



Nevada State Contractors Board

2012-2013 Strategic Plan

JULY 2012



acknowledgements

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resources
and



letter from the board chair

Nevada's construction industry continues to face serious challenges related to the slow economic recovery. Market conditions impact contractors, builders and all of our residents. The strategic planning approach adopted by the Board in 2010 has better equipped us as an agency to respond to these conditions while planning for a more prosperous future.

I'm proud of the accomplishments the Board members and staff have made over the last two years. This Strategic Plan recognizes those successes, reflects the unique conditions in which we operate today and positions us for moving forward. It continues to serve as a "roadmap" with ongoing best practices and specific objectives for the Board to accomplish this year.

This Plan was developed collaboratively with Board and staff members and emphasizes concrete action items, responsibilities and timelines. It will help us to continue to improve Board operations and focus our efforts where they are most needed. Ultimately, it will help NSCB promote the integrity of the construction industry and protect the public safety and welfare of Nevada's residents.

We look forward to working with you to reach our goals.

Kevin E. Burke
Nevada State Contractors Board Chairman



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I. introduction

The Nevada State Contractors Board (NSCB) was created by the Legislature in 1941 to license and regulate contractors. Nevada requires licensure for all aspects of residential and commercial contracting. The Board is also responsible for enforcement, public awareness and administering a homeowner recovery fund.

The Board is empowered with determining applicant qualifications and establishing license conditions, including a monetary limit and types of work that may be performed. The Board is also empowered to promulgate rules and regulations necessary for implementing and enforcing the enabling statute, NRS 624, and to discipline licensees found in violation of the statute.

The Governor appoints the seven members of the Board to three year terms. Six are licensed contractors, and one member is a representative of the public.

The Board established a public awareness program to provide informational material for consumers and contractors. Board employees give presentations and work with media to provide public information concerning contractor responsibilities 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 who have suffered damages in certain cases.



II. overview

The primary purpose of the NSCB is to ensure consumer protection and the general health, safety and welfare of the public.

The State of Nevada was the fastest growing state for 20 of the 21 years ending in 2007. This unprecedented rate of growth created an atmosphere of high demand for homes and commercial construction. The Board's workload increased accordingly during this period in order to meet the demand of contractor licensing and investigation of workmanship complaints.

The conditions of the construction industry have changed considerably since the onset of the recession, and continue to be impacted by the slow economic recovery in Nevada. The Board continues to face these challenges head-on.

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. However, there has been an increase in the number

of contractors who have gone out of business. In addition, the proliferation of unlicensed contractors has increased investigator workload.

This Strategic Plan and Implementation Action Program reflects the goals and priorities of the Board and identifies specific actions and responsibilities to help the organization achieve its mission while it faces these challenges.

While regulators are often viewed as impediments to growth, the NSCB strives to be a catalyst for change, contributing to the betterment of the construction industry and its licensees, and helping to build more trusting relationships with the public. In doing so, the NSCB will protect the health, safety and welfare of the citizens of Nevada while serving the public quickly and efficiently.

“**The Contractors Board was professional and responsive in a timely manner.**”

— *David P.*

III. summary of recent accomplishments

Many of the Board's recent accomplishments are highlighted here. A more detailed list of activities is included as Appendix A.

Licensing

Licensing staff made many improvements to licensing and renewal programs, including implementing an online renewal system. A review of licensing classifications was completed and pocket-sized contractor identification cards were redesigned.

Enforcement

Investigation Department staff successfully implemented ways to process cases more quickly, and began to focus more intently on prosecuting elderly abuse by contractors. Staff also increased enforcement in rural areas.

Public Awareness and Information

The Board developed and implemented new communications materials with an emphasis on consumer awareness and contractor participation. A Senior Awareness Program was also launched as a proactive effort to educate seniors about

common scams and abuses within various industries.

Partnering

NSCB staff partnered with the National Association of State Contractor Licensing Agencies (NASCLA) to address elder abuse and rural outreach. New strategic partnerships with private industry and public agencies were initiated. Board members were active in building these and other strategic partnerships.

Board Development

Board members participated in a number of trainings relative to the Board's role and business operation.

Administrative Efficiency

The Board became a more streamlined and cost-effective organization, especially through the use of technology. Regular reports and performance snapshots are being used to monitor performance and identify opportunities for continuing improvement.



IV. strategic issues and priorities

At a strategy session in March 2012, Board members identified the following issues and trends that are affecting the work of the NSCB. They describe the current conditions of the environment in which the Board works. These issues affect NSCB's day-to-day operations as well as its long-term forecast.

State Fiscal Crisis

Nevada continues to feel the effects of the recession and slow recovery. Current economic projections suggest the Nevada construction industry in the State will likely take a minimum of 3 to 5 years to fully recover.

Workforce Trends

A recent increase in home remodeling activity and public works projects is driving the need to focus enforcement activities in these areas.

Rise In Unlicensed Activity

In response to economic conditions, there

continues to be increased unlicensed construction activity, fraud and out-of-scope work. This continual and growing trend threatens the financial well-being and the reputation of legitimate contractors.

Changing Demographics

The population of Nevada is changing, including the expected growth of seniors as the Baby Boomer generation continues to age. This requires increased information and awareness to meet the needs of different populations and to prevent elder abuse.

Changing Technology

Industry trends, such as an increase in the use of renewable energy technology, are driving the need to keep licensure classifications up-to-date.

“The best thing I did was contact the Nevada State Contractors Board. Had I not, the problem would probably not have been resolved.”

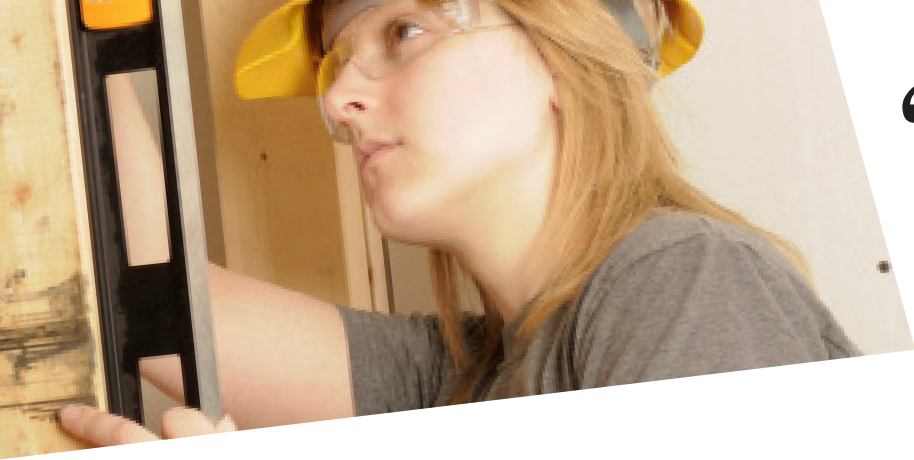
— Lisa R.

V. NSCB strategic plan framework

The NSCB Strategic Plan is organized according to the framework illustrated below and is described on the following pages.

Each year the Board reviews progress on the strategic plan and establishes a new set of specific objectives with assignments and timelines to ensure implementation.





“ We are so thankful for the Residential Recovery Fund. It helped make things right after our loss.”

— Louisa R.

VI. mission, vision and values

Mission

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

The Nevada State Contractors Board strives to be

“Striving to Be a Model Regulatory Agency”

a model regulatory agency, integrating efficiency with consumer protection. We are committed to exceptional customer service, fair and efficient licensure, and innovative educational and enforcement programs.

Our empowered employees are committed to public service and professional development, and work to promote a fair and competitive marketplace.

Values

The Nevada State Contractors Board strives for the highest program quality. We commit to uphold the values of:

Fairness and Respect

We treat all customers and colleagues in a fair and impartial manner and with dignity and

compassion.

Honesty and Integrity

We conduct ourselves professionally, ethically and honorably. We go beyond the legal minimum to do what is right.

Trust

We are reliable, dependable and accountable. We strive to build and maintain public and industry trust through honesty, sincerity and by playing by the rules.

Excellence and Exceptional Customer Service

The way we conduct business is as important as the business we conduct. We strive to deliver the best possible service, to create quality outcomes and to exceed expectations.

Innovation and Creativity

We encourage innovation and promote excellence through learning and development. We are flexible and creative, adapting to changing customer needs and pursuing novel solutions.

Open, Clear and Frequent Communication

We build partnerships and engage with customers in meaningful interactions. We believe in open communication, participatory governance and transparency.

Education

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

VII. customers and constituencies

individuals	constituency needs	constituency contributions
Public – property and homeowners	Public health, safety and welfare	Feedback on customer experience
Applicants	Licensing requirements, guidelines and resources	Feedback on application process
Licensees	Regulation of practice and business and legal resources	Legitimate and legal business activity
Recovery Fund Applicants	Compensation for wrongdoing	Feedback on fund administration
Building Officials	Timely, accurate communications	Feedback on contractor performance

organizations	constituency needs	constituency contributions
State Legislature	Protection of the public interest and efficient administration of program	Feedback on Board efficiency and effectiveness
State Executive Branch	Protection of the public interest and efficient administration of program	Feedback on Board efficiency and effectiveness
Office of the Attorney General	Investigation and enforcement of illegal activities	Legal guidance and oversight
Industry Associations	Fair and competitive marketplace	Insights or industry trends, issues and challenges
Local Governments	Verification of Contractor license status	Feedback on contractor performance



VIII. goals

The NSCB has established six goals which provide the framework of its mission:



Goal 1: Licensing

Ensure that all applicants and licensees are qualified to provide construction services and provide licensing services in a timely and professional manner.



Goal 2: Enforcement

Reduce, and prevent unlicensed activity and unprofessional conduct that poses a threat to public safety and threatens legitimate business activity.



Goal 3: Public Awareness and Information

Enhance the visibility of the NSCB and ensure accurate information is available to the public and professionals through a variety of media.

“NSCB staff took the time to keep me informed and walk me through the process.”

— Sally C.



Goal 4: Partnering

Partner with other public and private organizations to better serve customers and leverage resources.



Goal 5: Board Development

Organize Board training and activities to focus on governance and policy issues while ensuring the execution of the Strategic Plan.



Goal 6: Administrative Efficiency

Improve agency operations and technology to enhance regulatory efficiency, customer service and consumer protection.



IX. implementation action plan

The following section includes a list of actions currently underway and strategic objectives that will help NSCB meet each of its goals.

These objectives were updated in March of 2012 and were based on the Board's review of the 2011-2012 Strategic Plan. Performance measure categories and desired outcomes are also provided.

“I really appreciated the material for homeowners I found on the website. It gave me piece of mind when I contracted for my remodel.”

— *Francisco B.*



Goal 1: Licensing

Ensure that all applicants and licensees are qualified to provide construction services and provide licensing services in a timely and professional manner.

ongoing responsibilities	lead responsibility
Ensure all applicants meet experience and financial responsibility requirements, pass required examinations and complete background checks	Licensing Staff
Ensure that the license classification system is consistent with industry practices	Licensing Staff

specific objectives 2012-2013	lead responsibility	completion date
1.A Consider revisions to licensing classifications and determine priorities for implementation	Licensing Staff	September 2012
1.B Explore alternative ways of ensuring the financial capacity of license candidates	Licensing Staff	February 2013
1.C Investigate the feasibility of expanding the use of online application procedures	Licensing Staff	March 2013

performance measures	desired outcomes
Timeliness	Qualified and licensed professional contractors
Customer Experience	Satisfied licensees



Goal 2: Enforcement

Reduce or prevent illegal activity and unprofessional conduct that poses a threat to public safety and threatens legitimate business activity. Ensure appropriate and efficient responses to complaints and

ongoing responsibilities	lead responsibility
Respond to complaints from the public in a timely manner and enforce regulations to protect public health, safety and welfare	Enforcement Staff
Facilitate early intervention on serious life safety complaints	Enforcement Staff
Ensure that disciplinary processes are effective and fair	Enforcement Staff
Increase enforcement of unlicensed contracting activities	Enforcement Staff
Strengthen efforts to prevent and prosecute elder abuse	Enforcement Staff
Improve enforcement in rural areas	Enforcement Staff



Goal 2: Enforcement

Reduce or prevent illegal activity and unprofessional conduct that poses a threat to public safety and threatens legitimate business activity. Ensure appropriate and efficient responses to complaints and recovery claims.

specific objectives 2012-2013		lead responsibility	completion date
2.A	Determine the feasibility of establishing a specialized commercial construction and public works enforcement unit	Enforcement Staff	September 2012
2.B	Improve NSCB's ability to quantify enforcement results	Enforcement Staff	December 2012
2.C	Analyze the feasibility of allowing completion of specific training courses in lieu of monetary fines for violations	Enforcement Staff	February 2013

performance measures	desired outcomes
Timeliness	Satisfied claimants
Customer Experience	Clear resolution of claims
Quality of Enforcement	Increased investigations of unlicensed activity
Value of the Contractor License	Fair and competitive marketplace
Fiscal Management of Recovery Fund	Recovery Fund solvency



Goal 3: Public Awareness and Information

Enhance the visibility of the NSCB and ensure accurate information is available to the public and professionals through a variety of media.

ongoing responsibilities	lead responsibility
Maximize public awareness of NSCB services and the benefits of hiring a licensed contractor through continued public outreach initiatives	Public Information Officer
Enhance the use of online services	Public Information Officer
Keep public information and collateral materials up-to-date	Public Information Officer
Maximize the use of the NSCB newsletter and website to provide timely information	Public Information Officer
Expand customer awareness of the Residential Recovery Fund	Public Information Officer

specific objectives 2012-2013		lead responsibility	completion date
3.A	Develop a communications plan	Public Information Officer	August 2012
3.B	Target outreach and public information to rural areas	Public Information Officer	September 2012



Goal 3: Public Awareness and Information

Enhance the visibility of the NSCB and ensure accurate information is available to the public and professionals through a variety of media.

specific objectives 2012-2013		lead responsibility	completion date
3.C	Create orientation materials for key constituencies, such as legislators, agency representatives, and consumer groups on the mission and function of NSCB	Public Information Officer	November 2012
3.D	Increase contractor awareness of general business and legal principles and practices	Public Information Officer	December 2012
3.E	Develop a "Train the Trainer" program in partnership with industry groups.	Public Information Officer	March 2013
3.F	Establish an annual "Training Day" seminar for contractors.	Public Information Officer	May 2013

performance measures	desired outcomes
Timeliness	Accurate, relevant, readily available information for professionals and the general public
Customer Experience	Satisfied customers



Goal 4: Partnering

Partner with other public and private organizations to better serve customers and leverage resources.

ongoing responsibilities	lead responsibility
Improve Board effectiveness through partnerships and intergovernmental relationships	Executive Team Members
Seek opportunities to leverage resources through creative partnerships	Executive Team Members
Partner with the District Attorney's office to aggressively prosecute elder abuse	Executive Team Members
Survey partners on a regular basis to improve two-way communication	Executive Team Members



Goal 4: Partnering

Partner with other public and private organizations to better serve customers and leverage resources.

specific objectives 2012-2013		lead responsibility	completion date
4.A	Create a partnership plan that identifies issues and priorities for outreach and enforcement	Executive Team Members	August 2012
4.B	Develop a reporting structure for partnering activities to provide Board members at the quarterly meetings	Executive Team Members	October 2012
4.C	Build partnerships with specific groups to address NSCB's high priority issues such as unlicensed activity and elder abuse	Executive Team Members	December 2012

performance measures	desired outcomes
Partnering Activity	Increase in the number of productive partnerships



Goal 5: Board Development

Organize Board training and activities to focus on governance and policy issues while ensuring the execution of the Strategic Plan.

ongoing responsibilities	lead responsibility
Focus Board efforts and activities on policy, governance and strategic plan implementation	Executive Team Members
Implement a new Board member orientation and training program	Executive Team Members
Partner with contractor associations, law enforcement, building officials and governmental agencies to address mutual concerns and/or issues	Executive Team Members



Goal 5: Board Development

Organize Board training and activities to focus on governance and policy issues while ensuring the execution of the Strategic Plan.

specific objectives 2012-2013		lead responsibility	completion date
5.A	Develop an ongoing orientation and training program for Board members on key NSCB functions and priorities	Executive Team Members	October 2012
5.B	Identify issues and formulate positions for potential legislation	Executive Team Members	June 2013

performance measures	desired outcomes
Board Engagement	Board is active and engaged, providing clear direction to staff



Goal 6: Administrative Efficiency

Improve agency operations and technology to enhance regulatory efficiency, customer service and consumer protection.

ongoing responsibilities	lead responsibility
Provide excellent customer service and continue to develop and modify programs to improve customer experience	Executive Team Members
Periodically survey peer agencies for best practices, benchmark NSCB performance and re-engineer and refine processes as needed	Executive Team Members
Track performance measures and target outcomes and focus on improving processes that fall below their targets or exceed budgets	Executive Team Members
Improve and maintain IT systems and the use of technology for document imaging, investigative services and other agency functions	Executive Team Members
Foster a culture of teamwork and collaboration	Executive Team Members
Develop an annual strategic plan, measure results and update the plan on a periodic basis	Executive Team Members
Ensure that all Board staff are aware of employment policies and procedures	Executive Team Members
Continue the Employee Recognition Program	Executive Team Members



Goal 6: Administrative Efficiency

Improve agency operations and technology to enhance regulatory efficiency, customer service and consumer protection.

specific objectives 2012-2013		lead responsibility	completion date
6.A	Improve methods of acquiring customer feedback	Executive Team Members	October 2012
6.B	Develop a Standard Operating Procedure (SOP) manual for all departments	Executive Team Members	May 2013
6.C	Create a succession plan and strategy for developing the next generation of leadership	Executive Team Members	May 2013

performance measures	desired outcomes
Fiscal Management	Balanced budget
Customer Experience	Satisfied customers



appendices

Appendix A: Recent Accomplishments 2011-2012

appendix A: recent accomplishments 2011-2012

Licensing

In July 2011, the Board instituted an online renewal system, which allows licensees to renew their license and pay fees online. As of June 30, 2012, approximately 21 percent of those who renewed their license used the online program.

Other accomplishments include:

- Developing new contractor identification cards;
- Reviewing license classification report recommendations to determine needed updates to classifications;
- Converting application forms to PDF format to allow users to complete forms electronically;
- Evaluating and updating several policies and procedures to streamline application evaluation and processing;
- Instituting an enhanced background disclosure and investigation policy that requires all applicants to submit fingerprints; and
- Modifications were made to the Financial Statement requirements.

Enforcement

In FY 2011-12, Enforcement experienced a five percent decrease in the number of complaints opened: 2,127 complaints against licensed contractors and 1,242 complaints against unlicensed contractors. Of the unlicensed contractor complaints, approximately 482 criminal charges were

filed, resulting in a conviction rate of 65 percent.

Other enforcement accomplishments include:

- Successful disaster response efforts in Reno after two fires hit the region within a month of each other. To date, no unlicensed activity has been seen or reported in the affected areas;
- Resolution of large, extensive cases involving pool contractors, resulting in restitution to homeowners in collective amounts exceeding \$100,000;
- Using administrative citations and settlement agreements to reduce the need for formal Board disciplinary hearings;
- Arresting unlicensed contractor Neil Brodsky in California for fraudulent activity, within one week of adding him to NSCB's "Top 10" list;
- Implementing a summary suspension procedure to expedite the process;
- Initiating daily enforcement for unlicensed contractors in residential and commercial projects and conducting monthly sting operations; and
- Partnering with western states on the first joint sting event targeting unlicensed contractors advertising on online bulletins, such as Craigslist.

Partnering

- NSCB initiated meetings with Building Officials and Home Depot representatives to develop a pilot permit kiosk system, which is scheduled to launch August 2012 in Clark County Home Depot stores;
- In collaboration with state agencies and legislators, NSCB coordinated a Senior Awareness Program to help educate seniors on scams and offer preventative tips and resources; and
- A number of meetings and strategy sessions were held with industry groups to discuss and resolve specific issues and industry concerns.

Board Development

- Established performance snapshots for each department and modified the Board agenda for quarterly meetings to allow sufficient time for Executive Session.
- Staff improved and streamlined quarterly presentations to the Board to focus on Department highlights and significant accomplishments.
- Developed new Decision and Order guidelines to improve meeting efficiency and effectiveness.

Residential Recovery Fund

- Received and processed 69 claims during FY 2011-12, resulting in approximately \$719,400 paid to injured homeowners. The average claim was

approximately \$8,900.

Public Awareness and Information

- Improved outreach and education among seniors through the implementation of a Senior Bulletin, development of a Public Service Announcement narrated by the Governor, and launch of a Senior Awareness Program.
- Redesigned collateral materials, such as brochures, bulletins, and newsletters, with new board image and logo to create a streamlined, consistent look.
- Expanded use of social media, resulting in a 320 percent increase in Facebook followers since the beginning of FY 2011-12.
- Implemented a Home Improvement Forum, which brings together industry representatives in a panel discussion format to educate homeowners on the benefits of hiring licensed contractors, a well as the risks and liabilities assumed when hiring unlicensed contractors.

Administration and Information Technology

- Provided a number of internal and external trainings for staff development; all staff required to take a minimum of 16 hours of training each year.

drop are more numerous



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