

Final Report

Contractors State License Board

Enforcement Process Improvement Project

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Your Path to Performance

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Executive Summary

In July 2023, CSLB entered into a contract with CPS HR Consulting to begin a project for the Enforcement division to improve the Complaint process in the Intake and Mediation Centers (IMC) and the Investigation process within the Investigative Centers (IC) and the Special Investigation Center (SIU). The project sponsors sought to decrease the amount of time these processes take and improve overall efficiencies – ultimately with the goal of effectively managing consumer filed complaints and decreasing the number of “aged cases” (e.g. cases that are still pending after 9 months). Additionally, CSLB sought to re-examine the monthly case handling objectives set for staff. This report describes the project methodology and the issues and recommendations. We present a high-level overview of the project steps and findings below.

- **Project Initiation and Management** – We conducted a kickoff meeting with the executive sponsors to align on expected project outcomes and approach and had periodic meetings with the client project manager. We also reviewed enforcement process documentation.
- **Interviews/Focus Groups** - Interviews and focus groups were conducted with staff in the IMC, IC and SIU to develop a better understanding of how the complaints and investigations processes work, identify any opportunities for improvement, and assist with establishing recommendations about what the complaint/investigation handling objectives should be.
- **Historical Complaint Data Analysis and Complaint Handling Goals** - This next section evaluates the total volume of assigned cases and staffing levels in order to establish revised monthly complaint handling goals for Customer Service Representatives (CSR), Special Investigators (SI) and sworn Investigators. Assuming CSLB implements the “Create a Desk Investigations Unit (see Issues and Recommendations report section), we would recommend that all current monthly complaint handling goals remain unchanged. We note that the CSRs in the IMC were reclassified into SSA (Staff Service Analyst) positions in January 2024.
- **Issues and Recommendations** – Based on the information gained from the interviews and focus groups, we identified seven broad issue areas and four broad recommendation areas. Issue areas included recruitment challenges, customer communication, internal communication, IT inefficiencies, remote work, training and workload levels and case closure goals. Recommendation areas to address these issues included creating a desk investigations unit, internal enforcement process trainings, updating enforcement procedure manuals and implementing IT improvements.
- **Implementation Plan** - This section provides guidance around implementing the recommendations. For each of the four recommendation areas, we recommend a phased implementation approach which involves 1) beginning discussions with the IMC, IC and SIU, 2) identifying project team members and creating project charts, 3) deciding on a project plan, and 4) performing and completing the work.

Project Purpose and CSLB Background

Project Purpose

In July 2023, CSLB entered into a contract with CPS HR Consulting to begin a project for the Enforcement division to improve the Complaint process in the Intake and Mediation Centers and the Investigation process within the Investigative Centers and the Special Investigation Center. The project sponsors sought to decrease the amount of time these processes take and improve overall efficiencies – ultimately with the goal to effectively manage anticipated consumer filed complaints and decrease the number of “aged cases” (e.g. cases that are still pending after 9 months). Additionally, CSLB sought to re-examine the monthly case handling objectives set for staff.

CSLB Background

The California Contractors State License Board (CSLB) was established in 1929, by the Legislature as the Contractors’ License Bureau, under the Department of Professional and Vocational Standards. It was formed to regulate the state’s construction industry and protect the public from irresponsible contractors. In 1935, the agency’s mission and duties were placed under the auspices of a seven-member board.

In 1938, the Legislature mandated that contractor license applicants be examined for competence in their designated field. By 1947, the board had been given authority to establish experience standards and to adopt rules and regulations for the classification of contractors in a manner consistent with established practice and procedure in the construction business.

Now classified as a board within the California Department of Consumer Affairs (DCA), CSLB operates with a 15-member board and upholds its mission to protect consumers by regulating the construction industry through licensure, enforcement, and education.

CSLB regulates contractors in 45 license classifications and two certifications under which members of the construction industry practice their trades. CSLB issues three license types: 1) general engineering; 2) general building; and 3) specialty contractors. The latter designation contains 43 different classifications for contractors whose construction work requires special skill and whose principal contracting business involves the use of specialized building trades or crafts. CSLB also registers home improvement salespersons.

CSLB’s responsibility to enforce California state contractors’ license law includes investigating complaints against licensed and unlicensed contractors, issuing citations and suspending or revoking licenses, seeking administrative, criminal, and civil sanctions against violators, and informing consumers, contractors, and the industry about CSLB actions. To support its consumer protection and education objectives, CSLB provides 24/7 access to licensee information, construction guides and pamphlets, forms and applications, and a host of pertinent information about contracting and construction-related topics through its website (www.cslb.ca.gov) and its automated toll-free phone number (800-321-CSLB).

Enforcement Division Background

Enforcement Division Overview

CSLB's mission is to protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction. Two of the ways in which CSLB accomplishes this are:

- Enforcing the laws, regulations, and standards governing construction in a fair and uniform manner; and
- Providing resolution for disputes that arise from construction activities.

Enforcement staff are authorized to investigate complaints against licensees, non-licensees acting as contractors, registrants, and unregistered home improvement salespeople. CSLB administrative enforcement actions against licensees are prosecuted pursuant to the Administrative Procedure Act. In addition, CSLB may refer cases involving criminal activity to district attorneys who may prosecute these cases under the Business and Professions Code and other applicable state codes. Most Enforcement division staff work directly on consumer complaints. The majority of complaints CSLB receives are filed by residential property owners who contracted for home improvement and repair projects. CSLB also receives complaints from members of the public, licensees, industry groups, governmental agencies, and others. These complaints cover all aspects of the construction industry. CSLB's complaint process involves several steps through which cases may pass and CSLB uses several corrective and disciplinary tools to compel compliance with contractors' state license law. The three Enforcement departments included as part of this study were the Complaint Intake and Mediation Centers, Investigative Centers, and the Special Investigation Units.

Intake and Mediation Centers (IMC)

CSLB's two Intake and Mediation Centers (Sacramento and Norwalk) review all incoming complaints, focus on the settlement of most consumer complaints against licensed contractors, and prepare unlicensed complaints for field investigation. After a complaint is received, a customer service representative (CSR) contacts both parties and the licensee is encouraged to settle the complaint. If the complaint is not settled, the CSR may attempt to mediate or escalate the case to a field investigation. After Mediation, mandatory and voluntary arbitration are considered.

Investigative Centers (IC)

If a settlement cannot be reached, if a case is complex, if the contractor is a repeat or egregious offender who may pose a threat to the public, or if a complaint moves through arbitration and the licensee fails to implement the decision, an investigation is initiated. Investigations can either be performed by Special Investigators in the Investigative Centers or by sworn Investigators in the Special Investigations Unit, which is described in more detail below. CSLB maintains nine Investigative Centers (Fresno, Norwalk, Orange County, Sacramento, San Bernardino, San Diego, San Francisco, Valencia, and West Covina) and four satellite offices (Bakersfield, Oxnard, Redding, and Santa Rosa) that handle investigations. First, a full review of databases for background on the licensee including prior complaint activity is completed. The background information is received from the initial complaint and this review and a meeting with the complainant and licensee is scheduled to collect further information. Any subsequent arrests or convictions related to contractor activity are reviewed along with checking proper

licenses and workers' compensation documentation. If an isolated or minor violation is established, an Advisory Notice or Letter of Admonishment is sent, and may warrant an Informal Conference.

If the licensee does not comply with an Advisory Notice and/or Letter of Admonishment or if a serious violation has occurred, then a Citation is issued. If licensee contests the Citation, a Mandatory Settlement Conference is scheduled, followed by a Hearing before an Administrative Law Judge if necessary. If the licensee does not prevail or comply, the license may be Suspended or Revoked.

If a licensee does not comply with a Citation or has made a flagrant violation of the law, an Accusation is sent to the Attorney General with the intent to Suspend or Revoke the contractor's license. A Mandatory Settlement Conference may be offered. If not settled, the licensee can defend themselves at a Hearing before an Administrative Law Judge. As an option, the licensee and the Registrar may negotiate a settlement (Stipulation). If the licensee fails to respond, the Registrar decides on appropriate action and determines the length of time the license is to be Revoked or Suspended. A Disciplinary Bond requirement and recovery of investigation and enforcement costs are established. An Injunction may be filed against unlawful activity and a blatant violation may be referred for a possible criminal filing to a local district attorney. The complaint is disclosed on the CSLB website.

Special Investigations Unit (SIU)

The Special Investigations Unit (SIU) follows much of the same processes as the IC, but specializes in handling criminal and more lengthy, complex, or politically sensitive non-criminal investigations. About 80% of cases assigned to the SIU are potentially criminal cases. Cases handled by the SIU typically require more time to process compared to cases assigned to the IC for a variety of reasons. For instance, many of the investigations may require a search warrant and a financial audit, SIU sworn Investigator staff have broad jurisdiction that encompass multiple counties which leads to much longer travel times. The majority of cases in the SIU (~60-70%) are coordinated with local district attorneys with the goal of filing a criminal charge. Cases can continue to require sworn Investigator time after they are technically closed to provide support to the district attorney in preparing for court or other activities. Additionally, other issues will often be uncovered during an investigation which can then evolve into the need to open additional investigations.

Organizational charts for each division can be found in Appendix A.

Interviews/Focus Groups

Between September and November 2023 interviews and focus groups were conducted to develop a better understanding of how the complaints and investigations processes work, identify any opportunities for improvement, and assist with establishing recommendations about what the complaint/investigation handling objectives should be. We collaborated with CSLB project team to develop the interview/focus group questions and select participants. A slightly different set of questions were used for the management/supervisory and individual classification levels and the SIU – the questions can be found in Appendix B.

Employees in the following classifications participated in the interviews/focus groups:

- Career Executive Officer (CEA)
- Supervising Special Investigator II Peace Officer (SSI II (P/O))
- Supervising Special Investigator II (SSI II)
- Supervising Special Investigator I (SSI I)
- Special Investigator I (SI I)
- Supervising Program Technician II (SPT II)
- Sworn Investigator – Peace Officer (I(P/O))

The focus groups/interviews were organized by classification and a total of 45 individuals participated. We ensured that we selected a sample of individuals from each office location for the SI I and SSI and the CSR focus groups. The list of interviews/focus groups can be found in the table below:

Enforcement Division	Classification	# of Participants
Executive Enforcement	CEA	1
Executive Enforcement	SSI II (P/O)	1
Investigative Centers (North)	SSI II	1
Investigative Centers (North)	SSI I	4
Investigative Centers (North)	SI I	4
Investigative Centers (North)	SI I	3
Investigative Centers (South)	SSI II	1
Investigative Centers (South)	SSI I	6
Investigative Centers (South)	SI I	3
Investigative Centers (South)	SI I	4
Intake/Mediation Centers	SSI II	1
Intake/Mediation Centers	SSI I	1
Intake/Mediation Centers	SSI I	1
Intake/Mediation Centers	SPT II	2
Intake/Mediation Centers - (Norwalk)	CSR	3
Intake/Mediation Centers - (Sacramento)	CSR	3
Special Investigation Unit	SSI I (P/O)	1
Special Investigation Unit	I (P/O)	5

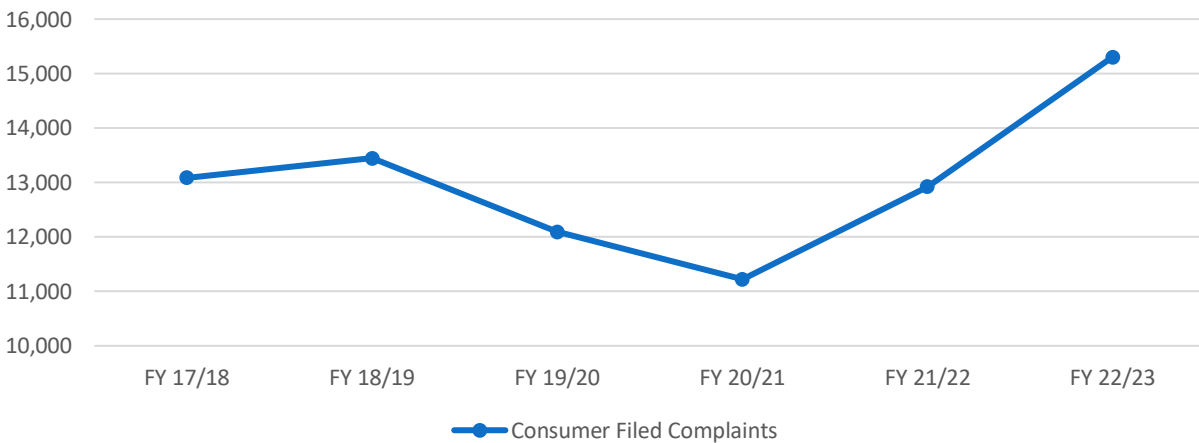
Historical Complaint Data Analysis and Complaint Handling Goals

Historical Data Analysis

The following analysis examines historical Consumer Filed Complaint data with a particular emphasis on changes tied to the COVID-19 pandemic.

Table 1: Consumer Filed Complaints Received by Fiscal Year

Type	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Consumer Filed Complaints	13,087	13,445	12,095	11,222	12,923	15,304



Between FY 17/18 and FY18/19, the number of consumer filed complaints stayed consistent around 13,000 cases. Subsequently, there was a slight drop in case volume for two years before reaching the lowest point in FY 20/21, potentially due to the effects of the pandemic. However, the number of consumer filed complaints began to rise again thereafter, with 1,700 case increase in FY 21/22 before reaching its peak at over 15,000 consumer filed complaints in FY 22/23.

Table 2: Cases Pending at Fiscal Year-end (June 30th) by Office

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24 (Jul-Oct)
Intake Medication Centers (IMC)							
Tech	104	101	162	182	182	189	259
CSR	1443	1267	1150	1163	1751	1784	1924
Total IMC	1547	1368	1312	1345	1933	1973	2183
Investigative Centers (IC)							
Fresno	100	104	101	84	116	126	138
San Francisco	184	241	135	147	280	295	294
Sac North	263	223	215	197	272	311	274
Sac South	257	285	228	231	257	263	237
Valencia	173	209	213	191	232	262	204
Norwalk	472	248	52	185	131	233	227
Orange County	N/A	157	40	176	248	215	180
West Covina	211	259	33	200	334	261	246
San Bernardino	223	234	63	288	282	253	275
San Diego	177	183	49	218	231	231	234
Total IC	2060	2143	1129	1917	2383	2450	2309
Special Investigations (SIU)							
SIU	219	241	180	173	187	136	103

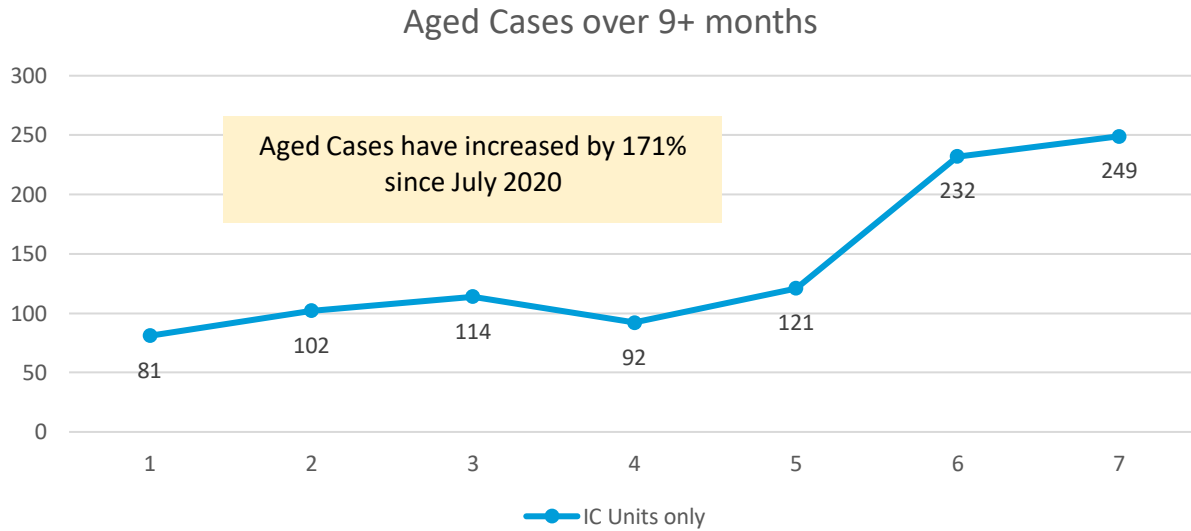
For the IMC, the number of pending cases dropped by almost 200 cases between FY 17-18 and FY 18-19, which remained relatively stable until FY 19/20. However, there was a noticeable jump of nearly 600 cases in the following year. Subsequently, the trend continued upward into FY 22-23 before reaching its peak in FY 23-24 at over 2,100 cases.

For the IC, the number of pending cases began at a higher point, around 2,000 cases in FY 17-18, with a slight increase in the following year. There was a significant drop in case volume in FY 19-20, likely due to the pandemic, hitting its lowest point at around 1,100 cases. Subsequently, there was a notable increase, with nearly an 800-case jump between FY 19-20 and FY 20-21. The upward trend persisted into FY 21-22 before reaching its peak in FY 22-23 at almost 2,500 pending cases, then gradually tapering off to around 2,300 cases in FY 23-24.

Lastly, the number of pending cases in the SIU experienced a small increase between FY 17-18 and FY 18-19. This was followed by a 25% drop in FY 19-20, likely attributable to the pandemic. The number remained consistent in FY 20-21 before a slight increase in FY 21-22. Subsequently, there was a 50-case drop going into the next year, with a continued decline to roughly 100 cases in FY 23-24.

Table 3: Aged Cases over 9 months in the Investigative Centers as of July 1st

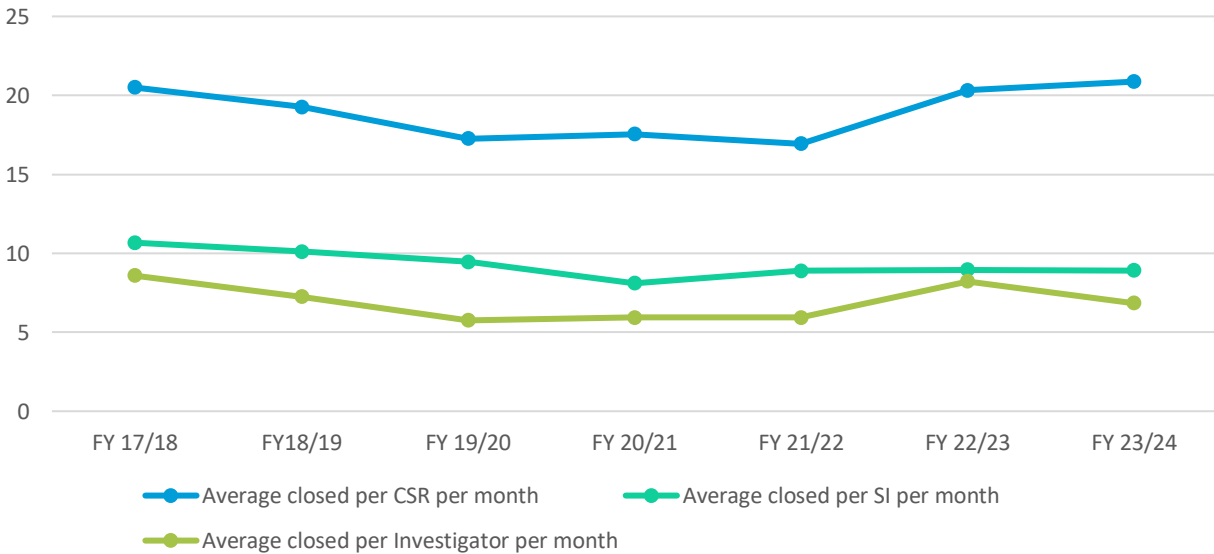
Unit	2017	2018	2019	2020	2021	2022	2023
Fresno	13	11	10	11	5	32	15
Sacramento North	0	9	8	8	26	34	20
Sacramento South	10	2	9	7	21	22	12
San Francisco	0	10	33	7	13	28	23
Norwalk	14	16	20	9	11	15	13
Orange	0	0	5	14	9	26	17
Valencia	7	16	2	13	4	10	21
San Bernardino	4	17	4	12	16	7	69
San Diego	15	7	9	2	8	20	20
West Covina	18	14	14	9	8	38	39
Total IC Units	81	102	114	92	121	232	249



It is CSLB’s goal that all but 100 open complaints be resolved in under 9 months. Overall, the number of aged cases over 9 months varied between 81 and 249 from 2017 to 2023. Between 2019 and 2020, there was a slight decrease which could have been attributed to the pandemic. The number began to rise again every year after 2020, with the biggest jump of 111 cases between 2021 and 2022.

Table 4: Average Number of Cases Closed per Month

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Customer Service Representatives (IMC)							
Average closed per CSR per month	20.51	19.27	17.26	17.54	16.93	20.31	20.87
Special Investigators (IC)							
Average closed per SI per month	10.67	10.11	9.46	8.10	8.89	8.96	8.91
Sworn Investigators (SIU)							
Average closed per Investigator per month	8.58	7.25	5.75	5.93	5.94	8.22	6.84



The above table displays the weighted average number of closed cases per month CSR/SI/sworn Investigator from FY 17/18 through FY 23/24. The weighted average takes into account staff paid time off and sick leave. For the IMC, the average number of cases closed per month was on a slight downward trend from FY 17-18 to FY 19-20. This was followed by small fluctuations over the next two years before rising again in FY 22-23 and FY 23-24, reaching its peak at 20.87 cases per month. For the IC, special investigators were averaging around 11 cases closed per month in FY 17-18. The number began to decline and reached its lowest point at slightly more than 8 cases per month in FY 20-21. Following this period was a slow increase over the next two years before tapering off in FY 23-24, sitting at nearly 9 cases closed per month. Finally, sworn investigators in the SIU were closing nearly 9 cases per month in FY 17-18. However, this figure slightly dropped by more than 15% in FY 18-19 and continued to decrease by over 20% in FY 19-20 before stabilizing and remaining relatively steady over the next two years. Following this period, there was a significant jump in FY 22-23, almost reaching the original peak in FY 17-18. However, the subsequent year saw a drop again, with less than 7 cases closed per month in FY 23-24.

Complaint Handling Goals

This next section evaluates the total volume of assigned cases and staffing levels in order to establish revised monthly complaint handling goals for Customer Service Representatives, Special Investigators and sworn Investigators. The aim was to identify given the volume of incoming cases assigned to each classification, what is the number of cases that would need to be processed per month so that cases could be processed in a timely fashion.

Current Case Handling Goals by Classification

Below are the current case handling goals by classification.

Classification	Enforcement Division	Goal: Assigned Caseload	Goal: # of Complaints/ Investigations Closed per Staff Member per month	Goal: Days for Complaint/ Investigation Closure
Customer Service Representative (CSR)	Intake Mediation Centers (IMC)	55 to 60	30 cases either closed or transferred (to the IC). Goal is to have 70% of these cases closed and 30% transferred to the IC.	Close licensee complaints that do not require further investigation within 60 days through mediation and negotiation.
Special Investigator (SI)	Investigative Centers (IC)	35-45	10	Not to exceed 270 days.
Sworn Investigators	Special Investigation Unit (SIU)	20-40	7	Not to exceed 270 days.

Establishing Revised Case Handling Goals

To establish the monthly goals, we first analyzed the total number of incoming cases assigned to a given classification. Next, we determined the number of available Personnel Years (PY) by considering the number of positions and incorporating the classification vacancy rate. We then divided the total assigned cases by PY to calculate the total number of cases that would need to be processed per staff member per year. This figure was further divided by 12 to determine the monthly number of cases that would need to be processed per staff member, which served as the basis for setting the monthly complaint handling goal.

As a reference point, the tables provide historical average numbers of cases closed per month for each classification. These averages are weighted to account for staff paid time off and sick leave. The column labeled FY 23/24 (extrapolated) estimated the year-end total by multiplying the data from July through October by 4. The cases represented in the below tables include newly assigned complaints, reopens, spin-offs, and transferred-ins.

Special Investigator Case Handling Goal

Table 5: Special Investigator Case Handling Goal Calculations

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24 (Jul-Oct)	FY 23/24 (extrapolated)	Recommended Monthly Goal	Current Goal
Special Investigators (IC)										
<i>Positions and Case Counts</i>										
Total # of cases assigned to SIs in the Investigative Centers	6730	6763	6102	6090	6545	6806	2271	6813		
Average closed per SI per month	10.67	10.11	9.46	8.10	8.89	8.96	8.91	8.91		
# of budgeted SI positions in the Investigative Centers	65.0	67.0	71.0	71.0	70.0	70.0	70.0	70.0		
# of vacant SI positions in the Investigation Centers (<i>fiscal year-end June</i>)	9.0	9.0	10.0	12.0	9.0	8.0	8.0	8.0		
SI vacancy %	14%	13%	14%	17%	13%	11%	11%	11%		
<i>Proposed Goal Calculations</i>										
Available PY	56.0	58.0	61.0	59.0	61.0	62.0	62.0	62.0		

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	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24 (Jul-Oct)	FY 23/24 (extrapolated)	Recommended Monthly Goal	Current Goal
Cases needing to be closed per year per SI	120.18	116.60	100.03	103.22	107.30	109.77	36.63	109.89		
Cases needing to be closed per month per SI (e.g. monthly closure goal)	10	10	8	9	9	9	3	9	10	10

Based on the data above, we recommend keeping the monthly closure goal at 10. Even though in recent years, the number of cases requiring closure per month per investigator has decreased to 8 or 9, we recommend setting the goal slightly higher to ensure that all cases can be processed in a timely fashion. Additionally, there is a backlog of pending cases that need to be processed (see table 2 – Cases Pending at Fiscal Year-end (June 30th) by Office), further supporting the decision to keep the goal at 10.

Sworn Investigator Case Handling Goal

Table 6: Sworn Investigator Case Handling Goal Calculations

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24 (Jul-Oct)	FY 23/24 (extrapolated)	Recommended Monthly Goal	Current Goal
Sworn Investigators (SIU)										
<i>Positions and Case Counts</i>										
Total # of cases assigned to Investigators in SIU	669	719	490	486	448	405	103	309		
Average closed per Investigator per month	8.58	7.25	5.75	5.93	5.94	8.22	6.84	6.84		
# of budgeted Investigator positions in the SIU	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0		
# of vacant Investigator positions in the SIU (fiscal year-end June)	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0		
Investigator vacancy %	13%	13%	13%	13%	13%	14%	29%	29%		
<i>Proposed Goal Calculations</i>										
Available PY	7.0	7.0	7.0	7.0	7.0	6.0	5.0	5.0		
Cases needing to be closed per year per Investigator	95.57	102.71	70.00	69.43	64.00	67.50	20.60	61.80		
Cases needing to be closed per month per Investigator (e.g. monthly closure goal)	8	9	6	6	5	6	2	5	7	7

The cases needing to be closed per month per employee varied from 6 to 9 between FY 17/18 and FY 22/23. We recommend maintaining the monthly closure goal at 7. See the “Enforcement Division Background” section for reasons why cases assigned to the SIU typically require more time to process compared to cases assigned to the IC.

Customer Service Representative Case Handling Goal

Table 6: Customer Service Representative Case Handling Goal Calculations

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24 (Jul-Oct)	FY 23/24 (extrap.)	Recommended Monthly Goal	Current Goal
Customer Service Representatives (IMC)										
<i>Positions and Case Counts</i>										
Total # of cases assigned to CSRs	11610	11420	10078	9435	10579	12933	4710	14130		
Average closed per CSR per month	20.51	19.27	17.26	17.54	16.93	20.31	20.87	20.87		
# of budgeted CSR positions in the IMC	30.0	30.0	29.0	29.0	30.5	29.0	30.0	30.0		
# of vacant CSR positions in the IMC (<i>fiscal year-end June</i>)	1.0	4.0	5.0	5.0	4.5	4.0	2.0	2.0		
CSR vacancy %	3%	13%	17%	17%	15%	14%	7%	7%		
<i>Proposed Goal Calculations</i>										
Available PY	29.0	26.0	24.0	24.0	26.0	25.0	28.0	28.0		
Cases needing to be closed per year per CSR	400.3	439.2	419.9	393.1	406.9	517.3	168.2	504.6		
Cases needing to be closed or transferred per month per CSR	33	37	35	33	34	43	14	42	30 (20 closed and 10 transferred) if creating a new Desk Inv Unit. Otherwise, 42 closed or transferred would be recommended	30 (20 closed and 10 transferred)

Note that the CSR average closed row only contains closed cases, not cases that have been transferred to the IC.

The largest yearly change observed in the number of cases needing to be closed or transferred per month per CSR in the table is between FY 21/22 and FY 22/23, increasing from 34 to 43. Extrapolating for FY 23/24, the projected number is 42, suggesting a continued need to process an increasing volume of cases. This appears problematic because raising the IMC monthly closure/transfer goal to 42 could incentivize IMC staff to transfer more cases to the IC; theoretically, creating an increase in workload in the IC units and a need to raise the IC closure goal just to keep up. Therefore, to alleviate this problem, we recommend the creation of a new Desk Investigation Unit that would sit between the IMC and IC Units and handle less complex cases (see Issues and Recommendations section of the report).

Other Considerations

We recommend reevaluating these goals after implementing the recommendations contained in the Issues and Recommendations section and achieving efficiencies. Improved efficiencies in the investigation/complaint handling process could lead to an increase in the number of cases closed per staff member, potentially necessitating a revision of goals. It is important to note that these estimates are based on historical data and may not account for potential future changes in case volume.

Issues and Recommendations

Based on the information gained from the interviews and focus groups with staff, supervisors, and managers, we identified the following issues and recommendations. We note that the issues identified below were based on the broad consensus across the organization. In particular work units, some of the identified issues were more prevalent than in other work units.

Issues

1. **CSR Recruitment Challenges:** The CSR classification in use in the IMC is not a commonly sought after classification for those looking for employment in the State of California. Therefore, less job seekers are likely to search and find job openings for CSR positions at CSLB which can make recruiting for these positions more difficult. This issue has already been resolved with the reclassification of CSR staff into SSA (Staff Service Analyst) positions in January 2024.
2. **Customer Communication:** There were issues with either staff not setting proper expectations with complainants/contractors or inefficient communication protocols.
 - a. How to file a complaint and what is considered a complaint is not always clear to complainants.
 - b. Complainants will sometimes make follow up calls to the CSRs regarding the status of their case since there is no way to view the status of their case online.
 - c. If the complaint is escalated to the IC, the complainant may not hear from CSLB for 4 or 5 months in some cases Complainants are not always aware of the process when a case gets transferred from the IMC to the IC and appropriate expectations are not always set by the CSRs.
 - d. Consumers are not always fully aware that CSLB will not perform cost recovery (e.g. seeking the contractor to provide financial compensation for damages to the complainant
 - e. Respondents (e.g. the contractors) are not told what the nature of the complaint is, which will cause them to call CSLB to find out, thus taking away time from CSLB staff that could be better spent working cases
3. **Internal Communication:** Issues related to inefficiencies with how different divisions communicate with each other and how information is disseminated throughout CSLB as a whole.
 - a. Policy changes are issued by memo or email and are hard to keep track of and are not communicated to everyone effectively and it is unclear who is impacted by a given change. Currently there is a shared drive with memos and policies, but it is not user friendly and is difficult to use.
 - b. The Program Technicians in the IMC will sometimes assign the complaint to a CSR without all the required documentation.
4. **IT Inefficiencies:** There were various issues that are tied primarily to a lack of an adequate online case management system:

- a. The absence of an online platform for uploading supporting documents means complainants must mail them in, causing inconveniences and delays.
 - b. Since complainants don't have access to an online system there is no way for them to know where their complaint is in the process, which causes them to call for updates.
 - c. Reports can be submitted electronically, but the file may include some paper elements (e.g., exhibits) which need to be scanned into the system.
 - d. The paper-based process has resulted in files being lost.
 - e. The lack of an online case management system prevents management from being able to have real time insight into the status of cases assigned to their SIs which hinders their ability to proactively manage aged cases.
5. **Remote Work:** Issues associated with the remote working environment in the IC as it relates to the difficulty for training and development to occur and how the current technology in place is not adequate to support a remote working environment.
- a. The remote work environment in the IC leads to diminished communication amongst SIs and SIs with their managers which hampers training and development, problem solving and the ability of management to provide oversight. There are not as many easy opportunities to provide training remotely. This in turn can lead to SIs developing bad habits which can be difficult to reverse. Some in management believe that telework is one of the primary causes of aged cases. Generally speaking, SIs tended to like the telework agreement whereas their supervisors did not.
 - b. Current technology does not support a telework environment in the IC in that there are too many activities that can only be done in the office such as printing files, and referencing certain materials, logbooks, procedure manuals, etc. Communication methods and resources are available online, but the material is hard to understand for new staff. Many staff also prefer to do their field work on their in-office days and therefore actually spend even less time in the office, therefore not in compliance with the need to be in the office two-days per week to obtain guidance and support from their supervisor
 - c. However, it is interesting to note that in the Intake and Mediation Centers (IMC) the feedback from both line level staff and supervisors was that telework was proving successful.
6. **Training:** There was consensus that training, and development was lacking across enforcement. Below is some of the specific feedback gathered across the IMC, SIU and IC.
- a. *IMC* - The new hire training/onboarding program is about three months. But it still takes about three additional months to get someone up to speed. Higher turnover in recent years means more training has been needed for staff.
 - b. *SIU* - There is not a standardized training or onboarding program. There is also not a standardize way in which information about new laws and the impact they have on CSLB work processes is transmitted to staff.
 - c. *IC* - In general, training is very minimal for SIs and some staff reported that they received very little guidance from their supervisor. This is sometimes in part to the lack of knowledge and experience of some supervisors and the time they have to devote to

staff. The SI's lack of knowledge can lead to investigating cases inefficiently, which in turn leads to aged cases. Training new staff is time intensive, so experienced staff are reluctant to take the time to provide training to new staff and junior staff are reticent to train new staff because they have not been CSLB long enough to become competent enough to train.

7. **Workload Levels and Case Closure Goals:** Overall, staff felt that the case closure goals were too difficult to meet, had high caseloads, and there was sometimes an imbalance in how cases were assigned and distributed.
 - a. *IMC* - High caseloads do not allow time for screening cases, keeping track of everything and giving cases the full attention needed. One driver of the higher caseloads recently is the booming solar industry (politic pressure, positive media, financial incentives, profitable, high-velocity sales in upwards of \$500M in annual revenue for big companies). These solar companies are focused on sales, subcontract the work out, and are trying to do a high volume of work, all which can lead to increased complaints.
 - b. *IC* – Staff expressed that caseloads were too high and had difficulty meeting the 10 per month goal. Additionally, some cases the IC receives from the IMC are already 60-90 days old which makes it more difficult to close within the 270-day aged case goal.
 - c. *SIU* - Ideally, caseloads should be in around 20, but they have been around 30 to 40 at times. Once a sworn investigator gets assigned a compliant from a given company, they will receive all other complaints from that same company - this could potentially make caseloads go as higher.
 - d. A variety of factors are leading to increases in case processing time including an increase in the amount of evidence (e.g. of phone calls, emails, text messages, variety of payment methods and other requirements resulting from technology improvements). Additionally, the cost of projects is increasing which leads to increased documentation. Also, contractors are wanting to appeal cases more often than they did previously which can lead to hearings which require more time.

Recommendations

1. **Create a Desk Investigations Unit:** We recommend creating a new Desk Investigations Unit that would sit between the IMC and IC units to design CSLB exactly the same as other DCA Boards/Bureaus. This unit would be assigned less complex cases that do not require a site visit (e.g. public works, permit and technical business violations, etc.) at a lower classification level than the Special Investigator, perhaps the Associate Government Programs Analyst (AGPA) level, along with a unit supervisor. We would recommend that CSLB work with CalHR and/or their Personnel Officer to determine the appropriate classification level. Initially, it would be staffed using internal vacant positions with at least 1 supervisor and a number of staff at the classification level lower than the Special Investigator – the exact number to be determined by CSLB.
 - a. We propose that the “Recommended Monthly Goal” for staff in the Desk Investigations Unit be higher than the goal of 10 for the SIs in the IC, but lower than the current goal of 30 for the CSRs in the IMC. We recommend that CSLB conduct further analysis to

determine the exact recommended monthly goal. We note that the CSRs in the IMC were reclassified into SSA (Staff Service Analyst) positions in January 2024.

- b. If the goal for staff in the Desk Investigations Unit was between 10 and 30, this would allow CSLB to eliminate the need to increase the CSR goal from 30 to 42 (as recommended in the prior Complaint Handling Goals report section). The CSR goal could remain at the current goal of 30.
 - c. If the AGPA classification was used, it would also address and encourage upward mobility from the IMC Unit (CSR/SSA classification) to the Desk Investigations Unit.
 - d. As staffing levels increase in the Desk Investigations Unit over time to the point where all of the less complex cases are handled by staff in that unit, SIs will be able to focus their time on a smaller number of case types, thus decreasing the amount of knowledge necessary to perform their work and increasing their experience and expertise working particular case types.
 - e. CSLB would use existing vacant positions (i.e., CSR/SSA/PT classifications) to fill the new Desk Investigation Unit positions and not existing vacant SI positions.
 - f. Once changes have been implemented and if there is still a need to increase staffing levels, then additional positions should be obtained through the Budget Change Proposal (BCP) process.
2. **Provide Internal Enforcement Process Trainings:** We recommend developing and providing standardized onboarding and ongoing training across the enforcement organization. Some specific components are as follows:
- a. Create training for supervisors in the IC to assist with proactively in addressing SI cases to prevent them preventing them from becoming aged.
 - b. Develop clear criteria for SIs that describes in what circumstances which enforcement action is most appropriate, then apply these criteria consistently.
 - c. Training for SIs and CSRs about what CSLB can specifically assist them with and how to communicate that with homeowners. Ensure that communication to customers is consistent, especially regarding expectations when a complaint is transferred from the IC to the IMC.
 - d. Training for the Program Technicians to ensure that they assign complaints only with completed documentation to the CSRs.
3. **Update Enforcement Procedure Manuals:** To compliment the training mentioned above, we recommend the following:
- a. Create training manuals that address the items described in the “Internal Enforcement Process Trainings” above.
 - b. As policies and procedures change, the policy and procedure manuals should be regularly updated and communicated in a consistent manner.
4. **Implement IT Improvements:** We recommend the following as it relates to enhancing the capabilities of an online case management system:
- a. CSLB has already been in the development phase of implementing SharePoint at the IMC level. Discussions are underway to add additional capabilities and rollout to additional units.
 - b. We recommend that CSLB continue to pursue the following electronic process capabilities to make the enforcement process more efficient, such as:

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- i. Capability for supervisors to monitor how their staff's cases are progressing at key points in the investigation/complaint process, which the current system does not allow for.
- ii. Capability to handle electronic documents and allow for uploading of complainant information.
- iii. Capability to allow complainants to see the status of their complaint.

Implementation Plan

This section describes how we would recommend approaching implementing the recommendations.

Overall Implementation Plan Strategy

There are minimal dependencies across the recommendations, so to the extent that CSLB is able, all recommendations should be implemented as soon as possible.

We estimate that the remote work issues experienced in the Investigative Centers would be reduced if the following recommendations referenced above are implemented: 2) Provide Internal Enforcement Process Trainings, 3) Update Enforcement Procedure Manuals and 4) Implement IT Improvements. In the Intake and Mediation Center the feedback from both line level staff and supervisors was that telework was proving successful.

The recommendations are designed to result in efficiency gains which should allow staff to process more complaints/investigations in a shorter amount of time and alleviate workload pressure. Once the benefits of these efficiency gains are realized, CSLB should have a better idea regarding the level of additional staffing is needed. We do estimate that overall workload levels will continue to increase for the foreseeable future due to the increasing number of complaints being received (particularly solar complaints) and the increase in the amount of evidence needing to be reviewed for each case (e.g. of phone calls, emails, text messages, variety of payment methods and other requirements resulting from technology improvements). Both of these factors are likely to necessitate the need for increased staffing levels in the future through the Budget Change Proposal (BCP) process.

Phased Implementation Approach

We offer the following guidance around how to best structure and implement the four recommendations:

- **Phase 1: Begin discussions with each unit** - Begin socializing the issues and recommendations and implementation plan with the IMC, IC and SIU. Indicate that CSLB is looking to identify project team members for each recommendation category.
- **Phase 2: Identify project team members and create project charters** – We recommend that project teams be created to provide a comprehensive and disciplined approach to implementing the recommendations. We recommend that one team be created for each recommendation area and solidify who will be on each team.
 - The teams for each recommendation category should also contain a project charter to include the following:
 - Purpose
 - Goals
 - Timeframes
 - Roles and Responsibilities
 - Key Stakeholders

- **Phase 3: Decide on the project plan** - The project plan should contain detailed steps for each recommendation including who is doing what by when.
- **Phase 4: Perform and complete the work** – Work can begin once the project team is in place and project charters and plans are completed. We recommend that a regular meeting cadence and project reporting is established for each project team. We offer the following specific suggestions:
 - Agree on a cadence for each team to meet to report out progress (e.g., monthly until project completion).
 - Create an online shared repository (e.g., SharePoint) site where project team leads are required to post current project status on an agreed upon cadence (e.g., monthly until project completion).
 - Schedule these team meetings in advance to help hold groups accountable. Provide the meeting calendar at the project kick-off to help ensure meetings will occur.
 - Agree on a standing meeting agenda.
 - Rotate the roles of facilitator and note taker amongst team members for each meeting. Each team member must agree to show up at all meetings, be prepared and have completed assigned tasks.

Project Team Composition

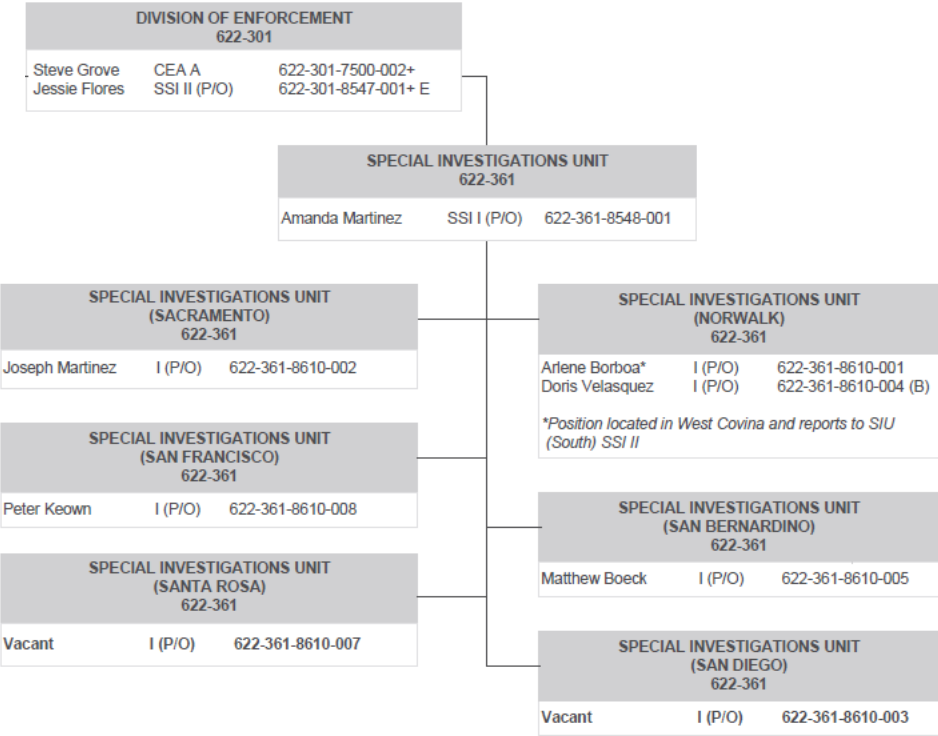
We would recommend that most project teams consist of at least 4 to 6 team members containing the following roles. Depending on the amount of input needed from different departments, this number could be larger.

Role	Description	Duties
Executive Sponsor	The executive sponsor is the driver and in-house champion of the project. They are typically members of senior management – those with a stake in the project’s outcome. Project sponsors work closely with the team lead. They legitimize the project’s objectives and participate in high-level project planning. In addition, they often help resolve conflicts and remove obstacles that occur throughout the project, and they sign off on approvals needed to advance each phase.	<ul style="list-style-type: none"> • Carry ultimate responsibility for the project • Approve all changes to the project scope • Approve project deliverables • Ensure availability of resources • Communicate the project’s goals throughout the organization
Team Lead	The team lead plays a primary role in the project and is responsible for its successful completion. The team lead’s job is to ensure that the project proceeds within the specified time frame and under the established budget, while achieving its objectives.	<ul style="list-style-type: none"> • Develop a project plan • Manage deliverables according to the plan • Lead and manage the project team • Determine the methodology used on the project • Establish a project schedule and determine each phase • Assign tasks to project team members • Provide regular updates to upper management
Subject Matter Expert	The subject matter expert (SME) provides the knowledge and expertise in a specific subject, business area, or technical area for a project. This individual can be involved formally on the project team, or simply consulted on an as needed basis.	<ul style="list-style-type: none"> • Guide other team members on the project to ensure the content is accurate • Resolve issues relevant to project deliverable(s) within their area of expertise • Assists with clarification of project objectives
Team Member	Project team members are the individuals who actively work on one or more phases of the project.	<ul style="list-style-type: none"> • Contribute to overall project objectives • Complete individual deliverables • Document the process

Appendix A: Organizational Charts

Special Investigations Unit

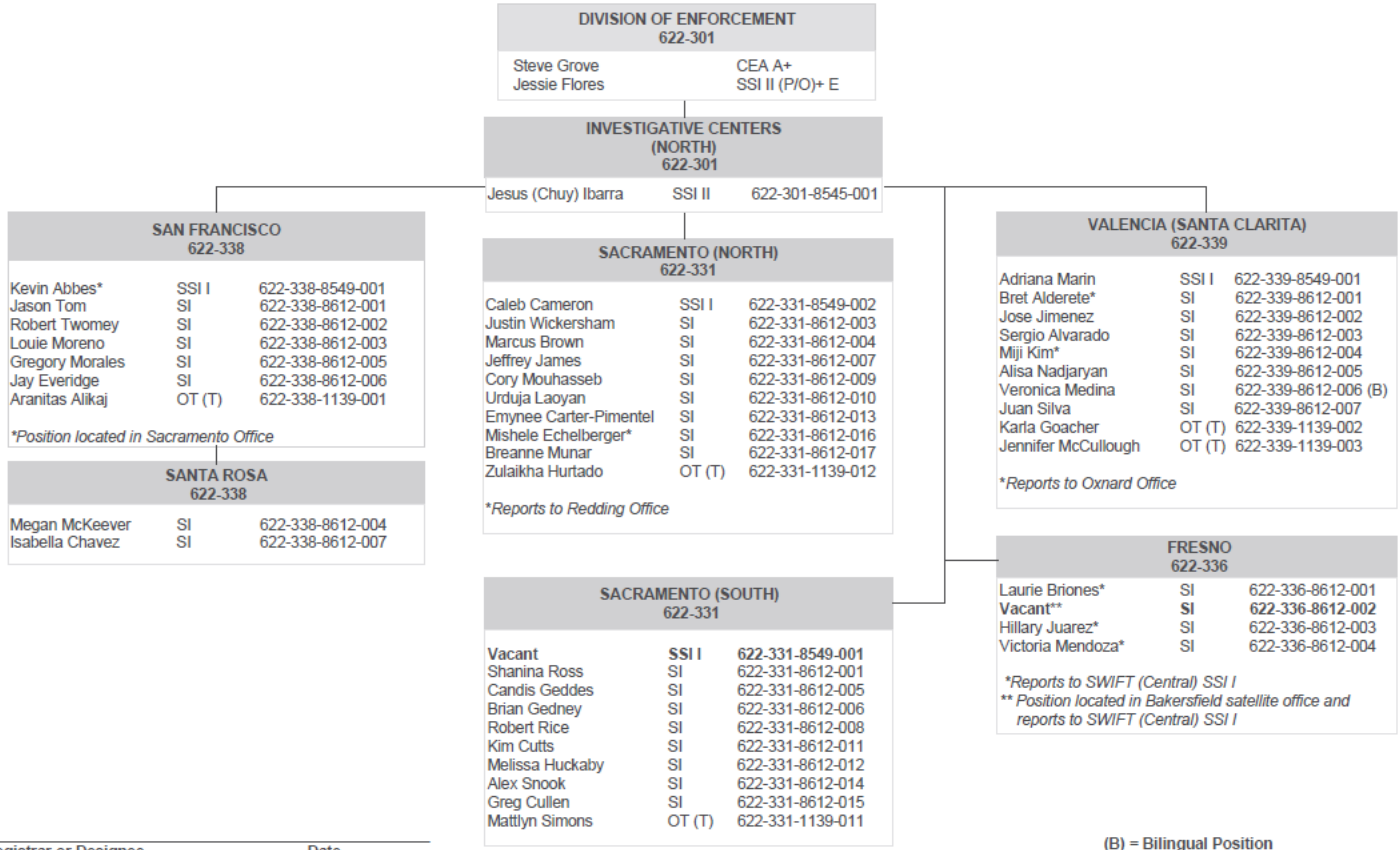
Effective September 5, 2023.



(B) = Bilingual Position
+ = CORI Position
E = Exceptional Allocation
P/O = Peace Officer

Investigative Centers – North

Effective September 5, 2023.

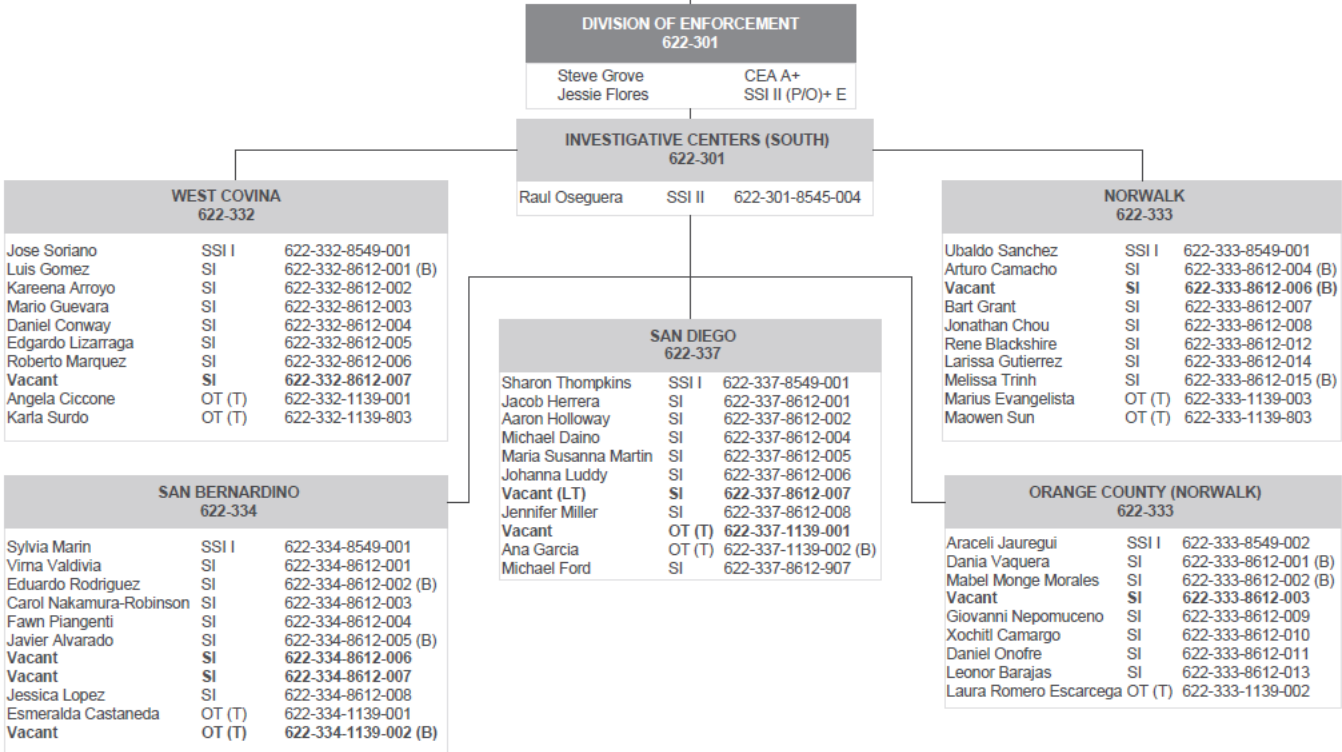


Registrar or Designee	Date
Classification and Recruitment Analyst	Date

(B) = Bilingual Position
+ = CORI Position
E = Exceptional Allocation
P/O = Peace Officer

Investigative Centers – South

Effective September 5, 2023.



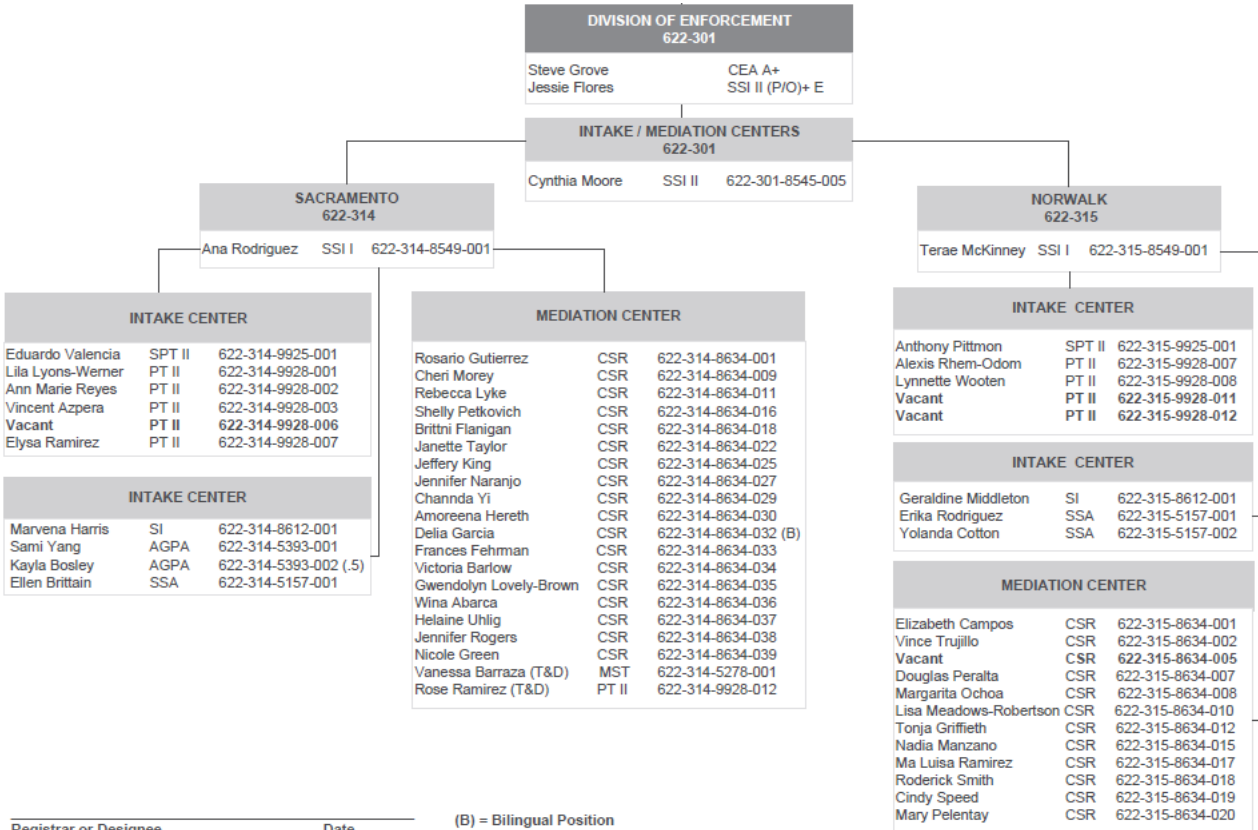
Registrar or Designee	Date

Classification and Recruitment Analyst	Date

(B) = Bilingual Position
+ = CORI Position
E = Exceptional Allocation
LT = Limited Term
P/O = Peace Officer

Intake and Mediation Centers

Effective September 5, 2023.



Registrar or Designee	Date
Classification and Recruitment Analyst	Date

(B) = Bilingual Position
 + = CORI Position
 E = Exceptional Allocation
 P/O = Peace Officer
 T&D = Training and Development Assignment

Appendix B: Interview/Focus Group Questions

Supervisor/Manager Questions

Thank you for agreeing to participate in this process improvement study for the Intake Mediation and Investigative Centers. We appreciate your time and are providing some details about the focus of our conversation for your review before the call. This is just a framework to guide the conversation and give you a chance to collect your thoughts.

The purpose of this study is to develop a better understanding of how these processes work, identify any opportunities for improvement, and establish some baseline recommendations about what volume of complaints and investigations can reasonably be addressed per month. To that end, we are looking for your insight into the following questions:

Primary Questions

1. **What's working?:** What is working well in terms of being able to meet the complaints/investigations monthly completion goals?
2. **What's not working?** What is not working well in terms of being able to meet complaints/investigations monthly completion goals?
What do you think are some of the root causes?
3. **What's needed?** What do you think would be needed to resolve what is not working well?

We have also identified the following areas of consideration that may be relevant for answering the three questions above and may deserve some discussion.

- **Training/onboarding/newer staff:** Staff with less experience may not be as efficient at processing complaints/investigations. Onboarding during Covid may have made it more difficult to ramp up.
- **Remote work:** Since Covid, staff have been allowed to work remotely, but portions of the complaint/investigation process are still paper based resulting in delays (e.g. some forms require wet ink signatures, which can only be done in person, but staff are not in the office every day to sign)
- **Are there changes that have occurred to the way work is performed prior to Covid to present?**

Other Specific Questions

- **Could you describe how complaints/investigations are assigned?** Who is assigning the complaints/investigations and how? It seems like there is some assessment of level of complexity done before assigning the case. How is this level of complexity assessed? Is current case load of individuals is taken into consideration? How many of your staff have the production goal requirement waived?

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- **Production Goals:** Do you agree with the current production goals of 30 complaints closed or transferred per month for the CSRs and PTs and 10 investigations closed per month for the SIs? If not, what is the basis for your disagreement?
- **Changes in staff motivation:** When less complaints were coming in during Covid, did staff become somewhat complacent processing less complaints/investigations and that mindset has carried over as complaints have increased in the last few years?

Individual Contributor Questions

Thank you for agreeing to participate in this process improvement study for the Intake Mediation and Investigative Centers. We appreciate your time and are providing some details about the focus of our conversation for your review before the call. This is just a framework to guide the conversation and give you a chance to collect your thoughts.

The purpose of this study is to develop a better understanding of how the complaints and investigations processes work, identify any opportunities for improvement, and establish recommendations about what the complaint/investigation handling objectives should be. To that end, we are looking for your insight into the following questions:

Primary Questions

1. **What's working?** What is working well in terms of being able handle complaints and investigations in an effective and timely fashion?
2. **What's not working?** What is not working well in terms of being able handle complaints and investigations in an effective and timely fashion? What do you think are some of the root causes?
3. **What's needed?** What do you think would be needed to resolve what is not working well?

Complaint/Investigation Handling Questions

Complaint/Investigation Handling Goals: Below are the current complaint/investigation handling goals. Can you tell me about your experience with these goals?

Classification	Enforcement Division	Goal: Assigned Caseload	Goal: # of Complaints/ Investigations Closed per Staff Member per month	Avg Complaints/ Investigations Closed or Transferred per Staff Member per month for FY 22/23	Goal: Days for Complaint/ Investigation Closure	Avg Days for Complaint/ Investigation Closure for FY 22/23
Customer Service Representative (CSR) & Program Technician (PT) (~50 total staff)	Intake Mediation Centers (IMC)	55 to 60 (but many currently have around 70-80)	30 cases either closed or transferred (to the IC). Goal is to have 70% of these cases closed and 30% transferred to the IC.	29.45	Close licensee complaints that do not require further investigation within 60 days through mediation and negotiation.	43
Special Investigator (SI) (~100 total staff)	Investigative Centers (IC)	35-45	10	8.96	Not to exceed 270 days	152

Special Investigations Unit Questions

Thank you for agreeing to participate in this process improvement study for the Intake Mediation and Investigative Centers and SIU. We appreciate your time and are providing some details about the focus of our conversation for your review before the call. This is just a framework to guide the conversation and give you a chance to collect your thoughts.

The purpose of this study is to develop a better understanding of how the complaints and investigations processes work, identify any opportunities for improvement, and establish recommendations about what the complaint/investigation handling objectives should be. To that end, we are looking for your insight into the following questions:

Primary Questions

4. **What's working?** What is working well in terms of being able handle investigations in an effective and timely fashion?
5. **What's not working?** What is not working well in terms of being able handle investigations in an effective and timely fashion? What do you think are some of the root causes?
6. **What's needed?** What do you think would be needed to resolve what is not working well?

Other Specific Questions

1. How are the investigations handled by the SIU more complex and therefore take longer to process compared to the Investigative Centers?
2. What has your experience been with the current SIU production goals?

Appendix C: About CPS HR Consulting

Report Contributors	
Chris Atkinson, MS	Project Manager
Greg Hammond, PhD.	Project Consultant
Ivory Tran	Project Consultant

CPS HR is an innovative, client-centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. As a self-supporting public agency, we understand the needs of public sector clients and have served as a trusted advisor to our clients for more than 35 years. The distinctive mission of CPS HR is to transform human resource management in the public sector.

CPS HR offers clients a comprehensive range of competitively priced services, all of which can be customized to meet your organization's specific needs. We are committed to supporting and developing strategic organizational leadership and human resource management in the public sector. We offer expertise in the areas of classification and compensation, organizational strategy, recruitment and selection, and training and development.

CPS HR occupies a unique position among its competitors in the field of government consulting; as a Joint Powers Authority (JPA), whose charter mandates that we serve only public sector clients, we actively serve all government sectors including Federal, State, Local, Special Districts and Non-Profit Organizations. This singular position provides CPS HR with a systemic and extensive understanding of how each government sector is inter-connected to each other and to their communities. That understanding, combined with our knowledge of public and private sector best practices, translates into meaningful and practical solutions for our clients' operational and business needs.

With more than 80 full-time employees as well as 200+ project consultants and technical experts nationwide, CPS HR delivers breakthrough solutions that transform public sector organizations to positively impact the communities they serve.