



Nevada State Contractors Board

STRATEGIC PLAN

EXECUTIVE OFFICER REPORT

QUARTER FOUR REPORT

April - June 2016

FY 2015-16 ANNUAL REPORT

July 2015 - June 2016



Members of the Board

Jan B. Leggett, *Chairman*

Margaret Cavin, *Treasurer*

Thomas “Jim” Alexander

Kevin E. Burke

Joe Hernandez

Kent Lay

Guy M. Wells

Executive Leadership

Margi Grein, *Executive Officer*

Dan Hammack, *Chief of Enforcement*

Jennifer Lewis, *Public Information Officer*

Nancy Mathias, *Licensing Administrator*

Paul Rozario, *Director of Investigations*

members
and
group



Message from the Executive Officer

The 2015-16 Fiscal Year began on a path driven by our strategic initiatives, but later became centered on fulfilling our mission as a state agency to provide assistance to over 100 homeowners in one of the largest disciplinary hearing cases to come before the Board in many years.

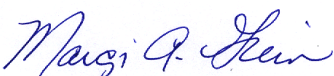
Being a small government agency, we often pride ourselves in our abilities to provide free investigative services to the public in a timely manner. However, when dealing with damages from a licensed contractor on a mass scale, the Board is somberly reminded that despite its best efforts to proactively protect the health, safety, and welfare of the public, unfortunate decisions among those we license can have devastating and lasting effects among homeowners who have placed their homes and financial resources in someone they thought they could trust.

These situations challenge us as a Board to continue to identify new ways to enhance our abilities to protect homeowners and provide them the recourse necessary when they hire licensed contractors. Although the vast majority of our licensees operate in a legitimate, law-abiding manner, the Board takes seriously its responsibility to protect the public and promote confidence in the industry and will not waiver in this commitment or hesitate to seek reform in areas that require it.

For it is our dedication to improvement, to taking on challenges, and seeking change where needed that drive us toward our goal of becoming a model regulatory agency. As we prepare to invest in new opportunities, it is important to acknowledge efforts that have been underway for the past year to improve our services and better serve the public.

We're approaching the end-stages of developing a new licensing and enforcement database system that will provide both internal and external users greater access to and ease of information. Our public information department has been engaged in an outreach campaign, bringing together local, state, and community partners to raise awareness on elder abuse prevention, disaster preparedness and recovery, and other assistive services available to those in need. And our enforcement department continues to mediate issues between homeowners and contractors, while pursuing criminal unlicensed contractors aggressively with district attorneys and through more intense fraud investigative efforts.

Our work is never done, but always just beginning. Here's to welcoming new challenges and opportunities for progress in FY 2016-17.

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

MARGI A. GREIN
Nevada State Contractors Board Executive Officer

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Executive Officer Annual Highlights

Board Hosts Western States Enforcement Forum; Engages with States Nationwide (Goals 4 & 6)

In October of 2015, the Board hosted the first Western States Enforcement Forum where representatives from Arizona, California, Nevada, Oregon, Utah, and Washington joined together to discuss overall Board operations and enforcement strategies, current industry trends including enforcement and exploitation of senior citizens, and collaborate on possible solutions to address multi-state enforcement issues. Also during the year, the Executive Officer participated in a number of events and Board meetings for the National Association of State Contractor Licensing Agencies in her role as Treasurer.

Licensing Focuses on Classification & Application Enhancements (Goals 1 & 3)

On December 31, 2015, the Board's proposed regulation creating a classification for tenant improvements in high-rise structures was approved by the Legislative Commission's Subcommittee to Review Regulations, becoming permanently added to the Nevada Administrative Code. Also during the year, Licensing staff revised many of its application forms and implemented measures to improve the application and financial review processes.

Public Information Launches 75th Anniversary Campaign (Goals 3 & 5)

The start of 2016 marked the Board's Diamond (75th) Anniversary. To celebrate the occasion, the Board outlined a number of events aimed at bringing together local, state, and community partners to provide the public resourceful information related to a variety of topics. The events held during the year included topics of elder abuse prevention, how to avoid current trends in fraud and theft, disaster preparedness and recovery information, and overall community resources individuals in need can turn to for assistance. The campaign has helped the Board share its message with a broader audience, enhance media coverage

and opportunities for expanded discussions with the public, and collaborate/network with a variety of entities across the state.

Enforcement Establishes New Fraud Unit; Enhances Exposure of Unlicensed Contracting Activities (Goals 2, 3, & 5)

In an effort to expand the Enforcement Department's breadth of investigative abilities, the Board established a Fraud Unit, which takes on elevated cases of financial fraud and matters involving diversion of funds. Once significant evidence is compiled, the Fraud Unit will collaborate with state or federal authorities to prosecute the alleged suspects based on its findings. Also during the year, the Board engaged media in its undercover sting operations against unlicensed contractors to further caution and inform homeowners of the dangers and loss of protections when they hire unlicensed individuals.

Upgrades to Licensing and Enforcement Database Near Completion (Goals 1, 2, & 5)

Continuing its efforts from FY 2014-15, staff from all departments, specifically Licensing and Information Technology, have been working tirelessly on the upgrade developments for the Board's new licensing and enforcement database project. The new system is expected to create a more user-friendly interface and greater access/ease to obtaining information for both internal and external users.

Board Engages in Training; Sets Strategic Direction for FY 2016-17 (Goals 4 & 5)

As part of its effort to remain current on industry and regulatory practices, the Board participated in a series of trainings throughout the year, including the National Judicial College and a presentation by the Federal Association of Regulatory Boards (FARB) on the role and responsibilities of boards. Later in the year, the Board met with executive staff to discuss and develop the goals and objectives for FY 2016-17, which were adopted in June 2016 as the Board's Strategic Plan.

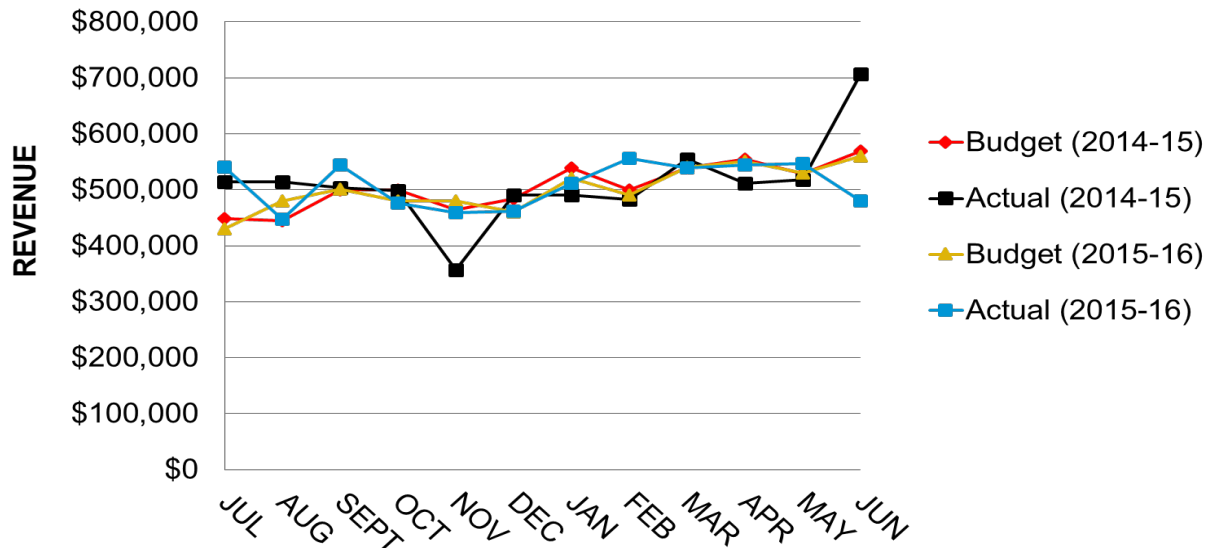
Licensing - Data Dashboard

Budget (2014-2015)	JULY-14	AUG-14	SEPT-14	OCT-14	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	TOTALS
License Renewals	\$285,000	\$280,000	\$335,000	\$335,000	\$300,000	\$320,000	\$375,000	\$335,000	\$375,000	\$390,000	\$365,000	\$405,000	\$4,100,000
New License Fee	\$49,166	\$49,166	\$49,166	\$49,166	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$590,000
Application Fee	\$35,417	\$35,416	\$35,416	\$35,416	\$35,417	\$35,416	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$425,000
License Changes	\$29,167	\$29,166	\$29,167	\$29,166	\$29,167	\$29,167	\$29,166	\$29,167	\$29,167	\$29,167	\$29,166	\$29,167	\$350,000
Investigative Recov Costs	\$29,167	\$29,166	\$29,167	\$29,166	\$29,167	\$29,167	\$29,166	\$29,167	\$29,167	\$29,167	\$29,166	\$29,167	\$350,000
Renewal Late Fees	\$8,333	\$8,333	\$8,334	\$8,333	\$8,333	\$8,334	\$8,333	\$8,333	\$8,334	\$8,333	\$8,334	\$8,333	\$100,000
Renewal Inactive Fee	\$12,917	\$12,916	\$12,917	\$12,917	\$12,916	\$12,917	\$12,917	\$12,916	\$12,917	\$12,917	\$12,916	\$12,917	\$155,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$449,167	\$444,163	\$499,167	\$499,164	\$464,167	\$484,168	\$539,166	\$499,167	\$539,169	\$554,168	\$529,166	\$569,168	\$6,070,000
Actual (2014-2015)	JULY-14	AUG-14	SEPT-14	OCT-14	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	TOTALS
License Renewals	\$328,500	\$328,375	\$334,475	\$331,700	\$215,200	\$320,503	\$355,450	\$326,550	\$366,910	\$340,925	\$351,270	\$404,765	\$4,004,623
New License Fee	\$66,000	\$65,400	\$35,700	\$58,500	\$45,600	\$58,700	\$41,000	\$52,800	\$50,450	\$45,600	\$54,000	\$56,700	\$630,450
Application Fee	\$34,800	\$36,050	\$35,400	\$33,300	\$34,550	\$33,650	\$27,600	\$33,900	\$48,300	\$42,950	\$39,000	\$52,200	\$451,700
License Changes	\$35,725	\$36,075	\$31,250	\$36,050	\$31,175	\$28,675	\$27,175	\$29,250	\$36,525	\$37,025	\$29,725	\$37,200	\$395,850
Investigative Recov Costs	\$33,592	\$31,719	\$43,165	\$17,925	\$16,400	\$36,332	\$24,094	\$23,298	\$31,375	\$28,616	\$28,991	\$134,580	\$450,086
Renewal Late Fees	\$7,275	\$7,200	\$7,390	\$7,875	\$4,500	\$6,685	\$6,880	\$7,295	\$5,813	\$6,975	\$6,300	\$8,063	\$82,250
Renewal Inactive Fee	\$7,800	\$8,775	\$16,313	\$12,775	\$9,300	\$6,538	\$9,000	\$10,200	\$15,600	\$9,300	\$8,400	\$12,900	\$126,900
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$513,692	\$513,594	\$503,692	\$498,125	\$356,725	\$491,082	\$491,199	\$483,293	\$554,972	\$511,391	\$517,686	\$706,408	\$6,141,858
Variance (2014-2015)	JULY-14	AUG-14	SEPT-14	OCT-14	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	TOTALS
License Renewals	\$43,500	\$48,375	(\$525)	(\$3,300)	(\$84,800)	\$503	(\$19,550)	(\$8,450)	(\$8,090)	(\$49,075)	(\$13,730)	(\$235)	(\$95,378)
New License Fee	\$16,834	\$16,234	(\$13,466)	\$9,334	(\$3,567)	\$9,533	(\$8,167)	\$3,633	\$1,283	(\$3,567)	\$4,833	\$7,533	\$40,450
Application Fee	(\$617)	\$634	(\$16)	(\$2,116)	(\$867)	(\$1,766)	(\$7,817)	(\$1,517)	\$12,883	\$7,533	\$3,583	\$16,783	\$26,700
License Changes	\$6,558	\$6,909	\$2,083	\$6,884	\$2,008	(\$492)	(\$1,991)	\$83	\$7,358	\$7,858	\$559	\$8,033	\$45,850
Investigative Recov Costs	\$4,425	\$2,553	\$13,998	(\$11,241)	(\$12,767)	\$7,165	(\$5,072)	(\$5,869)	\$2,208	(\$551)	(\$175)	\$105,413	\$100,086
Renewal Late Fees	(\$1,058)	(\$1,133)	(\$944)	(\$458)	(\$3,833)	(\$1,649)	(\$1,453)	(\$1,038)	(\$2,522)	(\$1,358)	(\$2,034)	(\$271)	(\$17,750)
Renewal Inactive Fee	(\$5,117)	(\$4,141)	\$3,396	(\$142)	(\$3,616)	(\$6,380)	(\$3,917)	(\$2,716)	\$2,683	(\$3,617)	(\$4,516)	(\$17)	(\$28,100)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$64,525	\$69,431	\$4,525	(\$1,039)	(\$107,442)	\$6,914	(\$47,967)	(\$15,874)	\$15,803	(\$42,777)	(\$11,480)	\$137,240	\$71,858
Budget (2015-2016)	JULY-15	AUG-15	SEPT-15	OCT-15	NOV-15	DEC-15	JAN-16	FEB-16	MAR-16	APR-16	MAY-16	JUN-16	TOTALS
License Renewals	\$270,000	\$320,000	\$340,000	\$320,000	\$320,000	\$300,000	\$360,000	\$330,000	\$380,000	\$390,000	\$370,000	\$400,000	\$4,100,000
New License Fee	\$49,170	\$49,165	\$49,170	\$49,165	\$49,170	\$49,165	\$49,170	\$49,160	\$49,170	\$49,165	\$49,170	\$49,160	\$590,000
Application Fee	\$35,415	\$35,415	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$35,417	\$425,000
License Changes	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$360,000
Investigative Recov Costs	\$29,166	\$29,167	\$29,167	\$29,166	\$29,167	\$29,167	\$29,166	\$29,167	\$29,167	\$29,166	\$29,167	\$29,167	\$350,000
Renewal Late Fees	\$6,665	\$6,670	\$6,665	\$6,665	\$6,665	\$6,670	\$6,665	\$6,665	\$6,670	\$6,665	\$6,665	\$6,670	\$80,000
Renewal Inactive Fee	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,500	\$10,500	\$10,500	\$10,500	\$9,000	\$9,000	\$120,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$430,416	\$480,417	\$500,419	\$480,413	\$480,419	\$460,419	\$520,918	\$490,909	\$540,924	\$550,913	\$529,419	\$559,414	\$6,025,000
Actual (2015-2016)	JULY-15	AUG-15	SEPT-15	OCT-15	NOV-15	DEC-15	JAN-16	FEB-16	MAR-16	APR-16	MAY-16	JUN-16	TOTALS
License Renewals	\$361,470	\$276,970	\$356,030	\$303,070	\$286,130	\$298,563	\$362,275	\$380,625	\$340,218	\$359,100	\$383,600	\$324,578	\$4,032,628
New License Fee	\$47,400	\$59,700	\$67,350	\$62,700	\$51,300	\$56,750	\$52,200	\$55,800	\$54,700	\$67,800	\$52,800	\$46,050	\$674,550
Application Fee	\$43,200	\$42,000	\$43,600	\$35,400	\$37,800	\$32,100	\$29,400	\$52,500	\$42,900	\$38,200	\$40,050	\$37,200	\$474,350
License Changes	\$31,000	\$27,200	\$30,950	\$30,225	\$32,250	\$27,000	\$26,400	\$28,475	\$40,900	\$36,925	\$34,750	\$31,275	\$377,350
Investigative Recov Costs	\$45,087	\$25,971	\$24,526	\$31,905	\$35,944	\$40,033	\$29,507	\$23,377	\$29,926	\$29,656	\$23,485	\$23,419	\$362,837
Renewal Late Fees	\$5,775	\$6,450	\$10,075	\$5,800	\$6,675	\$6,100	\$5,175	\$6,000	\$8,288	\$5,475	\$5,320	\$8,780	\$79,913
Renewal Inactive Fee	\$6,900	\$8,400	\$12,038	\$6,900	\$8,400	\$1,133	\$7,200	\$9,000	\$21,930	\$7,500	\$7,500	\$9,150	\$106,050
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$540,832	\$446,691	\$544,568	\$476,000	\$458,499	\$461,678	\$512,157	\$555,777	\$538,861	\$544,656	\$547,505	\$480,452	\$6,107,677
Variance (2015-2016)	JULY-15	AUG-15	SEPT-15	OCT-15	NOV-15	DEC-15	JAN-16	FEB-16	MAR-16	APR-16	MAY-16	JUN-16	TOTALS
License Renewals	\$91,470	(\$43,030)	\$16,030	(\$16,930)	(\$33,870)	(\$1,438)	\$2,275	\$50,625	(\$39,783)	(\$30,900)	\$13,600	(\$75,423)	(\$67,373)
New License Fee	(\$1,770)	\$10,535	\$18,180	\$13,535	\$2,130	\$7,585	\$3,030	\$6,640	\$5,530	\$18,635	\$3,630	(\$3,110)	\$84,550
Application Fee	\$7,785	\$6,585	\$8,183	(\$17)	\$2,383	(\$3,317)	(\$6,017)	\$17,083	\$7,483	\$2,783	\$4,633	\$1,783	\$49,350
License Changes	\$1,000	(\$2,800)	\$950	\$225	\$2,250	(\$3,000)	(\$3,600)	(\$1,525)	\$10,900	\$6,925	\$4,750	\$1,275	\$17,350
Investigative Recov Costs	\$15,921	(\$3,196)	(\$4,641)	\$2,739	\$6,777	\$10,866	\$341	(\$5,790)	\$759	\$490	(\$5,682)	(\$5,748)	\$12,837
Renewal Late Fees	(\$890)	(\$220)	\$3,410	(\$865)	\$10	(\$570)	(\$1,490)	(\$665)	\$1,618	(\$1,190)	(\$1,345)	\$2,110	(\$88)
Renewal Inactive Fee	(\$3,100)	(\$1,600)	\$2,038	(\$3,100)	(\$1,600)	(\$8,868)	(\$3,300)	(\$1,500)	\$11,430	(\$3,000)	(\$1,500)	\$150	(\$13,950)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$110,416	(\$33,726)	\$44,149	(\$4,413)	(\$21,920)	\$1,259	(\$8,761)	\$64,868	(\$2,063)	(\$6,257)	\$18,086	(\$78,962)	\$82,677



Licensing - Q4 Snapshot

Application, Renewal & Cost Recovery Revenue
(FISCAL YEARS 2014-15 / 2015-16)



APRIL TO JUNE 2016	
Licenses (Beginning of Quarter)	16,078
New Licenses Issued	301
Licenses Cancelled / Surrendered /Revoked	(244)
Variance in Suspended/Reinstated Licenses	(148)
Licenses (End of Quarter)	15,987
# of Licenses on Apr 1, 2016	16,078
# of Licenses on Jun 30, 2016	15,987
Net YTD (Fiscal Year)	
Licenses Gained / Lost	(91)
Renewal Revenue Gained / Lost	(\$54,600)
*Does not include suspended licenses	

FISCAL YTD LICENSING FEE TOTALS (FY2016)			
LICENSING FEES	BUDGET	ACTUAL	VARIANCE
License Renewals	4,100,000	4,032,628	(67,373)
New License Fee	590,000	674,550	84,550
Application Fee	425,000	474,350	49,350
License Changes	360,000	377,350	17,350
Invest Recov Costs	350,000	362,837	12,837
Renewal Late Fees	80,000	79,913	(88)
Renewal Inactive Fee	120,000	106,050	(13,950)

90 Day Retention Rate			
Projected Year-End Retention Rate	Apr 2016	16,078	
	Cancellations	(244)	(1.53%)
	New Licenses	301	1.88%
	Susp/Reinstat	(148)	(0.93%)
	Jun 2016	15,987	
	Change	(91)	
3 Month Rolling	% Change	-0.57%	

180 Day Retention Rate			
Projected Year-End Retention Rate	Jan 2016	16,027	
	Cancellations	(577)	(3.61%)
	New Licenses	577	3.61%
	Susp/Reinstat	(40)	(0.25%)
	Jun 2016	15,987	
	Change	(40)	
6 Month Rolling	% Change	-0.25%	

Licensing - Overview and Comparison

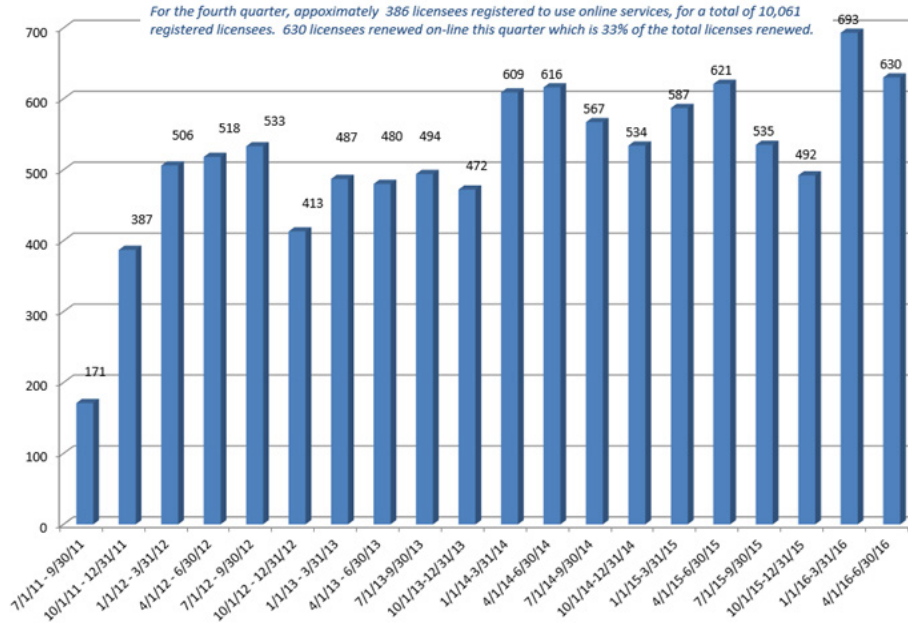
QUARTER 4 OVERVIEW

- New License Apps: 391 (-13%)
- 357 Approved, 23 Tabled or Denied by Staff
- Issued Licenses: 303 (+21%)
- License Change Apps: 834 (+2%)
- Placed on Inactive Status: 52 (-32%)
- Voluntary Surrender: 78 (+13%)
- Active Lic. Renewals: 1,820 (+4%)
- Inactive Lic. Renewals: 75 (-19%)
- Lic. Susp. (no bond): 163 (-8%)
- Licenses Canceled: 149 (-51%)
- 21 App. Denial Hearings (+31%)
- 150 Financial Reviews Opened
- 134 Approved by Staff
- 10 Financial Resp. Hearings (-17%)

Additional Quarterly Stats:

- 518 Licensee files scanned (+123%)
- 52 People attended Business Assistance Program (-27%)
- 9,685 Calls received
- 172 Calls abandoned (1.8%)
 - Avg. abandoned call time 77 sec.
- 1,321 of 2,380 People responded to Customer Service Survey (56% Return)

Online Renewal Applications



ANNUAL STATISTICS

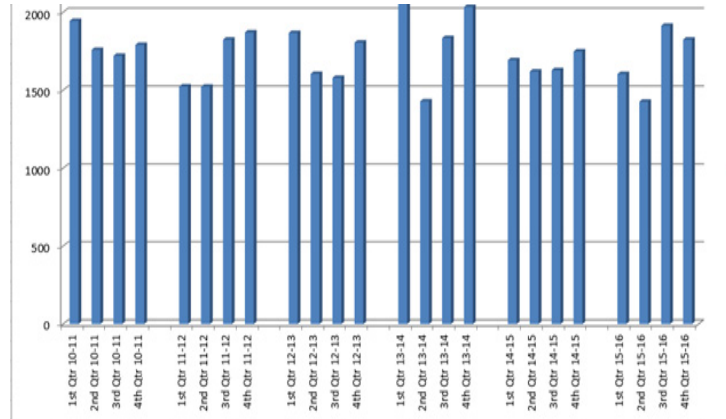
- New License Apps: 1,593 (+4%)
- Issued Licenses: 1,135 (+3%)
- License Change Apps: 3,003 (-6%)
- Active Licenses: 15,084 (+0.6%)
- Inactive Licenses: 903 (-13%)
- Placed on Inactive Status: 195 (-21%)
- Voluntary Surrender: 280 (+4%)
- Active Lic. Renewals: 6,750 (+1%)
- Inactive Lic. Renewals: 309 (-23%)
- Lic. Susp. (no bond): 691 (-13%)
- Licenses Canceled: 752 (+26%)
- 81 Application Denial Hearings (-15%)
- 37 Financial Responsibility Hearings (-31%)
- 554 Financial Reviews Opened
- 511 Approved by Staff

Licensing - Annual Trends

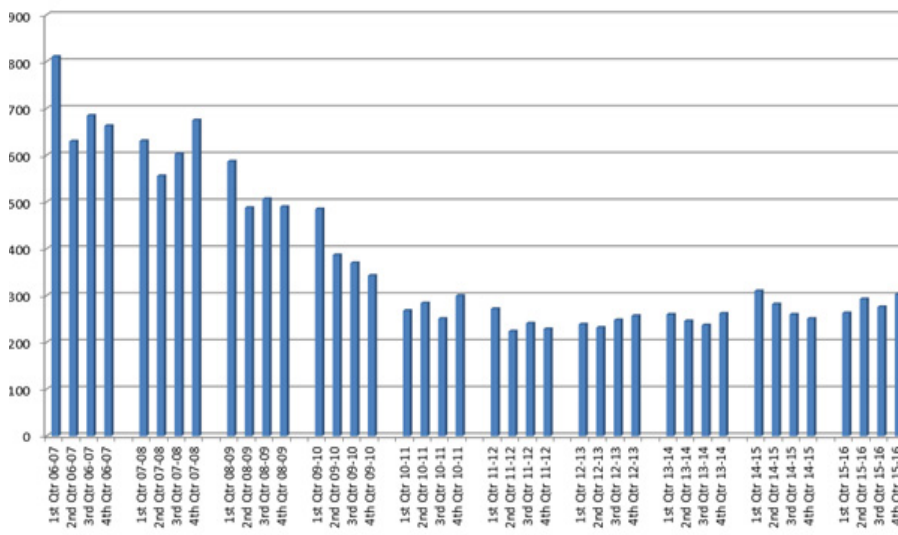
NEW LICENSE APPLICATIONS

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
JUL	128	101	106	98	124
AUG	88	149	130	141	125
SEPT	131	109	100	110	121
1st Qtr:	347	359	336	349	370
OCT	122	99	111	131	112
NOV	97	81	121	87	116
DEC	114	113	114	115	120
2nd Qtr:	333	293	346	333	348
JAN	95	96	135	132	91
FEB	90	129	117	135	117
MAR	167	121	117	137	160
3rd Qtr:	352	346	369	404	368
APR	151	121	144	131	143
MAY	125	119	129	138	131
JUN	131	134	141	152	177
4th Qtr:	407	374	414	421	451

ACTIVE RENEWALS

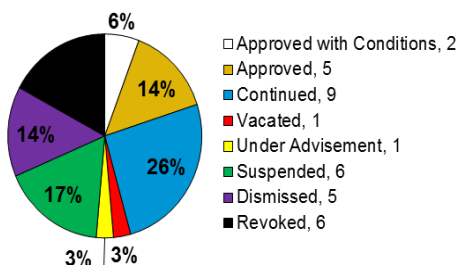


Licenses Issued



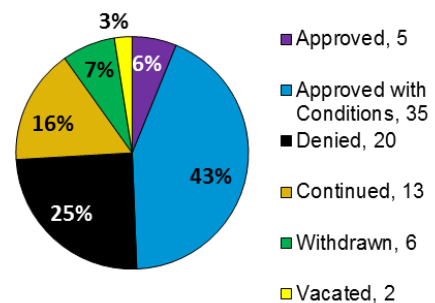
While figures varied from quarter to quarter, the year ended with a positive growth in both the number of license applications received and licenses issued. Notable declines were noticed in the number of licenses placed on inactive status, inactive renewals, and the number of licenses suspended due to no bond. On the other hand, the Board still recognized increases in the number of voluntary surrenders and canceled licenses. Such trends indicate the industry is still stabilizing, yet modestly improving.

FINANCIAL REVIEW HEARING RESULTS YEAR END



Since FY 2013-14, New Application Denial Hearings have decreased 63% and Financial Responsibility Hearings have decreased 50%.

NEW LICENSE APPLICATION DENIAL HEARING RESULTS YEAR END



Licensing - Annual Highlights

Improvements to License Applications Made

During the fiscal year, licensing staff worked alongside the public information office to review, streamline, and make improvements to the new license application and several license change applications. The outcome resulted in less redundancy, more concise and clear directions, as well as helpful tips and resources to assist applicants in submitting a more complete application for processing.

Processes Streamlined

Measures were implemented to provide a more thorough analysis of an application before a denial decision is made. In cases where the applicant has a criminal history, interviews are being conducted by the enforcement department to determine whether or not the events and circumstances warrant denial. As a result of these efforts, denial hearing declined by 15% over the same period last year and 60% as compared to the same period in FY 2013-14.

B-6 Subclassification Created for Tenant Improvements in High Rise Buildings

After a series of workshops, public hearings, which began in 2014, a temporary regulation was adopted on March 19, 2015 and filed with the Secretary of State on April 24, 2015. On August 27, 2015, a permanent regulation was adopted and later approved by the Legislative Commission's Subcommittee to Review Regulations on December 31, 2015. In addition to finalizing this process, the Board also assisted in the development of a technical examination.

Development of New Licensing & Enforcement Database

Licensing staff have participated in a number of projects related to the development of a new licensing and enforcement database project, which is expected to launch before the end of 2016.

In-House Training Opportunities Expanded

In an effort to help staff meet the 16 hours of annual training requirements, management in licensing worked with the State's training division to bring tailored sessions to the Contractors Board focused on various areas of customer service. Additional trainings provided to staff covered topics of credit reports, ethics, solar, and office safety procedures.

Enforcement - Background Check Q4 v. Annual

4th QUARTER STATS

Fingerprint Cards Submitted	923
Total Fingerprints Returned with Criminal Histories	199
Total Fingerprints Returned without Criminal Histories	724
Criminal Histories	21.50%

ANNUAL STATS

Fingerprint Cards Submitted	2507
Total Fingerprints Returned with Criminal Histories	744
Total Fingerprints Returned without Criminal Histories	1763
Criminal Histories	29%

BACKGROUND CHECKS

- 76 Investigations initiated
- 74 Investigations closed
- 44 Pending
- 45 Failed to disclose criminal history
 - 12 DUI
 - 9 Domestic Violence
 - 4 Burglary
 - 4 Misdemeanor Theft

Other crimes not reported included Robbery, Felony Theft, Received Stolen Property, Narcotics, Battery, Assault, Disorderly, and False Identity

SIGNIFICANT FINDINGS

- 2 Applicants on active probation
- 2 Applicants had open, pending criminal cases

BACKGROUND CHECKS

- 281 Investigations initiated
- 3 Applicants withdrew their application
- 167 Failed to disclose criminal history
 - 33 Misdemeanor DUI
 - 19 Battery Domestic Violence
 - 15 Theft
 - 13 Burglary
 - 11 Felony DUI
 - 9 Felony Theft
 - 8 Felony Assault
 - 7 Felony Battery
 - 7 Misdemeanor Battery
 - 6 Destruction of Property
 - 6 Felony Narcotics
 - 6 Disorderly

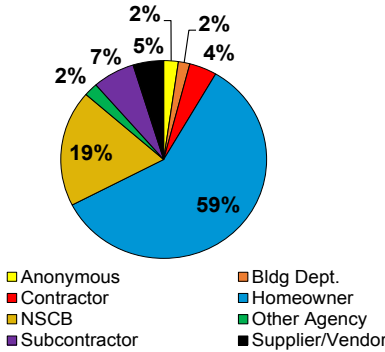
Other crimes included False Identity, Receiving Stolen Property, Kidnap, Homicide, Embezzlement, Robbery, Sex Assault, Fraud, Stalking, Weapons, Criminal Mischief, and Trespass.

Enforcement - Compliance Overview

4TH QUARTER OVERVIEW

- Opened Complaints: 480
- 207 Workmanship
 - 42 Money Owing
 - 231 Industry Regulation
- Closed Complaints: 509
- 62 Administrative Citations
- \$55,100 in Fines
 - \$23,789 in Invest. Costs
- 22 Cases referred for Disciplinary Hearing
- 9 licenses revoked
 - \$58,300 in Fines
 - \$23,889 in Investigative Costs

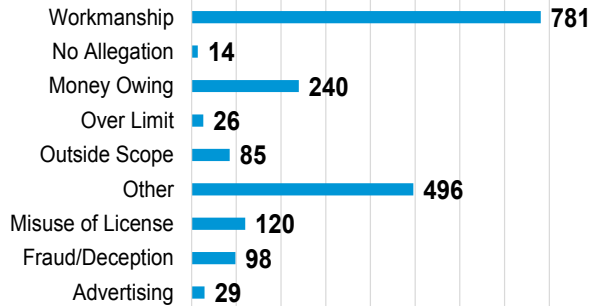
ANNUAL SOURCE OF COMPLAINTS



ANNUAL SNAPSHOT

- Opened Complaints: 1,832
- 781 Workmanship
 - 240 Money Owing
 - 854 Industry Regulation
- Closed Complaints: 1,835
- 304 Admin. Citations issued
- \$266,975 Fines
 - \$113,159 Invest. Costs
- 136 Cases referred for Disciplinary Hearing
- 46 licenses revoked
 - \$319,850 Fines
 - \$158,176 Invest. Costs

Annual Violation Trends



	Money Owing					Workmanship					Industrial Regulation				
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012	FY2013	FY2014	FY2015	FY2016
JUL	42	22	19	22	18	52	48	54	60	54	53	87	73	90	76
AUG	47	23	30	36	17	69	48	43	60	71	108	87	72	73	69
SEPT	43	30	21	20	15	57	45	61	68	53	70	95	42	68	66
1st Qtr:	132	75	70	78	50	178	141	158	188	178	231	269	187	231	211
OCT	56	47	27	30	23	64	53	38	53	85	84	84	66	68	76
NOV	60	33	21	12	30	37	58	24	50	52	90	67	64	63	56
DEC	44	19	22	18	20	46	34	55	42	48	84	80	57	65	49
2nd Qtr:	160	99	70	60	73	147	145	117	145	185	258	231	187	196	181
JAN	53	42	22	25	29	42	38	32	52	43	74	103	69	64	59
FEB	53	36	17	20	22	33	32	48	71	100	87	100	62	78	104
MAR	41	31	29	27	23	31	48	44	63	64	88	71	59	65	68
3rd Qtr:	147	109	68	72	74	106	118	124	186	207	249	274	190	207	231
APR	44	26	30	35	12	36	45	47	51	72	81	95	71	87	53
MAY	39	27	27	30	20	36	47	55	48	68	83	72	80	90	81
JUN	31	23	32	32	10	48	45	57	66	67	83	62	78	76	97
4th Qtr:	114	76	89	97	42	120	137	159	165	207	247	229	229	253	231

Enforcement - Recovery Fund Highlights

OVER \$100,000 IN RECOVERY FUND AWARDS MADE TO DAMAGED HOMEOWNERS OF RENO SUNROOMS, INC.

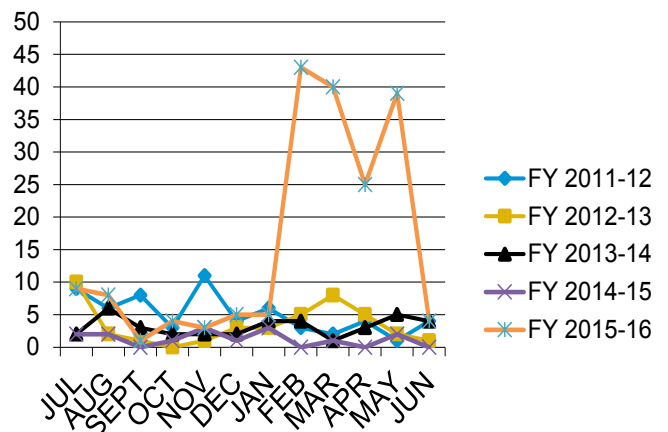
In May 2016, the Nevada State Contractors Board awarded nearly \$160,000 in Residential Recovery Fund monies to homeowners damaged by licensed contractors. Appearing before the Residential Recovery Fund Subcommittee on May 18, 2016, 12 homeowners sought financial recourse after licensed contractors they hired abandoned their construction projects or performed substandard workmanship. The average claim awarded was approximately \$13,300.

Nearly \$100,000 of the awarded funds were granted to five homeowners whose projects were abandoned by Reno Sunrooms, Inc., license number 49308. In every case, Reno Sunrooms, Inc. failed to perform any work on the project after receiving anywhere from 40-100% of the contract funds up front. The license of Reno Sunrooms, Inc. was revoked on February 2, 2016 by the Board, at which time the damaged homeowners filed claims for the Residential Recovery Fund.

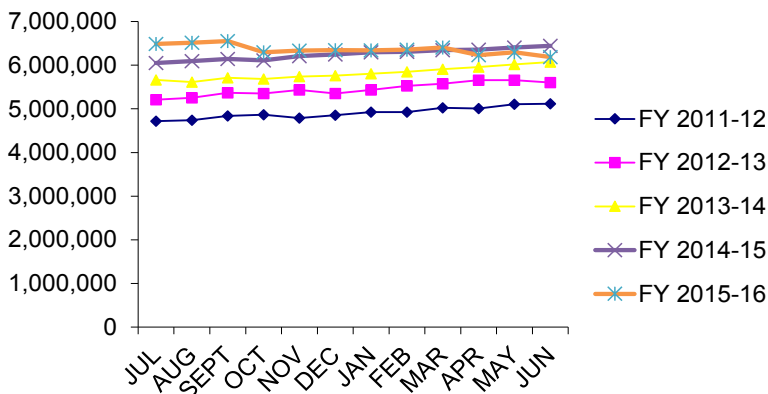
Residential Recovery Fund Annual Highlights

- 63 claims considered
- Nearly \$797,500 in payments made to 56 homeowners
- Average award = \$14,240.71

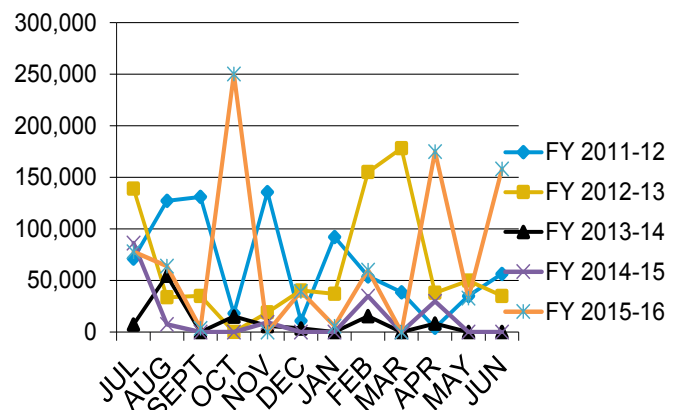
Recovery Fund Claims Filed



Recovery Fund Balance



Recovery Fund Claims Amount Paid



Enforcement - Annual Compliance Highlights

Contractor Convicted of Diversion of Funds

In December 2014, the Board received the first of numerous complaints involving issues with Richard Knudson, dba Creative Interior Solutions, for abandoning projects after receiving payment from the homeowners. The Board's investigation indicated the IRS was owed back taxes and would be seizing Knudson's bank account.

A disciplinary hearing was held on July 22, 2015 resulting in revocation of Knudson's contractor's license. Affected homeowners were then able to file a claim against the Residential Recovery Fund, which resulted in \$225,600 being issued in recourse.

As a result of the Board's investigation, which uncovered Knudson was using his business account to pay for personal expenses, 15 felony cases of Diversion of Funds were submitted to the District Attorney's Office for prosecution.

On June 29, 2016, Knudson was convicted of Diversion of Funds, a Gross Misdemeanor, through a plea agreement with the District Attorney's Office. Knudson received a suspended year sentence and 3 years' probation. Furthermore, Knudson is required to pay restitution to the NSCB in the amount of \$250,000.00.

SOLAR CONTRACTOR LOSES LICENSE FOR ABANDONING PROJECTS, DIVERTING MONEY, AND FAILING TO PAY VENDORS

In November 2015, the Board began receiving complaints from homeowners against Summerlin Energy Las Vegas, LLC (Summerlin Energy). Toward the end of January 2016, a significant number of complaints were filed, including complaints from vendors.

On February 3, 2016, the Board summarily suspended the licenses of Summerlin Energy to forbid the company from entering into any new contracts for work while the Board's investigation continued. At the Board's March 31, 2016 disciplinary hearing, Judge Philip M. Pro ordered the revocation of licenses. Pro made the ruling after hearing testimony from Board investigators, homeowners, and suppliers alleging Summerlin Energy took money without providing work or material, failed to pay its vendors, which led to vendors placing liens on properties after homeowners had paid Summerlin Energy in full.

Pro sustained 46 of the 48 Causes of Action against Summerlin Energy, which were affiliated with nine complaints – seven from homeowners and two from vendors.

The Board spent the remainder of the fiscal year processing over 130 claims to the Residential Recovery Fund totaling more than \$1 million. Due to the \$400,000 statutory limitation on the amount that can be paid to homeowners per contractor, the Board expected to recommend a prorated amount based on the validated claims received. The Recovery Fund meeting was scheduled for August 4, 2016.

Enforcement - Criminal Overview

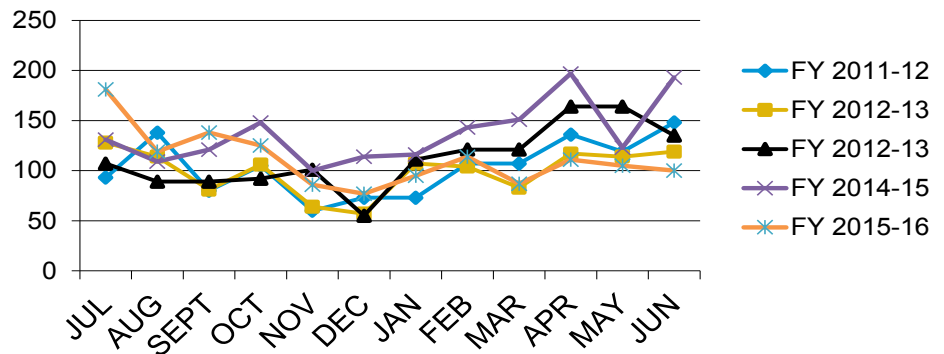
QUARTER 4 OVERVIEW

- Opened Complaints: 328
- Criminal Citations: 41
- Cease and Desist Orders Issued: 64
- Criminal charges filed: 56
- Administrative Citations: 12

ANNUAL OVERVIEW

- Opened Complaints: 1,383
- Closed Complaints: 1,238
- Pending cases: 1,360
- Criminal charges filed: 450
- Criminal convictions: 355
- Cease and Desist Orders Issued: 517

Criminal Complaints by Month

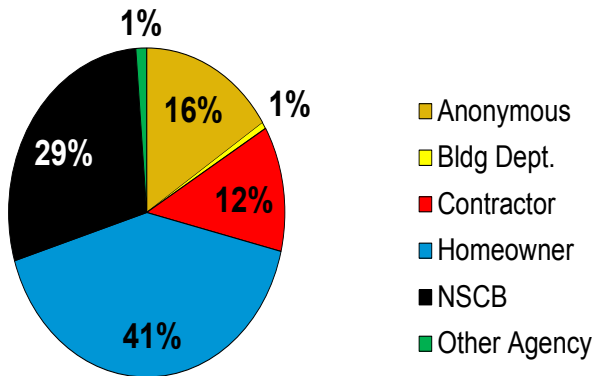


More than
\$10.8 MILLION LOST
 to Unlicensed Contractors during FY 2015-16
\$3.7 Million Increase from FY 2014-15

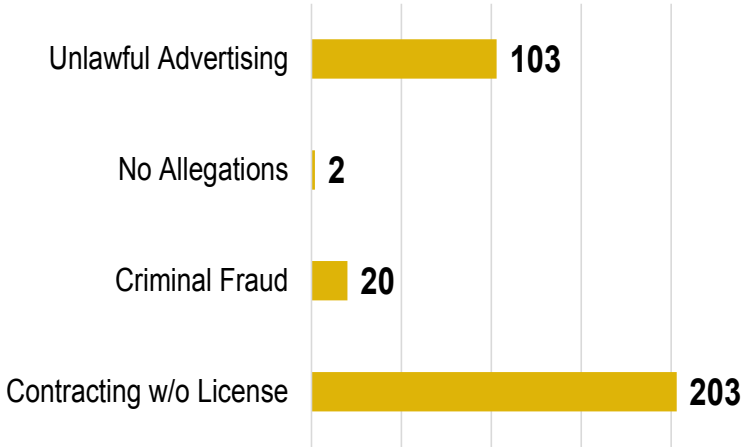
	Contracting w/o License					Criminal Fraud					Unlawful Advertising				
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
JUL	60	84	55	58	93	3	4	3	0	7	36	46	45	70	83
AUG	93	76	65	64	71	1	6	1	0	3	47	37	25	44	39
SEPT	46	37	52	67	78	3	0	1	0	2	36	43	36	56	64
1st Qtr:	199	197	172	189	242	7	10	5	0	12	119	126	106	170	186
OCT	55	73	56	77	83	5	1	0	1	3	48	30	35	67	37
NOV	38	47	63	49	60	1	5	0	3	1	22	14	30	50	24
DEC	46	36	36	82	52	1	1	0	2	3	28	21	20	32	18
2nd Qtr:	139	156	155	208	195	7	7	0	6	7	98	65	85	149	79
JAN	43	53	68	72	67	0	0	0	0	3	29	57	40	48	36
FEB	53	61	60	91	64	3	3	0	1	26	54	43	56	52	26
MAR	69	55	81	104	60	0	3	0	2	14	40	30	38	41	13
3rd Qtr:	165	169	209	267	191	3	6	0	3	43	123	130	134	141	75
APR	84	89	62	112	73	1	2	0	2	4	54	29	99	89	40
MAY	75	67	74	71	66	4	0	0	1	12	46	47	84	54	29
JUN	85	69	86	130	64	2	2	2	0	4	67	47	44	67	34
4th Qtr:	244	225	222	313	203	7	4	2	3	20	167	123	227	210	103

Enforcement - Criminal Overview Q4 v. Annual

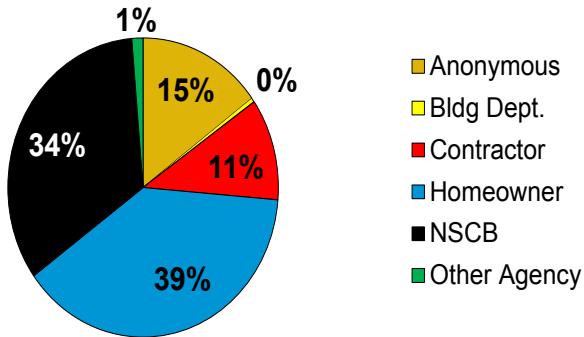
4th QUARTER SOURCE OF COMPLAINTS



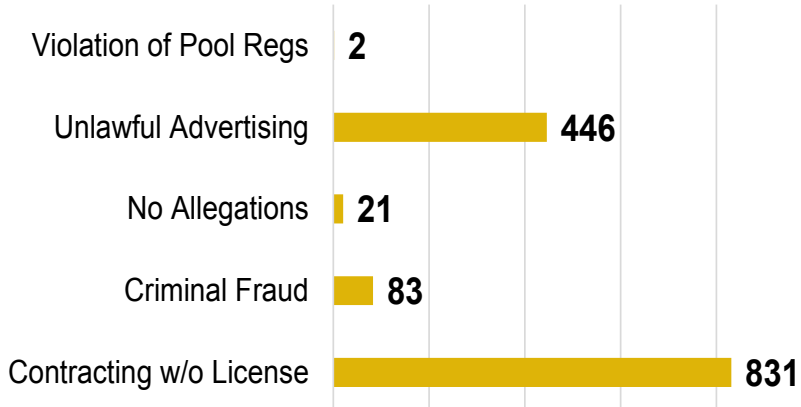
4th Quarter Violation Trends



ANNUAL SOURCE OF COMPLAINTS



Annual Violation Trends



Enforcement - Annual Criminal Highlights

Repeat Offender Pleads Guilty to Felony Charges

Since 1994, Michael Delbridge, the subject of numerous and lengthy Board investigations for allegations of posing as a licensed contractor, obtaining funds under false pretenses, diversion of funds and victimizing vulnerable persons after contracting for construction projects under the names “Southwest Construction,” “Roadrunner Construction,” and “Michael Delbridge Construction,” pleaded guilty in April 2016 to felony charges of engaging in business without a license.

Michael Delbridge received a suspended sentence of 12 to 48 months at a hearing in August. The Clark County District Attorney’s Office submitted five cases, obtained a felony conviction that includes probation, restitution to the victims and community service. Since Delbridge’s plea in District Court, NSCB criminal investigators have received five additional complaints. In one case, Delbridge entered into the construction contract after his court appearance.

Unlicensed Pool Contractor Sought in Fraud Probe

A Consumer Alert was issued November 16, 2015 warning Nevada homeowners of unlicensed pool contractor, Justin Louis Galindo or Jayson Luxx (alias), who is alleged to have committed fraud and false representation by beginning and abandoning residential pool projects.

Allegedly, Galindo meets with potential customers and presents them a bid on behalf of a legitimate Nevada-based business. He then claims to be the owner of a California-based company, A&A Tops, and offers to build the pool at a significantly lower cost.

Once agreed to, Galindo begins construction on the pool, completing up to three quarters and then abandons the project leaving homeowners with a host of code violations, HOA fines, and tens of thousands of dollars in repair and completion costs, in addition to the \$60,000 Galindo obtains through the pool construction contract with the homeowner.

As of June 30, 2016, Galindo remains at large.

Sting Operations Net Over 40 Unlicensed Contractors

Statewide sting operations conducted during the fiscal year garnered the attention of media and the public as more than 40 unlicensed contractors were cited by Board investigators for allegedly advertising and/or contracting without a license. Some, however, escaped the Board’s citation by fleeing the scene or failing to show up for their scheduled appointments. In two instances, Board investigators cited former Nevada licensed contractors whose licenses had been revoked earlier in the year.

Information Technology - Annual Highlights

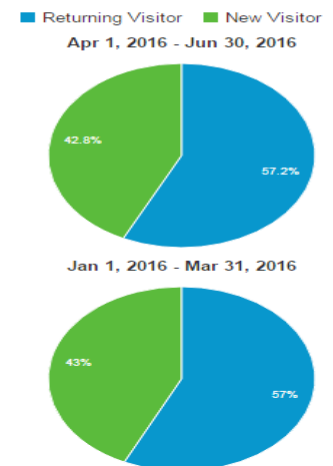
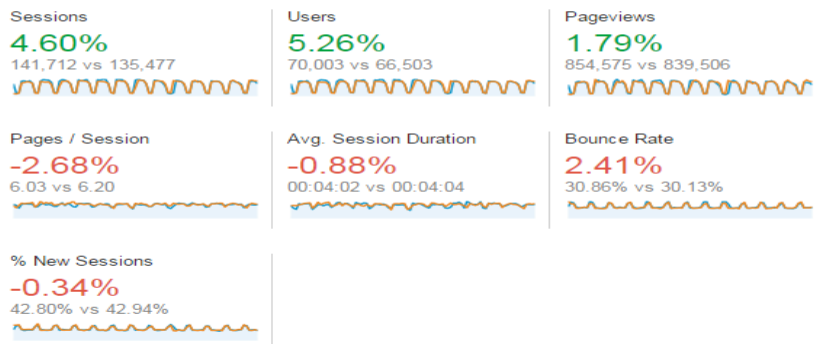
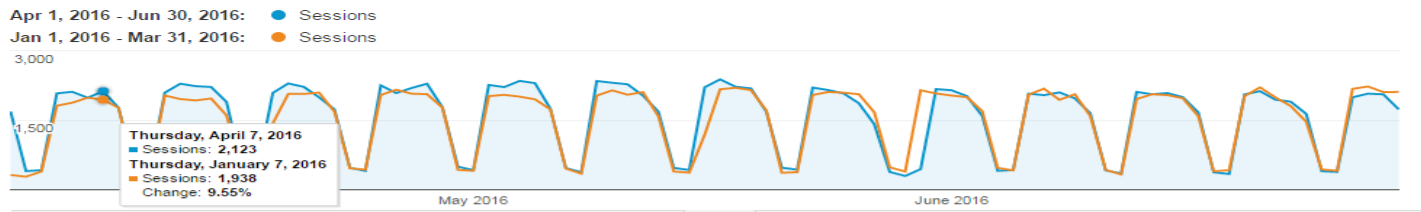


Several upgrades were made during the fiscal year, including new PCs, Microsoft Office 2013 software packages, investigator cell phones, and other enhancements to better assist staff in their daily functions. In addition to individual workstation upgrades, IT staff revamped some of the Board's conference rooms with PCs, larger monitors, and video conferencing capabilities, which have been a great asset in bringing together staff in both the Reno and Henderson office for weekly meetings.

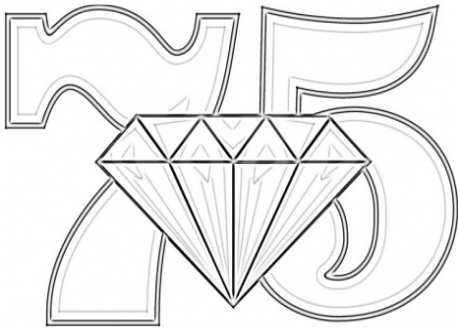
The primary focus this year was the ongoing development of a new licensing and enforcement database project, which encompassed discussions related to system requirements and meetings to review and produce technical specifications for the various operational processes that will be integrated into the new database system. Although still not complete, staff anticipate being able to launch the new database by the end of 2016.



Quarterly website statistics



Public Information Office - Annual Highlights

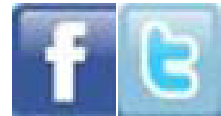


The Public Information Office kicked off the third quarter and New Year with the launch of the Board's 75th Diamond Anniversary public outreach campaign. Bringing together a number of local, state, and community partners, the Board was able to reach large audiences to inform them on topics of elder abuse, theft and fraud schemes, current scams targeting seniors and their families, as well as highlighting ways individuals can protect themselves and utilize free resources within their state and communities. The campaign will continue into FY 2016-17 with efforts to engage high school trade students and their families about the value of joining the construction industry and the many ways it has contributed to the great State of Nevada.

Enhanced Media Coverage

This year's media coverage has expanded greatly into print and radio, with several opportunities providing coverage and related content to the Board's 75th anniversary campaign events. In addition to editorials and radio interviews, Executive Officer Grein also participated in several interviews highlighting the Board's operations, trends she has noticed during her longstanding career with the Board, and issues currently facing the industry as a whole. In addition to these opportunities, the Public Information Office worked closely with local television stations to cover the Board's undercover sting operations and warn the public of unlicensed contracting activities.

Social Media Successful Way to Connect with Public



Since the beginning of the fiscal year, the Board's Facebook Page has increased its "Like" following by 19%. Posts generated with current, consumer topics and relevant videos or audio files have proven to boost the public's viewing of Board information, reaching as many as 1,350 in one post. Twitter fans continue to grow for the Board, with more than 155 following what the Board has to say. Two-way communication and public assistance is becoming more frequent on these sites as the PIO directs individuals on how they can access the resources of the Board.

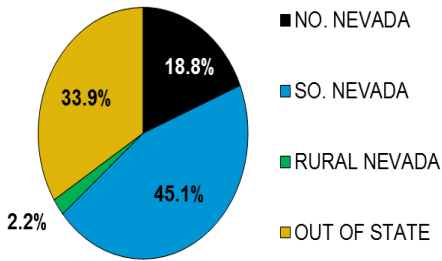


Telephone Surveys Replace Online Efforts

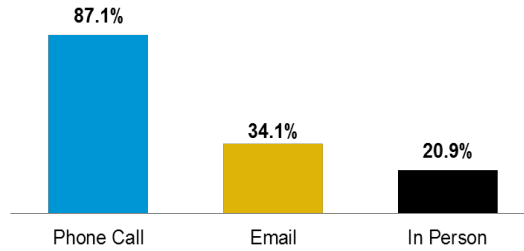
In an effort to receive improved customer feedback, the Board solicited the services of trained personnel from the University of Nevada Las Vegas to conduct telephone customer service surveys. These efforts have resulted in significant increases to the Board's sampling rates and more constructive feedback from the board's customers, which is used to inform management and staff of areas of excellence and improvement.

Customer Service Survey - Licensing

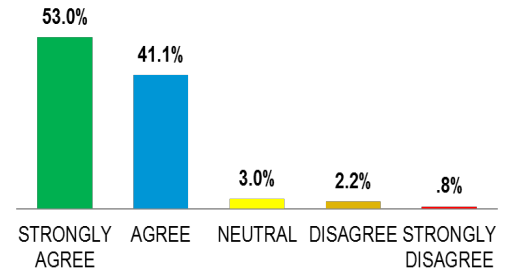
Applicant resident of:



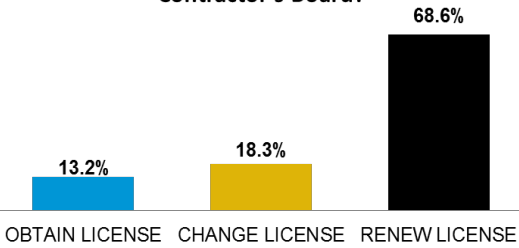
When needing help, customers contacted the Board by:



Applicant was satisfied with the way application was handled



Why did you contact the Nevada State Contractor's Board?



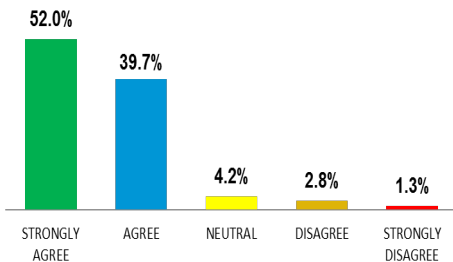
SAMPLING RATE

56%
1321/2380

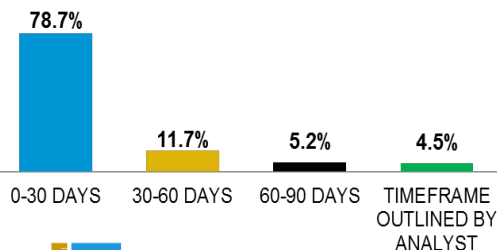
ADDITIONAL STATS

- 12.5% Participated in Business Assistance Program
- 95.3% Think having a contractor's license is valuable.
- 92.4% Felt the forms were easy to understand.
- 92.9% Said the Board's handling of the licensing process was efficient.
- Only 32.2% of customers had to contact the Board for assistance with forms or processes.
- 91.8% Found staff to be readily accessible to help them.
- 95.8% Found staff to be respectful, 92.2% felt staff were well-trained, and 92.9% thought staff were helpful in resolving their questions.

The licensing process was completed in a timely manner.



"Timely manner" for application processing defined as:



CUSTOMER FEEDBACK

"[My analyst] was always available, helpful, professional, and knowledgeable and kept us in the loop."

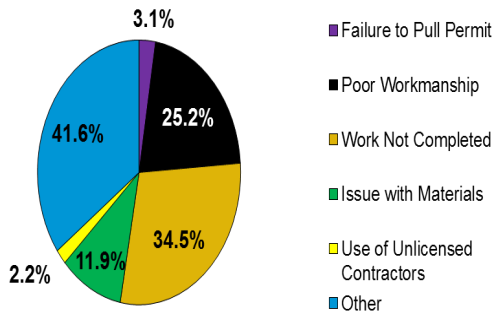
"An application checklist would be very helpful in saving time and delays."

"Great experience with [our analyst] who made our experience seamless...always returned calls within 24-hour period."

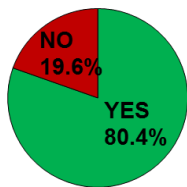
"Great that we got a call to tell us what was needed instead of waiting for mail."

Customer Service Survey - Complainant

NATURE OF COMPLAINT



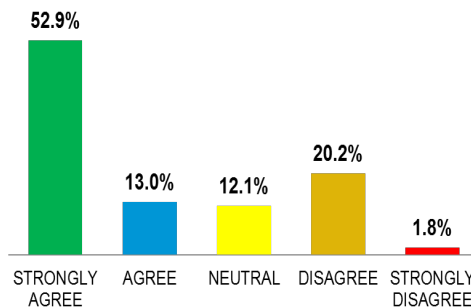
Complainant tried resolving issue with contractor before contacting the Board



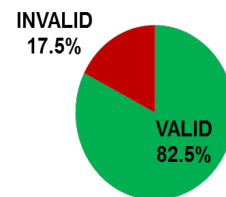
ADDITIONAL STATS

- 96% Said the instructions on the complaint were easy to understand.
- 71.5% of Complainants received a jobsite visit.
- 89.8% Found NSCB staff to be helpful.
- 74.2% Agreed their investigator was responsive in resolving their complaint.
- 74.3% Agreed the investigator was knowledgeable of construction laws.

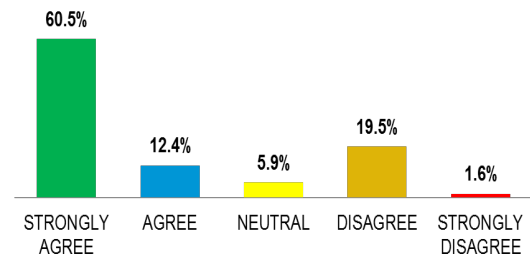
I was always aware of the status of my complaint.



OUTCOME OF COMPLAINT



Written notification of outcome provided to complainant.



SAMPLING RATE

65%
226/348

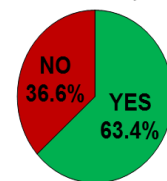
CUSTOMER SUGGESTIONS

"Online electronic submission would be best instead of paperwork."

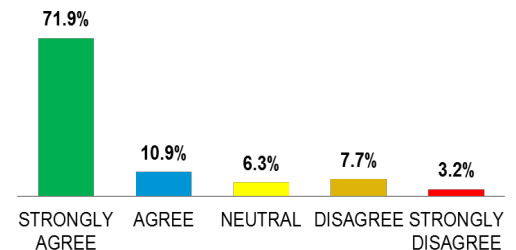
"Mkae senior citizens aware of unlicensed contractors who take advantage."

"More communication and bilingual speakers, Spanish speaking investigators, would be helpful."

The investigator spoke to me in person or by telephone to inform me of the outcome of my complaint.

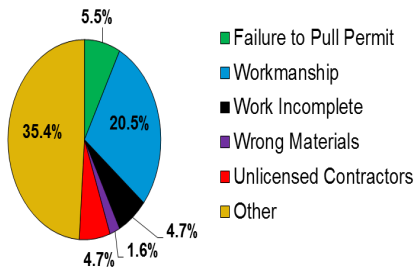


The investigator acted in an unbiased manner.



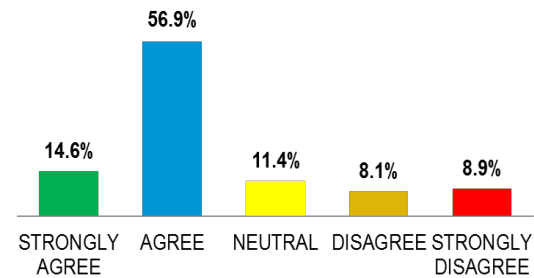
Customer Service Survey - Respondent

Nature of the consumer complaint to the Board

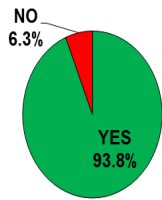


SAMPLING RATE
27%
127/474

The complaint outcome was fair.



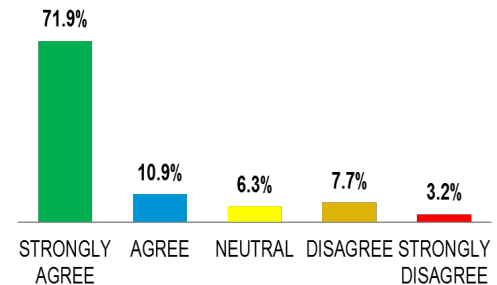
Respondent tried to resolve the customer's issues before the Board was contacted.



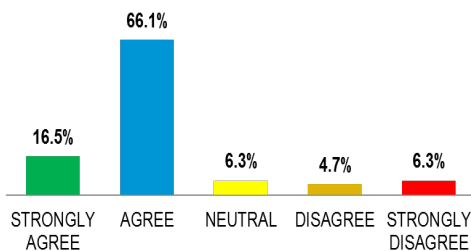
ADDITIONAL STATS

- 100% of complaints were resolved.
- 45.8% of respondents contacted the customer after receiving the complaint letter from the Board.
- 100% Felt they did all they could do to ensure the complaint was resolved.
- 42.2% of Respondents met with an investigator at the job site to discuss the customer's concerns with the work performed.

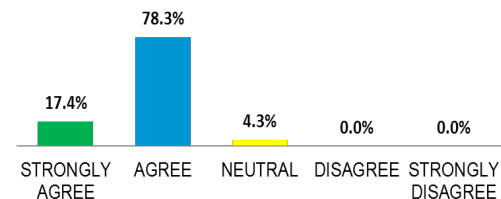
The investigator acted in an unbiased manner.



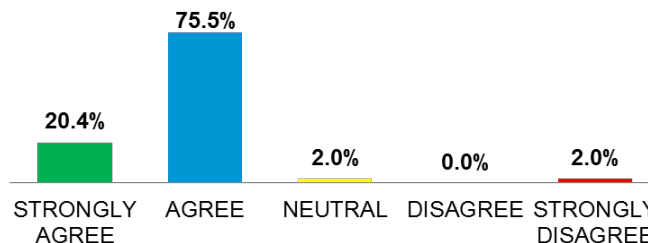
The Board demonstrated professionalism in handling my complaint.



The investigator was knowledgeable of Nevada construction laws.

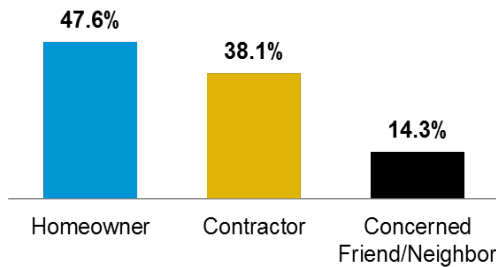


The investigator was respectful when resolving the complaint.

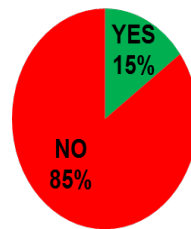


Customer Service Survey - Unlicensed Complainant

COMPLAINT FILED BY:



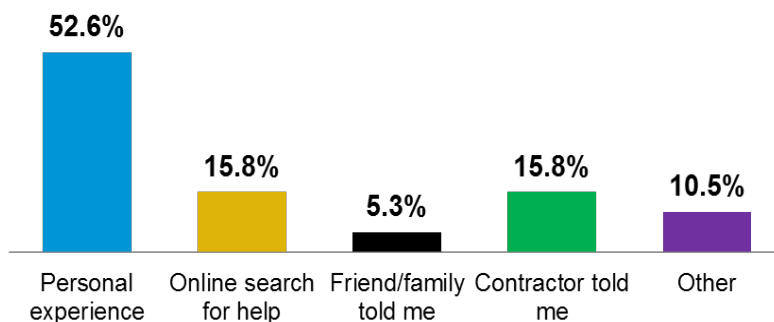
Customer contacted the Board for help with filing the complaint.



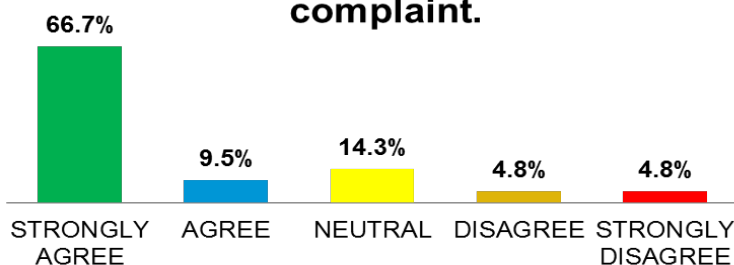
SAMPLING RATE

43%
21/49

How did you know to file a complaint with the Contractors Board?



The Board demonstrated professionalism in handling my complaint.



ADDITIONAL STATS

- 100% of consumers said they hired the unlicensed contractor because they seemed knowledgeable, trustworthy, and offered a cheaper price.
- 100% of consumers were aware of the loss of protections when they hired an unlicensed contractor.
- 85.7% of consumers stated they did not know they were hiring an unlicensed contractor.
- 66.7% of complainants found value in reporting an unlicensed contractor.

Looking Forward - Fiscal Year 2016-17

The past year included several long-term initiatives that are well underway and close to completion. As we continue to push ourselves toward new accomplishments and uncharted waters, we find ourselves eager to dive into the opportunities that have been outlined for the months ahead.

Some of the initiatives we will be launching over the next 12 months include:

- Launching and monitoring the implementation of the new licensing and enforcement database, including the training of staff in new procedures.
- Improving financial literacy by connecting applicants to resources and strengthening the rigor of questions on financing in licensing exams.
- Partnering with subject matter experts to update the B-2 licensing exam.
- Establishing a proactive approach to monitoring large construction projects.
- Conducting sweeps of high risk projects to check compliance with labor laws and ensure contractors are properly licensed.
- Developing a cadre of subject matter experts within different industry sectors to engage on an as-needed basis.
- Producing short videos on key topics as an online tutorial resource for licensing applicants and for contractors.
- Implementing upgrades to the Board's website to promote stories and testimonials of successful cases, as well as enhancing the Board's public resource material.
- Preparing for the 2017 Legislative Session.
- Creating and updating succession plans for Board and staff vacancies.
- Developing a plan for updating accounting and fund management software.
- Exploring the feasibility of creating an in-house training/leadership program for staff.

It's going to be another busy year! Stay tuned to each of our quarterly meetings for updates on how we're progressing.



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