replacement IVR application system is complete. All telecommunications connectivity has been established and extensive application testing is underway. The new replacement system will provide callers with more comprehensive licensee status and expanded complaint disclosure information, and will have “faxback” capability, enabling the caller to request and receive faxed license status information. Anticipated conversion to the new system is January 2003.</p>