



CALIFORNIA
CONTRACTORS STATE LICENSE BOARD

Strategic Plan
2004

Adopted by the Board April 29, 2004



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Overview of the Contractors State License Board

The Contractors State License Board (CSLB) is the California consumer protection agency charged with licensing construction contractors who work in the state, resolving consumer complaints, and enforcing state laws pertaining to contractors. CSLB licenses or certifies contractors in 46 categories and registers home improvement salespersons.

Created in 1929, and now an independent board within the California Department of Consumer Affairs (DCA), CSLB had a 2002-2003 operating budget of \$46.7 million and 382.5 authorized staff positions, down from \$50.4 million and 471 in 2001-2002. In 2003, the agency regulated more than 278,000 licenses, administered approximately 55,007 examinations to license applicants, and received 23,656 complaints.

CSLB is governed by a 15 member Board consisting of licensed contractors, a building official, consumers, and representatives of labor organizations. The Registrar of Contractors, appointed by the Board, administers the agency.

The mission of CSLB is to protect consumers by regulating the construction industry through policies that promote health, safety, and general welfare of the public in matters relating to construction. The Contractors State License Board attempts to accomplish this mission by:

- Ensuring that construction is performed in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring that any person practicing or offering to practice construction contracting be licensed;
- Enforcing the laws, regulations and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so that they may make informed choices.

CSLB activities include administering examinations to test prospective licensees, issuing licenses, investigating complaints against licensed and unlicensed contractors, issuing citations and suspending or revoking licenses, and seeking administrative, criminal, and civil sanctions against violators.

Because of budget and staff constraints CSLB no longer conducts strategic planning sessions. The thrust of planning focuses on prioritizing workload with diminished staff and resources.

CSLB External Environment

In developing its strategic plan, CSLB must assess the external factors which have a significant impact on the field of construction in general and CSLB's mission in particular.

An update of the Board's Strategic Plan is preceded by an environmental scan. From an examination of CSLB's external environment, Board members and staff identify the potential issues and challenges that may affect CSLB's ability to carry out its mission over the long term.

The construction industry in California is distinct from that of other states in terms of the breadth, magnitude, and complexity of the individual circumstances that create its context. California has the fifth or sixth largest economy in the world, and construction is the state's number one industry. California's physical size, large and diverse population, varied landscape and climate, frequent seismic activity, distinctive legal framework, and massive economy create an unusually demanding context for contractor licensing.

Identified major trends and conditions that affect CSLB and to which CSLB is unalterably opposed include the following:

- **State Budget**

No impact compares with the state of the California budget. The multi-billion-dollar shortfall has monumental repercussions on all aspects of life. CSLB has lost 20% of authorized staff positions since 2000 and has experienced a high vacancy rate caused by the state hiring freeze.

- **Changing Labor Force**

Use of traditional apprenticeship programs has decreased while reliance upon temporary workers and employment agencies has increased.

- **Liability Insurance**

Increasing insurance and legal costs have strained the consumer/contractor relationship. Instability of the bond industry has reduced bond availability. Extremely high workers' compensation insurance costs are adversely affecting the construction industry. Liability insurance and workers' compensation insurance problems have caused licensees to form new businesses, causing a significant increase in licensing workload.

Program Priorities

To focus decreased resources on the Board's most critical needs, the Board set the following priorities:

1. Focus on early intervention and on serious (health and safety) complaints.
2. Keep licensee in business and maintain the collection of revenue by keeping renewals and license maintenance current.
3. License applicants by reviewing qualifications and fingerprinting applicants, and administer legal and effective exams.
4. Educate consumers on their rights and responsibilities and stress how consumers can protect themselves.
5. Stress early intervention and resolution of reactive complaints and refer minor complaints to small claims court.
6. Provide call center and front counter services.
7. Refocus SWIFT personnel and redirect appropriate staff to reactive cases.
8. Ensure that Administrative Services and Information Technology provide the support necessary to maintain programs.

Mission

The Contractors State License Board protects consumers by regulating the construction industry through policies that promote the health, safety and general welfare of the public in matters relating to construction.

The Contractors State License Board will accomplish this by:

- Ensuring that construction is performed in a safe, competent and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring that any person practicing or offering to practice construction contracting be licensed;
- Enforcing the laws, regulations and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so that they make informed choices.

Vision

California consumers and contractors will have a safe, fair and competitive marketplace.

- Contractors possess the knowledge, skills and abilities necessary to provide clients and the general public with professional service and products.
- Consumers have access to adequate redress if they are harmed by incompetent or dishonest contractors.
- Consumers have information they need to make informed choices.
- Contractors have access to information they need to practice competently and honestly.

Values

The Contractors State License Board will strive for the highest possible quality throughout all of its programs. To that end:

- CSLB believes in treating all consumers and contractors fairly.
- CSLB supports its staff and their dedication to their jobs.
- CSLB focuses on prevention, providing information to consumers and contractors.
- CSLB is progressive, utilizing the most advanced means for providing services.

Goals

The Contractors State License Board has established five goals, which provide the framework for the results it wants to achieve in furtherance of its mission.

1. Enforcement

Reduce, eliminate or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety and welfare.

2. Licensing

Ensure that all applicants and licensees are qualified to provide construction services.

3. Legislation & Policies

Ensure that statutes, regulations, policies and procedures protect consumers and provide adequate remedies to resolve disputes.

4. Communication & Education

Educate consumers to make informed choices about construction services and ensure that licensed contractors strengthen their technical management and service skills

5. Organizational Development

Enhance organizational effectiveness and improve the quality of customer service in all programs.

Customers & Needs

The California Contractors State License Board serves four primary user groups:

1. The Public

CSLB protects and serves the public at large. Californians of all walks of life rely on well-built structures and infrastructure.

2. Users of Contracting Services

CSLB's programs and regulatory activities benefit users of contractors' services. There is a clear need to ensure that these consumers are not harmed by incompetent or dishonest contractors. Similarly, there is a clear need to resolve disputes in a timely manner when conflicts occur.

3. Contractors

CSLB benefits contractors by providing information that enables them to pursue their business activities with appropriate protections. By providing dispute resolution services, CSLB attempts to minimize the cost and other difficulties associated with conflicts over construction work. By maintaining minimal licensing standards, CSLB raises the standards of the profession and respect for licensees.

4. Building Officials

California building officials and the CSLB share the common goal of ensuring that construction is performed competently and conforms to all relevant building codes and standards. Before issuing a permit for construction, the local building departments use CSLB information to verify the license status of individuals who are not otherwise exempt from licensure. In addition, local building officials regularly cooperate with CSLB to discipline licensees who commit the more egregious violations of the building codes. CSLB is also working with CALBO on ways to improve communication among contractors, building officials, and CSLB.

Action Plan

The Action Plan is a dynamic framework for the many activities the Contractors State License Board performs in promoting and meeting its goals. The goals and objectives are assigned to committees, subcommittees, task forces, staff, or individuals as appropriate who create more detailed action plans in order to meet the goals and objectives set by the Board.

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Action Plan: Enforcement

GOAL: Reduce, eliminate or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety and welfare.

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY	
Adopt policies and procedures that encourage voluntary compliance.	Enforcement Committee	
Provide appropriate information to the public on the status of enforcement activities.	Enforcement Committee	
Resolve disputes in a way that encourages future compliance.	Enforcement Committee	
Encourage early intervention and mediation to resolve disputes.	Enforcement Committee	
Ensure that the consequences of lack of compliance are fully enforced.	Enforcement Committee	
Develop enforcement tools to ensure that contractors fulfill their contractual obligations and responsibilities.	Enforcement Committee	
Coordinate government agencies' responses to enforcement issues.	Enforcement Committee	
OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Implement a tracking/reporting procedure to monitor AG expenditures and workload.	Staff	July 2004
2. Establish a plan to track and improve the quality of administrative legal actions.	Staff	January 2005
3. Develop a plan and procedures to increase Intake & Mediation Center staffing levels.	Staff	July 2005
4. Develop memoranda of understanding with relevant governmental/law enforcement agencies.	Enforcement Committee	July 2005
5. Update the plan to implement Enforcement Monitor recommendations based on available resources.	Enforcement Committee	July 2005
6. Implement a cycle time reduction strategy that eliminates cases over one year in age and reduces 270-day-old cases to less than 1%.	Enforcement Committee	December 2005
7. Develop a plan and procedures to increase the percentage of complaints closed at the Intake & Mediation Centers to 70%.	Enforcement Committee	January 2006

Action Plan: Licensing

GOAL: Ensure that all applicants and licensees are qualified to provide construction services.

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Ensure that exams are current and relevant.	Licensing Committee
Ensure that all licensed contractors meet experience and education requirements and exhibit basic business competency skills.	Licensing Committee
Enforce penalties for application fraud and misrepresentation of qualifications.	Licensing Committee
Ensure accuracy of information submitted by the applicant and applicant integrity.	Licensing Committee
Ensure all processes in Licensing are current and efficient.	Staff

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Develop plans and procedures to ensure that the License Maintenance Units process their work within 1 week.	Staff	July 2004
2. Implement fingerprinting mandate.	Staff	January 2005
3. Study licensing workload processes to streamline and develop production standards.	Staff	January 2005
4. Develop a staffing and process plan for the Applications Units to meet a process review goal of 3 weeks or less.	Staff	July 2005
5. Create a testing plan to reduce the wait time to be scheduled for an exam to 3 weeks.	Licensing Committee	July 2005
6. Establish a new occupational analysis schedule and prioritization to meet legal requirements for license exams.	Licensing Committee	July 2005
7. Review the process for applicant qualifications based on the fingerprinting mandate.	Licensing Committee	January 2006
8. Reinstate Call Center staffing and services to respond to 70% of all incoming calls within 4 minutes.	Licensing Committee	January 2006
9. Review implementation of the Construction Management Education Account and make recommendations.	Licensing Committee	July 2006

Action Plan: Legislation & Policies

GOAL: Ensure that statutes, regulations and procedures protect consumers and provide adequate remedies to resolve disputes.

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Provide mechanisms for consumers to remedy problems and resolve disputes.	Legislative Committee
Create legal and financial tools to ensure an appropriate level of consumer protection.	Legislative Committee
Monitor legislation that impacts the construction industry as it relates to public health, safety and welfare.	Legislative Committee

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Implement contract reform legislation (SB 30).	Legislative Committee	January 2005
2. Implement legislation to increase statute of limitations for misdemeanors.	Legislative Committee	January 2005
3. Sponsor legislation for enactment regarding technical clean-up, arbitration, etc.	Legislative Committee	January 2005

Action Plan: Communication & Education

GOAL: Educate consumers to make informed choices about construction services and ensure that licensed contractors strengthen their technical management and service skills.

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Ensure that contractors understand their professional obligations and responsibilities.	Communication & Education Committee
Educate the public about their rights and responsibilities in the contracting process.	Communication & Education Committee
Educate contractors about building codes, construction methods and business practices.	Communication & Education Committee
Inform the public about the role and function of the CSLB.	Communication & Education Committee

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Implement contract with a private public relations firm to provide support for CSLB's public education program.	Communication & Education Committee	July 2004
2. Develop and implement 2004/05 CSLB Communications Plan, based on Board approved priorities, input from public relations contractor, and available resources.	Communication & Education Committee	January 2005
3. Maintain ongoing partnership with CALBO.	Communication & Education Committee	January 2005

Action Plan: Organizational Development

GOAL: Enhance organizational effectiveness and improve the quality of customer service in all programs.

ONGOING RESPONSIBILITIES	LEAD RESPONSIBILITY
Try to ensure that CSLB has the resources it needs to achieve its mission and goals.	Board and Staff
Monitor implementation of the CSLB strategic plan.	Executive Committee
Monitor and improve organizational effectiveness.	Executive Committee
Conduct annual budget briefing sessions.	Executive Committee

OBJECTIVES	LEAD RESPONSIBILITY	TARGET DATE
1. Develop a recommendation for a licensing fee adjustment.	Executive Committee	January 2005
2. Develop and implement a staff development program.	Executive Committee	January 2005
3. Determine long-range plans for CMEA.	Executive Committee	January 2006

Appendix



