



Nevada State Contractors Board

STRATEGIC PLAN
EXECUTIVE OFFICER REPORT
QUARTER ONE REPORT

July 1 - September 30, 2019



Members of the Board

Kent Lay, *Chair*

Guy Wells, *Treasurer*

Kevin Burke

Melissa Caron

Margaret Cavin

Joe Hernandez

Jan B. Leggett

Executive Leadership

Margi Grein, *Executive Officer*

Nancy Mathias, *Licensing Administrator*

Paul Rozario, *Director of Investigations*

Brian Hayashi, *Information Technology Manager*

Jennifer Lewis, *Public Information Officer*

Mission Statement

The Nevada State Contractors Board is committed to promoting public confidence and trust in the competence and integrity of licensees and to protect the health, safety, and welfare of the public.

members
require
and



Message from the Executive Officer

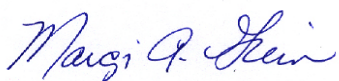
The Contractors Board's FY 2019-20 Strategic Plan was developed with thoughtful consideration for the trends and discussions centered on occupational licensing, the need for public protection, and the desire to continue enhancing Board services.

Our bill passages during the 2019 Legislative Session opened the door for the Board to begin implementing newly enacted statutory changes, which also required us to hold rulemaking proceedings to amend regulatory language in Chapter 624 of the Nevada Administrative Code. As I've shared in previous reports, many of these changes will help streamline the application process, afford licensees greater timeframes when making certain changes to their license, and better accommodate the needs of individuals who have served or are currently serving in the Military or National Guard, as well as their spouses.

Having complied with legislative and executive branch audits over the past two years, the Contractors Board remains engaged in efforts to develop best practices for all of its key operations. As the State evaluates regulatory boards in the near future under the scope of Senate Concurrent Resolution 6, the Contractors Board welcomes the opportunity to continue sharing and improving its operational and business processes.

Protecting the integrity of the industry and the public's health, safety, and welfare remain priority areas of focus. Every day, our Board is responsible for investigating and responding to consumer complaints regarding work performed by licensed and unlicensed contractors. Our investigative process affords homeowners some remedy to validated complaints when other attempts for resolution are unsuccessful. Our collaboration with local district attorney's offices provide an avenue where unlawful construction activities can be considered, victims can receive restitution, and criminals who prey on innocent homeowners can receive proper justice for their actions.

Our Board understands the importance of its authority and the responsibility that comes with protecting the public's safety. We rely on our strategic planning process and guiding document to ensure our mission is exemplified through our programs and services.



MARGI A. GREIN
Nevada State Contractors Board Executive Officer

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Executive Officer - Strategic Plan Initiatives

2019 Legislative Initiatives Take Effect; Board Takes Action to Implement Changes

Each of the Board's four legislative measures were enacted during the 2019 Legislative Session; some taking effect upon passage, while others had an effective date of October 1, 2019. A synopsis of the changes is as follows:

- Expanded timeframes for evaluating trade experience and keeping a license on inactive status;
- Removal of certain financial monitoring requirements;
- Increased award limits for claims filed with the Residential Recovery Fund;
- Modification to the Board's process for issuing a cease and desist order, which include enhanced penalties, new procedures, and a process for an individual to appeal the cease and desist order; and
- Amending the definition of a general building contractor to clarify the role of a general building contractor and construction manager to align with current practices on large commercial projects.

The Board has engaged in rule making proceedings and adopted new regulations at its September meeting that address additional legislative changes, including adding the qualifications of a hearing officer to NAC Chapter 624, making changes to the experience documentation requirements, and clarifying the definition of an "employee".

Staff Engage in Strategic Plan Initiatives

As the Board embarked on the FY 2019-20 Strategic Plan initiatives, staff across all departments had the opportunity to participate in a strategic planning session of their own. The moderated session provided an overview of the strategic planning process utilized by Board members and executive management,

highlighted some of the opportunities and challenges from the prior year, addressed internal and external trends that could have an impact on the Board's operations, and addressed each of the goal areas and strategic objectives to be accomplished for FY 2019-20.

The opportunity for staff to provide their insights and feedback on the strategic plan initiatives was well received. Opportunities such as this help reinforce the Board's mission and identify for staff how their daily efforts are contributing to the Board's broader goals and vision of being a model regulatory agency.

Board Initiates IT Upgrades

Keeping current with new technologies remains an ongoing priority of the Contractors Board. During the first quarter, the IT Department began its phased approach to improving the Board's infrastructure, which included upgrading software and replacing outdated equipment where needed.

LOOKING AHEAD

Many of the strategic initiatives slated for future quarters are already underway. Among these include updating the Board's succession plan, developing a program to orient new board members with the roles and statutory expectations during their service on the Board, expanding training opportunities for Board members, and developing best practices for various Board operations.

Details on how these objectives are being advanced will be forthcoming in upcoming Quarterly Reports.

Executive Officer - Quarterly Highlights

Board Participates in Annual Training at the National Judicial College (Goals 2, 4, 5)

In August, members of the Contractors Board joined Board counsel and executive management for an annual training at the National Judicial College in Reno, NV. This year's courses included a focus on administrative hearings, due process rights and expectations, the authority of administrative law judges, recommendations for efficient management of caseloads and hearings, guidance on drafting decision and orders, and the rule making process.

Staff Attend NASCLA Annual Conference and Webinar (Goals 4, 5)

The National Association of State Contractor Licensing Agencies (NASCLA) held their annual conference, which offered training topics highlighting licensing and regulation challenges, the impact of generational differences on licensure and the workplace, successful reporting, preparation, and referral of criminal cases, effective media relations, top regulatory cases, the government's role in public protection, and licensure mobility and portability strategies. Staff also participated in a webinar covering the handling of meetings, rulemaking, complaints, investigations, hearings, settlements, and communication with licensees and applicants.

Executive Officer Welcomes FARB for Regulatory Training; Conducts Presentation at FARB Annual Conference (Goals 1, 4, 5)

In July, the Board invited other professional and occupational licensing Boards in Nevada to attend regulatory training provided by Dale Atkinson of the Federation of Association of Regulatory Boards (FARB) related to best practices in regulatory oversight, and review of significant trends and case law. Additionally, Executive Officer Grein attended the FARB Leadership Conference during the quarter. In addition to the trainings attended, Grein provided

a presentation unveiling FARB's new tagline and message to FARB governing members. The new message was developed by FARB's Super Strategic Action Team, which Grein participated in, and aims to provide a quick and consistent response to the role of regulatory bodies across the nation.

Nevada Finalizes State Plan As National Occupational Licensing Consortium Nears End (Goals 1, 5)

Nevada's team for the National Occupational Licensing Consortium held its 9th in-state meeting during the quarter to prepare for the final national meeting and reporting on Nevada's strategic efforts to reduce barriers to licensure and enhance portability standards. Key takeaways for Nevada will include a focus on enhancing workforce development programs for underserved populations and improvements to the criminal background check process.

Executive Branch Audits (Goal 5)

Executive Officer Grein continues to evaluate and ensure compliance with the recommendations outlined in Executive Branch Audit Reports #18-05 and #19-03, as well as the requirements of Senate Concurrent Resolution 6, passed during the 2019 Legislative Session.

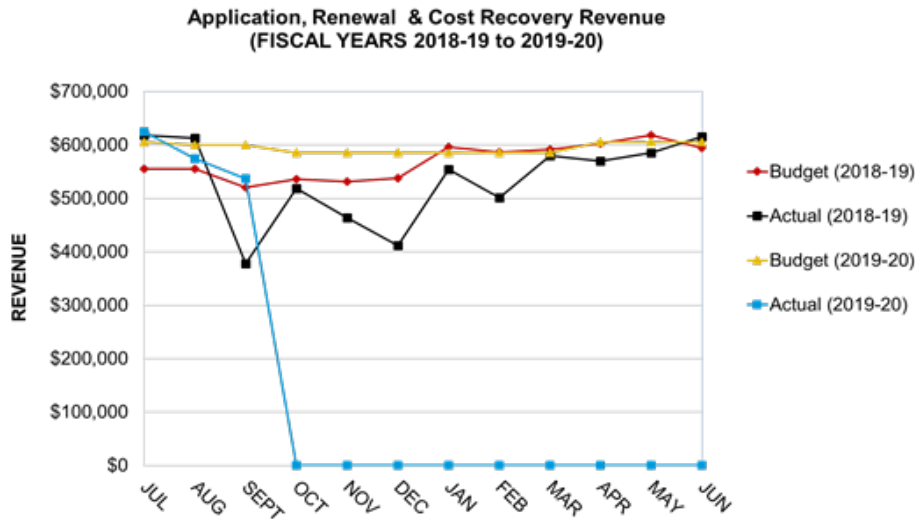
6th Annual Contractor Training Day (Goal 2, 3)

The 6th Annual Contractor Training Day events held in southern and northern Nevada welcomed nearly 100 contractors and several key note expert speakers. This year's events offered topics focused on compliance with state and local laws, tips for navigating legal issues, workforce development and apprenticeship program opportunities, as well as guidance on mechanic's liens.

Licensing & Cost Recovery - Data Dashboard

Budget (2018-19)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$350,000	\$350,000	\$315,000	\$330,000	\$326,000	\$332,000	\$390,000	\$380,000	\$385,000	\$395,000	\$410,000	\$387,000	\$4,350,000
New License Fee	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$800,000
Application 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
License Changes	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$500,000
Investigative Recov Costs	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$400,000
Renewal Late Fees	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
Renewal Inactive Fee	\$5,800	\$6,100	\$6,200	\$7,200	\$6,400	\$6,200	\$7,300	\$6,900	\$7,200	\$8,500	\$8,900	\$8,300	\$85,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
	\$554,965	\$555,267	\$520,368	\$536,365	\$531,567	\$537,368	\$596,465	\$586,067	\$591,368	\$602,665	\$618,067	\$594,468	\$6,825,000
Actual (2018-19)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$412,800	\$381,600	\$237,540	\$354,000	\$275,400	\$257,300	\$358,200	\$315,000	\$394,600	\$356,320	\$355,500	\$418,390	\$4,116,650
New License Fee	\$76,200	\$93,600	\$28,800	\$62,400	\$73,800	\$32,400	\$79,800	\$63,600	\$42,940	\$71,400	\$66,000	\$69,625	\$760,565
Application Fee	\$41,400	\$48,600	\$46,500	\$45,000	\$54,600	\$46,200	\$45,000	\$47,700	\$60,600	\$50,700	\$59,700	\$52,200	\$598,200
License Changes	\$42,425	\$40,350	\$35,475	\$33,575	\$34,150	\$35,075	\$37,225	\$37,475	\$52,300	\$48,600	\$47,025	\$41,025	\$484,700
Investigative Recov Costs	\$32,230	\$37,526	\$21,335	\$13,889	\$18,644	\$26,766	\$21,744	\$25,138	\$18,109	\$30,794	\$45,216	\$17,665	\$309,056
Renewal Late Fees	\$7,500	\$6,000	\$6,113	\$6,825	\$5,025	\$7,428	\$7,650	\$8,250	\$6,113	\$7,575	\$8,475	\$7,391	\$84,343
Renewal Inactive Fee	\$5,700	\$5,100	\$2,325	\$3,300	\$2,100	\$6,600	\$4,200	\$3,900	\$5,570	\$4,460	\$3,000	\$9,395	\$55,650
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
	\$618,255	\$612,776	\$378,088	\$518,989	\$463,719	\$411,769	\$553,819	\$501,063	\$580,231	\$569,849	\$584,916	\$615,690	\$6,409,164
Variance (2018-19)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$62,800	\$31,600	(\$77,460)	\$24,000	(\$50,600)	(\$74,700)	(\$31,800)	(\$65,000)	\$9,600	(\$38,680)	(\$54,500)	\$31,390	(\$233,350)
New License Fee	\$9,534	\$26,933	(\$37,867)	(\$4,266)	\$7,133	(\$34,267)	\$13,134	(\$3,067)	(\$23,727)	\$4,734	(\$667)	\$2,958	(\$39,435)
Application Fee	(\$8,600)	(\$1,400)	(\$3,500)	(\$5,000)	\$4,600	(\$3,800)	(\$5,000)	(\$2,300)	\$10,600	\$700	\$9,700	\$2,200	(\$1,800)
License Changes	\$759	(\$1,317)	(\$6,192)	(\$8,091)	(\$7,517)	(\$6,592)	(\$4,441)	(\$4,192)	\$10,633	\$6,934	\$5,358	(\$642)	(\$15,300)
Investigative Recov Costs	(\$1,103)	\$4,193	(\$11,999)	(\$19,444)	(\$14,689)	(\$6,568)	(\$11,589)	(\$8,195)	(\$15,225)	(\$2,539)	\$11,883	(\$15,669)	(\$90,944)
Renewal Late Fees	\$0	(\$1,500)	(\$1,388)	(\$675)	(\$2,475)	(\$73)	\$150	\$750	(\$1,388)	\$75	\$975	(\$110)	(\$5,657)
Renewal Inactive Fee	(\$100)	(\$1,000)	(\$3,875)	(\$3,900)	(\$4,300)	\$400	(\$3,100)	(\$3,000)	(\$1,630)	(\$4,040)	(\$5,900)	\$1,095	(\$29,350)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
	\$63,290	\$57,509	(\$142,280)	(\$17,376)	(\$67,848)	(\$125,599)	(\$42,646)	(\$85,004)	(\$11,137)	(\$32,816)	(\$33,151)	\$21,222	(\$415,836)
Budget (2019-20)	JULY-19	AUG-19	SEPT-19	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	TOTALS
License Renewals	\$370,000	\$365,000	\$365,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$370,000	\$370,000	\$370,000	\$4,310,000
New License Fee	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$900,000
Application Fee	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$800,000
License Changes	\$48,333	\$48,333	\$48,334	\$48,333	\$48,333	\$48,334	\$48,333	\$48,333	\$48,334	\$48,333	\$48,333	\$48,334	\$580,000
Investigative Recov Costs	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$400,000
Renewal Late Fees	\$6,666	\$6,667	\$6,667	\$6,666	\$6,667	\$6,667	\$6,666	\$6,667	\$6,667	\$6,666	\$6,667	\$6,667	\$80,000
Renewal Inactive Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
	\$604,998	\$600,000	\$600,002	\$584,998	\$585,000	\$585,002	\$584,998	\$585,000	\$585,002	\$604,998	\$605,000	\$605,002	\$7,130,000
Actual (2019-20)	JULY-19	AUG-19	SEPT-19	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	TOTALS
License Renewals	\$419,400	\$337,200	\$361,990										\$1,118,590
New License Fee	\$79,200	\$86,400	\$63,600										\$229,200
Application Fee	\$49,200	\$51,681	\$46,420										\$147,300
License Changes	\$42,106	\$41,545	\$34,875										\$118,525
Investigative Recov Costs	\$21,871	\$46,498	\$17,908										\$86,277
Renewal Late Fees	\$7,575	\$8,100	\$5,438										\$21,113
Renewal Inactive Fee	\$5,400	\$3,300	\$6,450										\$15,150
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
	\$624,751	\$574,723	\$536,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,736,154
Variance (2019-20)	JULY-19	AUG-19	SEPT-19	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	TOTALS
License Renewals	\$49,400	(\$27,800)	(\$3,010)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$370,000)	(\$370,000)	(\$370,000)	(\$3,191,410)
New License Fee	\$4,200	\$11,400	(\$11,400)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$670,800)
Application Fee	(\$17,466)	(\$14,987)	(\$20,248)	(\$66,666)	(\$66,667)	(\$66,667)	(\$66,666)	(\$66,667)	(\$66,667)	(\$66,666)	(\$66,667)	(\$66,667)	(\$652,700)
License Changes	(\$6,228)	(\$6,789)	(\$13,459)	(\$48,333)	(\$48,333)	(\$48,334)	(\$48,333)	(\$48,333)	(\$48,334)	(\$48,333)	(\$48,333)	(\$48,334)	(\$461,475)
Investigative Recov Costs	(\$11,462)	\$13,165	(\$15,426)	(\$33,333)	(\$33,333)	(\$33,334)	(\$33,333)	(\$33,333)	(\$33,334)	(\$33,333)	(\$33,333)	(\$33,334)	(\$313,723)
Renewal Late Fees	\$909	\$1,433	(\$1,230)	(\$6,666)	(\$6,667)	(\$6,667)	(\$6,666)	(\$6,667)	(\$6,667)	(\$6,666)	(\$6,667)	(\$6,667)	(\$58,888)
Renewal Inactive Fee	\$400	(\$1,700)	\$1,450	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$44,850)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
	\$19,753	(\$25,277)	(\$63,322)	(\$584,998)	(\$585,000)	(\$585,002)	(\$584,998)	(\$585,000)	(\$585,002)	(\$604,998)	(\$605,000)	(\$605,002)	(\$5,393,846)

Licensing & Cost Recovery - Data Dashboard



JULY TO SEPTEMBER 2019				FISCAL YTD LICENSING FEE TOTALS (FY 2019-2020)			
Licenses (Beginning of Quarter)	16,517			LICENSING FEES	1ST QUARTER BUDGET	1ST QUARTER ACTUAL	VARIANCE
New Licenses Issued	383						
Licenses Cancelled / Surrendered /Revoked	(232)			License Renewals	1,100,000	1,118,590	18,590
Variance in Suspended/Reinstated Licenses	7			New License Fee	225,000	229,200	4,200
Licenses (End of Quarter)	16,675			Application Fee	200,000	147,300	(52,700)
# of Licenses on Apr 1, 2019	16,517			License Changes	145,000	118,525	(26,475)
# of Licenses on Jun 30, 2019	16,675			Invest Recov Costs	100,000	86,277	(13,723)
Net YTD (Fiscal Year)				Renewal Late Fees	20,000	21,113	1,113
Licenses Gained / Lost	158			Renewal Inactive Fee	15,000	15,150	150
Renewal Revenue Gained / Lost	\$94,800			90 Day Retention Rate			
<i>*Does not include suspended licenses</i>				180 Day Retention Rate			
Projected Year-End Retention Rate	July 2019	16,517		Projected Year-End Retention Rate	Apr 2019	16,566	
	Cancellations	(232)	(1.39%)		Cancellations	(667)	(4.00%)
	New Licenses	383	2.30%		New Licenses	726	4.35%
	Susp/Reinstate	7	0.04%		Susp/Reinstate	50	0.30%
	Sept 2019	16,675			Sept 2019	16,675	
	Change	158			Change	109	
3 Month Rolling % Change	0.95%			6 Month Rolling % Change	0.65%		

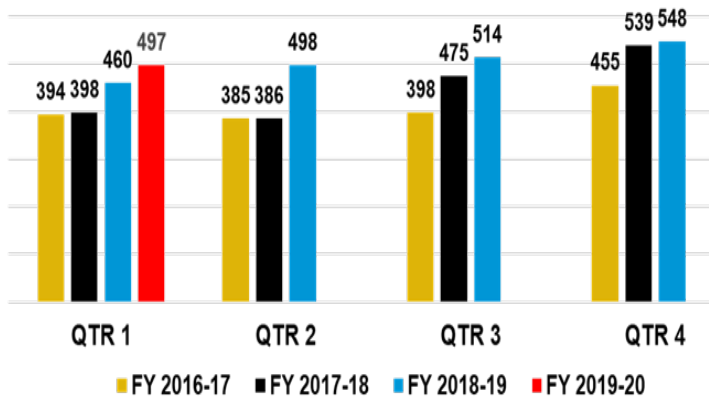
Licensing - Quarterly Statistics

JULY 1 TO SEPTEMBER 30, 2019

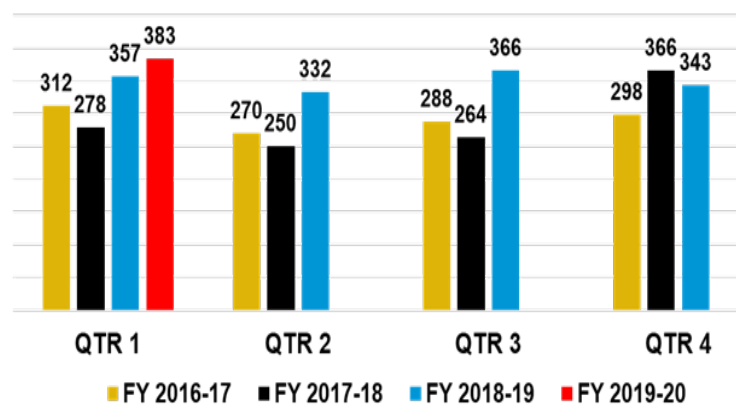
New License Apps	497 (+8%)
Issued Licenses	383 (+7%)
Change Apps:	711 (+5%)
Active Licenses	16,226 (+4%)
Inactive Licenses	451 (-27%)
Placed on Inactive Status	45 (+22%)
Voluntary Surrender	58 (+8%)
Licenses Cancelled	150 (+25%)
License Suspensions (no bond)	148 (-23%)
Active License Renewals	1,865 (+26%)
Inactive License Renewals	55 (+47%)
Online Renewals	1,041 (54% of all renewals)
New Online Registrations	817 (6,835 total registered)
Application Denial Hearings:	12 (+20%)
Financial Responsibility Hearings:	3 (-63%)
CMS Exams	382 (+10%)
Trade Exams	364 (+1%)
NASCLA Exam Transcripts	27 (+59%)
• General Building Exam Waiver	13 (-13%)
License by Endorsement	56 (11.4% of all new license apps)
• Trade & Experience	55
• Experience Only	1
Certificates of Eligibility Requested	12 (0%)
Certificates of Eligibility Renewals	98 (9%)
Single Project Limit Increases	29 (32%)
Contractors Identified As Veterans	93 (+63%)
Business Assistance Program Attendees	99 (+16%)
Public Records Requests	43 (+378%)
Total Calls Received	9,875 (average call time 1:22)

Licensing - Application vs. Issued License Trends

NEW LICENSE APPLICATIONS



NEW ISSUED LICENSES



Top License Classifications Applied For During 1st Quarter

Primary Classification	Trade	1st Quarter 2019-20		
		In State	Out of State	Total
B	General Building	58	53	111
A	General Engineering	21	41	62
C-2	Electrical	28	26	54
C-3	Carpentry	33	9	42
C-4	Painting	24	5	29
C-1	Plumbing	17	7	24
C-21	Refrigeration & Air Conditioning	17	7	24
C-5	Concrete	19	2	21
C-14	Steel Reinforcing & Erection	11	10	21
C-20	Tiling	17	0	17

Top License Classifications Issued During 1st Quarter

Primary Classification	Trade	1st Quarter 2019-20		
		In State	Out of State	Total
B	General Building	35	39	74
A	General Engineering	21	29	50
C-2	Electrical	24	19	43
C-3	Carpentry	31	6	37
C-4	Painting	15	3	18
C-20	Tiling	18	0	18
C-21	Refrigeration & Air Conditioning	14	4	18
C-1	Plumbing	12	4	16
C-5	Concrete	14	2	16
C-14	Steel Reinforcing & Erection	7	8	15
C-16	Finishing Floors	12	3	15

497 NEW LICENSE APPLICATIONS

- In-State = 313 (63%)
- Out-of-State = 184 (37%)

383 NEW LICENSES ISSUED

- In-State = 240 (63%)
- Out-of-State = 143 (37%)

Licensing - Strategic Highlights

Assembly Bill 25 was passed during the 2019 Legislative session, which required the Board to adopt regulations outlining the qualifications for a person serving as a hearing officer to whom the State Contractor's Board has delegated certain authority. During the quarter, the Board initiated rulemaking to comply with the new provisions, holding a workshop and hearing on LCB File R013-19, which received no public comment. The Board subsequently adopted the regulatory language at its September meeting and filed the changes with the Legislative Council Bureau. The changes will take effect once approved by the Legislative Commission.



During the third quarter of 2018-19, the Board adopted temporary regulation, LCB File T002-10 to amend NAC Chapter 624 in order to:

1. Reduce barriers to licensure and provide greater portability by expanding and clarifying types of experience documentation needed for an applicant to become a licensed contractor; and
2. Resolve conflict among various statutory schemes that can be reconciled and clarified by defining the employer-employee relationship as used in NRS Chapter 624.



During the first quarter of 2019-20, the proposed language was submitted to the Legislative Counsel Bureau and returned in revised form. The Board held a public workshop and hearing to receive comment on the proposed regulation identified as LCB File R023-19. Having received no comments, the Board adopted the language as written.



The adopted regulation was filed with the Legislative Council Bureau and is pending approval by the Legislative Commission.

Other initiatives undertaken by licensing staff include:

- Holding several design review meetings with the Board's software vendor to approve the initial design documents for developing an online submittal process for new license applications.
- Working with the Board's IT and PIO departments to reorganize the public website layout and content.
- Updating internal policies and procedures to address changes enacted with the adoption of regulation T002-10 and passage of Assembly Bill 25, including policies related to experience qualifications, change of qualified individual applications, qualified individual resignations, financial reviews at time of renewal, and inactive license status terms.

Investigations - Background Check Trends

The Nevada State Contractors Board is authorized under NRS 624.265 to request fingerprints from all applicants for licensure for the purposes of conducting criminal background checks, which are used to assess the character of an applicant and verify accuracy and/or omission of information provided on the license application. The Board's use of criminal justice databases is monitored and audited by the State of Nevada and the FBI for compliance with applicable rules, regulations, policies and procedures.



Applicant Submittals	953
Applicants with criminal conviction(s)	235
Applicants without criminal conviction(s)	718
Criminal Conviction(s)	24%

Quarter Background Check Results

- 60 Background investigations initiated
 - 13 Investigations pending
 - 56 Investigations closed
- 3 Administrative Citations issued for misrepresentation
 - \$2,000 in fines
 - \$890 in costs

PROACTIVE INTERVIEWS HELP MITIGATE DENIAL OF LICENSE APPLICATIONS

Licensing utilizes the expertise of Enforcement to conduct interviews with applicants whose history reveals criminal activities of concern. The interview process is an informal meeting that affords an applicant the opportunity to provide further explanation and reasoning about crimes they may have committed. Based on the information disclosed during the interview, Enforcement will make a recommendation on whether the applicant poses a risk to the public's health, safety, and welfare.

Of the 16 applicants interviewed for this purpose during the reporting period, 8 (50%) were recommended for licensure approval and 8 (50%) were recommended for denial of licensure and afforded the opportunity to request an appeal hearing before the Board.

Investigations - Quarterly Statistics

QUARTER IN REVIEW

622 Complaints Opened

- 201 Workmanship (32%)
- 51 Money Owing (8%)
- 160 Industrial Regulation (26%)
- 157 Contracting without a License (25%)
- 51 Unlawful Advertising (8%)
- 2 Criminal Fraud (1%)

152 Citations Issued

- 68 Administrative Citations issued to licensed contractors
 - \$113,550 in Fines
 - \$26,468 in Costs
- 84 Administrative Citations issued to unlicensed contractors
 - \$110,200 in Fines
 - \$34,738 in Costs

44 Disciplinary Hearings

- 15 Licenses Revoked
- 34 Cases assessed fines & costs
 - \$140,450 in Fines
 - \$47,526 in Costs

41 Criminal Affidavits Filed with District Attorney Offices

120 Cease & Desist Orders Issued to Unlicensed Contractors

“I want to thank the Board for your intervention in the difficulties I experienced with [my contractor]... the major charges that were falsely made were finally removed due to your Investigator’s efforts on my behalf.”

*~ Myrna,
Licensed Contractor Complainant*

“Thank you so much for your assistance in resolving the ‘roof issues’ I was faced with due to the negligence of [my contractor] ...your professionalism and manner of work ethic is what brought this issue to a closing.”

*~ Harriet,
Licensed Contractor Complainant*

Investigations - Assisting Homeowners

In an effort to protect the public, the Contractors Board provides consumers with an avenue for recourse through its complaint process. Each investigation is evaluated on its own merit, and based on the evidence provided, the Board is able to determine the validity of alleged concerns. Validated issues may be ordered to be remedied by the licensed contractor in an effort to make the homeowner whole based on the terms of the contract. Below are highlights of noteworthy cases where the Board's services aided the public in their times of need.

Solar Project Doesn't Go As Planned; Board Helps Panels Get Installed

In August, Michael, a southern Nevada homeowner, hired a licensed contractor to install an 8.96 Kw solar system at a cost of nearly \$36,000. When only the inverter was installed - and not the solar panels - Michael contacted the contractor several times to resolve the issue, with no success. He then turned to the Contractors Board to file a complaint. The investigation validated Michael's allegations and resulted in the licensed contractor installing all panels per the contract terms.

Roof Damage Remedied by Solar Contractor After Complaint is Filed

Following installation of a solar project, homeowner Bernard noticed a leaking ceiling in his master bedroom caused by broken tiles. Unable to resolve the issue with the contractor directly, Bernard filed a complaint with the Contractors Board. In addition to the workmanship concerns, Bernard indicated that he only received 23 of the 25 panels agreed to in his contract. In response, he contractor informed the Board that they had a third party evaluate the roof who reported the issues to be pre-existing. The Board requested the report be submitted as part of the case evidence for review. Before that could occur, Bernard notified the Board that all damaged tiles had been replaced and the two additional panels were installed to his satisfaction by the contractor.

Board Steps in to Help senior Without Power

When the power went out at a mobile home park and the property manager was inaccessible, William, a disabled senior in need of electricity, sought the services of a licensed contractor to fix the community's electrical issue. After a quick look, the contractor charged William \$3,850 to replace a breaker that had gone bad. William gave the paid invoice documents and broken part to the property manager, who upon having it tested, found it to be working correctly. A complaint was filed with the Board and after review, the contractor agreed to refund William the full payment of \$3,850.

Down Payment on Home Remodel Project Reimbursed After Owner Seeks Board Assistance

Homeowner Lois sought the services of a licensed contractor to remodel her home. After signing a \$400,000 contract, Lois provided a down payment of \$100,000 to the contractor. After doing so, Lois began to feel uneasy about the cost of the project and contacted the contractor within the three day rescission period to cancel the project and return her money. The contractor advised that he had already used many of the funds to secure materials through various vendors, and reimbursed Lois only \$58,000 of her total investment. Lois then filed a complaint with the Board. Following the jobsite meeting, Lois notified the Board that the contractor provided her a check for the remaining \$42,000 balance.

Investigations - Unlawful Activities

NRS 624.700 (Engaging in business or submitting a bid without a license) and NRS 624.720 (Advertising without a license) provide the Board the authority necessary to pursue criminal convictions against individuals engaging in unlawful construction activities. In many cases, the Board will also recommend prosecution for crimes of obtaining money under false pretenses (NRS 205.380) as well as heightened penalties for crimes against persons over 60 (NRS 193.167). Such cases are referred to a local district attorney's office for prosecution.

Repeat Offender in Nye County Convicted of Gross Misdemeanor; Restitution Ordered

Homeowners living in Pahrump received justice after Donald Guthrie, an unlicensed contractor advertising as Don's Handyman Service, was found guilty of a gross misdemeanor for conspiracy to obtain money under false pretenses. Guthrie was ordered by the 5th Judicial District Court to a one-year prison sentence, which was suspended to three years' probation and 90 days in Pahrump County Jail. Restitution totaling \$8,850 was also ordered to be paid to two victims. Guthrie's recent cases included projects to re-roof a home and construct an outdoor patio/sunroom, which require a contractor's license. Evidence collected by the Contractors Board throughout the investigative process validated that Guthrie would accept large down payments and perform little or no work.

Red Flags Cause Concern for Homeowner Having Two Bathrooms Remodeled

At the recommendation of her daughter, a senior citizen battling health issues hired unlicensed contractor Jeremy to remodel two bathrooms in her home. Paying Jeremy \$9,100, the substandard plumbing of the baths and sinks made one of her restrooms unusable. After Jeremy failed to return her calls or remedy the situation, the homeowner filed a complaint with the Contractors Board. The investigation revealed that Jeremy refused to put the terms of the project in writing, and demanded payments be made in cash. The Board will pursue criminal charges with recommendations for heightened penalties because the victim is a senior.

Unlicensed Contractor Claims to be Licensed; Causes Financial Harm for Owner of Property He's Renting

Claiming to be a licensed contractor, David negotiated with an out-of-state property owner to perform remodeling services, including electrical, plumbing, roof repair, and tile work, in lieu of paying rent. The property owner agreed to the arrangement and tracked David's work through invoices received. After nine months, David's invoice accounted for substantially less than the total rent due for the same period. The property owner also learned a lien had been placed on his rental property for an unpaid dumpster that David had had delivered. The Board's investigation discovered David had a prior misdemeanor conviction for contracting without a license in 2012, and will now pursue gross misdemeanor charges against David for his second offense.

Hopes of a Free Standing Pergola Vanish Along with Senior's Down Payment

Creating a backyard paradise was one senior's dream when he hired Oscar to construct a 16' by 16' free standing pergola structure in his backyard for \$3,350. At the beginning of July 2019, the homeowner paid Oscar a 30 percent down payment, or \$1,116. Work was expected to begin the following week. Unfortunately for the homeowner, Oscar was a no-show and failed to return his calls or his money. The Contractors Board received the complaint and will be pursuing criminal charges against Oscar for his unlicensed activity and taking advantage of a senior citizen.

Residential Recovery Fund

RECOVERY FUND PROVIDES AID TO HARMED HOMEOWNERS

The Residential Recovery Fund was established to provide owners of single-family residences who have been damaged by a licensed contractor's failure to appropriately execute a contract, an administrative avenue to seek financial recourse.

A single claim can not exceed \$35,000 and claims against a single contractor could not exceed \$400,000. The passage of AB 26 will increase these amounts, effective October 1, 2019, to \$40,000 for single claims and up to \$750,000 or 20% of the Recovery Fund balance, whichever is less, for multiple claims against a single contractor. Claimants to the Recovery Fund must apply within four (4) years after the completion of the qualified services, or within two years upon obtaining a Judgement from the Courts.

Since the first claim was filed in 2001, nearly \$12 million has been awarded to homeowners harmed by licensed Nevada contractors.



QUARTER IN REVIEW

- *11 Cases opened*
- *25 Cases awarded \$259,910.05*
- *Average award = \$10,396*
- *1 Case denied*
- *2 Cases continued*
- *Recovery Fund balance as of September 30, 2019 is \$5.86 million*

HIGHLIGHTS OF 1ST QUARTER

RECOVERY FUND AWARDS

- When Melanie hired a licensed contractor to lay a concrete foundation for a manufactured home, as well as construct a front and back porch and detached pole barn garage at a value of over \$100,000, she was disappointed when all areas of the concrete began to crack two years later. Her workmanship issues were validated and she was awarded \$34,308 to repair the damages.
- Homeowner Delvina hired a licensed contractor to construct a 336 square foot pool house and paid over \$41,000 by the time construction was complete. Unfortunately, her contractor failed to connect the gas line to the water heater, claiming an additional cost would be necessary. Delvina sought a quote from another licensed contractor who noticed several workmanship issues with the pool house construction. Upon filing a complaint with the Board, Delvina's issues were validated, the licensed contractor failed to remedy the situation, and Delvina was subsequently awarded \$27,018 from the Recovery Fund.
- A total of six claimants who had hired DHD Ready Renovation and Construction, LLC for home and bathroom remodel projects were awarded nearly \$79,000 collectively, after the Board validated their projects included substandard workmanship and abandonment before completing the contract terms.

Information Technology

Computers Updated with New Windows Software

During the quarter, the IT Department completed computer upgrades on all staff computers, to improve security and performance.



IT Helps Board Comply with Background Information Requirements

Following recommendations from the Nevada Department of Public Safety, the IT Department has been working to ensure compliance with requirements related to storage of background information.



Quarterly Website Traffic

Between July 1 and September 30, 2019, the Board's website received 51,029 visitors. This data excludes data recorded for the Board's license verification and disciplinary action search features.

This represents a less than 1% increase in visitors from the previous quarter and a 7% increase from the same quarter a year ago in 2018.



Public Information Office

Northern Nevada Outreach Expanded

As recommended by the FY 2019-20 Strategic Plan, the Board hired a part-time intern to help support and expand outreach efforts in northern Nevada and surrounding rural communities. During the quarter, a total of eight presentations were conducted to local Kiwanis and Rotary groups, two disaster preparedness events were attended, and one media interview was conducted in Spanish. The intern also assisted with generating social media content, developing advertisement graphics, and translating Board-related materials into Spanish, including the Business Assistance Program flyer, senior scam information, and the Veterans Assistance Program brochure.



Governor Sisolak Promotes NSCB Messaging in Recorded PSAs

In July, Governor Steve Sisolak assisted the Nevada State Contractors Board in promoting its messages about hiring licensed contractors, senior scam protections, and the Residential Recovery Fund by recording three public service announcements, which will be used for media advertisements and outreach on the Board's website and social media platforms.



6th Annual Contractor Training Day

August welcomed the Board's 6th Annual Contractor Training Day events in northern and southern Nevada. Nearly 100 contractors attended the events to receive information from panelists on complying with state and local requirements, mitigating common legal issues as business owners, connecting to state workforce development programs and industry apprenticeship opportunities, as well as understanding mechanic's lien laws and the process to utilize such rights in certain situations.



Looking Forward - Quarter 2

With much of our focus being placed on implementing legislative changes this past quarter and engaging in discussions that progress Nevada's efforts to enhance and improve the licensing process, the Contractors Board is looking forward to the next quarter of strategic objectives. These objectives include:

- Identifying options for applicants to comply with license requirements.
- Looking at other state ideas on license simplification and compliance.
- Producing video testimonials from claimants of the Residential Recovery Fund to promote on NSCB's website.
- Creating an onboarding package for new Board members.
- Developing a succession strategy and plan.

It is always rewarding to reflect on the strides being made, but most importantly, the Board is driven by its ability to be a model regulatory agency and utilize best practices to ensure our customers receive the highest quality of service available.

We look forward to the journey ahead and reporting on the outcomes of our efforts.



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