# Nevada State Contractors Board

## Strategic Plan 2010—2012

## GOVERNOR

Brian Sandoval

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Kevin E. Burke, Chairman

William "Bruce" King, Treasurer

Thomas "Jim" Alexander

Donald L. Drake

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Stephen P. Quinn

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Ms. Margi Grein, Executive Officer

Mr. George Lyford, Director of Investigations

Mr. Dan Hammack, Chief of Enforcement

Ms. Nancy Mathias, Licensing Administrator

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The State of Nevada was the fastest growing state for 20 of the last 21 years ending in 2007. The impact of this historic growth was the creation of an atmosphere of high demand for homes as well as commercial construction. Nevada seemed "recession proof."

The Board's workload increased considerably during this unprecedented growth cycle to meet the demand of contractor licensing, as well as investigation of workmanship complaints.

Circumstances have noticeably changed and there is uncertainty concerning the long term impact of the country's economic downturn. The State of Nevada and its political subdivisions, including the Nevada State Contractors Board will face challenges of a magnitude that has not been experienced in many years.

While the current economic conditions have created hardships for many contractors, the Board has not seen a significant decrease in the number of licensed contractors. There has been an increase in the number of contractors who are unable to meet their financial responsibility with resulting business failures. In addition, the proliferation of unlicensed contractors has increased the workload of our Investigations Department.

# OVERVIEW & HISTORY

The State Contractors Board was created by the legislature in 1941 to license and regulate contractors. The Board is responsible for enforcing Chapter 624 of Nevada Revised Statutes. The Board consists of seven members appointed by the Governor to three year terms. Six are licensed contractors, and one member is a representative of the public.

Nevada requires licensure for all aspects of residential and commercial contracting.

An applicant for a license is required to establish financial responsibility, provide work references, establish good character, pass trade and construction management exams and provide a surety bond or cash deposit. Pool contractors are required to post a consumer-protection bond for the homeowner's protection. The Board limits the field and scope of a license by establishing a monetary limit and classifying the type of work that may be performed.

The Board employs several means of discipline for contractors who fail to perform work that meets industry standards, including administrative citations, settlement agreements and disciplinary hearings before the Board. A contractor may be required to correct substandard work; may be issued a public reprimand, or have their license suspended or revoked.

A public awareness program to provide informational material to assist consumers and contractors has been established. Board employees give presentations to various organizations and senior citizen groups to provide information concerning contractor responsibility, and the role of the Board.

The Board administers the Residential Recovery Fund, which was established in 1999 and provides financial assistance to single-family homeowners in certain cases. Financial assistance is limited to $35,000 per claim and $400,000 per contractor.

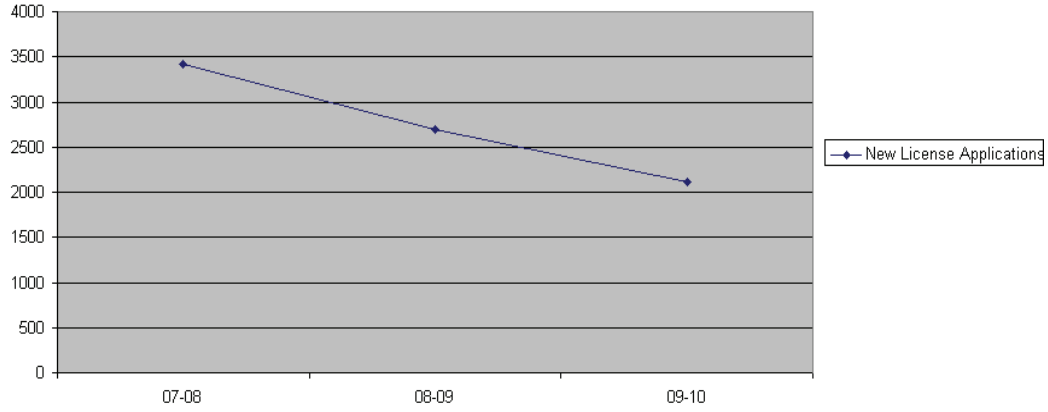
Nevada also established a Commission on Construction Education that awards grants to various schools and organizations to provide educational programs. The grants are funded by voluntary contributions and fines levied against contractors.

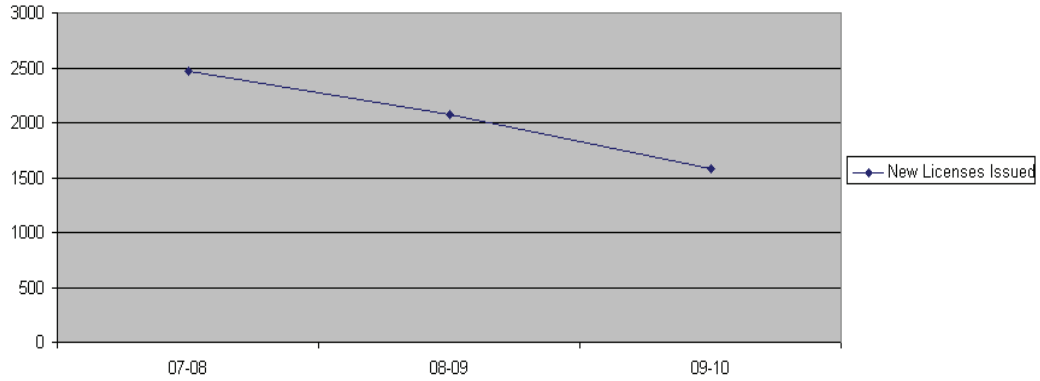
## Licensing Statistics

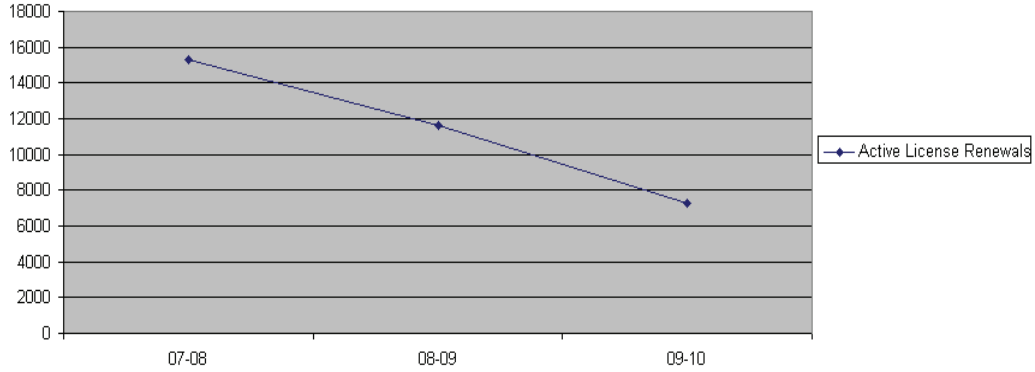
For fiscal year 09-10, 2,112 new license applications were received compared to 2,691 received in 08-09 for a decrease in new license applications of 21.52%.

New licenses issued during the Fiscal Year 09-10 equaled 1,585 compared to 2,072 in 08-09 for a decrease of 23.50%.

Active license renewals decreased during Fiscal Year 09-10 by eleven percent (11%). As of June 30, 2010 active license contractors numbered 16,827.



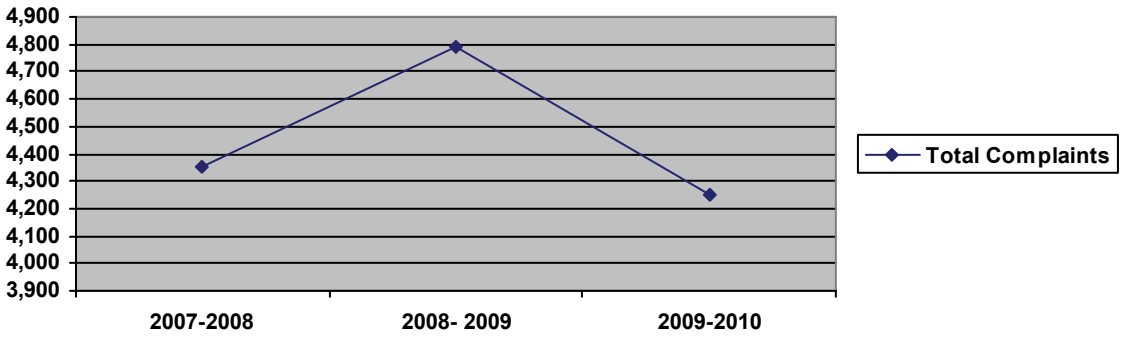
*During calendar year 2008, all licensees were required to apply for renewal. Beginning January 1, 2009, all licenses had been transitioned to a biennial renewal cycle.*

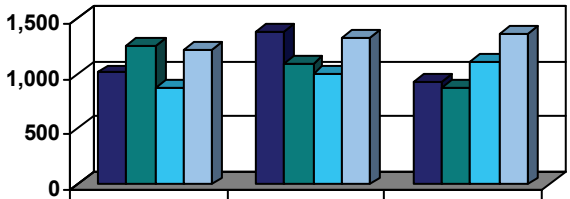
Licensing

- License application forms were converted to allow users to complete forms on their computers.
- Several policy and procedures were evaluated and updated to streamline processing and to enhance staff's ability to evaluate license applicants.
- Instituted enhanced background disclosure and investigation of applicants.
- Implemented document scanning program.
- Updated licensee records to include email addresses to allow more efficient dissemination of information.
- Completed examination review and development for certain license classifications.

Investigations Department

During the fiscal year ending June 30, 2010, 4,249 complaints were opened, including 2,887 compliance investigations and 1,362 criminal investigations. Money owing complaints continue to account for a substantial number of the complaints (32.1%) investigated by Board Staff.





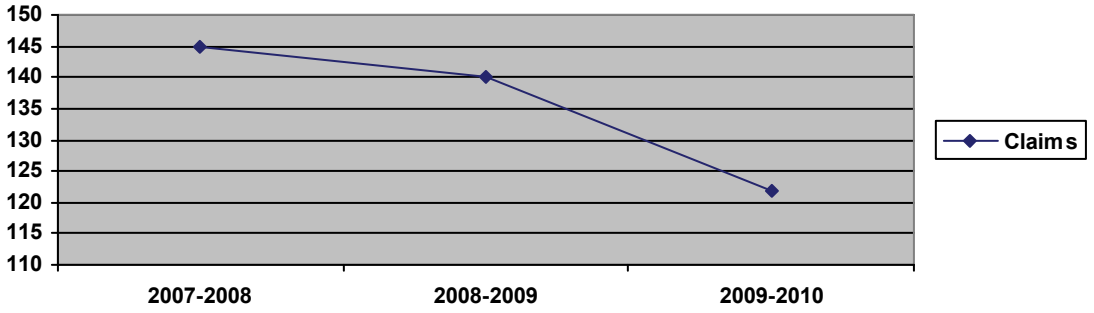

| | 2007-2008 | 2008-2009 | 2009-2010 |
|---|---|---|---|
| Money Owing | 1,013 | 1,387 | 927 |
| Workmanship | 1,253 | 1,092 | 877 |
| Industry Regulation | 872 | 1,006 | 1,117 |
| Criminal | 1,222 | 1,332 | 1,362 |

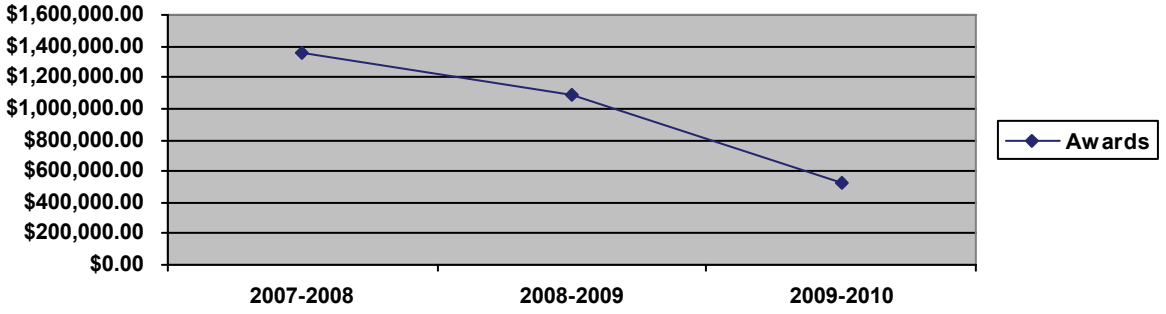
Board Staff continued to monitor complaints and trends within the industry. Contractors who have three (3) to five (5) open and active investigative cases at one time are evaluated for possible Summary Suspension to protect the public. A new procedure has been implemented to expedite summary suspensions.

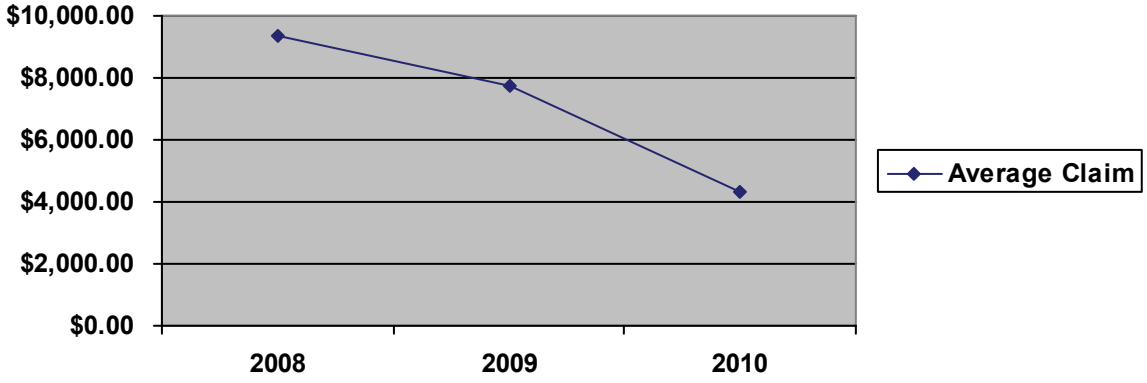
- Utilization of Administrative Citations and Settlement Agreements reducing Board Disciplinary Hearings.
- Streamlined process for submitting cases for Disciplinary Hearings.
- Implemented recommendations resulting from NCIC and NCJIS compliance audits.
- Mandatory training requirements and cross-training completed.
- Initiated daily enforcement for unlicensed contractors and monthly sting operations.
- Instituted scheduled rural area building official contacts and travel to rural areas.
- Live Scan fingerprint technology implemented for license applicants.
- Increased consumer awareness programs.
- Established partnering program with other local, state, and federal agencies.

Residential Recovery Fund

The Residential Recovery Fund received 122 claims during the 09-10 fiscal year, which resulted in a total of $531,039.00 paid to injured homeowners. The average claim was approximately $4,353.00.



Public Information Department

- Increased press release distribution statewide.
- Created and distributed radio and television public service announcement s to be aired statewide.
- Inaugurated "Community Watch Campaign" presentations. Forty-four presentations given in fiscal year 2009-2010.
- Participated in four "home" shows exhibiting information concerning NSCB.
- Implemented monthly publication of "Contractors Billboard".
- Increased contractor outreach through e-News distribution to approximately 14,000 contractors.
- Distributed "Unlicensed Contractor Awareness Campaign" informational packets to fight unlicensed contracting.

Information Technology

- Instituted scanning program and retrievable imaging system.
- Redesigned and upgraded agency website to provide expanded services to the public, including, public enhanced search capabilities, and instructional videos.
- Implemented use of electronic dissemination of board agenda materials.
- Enhanced disaster recovery program to accommodate document imaging systems.

# Investigations Service Questionnaire

Please respond to the following questions with an indication of:
1-strongly agree, 2-agree, 3-somewhat agree, 4-disagree, or 5-strongly disagree.

| | |
|---|---|
| 1. The State Contractors Board contacted me promptly after I filed my complaint. | 1 2 3 4 5 |
| 2. I thoroughly checked my contractor's quallifications before hiring. (If applicable) | 1 2 3 4 5 |
| 3. The procedures for investigating my complaint were clearly explained to me. | 1 2 3 4 5 |
| 4. The Board kept me informed of my case's progress during the investigation. | 1 2 3 4 5 |
| 5. I was treated courteously by the Board's representatives. | 1 2 3 4 5 |
| 6. My case was processed in a timely manner. | 1 2 3 4 5 |
| 7. I understand the outcome of my investigation (whether or not I agree with action taken). | 1 2 3 4 5 |
| 8. The action taken in my case was appropriate. | 1 2 3 4 5 |
| 9. I am satisfied with the service provided by the Contractors Board. | 1 2 3 4 5 |
| Comments: | |

## July 1, 2009 - June 30, 2010

**1.) 2,127 - Questionnaires Sent Out**
**(Money Owning, Workmanship and Disciplinary Hearing)**

**2.) 526 - Questionnaires Received**

**3.) 25% Return Rate**

## July 1, 2009 - June 30, 2010, Averages of Returns

**1.) 65.72% - Total responses that "Agree Strongly"**
**2.) 10.75% - Total responses that "Agree"**
**3.) 5.66% - Total responses that "Somewhat Agree"**
**4.) 2.60% - Total responses that "Disagree"**
**5.) 9.93% - Total responses that "Strongly disagree"**

## PROGRAM PRIORITIES

**The Board has established the following priorities that direct the day-to day program activities:**

1. Actively promote consumer protection through education, enforcement and partnerships.
2. Provide excellent customer service to all agency clients and stakeholders.
3. Maximize public awareness of NSCB services and benefits of hiring a license contractor through continued public outreach initiatives.
4. Respond to complaints from the public and perform enforcement actions needed to protect the public health, safety and welfare.
5. Prioritize cases to facilitate early intervention on serious life safety complaints.
6. Ensure all applicants meet experience and financial responsibility requirements, pass required examinations, and complete background checks.
7. Improve effectiveness through partnering and intergovernmental relationships.
8. Upgrade information technology and enhance online services.
9. Ensure disciplinary processes are effective and fair.

## MISSION STATEMENT

The Nevada State Contractors Board is committed to promote the integrity and professionalism of the construction industry in Nevada.

The Nevada State Contractors Board has the responsibility to promote quality construction by Nevada licensed contractors through a regulatory licensing system designed to protect the health, welfare, and safety of the public.

# VISION
## *(What we want to become)*

### "Striving to Be a Model Regulatory Agency"

The Nevada State Contractors Board strives to be a model regulatory agency, integrating regulatory efficiency with consumer protection. We are committed to exceptional customer service, fair and efficient licensure, innovative educational and enforcement programs that promote public and industry confidence. Our empowered employees are committed to public service and professional development and work to promote a fair and competitive marketplace.

## VALUES STATEMENT

We commit to uphold the following values as we pursue our mission and vision:

- ***FAIRNESS AND RESPECT—***

  We will treat all customers and each other in a fair and impartial manner with dignity and compassion.

- ***HONESTY AND INTEGRITY—***

  We conduct ourselves at all times in a professional and ethical manner. We align our values, words and actions. We are honorable, trustworthy and sincere. We consistently go the extra mile in helping people and beyond the legal minimum to do what is right.

- ***TRUST—***

  We are reliable, dependable and accountable for our actions. We are responsible to one another, our work and the public as a whole. Building and maintaining the public's trust and our trust in each other requires honesty, sincerity and playing by the rules.

- ***EXCELLENCE AND EXCEPTIONAL CUSTOMER SERVICE—***

  The way we conduct business is as important as the business we conduct. We deliver the best service possible and we are committed to quality outcomes. We strive to exceed expectations and to bring out the best in each other.

- ***INNOVATION AND CREATIVITY—***

  We encourage innovation and promote excellence through continuous learning and increased knowledge and development. We are flexible and adaptive to the ever-changing needs of our customers. We are willing to seek non-traditional solutions and we embrace creativity.

- ***OPEN, CLEAR AND FREQUENT COMMUNICATION —***

  We believe in open communication and partnership. We seek shared understanding with our customers. We are engaged and our interactions are meaningful. We believe in participatory governance and transparent processes.

- ***EDUCATION —***

  We promote and encourage education of consumers, contractors and our employees.

# EXTERNAL ENVIRONMENT

In developing this Strategic Plan, the Nevada State Contractors Board first examined external factors that have a significant impact on the field of construction in general and on the agency's ability to carry out its mission.

## Nevada's Economy

Nevada's construction industry has been detrimentally affected by several factors including the downturn in the overall economy, the home foreclosure crisis and the financial crisis. Construction activity has slowed dramatically and, in turn, many contractors have been forced to lay-off workers and in some instances, close their businesses. The result has caused some contractors to place their licenses on inactive status, and some to cancel their licenses all together, resulting in a shift in the Board's workload. Some individuals have chosen to perform work without a license becoming the subject of NSCB investigations, while others have been unable to meet financial responsibility requirements.

Regulators are often viewed as impediments to growth. This NSCB will be a catalyst--contributing to the betterment of the construction industry and its licensees, as we help them form more trusting relationships with the public.

In doing so, we will protect the health, safety and welfare of the citizens of Nevada while serving the public in a quick and efficient manner. The strategic goals critical to accomplish the Board's mission of promoting quality construction through a regulatory licensing system designed to protect the health, welfare and safety of the public are:

**GOAL #1:** **Strategic Planning will guide the future direction of the Board and will set the overall strategic direction of the organization.**

**GOAL #2:** **Re-engineer the Board to focus on governance and policy issues while ensuring the execution of the Strategic Plan.**

**GOAL #3:** **Capitalize on our new Vision of striving to be a "model regulatory agency", integrating regulatory efficiency with consumer protection.**

**GOAL #4:** **Create a more effective, efficient agency that fully harnesses the power of technology to achieve the Strategic Goals & Objectives.**

**GOAL #5:** **Reorganize the organization and processes for better responsiveness to customers so that all Services we provide are Customer-Centered Services.**

**GOAL #6:** **Enhance the Visibility of the NSCB by providing innovative educational and enforcement programs that promote public and industry confidence and awareness.**

**GOAL #7** **Create a culture within the organization that continues to empower our employees and one that places a high value on professional development and continuous learning.**

**GOAL #8** **Partner with other governmental agencies, the legislature, consumer groups, industry leaders, industry associations, and public sector awarding authorities in order to better serve the needs of our customers.**

***"Striving to Become a Model Regulatory Board"***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