

CONTRACTORS STATE LICENSE BOARD

California Department of Consumer Affairs



2006

ACCOMPLISHMENTS & ACTIVITIES

CSLB ON DATELINE NBC, August 2006



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FEBRUARY 2007

PREFACE

A note from the Chair



The Contractors State License Board (CSLB) is pleased to present its *2006 Accomplishments and Activities Report*.

Our Enforcement Division continued to expand its battle

against unlicensed operators and the underground economy. At the same time, consumer complaints were being handled more expeditiously as the CSLB saw the number of aged cases hit record lows. The CSLB's enforcement efforts were recognized by the National Association of State Contractor Licensing Agencies and were chronicled on NBC's Dateline.

Our Licensing Division continued to make improvements in processing transactions. The Criminal Background Unit's fingerprinting program continued to struggle with large numbers of applicants with conviction histories and applicants who falsify their applications. (We were able to work with the Department of Justice to address delays in fingerprint reporting.) With increased staff and new procedures in place, we hope to further streamline that program in 2007.

Our Public Affairs Office continues to set

the bar for state agencies. The CSLB has outstanding publications and consumer outreach materials. The challenge is getting the information about CSLB to consumers before they hire someone to provide construction services. Early in 2007, we hope to have a new Website with greatly improved content and services.

Our Administrative and Information Technology (IT) Divisions greatly improved their operations. The Administrative Improvement Plan was completed in 2006 which helped all of our programs and our interface with the Department of Consumer Affairs. IT developed new reporting tools, upgraded equipment, and was a leader in developing policies and procedures for disaster planning.

In 2007, we look forward to getting 21 positions restored to the Licensing Division which will enhance our customer service in that program. We also anticipate continuing to expand our partnerships with district attorneys, our fellow Economic and Employment Enforcement Coalition agencies, building officials, and other local, state, and federal agencies as we try to ensure the construction industry thrives in California and provides consumers with exemplary service.

To all of you who helped the Board in 2006, a sincere Thank You.

A handwritten signature in blue ink that reads "Matt Kelly". The signature is fluid and cursive, written in a professional style.

MATT KELLY
Chair

ENFORCEMENT



ENFORCEMENT

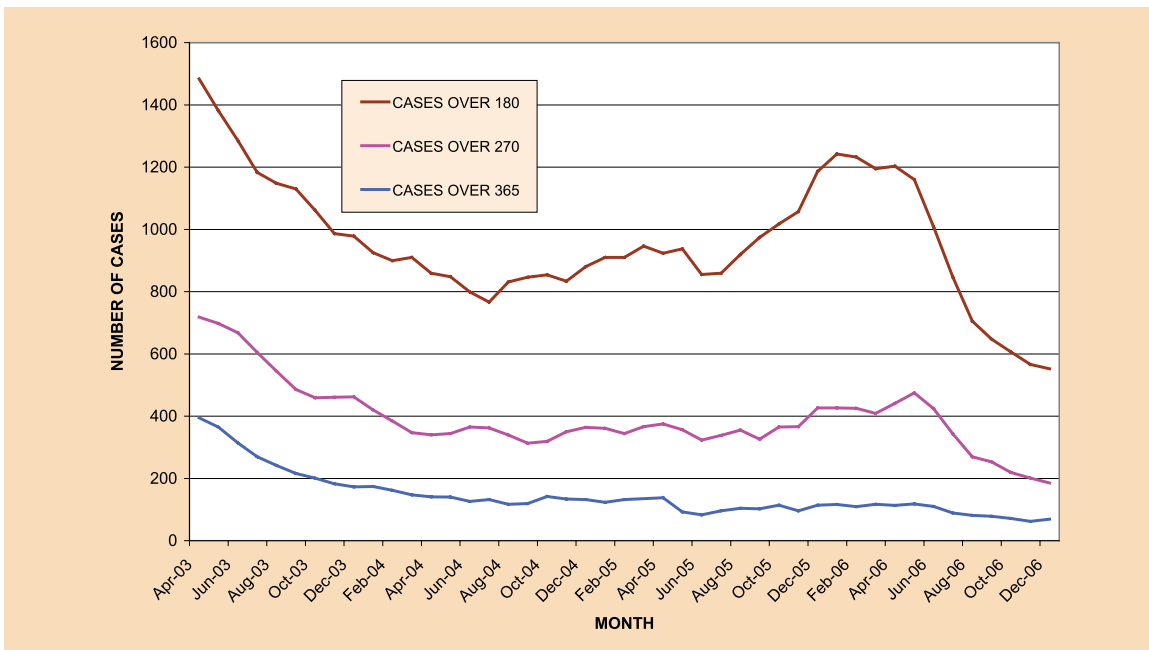
COMPLAINT HANDLING

For calendar year 2006, the CSLB’s Enforcement Division opened 21,028 complaints. That is 959 more than the 20,069 complaints opened in 2005. In January 2005, the Enforcement Division took on a new goal of increasing production while continuing to reduce aged complaints. These goals were incorporated into the 2006 Strategic Plan and called for:

- Enforcement Representatives (ER) to increase production by closing an average of 9.14 complaints per month per ER;
- Reduce complaints aged over 270 days to less than one percent of the pending inventory

Since implementation, the monthly average for complaint closures has increased to 10.70 complaints per month per ER and complaints aged over 270 days have been reduced from 426 to 185, a reduction of 241 complaints. This trend continued in 2006, with Enforcement Division staff handling more cases, while reducing the number of aged complaints.

CALENDAR YEAR	NO. OF PENDING COMPLAINTS	COMPLAINTS AGED OVER 1 YEAR	COMPLAINTS AGED OVER 270 DAYS
2002	7,070	561	503
2003	5,315	173	305
2004	5,031	134	252
2005	5,435	114	312
2006	4,173	69	116



RESTITUTION

In 2006, resolving construction-related disputes continued to be a high priority for Enforcement staff. Those concerted efforts have resulted in the resolution of 5,722 complaints and consumers receiving more than \$14.3 million in restitution. Total restitution paid to consumers during 2006 includes:

	MONIES PAID	CORRECTIONS
Complaints Settled	\$9,659,067	\$1,548,296
Citations	\$268,870	
Accusations	\$72,500	
Arbitrations	\$2,792,136	

Techniques used by Enforcement staff to achieve complaint resolution include:

- Telephone negotiation
- Face-to-face mediation
- Disciplinary orders
- Complaint referral to CSLB’s private arbitration vendor

ARBITRATION

In November 2006, the Department of General Services approved a new three-year contract between the CSLB and Arbitration Mediation Conciliation Center (AMCC). AMCC has served as the CSLB’s arbitration program provider since October of 2003. During this time, AMCC heard more than 1,800 arbitration proceedings with monetary decisions rendered up to \$50,000. With a average cycle time of approximately 45 days from the date of arbitration to the rendering of an award, participating parties (consumers and contractors) in AMCC arbitration proceedings have given an overall satisfaction rating of 95 percent. The following chart represents specific survey ratings, on a scale of 1 to 5 (5 being the highest level of satisfaction):

SATISFACTION RATING	2003 – 2005	2006
CSLB – Prompt Response	4.01	4.48
CSLB – Case Management	4.04	4.48
AMCC – Efficient Coordination	4.42	4.56
AMCC – Scheduling	4.48	4.42
AMCC – Case Facilitation – Overall	4.64	4.69
AMCC – Professionalism	4.74	4.82
AMCC – Courtesy	4.77	4.79
AMCC – Efficiency	4.66	4.67
Arbitrator – Overall	4.72	4.82
Arbitrator – Professionalism	4.81	4.87
Arbitrator – Knowledge	4.66	4.76

Mandatory arbitration now mirrors a licensee’s license bond amount. In 2006, contractors were required to have a \$10,000 bond. As of January 1, 2007, the required bond amount was increased to \$12,500. Accordingly, the maximum mandatory arbitration amount was increased to \$12,500, beginning January 1, 2007, as well.

During 2006, AMCC performed a total of 804 arbitration proceedings, as follows:

ARBITRATION PROCEEDINGS	
Mandatory Arbitrations	595
Voluntary Arbitrations	209
TOTAL	804

MANDATORY SETTLEMENT CONFERENCES

Mandatory Settlement Conferences (MSC), which resolve administrative disciplinary actions without incurring the cost of a formal hearing, continue to save the CSLB millions of dollars in Attorney General (AG) and Office of Administrative Hearing (OAH) costs.

2006 MANDATORY SETTLEMENT CONFERENCES	
Cases Scheduled for MSCs	424
Cases Settled	248
Failure to Appear by Respondent	73

The cases where the respondent fails to appear are grouped together and scheduled for an Administrative Hearing. At that time, the cases can be handled as a default judgment decision in accordance with the Administrative Procedures Act.

In addition to the administrative citation and accusation appeals that have comprised the MSCs, in December 2006, the CSLB began using the MSC model for appealed application denials issued by the Licensing Division’s Criminal Background Unit. These appeals have become a significant workload and budget issue. At the first MSC, 19 licensure applicants were scheduled. As a result, 14 withdrew their appeal or application and one failed to appear. This new category of MSC appears to be a successful method of handling application denials, with further reductions in AG and OAH costs.

ECONOMIC AND EMPLOYMENT ENFORCEMENT COALITION

The dangerous effects of the underground economy are an ongoing threat to California’s citizens and legitimate businesses. Illegal operators who fail to pay taxes and comply with licensing and insurance laws take revenues earmarked for public schools, law enforcement, and other public services. 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. No single regulatory agency has the resources or jurisdiction to combat this enforcement problem alone.

To address this multi-faceted problem, the CSLB in 2006 expanded its proactive enforcement efforts, cutting through bureaucratic red tape and joining forces with other state and federal labor law regulators. The Economic and Employment Enforcement Coalition (EEEC), launched by Governor Arnold Schwarzenegger in July 2005, teams CSLB with the US Department of Labor, the California Department of Industrial Relations (DIR), the Division of Occupational Safety and Health (DOSH), the Division of Labor Standards Enforcement (DLSE), and the Employment Development Department (EDD) to perform undercover sweeps of active construction sites throughout the state.

A total of 12 construction sweeps were conducted in 2006:

2006 EEEEC Sweeps:

January 18 Los Angeles County
January 19 San Diego County
January 21-22 Santa Clara County
February 15-16 Temecula and San Diego
February 22-23 Los Angeles County
February 22-23 Downey
March 15-16 Sacramento, Placer and El Dorado Counties
June 7-8 Simi Valley, Torrance and Redondo Beach
July 12-13 Kern County
August 11-12 Los Angeles County
October 11-12 San Luis Obispo County
November 15-16 Monterey County

2006 EEEEC Sweep Results:

- CSLB checked 870 licenses
- CSLB cleared 835 licenses
- CSLB issued 57 non-licensee and 24 licensee citations
- CSLB assessed fines totaling \$85,600
- EEEEC teams performed 556 inspections
- EEEEC inspections affected 3,437 employees
- DLSE investigators issued 182 citations
- DLSE investigators made 105 wage audit referrals
- DLSE investigators assessed fines totaling \$1,417,500
- DOSH cited 1,262 health and safety violations
- DOSH assessed civil penalties estimated to total \$2,262,700

During 2006, CSLB and its coalition partners implemented strategies that improved the efficiency and effectiveness of the undercover operations, and increased both the number of operations and job sites visited. Rather than limiting the sweeps to single locations, the multi-jurisdictional teams fanned out to hit multiple cities within each operation's region. CSLB investigators issued more than 50 citations to illegal operators for violations ranging from unlicensed activity and illegal advertising to failure to obtain workers' compensation insurance. The CSLB's enforcement partners issued citations for violations, including cash pay, failure to obtain workers' compensation insurance, failing to pay required overtime and minimum wages or to report employees, and failure to protect employees from potentially life-threatening safety hazards.

In June 2006, EEEEC investigators and managers from each participating agency throughout California united for the second annual EEEEC Training Conference. The group reflected on the Coalition's successes during its experimental first year and created strategies that will build on those successes in the coming years. The Coalition also laid the groundwork for expanding the EEEEC's goals, including the rollout of a new Employer and Employee Outreach Program.

UNDERGROUND ECONOMY/PROACTIVE ENFORCEMENT

The year 2006 was exemplary for proactive enforcement and arrests.

National Association of State Contractor Licensing Agencies (NASCLA)

In 2006, the Enforcement Division received national recognition for their innovative proactive enforcement efforts to eradicate illegal construction activity. NASCLA recognized CSLB as a role model for other states' enforcement programs and presented CSLB with the "2006 Innovation in Regulation" award during its annual meeting held in Scottsdale, Arizona in August.



Partnering with Regulatory and Law Enforcement Agencies

During 2006, the Statewide Investigative Fraud Team (SWIFT) continued to make great strides to combat the underground economy and partnered with building departments, local law enforcement, and other state agencies, thus protecting consumers from fraudulent business practices and helping level the playing field for legitimate licensed contractors.

SWIFT staff were often among the first responders during natural disasters, including the New Year's Day flooding in San Anselmo and Napa, as well as the Yucca Valley wildfire in September. Enforcement staff also distributed CSLB literature to victims and staffed Office of Emergency Services disaster relief command centers.

SWIFT achieved success in performing undercover "sting" operations, targeting unlicensed operators and repeat offenders. During the year, 43 undercover sting operations were conducted with the following results:

- 311 unlicensed operators referred to local prosecutors' offices for advertising, workers' compensation insurance, and licensure violations;

- 97 administrative citations issued to unlicensed individuals for advertising and licensure violations;
- 23 administrative citations issued to licensees for aiding and abetting, workers' compensation insurance, and licensure violations; and
- 81 individuals arrested and taken into custody on outstanding warrants for crimes ranging from burglary and drug trafficking to sexual assault.

In addition, SWIFT staff partnered with local law enforcement and state agencies to perform sweep operations of large construction sites. During 2006, 15 sweep operations were conducted statewide with the following results:

- 18 unlicensed operators referred to local prosecutors' offices for workers' compensation insurance and licensure violations;
- 11 administrative citations issued to licensees for workers' compensation and other licensure violations;
- One individual arrested on an outstanding warrant

SWIFT staff used specialized stings to target repeat offenders and suspects who had outstanding warrants. This resulted in the capture and arrest of 16 individuals.

PARTNER AGENCY AGREEMENTS

Department of Insurance

In February 2006, a Memorandum of Understanding (MOU) was entered into with the California Department of Insurance (DOI). The MOU allows the CSLB to obtain workers' compensation insurance rating information from the Workers' Compensation Insurance Rating Bureau (WCIRB). The WCIRB is a licensee of DOI and is the Insurance Commissioner's statistical agent. The data now shared involves construction employers who fail to secure adequate workers' compensation insurance in violation of Section 3700 of the Labor Code. The ability to access WCIRB information electronically allows for more efficient use of staff's time, as the need for time-consuming workers' compensation lead responses is eliminated. Further, complaint-handling effectiveness is increased, as staff can readily verify whether a contractor holds a workers' compensation policy when a complainant advises that a contractor who has filed an exemption with CSLB actually has employees. Under the new information sharing program, information is instantaneously available to staff by dial-up connection to the WCIRB's database.

Employment Development Department (EDD)

Under the terms of this MOU, the EDD forwards the CSLB documentation of outstanding tax liability cases. The CSLB has the authority to automatically suspend the licenses of those with outstanding liabilities until the judgments are satisfied. In 2006, EDD referred 1,004 outstanding tax liability cases to the CSLB. As a result, the CSLB suspended 614 licenses. During the same time period, 697 licenses were subsequently reinstated (including licenses suspended prior years), representing \$7,986,821 in outstanding liabilities that were satisfied.

Los Angeles City Attorney

A partnership was established in January 2006 with the Los Angeles City Attorney's Office. The partnership streamlines the procedure for processing consumer complaints against unlicensed operators, enabling the CSLB to refer cases to the L.A. City Attorney's Office within 60 days of receipt. To expedite the investigation, industry expert testimony is not used to establish the financial injury; instead, the L.A. City Attorney argues for restitution to the complainant for all monies paid pursuant to Business and Professions (B&P) Code 7131(b), which precludes compensation to unlicensed operators. Since implementation of the program, the L.A. City Attorney's Office has worked with CSLB to build and file 82 criminal cases against unlicensed operators.

INDUSTRY, CONSUMER AND ENFORCEMENT AGENCIES OUTREACH

Building Department Training

Enforcement staff conducted training for more than 30 building departments throughout 2006. The training teaches building department staff how to use the CSLB Website to verify licensure and workers' compensation insurance coverage, how to file a building department complaint with CSLB, and how to notify SWIFT of a hot lead. The outreach also creates opportunities for building departments to assist CSLB in joint enforcement efforts. The training has been a tremendous success, with building officials from other jurisdictions requesting training for their staffs.

National Construction Investigators Association (NCIA)

On August 2, 2006, ER Kim Clanton was sworn in as the first female president of THE NCIA. Since her prestigious appointment, ER Clanton has revamped the association's Website and focused on increasing membership to improve NCIA's effectiveness in standardizing investigation practices between states. As a result, ER Clanton has helped the CSLB network with construction enforcement staff in other states to effectively track and prosecute transient criminals who prey upon consumers in what are often multi-state crime sprees. Transient criminals are known for seeking out vulnerable victims who are often low income, elderly, or physically or mentally impaired.

ENFORCEMENT STAFFING

On July 1, 2004, several classifications within the Department of Consumer Affairs (DCA), including the ER series utilized by CSLB, were granted safety retirement. However, the corresponding supervisory classifications were not included in the action. The result was pay inequities and low morale. The CSLB has had problems recruiting and retaining Enforcement Supervisors. In November 2006, Enforcement staff worked with DCA's Office of Human Resources to prepare an issue memorandum, requesting that the Department of Personnel Administration (DPA) grant safety retirement or equitable salary increases to supervisors who supervise rank and file enforcement staff throughout affected boards and bureaus. The issue memorandum was reviewed and approved by DCA Director Charlene Zettel and was forwarded to DPA for approval. Unless supervisors of rank and file investigative staff who were granted safety retirement are also granted safety retirement or equitable salary increases, there is little incentive for qualified rank and file employees to promote to supervisory positions.

STAFF DEVELOPMENT

Along with achieving a fully-staffed Enforcement Division, a priority has been placed on ensuring that staff receive the adequate training they need to successfully accomplish their assigned tasks. Training provided during 2006 included the following:

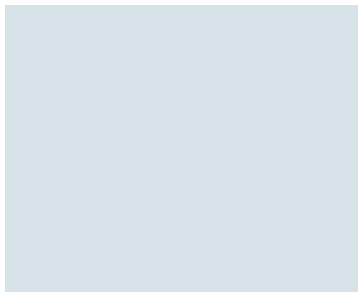
- Forces Joining Forces Combating Workers' Compensation (WC) Fraud-Instructors included a Riverside County Deputy District Attorney (DDA) and a retired WC Judge;
- Regulatory Investigative Techniques-Instructors included DDAs and an Administrative Law Judge;
- Complaint-Handling Progressive Discipline and Alternate Dispute Resolution Techniques-Instructors included Deputy Attorneys General (DAGs);
- Staff Development and Progressive Discipline Training for Supervisors-Instructors included a DCA Human Resource Manager and Labor Relations Officer

EQUIPMENT

CSLB Enforcement is recognized as the leader in innovation and use of new technology in investigation of construction-related crimes. To enhance staff's effectiveness, the equipment listed below was provided in 2006:

- SWIFT staff members were provided wireless cards for their laptop computers. These cards allow staff to instantaneously access CSLB's confidential complaint and licensure information from the field without the need to call support staff or connect to a landline. The wireless cards have proven to be a great time management tool and allow staff to be more self-sufficient and effective in identifying legitimate licensed contractors vs. illegal operators and other unlawful activity while working in the field.
- To clearly and quickly identify CSLB staff as members of an arrest or undercover operation, SWIFT staff have been provided hats and vests with the CSLB name.
- As a result of Governor Arnold Schwarzenegger's creation of the EEEEC, the CSLB received 11 new ER positions. New vehicles and other equipment were also purchased.
- Copies of the reference book California Performance Guidelines for Residential Construction and Home Maintenance Guide were issued to all Enforcement staff, Attorney General's Offices, and Administrative Law Judges. The reference book has proven to be an effective tool in the investigation of workmanship complaints and in educating consumers, contractors and others in trade standard requirements.

LICENSING AND TESTING

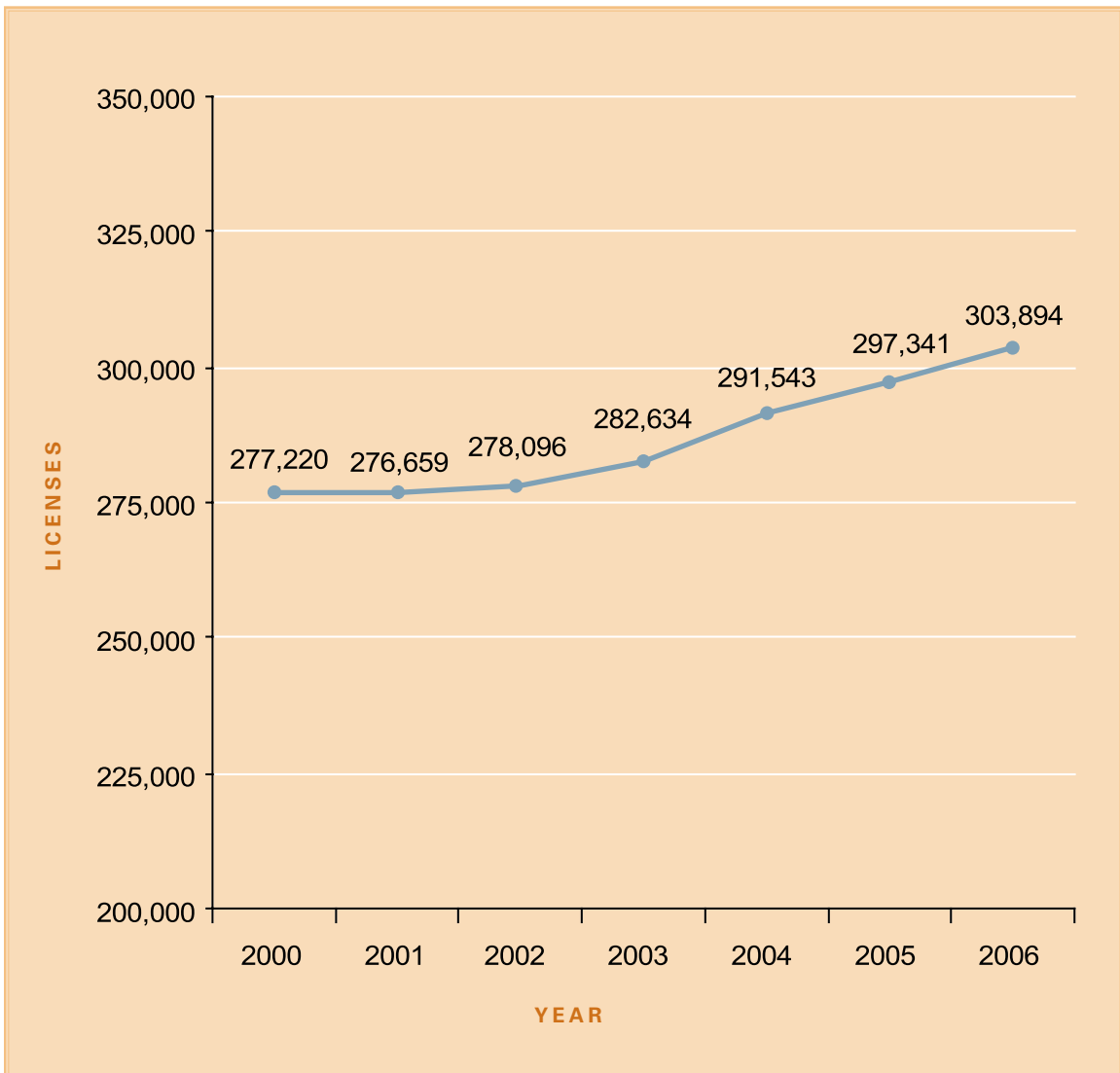


LICENSING AND TESTING

NUMBER OF LICENSES

In 2006, the number of licenses grew to an all-time high. As of December 31, 2006, there were 303,894 licenses. Of that, 244,675 were “Active,” while 59,219 were “Inactive.”

Number of Licenses



WORKLOAD

Over the past seven years, the number of applications received by the CSLB has steadily increased. While the CSLB saw a greater increase in original exam applications in 2004, it is believed that this was a result of the implementation of new fingerprinting requirements in January 2005. The following chart displays the number of licensing applications received for calendar years 2000 through 2006:

Applications Received by Calendar Year



PROCESSING TIMELINES

Through the use of overtime, temporary help, and the redirection of staff, Licensing Division staff continue to strive to maintain processing of applications at acceptable levels. The following table indicates the average length of time it took for applications to be pulled for processing in calendar years 2005 and 2006:

Type of Application/Document	Weeks before being pulled for processing	
	2005 Average	2006 Average
Original Exam	4.2	2.7
Original Waiver	5.5	3.6
Add a Class	4.2	1.7
Replace the Qualifier	4.4	1.7
Home Improvement Salesperson	2.5	2.4
Renewal	2.3	2.6
Contractor Bond/Bond of Qualifying Individual	1.5	1.0
Workers' Compensation Certificates and Exemption	1.9	0.8

STATISTICAL REPORTING AND ANALYSIS PROJECT

In November 2005, the Application Disposition Report was placed into production. This report provides the number of applications received within a fiscal year and the final disposition of those applications regardless of the year they were processed. This report allows staff to monitor the disposition of applications and identify any applications that may need special attention.

The following chart illustrates the number of applications received July 1, 2005 through June 30, 2006 (FY 2005/06) and the disposition of those applications.

TYPE OF APPLICATION	RECEIVED FISCAL YEAR 2005/06	ISSUED	VOID	PENDING
Original Exam	22,148	10,913	4,759	6,467
Original Waiver	10,225	7,556	2,023	646
Add a Class	4,648	3,057	1,058	533
Replace the Qualifier	2,018	1,505	422	91
Home Improvement Salesperson	5,397	2,012	3,071	314
Change of Officers	3,746	2,459	1,059	228

Note: From TEALE Report 724; Run Date: January 1, 2007.

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

- The applicant not passing the exam, but still within the 18-month time period during which he/she must pass the examination;
- The application is out for investigation or has not been cleared by the Criminal Background Unit; and
- Final documents or fees have not been submitted

The Licensing Division continues to work closely with the Board’s Information Technology staff to develop reports that will be used to determine improvements needed in the processing of applications.

FINGERPRINTING

In January 2005, the CSLB began implementation of new fingerprinting requirements for license applicants. The program was fully implemented in April 2005. All individuals listed as personnel on an original application, an application to add a classification 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. Fingerprints are compared to the records of the California Department of Justice and the Federal Bureau of Investigation to determine whether a criminal history exists. CSLB staff review all criminal convictions to determine whether the crime is substantially related to the duties, qualifications or functions of a contractor.

Regulatory Changes – On June 30, 2006, several changes to Board regulations became effective. California Code of Regulations Section 868 was revised to expand and clarify the criteria for determining whether a crime is substantially related to the duties of a contractor. Section 869 was revised to expand on and clarify the criteria for determining whether an applicant has demonstrated rehabilitation. Section 869.9 was added to establish the criteria for determining when a denied applicant can reapply for licensure.

Enforcement Division Coordination – In December 2006, the CSLB’s Criminal Background Unit (CBU) began coordinating efforts with the CSLB’s Enforcement Division for the purpose of addressing the high number of license denial appeals. Approximately 50% of applicants who are denied licensure based on a criminal conviction appeal the denial decision and request a hearing. Due to the costly and time-consuming nature of the appeal process, the joint effort identified a dual approach to reducing the number of cases that go to hearing.

1. CBU staff will have a more structured plan for communicating with the applicants during the review process, asking applicants to submit any and all evidence of their rehabilitation for consideration prior to making a final decision on the case.
2. Applicants who have been identified as denials will be contacted prior to finalizing the denial. They are asked to attend an outreach conference in order to explain the justification for the upcoming denial and to provide a guideline of what the applicant would need to do in order to be considered for licensure in the future (e.g., complete felony probation and have a clean record for a certain number of years).

The first group of 12 outreach conferences was held in Northern California on December 27, 2006. The conferences were quite successful, with only two applicants choosing to continue with the appeal process. The other 10 agreed to withdraw their appeals or applications. It was determined that some of these applicants were eligible for a probationary license and others were advised that they may reapply for licensure at a future date.

2006 Fingerprint Statistics

49,115	Number of applicants with fingerprint responses from the Department of Justice and Federal Bureau of Investigation
8,829	Number of applicants identified with a criminal history
311	Number of applicants denied licensure due to criminal convictions

LICENSING INFORMATION CENTER

In 2006, the CSLB continued its efforts to bolster its Licensing Information Center (LIC). This was accomplished by streamlining workload, becoming more customer friendly, and allowing more callers to reach an agent by opening up all LIC queues.

Queue - This is when an incoming call is placed in a “waiting situation” until an agent becomes available. Previously, the CSLB restricted the number of queues available in order to control how many callers who were able to get into the system. Beginning January 17, 2006, all calls were allowed into the queues with more available agents waiting to take the calls.

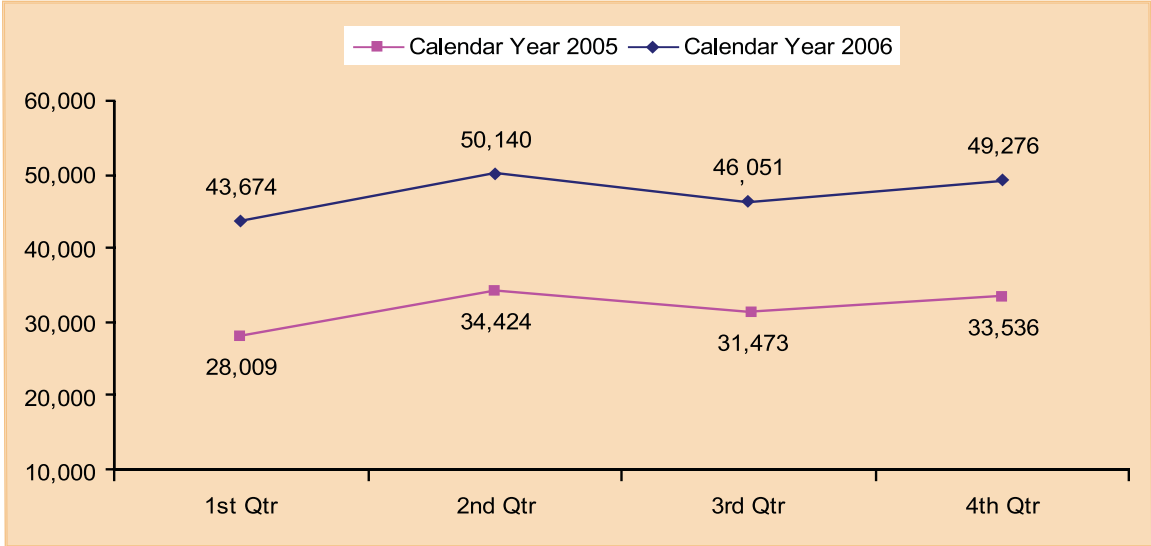
Software - On July 18, 2006, a new call center management software tool was installed to upgrade the current system and better manage and track the type of calls received. The call center management system enables supervisors and managers to be aware of the activity in the call center at any time during the day. Additionally, they are alerted if a situation occurs that will affect service levels. As part of the introduction of software, managers and LIC supervisors received additional training.

Reporting – The new call center management system also provided more reports to understand the activities within the LIC. Now, call volumes can be tracked hourly, daily, weekly, and monthly. This information is vital for determining staffing requirements and to forecast call center growth.

Calls Answered

The chart on the next page illustrates the number of calls answered by LIC staff in 2005 and 2006. With the expansion of LIC hours of operation in late 2005 and the opening of all queues in January 2006, the number of calls answered rose significantly in 2006. In 2005, CSLB answered a total of 127,442 calls compared to 189,141 calls answered in 2006. Additionally, the number of busies received was reduced from 62,406 in 2005 to 3,731 in 2006.

Calls Answered Chart



CONSTRUCTION MANAGEMENT EDUCATION SPONSORSHIP ACT OF 1991

This Act enacted a grant program from what is known as the Construction Management Education Account (CMEA). The purpose of the CMEA is to benefit public postsecondary educational institutions that provide a specified curriculum in construction management education or are pursuing accreditation in that field. The CSLB is charged with the responsibility of administering grants from the CMEA. Although the legislation creating the CMEA was enacted in 1991, it wasn't until 2005 that sufficient funds were collected to allow for the distribution of grants. Grant totals are based on the number of students in each university's construction management program. The following grant awards were issued during 2006:

INSTITUTION	AMOUNT OF GRANT
California State University Chico	\$81,409
California Polytechnic State University San Luis Obispo	\$48,708
California State University Fresno	\$42,168
California State University Long Beach	\$39,715
California State Polytechnic University Pomona	\$14,000
California State University Sacramento	\$13,000



TESTING AND ADMINISTRATIVE SUPPORT DIVISION EXAMINATIONS

The Testing Division is responsible for ensuring that the Board’s examinations are current and relevant. An occupational analysis of each licensing classification is completed to collect information from licensed contractors to identify current trade practices. The results of the occupational analysis are then used to update the licensing examination.

In 2006, the Testing Division experienced staffing shortages that impacted the ongoing process of maintaining current licensing examinations. The Test Validation and Development Unit lost two of its five Testing Specialists (one in July and another in October), and these positions remained vacant through 2006.

During 2006, the Testing Division completed five occupational analyses and updated five examinations. The Board’s goal is to perform an occupational analysis for each classification every five years; however, with the current staffing shortages, the target date for some classifications has been adjusted to seven years, which is still within acceptable industry standards.

OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
<ul style="list-style-type: none"> • C-2 Insulation and Acoustical • C-4 Boilers, Hot Water Heaters • C-12 Parking and Highway Improvement • C-47 General Manufactured Housing • C-54 Tile 	<ul style="list-style-type: none"> • C-7 Low Voltage • C-8 Concrete • C-9 Drywall • C-39 Roofing • Asbestos Certification

TEST CENTERS

The Board administers examinations daily, Monday through Friday, at testing centers located in Sacramento, Oakland, San Jose, Fresno, Oxnard, Norwalk, San Bernardino and San Diego.

Beginning in 2005, the Board began a program to expand the capacity of seven of the testing centers to meet the ever increasing demand for examinations. The following table lists the approved expansion projects, as well as the status of each project:

LOCATION	EXPANSION PROJECT DETAIL	STATUS
Sacramento	Increase capacity by 9 seats to 32 seats	Completed, January 2006
Oxnard	Increase capacity by 12 seats to 33 seats	Completed, August 2006
San Jose	Increase capacity by 18 seats to 25 seats	Completed, November 2006
Norwalk	Increase capacity by 36 seats to 63 seats	Completion expected by fall 2007
San Bernardino	Increase capacity by 31 seats to 45 seats	Completion expected by fall 2007
San Diego	Increase capacity by 7 seats to 23 seats	Completion expected by 2008
Fresno	Relocate to new space to increase capacity by 10 seats to 25 seats	Completion expected by 2009

NEW TEST ADMINISTRATION SYSTEM

In 2006, the Testing Division worked to develop a new examination administration application which will make the testing process more reliable and efficient. The State Contractors Official Regulatory Exams (S.C.O.R.E.) System is scheduled to be operative in the first quarter of 2007.

Among the highlights:

- Physical security of satellite location infrastructure;
- Added environmental monitoring in the Oxnard Testing Facility;
- Addition of security-industry standards of Biometrics. Biometrics are automated methods of recognizing a person based on a physiological or behavioral characteristic. Among the features measured are face, fingerprints, hand geometry, handwriting, iris, retinal, vein, and voice. Two of these biometric standards will be integrated into every exam that is administered via the new S.C.O.R.E. system;

TESTING AND ADMINISTRATIVE SUPPORT

- Every candidate will have their picture taken with a digital camera and stored in association with their exam record. In addition, every candidate will answer security questions and sign their name under penalty of perjury. The captured digital signature will be stored in an encrypted format in association with the exam record; and
- The new system will take full advantage of the Board's wide area network functionality to better administer and troubleshoot problems at the satellite testing facilities

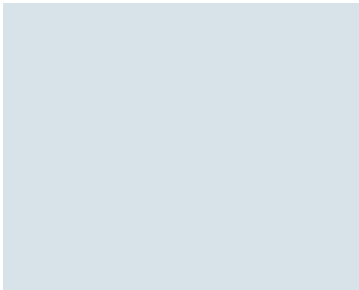
MAJOR PROJECTS FOR 2006

- A pilot program was implemented in the Sacramento test center in which applicants were provided with erasable white boards and markers instead of scratch paper. The program was successful and will be expanded to all of the CSLB's testing centers.
- A proposal was approved to upgrade two Testing Specialist positions. It is expected that the upgraded positions will help reduce recruitment and retention problems.
- A Budget Change Proposal was approved to fund five additional Test Monitor positions for the 2007/08 fiscal year. These additional positions will diminish the CSLB's reliance on temporary employees by replacing the five positions lost in previous budget cuts and by providing staffing for the new, larger test centers.

2006 EXAMINATION STATISTICS

EXAMINATION TYPES	TOTAL
Trade	42
Certification	2
Law and Business	1
Number of Examinations Scheduled	88,486
Number of Misconduct Investigations	50
Number of Confirmed Misconduct Incidents	37
Overall Passing Percentage	47%

LEGISLATION AND POLICIES



LEGISLATION AND POLICIES

The bills listed below were signed into law in 2006 by Governor Schwarzenegger and will have some level of impact on CSLB operations. Each one was included in the CSLB Implementation Plan which identifies the CSLB Divisions that are impacted and outlines the basic steps necessary to implement each bill.

DEVELOPMENT AND COORDINATION OF SPONSORED LEGISLATION

The Board sponsored the following legislation during the second half of the 2005/2006 session: AB 2454, AB 2455, AB 2456, AB 2457 and AB 2897. All of the bills were signed into law by the Governor with the exception of AB 2454, a technical bill that was withdrawn at the request of the author's office. The following is an overview of the bills that were signed into law:

AB 2455 (Chapter 150, Statutes of 2006)

- Specifies that the jurisdiction of the small claims court includes any action brought by a natural person (consumer) to recover a cash deposit held by the CSLB Registrar in lieu of a license bond provided the amount claimed does not exceed \$7,500.

AB 2456 (Chapter 122, Statutes of 2006)

- Until the applicable debts are satisfied, this bill prohibits any personnel of record of a licensee whose license has been suspended for failure to resolve specified financial liabilities from serving in any capacity that is subject to licensure under the Contractors State License Law except as a non-supervising bona fide employee.
- Provides for suspension of all licenses on which revoked licensees are listed until the debt is satisfied or the culpable persons are disassociated from the license.

AB 2457 (Chapter 106, Statutes of 2006)

- Corrects a statutory reference for the purposes of an annual report that the CSLB is required to submit to the legislature.
- Exempts general partners from the Home Improvement Salesperson (HIS) registration requirements, thereby conforming the law to similar exemptions for Corporations and Sole Owners.
- Clarifies that an exemption from the HIS requirement applies only to the licensee that is responsible for the work of the negotiated Home Improvement Contract.

AB 2897 (Chapter 171, Statutes of 2006)

- Prohibits qualifying individuals and other specified members of a license that was revoked from performing acts regulated by the Contractors License Law on behalf of a licensee, except as a non-supervising employee. Requires those individuals to notify a prospective employer of the applicable license revocation prior to becoming employed.

- Prohibits a licensee from knowingly hiring the culpable individuals named on a revoked license except as bona fide non-supervising employees.

OTHER LEGISLATION IMPACTING CSLB OPERATIONS

AB 881 (Chapter 38, Statutes of 2006)

- Roofing Contractors: Effective January 1, 2007, all CSLB licensees holding the Roofing (C-39) classification must have a Workers' Compensation Insurance policy on file with the Board whether or not they have employees.
- The licenses of those who fail to comply with this requirement by January 1, 2007 will either be suspended or the C-39 license classification will be removed from the license as specified under the provisions of the bill.

AB 2073 (Chapter 114, Statutes of 2006)

- Exempts individuals who install fire alarms from the requirement to provide home improvement contracts if specified conditions are met, including a certification stating that the fire alarm portion of an alarm installation is less than \$500.
- Establishes the CSLB procedural requirements that the licensee must meet in order for the exemption to be applicable.

AB 2658 (Chapter 123, Statutes of 2006)

- Amends the license law so that licensees are to be held responsible for all specified financial obligations not "discharged" under federal law.
- Clarifies that licensees are subject to disciplinary action by the CSLB for failing to meet the specified obligations.

SB 1 (Chapter 132, Statutes of 2006)

- Solar Roofs – Creates a program, including incentives, to promote energy generation through solar systems on commercial and residential buildings.
- Requires the CSLB to, if needed, revise its classification system and exams to ensure that contractors are qualified to install the energy systems covered by the legislation.

IDENTIFICATION AND TRACKING OF LEGISLATION

As illustrated by the above section, all bills introduced by the legislature must be screened to determine whether they will impact the Board, consumers or the construction industry in some relevant fashion. For example, AB 2073 did not contain adequate provisions for consumer protection as introduced. As enacted, the bill contains substantial amendments that were contributed to the author's office through negotiations between the Legislative Division and the sponsor of the bill. During this past legislative session, 21 bills were identified and tracked. Although some of the bills do not directly impact the CSLB, they are tracked in order to keep the construction industry adequately informed regarding bills likely to impact their businesses.

COMMUNICATIONS AND EDUCATION



COMMUNICATIONS AND EDUCATION

MEDIA OUTREACH

During 2006, the CSLB's Public Affairs Office (PAO):

- Distributed 39 press releases;
- Distributed 12 industry bulletins;
- Organized 8 media events and participated in one additional media event; and
- Fielded more than 330 media inquiries

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 2006, the PAO coordinated eight media events, participated in one additional media event and distributed 38 press releases to announce results of various undercover and enforcement actions.

DATE	LOCATION
February 9	Elk Grove
February 10	Napa
March 16	Elk Grove (Economic & Employment Enforcement Coalition)
June 10	Pismo Beach
August 18	Visalia
September 6	Sacramento - Search Warrant Served
September 21	Montrose
September 28	West Sacramento
November 1	Los Angeles (with L.A. City Attorney)

In addition, a joint press release with the Office of Emergency Services was issued in March, warning consumers about the danger of hiring unlicensed contractors for disaster repairs, after devastating floods hit Northern California.

DATeline NBC

On August 13, 2006, a 30-minute portion of Dateline NBC focused on unlicensed activity and the dangers of hiring an unlicensed operator. PAO and Enforcement Division staff spent a significant amount of time working with Dateline NBC staff on this story, which was seen by an estimated seven million people around the country.

ECONOMIC AND EMPLOYMENT ENFORCEMENT COALITION

The PAO continued to promote sweeps conducted by the Economic and Employment Enforcement Coalition (EEEC). A media event was held March 16. Partner agencies are the CSLB, Department of Industrial Relations' Division of Occupational Safety and Health (DOSH), Division of Labor Standards Enforcement (DLSE) and the Employment Development Department (EDD). The multi-agency task force was formed to combat activity in the underground economy.

PUBLICATIONS

The following publications were either created or updated during 2006:

- ***2006 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, 2006. More than 9,100 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.
- ***California Licensed Contractor Newsletter***
Two issues of the newsletter were produced in 2006. 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.
- ***2005 Accomplishments & Activities Report***
This report highlighted important activities conducted by the Board during 2005. The booklet was distributed to the Board at its February 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 2006.
- ***Board Administration Manual***
This guidebook details the main rules and procedures concerning Board members. It is updated on an annual basis.
- ***Terms of Agreement – A Consumer Guide to Home Improvement Contracts***
This eight-page booklet summarizes for consumers what is required to be in a home improvement contract
- ***Contracting for Success – A Contractor's Guide to Home Improvement Contracts***
This 24-page book guides contractors through all the elements that are required to be in home improvement contracts, and in service and repair contracts.

- *After a Disaster Don't Get Scammed*
This brochure gives consumers tips for protecting themselves from unscrupulous contractors after a disaster.
- *A Homeowner's Guide to Preventing Mechanic's Liens*
This brochure describes what a homeowner needs to know in order to prevent a mechanic's lien against their property.
- *What You Should Know Before Your Hire a Contractor – The Quick Facts*
This brochure provides consumers information on hiring and dealing with contractors. It is a shortened version of the What You Should Know... booklet.
- *What Seniors Should Know Before Hiring a Contractor*
This brochure highlights important contractor-hiring tips for seniors. A large font is used for this publication.

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

The Board participated in more than 70 community outreach events, speaking engagements, and home and garden shows during 2006. In addition, PAO staff worked with legislators and community-based organizations to coordinate Senior Scam Stopper events around the state. The following is a partial list of those events:



FEBRUARY

- Senior Scam Stopper Seminar in Montclair
- Senior Scam Stopper Seminar in Norwalk
- Ontario Home Show

MARCH

- Senior Scam Stopper Seminar in Rancho Cucamonga
- Senior Scam Stopper Seminar in Santa Monica
- Senior Scam Stopper Seminar in Anaheim
- Senior Scam Stopper Seminar in Norwalk



APRIL

- Senior Scam Stopper Seminar in Walnut

MAY

- Downey Street Fair
- Department of Consumer Affairs Senior Summit in Sacramento
- Senior Scam Stopper Seminar in San Fernando



JUNE

- Department of Corporations Seniors Against Investment Fraud Senior Fair
- Senior Scam Stopper Seminar in Los Angeles
- Anaheim Home Show

AUGUST

- Senior Scam Stopper Seminar (Spanish) in Placentia

SEPTEMBER

- Senior Scam Stopper Seminar in Long Beach
- Senior Scam Stopper Seminar in Escondido

OCTOBER

- Marin Senior Fair
- Association for the Advancement of Retired Persons (AARP) National Convention in Anaheim



CONTRACTOR OUTREACH/TRADE AND CONTRACTOR EDUCATION

In 2006, 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. In addition, Board staff participated in numerous training sessions with building officials and staff around the state.

GOOGLE ADVERTISING CAMPAIGN

A Google advertising campaign originally launched in December 2005 continued throughout the year. Consumers who type in specific search words and terms on the Google Website see an advertisement that includes a link to the Board's Website. From January 1, 2006 through December 27, 2006, the campaign ads received 2,744,728 impressions (number of times an ad is displayed). The ads were clicked on 21,737 times. The total cost for the campaign for 2006 was \$42,997.79.

CLASSIFIED NEWSPAPER OUTREACH

The Board continued to receive the benefits of a classified newspaper outreach campaign started in late 2004. In 2006, letters were sent more than 340 managers of classified sections of newspapers around the state. The letter urged them to continue running 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.

WEBSITE MODIFICATIONS

The PAO helped lead a project to update and re-launch the Board's Website. Work was conducted to make navigation of the site simpler and more intuitive. Major sections of the Website were also rewritten. In addition, the license look-up form was revamped and research was done for new Website features. Two new sections are also being developed. One for Building Officials; the other for Public Works projects. The new Website is expected to launch in February 2007.

"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*, *Fresno Business Journal*, *Long Beach Reporter*, and *Orange County Register*, regularly run the columns.

BUILDING DEPARTMENT/BUILDER EXCHANGE OUTREACH

The PAO worked with California Building Officials (CALBO) to develop and distribute a survey of building officials. Among other things, the survey gauged the officials' knowledge of the Board/CALBO agreement, as well as the quality of Board publications. Building officials also received a Board publication form and were encouraged to order publications for distribution at their public counters.

REAL ESTATE OUTREACH

During 2006, mass mailings were sent to more than 550 real estate offices in Redding and along the central coast. The mailing included more than 55,000 tip sheets and almost 28,000 publication order forms.

LIBRARY OUTREACH

In 2006, a mass mailing was done to 978 libraries around the state, distributing the CSLB's consumer DVD, *Doing it Right, Hiring a Licensed Contractor*, along with tip sheets and the booklet, *What You Should Know Before You Hire a Contractor*. By end of 2006, almost 400 libraries agreed to make the DVD available to patrons.

ELKS AND MASONS OUTREACH

The Board conducted a mass mail campaign to Elks and Masons lodges around the state. Packets including publications and an order form were sent to 177 lodges. More than 440 different additional publications were ordered as a result of the campaign.

ARTICLE DISTRIBUTION

A five-page article written by the PAO entitled, "Dream Remodel or Nightmare?" was printed in *Sacramento Home Digest Magazine*. The magazine has a circulation of 30,000, with approximately 25,000 mailed to homeowners in Sacramento, Placer, El Dorado, Nevada and Yolo Counties with home values over \$550,000. The balance are mailed to selected doctors and dentists and approximate-

ly 700 trade professionals, including businesses involved in home improvement. In addition, three different newsletter articles were distributed to 181 credit unions around California for inclusion in newsletters. A newsletter article was also distributed to 30 public utility and energy district offices for inclusion in homeowner-related newsletters. An article was also distributed to 116 contractor associations for inclusion in newsletters or on association Websites.

ETHNIC OUTREACH

During 2006, the Board conducted ethnic outreach to both the Asian and Hispanic communities.

Asian Outreach

- Distributed nearly 2,000 tip sheets in several different Asian languages to 10 Orange County area banks, chambers of commerce and community organizations.
- An article with tips for hiring a contractor was translated into Chinese, Korean and Vietnamese and distributed to various newspapers and magazines.

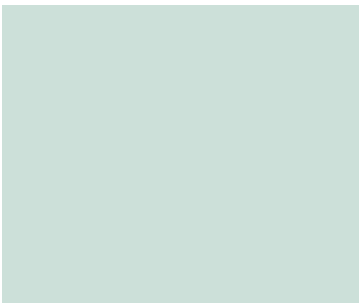
Hispanic Outreach

- Distributed more than 6,000 Spanish language tip sheets to 13 Central Valley area banks, chambers of commerce and community organizations.
- An article with tips for hiring a contractor was translated into Spanish and distributed to various newspapers and magazines.
- Radio interviews were conducted and CSLB tip sheets were read as a Public Service Announcement to more than 550,000 listeners on seven Spanish language radio stations throughout the state.

NEW LICENSE APPLICATION

In an effort to address the high rejection rate of applications submitted to the Board (currently, more than half of the applications must be returned to the applicant for being incomplete or incorrectly filled out), the PAO staff completed a project to revise the applications. Staff worked with Licensing Division staff to create a new look for the applications that is more user-friendly and understandable for applicants, while also meeting the needs of the staff who process the applications.

ORGANIZATIONAL DEVELOPMENT



ORGANIZATIONAL DEVELOPMENT

INFORMATION TECHNOLOGY (IT)

Personnel

- In 2006, the CSLB made 43 permanent appointments, two limited-term appointments, 29 temporary/seasonal hires, 26 promotions, and 36 internal transfers of existing staff.
- Promotional examinations were conducted for the Business Service Assistant, Supervising Program Technician II/III, Program Technician III, and Management Services Technician classifications. An Open Spot (Sacramento) examination was conducted for the Personnel Selection Consultant I classification. An examination is underway for the Enforcement Representative I classification which is being conducted on an Open Non-promotional Statewide Continuous basis.

Administration Improvement Plan

- In May 2006, the CSLB approved the implementation of all recommendations made by a task force to improve the effectiveness of the CSLB's Division of Administration. The task force consisted of staff from the Enforcement, Licensing, Public Affairs and Information Technology programs as well as the Department of Consumer Affairs' personnel staff.
- The CSLB reorganized its Division of Administration, re-establishing a Chief of Administration at the Staff Services Manager II level, establishing a Staff Services Manager I over its Human Resources Unit, improving communications between the Department of Consumer Affairs' personnel staff and CSLB personnel staff, eliminating overlapping and/or duplicative roles, and changing reporting relationships of specified administrative functions.

Budget

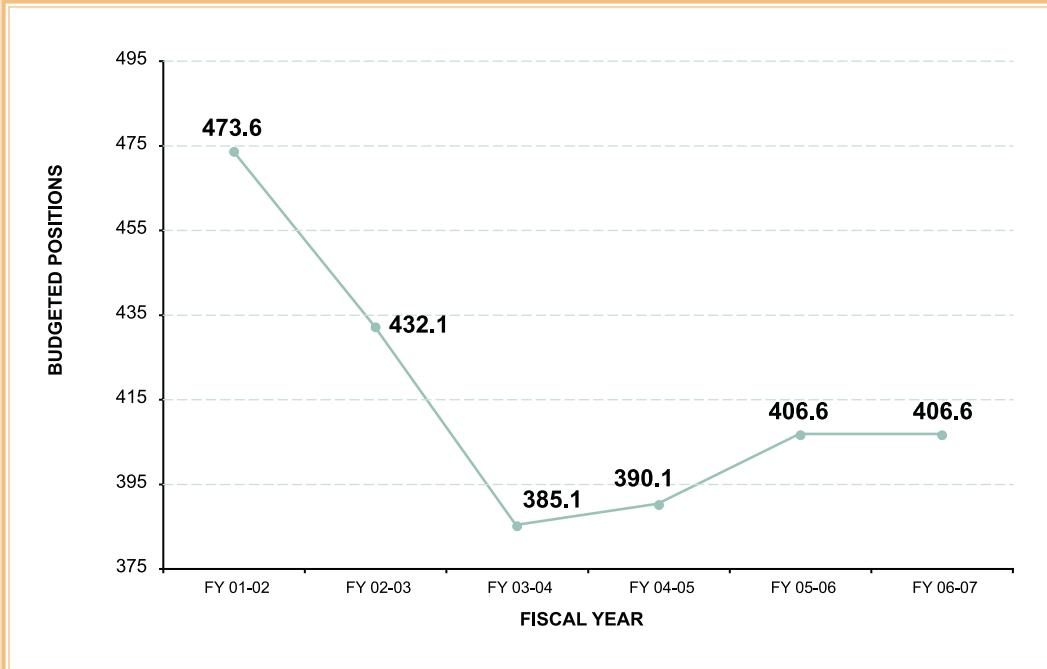
- The CSLB's budget for FY 2006/07 includes 406.6 total positions (404.0 permanent and 2.6 blanket positions) and a total appropriation of \$53,595,811. The appropriation amount includes increases for employee compensation (\$1,802,517) and employer retirement contributions (\$176,294).

Business Services

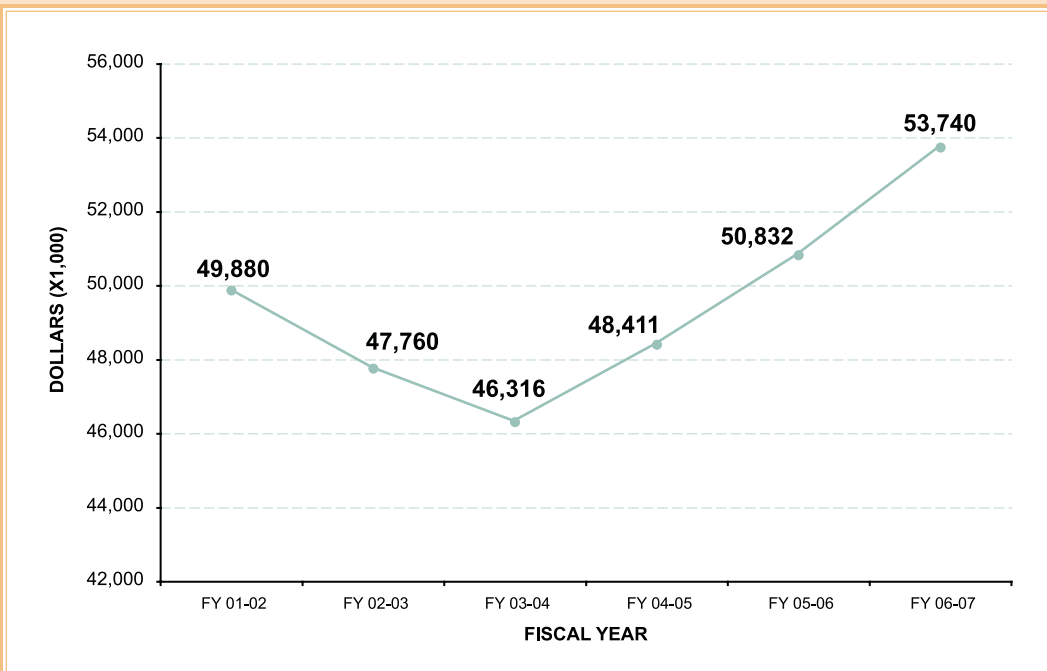
In 2006, the Business Services Unit processed paperwork to accomplish the following:

- Expand the Oxnard testing center by 12 seats and expanded its Sacramento testing center by 9 seats;
- Relocate the San Jose testing center and increased seating by 18 seats;
- Begin work on securing new space for the Azusa Investigative Field Office;
- Renew the lease for the Bakersfield Investigative Field Office;
- Execute 21 contracts including: Katz and Associates, Choice Point, Sabah, Netsource, and CPS Human Resource Services;

CSLB STAFFING BY PERSONAL YEAR (PY)



CSLB ANNUAL BUDGET BY FISCAL YEAR



- Continue working on new and expanded space for Norwalk, San Bernardino, Santa Rosa and Fresno;
- Purchase 11 vehicles for EEEEC Program;
- Complete Emergency Response and Preparedness Plan for headquarters and field offices;
- Assist in completing the Continuity of Operations/Continuity of Government (COOP/COG) Plan;
- Compile physical inventory binder for CSLB headquarters and field offices – includes equipment, information technology and vehicles;
- Complete the Bureau of Automotive Repair Government Fleet Smog Check Program

INFORMATION TECHNOLOGY (IT)

Automated Call Distribution (ACD) System

In 2006, the IT Division completed installation and implementation of software for a Call Center Announcer. This software announces the expected wait time to talk with a Licensing Information Center (LIC) agent during business hours. This feature allows callers to decide if they want to wait to speak with an agent or call back at a less busy time.

New Management Information System (MIS) Center software for the ACD was also installed. This system provides supervisor reports and assists in the management of calls coming into the LIC.

Interactive Voice Response System (IVR)

The IVR system was updated in 2006. Now, both hardware and software provides redundancy and a fully-functional development system. Additionally, the text to speech engine was replaced with a more robust engine; from the caller's perspective the voice is much clearer.

Cellular Phones

In January 2006, the CSLB completed a change out of all staff cellular phones. The switch of a state contract from Cingular to Verizon required that old phones be surveyed and replaced with the new service and products.

Equipment Replacement/End of Lifecycle

- Replaced the Image Workflow Automation System (IWAS) scanners in the Licensing and File Room Units.
- Added software which cleans up images should the originals be of poor quality when they are scanned.
- Replaced 130+ printers (desktop and LAN printers).
- Replaced 160+ personal computers (laptops and desktops).

Wireless/Mobile Computing

As noted in the Enforcement Division report, in 2006, the IT Division completed deployment of wireless cards to SWIFT members who use laptops. This technology allows the staff to access email, internet, and the CSLB's mainframe system while they are out in the field. It proved to be of value and there were no access/connectivity issues.

Laptop Encryption

In 2006, the IT Division completed the implementation of Encryption software on all of the CSLB's laptops.

Workers Compensation Database Access

IT provided the Sacramento and Norwalk Enforcement staff direct access to the Department of Insurance's Workers Compensation database. Information such as insurers' name, establishment, address, policy number, effective dates, and identify of the workers' compensation insurance carrier for the insured are immediately available to designated Enforcement staff.

Remote Users Email/File Sharing Response Time Improvements

Email and file servers for the remote staff were upgraded and all sites have realized great improvement in response time.

Printer Project for Printing of Enforcement Letters

In early 2006, the IT Division began working on a project to replace large scale mainframe printers. The new technology will allow printing of enforcement letters to any printer on the CSLB's network, which will be a great improvement. Currently enforcement letters (from the CSLB's mainframe computer) can only print to three mainframe printers. This will allow the users to immediately print letters at their site/desk and utilize the mainframe printers for mass printing. The CSLB released the Statement of Work in December 2006 to vendors and bids are due back in mid-January 2007.

Image Workflow Automation System (IWAS)

A fully-functional development system which includes a juke box was installed in 2006. The development system is used to test software upgrades, patches, and new/modifications to the application code prior to being moved into production/the live system. The development system provides an environment in which to train staff, allowing staff to practice loading software, make changes, etc., without fear of impacting the production environment. Additionally, the development environment will be used in testing the CSLB's disaster recovery procedures and, to some degree, can be used to replace production hardware should there be a failure.

Email Replication

The email system was upgraded to provide CSLB with redundancy in the event the primary headquarters' email systems goes down.

Automated Enforcement Statistical Reports

Working with Enforcement and Budget staff, IT staff completed the development and implementation of the automated Enforcement Statistical Reports. The data for these reports is now fully automated and is directly obtained from the Automated Licensing and Enforcement System.

Legislative Implementation

Programming of the CSLB's Automated Licensing and Enforcement System due to legislative and or regulatory mandates:

- Effective January 1, 2007, all licensees holding a C-39 (roofing) classification were required to have workers' compensation certificates on file with the CSLB. All licenses without this certificate on file are suspended until they come into compliance;
- Effective January 1, 2007, the Contractor Bond and Qualifier Bond were increased from \$10,000 to \$12,500; and
- Effective September 2006, experience points that could be earned toward an applicant's exam score were no longer allowed on applications received

iLicensing – On-Line Licensing Services

The Department of Consumer Affairs (DCA) feasibility study was approved for the enterprise wide on-line licensing services system. This system will provide on-line (Internet) services, which will allow electronic filing of the original application, renewal applications, payment of fees, and address changes for licensees and applicants.

In late September, the CSLB was provided a conceptual design of the proposed iLicensing system. It shows that CSLB's automated Licensing and Enforcement System (Teale) and Image Workflow Automation System (IWAS) will require substantial modifications in order to interface with the iLicensing system.

Continuity of Operation Plan/Continuity of Government

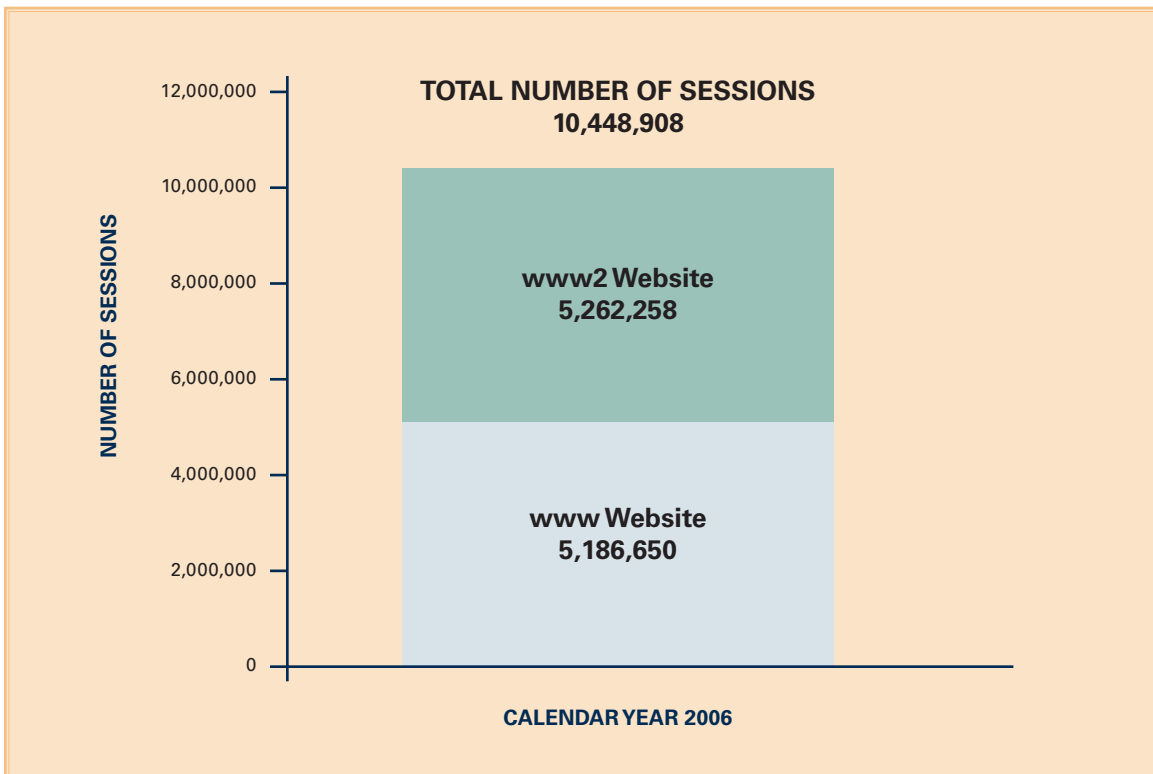
In 2006, the CSLB developed and improved its Continuity of Operation Plan/Continuity of Government (COOP/COG). This plan is to ensure the continuity of essential Board functions through a wide range of emergencies and disasters. The CSLB submitted its plan to DCA in September 2006. Further updates were requested and submitted. In October, the Office of Emergency Services evaluated the CSLB's plan, met with staff, and requested more updates by October 31, 2006, which were submitted on time. The CSLB's efforts were recognized by both the DCA and the State and Consumer Services Agency. Additional work continues into 2007.

Website

The two CSLB website portals hosted a total of 10,448,908 sessions during 2006. A session is defined as the number of hits to a Website by one visitor over a specific period of time. The main CSLB Website portal (in blue in the following chart) hosted a total of 5,186,650 sessions. The second CSLB Website portal (in red in the chart below), which provides visitors with direct access to specific license information (such as personnel, complaints, status, etc.) without needing to go through the main

Website, hosted a total of 5,262,258 sessions during 2006. Note: the main Website portal experienced twice as much session traffic in the month of December as for the average of the session traffic during the eleven proceeding months (830,240 sessions in December versus an average of 396,037 for the proceeding 11 months). The CSLB is investigating the reasons for this dramatic increase in traffic in December.

Number of 'Sessions' hosted by the CSLB website portals during Calendar Year 2006



NOTES:



CONTRACTORS STATE LICENSE BOARD

9821 BUSINESS PARK DRIVE
SACRAMENTO, CA 95827
(800) 321-CSLB(2752)
www.cslb.ca.gov