



Nevada State Contractors Board

STRATEGIC PLAN
EXECUTIVE OFFICER REPORT
QUARTER TWO REPORT

October 1 - December 31, 2020



Members of the Board

Kent Lay, *Chairman*

Steve Menzies, *Treasurer*

Margaret Cavin

Bryan Cowart

Joe Hernandez

Jan B. Leggett

Boyd Martin

Executive Leadership

Margi Grein, *Executive Officer*

Nancy Mathias, *Licensing Administrator*

Paul Rozario, *Director of Investigations*

Brian Hayashi, *Information Technology Manager*

Jennifer Lewis, *Public Information Officer*

Mission Statement

The Nevada State Contractors Board (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
require
and



Message from the Executive Officer

After an unprecedented year of economic and operational challenges, the Contractors Board welcomes what it hopes will be a more positive and opportunity-filled year for all. Successes do not always come easily and often require overcoming obstacles; but that is what makes the journey so rewarding.

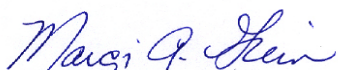
The first half of our strategic planning period has proven the Board capable of adapting its operations quickly to continue providing quality services to the public, licensees, and those in need of assistance. Utilizing increased access to online resources and virtual meetings, and implementing efficiencies to various processes and procedures, the Board concludes the second quarter having recorded an increase in the majority of licensing application services compared to the same time last year.

Achievements like this become the silver lining when operating on limited resources because they highlight our perseverance and continued commitment to ensure delivery of quality customer service, regardless of the circumstances.

Through innovative solutions, new opportunities also arose. Our Board has found great success during the quarter in partnering with the industry and state and local officials to host virtual forums aimed at connecting students, recent graduates, and underserved populations with construction mentors, career opportunities, and skills-based training and resource programs.

What lies ahead remains unanswered for now, but our Board is moving forward with focus. We are preparing for the 2021 Legislative Session and have already begun meeting with various groups to share the Board's legislative package and learn of issues that may impact construction, our licensees, and public safety in the months ahead.

As we lean into collaborative opportunities, expand contactless resources and outreach offerings, and pursue heightened efficiencies across the operations of the Board, I am confident whatever challenges 2021 may bring will only help to strengthen our mission and improve the overall delivery of service to the customers that rely upon us.



MARGI A. GREIN
Nevada State Contractors Board Executive Officer

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Executive Officer - Strategic Plan Initiatives

Feasibility and Frequency of Sting Operations Discussed (Goal 2)

As the Board transitioned its services to meet the requirements brought on by the pandemic response, unlicensed contractor sting operations were placed on hold. During the quarter, staff held discussions evaluating the feasibility of continuing this initiative, with particular focus on the necessary involvement of law enforcement officials. Budgetary limitations and competing public safety priorities are among the current challenges faced by law enforcement that could have an adverse effect on their ability to partner with the Board toward this objective. In lieu of sting operations, the Board is working to identify alternative strategies to meet the intended goals of combating unlicensed construction activities.

Board Implements Strategies to Promote Construction Opportunities (Goal 3)

An initiative that kicked off back in March 2020 with the launch of the Board's Hammers and Hope event, the Contractors Board has since worked closely with industry representatives to offer a variety of forums and resources to promote construction career pathways. These initiatives include the expansion of women in construction panels, construction workforce panels

at local middle/high schools, and more focused social media content toward the Board's license application resources.

Board Updates Staff Succession Plan; Performs Review of Policies and Procedures (Goal 5)

Performing an annual review and update of the Board's staff succession plan, policies, and procedures is necessary to ensure the Board is operating with most current requirements and efficiencies. Such review was conducted during the second quarter and resulted in minor modifications.

Board Strives to Identify Best Practices and Opportunities for Improved Efficiency (Goal 5)

A comprehensive review of occupational licensing best practices across the nation remains ongoing, and the Board is working closely with its consultant IPM, who is currently analyzing the Board's operations and processes to identify areas for improved efficiency.

Executive Officer - Quarter Highlights

Board Appointments and Election of Officers

Effective for a three-year term beginning November 1, 2020, Governor Sisolak appointed Bryan Cowart and Boyd Martin and reappointed members Margaret Cavin and Jan Leggett to the Nevada State Contractors Board. Cowart and Boyd replaced former members Melissa Maguire and Guy Wells. At a subsequent meeting, the Board voted to elect Steve Menzies as Treasurer and to serve on the Residential Recovery Fund Committee, while Kent Lay was re-elected as Chair. Martin was elected to serve as the Board's representative on the Commission on Construction Education.

Executive Officer Engages in Occupational Licensing Forums

Executive Officer Grein remained at the forefront of focused occupational and professional licensing discussions in Nevada during the second quarter. Attending multiple Occupational Licensing Working Group meetings and Occupational Licensing Consortium Learning Network calls, Grein is able to offer her professional insights into decision-making processes, while also learning of new recommendations and forecasts to share with the Board for future licensing planning operations. Grein's efforts also included attending a webinar hosted by the State of Virginia,

which highlighted various strategies to streamline professional licensing.

2021 Legislative Discussions

With the 2021 Legislative Session around the corner, Executive Officer Grein continues to monitor legislative matters that could impact occupational licensing and Board operations. During the quarter, Grein met with representatives from various groups to discuss legislative ideas likely to be considered by the Legislature in an effort to mitigate potential concerns and collaborate on solutions as necessary.

Media Interviews Highlight Board Operations, Services, and Licensing Processes

During the quarter, Executive Officer Grein met with Jeff Meehan of the Pahrump Valley Times to share information about the Board's public safety mission, licensing and enforcement operations, and the services and programs available for consumers and contractors alike. Grein also welcomed an interview from the American Institute of Research based on her involvement with the Governor's Office of Workforce Innovation's Occupational Licensing Working Group. The discussion highlighted the Board's adaptations to the recent pandemic, as well as contractor licensing requirements.

Executive Officer - Quarter Highlights

Contractors Board Hosts Panel Discussions and Presentations

Helping to generate interest and promote career pathways within the construction industry, the Board spearheaded a collaborative effort to host virtual panels that connect students and young adults with construction industry experts. The hour-long forum was offered to students of LIED Stem Academy and Jobs for Nevada Graduates during the quarter. In addition to this initiative, Executive Officer Grein was invited to give a presentation on home repair scams and the values of hiring licensed contractors by the members of a southern Nevada Rotary.

Commission on Construction Education Awards Over \$52,000 Grants

In November, the Commission on Construction Education received updates from grant recipients and awarded four new grants to industry, educational, and community-based organizations totaling \$52,562. Since inception, the Commission on Construction Education has awarded more than \$3.9 million in grant funding to organizations across Nevada.

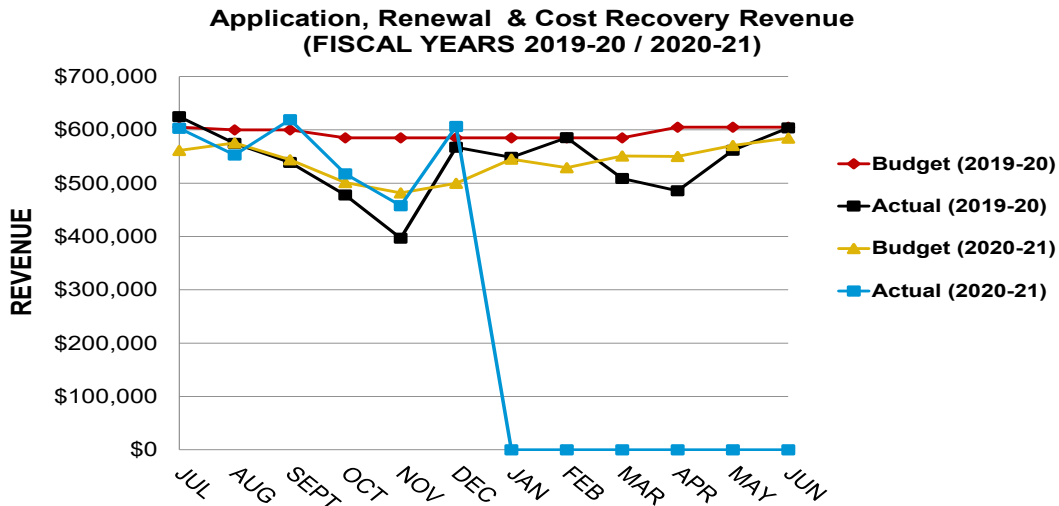
Regulation R014-19 Takes Effect

In September, the Board adopted proposed regulation R014-19 relating to the Board's rules of practice. Following review by the Legislative Commission on October 29, 2020, the regulation was approved and became effective on November 2, 2020.

Consultant IPM Provides Recommendations for Improved Operations

Executive Officer Grein met with IPM representatives to discuss findings and recommendations to make Board operations and processes more efficient and streamlined. IPM's contract was extended at the October 2020 meeting to allow more time to conduct its review across NSCB departments.

Licensing & Cost Recovery - Data Dashboard



OCTOBER TO DECEMBER 2020	
Licenses (Beginning of Quarter)	17,186
New Licenses Issued	357
Licenses Cancelled/Surrendered/Revoked	(74)
Variance in Suspended/Reinstated Licenses	(258)
Licenses (End of Quarter)	17,211
# of Licenses on Oct 1, 2020	17,186
# of Licenses on Dec 31, 2020	17,211
Licenses Gained / Lost	25
Renewal Revenue Gained / Lost	\$15,000
<i>*Does not include suspended licenses</i>	

FISCAL YTD LICENSING FEE TOTALS (FY 2020-2021)			
LICENSING FEES	Q2 BUDGET	Q2 ACTUAL	VARIANCE
License Renewals	973,100	968,185	(4,915)
New License Fee	185,000	193,800	8,800
Application Fee	130,000	159,300	29,300
License Changes	105,000	104,375	(625)
Invest Recov Costs	62,500	122,522	60,022
Renewal Late Fees	17,250	22,450	5,200
Renewal Inactive	9,825	11,400	1,575

180 DAY RETENTION RATE			
Projected Year-End Retention Rate	Jul 2020	16,943	
	Cancellations	(173)	(1.01%)
	New Licenses	756	4.39%
	Suspended/Reinstated	(315)	(1.83%)
	Dec 2020	17,211	
	Change	268	
6 Month Rolling	% Change	1.56%	

90 Day Retention Rate			
Projected Year-End Retention Rate	Oct 2020	17,186	
	Cancellations	(74)	(0.43%)
	New Licenses	357	2.07%
	Suspended/Reinstated	(258)	(1.50%)
	Dec 2020	17,211	
	Change	25	
3 Month Rolling	% Change	0.15%	

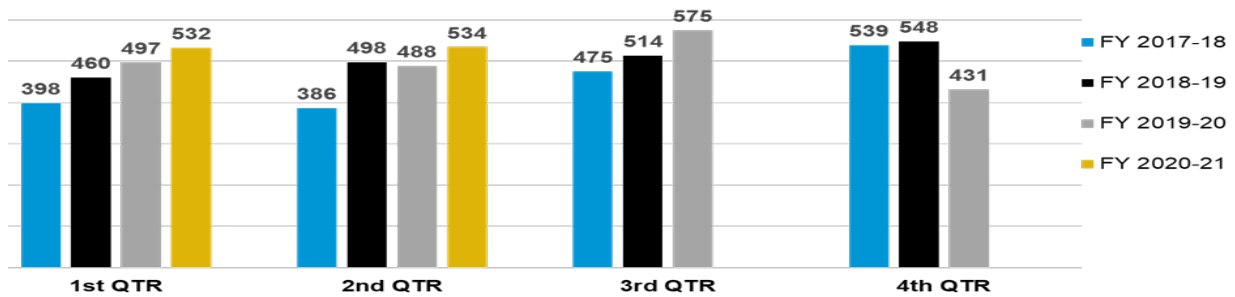
Licensing - Quarter Statistics

New License Apps	534	(9%)
Issued Licenses	357	(23%)
Change Apps	622	(3%)
Active Licenses*	16,668	(2%)
Inactive Licenses	543	(20%)
Placed on Inactive Status	37	(20%)
Voluntary Surrender	61	(53%)
Licenses Canceled, Not Renewed*	0	
Licenses Revoked	13	(28%)
License Suspensions (no bond)	170	(13%)
License Suspensions Initiated (DETR/DIR)	35	(133%)
• Compliance with DETR/DIR Received	42	(282%)
• Suspended	4	(300%)
• Pending Suspension	16	
Active License Renewals	1,859	(12%)
Inactive License Renewals	56	(19%)
Online Renewals	1,192	(62% of all renewals)
New Online Registrations	372	(8,938 total registered)
Application Denial Hearings	11	(22%)
CMS Exams	403	(30%)
Trade Exams	431	(55%)
NASCLA Exam Transcripts	13	(44%)
• General Building Exam Waiver	11	(22%)
Licensure by Endorsement	45	
• Trade & Experience	32	
• Trade Only	5	
• Experience Only	8	
Certificates of Eligibility Requests	6	(40%)
Certificates of Eligibility Renewals	75	(6%)
Single Project Limit Increases	36	(38%)
Contractors Identified As Veterans	108	(33%)
Business Assistance Program Attendees	38	(62%)
Public Records Requests	18	(20%)
Total Calls Received	7,117	

*Cancellation of licenses based on failure to renew were paused in March 2020. Cancellation will resume in January 2021.

Licensing - New License Application Trends

**NEW LICENSE APPLICATIONS RECEIVED
ANNUAL COMPARISON BY QUARTER**

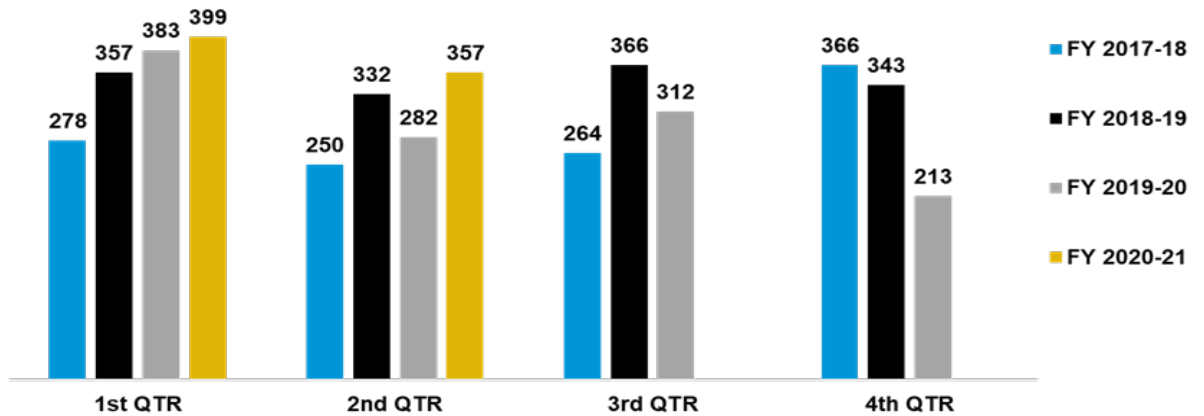


Primary Classification	2nd QTR 2019-20			2nd QTR 2020-21		
	In	Out	Total	In	Out	Total
A General Engineering	28	29	57	26	30	56
AB General Engineering & General Building		3	3		4	4
B General Building	68	50	118	55	59	114
C1 Plumbing & Heating	19	7	26	22	6	28
C2 Electrical	37	21	58	33	38	71
C3 Carpentry, Maintenance & Minor Repair	31	6	37	35	7	42
C4 Painting & Decorating	16	8	24	22	9	31
C5 Concrete Contracting	14	8	22	14	3	17
C6 Erecting Signs		2	2	2	1	3
C7 Elevation & Conveyance		1	1		1	1
C8 Glass & Glazing	4	5	9	8	2	10
C10 Landscape Contracting	15	3	18	17	1	18
C11 Spraying Mixtures Containing Cement	2		2			0
C13 Using Sheet Metal	1	1	2		1	1
C14 Steel Reinforcing & Erection	8	9	17	13	10	23
C15 Roofing & Siding	8	3	11	8	6	14
C16 Finishing Floors	5	2	7	9	5	14
C17 Lathing & Plastering	4	1	5	7		7
C18 Masonry	7	1	8	11	1	12
C19 Installing Terra zzo & Marble	4	1	5	10	2	12
C20 Tiling	7	1	8	6	2	8
C21 Refrigeration & Air Conditioning	22	6	28	23	10	33
C23 Drilling Wells & Installing Pumps, Pressure Tanks & Storage Tanks	1	1	2	1	2	3
C24 Erecting Sca folds & Bleachers		1	1			0
C25 Fencing & Equipping Playgrounds	1		1		2	2
C26 Institutional Contracting	1	3	4		1	1
C28 Fabricating Tanks		2	2			0
C30 Installing Equipment to Treat Water			0	1		1
C31 Wrecking			0	2		2
C36 Installing Urethane	2		2	1		1
C40 Specialties Not Authoriz ed by Other Classifications	1	2	3			0
C41 Fire Protection	4	1	5		5	5
Total	310	178	488	326	208	534
% In Nevada	64%			61%		
% Out of State	36%			39%		

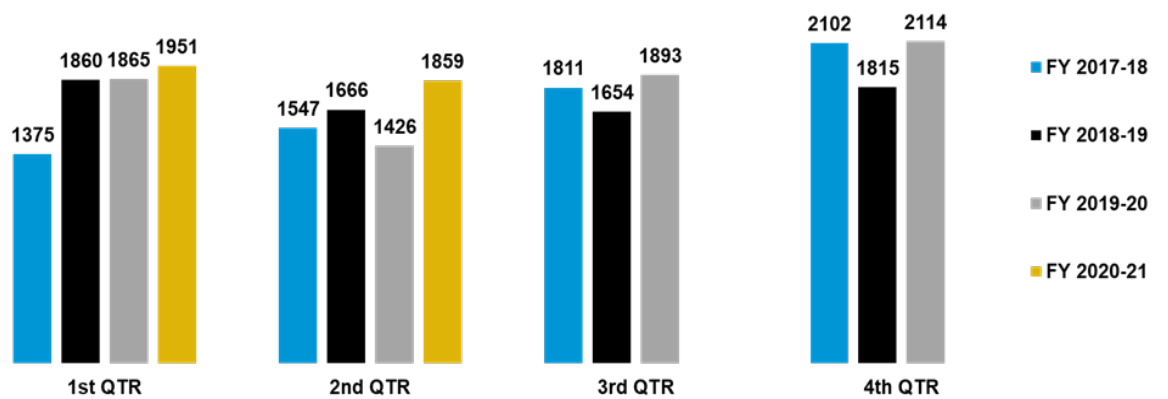
Licensing - Issued License & Renewal Trends

The charts below present annual data trends by quarter for comparison purposes.

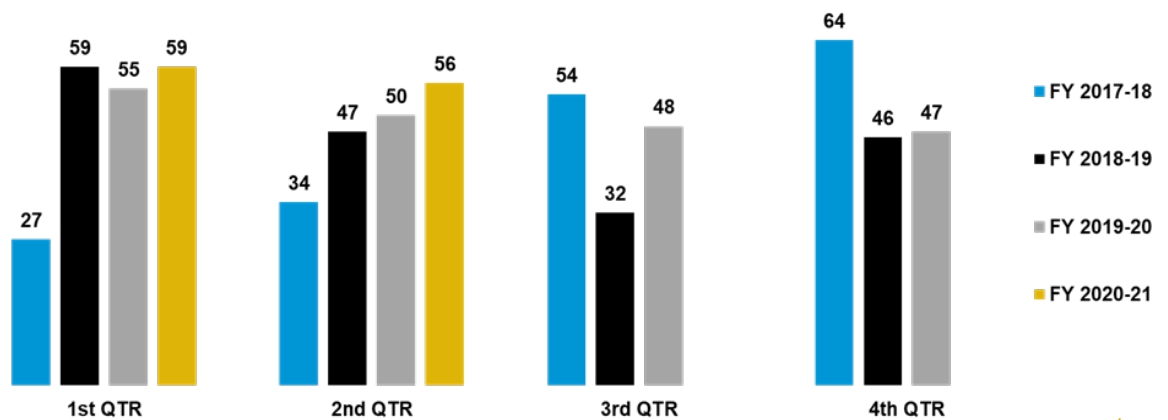
ISSUED LICENSES



ACTIVE LICENSE RENEWALS



INACTIVE LICENSE RENEWALS



Licensing - Quarter Highlights



CONTRACTORS BOARD HANDBOOK NOW AVAILABLE FOR DOWNLOAD

To more readily assist current and prospective licensees, the Nevada Contractors Board Handbook was made available in a downloadable PDF document, which contains the most up to date codified version of Chapter 624 of the Nevada Revised Statutes and Nevada Administrative Code. This document was posted on the Board’s website making available for download by licensees, applicants and the general public.



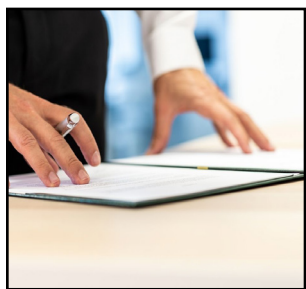
CONTRACTOR VETERAN DATA SUBMITTED TO STATE

During the quarter, the Board’s annual report of veteran’s data was compiled and submitted to the Department of Veterans Services in compliance with NRS 417.0194. To support and encourage military veterans and their spouses to apply for licensure, the Board makes available a Veteran and Military Spouse Assistance Program to help identify transferrable military experience, training, and education to meet the requirements of contractor licensure.



AUTOMATIC LICENSE SUSPENSION FOR FAILURE TO RENEW REIMPLEMENTED

With the expiration of Emergency Directive 026 on September 28, 2020, the automatic suspension of licenses based on failure to timely renew was reimplemented in October. The grace period for late submittal and reinstatement of a suspended license was extended for these licensees.



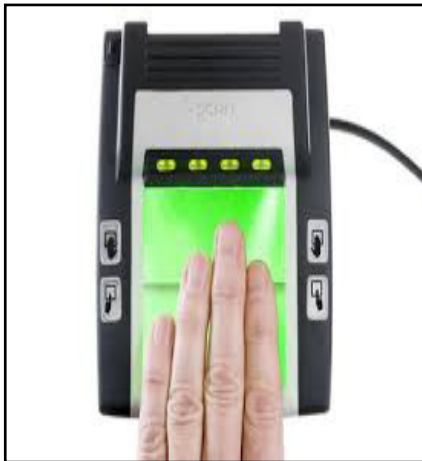
UPDATES MADE TO APPLICATIONS, EXAMINATIONS, AND REPORTS

During the quarter, the Licensing Department also:

- Initiated a review of all licensure examinations in coordination with the Board’s exam provider, PSI, to ensure exam questions are sourced to the most up to date codes and references.
- Made improvements to application pending case reports by including dates and descriptions of types of correspondence related to the application, which will provide easier monitoring and more timely responses by staff and licensees.
- Modified the Change of Officer application process to provide for the submittal of an attestation in lieu of corporate minutes.

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.



Fingerprint Cards Submitted	752
Applicants with criminal conviction(s)	198
Applicants without criminal conviction(s)	554
Criminal Histories	26%

Background Check Statistics

42 Investigations Initiated

- 21 Investigations pending
- 31 Investigations closed

BACKGROUND INTERVIEWS AID APPLICATION PROCESS

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 10 applicants interviewed for this purpose during the reporting period, 7 were recommended for approval and 3 were recommended for denial of licensure.

Investigations - Quarter Statistics

OCTOBER - DECEMBER 2020

501 Complaints Opened

- 158 Workmanship (32%)*
- 124 Unlawful Advertising (25%)*
- 115 Contracting w/o License (23%)*
- 83 Industrial Regulation (16%)*
- 21 Money Owing (4%)*

* Percentage of total cases

86 Administrative Citations Issued

- **Licensed Contractors: 23**
 - \$75,800 in Fines
 - \$7,762 in Costs
- **Unlicensed Contractors: 63**
 - \$156,000 in Fines
 - \$34,494 in Costs

26 Disciplinary Hearings

- 10 Licenses Revoked
- Assessed fines & costs
 - \$81,900 in Fines
 - \$37,224 in Costs

9 Criminal Affidavits Filed with District Attorney Offices

61 Cease & Desist Orders Issued to Unlicensed Contractors

RESIDENTIAL RECOVERY FUND



During the reporting period, the Board opened 19 Recovery Fund cases following receipt of claims from consumers.

One Recovery Fund meeting was held where 10 claims were considered by the Committee. A total of \$55,926.59 was awarded to eight claimants for an average award amount of approximately \$6,991.00.

As of December 31, 2020, the Recovery Fund maintains a balance of approximately \$5.620 million.

Investigations - Significant Cases

Board Investigation Leads to Full Restitution for Elderly Homeowner

During the quarter, the Contractors Board received a complaint from an 81-year-old homeowner who had hired an unlicensed contractor to install pavers at her home for a contract price of \$3,200 - a construction service that would require a contractor's license.

The homeowner provided the unlicensed individual a \$1,500 personal check as a deposit for services, which she never received.

Upon filing a complaint with the Board, investigators were able to validate the facts as presented by the homeowner. When Board investigators reached out to the unlicensed contractor, he admitted to taking the homeowner's money and agreed to fully reimbursing the harmed senior.

The senior received a cashier's check in the amount of \$1,500 within 24 hours, and the unlicensed contractor was issued an Administrative Citation of \$2,000 plus investigative costs for contracting without a license.



Northern Nevada Senior Faces Life Safety Issue After Natural Gas Water Heater Not Installed Up To Code

In May 2020, a Northern Nevada senior contacted a licensed plumbing contractor upon finding standing water in her hallway. Working through the homeowner's insurance, the licensed contractor replaced her natural gas water heater tank for an out-of-pocket cost of \$425.00.

The homeowner would later learn from the water restoration company, who brought in a licensed plumber to temporarily remove the water heater, that the system was not installed up to code and they couldn't perform the task.

After the licensed contractor continued to refute the allegation of his workmanship, the homeowner contacted the City of Sparks Building Department and confirmed no permit was pulled for the water heater installation. It was then that she filed a complaint with the Contractors Board as well as her home insurance provider.

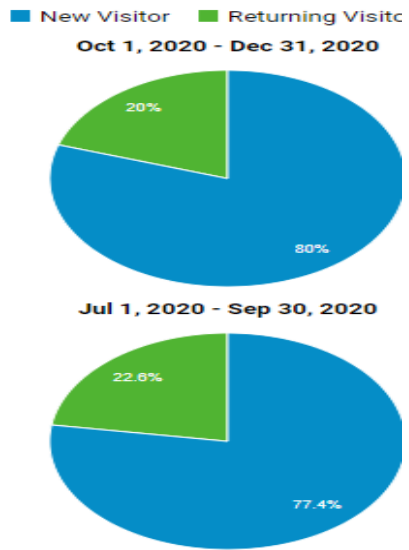
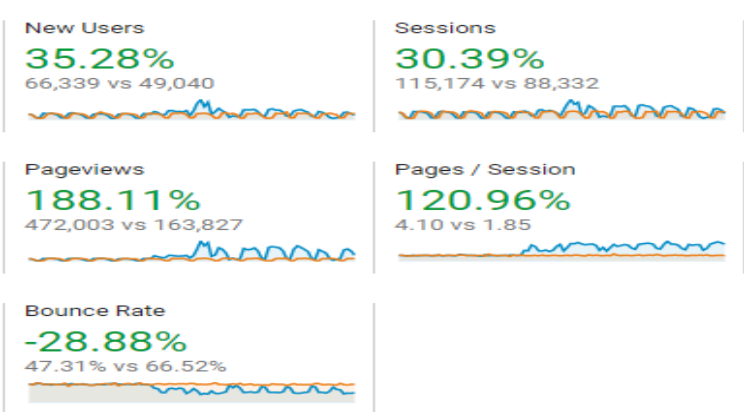
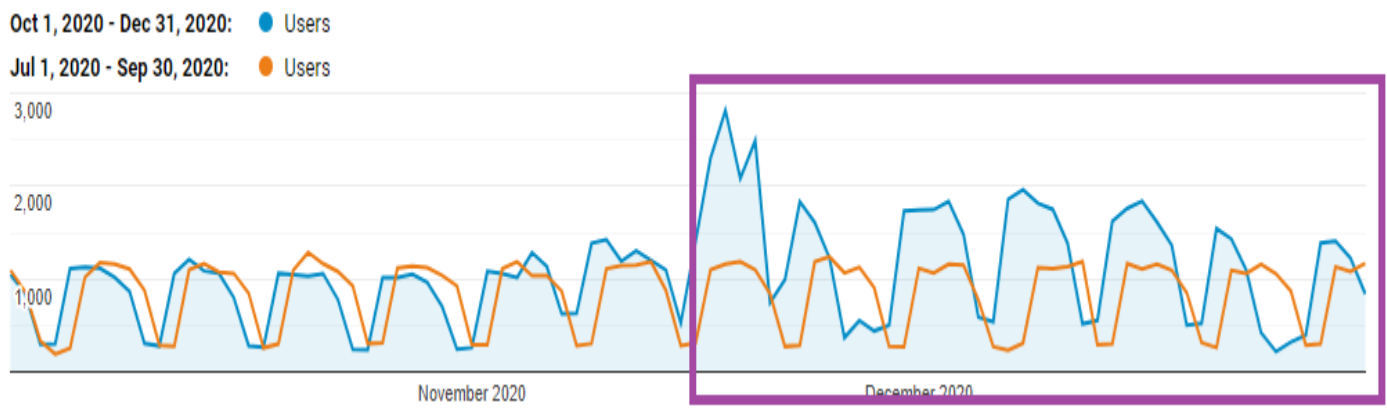
The investigation validated the homeowner's complaint and resulted in the issuance of an Administrative Citation. The second plumbing company was subsequently hired by the homeowner to properly install the water tank, allowing the restoration project to be completed.



Information Technology

Website Statistics - 2nd Quarter

Enhanced website tracking aimed at collecting data on the Board’s licensing- and enforcement-related pages was implemented during the middle of the second quarter. As a result, the purple box below highlights the increase in website hits for the reporting period.



Throughout the reporting period, IT engaged in efforts to perform upgrades to the Board’s phone, file management, and email systems. Continued support was also provided for all Board-hosted virtual meetings.

Public Information Office

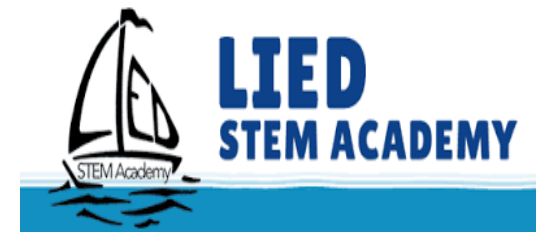
Focused Presentations Highlight Construction Career Pathways

In a focused effort to raise awareness of lasting career pathways in construction and boost the state's skilled-labor workforce, the Nevada State Contractors Board has teamed up with seasoned professionals across Nevada's construction industry to host virtual panel discussions with Nevada's middle and high school students.

Beyond highlighting the variety of construction careers available, these panels afford students the opportunity to have meaningful conversations with industry experts that help address the core of their respective interests. Panelists are able to share their personal experiences and how they entered construction, while guiding the next generation in their quest to gain construction experience, obtain skills-based training and education, and learn specific insights about the interview and job search process.



JOBS FOR NEVADA'S GRADUATES



Contractors Board Collaborates with State Partners on Outreach to Realtors, HOA Board Members

Identifying audiences responsible for hiring licensed contractors is one of the objectives of the Public Information Office. During the quarter, the Board submitted an article for the Department of Business and Industry Real Estate Division's quarterly newsletter, *Community Insights*, for HOA Boards across the state. Of greatest concern to the Board in HOA communities is the hiring of unlicensed contractors for common-area construction projects and services. Not only does it create heightened public safety concerns for the residents, but there are limited options for recourse in the event something goes wrong. The Board's article highlighted its license search tools and helped explain the value of hiring licensed contractors in hopes the information would be shared among the community at-large.

Additionally, the Board welcomed the opportunity to begin providing a series of articles for the Nevada Realtors Association's monthly newsletter. Although distributed to Nevada's licensed realtors, the publication is used to share valuable information with homeowner clients. The Board's initial focus highlighted key services, including the online license search tool, complaint process, and Residential Recovery Fund.

Looking Forward - Quarter 3

The Contractors Board remains steadfast in addressing each of its strategic initiatives for the third quarter. As we continue to provide quality customer service through delivery of our programs and resources, the Board will also be focused on accomplishing the following objectives outlined for the third quarter of FY 2020-21:

- Expanding the use of online application and automated processes.
- Developing a summary document of contractor board best practices.
- Implementing a comprehensive Board training program.
- Identifying opportunities to increase Board member involvement in outreach activities.
- Identifying ways to make Board operations more flexible and agile in light of changing conditions.
- Updating website content in an effort to make recommendations for site architecture and improved organization.

It is always a pleasure to keep you informed of the advancements being made toward our strategic goals. With continued movement forward, I look forward to sharing additional updates with you in the months ahead.



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