



2005

ACCOMPLISHMENTS

& ACTIVITIES

CONTRACTORS STATE LICENSE BOARD

California Department of Consumer Affairs



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FEBRUARY 2006

PREFACE

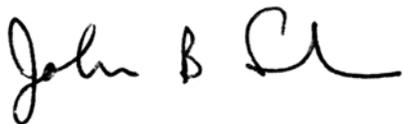
The Contractors State License Board (CSLB) is pleased to present its *2005 Accomplishments and Activities Report*. The year 2005 saw new members appointed to the Board. We welcome their many new ideas and fresh perspectives.

In the licensing arena, we were finally able to get all of our licensing transactions down to acceptable, though not yet ideal, timeframes. The loss of staff in previous years, coupled with increasing workloads and the new fingerprinting requirement, continues to challenge the Board. A significant Licensing Division reorganization and an influx of new staff have made licensing much more efficient and effective. We were able to re-expand our Licensing Information Center hours to Monday-Friday from 8 a.m. - 5 p.m., though we still aren't staffed at previous levels. Again, new staff and processes have greatly improved our ability to do more with less.

In enforcement, the Board continues to expand its aggressive attacks on unlicensed activity and the underground economy. We are key players in the Governor's Economic and Employment Enforcement Coalition as we battle to level the playing field in the construction industry.

Our Public Affairs Program continues to perform at a level unparalleled in the State. The publicity resulting from our Enforcement stings puts unlicensed contractors on notice and warns consumers about their rights and responsibilities. The Board's website and publications provide extensive information to consumers, applicants, contractors, building officials, and other governmental agencies.

In 2006, we will continue to try to restore the scores of positions lost in 2002 and 2003, so that we can further improve service to our many constituents. We will prepare for the implementation of the Governor's Strategic Growth Initiative, which will deeply involve the construction industry, law enforcement agencies, consumer groups, and other governmental agencies. We look forward to more of the same in the future. To all of you who helped the Board in 2005, a sincere Thank You.



JOHN "BERT" SANDMAN, *Chair*

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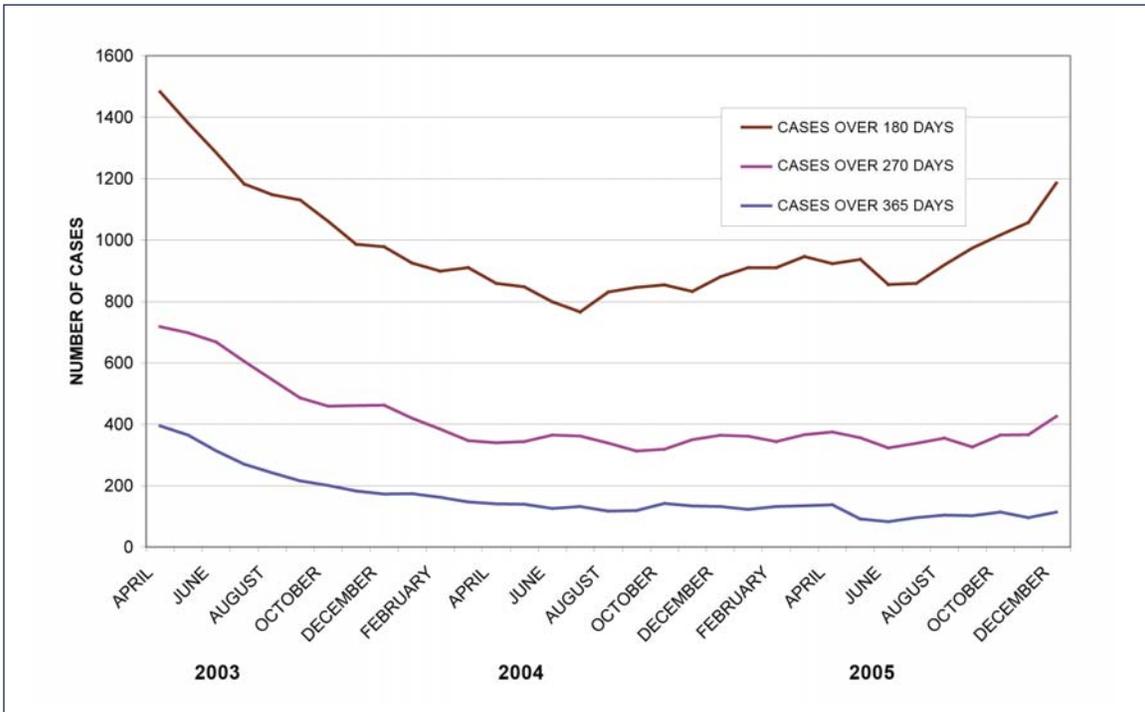
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ENFORCEMENT

COMPLAINT HANDLING

For Fiscal Year (FY) 2004/05, the Board’s Enforcement Division opened 19,147 complaints, slightly down from 20,175 complaints opened during FY 2003/04. In April 2003, the Enforcement Division embraced the new goal of reducing aged complaints. This goal was incorporated into the 2005 Strategic Plan as reducing the number of 270-day-old complaints to less than 1% of the pending inventory.

CALENDAR YEAR	NUMBER OF PENDING COMPLAINTS	COMPLAINTS AGED OVER 1 YEAR	COMPLAINTS AGED OVER 270 DAYS
2005	5,435	114	312
2004	5,031	134	252
2003	5,315	173	305
2002	7,070	561	503



RESTITUTION

In 2005, Enforcement staff continued to make resolving construction-related disputes a high priority, and those concerted efforts have resulted in consumers receiving more than \$14 million in restitution. Total restitution paid to consumers during 2005 include:

- \$12,470,760 in cash refunds
- \$1,776,384 in corrective work performed

Techniques used by Enforcement staff to achieve complaint resolution include:

- On-Site Negotiation;
- Disciplinary Orders; and
- Complaint referral to the CSLB private arbitration vendor, Arbitration Mediation Conciliation Center (AMCC).

ECONOMIC AND EMPLOYMENT ENFORCEMENT COALITION

California continues to suffer from the increasing problem of businesses operating in the underground economy. These unscrupulous illegal operators undercut legitimate businesses and harm workers by failing to pay the statutory minimum wage, paying their workers cash under the table, failing to pay payroll taxes, and failing to obtain workers’ compensation (WC) insurance. It is estimated that California loses between \$60 to \$140 billion in revenues and unpaid taxes each year as a result of the underground economy.

In 2005, the Board took its proactive efforts to combat the underground economy to a new level, co-sponsoring and participating in the newly-formed Economic and Employment Enforcement Coalition (EEEC). Launched by Governor Arnold Schwarzenegger in July, the coalition of state and federal agencies, charged with overlapping jurisdiction in the area of labor law enforcement, was created to make a concerted, consistent, and vigorous effort to combat illegal and unscrupulous operators. In addition to the Board, participating agencies include the United States Department of Labor, the California Department of Industrial Relations’ Division of Labor Standards Enforcement (DLSE) and Division of Occupational Safety and Health (DOSH), and the Employment Development Department (EDD).

The program called for a \$5.5 million budget and 61 new, dedicated positions within the participating agencies. The Board was authorized to hire 11 new Enforcement Representatives (ERs) for EEEEC assignments in the northern and southern Statewide Investigative Fraud Team (SWIFT) units. As of December 30, 2005, all 11 were filled.

The primary emphasis of the EEEEC is to combine the enforcement efforts of the participating agencies and put as many investigators into the field as possible. Seven two-day construction sweeps were conducted between July and December 2005, resulting in \$1.5 million in penalties and fines.

2005 EEEEC Sweeps

July 13-14	San Diego County
July 20-21	Sacramento County
August 10-11	Santa Barbara County
August 17-18	San Luis Obispo County
September 7-8	San Bernardino/Riverside Counties
October 2-3	Tulare County
November 16-17	Orange County

2005 EEEEC Sweep Results

- CSLB ERs checked on 448 licenses
- CSLB ERs cleared 338 licenses
- CSLB ERs issued 45 citations
- CSLB ERs assessed fines totaling \$27,100
- EEEEC teams performed 225 inspections
- EEEEC teams' inspections affected 3,204 employees
- DLSE investigators issued 79 citations
- DLSE made 25 wage audit referrals
- DLSE investigators assessed fines totaling \$402,900
- DLSE issued 174 Notices to Discontinue
- DOSH cited 486 health and safety violations
- DOSH civil penalties projected to total \$951,300

UNDERGROUND ECONOMY/PROACTIVE ENFORCEMENT

The Board has a long-standing record of proactive enforcement against unlicensed and unscrupulous contractors.

In July 2005, the Board entered into a Memorandum of Understanding (MOU) with DOSH to supplement active MOUs with coalition partners EDD and DLSE. DOSH is responsible for protecting worker safety and ensuring that workers receive benefits to which they are entitled. For example, DOSH requires employers to reduce the threat of occupational injury and illness by creating a safe and healthful work environment and an informed workforce. With the new MOU, DOSH now transmits its final investigative reports to the Board. In turn, the Board is now able to take the appropriate disciplinary action as a result of DOSH's findings.

Undercover Operations

In 2005, Enforcement Division staff continued to achieve success in performing undercover "sting" operations targeting unlicensed operators. During the year, 22 undercover operations were conducted with the following results:

- The referral of 335 unlicensed operators to local District Attorney's offices for advertising, WC insurance, and licensure violations; and
- The issuance of 37 administrative citations.

Cal-Photo

In June, Enforcement Division staff attended training provided by the Orange County Sheriff's Department to participate in the Department of Motor Vehicles' (DMV) Cal-Photo program. The Cal-Photo program gives the Board computer access to get DMV's photo printouts. This helps staff to quickly identify and investigate unlicensed contractors.

ENFORCEMENT TRAINING

In December, all Enforcement Division staff received training on enforcement procedures, as well as the goals and objectives outlined in the Enforcement Strategic Plan.

Staff was shown how their efforts fit into the objectives that ultimately fulfill the goals of the Enforcement Program.

This training opportunity also included:

- Enhancing Interpersonal Skills,
- Changes in Contractors License Law for 2006,
- Successful Investigation of Contract Front-Loading,
- Testifying at Administrative and Criminal Proceedings, and
- Achieving Judicial Revocation of a Contractors License.

In addition, various Enforcement staff were provided training throughout 2005, on the following:

- EEEEC Training,
- Mechanics' Lien Laws,
- Mediation Training,
- Investigative Techniques,
- Investigative Report Writing,
- How to Complete a License Application,
- Putting Your Best Voice Forward,
- Equal Employment Opportunity, and
- How to Prepare for Oral Interviews for State Exams.

INDUSTRY EXPERT TRAINING

In 2005, the Enforcement Division reviewed its Industry Expert (IE) Program. The review showed that recruitment and training of new and existing IEs could improve its overall effectiveness. In August, Enforcement Division staff completed six months of IE training that included stops in Redding, Oakland, Sacramento, Fresno, Oxnard, Norwalk, San Bernardino, and San Diego. A total of 270 industry experts received training on the following:

- CSLB's mission and focus on providing consumer protection,
- Report writing and the benefits of electronic transmission of reports,
- The On-Site Negotiation Program,
- An IE's role during an arbitration hearing, and
- Testifying at administrative proceedings.

The Industry Expert Program was created in 1985 to assist investigators in identifying and documenting workmanship issues and deviations from plans and specifications. IEs are critical witnesses for the Board in investigations involving abandonment, deviations from industry standards, and deviations from plans and specifications. IEs' testimony at administrative hearings, criminal hearings, and arbitration proceedings have proven critical to support alleged violations of law.

INDUSTRY AND CONSUMER OUTREACH

Industry Partnering

During 2005, Board staff continued to make great strides in partnering with the construction industry to resolve construction disputes and identify and take action against licensed and unlicensed contractors who pose a threat to consumers and the integrity of the construction industry.

Partnering with the Spa and Pool Educational Council (SPEC) and California Landscapers Contractors Association (CLCA) was particularly beneficial, with both associations routinely providing IEs to assist in resolving complaints, as well as providing information on unscrupulous contractors and sting sites for undercover operations.

Consumer Outreach

Board staff continued to build and foster relationships with consumer organizations, local building departments, and other law enforcement associations to improve consumer awareness, expedite investigation of complaints, and streamline the sharing of information. Further, California experienced natural disasters that included heavy rains, floods, mudslides, and fires. With every disaster, Enforcement Division staff was quickly dispatched and had a strong presence, distributing Board publications to victims, providing assistance to building departments, and performing sweeps and sting operations to identify and prosecute illegal operators who take advantage of the unfortunate victims who are in need of construction service to repair damage to their homes and businesses. In addition, staff visited more than 50 building departments throughout the state, providing training to their staffs covering topics that included:

- Formation of the EEEEC;
- Partnering with the Board;
- Using the Board's website to verify licensure, personnel, and workers' compensation insurance, identifying contractors who pose a threat to the public;
- Identifying workers' compensation insurance and cash pay violations;
- Identifying elder abuse;
- The dangers of homeowners acting as owner-builders; and
- Home improvements scams.

ARBITRATION

In 2005, the Arbitration Mediation Conciliation Center (AMCC) continued to provide excellent customer service. The professionalism and courtesy surveys provided to participants generated scores of 4.75 and 4.77 respectively on a scale of 1 to 5.

SURVEYS	<i>Negative</i>				<i>Positive</i>
	1	2	3	4	5
PROFESSIONALISM					4.75
COURTESY					4.77

Additionally, AMCC pursued its continuous quality improvement by reducing the time from referral to award to 52.3 days.

Recent legislation ties the mandatory arbitration award limit to the amount of the contractor’s bond amount. As a result, beginning January 1, 2006, disputes involving financial injuries of up to \$10,000 may be eligible for mandatory arbitration.

During 2005, AMCC performed a total of 429 arbitration proceedings.

TYPE OF ARBITRATION	# OF PROCEEDINGS
Mandatory	294
Voluntary	135
TOTAL	429

ATTORNEY GENERAL COST CONTAINMENT

Over the past few years, the Board has achieved success in controlling Attorney General (AG) costs through “Mandatory Settlement Conferences,” where staff meets with individuals subject to administrative fines in an attempt to settle the matter prior to a formal administrative hearing.

The following are Mandatory Settlement Conference results for 2005:

CASES	RESULTS
Scheduled	418
Settled	251
Failed to Show	68
Withdrawn	22
Continued	77

While Mandatory Settlement Conferences are the primary factor in controlling AG costs, it is not the only factor. The Board’s Case Management staff also cuts costs by monitoring case hours and status.

A third factor used to cut AG costs is training. Predicated on the principle, “an ounce of prevention is worth a pound of cure,” staff receives training from the Deputy Attorney General (DAG). In 2005, three types of training were provided.

- Industry Experts – Directed at improving the quality of IE reports and improving their ability to testify as witnesses in administrative and criminal hearings. Improving the quality of IE reports reduces the amount of time it takes a DAG to understand the workmanship issue and prepare the IE as a witness.

- Evidence – Identifying the evidence necessary to allege specific violations of the Business and Professions (B&P) Code. Ensuring ERs to gather all the relevant evidence reduces the amount of time a DAG spends in reviewing and preparing the case for hearing.
- Administrative Hearing Process – Board investigators were trained in the meaning of common legal terms, including “hearsay,” “evidence,” “relevancy,” “direct and circumstantial,” “business records,” “official records,” “admissions,” “demonstrative evidence,” and “secondary evidence rule.” As a result, the quality of the ERs’ reports was significantly improved and the time a DAG spent on the case was reduced.

The net effect of these programs can be seen by yearly cost comparisons. In FY 2002/03, the Board spent \$3,691,274 on AG costs. From FY 2002/03 until FY 2004/05, the Attorney General’s Office increased its hourly rate by 40+ percent. If the Board utilized the same number of AG hours, the costs should have also gone up 40+ percent to approximately \$5,167,784. In fact, the FY 2004/05 AG expenditures were \$3,920,461, a reduction of \$1,247,323.

LICENSING AND TESTING

LICENSING DIVISION IMPROVEMENT PLAN AND REORGANIZATION

The Board fully implemented recommendations from a comprehensive analysis and workload study performed by the NewPoint Group Management Consultants firm. The eight-month project assessed workload, organizational structure, staffing levels, business processes, and technology support systems affecting the Licensing Division and identified a plan to streamline and improve internal processes and procedures. Joint recommendations made by the NewPoint Group and Licensing Division staff were formally adopted at the Board's April 2005 meeting.

The most significant aspects of this project included:

- Modifying legal or policy requirements, eliminating duplicative or unnecessary activities, simplifying tasks, etc.;
- Streamlining a number of processes to reflect an ongoing effort to convert manual processes to automated processes;
- Reallocating supervisory positions;
- Consolidating various units of like-function to better utilize existing resources and improve supervisory spans of control;
- Rotating supervisory staff to more closely match their respective skill sets and provide an opportunity for cross-training in all license processing functions; and
- Reclassifying positions at levels commensurate with the duties being performed by technical staff.

FINGERPRINTING

In January 2005, the Board began the implementation of its new fingerprinting requirements. By April, the program was fully implemented. All individuals listed as personnel on an original application, an application to add a class to an existing license, an application to replace the qualifier, an application to report new officers, and an application for registration as a home improvement salesperson are required to submit fingerprints. Applicants for a joint venture license are not required to submit fingerprints.

In 2005:

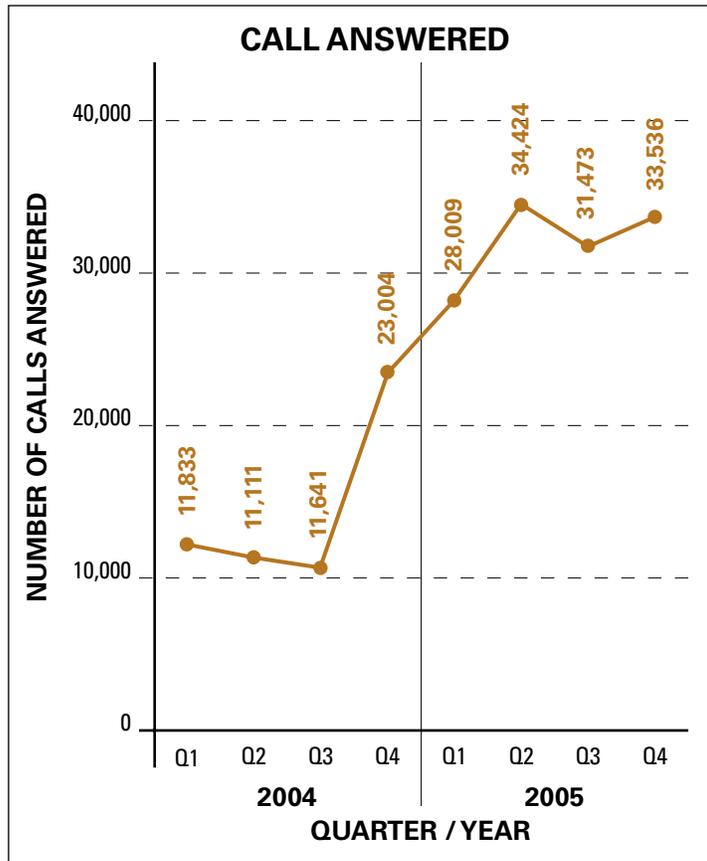
- The Board received more than 52,000 responses from the Department of Justice;
- Nearly 4,000 identified an applicant who has a criminal history record; and
- The Board denied approximately 150 licenses due to criminal convictions substantially related to contracting.

LICENSING INFORMATION CENTER

In 2005, four additional Program Technicians were authorized for the Boards Licensing Information Center, thus allowing the Center to reinstitute operating hours from 8:00 a.m. to 5:00 p.m., Monday through Friday.

To further assist callers, a Call Center (CC) Announcer was installed which provides callers with an expected wait time before being assisted by an Information Center staff person. The installation of this software and equipment allows callers to decide whether they wish to wait for assistance or call back at a later time when call activity may be lighter.

The chart to the right illustrates the number of calls answered by the Information Center in 2004 and 2005.



LICENSING PROCESSING UNITS

In an effort to streamline the workload and achieve greater efficiencies, the Licensing Division’s processing units underwent a comprehensive review of all functions and activities performed. This resulted in both immediate efficiencies and a major reorganization of the Division.

In an effort to reduce the rejection rate of license applications, Licensing Division staff teamed with the Board’s Public Affairs Office to revise the license application packets. The revisions included reorganizing documents and instructions in order to have a cleaner, more simplified look. It is hoped that the new packets should be easier for applicants to follow and complete.

In addition, in October and November, the Board conducted free training sessions for contractor school employees and administrators around the state. They were shown how to properly complete the new applications and were provided with samples of what a completed application should look like. The new application packets are also available on the Board’s website.

PROCESSING TIMELINES

Licensing Division staff continually strives to maintain applications processing timelines at acceptable levels. The table on the following page shows the average length of time it took for applications to be pulled for processing in calendar year 2005.

TYPE OF APPLICATION/DOCUMENT	AVERAGE NUMBER OF WEEKS
Original Exam	4.2
Original Waiver	5.5
Add a Class	4.2
Replace the Qualifier	4.4
Home Improvement Salesperson	2.5
Renewal	2.3
Contractor Bond/Bond of Qualifying Individuals	1.5
Workers' Compensation Certificate/Exemption	1.9

STATISTICAL REPORTING AND ANALYSIS PROJECT

In 2005, a task force was formed to develop and implement standardized statistical data reports for the Licensing Division. The goal of this project was to have automated, consistent, well-defined data that would not be collected just for the purpose of collecting data, but to provide the Board, executive staff, and supervisors with information that could be used to make policy decisions and procedural changes to improve service levels.

During 2005, two reports were completed:

- An annual report which will provide the number of applications received within a fiscal year and the final disposition of those applications regardless of the year it was processed; and
- A report that captures, by code, the reasons why applications were rejected.

The Licensing Division, working closely with the Board's Information Technology staff, will further develop reports that will be used to help identify improvements needed in the processing of applications.

The following chart illustrates findings of the first report produced to show the number of applications received during the FY 2004/05 and the disposition of those applications.

Type of Application	Received	Issued	Void	Pending
Original Exam	22,771	11,306	2,960	8,505
Original Waiver	10,514	8,656	1,162	696
Add a Class	34,680	3,070	815	795
Replace the Qualifier	804	392	341	71
Home Improvement Salesperson	5,968	4,228	1,462	278
Change of Officers	1,550	940	81	529

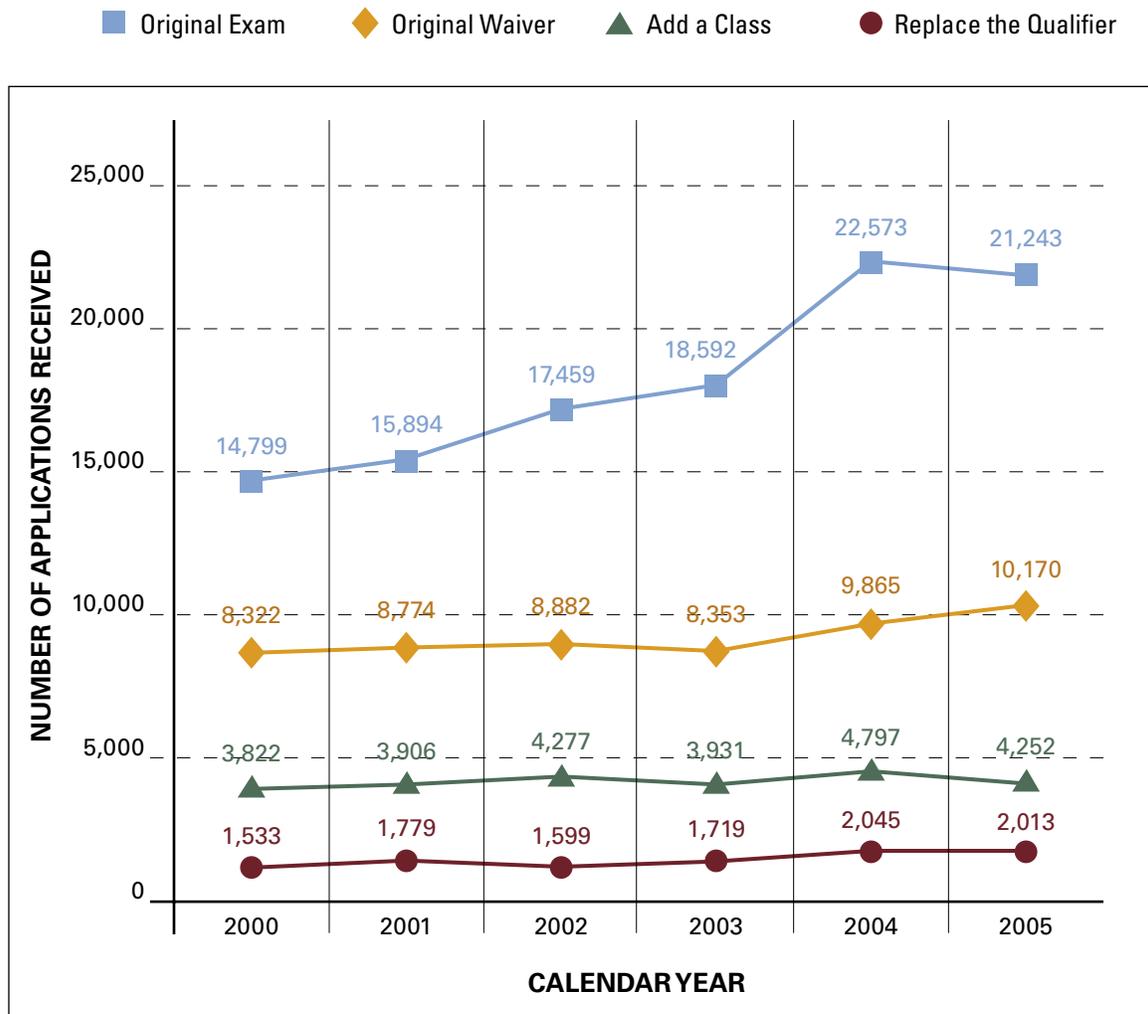
Note: From TEALE Report 724; Run Date: January 1, 2006.

There are many reasons for an application to be pending. These reasons include, but are not limited to:

- The applicant has not passed the licensing exams, but is still within the 18-month time period to do that;
- Further investigation on the application must be done, normally to check work experience and/or research past criminal convictions; and
- The applicant has not submitted final documents or fees.

WORKLOAD

From 2000 to 2004, the number of applications the Board received has steadily increased. An additional bump was seen in 2004 because of the implementation of the fingerprinting requirement. In 2005, this number leveled off. The following chart displays the number of licensing applications received for calendar years 2000 through 2005:



EXAMINATIONS

In 2005, Testing Division continued to focus on updating licensing examinations. The process involves two phases:

- Occupational Analysis
- New Examination Development.

The Testing Division completed seven occupational analyses and developed nine new examinations in 2005. As a result, the Board continues to meet its goal of performing an occupational for each classification every five years.

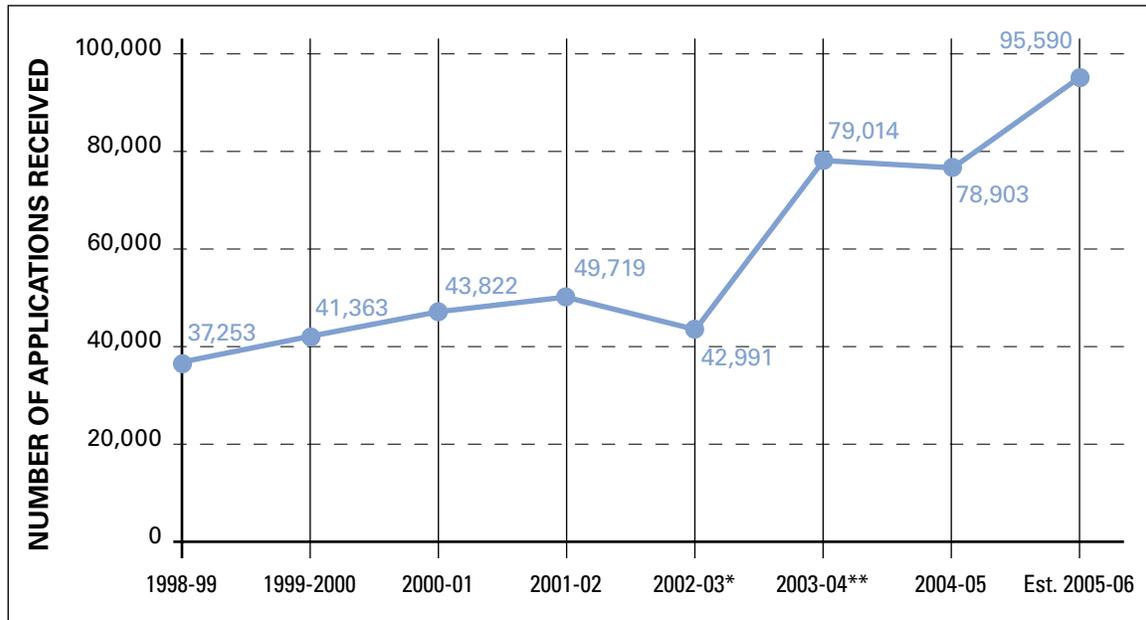
Occupational Analyses Completed

- C-7 Low Voltage
- C-8 Concrete
- C-9 Drywall
- C-17 Glazing
- C-29 Masonry
- C-32 Parking & Highway Improvement
- Asbestos Certification

New Examinations Completed

- B General Building
- C-20 Heating, Vent, AC
- C-27 Landscaping
- C-29 Masonry
- C-31 Traffic Control
- C-32 Parking & Highway Improvement
- C-33 Painting & Decorating
- C-36 Plumbing
- Law & Business

SCHEDULED EXAMINATIONS BY FISCAL YEAR



* Temporary decrease due to application processing backlog.

** Includes 9,000 additional examinations administered in temporary mobile testing centers.

TEST CENTERS

The Board maintains testing centers in Sacramento, San Jose, Fresno, Oakland, Oxnard, Norwalk, San Bernardino, and San Diego. Exams are given daily, Monday through Friday.

In May 2004, the Board contracted with an outside vendor to administer additional examinations on a temporary basis. The contract resulted in removing a backlog of 9,000 examinations. Despite this effort, the Board continued to experience an increased demand for examinations in 2005, causing wait time for exams to climb to fourteen weeks in some locations.

To help meet the demand on a temporary basis, the Board added a temporary twenty-seven seat testing center in Norwalk and implemented four-session testing days in most test centers. As a permanent solution, the following test center expansion projects were approved and are in progress or have been completed:

LOCATION	EXPANSION PROJECT	STATUS
Sacramento	Increase capacity by 10 seats to 33 seats	Completed, January 2006
San Jose	Increase capacity by 18 seats to 25 seats	Completion expected by spring 2006
Oxnard	Increase capacity by 12 seats to 30 seats	Completion expected by spring 2006
Norwalk	Increase capacity by 33 seats to 60 seats	Completion expected by fall 2006
San Bernardino	Increase capacity by 31 seats to 45 seats	Completion expected by fall of 2006

MAJOR PROJECTS FOR 2005

- Completed feasibility study and developed specifications for new Windows-based examination administration and development software;
- Worked with Legislative staff to repeal the regulation that allows examination credit for experience (CCR Section 829); and
- Updated Asbestos Open Book Examination

2005 EXAMINATION STATISTICS

EXAMINATION TYPES	TOTAL
Trade	42
Certification	2
Law and Business	1
Number of Examinations Scheduled	86,867
Number of Confirmed Misconduct Incidents	44
Overall Passing Percentage	47%

CONSTRUCTION MANAGEMENT EDUCATION SPONSORSHIP ACT OF 1991

This Act created a grant program known as the Construction Management Education Account (CMEA) to benefit public postsecondary educational institutions that provide a specified curriculum in construction management education or are pursuing accreditation in that field. The Board is charged with administering grants from the CMEA. Although the legislation creating the CMEA was enacted in 1991, it was not until 2005 that sufficient funds were collected to issue grants. The following grant awards were issued in 2005:

INSTITUTION	AMOUNT OF GRANT
CSU Chico	\$67,000
CSU Fresno	\$40,000
CSU Long Beach	\$31,000
CSU Sacramento	\$22,000
Cal Poly Pomona	\$20,000
Cal Poly San Luis Obispo	\$48,000

The Board has authority to distribute up to \$239,000 in grant awards during FY 2005/06. As of December 31, 2005, applications have been sent to the qualifying institutions.

LEGISLATION AND POLICIES

DEVELOPMENT AND COORDINATION OF SPONSORED LEGISLATION

The Board sponsored the following legislation during the 2005/2006 session, all of which were signed into law by the Governor: Assembly Bill (AB) 316, Senate Bill (SB) 1112, and SB 1113. The most noteworthy is AB 316, which restructured the home improvement contract requirements and the service and repair contract requirements to make them more useful to contractors and consumers alike. The following is an overview of the three new laws:

AB 316

- Closed a loophole that allowed a qualifier to escape responsibility for compliance with an arbitration award under specified circumstances.
- Clarified and restructured home improvement and service and repair contract requirements as enacted under SB 30 (Chapter 566, Statutes of 2004).

SB 1112

- Allows for the issuance of a citation, when the Registrar receives a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of certain provisions, rather than the previously required formal disciplinary action.
- Provides separate provisions of law for the bonding requirements and the cash deposit that is authorized in lieu of bonds.
- Authorizes the Registrar, in denying licensure, to issue a probationary license, and enacts provisions relating to the revocation and renewal of a probationary license.

SB 1113

- Provided cleanup language for certain provisions of the license law previously enacted under SB 30 (Chapter 566, Statutes of 2004). Delayed implementation of the home improvement and service and repair provisions until January 1, 2006, providing time for the enactment of the home improvement and service and repair provisions under AB 316.

IDENTIFICATION AND TRACKING OF LEGISLATION

All bills introduced by the Legislature must be screened to determine whether they will impact the Board or construction industry. During the 2005/2006 session, 25 bills were identified and tracked. Other legislation that involved the construction industry was also tracked in order to keep the industry adequately informed.

The following bills either contained amendments or were otherwise negotiated directly by the Legislative Division: AB 293, AB 881, AB 1027, SB 198, and SB 488.

IMPLEMENTATION PLAN FOR 2005/2006 LEGISLATIVE SESSION

The following chaptered legislation contains provisions that impact Board programs, requiring the development of an implementation plan:

- AB 316
- AB 1027
- SB 488
- SB 796
- SB 1112
- SB 1113

AB 316 TRAINING - HOME IMPROVEMENT & SERVICE AND REPAIR PROVISIONS

With the enactment of AB 316, training was needed in order to familiarize the Enforcement Division staff with the new requirements for home improvements and service and repair projects.

CONSTRUCTION MANAGEMENT EDUCATION ACCOUNT (CMEA) - REPORT TO THE LEGISLATURE

In the 2005 calendar year, the Board distributed \$228,000 from the CMEA to the following institutions: CSU Chico, CSU Fresno, CSU Sacramento, CSU Long Beach, Cal Poly Pomona, and Cal Poly San Luis Obispo. Under the enabling legislation, CSLB must report CMEA distributions and fund condition to the Legislature annually. The Legislative Division prepared the report and distributed copies to the Legislature as follows:

- Assembly Business and Professions Committee
- Assembly Appropriations Committee
- Assembly Budget Committee
- Senate Business and Professions Committee
- Senate Budget and Fiscal Review Committee
- Senate Appropriations Committee

COMMUNICATIONS AND EDUCATION

MEDIA OUTREACH

During 2005, CSLB's Public Affairs Office (PAO):

- Distributed 44 press releases
- Distributed 16 industry bulletins
- Organized 12 media events and
- Fielded more than 250 media inquiries.

These activities resulted in an estimated almost 83 million media impressions.

ENFORCEMENT AND UNDERCOVER STING MEDIA EVENTS/ PRESS RELEASES

The PAO continued to work closely with the Enforcement Division to publicize high-profile cases and undercover enforcement operations. A valuable tool is to team with the Statewide Investigative Fraud Team (SWIFT) to publicize undercover sting and sweep operations and other enforcement actions. In 2005, the PAO coordinated nine media events and distributed 37 press releases to announce results of various undercover and enforcement actions.

- February 3 – Fresno
- February 10 – Walnut Creek (Contra Costa County)
- March 17 – San Jose
- July 29 – Chula Vista (San Diego County)
- September 8 – San Bernardino
- September 16 – Redding (Shasta County)
- October 17 – Rocklin (Placer County)
- November 16 – San Rafael (Marin County)
- December 14 – Sacramento

ECONOMIC AND EMPLOYMENT ENFORCEMENT COALITION

In July 2005, Governor Arnold Schwarzenegger announced the formation of the Economic and Employment Enforcement Coalition. From August through November, the PAO coordinated media outreach to publicize five construction site sweeps by the multi-agency teams.

- August 10-11 – Santa Barbara County
- August 17-18 – San Luis Obispo County
- September 7-8 – San Bernardino County
- September 30 – Tulare County
- November 16-17 – Orange County

PUBLICATIONS

The following publications were either created or updated during 2005:

2005 California Contractors License Law & Reference Book

The 700-page book describes the legal requirements affecting contractors and contains a complete list of all laws and regulations in effect January 1, 2005. More than 5,600 copies of the book and CD-ROM were sold through an independent company, LexisNexis. An additional 1,200 copies were given to the Board for distribution to staff, libraries, and other interested parties as part of a “no cost” contract.

Choosing the Right Landscaper

The tri-fold brochure helps consumers through the steps to hire and manage a landscape contractor. The brochure was sent out in a direct mail campaign to 19,000 purchasers of new homes. The mailer also included a form for homeowners to order other Board publications. The campaign led to orders for more than 2,650 other publications.

Tips for Hiring a Roofing Contractor

The tri-fold brochure helps consumers through the steps to hire and manage a roofing contractor. It was the first publication to incorporate the Board’s new publication graphics standards.

Blueprint for Becoming a Licensed Contractor

This 27-page booklet helps applicants understand the requirements for becoming a licensed contractor in California. It also answers many of the most frequently asked questions about what is needed to qualify for and obtain a contractor’s license.

A Consumer Guide to Filing Construction Complaints (English & Spanish)

This tri-fold brochure explains the Board’s jurisdiction in regard to alleged violations of the Contractors License Law. It also explains the various remedies available to consumers, including mediation, arbitration, and referrals to other agencies when they have construction problems.

Mechanic’s Liens Fact Sheet

The tri-fold brochure gives consumers an overview of California’s Mechanic’s Lien laws and how consumers can protect themselves from having liens placed on their property.

Owner/Builder Notice (English & Spanish)

This publication is provided to building departments to distribute to homeowners applying for an “Owner-Builder” permit. It warns the homeowner about the dangers and responsibilities of taking on that designation.

California Licensed Contractor Newsletter

Two issues of the newsletter were produced in 2005. The newsletter, which includes information of importance to the industry, was mailed to all Board licensees.

CSLB Matters – Employee Newsletter

Five issues of the internal Board employee newsletter were distributed to all staff via email. The newsletter highlighted news of importance to employees, along with various employee activities and other features.

2004 Accomplishments & Activities Report

This report highlighted important activities conducted by the Board during 2004. The booklet was distributed to the Board at its January 2005 meeting.

2005 CSLB Strategic Plan

This booklet outlined the Board's priorities, mission, vision, values, goals, and framework for the activities the Board planned to perform during 2005.

Board Administration Manual

This guidebook details the main rules and procedures concerning Board members. It is updated on an annual basis.

COMMUNITY EVENTS/SPEAKERS BUREAU/HOME AND GARDEN SHOWS/ EDUCATION SEMINARS

The Board participated in dozens of community outreach events, speaking engagements, and Home and Garden shows during 2005. PAO staff also worked with legislators and community-based organizations to coordinate Senior Scam Stopper events around the state. The following is a list of community events during 2005:

January

- Senior Scam Stopper in Montebello
- San Diego Consumer Action Fair
- Consumer Call-In with KABC-TV, Los Angeles

February

- Evans Adult School Consumer Fair in Los Angeles
- Senior Scam Stopper in South Central Los Angeles

March

- Consumer Call-In with KCRA-TV, Sacramento
- Senior Scam Stopper in Highland Park
- Contractor Education Seminar in West Covina
- Senior Scam Stopper in La Puente

April

- Senior Scam Stopper in Fremont
- Senior Scam Stopper in West Covina
- San Diego Better Business Bureau Consumer Fair

May

- Los Angeles Neighborhood Housing Services Annual Conference
- Senior Scam Stopper in Tustin
- San Francisco Small Business Fair
- East Hollywood Community Development Center Consumer Fair
- Foothill Apartment Association in Pasadena
- Department of Justice Senior Expo in Costa Mesa

July

- Senior Scam Stopper in Tarzana

August

- Senior Scam Stopper in South El Monte
- Bell Chamber of Commerce

September

- Senior Scam Stopper in Boyle Heights
- Senior Scam Stopper in Upland

October

- Senior Scam Stopper in La Mirada
- Senior Fair in East Los Angeles
- Town Hall Meeting in Los Angeles

November

- Senior Scam Stopper in Agoura Hills

December

- Senior Scam Stopper in Costa Mesa

On June 24, Senate Majority Leader Dick Ackerman sent a letter encouraging his colleagues to co-sponsor Senior Scam Stopper seminars in their districts, saying the program “exemplifies how government can work with the community to supply useful outreach and education.” That letter led to additional requests for seminars.

CONTRACTOR OUTREACH/TRADE AND CONTRACTOR EDUCATION SHOW PARTICIPATION

In 2005, the Board participated in six trade shows, providing outreach and educational opportunities to attendees. Staff also distributed materials on how to become a licensed contractor.

- February 25 - 27 Plumbing-Heating-Cooling Contractors Show in Pomona
- March 10-12 Western Pool & Spa Show in Long Beach
- May 3-6 Journal of Light Construction Show in Pasadena
- Sept. 30 - Oct. 3 Pool Industry Expo in Monterey
- October 13-15 Turfgrass & Landscape Show in Pasadena

GOOGLE PARTNERSHIP

In January 2005, Google, the largest search engine on the World Wide Web, agreed to include all Board press releases in its news section. When the Board issues a press release, it is automatically picked up by Google and included in its popular news search section.

GOOGLE ADVERTISING CAMPAIGN

A trial Google advertising campaign was launched in December. Consumers who type in specific search words and terms on the Google website see an advertisement that includes a link to the Board website.

OUTREACH PUBLICITY

In 2005, the Board participated in two extended phone banks on major market television stations. On January 18, a three-hour phone bank was sponsored by KABC-TV in Los Angeles. Board staff answered phone calls on contractor issues after a series of devastating storms hit Southern California. An estimated audience of 1,248,357 saw the coverage. On March 3, staff participated in a 14-hour phone bank sponsored by KCRA-TV in Sacramento. Staff members answered calls from viewers and were able to provide information on a wide variety of construction issues. An estimated audience of more than 971,000 saw the coverage.

CLASSIFIED NEWSPAPER OUTREACH

The Board continued to receive the benefits of a classified newspaper outreach campaign started in late 2004. Letters were sent to managers of classified sections of newspapers around the state. The letter urged the newspapers to run a public service ad, free of charge, outlining California contractor advertising law and urging readers to check out a contractor's license with CSLB. It is estimated that at least 45 newspapers ran and continue to run a CSLB public service announcement in the Service section of the classified advertisements, most on a daily basis. Total weekly distribution is estimated at more than 27 million.

CONSTRUCTION MANAGEMENT EDUCATION SPONSORSHIP ACT

In May, the PAO coordinated award ceremonies to present grants from the Construction Management Education Sponsorship Act of 1991 (CMESA). The events were held at CSU Chico and CSU Sacramento.

WEBSITE MODIFICATIONS

The PAO helped develop or expand two sections of the CSLB website during 2005:

- The Wildfire Disaster Center was updated to relate to all types of disasters, not just wildfires. The new section is called the "Disaster Help Center."
- A new "Consumer Alert" graphic was added to home page, allowing consumers to quickly get timely warnings or information of high importance.
- A new "Construction Management Education Sponsorship Act" logo and Web feature was created in an effort to encourage more donations.

DIRECT MAIL

Two direct mail campaigns were conducted during 2005. One was targeted to people who recently purchased a resale home. Those homeowners were encouraged to order a "Homeowner Information Kit." The second targeted the buyers of brand new homes. These new homeowners received a copy of the brochure, *Choosing the Right Landscaper*, as well as a publication order form.

"ASK THE BOARD" NEWSPAPER COLUMNS

Monthly "Ask the Board" articles are distributed to newspapers around California. The columns, in a question-and-answer format, address issues of importance to consumers considering home improvement projects. A number of newspapers, including the San Francisco Chronicle, regularly run the columns.

BUILDING DEPARTMENT/BUILDER EXCHANGE OUTREACH

A mailing to 200 building departments and 31 builders' exchanges took place in the summer. New publication order forms were sent, offering organizations an opportunity to order materials for their staff and consumers.

REAL ESTATE OUTREACH

During 2005, mass mailings were sent to hundreds of real estate offices in Sacramento, San Diego, the San Francisco Bay Area, Central Valley, Northern Sacramento Valley, and from San Luis Obispo to Los Angeles. The mailing included tip sheets, landscape brochures, and publication order forms. An article encouraging referrals to licensed contractors was also sent to the Department of Real Estate for inclusion in their licensee newsletter.

CREDIT UNION OUTREACH

An article with tips to avoid remodeling pitfalls was distributed to 234 credit unions around California to be included in their member newsletters.

CONTRACTOR OUTREACH

In 2005, a partnership was established with the California Community Colleges Chancellor's Office to distribute materials to community college vocational counselors, encouraging them to promote consideration of a career as a licensed contractor to students.

CALIFORNIA ENERGY COMMISSION PARTNERSHIP

The Board entered a Memorandum of Understanding with the California Energy Commission to publicize new energy code requirements that went into effect on October 1, 2005. Under the new law (Building Energy Efficiency Standards, Title 24, Part 6), contractors must test a home's ducts for leaks when a new central air conditioner or furnace is installed or replaced. If the ducts leak 15 percent or more, they must be repaired.

ETHNIC OUTREACH

During 2005, ethnic outreach focused on Asian-Americans in Orange County. Activities included the formation of partnerships with Chinese, Korean, and Vietnamese community banks and credit unions, media outreach through tailored articles, and distribution of materials through community leaders and organizations.

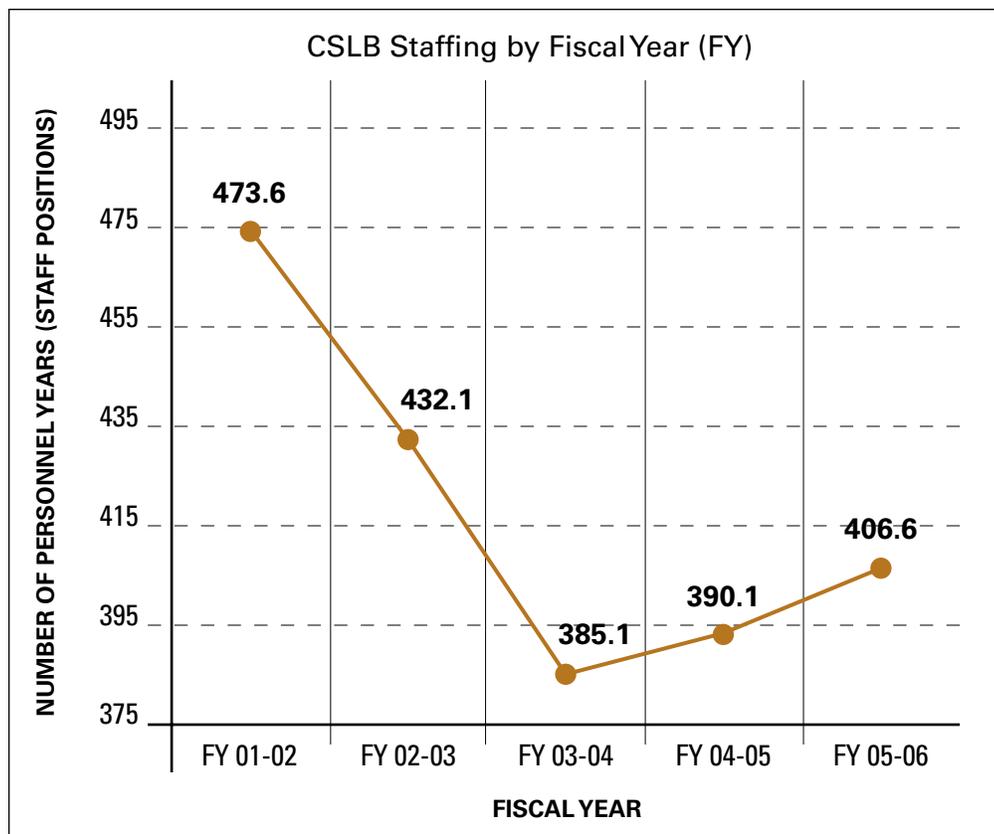
MOBILE HOME OUTREACH

A mass mailing was directed to more than 3,700 mobile home parks around the state. The mobile home park managers were sent a notice to post, publication order forms, and tip sheets for their residents.

ORGANIZATIONAL DEVELOPMENT ADMINISTRATION

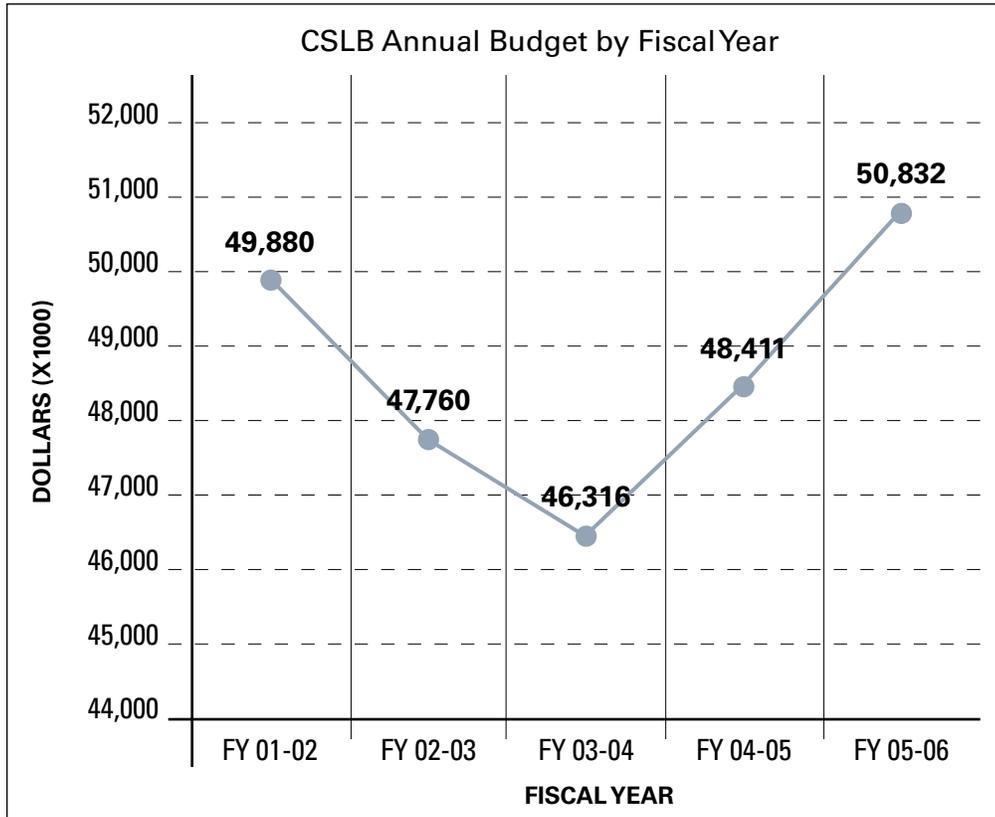
PERSONNEL

- In 2005, the Board made 54 permanent appointments, 26 temporary/seasonal hires, 30 promotions, and 65 internal transfers of existing staff.
- Open, non-promotional examinations were conducted for Consumer Services Representative and Enforcement Representative I. A promotional examination was conducted for Enforcement Representative II. An exam is underway for the promotional Enforcement Supervisor (ES) I and II classifications.
- The Board obtained approval from the Department of Personnel Administration (DPA) for a 2.5 percent salary adjustment for the Enforcement Supervisor (ES) I classification.
- The Board obtained approval from the Department of Consumer Affairs to reorganize the Division of Licensing and upgrade staff in Record Certification, Exam Applications, Exam Waivers, and Supplemental/Responsible Managing Employee/Officer.
- The Board obtained approval from DPA to split the Sacramento Investigative Center into two units, thereby reducing the span of control, resulting in two ES Is.
- A staff development plan was established which includes employee orientation, training, succession planning and staff retention.



BUDGET

- The Board’s budget for FY 2005/06 includes 406.6 total positions (404.0 permanent and 2.6 blanket positions) and a total appropriation of \$51,221,133. This amount includes increases for employee compensation and benefits and Attorney General costs, along with an ongoing 2.6% annual increase for operating expenses.



BUSINESS SERVICES

In 2005, the Business Services Unit:

- Renewed leases for Bakersfield, Azusa, Monterey, and San Diego field offices.
- Expanded Oxnard from a satellite office to a fully-staffed investigative field office.
- Increased seating capacity by ten additional test stations in Sacramento.
- Secured and installed a new air conditioner for the Testing Division’s computer room.
- Secured temporary space for Norwalk Testing Site and increased seating capacity by 27 test stations.
- Began work on acquiring space for San Jose, Norwalk, San Bernardino, Santa Rosa, Oxnard, and Sacramento Test Sites.
- Executed 12 contracts, including renewing one with LexisNexis; Katz and Associates and Arbitration Mediation.
- Completed reconciliation of CSLB’s fleet per Department of General Services’ directive.

INFORMATION TECHNOLOGY

PROGRAMMING & DATA SERVICES UNIT

Complaint Disclosure

In 2005, Information Technology (IT) staff added complaint disclosure data to the Board's public sales license information with an indicator on the record that shows if a license has a disclosure. This information is now also available through the automated license status look-up through the Board's website and Integrated Voice Response System (IVR). In the past, customers were referred to the Board's Call Center to get this complaint disclosure information.

Licensing Reports

In 2005, IT staff completed and implemented an Application Reject Report. This report captures reject codes input by Licensing staff, showing why applications are rejected. This tool is expected to help the Board identify common problems, thereby improving the application and reducing the rejection rate.

A Licensing Statistical Report was completed. This report provides the number of applications received within each fiscal year and the final disposition of those applications, regardless of the year it was processed. The report is broken out by month and the disposition of those applications (i.e., applications out for investigation, issued, rejected, posted, etc.).

Fingerprinting

The IT Division played a key role in implementing Phase I and II of the fingerprint project in 2005. Phase I automated the fingerprint requirements procedures for the original examination application. Phase II automated the remaining applications (officer change, examination wavier, supplemental application, etc.).

TELECOMMUNICATIONS UNIT

Integrated Voice Response System (IVR)

In 2005, modifications were made to the IVR to extend the hours that callers are transferred to the Call Center, from Monday - Friday 8 a.m. to 3 p.m. to Monday - Friday 8 a.m. to 5 p.m.

A report was completed and implemented that captures the number of calls, by day and hour, passed from the IVR to the Licensing Information Center.

Fingerprint packages can now be requested through the IVR. A caller provides their application fee number, name, address, and telephone number. The call is then recorded and an email is generated and processed by the Call Center staff.

Sacramento's Automated Call Distribution System (ACD)

In response to a significant staff turnover in the Board's Licensing Information Center in 2005, IT staff conducted formal training on the Management Information System Software. This software provides supervisors and managers with information regarding agents and callers/calls made to the ACD. The feature helps manage Call Center resources.

In 2005, the Department of Consumer Affairs' (DCA) Call Center Announcer software was added to the Board's ACD. This provides callers with an estimated time it will take before their call is answered by Call Center staff.

Norwalk Phone System

In 2005, the Norwalk phone system was replaced. New numbers were published and there was a six-month referral for anyone who called the old numbers.

Data and Phone Closet Rewiring

IT staff replaced the patch panel cables in the Board's data and phone closets. The new system will cut down the number of hours it takes to pull cables in order to make any needed phone and/or data line changes. Additionally, the physical strength required to pull the cables was drastically reduced.

IMAGE WORKFLOW AUTOMATION SYSTEM (IWAS) UNIT

IWAS's existing scanners were replaced and additional scanners purchased in 2005. In addition, software that enhances the scanned image was installed. Before, poor quality documents had to be copied before they could be scanned. This new software will enhance the image, eliminating the need to copy prior to scanning.

In 2005, a major upgrade of IWAS software was implemented. This upgrade improved the staff's ability to conduct maintenance tasks while users are on the system. Prior to this upgrade, the system would have to be brought down for some maintenance tasks. All four servers were also replaced during this upgrade.

TECHNICAL SUPPORT UNIT

In 2005, significant progress was made in helping speed up field office staff's ability to access email, the Internet, or shared files. The communications lines were upgraded, resulting in some improved performance. Considerable improvements should be seen after servers housed at the Board's data center are upgraded. That work, with a vendor, is currently underway.

DCA conducted an audit of our software licensing compliance. The audit was to ensure that there are proper purchasing documents and receipts for all computer software used by Board staff. Although the official results are not yet available, the Board was notified that it is in compliance.

WEBSITE

In 2005, there were 9,066,739 visits or "hits" on the Board's website, www.cslb.ca.gov.



CONTRACTORS STATE LICENSE BOARD

P.O. Box 26000
SACRAMENTO, CA 95826-0026
9821 BUSINESS PARK DRIVE
(800) 321-CSLB(2752)
www.cslb.ca.gov