

# **Nevada State Contractors Board**



**2012-13**  
**Executive Officer's Report**  
**Strategic Plan Quarterly Report**  
*July 1 – September 30*

**To:** NSCB Members  
**From:** Margi Grein, Executive Officer  
**Subject:** FY 2012-13 Executive Officer's Report and Strategic Plan Quarterly Report

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*The enclosed report and financial statements are in accordance with NAC 624.030 and summarize the activities of Nevada State Contractors Board from July 1 – September 30, 2012.*

The beginning of every new fiscal year presents a time for a reinvigorated focus toward change and improvement, while also reflecting on the many successes and lessons learned from the previous year. FY 2011-12 was a strong partnering year and allowed the Board to re-introduce itself to many state, local, and industry partners. One of our most celebrated moments was the partnership with The Home Depot and local building officials to create a pilot permit system for Southern Nevada contractors. The Board was directly responsible for spearheading this public-private partnership and the end-result could not have turned out better. The Home Depot took the time to listen to the concerns of local building officials, understand the frustrations contractors encounter when purchasing permits, and learn of the Board's wishes for consumers to hire licensed contractors before coming back to the table months later with a patented system design that addressed everyone's needs. The system was at no cost to the county, and affords contractors an expedited one-stop shop experience for materials and permits. This project launched in September and is likely to expand to other states in the future. Creative solutions, such as this, are what will lead this Board to become a model regulatory agency for other states to follow.

This year, however, we're taking an even closer look into our operations to detail and streamline our procedures and policies, enhance our documentation efforts as it relates to communication and partnering strategies, think innovatively about our approach to educating the public and contractors about matters of importance to them, and ultimately identify ways to increase our feedback and abilities to gauge the satisfaction of our customers. The last three months have already proven to be busy. Enforcement participated in the first national sting event targeting unlicensed contractors and also implemented our Disaster Response Plan after torrential rains hit Las Vegas flooding several homes. Licensing has been working on a number of regulatory changes to streamline and update existing licensing classifications. The public information office placed an added focus on outreach efforts to rural Nevada, hosting multiple Senior Awareness Programs across the state. All departments have been identifying revisions to policies and procedures to ensure consistency and efficiency among both offices and all staff alike. And I have been actively involved with industry associations and external partners communicating key issues, sharing information of importance, working toward new solutions, and reporting on the many efforts taken by the Board.

Our work is never done, but we remain committed to pushing ourselves to new limits, setting new expectations, being proactive in our communication with key partners, and remaining transparent with our legislative initiatives. With session closely approaching, we will keep a keen eye on the progression of our legislative proposals, working with the public and industry to keep them informed, and taking advantage of the opportunity to work with, and address concerns of new and returning legislators.

FY 2012-13 will be full of many new opportunities and challenges, but it is the advancement toward our goals that generates the most excitement. I am eager to come back in three months and report to you exactly how we are achieving our goals and address any feedback you may have about our efforts.

Sincerely,

A handwritten signature in blue ink that reads "Margi Grein".

MARGI GREIN  
NSCB, Executive Officer

# Table of Contents

Licensing Data Dashboard.....	4
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## Quarter in Review

Enforcement – Compliance .....	7
Enforcement – Criminal .....	8
Licensing .....	9

## Tracking Performance

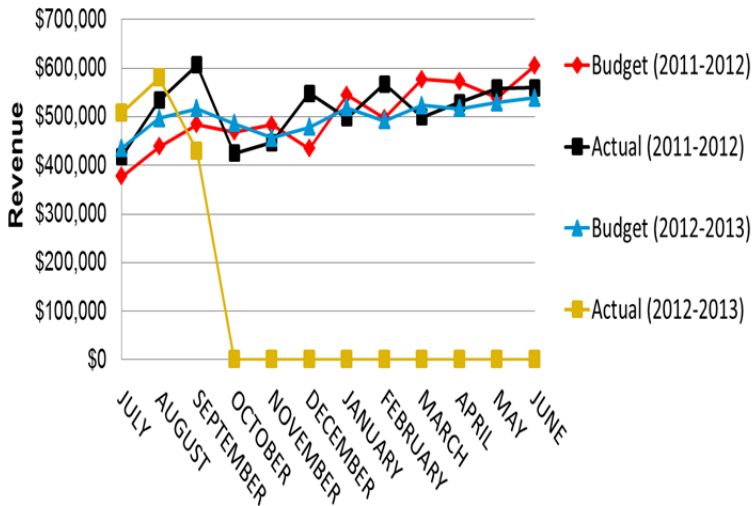
Goal 1 (Licensing).....	12
Goal 2 (Enforcement) .....	14
Goal 3 (Public Information) .....	17
Goal 4 (Partnering) .....	18
Goal 5 (Board) .....	19
Goal 6 (Administrative) .....	20

## Looking Forward

The Months Ahead.....	22
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## LICENSING DATA DASHBOARD

**Application, Renewal & Cost Recovery Revenue  
(FISCAL YEARS 2011-2012 / 2012-2013)**



### 180 Day Retention Rate

Projected Year-End Retention Rate	Mar '12 Lic's	17,109	
	Cancellations	(1,030)	(6.15%)
	New Licenses	468	2.79%
	Susp/Reinstate	311	1.86%
	Sep '12 Lic's	16,758	
Change		(351)	
6 Month Rolling	% Change	-2.09%	

### 90 Day Retention Rate

Projected Year-End Retention Rate	Jun '12 Lic's	16,908	
	Cancellations	(409)	(2.44%)
	New Licenses	239	1.43%
	Susp/Reinstate	20	0.12%
	Sep '12 Lic's	16,758	
Change		(150)	
3 Month Rolling	% Change	-0.90%	

Jul to Sep 2012	
Licenses (Beginning of Quarter)	16,908
New Licenses Issued	239
Licenses Cancelled / Surrendered / Revoked	(409)
Variance in Suspended/Reinstated Licenses	20
Licenses (End of Quarter)	16,758
# of Licenses on June 30th, 2012	16,908
# of Licenses on Sept 30th, 2012	16,758
Net YTD (Fiscal Year)	
Licenses Gained / Lost	(150)
Renewal Revenue Gained / Lost	(\$90,000)
*Does not include suspended licenses	

### FISCAL YTD LICENSING FEE TOTALS (FY2013)

LICENSING FEES	BUDGET	ACTUAL	VARIANCE
License Renewals	4,100,000	1,024,870	(3,075,130)
New License Fee	600,000	152,400	(447,600)
Application Fee	375,000	99,300	(275,700)
License Changes	349,589	83,975	(265,614)
Invest Recov Costs	225,000	77,952	(147,048)
Renewal Late Fees	139,000	38,775	(100,225)
Renewal Inactive	200,000	41,150	(158,850)

	July 2012			August 2012			September 2012		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
License Renewals	\$ 280,000	\$344,845	\$64,845	\$ 340,000	\$401,081	\$61,081	\$360,000	\$278,944	(\$81,056)
New License Fee	\$ 50,000	\$54,600	\$4,600	\$ 50,000	\$49,500	(\$500)	\$ 50,000	\$48,300	(\$1,700)
Application Fee	\$ 31,250	\$28,800	(\$2,450)	\$ 31,250	\$39,900	\$8,650	\$ 31,250	\$30,600	(\$650)
License Changes	\$ 29,132	\$26,100	(\$3,032)	\$ 29,133	\$33,675	\$4,542	\$ 29,132	\$24,200	(\$4,932)
Investigative Recov Costs	\$ 18,750	\$25,283	\$6,533	\$ 18,750	\$24,376	\$5,626	\$ 18,750	\$28,292	\$9,542
Renewal Late Fees	\$ 11,583	\$12,150	\$567	\$ 11,584	\$14,100	\$2,516	\$ 11,583	\$12,525	\$942
Renewal Inactive Fee	\$ 14,800	\$16,200	\$1,400	\$ 16,400	\$17,700	\$1,300	\$ 16,100	\$7,250	(\$8,850)
<b>TOTALS:</b>	<b>\$ 435,515</b>	<b>\$507,978</b>	<b>\$72,463</b>	<b>\$ 497,117</b>	<b>\$ 580,332</b>	<b>\$83,215</b>	<b>\$516,815</b>	<b>\$ 430,112</b>	<b>(\$86,703)</b>
	April 2012			May 2012			June 2012		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
License Renewals	\$ 398,443	\$365,850	(\$32,593)	\$ 367,813	\$389,150	\$21,337	\$428,052	\$362,925	(\$65,127)
New License Fee	\$ 60,834	\$45,600	(\$15,234)	\$ 60,834	\$40,200	(\$20,634)	\$ 60,834	\$70,600	\$9,766
Application Fee	\$ 33,375	\$33,300	(\$75)	\$ 33,375	\$35,100	\$1,725	\$ 33,375	\$43,200	\$9,825
License Changes	\$ 27,375	\$25,950	(\$1,425)	\$ 27,375	\$36,750	\$9,375	\$ 27,375	\$35,000	\$7,625
Investigative Recov Costs	\$ 17,500	\$32,086	\$14,586	\$ 17,500	\$21,567	\$4,067	\$ 17,500	\$22,278	\$4,778
Renewal Late Fees	\$ 13,846	\$12,620	(\$1,226)	\$ 12,782	\$16,650	\$3,868	\$ 14,875	\$11,515	(\$3,360)
Renewal Inactive Fee	\$ 21,217	\$13,500	(\$7,717)	\$ 19,586	\$19,800	\$214	\$ 22,794	\$14,125	(\$8,669)
<b>TOTALS:</b>	<b>\$ 572,590</b>	<b>\$528,906</b>	<b>(\$43,684)</b>	<b>\$ 539,265</b>	<b>\$ 559,217</b>	<b>\$19,952</b>	<b>\$604,805</b>	<b>\$ 559,643</b>	<b>(\$45,162)</b>

Budget (2011-2012)	JULY-11	AUG-11	SEPT-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	TOTALS
License Renewals	\$218,748	\$274,903	\$317,019	\$303,491	\$316,508	\$271,329	\$372,407	\$328,760	\$402,527	\$398,443	\$367,813	\$428,052	\$4,000,000
New License Fee	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,834	\$60,834	\$60,834	\$60,834	\$730,000
Application Fee	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$400,500
License Changes	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$328,500
Investigative Recov Costs	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$210,000
Renewal Late Fees	\$7,601	\$9,553	\$11,016	\$10,546	\$10,999	\$9,429	\$12,941	\$11,424	\$13,988	\$13,846	\$12,782	\$14,875	\$139,000
Renewal Inactive Fee	\$11,648	\$14,639	\$16,881	\$16,161	\$16,854	\$14,448	\$19,831	\$17,506	\$21,435	\$21,217	\$19,586	\$22,794	\$213,000
<b>MONTHLY TOTALS</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	
	\$377,080	\$438,178	\$483,999	\$469,281	\$483,444	\$434,289	\$544,262	\$496,773	\$577,034	\$572,590	\$539,265	\$604,805	\$6,021,000
Actual (2011-2012)	JULY-11	AUG-11	SEPT-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	TOTALS
License Renewals	\$262,600	\$351,450	\$448,600	\$281,700	\$302,100	\$361,335	\$367,930	\$376,350	\$327,985	\$365,850	\$389,150	\$362,925	\$4,197,975
New License Fee	\$54,300	\$63,000	\$42,450	\$48,900	\$45,100	\$58,900	\$36,600	\$54,600	\$59,850	\$45,600	\$40,200	\$70,600	\$620,100
Application Fee	\$27,900	\$44,400	\$32,700	\$27,600	\$24,900	\$34,200	\$26,700	\$38,100	\$38,100	\$33,300	\$35,100	\$43,200	\$406,200
License Changes	\$28,200	\$34,675	\$33,400	\$29,625	\$31,025	\$30,525	\$23,700	\$38,450	\$30,325	\$25,950	\$36,750	\$35,000	\$377,625
Investigative Recov Costs	\$24,057	\$15,135	\$17,607	\$10,683	\$20,709	\$23,139	\$17,561	\$23,074	\$14,739	\$32,086	\$21,567	\$22,278	\$242,635
Renewal Late Fees	\$10,650	\$14,000	\$15,525	\$12,450	\$11,550	\$21,325	\$11,250	\$15,150	\$15,015	\$12,620	\$16,650	\$11,515	\$167,700
Renewal Inactive Fee	\$10,200	\$11,800	\$16,450	\$13,800	\$12,000	\$19,000	\$14,400	\$21,600	\$13,475	\$13,500	\$19,800	\$14,125	\$180,150
<b>MONTHLY TOTALS</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	
	\$417,907	\$534,460	\$606,732	\$424,758	\$447,384	\$548,424	\$498,141	\$567,324	\$499,489	\$528,906	\$559,217	\$559,643	\$6,192,385
Variance (2011-2012)	JULY-11	AUG-11	SEPT-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	TOTALS
License Renewals	\$43,852	\$76,547	\$131,581	(\$21,791)	(\$14,408)	\$90,006	(\$4,477)	\$47,590	(\$74,542)	(\$32,593)	\$21,337	(\$65,127)	\$197,975
New License Fee	(\$6,533)	\$2,167	(\$18,383)	(\$11,933)	(\$15,733)	(\$1,933)	(\$24,233)	(\$6,233)	(\$984)	(\$15,234)	(\$20,634)	\$9,766	(\$109,900)
Application Fee	(\$5,475)	\$11,025	(\$675)	(\$5,775)	(\$8,475)	\$825	(\$6,675)	\$4,725	\$4,725	(\$75)	\$1,725	\$9,825	\$5,700
License Changes	\$825	\$7,300	\$6,025	\$2,250	\$3,650	\$3,150	(\$3,675)	\$11,075	\$2,950	(\$1,425)	\$9,375	\$7,625	\$49,125
Investigative Recov Costs	\$6,557	(\$2,365)	\$107	(\$6,817)	\$3,209	\$5,639	\$61	\$5,574	(\$2,761)	\$14,586	\$4,067	\$4,778	\$32,635
Renewal Late Fees	\$3,049	\$4,447	\$4,509	\$1,904	\$551	\$11,896	(\$1,691)	\$3,726	\$1,027	(\$1,226)	\$3,868	(\$3,360)	\$28,700
Renewal Inactive Fee	(\$1,448)	(\$2,839)	(\$431)	(\$2,361)	(\$4,854)	\$4,552	(\$5,431)	\$4,094	(\$7,960)	(\$7,717)	\$214	(\$8,669)	(\$32,850)
<b>MONTHLY TOTALS</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	
	\$40,827	\$96,282	\$122,733	(\$44,523)	(\$36,060)	\$114,135	(\$46,121)	\$70,551	(\$77,545)	(\$43,684)	\$19,952	(\$45,162)	\$171,385
Budget (2012-2013)	JULY-12	AUG-12	SEPT-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	TOTALS
License Renewals	\$280,000	\$340,000	\$360,000	\$330,000	\$300,000	\$320,000	\$360,000	\$335,000	\$365,000	\$360,000	\$370,000	\$380,000	\$4,100,000
New License Fee	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$600,000
Application Fee	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$375,000
License Changes	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,132	\$349,589
Investigative Recov Costs	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$225,000
Renewal Late Fees	\$11,583	\$11,584	\$11,583	\$11,583	\$11,584	\$11,583	\$11,583	\$11,583	\$11,584	\$11,583	\$11,583	\$11,584	\$139,000
Renewal Inactive Fee	\$14,800	\$16,400	\$16,100	\$15,450	\$15,600	\$17,400	\$18,000	\$16,050	\$17,400	\$16,550	\$18,350	\$17,900	\$200,000
<b>MONTHLY TOTALS</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	
	\$435,515	\$497,117	\$516,815	\$486,166	\$456,316	\$478,116	\$518,715	\$491,766	\$523,116	\$517,266	\$529,065	\$538,616	\$5,988,589
Actual (2012-2013)	JULY-12	AUG-12	SEPT-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	TOTALS
License Renewals	\$344,845	\$401,081	\$278,944										\$1,024,870
New License Fee	\$54,600	\$49,500	\$48,300										\$152,400
Application Fee	\$28,800	\$39,900	\$30,600										\$99,300
License Changes	\$26,100	\$33,675	\$24,200										\$83,975
Investigative Recov Costs	\$25,283	\$24,376	\$28,292										\$77,952
Renewal Late Fees	\$12,150	\$14,100	\$12,525										\$38,775
Renewal Inactive Fee	\$16,200	\$17,700	\$7,250										\$41,150
<b>MONTHLY TOTALS</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	
	\$507,978	\$580,332	\$430,112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,518,422
Variance (2012-2013)	JULY-12	AUG-12	SEPT-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	TOTALS
License Renewals	\$64,845	\$61,081	(\$81,056)	(\$330,000)	(\$300,000)	(\$320,000)	(\$360,000)	(\$335,000)	(\$365,000)	(\$360,000)	(\$370,000)	(\$380,000)	(\$3,075,130)
New License Fee	\$4,600	(\$500)	(\$1,700)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$447,600)
Application Fee	(\$2,450)	\$8,650	(\$650)	(\$31,250)	(\$31,250)	(\$31,250)	(\$31,250)	(\$31,250)	(\$31,250)	(\$31,250)	(\$31,250)	(\$31,250)	(\$275,700)
License Changes	(\$3,032)	\$4,542	(\$4,932)	(\$29,133)	(\$29,132)	(\$29,133)	(\$29,132)	(\$29,133)	(\$29,132)	(\$29,133)	(\$29,132)	(\$29,132)	(\$265,614)
Investigative Recov Costs	\$6,533	\$5,626	\$9,542	(\$18,750)	(\$18,750)	(\$18,750)	(\$18,750)	(\$18,750)	(\$18,750)	(\$18,750)	(\$18,750)	(\$18,750)	(\$147,048)
Renewal Late Fees	\$567	\$2,516	\$942	(\$11,583)	(\$11,584)	(\$11,583)	(\$11,583)	(\$11,583)	(\$11,584)	(\$11,583)	(\$11,583)	(\$11,584)	(\$100,225)
Renewal Inactive Fee	\$1,400	\$1,300	(\$8,850)	(\$15,450)	(\$15,600)	(\$17,400)	(\$18,000)	(\$16,050)	(\$17,400)	(\$16,550)	(\$18,350)	(\$17,900)	(\$158,850)
<b>MONTHLY TOTALS</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	
	\$72,463	\$83,215	(\$86,703)	(\$486,166)	(\$456,316)	(\$478,116)	(\$518,715)	(\$491,766)	(\$523,116)	(\$517,266)	(\$529,065)	(\$538,616)	(\$4,470,167)

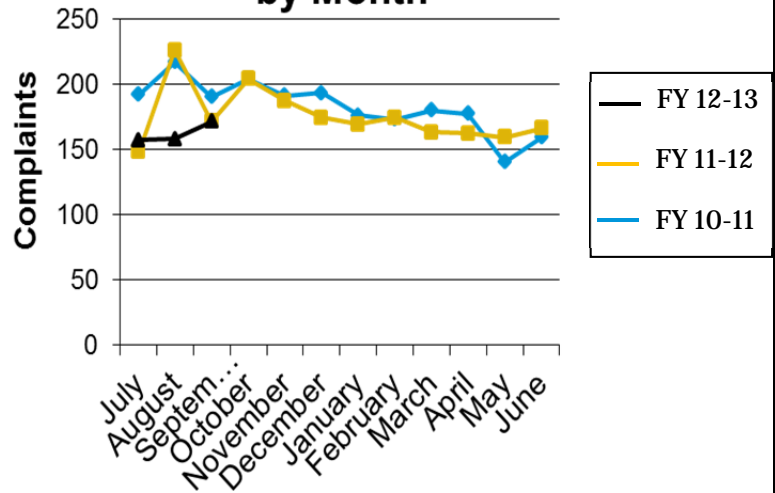
# **Quarter in Review**

## ENFORCEMENT

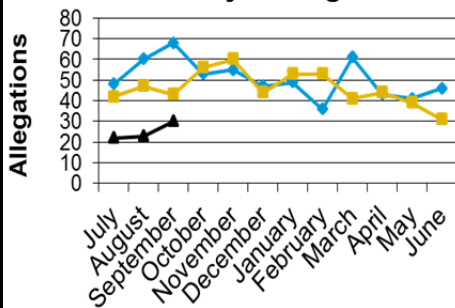
During the 1<sup>st</sup> Quarter of FY 2012-13, the Investigations Department opened a total of 808 cases against licensed and unlicensed contractors combined. During this time period, 750 cases were closed. Below is a summary of highlights from the Compliance and Criminal Divisions.

- **485 compliance cases opened against licensed contractors** –11% decrease from FY 2011-12 Quarter 1.
- **41 cases referred for Disciplinary Hearings;** Hearing Officers revoked 28 licenses.
- **249 compliance cases closed as valid;** 161 cases closed as invalid-no violation; 7 cases were closed as not within the statute of limitations.
- **89 Administrative Citations issued** – fines totaled \$80,600; investigative costs totaled \$35,566.
- **2 Construction Defect requests received** – one opinion pending.
- Reno has 75 pending cases (1 case over 90 day); Henderson has 218 pending cases (7 cases over 90 days).
- Compared to FY 2011-12 Quarter 1, money owing complaints decreased by 43%; workmanship complaints decreased by 21%; and industrial regulation complaints increased by 16%.

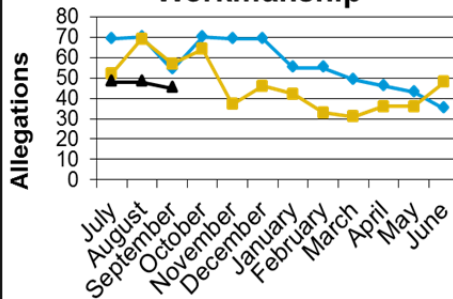
**Compliance Complaints by Month**



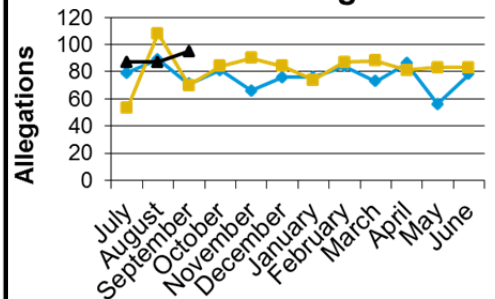
**Money Owing**



**Workmanship**



**Industrial Regulation**



**Compliance Investigations Encompass:**

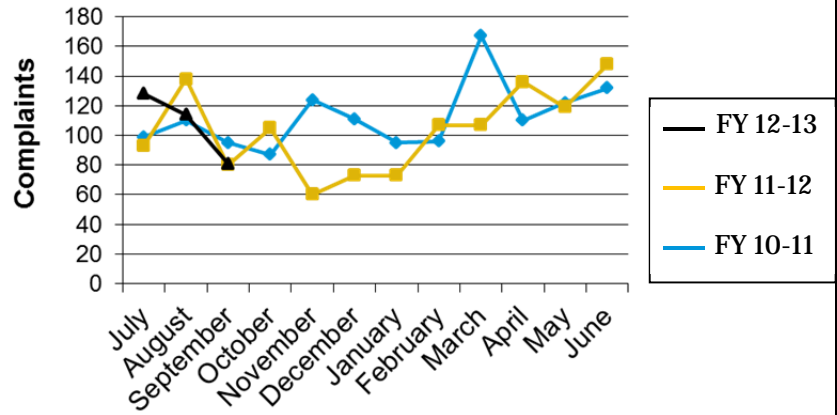
- Money owing
- Workmanship complaints
- Industry regulation violations of NRS 624
- Unlawful advertising
- Fraudulent or deceitful acts
- Misuse of a license
- Working outside the scope of the license
- Bidding over the monetary limit of the license

Workmanship complaints are primarily assigned to compliance investigators. All Board investigators have been cross trained to handle Industry Regulation investigations and money owing complaints. The resolution of homeowner/workmanship complaints is a priority for the Investigations Department.

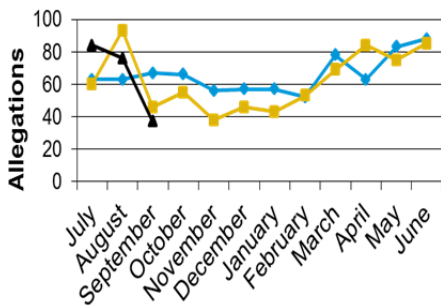


- **323 criminal cases opened against unlicensed contractors** – 4% increase from FY 2011-12 Quarter 1
- **140 criminal cases closed as valid**; 115 cases closed as invalid – no violation
- **118 criminal charges were filed**; 52 convictions recorded (generally from cases filed in previous reporting periods).
- Reno has 93 pending cases; Henderson has 230 pending cases (1 case over 90 days).
- **83 criminal citations were issued**; 35 filings were submitted to the District Attorney.

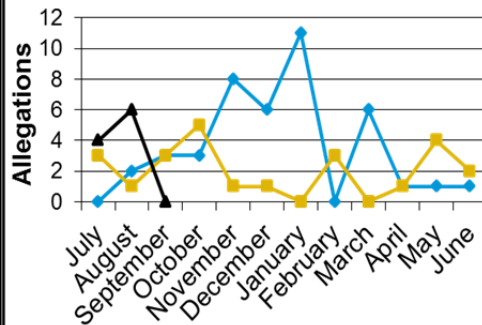
### Criminal Complaints by Month



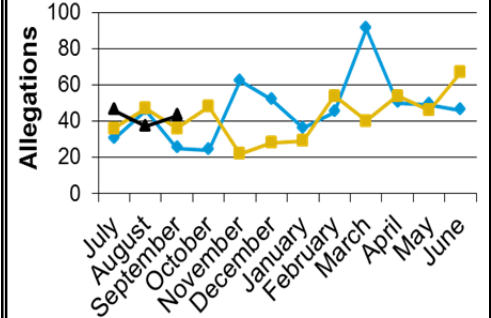
### Contracting without a License



### Criminal Fraud



### Unlawful Advertising

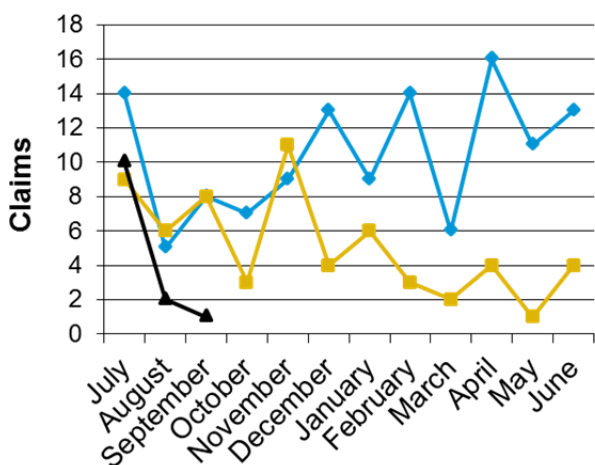


## RESIDENTIAL RECOVERY FUND

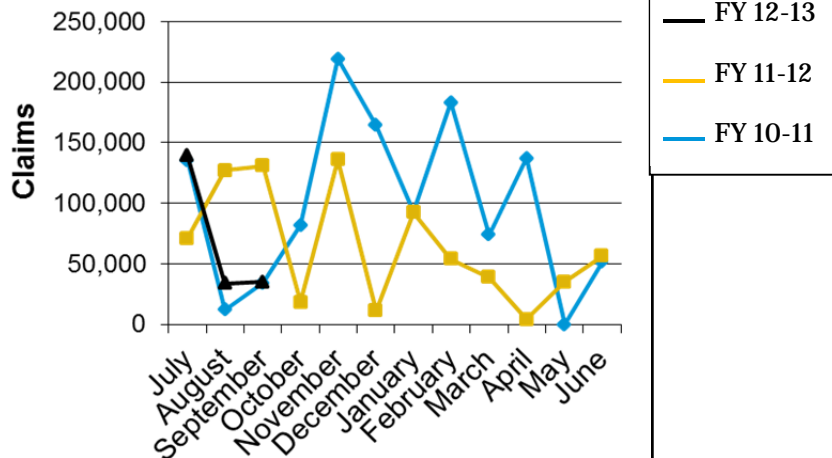
Three Recovery Fund meetings were held in the 1<sup>st</sup> Quarter by the Board. A total of 22 cases were heard, of which 20 were awarded \$162,637 collectively. The average claim was approximately \$8,132.

- **13 new claims** were received during this period.
- As of September 30, there were **18 claims pending** totaling approximately \$166,658.
- The Residential Recovery Fund balance as of September 30 was \$5,366,855.

### Recovery Fund Claims Filed



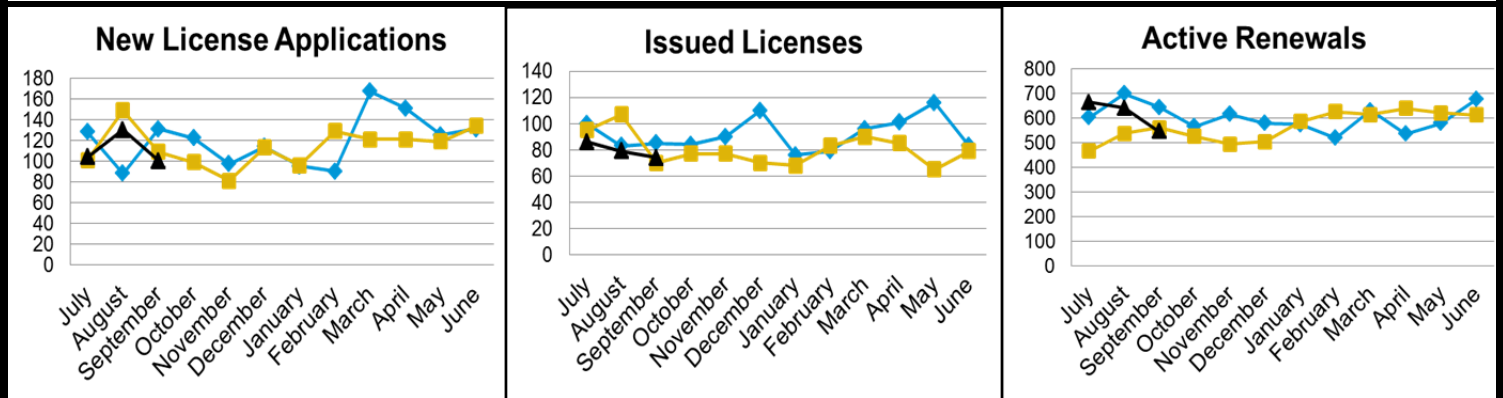
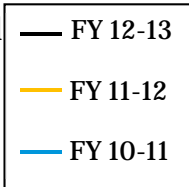
### Recovery Fund Claims Amount Paid





## LICENSING

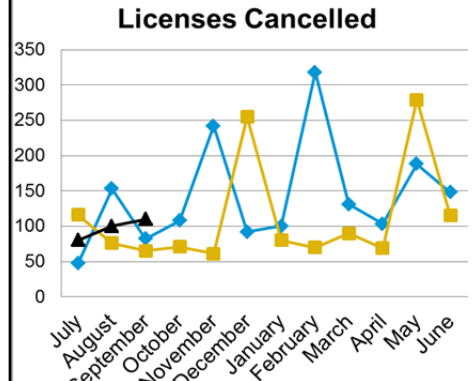
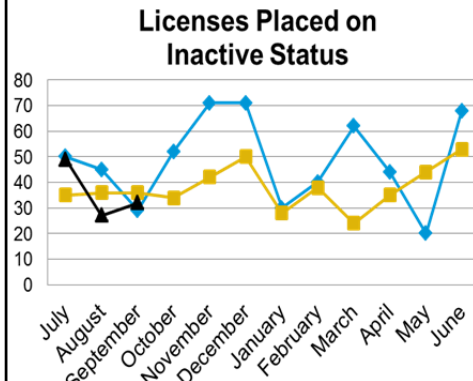
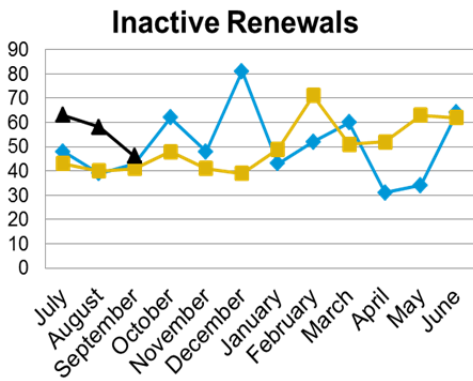
At the end of the 1<sup>st</sup> Quarter for FY 12-13, there were 15,153 active licenses and 1,605 inactive licenses in the State of Nevada. Active licenses decreased 4% since the same period last year, while inactive licenses decreased only 1%. A total of 122 financial review cases were opened (18% decrease), and 125 (6% decrease) have been approved by staff. Licensees who perform residential work are subject to financial review for the first two years of licensure. Licensees who fail to provide the required statement or fail to meet the financial responsibility requirement are set for hearing. Financial reviews are also scheduled when an indemnification agreement is withdrawn. Below is an overview of licensing data collected for the 1<sup>st</sup> Quarter.



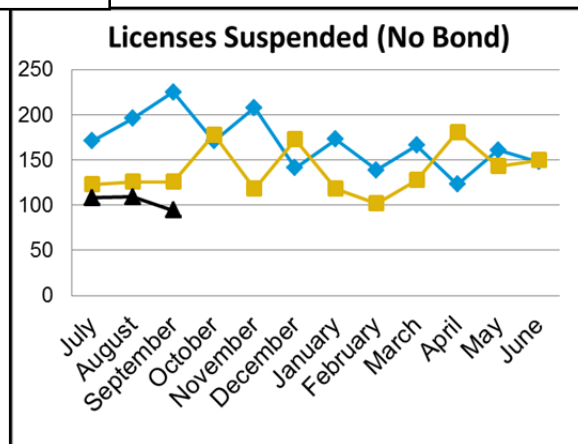
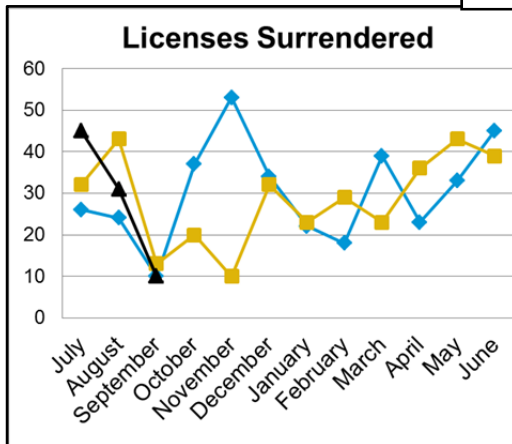
- **334 new applications received** – 7% decrease from the same period last year
- **243 applications were approved; 47 applications were tabled or denied**
- **239 new licenses issued** –12% decrease from the same period last year and a 35% decrease from FY 09-10 Quarter 2 data
- **773 license change applications received** – 8% decrease from the same period last year
- **625 license change applications were approved; 26 were tabled or denied**
- **1,849 active licenses renewed** – 18% increase from same period last year
- **167 inactive licenses renewed** – 35% increase from same period last year
- **30 application denial hearings** – 20% increase from same period last year
- **14 financial responsibility hearings** – 33% decrease from same period last year
- **23 single project increase applications received** – 17 approved; 3 were tabled/denied
- **108 licenses placed on inactive status** – the same number placed on inactive during Quarter 1 of last year

### License Change Applications Include:

- |   |  |                                   |
|---|--|-----------------------------------|
| ✓ Entity conversions                                  | ✓ Single project limit increase requests | ✓ Voluntary surrender requests    |
| ✓ Change of qualifier                                 | ✓ Relief of bonding requirement requests | ✓ Inactive status license request |
| ✓ Broadening of classification                        | ✓ Removal of indemnification requests    | ✓ Change of officer               |
| ✓ Name change   |  |                                   |
| ✓ Applications to reactive an inactive status license |  |                                   |
| ✓ Permanent raise in limit                            |  |                                   |



— FY 12-13  
 — FY 11-12  
 — FY 10-11



- **108 licenses placed on inactive status** – the same number placed on inactive during Quarter 1 of last year
- **86 licenses were voluntarily surrendered** – 2% decrease from the same period last year
- **311 licenses suspended for failure to maintain the required bond** – 17% decrease from the same period last year
- **290 licenses cancelled for non-renewal** – 12% increase from the same period last year

### Additional Highlights

- 217 construction management exams (CMS) and 255 technical (trade) exams were administered.
- 644 existing licensee files were scanned during this period. A total of 8,373 files have been scanned since February 2010.
- Since implementing the Online Renewal program, a total of 3,409 licensees have registered. During this reporting period, 641 licensees registered to use online services.
- 533 licensees utilized the online program to renew their license; this accounts for 26% of the total renewed licenses.
- Since July 15, 2011, 2,115 licensees have used online services to renew their license.

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# **Tracking Performance**



### HIGHLIGHTS

- At the close of FY 2011-12, the Licensee Financial Review Policy was implemented to allow staff more flexibility when reviewing licensee financial information.
- In July 2012, the Board adopted the policy for the use of committees to review and rule on application denial matters. The policy was implemented by staff and the first hearings were scheduled in September 2012.
- On August 18, both offices met jointly to discuss the new policy concerning application denial hearings heard by the committee. Data entry procedures were developed to add these matters to the consent agenda for ratification by the full Board.
- The frequently asked questions (FAQ) document was updated to reflect additional information concerning financial responsibility questions.
- As a result of the Board's compliance with Executive Order 2011-01, regulatory change proposals were drafted and approved for rulemaking. Items R095-12, R096-12, and R098-12 have been scheduled for workshop October 11, with the hearing date set for November 1.
- The Classification Regulation Subcommittee met in September to consider requests concerning licensure requirements for personnel hoists, installation of water supply lines for fire sprinklers, and weatherization work.

### UPCOMING EFFORTS

- Explore alternative ways of ensuring the financial capacity of license candidates (Feb 2013); and
- Investigate the feasibility of expanding the use of online application procedures (Mar 2013).

### PERFORMANCE MEASURES

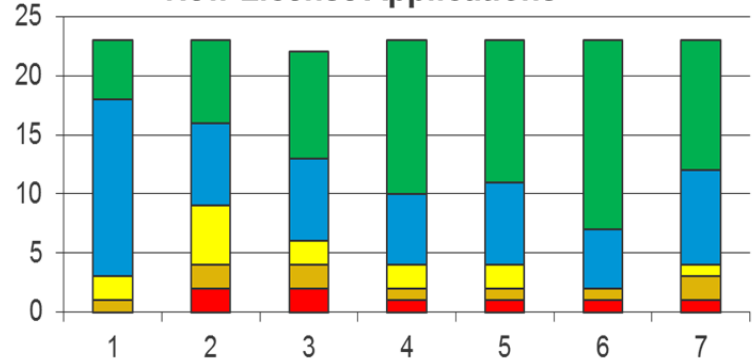
#### TIMELINESS

- The average processing time for new license applications during the 1<sup>st</sup> Quarter was 59 days with 58% of applications being approved or denied within 60 days. Processing time showed no improvement since the last quarter.
- The average processing time for a License Change Application in the 1<sup>st</sup> Quarter was 19 days with 83% being approved or denied within 30 days. Processing time improved by 5% since the last quarter.

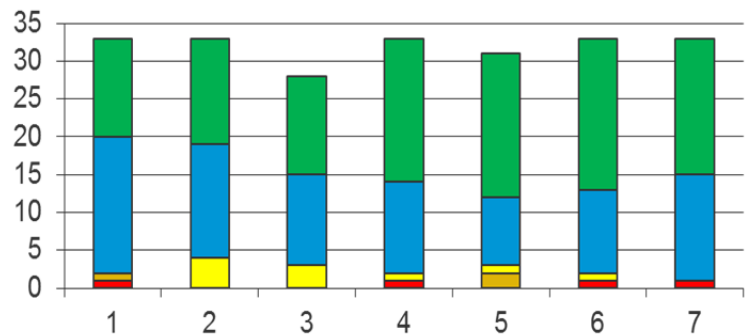
## **CUSTOMER EXPERIENCE**

- Sampling sizes for customer service surveys are beginning to improve as compared to previous quarters:
  - *New License Application* survey rendered a 13% sampling rate;
  - *License Change Application* survey had an 8% sampling rate; and
  - *Renewal License Application* survey resulted in an 8% sampling rate
- Customer service surveys for licensing operations indicate that of the 158 respondents, 47% found their overall experience (question 7) to be excellent, 37% found it to be good, 3% found it fair, 3% found it poor, and 4% found it unacceptable. The data and comments relative to customer service are conveyed to staff to identify ways to improve, while also recognizing positive feedback.
- The data and information received from the customer service surveys is being incorporated into daily e-mail correspondence with staff to assist in obtaining greater results.
- Revisions to the licensing customer service surveys are currently being drafted and should be implemented in Quarter 2.

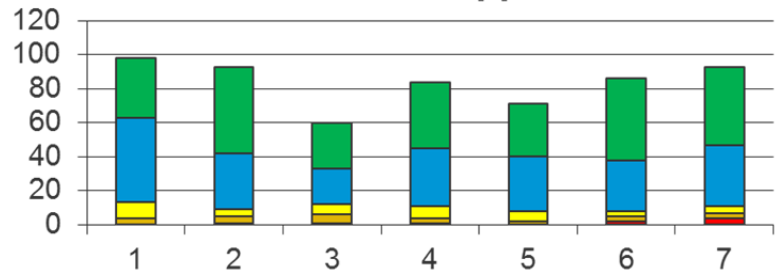
### **Customer Experience with New License Applications**



### **Customer Experience with LicenseChange Applications**



### **Customer Experience with Renewal License Applications**



## **CHART KEY**

1. Completeness and clarity of forms and instructions.
2. Length of time it took to process my application/renewal.
3. Length of time it took to notify me of any problems with my renewal.
4. Quality and clarity of correspondence received from NSCB staff.
5. Length of time it took to respond to my phone/email inquiries.
6. Professional and courteous conduct by NSCB staff.
7. Overall satisfaction with the manner in which my renewal was handled.





### HIGHLIGHTS

- The Board participated in the first National Unlicensed Contractor sting event this quarter, rendering 10 citations for unlawful activities. The event coordinated efforts with seven other states and NASCLA.
- In September, the Board again implemented its Disaster Response Plan after heavy rains in Southern Nevada generated flash floods, which damaged several homes throughout the region. The following day, investigators monitored the affected areas for unlicensed contracting activities and to distribute informational materials to homeowners. To date, no unlicensed activity has been reported.
- The Washoe County District Attorney’s office and the Reno Justice Court issued felony arrest warrants for a contractor who was brought before the Board in June 2012 for ten violations, including defrauding senior citizens, and found guilty – license revoked. The warrants charge the former contractor with diversion of construction funds and felony theft. The bond has been set at \$75,000.
- In September, the Board partnered with the PHCC in response to a series of thefts involving high-end tank-less water heaters and disposals from two local supply houses. The two supply houses reported financial losses in excess of \$60,000. Upon gathering the facts of the case, the Board initiated an investigation, and believed to have identified the suspect as matching an individual with the same phone number selling identical merchandise on Craigslist as that which was stolen. PHCC filed a report with the Las Vegas Metropolitan Police Department who was able to conduct a sting operation and arrest the subject. LVMPD is pursuing the investigation to identify other suspects who may be involved in the theft ring.

### UPCOMING EFFORTS

- Improve NSCB’s ability to quantify enforcement results (Dec 2012); and
- Analyze the feasibility of allowing completion of specific training courses in lieu of monetary fines or violations (Feb 2013).

### PERFORMANCE MEASURES

#### TIMELINESS

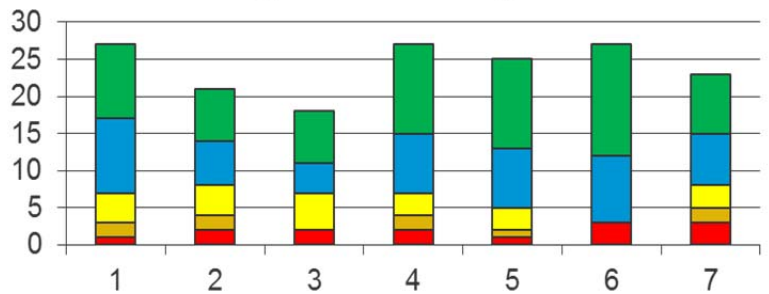
- Processing times for Recovery Fund claims in the 1<sup>st</sup> Quarter from when a claim was opened until the Notice of Hearing was mailed averaged 10.5 days. The time from when a claim was opened to when a hearing was conducted was 56 days.
- Henderson compliance cases 90+ days to resolve = 7 (3.21%); Reno = 1 (.01%)
- Henderson criminal cases 90+ days to resolve = 1 (.004%); Reno = 0 (0%)



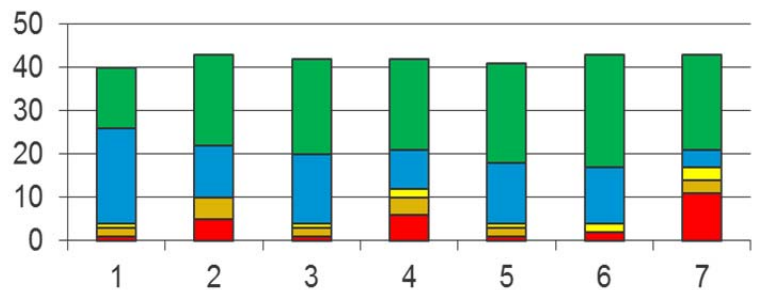
## **CUSTOMER EXPERIENCE**

- Sampling sizes for customer service surveys continue to be low:
  - *Contractor Experience*: 9% sampling rate
  - *Customer Experience with Licensed Contractor Complaints*: 24% sampling rate
  - *Customer Experience with Unlicensed Contractor Complaints*: 6% sampling rate.
- Customer service surveys for enforcement operations indicate that of the 73 respondents, 42% found their overall experience (question 7) to be excellent, 15% found it to be good, 10% found it fair, 7% found it poor, and 19% found it unacceptable. The data and comments relative to customer service are conveyed to staff to identify ways to improve, while also recognizing positive feedback.
- Management is beginning to pull case information that correlates with negative or suggestion-based feedback from customers. The case is then reviewed with staff to address opportunities for future improvements of how the case could be handled differently. Additionally, management uses the positive feedback to offer staff accommodations during department meetings.

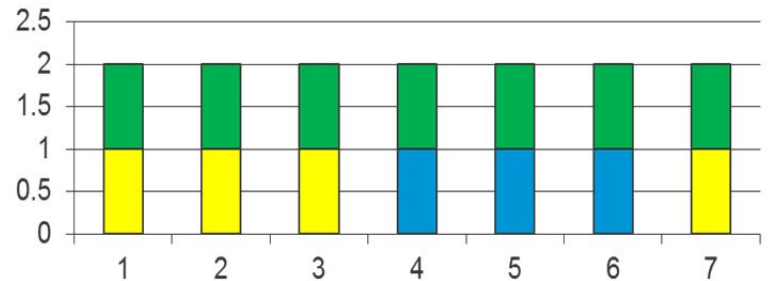
**Contractor Experience when a Complaint is Filed Against Them by a Consumer**



**Customer Experience when Filing a Complaint Against a Licensed Contractor**



**Customer Experience when Filing a Complaint Against an Unlicensed Contractor**



## **CHART KEY**

1. Completeness and clarity of forms and instructions.
2. Length of time it took to investigate the complaint.
3. Length of time it took to contact me after complaint was filed.
4. Quality and clarity of correspondence received from NSCB staff.
5. Length of time it took to respond to my phone/email inquiries.
6. Professional and courteous conduct by NSCB staff.
7. Overall satisfaction with the manner in which my complaint was handled.

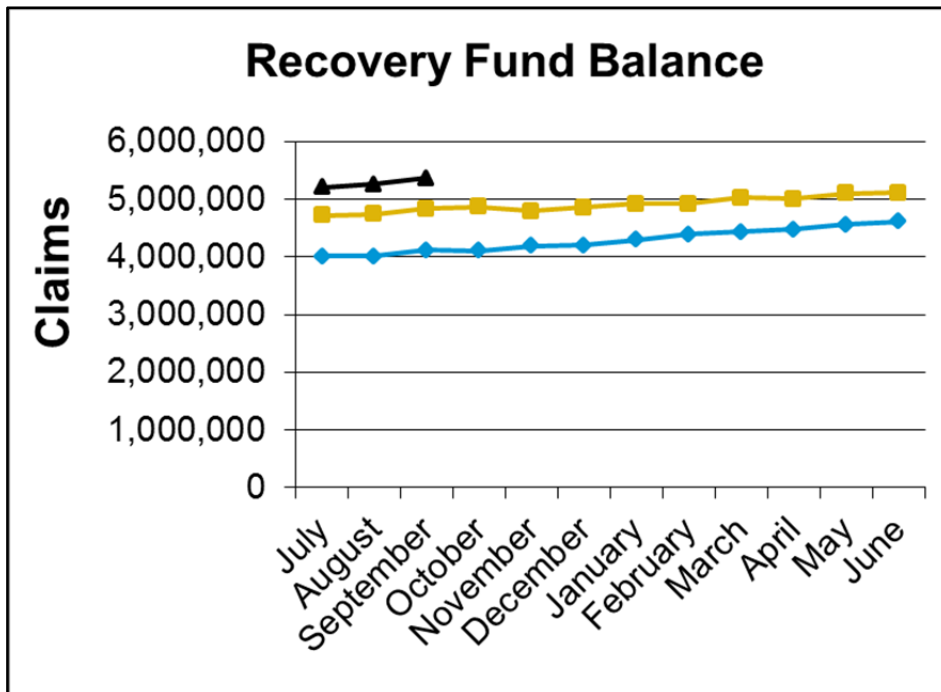


**QUALITY OF ENFORCEMENT**

- The ongoing implementation of the fingerprinting and background checks continues to be beneficial for the Board to identify omissions in applicants’ criminal activities. Of the 477 fingerprint cards submitted in the 1<sup>st</sup> Quarter, 55 individuals had failed to disclose prior criminal activities.
  - Unreported criminal activities include: Burglary (2); Embezzlement (2); Theft (4); Misdemeanor Theft (2); Narcotics (9); Assault with a Deadly Weapon (5); Felony Assault (5); DUI (15); Domestic Violence (3); Felony Sex Offense (2); Unregistered Sex Offender (4); Unregistered Felon (2).
  - Five applicants withdrew their applications when their fingerprints identified prior criminal activity.
- During the 1<sup>st</sup> Quarter, 93 background investigations were initiated. Of those cases, 32 are currently pending. Five applicants withdrew their applications when the background investigation identified prior criminal activity.
  - Background investigations identified 16 applicants who failed to report minor misdemeanor convictions. These applicants were issued administrative citations totaling \$7,500 in fines and \$4,125 in investigative costs.

<b>Fingerprint Cards Submitted</b>		<b>477</b>
Total fingerprints returned with criminal histories		105
Total fingerprints returned without criminal histories		372
Criminal histories		22%

**FISCAL MANAGEMENT OF RECOVERY FUND**





### HIGHLIGHTS

- **Communications Plan:** A communications plan for FY 2012-13 was developed, which identifies the priority audiences to outreach and educate in the year ahead. Specific outreach strategies have been identified for each of the targeted audiences and will continue to be implemented and modified as necessary throughout the year.
- **Increasing Rural Outreach:** In July, the Public Information Officer joined Executive Officer Margi Grein on a rural tour of Nevada. The four-day journey included stops in Ely, Elko, Battle Mountain, Lovelock, Fallon, and Winnemucca. Four senior presentations were given in partnership with local legislators and state agency representatives, and informational materials were provided to senior centers and building departments along the way.
- **Mission Cool Off:** At the end of FY 2011-12, staff met with representatives from SNARSCA to discuss the ongoing implementation and viability of Mission Cool Off. Due to economic challenges within the industry, it was decided by both parties to temporarily discontinue the program for FY 2012-13, while exploring alternative community service/outreach options for FY 2013-14.
- **NSCB on the Airwaves** – In addition to television and print coverage this quarter, the Public Information Office partnered with enforcement staff to conduct two radio interviews in July. Both interviews lasted roughly 45-60 minutes and reached audiences in Northern Nevada, as well as Southern Nevada Hispanic audiences. The interviews consisted of information on how to hire licensed contractors, how to file complaints, as well as discussion of unlicensed contractor issues.

### UPCOMING EFFORTS

- Create orientation materials for key constituencies, such as legislators, agency representatives, and consumer groups on the mission and function of NSCB (Nov 2012);
- Increase contractor awareness of general business and legal principles and practices (Dec 2012);
- Develop a “Train the Trainer” program in partnership with industry groups (Mar 2013); and
- Establish an annual “Training Day” seminar for contractors (May 2013).

### PERFORMANCE MEASURES

#### CUSTOMER EXPERIENCE

Gauging the satisfaction of our customers is an ongoing challenge given the operational matters of being a regulatory Board. However, a focused strategy to further improve our response rates is being developed and will be presented to the Board at the next quarterly meeting.



### HIGHLIGHTS

- The public-private partnership between The Home Depot and local building officials was initiated by the Board and resulted in an innovative solution to multiple parties' concerns related to building permits. In less than a year, The Home Depot designed, patented, and launched a pilot permit terminal system in 12 Southern Nevada The Home Depot stores, which aimed to expedite the purchase of building permits for contractors in a one-stop-shop experience.
- There was a great amount of partnering and engagement with legislators this past quarter. Whether the event was a Board meeting, subcommittee meeting, or a roundtable discussion, the Board was pleased to have legislators in attendance and contributing to the discussion topics.
- In an effort to better prioritize future partnerships, Board staff developed a partnership plan, which places immediate emphasis on identifying the partners needed to complete the objectives set out in the Strategic Plan, and also includes additional issues to be considered, which were raised in the previous fiscal year. Each issue/topic identified includes an outline of the potential partners, the goals of the partnership, and the anticipated outcome the Board hopes to achieve as a result of the partnering efforts.
- The Board continues to partner with industry associations on unlicensed contracting matters, as has been seen with the PHCC's Industry Watch program. As a result, NSCB has been invited to speak to the Nevada /Security Association in January 2013 in hopes that a similar program/effort can be initiated by their membership.
- NSCB met with various representatives from the real estate industry to discuss concerns regarding the licensing and contracting activities of realtors, property managers, asset managers, etc. One result from these meetings included the distribution of educational material to the above-mentioned groups.
- The Board has been strengthening its partnership with the Division of Industrial Regulations, which has led to an increase in the sharing of case information concerning contractors who violate workers compensation laws.

### UPCOMING EFFORTS

- Develop a reporting structure for partnering activities to provide Board members at the quarterly meetings (Oct 2012); and
- Build partnerships with specific groups to address NSCB's high priority issues, such as unlicensed activity and elder abuse (Dec 2012).

### PERFORMANCE MEASURES

Partnering opportunities continue to be an ongoing focus. With the development and implementation of the partnering plan, our efforts will continue to become more streamlined and directed toward specific goals of the Board.



## HIGHLIGHTS

- In July, the Board adopted a policy allowing for the use of committees to review and rule on application denial matters. While the policy change remains in an early implementation stage, it is expected to alleviate time spent during Board meetings so that added focus may be placed on key policy and operational matters of interested to the Board and staff alike.
- The Finance Subcommittee is scheduled to meet quarterly to discuss and review the financial information of the Board.
- The Insulation Advisory Committee met July 20 where members moved that no changes be made to Nevada Revised Statutes or Nevada Administrative Code Chapter 624 concerning insulation installation, and that any certification program that may be considered during the 2013 legislative session fall under the jurisdiction of the Department of Industrial Relations. The Board approved the committee recommendations at the August Board meeting.
- In August, all Board members attended the annual judicial training event at the Nevada Judicial College where topics of due process, Administrative Procedures Act, and guidelines for conducting hearings were discussed.
- The Classification/Regulation Subcommittee meeting was held in September where members discussed topics concerning licensure requirements for the installation of personnel hoists and rack and pinion elevators, work of a C1 plumbing and heating contractor related to the installation of fire sprinklers, and the licensure requirements for certain types of weatherization work.
- Due to the upcoming legislative session, a reoccurring item was added to the agenda to ensure discussion on legislative matters was addressed at every meeting, affording Board members and members of the public/industry an opportunity to voice their comments.

## UPCOMING EFFORTS

- Develop an ongoing orientation and training program for Board members on key NSCB functions and priorities (Oct 2012); and
- Identify issues and formulate positions for potential legislation (Jun 2013).

## PERFORMANCE MEASURES

### **BOARD ENGAGEMENT**

- Board member attendance at the regularly scheduled monthly Board meetings is consistent and each member continues to share the responsibility of Hearing Officer for disciplinary hearings and Residential Recovery Fund hearings.



### HIGHLIGHTS

- All staff is required to take a minimum of 16 hours of continuing education and/or training classes. Options available to staff include internal trainings, classes offered through the state, trade association trainings, POST certification courses, and higher education courses.
- In September, some investigative staff attended the RMIN Gypsy/Traveler Crime and the Elderly training, which provided current information on elder abuse and other scams targeting seniors.
- Staff in all departments is actively working on updating, generating, and modifying policies and procedures within their respective departments. This effort is ongoing and part of the Strategic Plan to create a Standard Operating Procedural manual.
- Licensing implemented a new Licensee Financial Review Policy upon approval from the Board, which allows staff more flexibility when reviewing the financial information of a licensee who is subject to a financial review. This change was coupled with the implementation of new processing documents for staff to use, providing for consistency across the Board.

### UPCOMING EFFORTS

- Improve methods of acquiring customer feedback (Oct 2012);
- Develop a Standard Operating Procedure (SOP) manual for all departments (May 2013); and
- Create a succession plan and strategy for developing the next generation of leadership (May 2013).

### PERFORMANCE MEASURES

#### **FISCAL MANAGEMENT**

- Despite the challenges of the economy and the trends being experienced, the Board is still in positive financial standings and has been able to keep expenses lower than the revenue being generated.

#### **CUSTOMER EXPERIENCE**

- The majority of customers are satisfied with the interactions with the Board. However, continued improvement is always needed, especially given the low sampling rate of our customer service surveys. Immediate efforts implemented to improve the sampling rate for future quarters include automating contact reports, monthly distribution of survey outcomes to management, and modifying the survey message that is sent out to customers.



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# **LOOKING FORWARD**

## WHAT TO EXPECT IN THE MONTHS AHEAD

The FY 2012-13 Strategic Plan directs staff to explore new opportunities and ways of thinking when it comes to the daily operations of the Board. Throughout the next three quarters, staff will continue working toward improved customer service strategies, enhanced reporting tools, and innovative outreach and engagement efforts. Quarter 1 objectives help set the stage for some of these goals and the development of a communications and partnering plan will further ensure that the direction of the Board be consistent, well documented, and with an intended purpose. Our annual outlook is strong in partnering, not only with state and local partners, but also among the industry.

The second quarter will contain staff reports on the following matters:

- Our ability to quantify enforcement results;
- The development of orientation materials for key constituencies, such as legislators, agency representatives and consumer groups on the mission and function of NSCB;
- Efforts made to increase contractors' awareness of general legal and business practices;
- A reporting structure for partnering activities to best ensure information of importance to the Board is being conveyed;
- How the Board is building partnerships with specific groups to address the Board's high priority issues, such as unlicensed activity and elder abuse;
- An overview of the orientation and training program for Board members on key Board functions and priorities; and
- Improved methods of acquiring customer service feedback.