



Nevada State Contractors Board

STRATEGIC PLAN
EXECUTIVE OFFICER REPORT
QUARTER TWO REPORT

October 1 - December 31, 2019



Members of the Board

Kent Lay, *Chairman*

Guy Wells, *Treasurer*

Margaret Cavin

Joe Hernandez

Jan B. Leggett

Melissa Maguire

Steve Menzies

Executive Leadership

Margi Grein, *Executive Officer*

Tim Geswein, *Board Counsel*

Nancy Mathias, *Licensing Administrator*

Paul Rozario, *Director of Investigations*

Brian Hayashi, *Information Technology Manager*

Jennifer Lewis, *Public Information Officer*

Mission Statement

The Nevada State Contractors Board (NSCB) is committed to ensuring the integrity and professionalism of the construction industry in Nevada. The NSCB has the responsibility to promote quality construction by Nevada licensed contractors through a regulatory licensing system designed to protect the health, safety and welfare of the public.

members
and
public



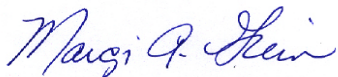
Message from the Executive Officer

As we turned the corner into the new decade and welcomed 2020, the end of the 2nd quarter witnessed great strides in both the commencement and accomplishment of our strategic planning goals and objectives. Larger projects like developing a Joint Task Force with the Nevada Labor Commissioner and creating an online license application were initiated. Milestone events such as the 20th Anniversary of the Residential Recovery Fund were celebrated. And the Nevada Construction Industry Relations Committee reconvened to make updates to the 2014 Nevada Blue Book - an initiative to accurately reflect statutory changes that have been made over the past 6 years.

The Commission on Construction Education is making significant progress in furthering workforce development in our state. Awarding grants to construction-driven programs offered to our primary-aged youth, teens, disadvantaged populations, and trade-specific apprentices and practitioners, we are gaining ground in nurturing the next generation of skilled tradesmen and women.

As a regulatory body, we continue to be engaged with national groups focused on occupational licensing. Serving as panelists at the Federation of Association of Regulatory Boards (FARB) forum, participating in the Council of State Governments trainings focused on improving occupational licensing regulations, and submitting our final report as part of the Core Team of the Occupational Licensing Consortium, are just some of the activities undertaken during the quarter that continue to provide insight into the changing needs of the customers we serve.

Fulfilling our regulatory purpose is what the Board takes pride in doing, and I am very proud of our accomplishments. We welcome sharing our story and continue to seek opportunities to gainfully enhance public protection.



MARGI A. GREIN
Nevada State Contractors Board Executive Officer

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Executive Officer - Strategic Plan Initiatives

Board Works Toward Enhancing Applicant Options

Efforts continue to be made to enhance the Board's license application process. During the 2nd quarter, the Board has made strides in the design and development of an online platform for accepting applications electronically. This project currently remains in a testing and programming phase and is anticipated to be available to the public by the end of the year.

Review of State Licensing Requirements an Ongoing Initiative

Better understanding of other states' licensure requirements is a strategic initiative that carried over from the FY 2018-19 Strategic Plan. The Board previously gained significant knowledge in this area through its research to expand its license by endorsement program, and continues to assess best practices used by other states to identify opportunities that could be implemented in Nevada. This includes comparing licensure requirements in greater detail with others to further streamline our application process.

Video Testimonials Help Communicate Value of Board Resources

During the quarter, the Board recorded two video testimonials from claimants of the Residential Recovery Fund, which were used to promote the 20th anniversary of the Fund's passage. testimonials provide a personal narrative that helps illustrate the value and benefit of Board resources available to the public.

Onboarding Package for New Board Members

To help facilitate a smooth transition between members' terms, the new member appointments package was updated to comply with recent law and policy changes. In addition to meeting with the Executive Officer, new board members are provided with comprehensive materials that guide them through the various statutory requirements expected of them in their new capacity.

The Board is committed to providing initial and ongoing training programs for members. These include training by the Attorney General's office, as well as trainings by the National Judicial College, the Federation of Association of Regulatory Boards (FARB), the Nevada Labor Commission, the Nevada Ethics Commission, and other topics that are relevant to their duties.

Board's Strategy and Succession Plan

The Board developed its succession plan this quarter to ensure continuity and the continued effective operation of the Board.

Executive Officer - Recovery Fund Anniversary

20th Anniversary of Residential Recovery Fund Celebrated by State, Local Leaders (Goals 3, 5)

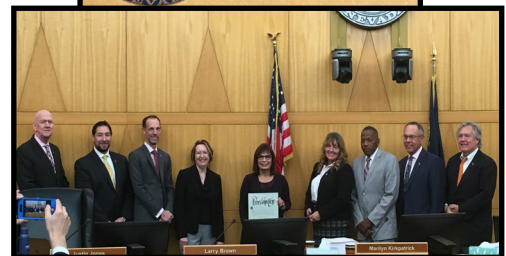
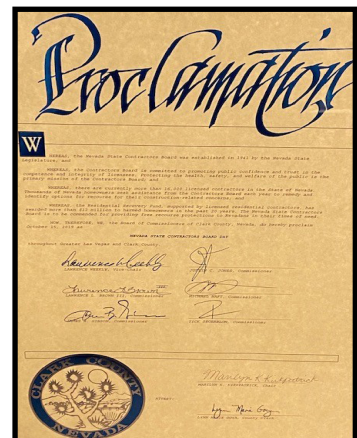
October 1, 2019 marked the 20th anniversary of the Nevada State Contractor Board’s Residential Recovery Fund. In recognition of the passage of this landmark legislation, the Board received two proclamations from state and local leaders.

The first was presented by the Clark County Commission and Chairwoman Marilyn Kirkpatrick, who proclaimed October 15th as Nevada State Contractors Board Day, and the second was presented by Governor Steve Sisolak in Carson City, who recognized the 20th anniversary of the Residential Recovery Fund.

Both events were well-attended celebrations, with Executive Officer Grein highlighting the value of the Recovery Fund and sharing testimonials with legislators, dignitaries, and the attending public.

Since its inception in 1999, the Residential Recovery Fund has received roughly 1,800 claims and has awarded more than \$12 million to homeowners who have suffered financial harm during their project with a licensed Nevada contractor.

Established during the 1999 Legislative Session to provide recourse for homeowners unable to have their concerns resolved by their contractor during the investigative process, the Recovery Fund was introduced through Assembly Bill 636, sponsored by Assemblywoman Barbara Buckley. Ms. Buckley attended the Clark County Commission event held during the 2nd quarter, where she shared her insights and experiences with implementing the Residential Recovery Fund 20 years ago.



Executive Officer - Quarter Highlights

Board Participates in Panel Discussion at FARB Annual Regulatory Law Seminar (Goals 4, 5)

In October, Executive Officer Margi Grein and Director of Investigations Paul Rozario participated in separate panel discussions during the Federation of Association of Regulatory Board's (FARB's) Annual Regulatory Law Seminar. The panels focused on collateral consequences of criminal conduct as well as criminal and administrative expungement. Additional forum discussions included topics of Smart Regulation, antitrust and related legal matters, First Amendment issues, jurisdiction, probation, public participation in board meetings, new legislation, and immunity.

Occupational Licensing Consortium Final Report (Goal 5)

Executive Officer Grein attended the final In-State meeting of the National Occupational Licensing Learning Consortium as a member of the Core Team, where Nevada's plan and related initiatives were presented. The Consortium is going to continue on in 2020 with quarterly meetings.

Board Engages with Labor Commission on Joint Task Force Initiative (Goals 2, 4, 5)

The Nevada State Contractors Board and the Labor Commissioner entered into a Memorandum of Understanding on December 27, 2019 establishing a Joint Enforcement Task Force, responsible for enhancing the development and sharing of information necessary to combat the underground economy, to improve coordination

of enforcement activities, and to develop methods to pool, focus, and target enforcement resources. The Task Force will form joint enforcement teams when appropriate in order to utilize the collective investigative and enforcement capabilities. Future plans include engagement of the Department of Taxation and Division of Industrial Relations.

Board Hosts Nevada Construction Industry Relations Committee (Goal 5)

Updates to the Nevada Blue Book were discussed among representatives from: the Nevada State Board of Architecture, Interior Design and Residential Design; the Nevada State Board of Professional Engineers and Land Surveyors; the Nevada State Board of Landscape Architecture; the Nevada State Public Works Division; the Nevada Organization of Building Officials; and the Nevada State Contractors Board during the quarter. Revisions will be presented for review to the Committee at its next meeting in February 2020.

Commission on Construction Education Awards \$169,000 in Grant Funding (Goal 3, 5)

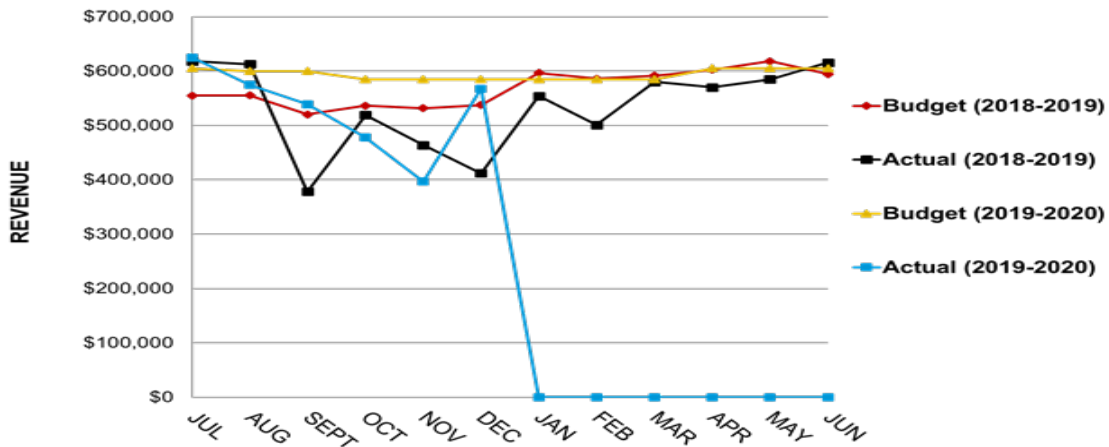
During the month of November, the Commission on Construction Education reviewed seven grant proposal requests from educational, industry, and community organizations seeking to advance construction education initiatives throughout Nevada. The Commission awarded a total of \$168,744.25 to six applicants.

Licensing & Cost Recovery - Data Dashboard

Budget (2018-2019)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$350,000	\$350,000	\$315,000	\$330,000	\$326,000	\$332,000	\$390,000	\$380,000	\$385,000	\$395,000	\$410,000	\$387,000	\$4,350,000
New License Fee	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$800,000
Application Fee	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$600,000
License Changes	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$500,000
Investigative Recov Cos	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$400,000
Renewal Late Fees	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
Renewal Inactive Fee	\$5,800	\$6,100	\$6,200	\$7,200	\$6,400	\$6,200	\$7,300	\$6,900	\$7,200	\$8,500	\$8,900	\$8,300	\$85,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$554,965	\$555,267	\$520,368	\$536,365	\$531,567	\$537,368	\$596,465	\$586,067	\$591,368	\$602,665	\$618,067	\$594,468	\$6,825,000
Actual (2018-2019)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$412,800	\$381,600	\$237,540	\$354,000	\$275,400	\$257,300	\$358,200	\$315,000	\$394,600	\$356,320	\$355,500	\$418,390	\$4,116,650
New License Fee	\$76,200	\$93,600	\$28,800	\$62,400	\$73,800	\$32,400	\$79,800	\$63,600	\$42,940	\$71,400	\$66,000	\$69,625	\$760,565
Application Fee	\$41,400	\$48,600	\$46,500	\$45,000	\$54,600	\$46,200	\$45,000	\$47,700	\$60,600	\$50,700	\$59,700	\$52,200	\$598,200
License Changes	\$42,425	\$40,350	\$35,475	\$33,575	\$34,150	\$35,075	\$37,225	\$37,475	\$52,300	\$48,600	\$47,025	\$41,025	\$484,700
Investigative Recov Cos	\$32,230	\$37,526	\$21,335	\$13,889	\$18,644	\$26,766	\$21,744	\$25,138	\$18,109	\$30,794	\$45,216	\$17,665	\$309,056
Renewal Late Fees	\$7,500	\$6,000	\$6,113	\$6,825	\$5,025	\$7,428	\$7,650	\$8,250	\$6,113	\$7,575	\$8,475	\$7,391	\$84,343
Renewal Inactive Fee	\$5,700	\$5,100	\$2,325	\$3,300	\$2,100	\$6,600	\$4,200	\$3,900	\$5,570	\$4,460	\$3,000	\$9,395	\$55,650
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$618,255	\$612,776	\$378,088	\$518,989	\$463,719	\$411,769	\$553,819	\$501,063	\$580,231	\$569,849	\$584,916	\$615,690	\$6,409,164
Variance (2018-2019)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$62,800	\$31,600	(\$77,460)	\$24,000	(\$50,600)	(\$74,700)	(\$31,800)	(\$65,000)	\$9,600	(\$38,680)	(\$54,500)	\$31,390	(\$233,350)
New License Fee	\$9,534	\$26,933	(\$37,867)	(\$4,266)	\$7,133	(\$34,267)	\$13,134	(\$3,067)	(\$23,727)	\$4,734	(\$667)	\$2,958	(\$39,435)
Application Fee	(\$8,600)	(\$1,400)	(\$3,500)	(\$5,000)	\$4,600	(\$3,800)	(\$5,000)	(\$2,300)	\$10,600	\$700	\$9,700	\$2,200	(\$1,800)
License Changes	\$759	(\$1,317)	(\$6,192)	(\$8,091)	(\$7,517)	(\$6,592)	(\$4,441)	(\$4,192)	\$10,633	\$6,934	\$5,358	(\$642)	(\$15,300)
Investigative Recov Cos	(\$1,103)	\$4,193	(\$11,999)	(\$19,444)	(\$14,689)	(\$6,568)	(\$11,589)	(\$8,195)	(\$15,225)	(\$2,539)	\$11,883	(\$15,669)	(\$90,944)
Renewal Late Fees	\$0	(\$1,500)	(\$1,388)	(\$675)	(\$2,475)	(\$73)	\$150	\$750	(\$1,388)	\$75	\$975	(\$110)	(\$5,657)
Renewal Inactive Fee	(\$100)	(\$1,000)	(\$3,875)	(\$3,900)	(\$4,300)	\$400	(\$3,100)	(\$3,000)	(\$1,630)	(\$4,040)	(\$5,900)	\$1,095	(\$29,350)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$63,290	\$57,509	(\$142,280)	(\$17,376)	(\$67,848)	(\$125,599)	(\$42,646)	(\$85,004)	(\$11,137)	(\$32,816)	(\$33,151)	\$21,222	(\$415,836)
Budget (2019-2020)	JULY-19	AUG-19	SEPT-19	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	TOTALS
License Renewals	\$370,000	\$365,000	\$365,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$370,000	\$370,000	\$370,000	\$4,310,000
New License Fee	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$900,000
Application Fee	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$800,000
License Changes	\$48,333	\$48,333	\$48,334	\$48,333	\$48,333	\$48,334	\$48,333	\$48,333	\$48,334	\$48,333	\$48,333	\$48,334	\$580,000
Investigative Recov Cos	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$400,000
Renewal Late Fees	\$6,666	\$6,667	\$6,667	\$6,666	\$6,667	\$6,667	\$6,666	\$6,667	\$6,667	\$6,666	\$6,667	\$6,667	\$80,000
Renewal Inactive Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$604,998	\$600,000	\$600,002	\$584,998	\$585,000	\$585,002	\$584,998	\$585,000	\$585,002	\$604,998	\$605,000	\$605,002	\$7,130,000
Actual (2019-2020)	JULY-19	AUG-19	SEPT-19	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	TOTALS
License Renewals	\$419,400	\$337,200	\$361,990	\$284,620	\$249,600	\$383,440							\$2,036,250
New License Fee	\$79,200	\$86,400	\$63,600	\$64,800	\$43,800	\$78,000							\$415,800
Application Fee	\$49,200	\$51,681	\$46,420	\$61,580	\$39,220	\$43,500							\$291,600
License Changes	\$42,106	\$41,545	\$34,875	\$37,975	\$36,900	\$34,325							\$227,725
Investigative Recov Cos	\$21,871	\$46,498	\$20,112	\$20,641	\$17,675	\$17,592							\$144,389
Renewal Late Fees	\$7,575	\$8,100	\$5,438	\$5,550	\$7,125	\$5,175							\$38,963
Renewal Inactive Fee	\$5,400	\$3,300	\$6,450	\$2,700	\$2,400	\$5,400							\$25,650
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$624,751	\$574,723	\$538,884	\$477,866	\$396,720	\$567,432	\$0	\$0	\$0	\$0	\$0	\$0	\$3,180,377
Variance (2019-2020)	JULY-19	AUG-19	SEPT-19	OCT-19	NOV-19	DEC-19	JAN-20	FEB-20	MAR-20	APR-20	MAY-20	JUN-20	TOTALS
License Renewals	\$49,400	(\$27,800)	(\$3,010)	(\$65,380)	(\$100,400)	\$33,440	(\$350,000)	(\$350,000)	(\$350,000)	(\$370,000)	(\$370,000)	(\$370,000)	(\$2,273,750)
New License Fee	\$4,200	\$11,400	(\$11,400)	(\$10,200)	(\$31,200)	\$3,000	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$484,200)
Application Fee	(\$17,466)	(\$14,987)	(\$20,248)	(\$5,086)	(\$27,447)	(\$23,167)	(\$66,666)	(\$66,667)	(\$66,667)	(\$66,666)	(\$66,667)	(\$66,667)	(\$508,400)
License Changes	(\$6,228)	(\$6,789)	(\$13,459)	(\$10,358)	(\$11,433)	(\$14,009)	(\$48,333)	(\$48,333)	(\$48,334)	(\$48,333)	(\$48,333)	(\$48,334)	(\$352,275)
Investigative Recov Cos	(\$11,462)	\$13,165	(\$13,222)	(\$12,692)	(\$15,658)	(\$15,742)	(\$33,333)	(\$33,333)	(\$33,334)	(\$33,333)	(\$33,333)	(\$33,334)	(\$255,611)
Renewal Late Fees	\$909	\$1,433	(\$1,230)	(\$1,116)	\$458	(\$1,492)	(\$6,666)	(\$6,667)	(\$6,667)	(\$6,666)	(\$6,667)	(\$6,667)	(\$41,038)
Renewal Inactive Fee	\$400	(\$1,700)	\$1,450	(\$2,300)	(\$2,600)	\$400	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$34,350)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$19,753	(\$25,277)	(\$61,118)	(\$107,132)	(\$188,280)	(\$17,570)	(\$584,998)	(\$585,000)	(\$585,002)	(\$604,998)	(\$605,000)	(\$605,002)	(\$3,949,623)

Licensing & Cost Recovery - Data Dashboard

Application, Renewal & Cost Recovery Revenue
(FISCAL YEARS 2018-19 / 2019-20)



OCTOBER TO DECEMBER 2019				FISCAL YTD LICENSING FEE TOTALS (FY 2019-2020)			
Licenses (Beginning of Quarter)	16,675			LICENSING FEES	2nd QUARTER ACTUAL	VARIANCE	
New Licenses Issued	282						
Licenses Cancelled / Surrendered /Revoked	(200)			License Renewals	917,660	(132,340)	
Variance in Suspended/Reinstated Licenses	1			New License Fee	186,600	(38,400)	
Licenses (End of Quarter)	16,758			Application Fee	144,300	(55,700)	
# of Licenses on Oct 1, 2019	16,675			License Changes	109,200	(35,800)	
# of Licenses on Dec 31, 2019	16,758			Investigative Costs	55,908	(44,092)	
Net YTD (Fiscal Year)				Renewal Late Fees	17,850	(2,150)	
Licenses Gained / Lost	83			Renewal Inactive Fee	10,500	(4,500)	
Renewal Revenue Gained / Lost	\$49,800						
<i>*Does not include suspended licenses</i>							
90 Day Retention Rate				180 Day Retention Rate			
Projected Year-End Retention Rate	Oct 2019	16,675		Projected Year-End Retention Rate	July 2019	16,517	
	Cancellations	(200)	(1.19%)		Cancellations	(432)	(2.58%)
	New Licenses	282	1.68%		New Licenses	665	3.97%
	Susp/Reinstate	1	0.01%		Susp/Reinstate	8	0.05%
	Dec 2019	16,758			Dec 2019	16,758	
	Change	83			Change	241	
3 Month Rolling	% Change	0.50%		6 Month Rolling	% Change	1.44%	

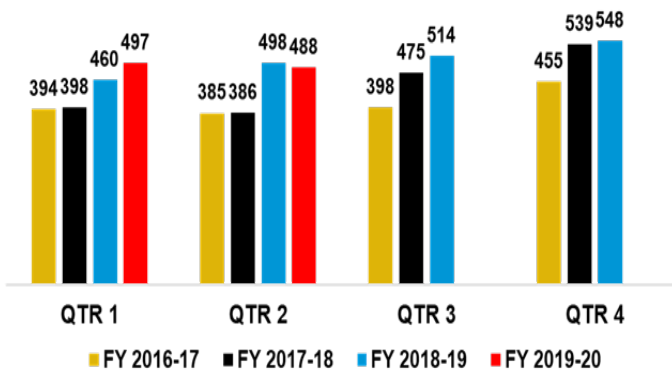
Licensing - Quarter Statistics

October 1 to December 31, 2019

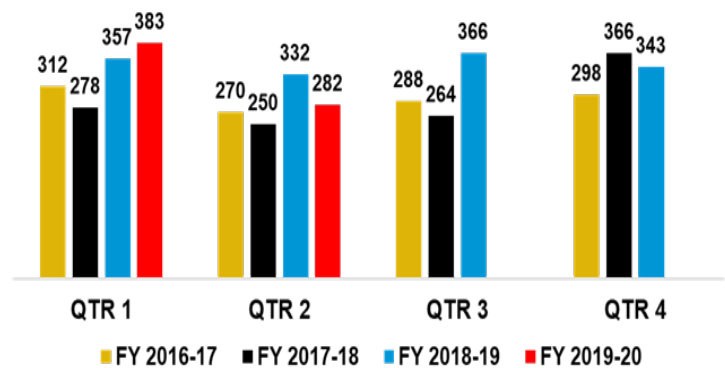
New License Apps	488 (-2%)
Issued Licenses	282 (-15%)
Change Apps	642 (+4%)
Active Licenses	16,304 (+3%)
Inactive Licenses	454 (-29%)
Placed on Inactive Status	46 (+31%)
Voluntary Surrender	40 (-42%)
Licenses Cancelled	139 (+36%)
License Suspensions (no bond)	150 (-7%)
Active License Renewals	1,426 (-7%)
Inactive License Renewals	50 (+34%)
Online Renewals	852 (58% of all renewals)
New Online Registrations	400 (7,203 total registered)
Application Denial Hearings	9 (+125%)
Financial Responsibility Hearings	2 (-33%)
CMS Exams	306 (-23%)
Trade Exams	312 (-35%)
NASCLA Exam Transcripts	9 (-25%)
• General Building Exam Waiver	9 (-36%)
Licensure by Endorsement	74 (15% of all new license apps)
• Trade & Experience	62
• Trade Only	10
• Experience Only	2
Certificates of Eligibility Requested	10 (0%)
Certificates of Eligibility Renewals	71 (-19%)
Single Project Limit Increases	26 (-4%)
Contractors Identified As Veterans	81 (+76%)
Business Assistance Program Attendees	100 (+138%)
Public Records Requests	15 (-53%)
Total Calls Received	8,295 (average call time 1:20)

Licensing - Application vs. Issued License Trends

NEW LICENSE APPLICATIONS



NEW ISSUED LICENSES



Top License Classifications Applied For During 2nd Quarter

Primary Classification	Trade	2nd Quarter 2019-20		
		In State	Out of State	Total
B	General Building	68	50	118
C-2	Electrical	37	21	58
A	General Engineering	28	29	57
C-3	Carpentry	31	6	37
C-21	Refrigeration & Air Conditioning	22	6	28
C-1	Plumbing	19	7	26
C-4	Painting	16	8	24
C-5	Concrete	14	8	22
C-10	Landscape	15	3	18
C-14	Steel Reinforcing & Erection	8	9	17

Top License Classifications Issued During 2nd Quarter

Primary Classification	Trade	2nd Quarter 2019-20		
		In State	Out of State	Total
B	General Building	32	30	62
A	General Engineering	16	20	36
C-2	Electrical	17	14	31
C-3	Carpentry	17	7	24
C-4	Painting	16	4	20
C-14	Steel Reinforcing & Erection	10	9	19
C-5	Concrete	11	2	13
C-21	Refrigeration & Air Conditioning	11	2	13
C-18	Masonry	5	2	7
C-1	Plumbing	5	1	6
C-10	Landscape	0	6	6
C-16	Finishing Floors	5	1	6

488 NEW LICENSE APPLICATIONS

- In-State = 310 (64%)
- Out-of-State = 178 (36%)

282 NEW LICENSES ISSUED

- In-State = 175 (62%)
- Out-of-State = 107 (38%)

Licensing - Quarter Highlights

Board staff welcomed the completion of a long-term project to image and archive all historical licensee records, which included records for nearly 32,000 licenses. Each record was either imaged or transferred to the state archives for preservation.

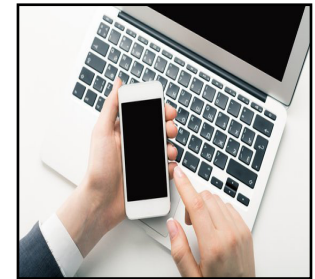
Additionally, as part of this project, imaging storage was established for general correspondence, public record requests, record subpoenas, and criminal complaints.

Currently, all application and enforcement related documents are imaged upon completion of the case or file.



In an effort to improve the Board's licensing application process, staff worked with a software developer during the quarter to automate the application format. This project remains in the programming and testing phase and is expected to be available to the public by the end of the year.

Also, during the quarter, staff completed modification and testing of several application forms for section 508 WCAG 2.0 ADA compliance standards.



Following the 2019 Legislative Session, staff proposed revisions to the Nevada Administrative Code, which were submitted to the Nevada Legislative Counsel Bureau. These changes seek to amend laws clarifying existing procedures for disciplinary action and practice before the Board, establish a new administrative fine for citations, authorizes the Board to set a hearing regarding a licensee's financial responsibility or alleged violation of state laws or regulations, allow the Executive Officer to consolidate two or more contested cases in certain circumstances, as well as make conforming changes that modernize language to account for recognized trends and technology improvements.



A regulation workshop and hearing are currently scheduled for January and February of 2020, at which time the Board will accept public comment on the proposed changes to determine if further amendments to the language are necessary before finalizing the rulemaking process.

Investigations - Background Check Trends

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



Applicant Submittals	797
Applicants with criminal conviction(s)	225
Applicants without criminal conviction(s)	572
Criminal Conviction(s)	28%

Quarter Background Check Results

- 47 Background investigations initiated
 - 15 Investigations pending
 - 42 Investigations closed
- 5 Administrative Citations issued for misrepresentation
 - \$3,500 in fines
 - \$1,380 in costs

BACKGROUND INTERVIEWS HELP MITIGATE DENIAL OF LICENSE APPLICATIONS

Interviews with applicants whose history reveals criminal activities of concern afford an opportunity for a more in-depth analysis and evaluation before deciding if the conviction would disqualify the applicant.

Of the 12 applicants interviewed for this purpose during the reporting period, 3 (25%) were recommended for licensure approval and 9 (75%) were recommended for denial of licensure and afforded the opportunity to request an appeal hearing before the Board.

Investigations - Quarter Statistics

QUARTER IN REVIEW

580 Complaints Opened

- 174 Workmanship (30%)
- 167 Industry Regulation (29%)
- 131 Contracting without a License (23%)
- 59 Unlawful Advertising (10%)
- 49 Money Owing (8%)

75 Citations Issued

- 44 Administrative Citations issued to licensed contractors
 - \$82,350 in Fines
 - \$16,666 in Costs
- 31 Administrative Citations issued to unlicensed contractors
 - \$85,500 in Fines
 - \$12,652 in Costs

39 Disciplinary Hearings

- 17 Licenses Revoked
- 23 Cases assessed fines & costs
 - \$58,250 in Fines
 - \$32,919 in Costs

41 Criminal Affidavits Filed with District Attorney Offices

71 Cease & Desist Orders Issued to Unlicensed Contractors

Investigations - Significant Cases

Repeat Offender in Nye County Convicted of Gross Misdemeanor

Homeowners living in Pahrump (Nye County) received justice after Donald Guthrie, an unlicensed contractor advertising as Don's Handyman Service, was found guilty of a gross misdemeanor for conspiracy to obtain money under false pretenses.

Guthrie was ordered by the 5th Judicial District Court to a one-year prison sentence, which was suspended to three years' probation and 90 days in Pahrump County Jail.



Restitution totaling \$8,850 was also ordered to be paid to two victims. Guthrie's recent cases included projects to re-roof a home and construct an outdoor patio/sunroom, which require a contractor's license. Evidence collected by the Contractors Board throughout the investigative process validated that Guthrie would accept large down payments and perform little or no work.

Unlicensed Contractor Fined for Entering into Construction Contracts in Excess of \$1,000,000

In October, the Contractors Board received a complaint alleging a new development of 21 homes was being built by an unlicensed contractor who had hired licensed contractors to perform the work. The complaint also alleged that the project's owner had not pulled all the necessary permits for the new construction.

The Board opened an investigation into the complaint and conducted a jobsite visit. At this time and after meetings were held with the project owner, it was determined the project was in its final stages with only trim, paint, and flooring left to complete the homes.

As the Board reviewed requested documents and contractual agreements, it was determined that 28 licensed subcontractors had entered into agreements with the unlicensed entity to perform work on the new development. The total amount contracted by the unlicensed entity amounted to over \$1.7 million dollars.

The Board's investigation resulted in an administrative citation of \$40,000 to the unlicensed entity, and prompted the investigation into 28 additional subcontractors for aiding and abetting an unlicensed contractor and/or knowingly entering into a contract with a contractor who is not licensed.

A condition of the administrative citation required the unlicensed entity to become compliant with all licensing laws.

Residential Recovery Fund

RECOVERY FUND PROVIDES AID TO HARMED HOMEOWNERS

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

Effective October 1, 2019, a single claim cannot exceed \$40,000 and claims against a single contractor cannot exceed \$750,000 or 20% of the Fund balance.

Claimants to the Recovery Fund must apply within four (4) years after the completion of the qualified services, or within two years upon obtaining a Judgement from the Court.

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



QUARTER IN REVIEW

- *39 Cases opened*
- *9 Cases awarded \$181,037.60*
- *Average award = \$20,115*
- *1 Case denied*
- *2 Cases continued*
- *Recovery Fund balance as of December 31, 2019 is \$5.93 million*

HIGHLIGHTS OF 2ND QUARTER RECOVERY FUND AWARDS

- Over \$92,000 was awarded to four claimants who hired Grizzly Construction, LLC, to perform remodel work in their homes, which included renovations to the kitchen and bathroom areas. In each case, the contractor, whose license has since been revoked, completed only a portion of the project before abandoning it. Homeowners were financially damaged after paying for more work than was actually performed.
- Two complainants were awarded claims from the Recovery Fund totaling nearly \$39,500 after having their projects abandoned by Triangle Construction, Inc., despite having received significant payment for the contracted services.
- Another \$34,000 was awarded to two claimants who sought renovation services from Home Masters for projects involving bedroom remodel, kitchen cabinet work, new countertops, tile and doors. Shortly after demolition began, Home Masters abandoned the projects leaving the homeowners with unusable spaces in their homes.

Information Technology

Customer Service Improvements & Equipment Upgrades

During the 2nd Quarter, the IT Department made plans to upgrade the Board’s phone system, which is expected to enhance the routing of calls received by Customer Service. Additionally, phone queues in both offices were expanded to include more customer service agents available to take incoming calls. IT also worked on plans with the Board’s copier vendor to replace outdated machines in an effort to improve the performance of this service for staff’s use.



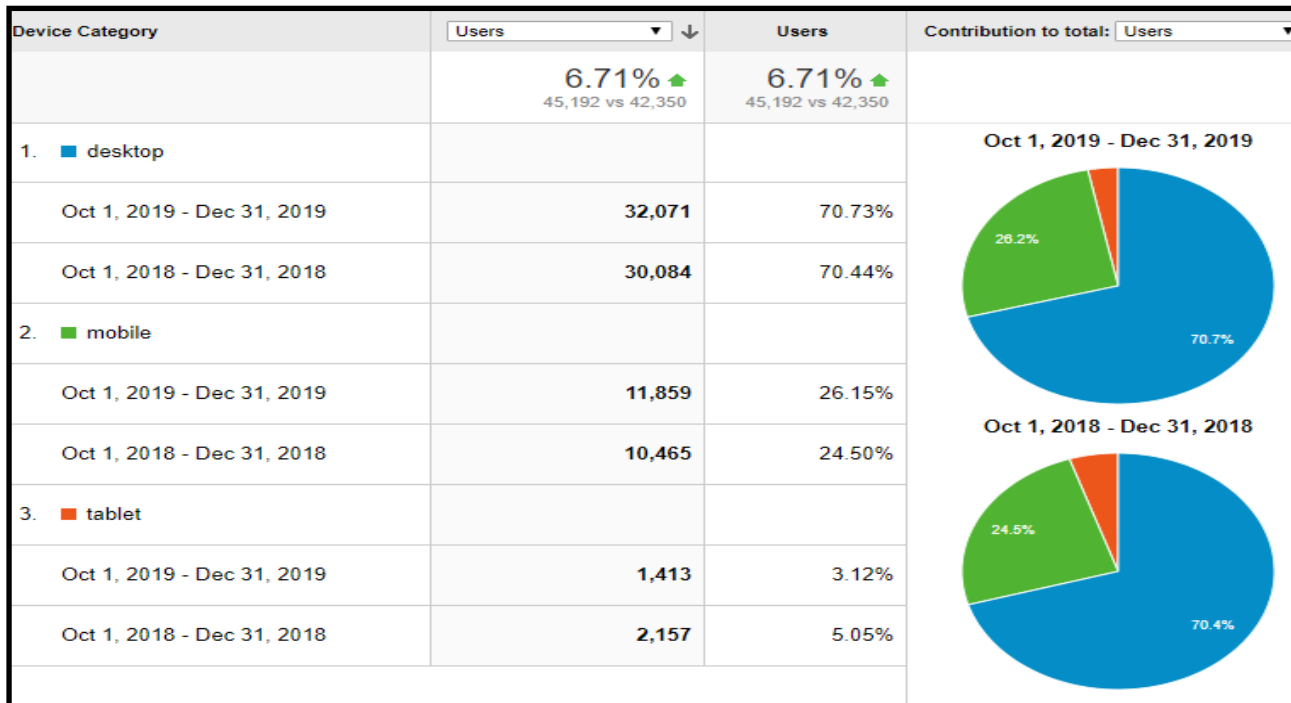
Exam Data

The existing process in place for importing exam results from the Board’s exam provider, PSI, was improved during the quarter.



Website Statistics - 2nd Quarter

Over 45,000 visitors browsed the Board’s website during the 2nd Quarter of FY 2019-20, representing an increase of 6.7% or roughly 3,000 more visitors compared to the same period last year.



Public Information Office

Board Celebrates 20th Anniversary of Residential Recovery Fund

As part of its efforts to celebrate the 20th Anniversary of the Residential Recovery Fund in October, the Contractors Board was invited to the Clark County Commission meeting where Executive Officer Margi Grein was presented with a proclamation and afforded the opportunity to share the benefits and public impact the Recovery Fund has made for homeowners across Nevada. The following week, the Board welcomed a number of state legislators at its celebratory event in Carson City where Governor Steve Sisolak presented Grein with a proclamation declaring October 10th as Nevada State Contractors Board Day.



Video Resources Enhanced

In support of the Board’s strategic objectives, two testimonials were recorded during the quarter highlighting the benefits of the Board’s Residential Recovery Fund. Additionally, the Board has recorded a variety of videos focused on topics such as the Board’s Business Assistance Program, online license search and an explanation of relevant license details, welcome messages for the Board’s website, and informational videos for consumer and contractor resources available online.



Promotion of Board Services & Resources

During the quarter, Board staff engaged in activities to promote the Board’s services and resources. These efforts included media interviews focused on winter preparedness tips, construction-related scams, disaster preparedness, unlicensed contractors, and hiring tips; presentations to homeowner association groups and community management agencies; attending statewide Construction Career Day events, home and senior expos; and participating on Construction Industry Workforce panels geared toward high school students.



Looking Forward - Quarter 3

With half of the fiscal year completed, the Board will approach the months ahead with a focused plan to achieve the following:

- Expand the use of online application processes where feasible.
- Expand the Board's Fraud Unit.
- Update all website content and make recommendations for site architecture and organization.
- Develop and implement Board training on bankruptcy and regulatory trends.
- Update the Board's human resource management policies and processes.
- Research and compile a list of best practices related to the Board's operations and identify strategies for the Board to consider implementing.

Every quarterly report is an opportunity to share the strides we are making to improve our services and meet our strategic goals. We appreciate the opportunity to report on our progress as we continue to advance the goals of the Nevada State Contractors Board.



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