

Sunset Public Hearing Questions for  
**Board for Licensing Alarm Systems Contractors**

Sunset Public Hearing Questions for  
**BOARD FOR LICENSING ALARM SYSTEMS CONTRACTORS**

Created by Section 62-32-306, *Tennessee Code Annotated*  
(Sunset Termination June 2016)

1. Provide a brief introduction to the Board for Licensing Alarm Systems Contractors, including information about its purpose, statutory duties, staff and administrative attachment.

*The Tennessee Alarm System Contractors Board provides uniform procedures and qualifications throughout Tennessee for the certifying, licensing and regulation of alarm systems contractors and to protect the safety and security of person and property by assuring the competence of individuals or companies offering alarm systems and services to the general public. The Board conducts investigations and compliance inspections regarding alleged violations in order to determine if certified companies, licensees and registrants are complying with statutes, rules and regulations, and to document unlicensed activity. The Board may deny, suspend or revoke any certification, license or registration issued to any applicant or licensee who fails to satisfy the requirement of this Act or rules.*

*Administrative Staff:*

*One (1) Executive Director*

*One (1) Administrative Assistant RB3*

*One (1) Administrative Assistant RB2 (Complaint Coordinator)*

*Three (3) Licensing Technicians*

*Administrative Attachment:*

*The Tennessee Alarm Systems Contractors Board is administratively attached to the Division of Regulatory Boards in the Department of Commerce & Insurance.*

2. Provide a list of board members and describe how membership complies with Section 62-32-306 and 62-32-308, *Tennessee Code Annotated*. Please indicate if there are any vacancies and explain what is being done to fill those vacancies.

*There are currently no vacancies on the Board. A list of current Board members is attached. (See Attachment 1).*

*The board shall be composed of five (5) members, to be appointed by the governor. At least one (1) member shall be a person who is not engaged in the contracting business in any county of this state. The remaining members of the board shall be alarm systems contractors as defined in § 62-32-303, all of whom shall have been actively engaged in the business for a period of no less than four (4) years next preceding their appointment and may be appointed from lists of qualified persons submitted by interested burglar and fire alarm organizations, including, but not limited to, the Tennessee Burglar and Fire Alarm Association. No more than two (2) members of the board shall be residents of the same grand division of the state. In making appointments to the board, the governor shall strive to ensure that at least one (1) person serving on the board is sixty (60)*

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*years of age or older and that at least one (1) person serving on the board is a member of a racial minority.*

*Each member of the board shall be at least twenty-five (25) years of age and of good moral character.*

*Each member shall be of recognized standing in the alarm contracting business; provided, that this subdivision (a)(2) shall not apply to the member who is not engaged in the business of alarm contracting.*

*The terms of members shall be for five-year periods and shall be staggered so that the term of at least one (1) member shall expire each December 31.*

*In the event of death, resignation or failure of a member to serve the member's full term, the member's successor shall be appointed to serve the balance of the unexpired term. Each member shall hold over after the expiration of the member's term until the member's successor has been duly appointed and qualified. If vacancies occur on the board for any cause, the vacancies shall be filled by appointment of the governor within ninety (90) days.*

*No person shall be eligible for appointment on the board who is not a qualifying agent under this part; provided, that this subsection (d) shall not apply to the member who is not engaged in the business of alarm contracting. At least two (2) of the members of the board shall be qualifying agents employed by a certified contractor who has fewer than seven (7) employees.*

*The governor may remove any member of the board for official misconduct, incompetency, willful neglect of duty or demonstrated lack of good moral character by conduct that would disqualify an applicant from being registered under this part.*

3. Has the Governor under the authority granted in Section 62-32-308(e), *Tennessee Code Annotated*, removed any members “for official misconduct, incompetency, willful neglect of duty or demonstrated lack of good moral character by conduct that would disqualify an applicant from being registered . . . “

*One (1) Board member was removed for misconduct in 1999 for violation of T.C.A. 62-32-308...failure to maintain Alarm Qualifying Agent License.*

4. Does the board’s membership include public/citizen members? Female members? Members of racial minorities? Members who are 60 years of age or older?

*Public Members: Yes*  
*Female Members: Yes*  
*Racial Minorities: Not at this time*  
*Members Age 60+: Yes*

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5. How many times did the board meet in fiscal years 2013 and 2014 and to date in fiscal year 2015? How many members were present at each meeting?

*FY 2013      Seven (7) meetings were held.*

Meeting Date	Members Present
July 19, 2012	5
July 20, 2012	4
September 20, 2012	5
November 15, 2012	5
November 16, 2012	4
February 21, 2013	5
May 16, 2013	5

*FY 2014      Eight (8) meetings were held.*

Meeting Date	Members Present
July 18, 2013	4
August 18, 2013	5 Teleconference
August 22, 2013	4
August 23, 2013	3
September 19, 2013	4
November 14, 2013	5
March 27, 2014	4
June 19, 2014	4

*FY 2015      Four (4) meetings have been held.*

Meeting Date	Members Present
September 18, 2014	5
October 16, 2014	3
December 11, 2014	4
March 19, 2015	4

6. What per diem or travel reimbursement do board members receive? How much was paid to board members during fiscal years 2013, 2014 and to date on fiscal year 2015?

*Board members are not paid a per diem, T.C.A. 62-32-310(f), but are entitled to reimbursement for travel expenses under the Tennessee Comprehensive Travel Regulations.*

	FY 2013	FY 2014	FY 2015
In State Travel	\$10,512.55	\$10,505.41	\$6,931.19

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7. What were the board's revenues (by source) and expenditures (by object) for fiscal years 2013 and 2014 and to date for fiscal year 2015? Section 62-32-307(b), *Tennessee Code Annotated*, sets out the specific types of fees the board can charge and further states, "the total amount of fees annually established by the board shall equal the direct and indirect anticipated expenses of the board for the year." Has the board been successful in meeting these mandates?

*Yes. The Board has maintained self sufficiency through fiscal years 2013, 2014 and to date in fiscal year 2015.*

***See Attachment 2***

8. Is the board subject to Sunshine law requirements (per Section 8-44-102 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the board have for informing the public of its meetings and making its minutes available to the public?

*Yes. Digital video recordings are made of Board meetings and posted on the Board website, and minutes are transcribed and kept in board office. Board meetings are scheduled one (1) year in advance and the notice and agenda are posted on the Board website and public notice is given in compliance with the "Sunshine Law".*

9. How does the board ensure that its members are operating in an impartial manner and that there are no conflicts of interest? If the board operates under a formal conflict of interest policy, please attach a copy of that policy.

*When Board members are appointed, they are given an orientation during which conflicts of interest and the need for impartiality are discussed. All Board members are required to sign an annual conflict of interest statement. Additionally, complaints against members of the profession are presented to the board in an anonymous manner so the board members can avoid conflicts during the disciplinary hearing process.*

***See Attachment 3***

10. Has the board promulgated rules and regulations as authorized in Section 62-32-307(a) and (g), *Tennessee Code Annotated*? If yes, please cite the reference.

*Original rules became effective February 28, 1993. Amendments were made in 1994, 1996, 1998, 2004 and 2009. Reference Chapter 0090-1 through Chapter 0090-5.*

11. Does the board have a website? Is so, please provide the web address. What kind of public information is provided on the website?

*Yes. The Board website contains staff contact information, license requirements and applications, fees, fingerprinting instructions, access to laws and rules, meeting calendars and agendas, disciplinary reports, complaint form and*

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*instructions, instructions on how to access public information for downloadable reports and license verification, information regarding excluded contractors, and frequently asked questions. <http://www.tn.gov/regboards/asc/index.shtml>*

*\*Note: there will be a new web address after June 5, 2015.*

<https://tn.gov/commerce/section/alarm-systems-contractors>

12. What were the board’s major accomplishments during fiscal years 2013, 2014 and to date in fiscal year 2015?

*The number of board meetings has been reduced due to the more efficient manner in which complaints have been processed. The backlog of criminal histories have been handled more efficiently since the Alarm Board gave permission to the board staff to approve criminal histories that are more than 10 years old at their September 18, 2014 board meeting.*

13. What actions has the board taken to accomplish the requirements set out in Section 62-32-307 (c), *Tennessee Code Annotated*, to “determine minimum qualifications or establish minimum education, experience and training standards for applicants for certifications and licenses . . .”?

*The Board has promulgated rules for employee applicants relative to standard criminal background checks, transfer and termination notice requirements. Criteria has been established for qualifying education, continuing education and alarm employee training. Licensees and applicants can access this information on the Board website.*

14. How many applications for licensing, certification or registration did the board receive during fiscal years 2013 and 2014 and to date in fiscal year 2015? Of those, how many licenses, certifications or registrations were granted? How many were denied and what were the primary reasons for denial? How many licenses, certifications or registrations were suspended or revoked during the same period?

<b>Alarm Employee Registration</b>	FY 2013	FY 2014	FY 2015 (04/30/2015)	Totals
Applications Received	2,295	2,613	1,778	6,686
Registrations Granted	1,792	2,180	1,510	5,482
Applications Denied Material Misstatement	125	128	181	434
Applications Denied Criminal History	19	10	14	43
Registrations Suspended	0	0	0	0
Registrations				

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Revoked	0	0	0	0
Applications Closed/Withdrawn	359	295	73	727

<b>Alarm Qualifying Agent License</b>	FY 2013	FY 2014	FY 2015 (04/30/2015)	Totals
Applications Received	71	84	36	191
Licenses Granted	54	64	25	143
Applications Denied Material Misstatement	5	5	3	13
Applications Denied Criminal History	0	0	0	0
Licenses Suspended (CS)	0	3		3
Licenses Revoked	0	0	0	0
Applications Closed/Withdrawn	12	15	3	30

<b>Alarm Company Certification</b>	FY 2013	FY 2014	FY 2015 (04/30/2015)	Totals
Applications Received	77	73	36	186
Certifications Granted	66	61	31	158
Applications Denied Material Misstatement	0	0	0	
Applications Denied Criminal History	0	0	0	0
Certifications Suspended	0	0	0	0
Certifications Revoked	0	0	0	0
Applications Closed/Withdrawn	11	12	2	25

15. Section 62-32-307(e), *Tennessee Code Annotated*, requires the board to “conduct investigations regarding the alleged violations and make evaluations as may be necessary to determine if certified companies, licensees and registrants . . . are

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complying with the provisions of the part [of the state]. The board may also investigate allegations regarding possible violations of this part [of the statute] by unregistered persons and shall seek enforcement under Section 62-32-320.” Subsection (f) allows the board to “investigate allegations regarding improper, inadequate or ineffective alarm system installations and seek enforcement under Section 62-32-320.” How many investigations were undertaken by the board during fiscal years 2013 and 2014 and to date in fiscal year 2015 and what were the results of those investigations?

*During Fiscal Year 2013 fourteen (14) investigations were undertaken, resulting in civil penalties assessed in the amount of Fifty Nine Thousand, Two Hundred and Ninety Five Dollars (\$59,295.00), three (3) Letters of Warning, and three (3) complaint closures.*

*During Fiscal Year 2014 fourteen (14) investigations were undertaken, resulting in civil penalties assessed in the amount of Thirty Three Thousand, One Hundred Dollars (\$33,100.00), two (2) Letters of Warning, and four (4) complaint closures.*

*During Fiscal Year 2015 three (3) investigations have been undertaken, resulting in civil penalties assessed in the amount of Two Thousand Dollars (\$2,000), with two (2) of these still under investigation.*

16. Section 62-32-320, *Tennessee Code Annotated*, permits the board to pursue “civil remedies at law or equity to restrain or enjoin any unauthorized practice or other violation” of the statutes the board is charged with enforcing and further permits the imposition of civil penalties by the board. How often and to what extent has the board exercised these powers? Please provide at three or four recent examples.

***Alarm Systems Contractors Board – January, 2015 Disciplinary Actions***

*Respondent: The Alarm Company, LLC, Germantown, TN, ASC-1027*  
*Violation: Engaging in the security alarm business under a name other than the certification name.*  
*Action: \$2,000 Civil Penalty*

*Respondent: AV Plus, LLC, Lebanon, TN*  
*Violation: Unlicensed activity.*  
*Action: \$1,000 Civil Penalty*

*Respondent: AMP Security, American Fork, UT, ASC-1645*  
*Violation: Engaging in the security alarm business under a name other than the certification name. Fraudulent or dishonest dealing.*  
*Action: \$5,000 Civil Penalty*

*Respondent: Defender Security Company, Indianapolis, IN, ASC-1520*

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*Violation: Failure to register alarm employees within thirty (30) days from the employment date.*

*Action: \$1,500 Civil Penalty*

*Respondent: Security Central Network, LLC, Lexington, TN, ASC-1687*

*Violation: Unlicensed activity for CCTV & monitoring, and displaying incorrect license number on the company advertisement.*

*Action: \$2,000 Civil Penalty*

*Respondent: Unlimited Security, Inc., Nashville, TN, ASC-606*

*Violation: Participate in a Joint venture with unlicensed company.*

*Action: \$1,000 Civil Penalty*

17. Has the board entered into any reciprocal agreements with other states as authorized by Section 62-32-307(k), *Tennessee Code Annotated*? If so, please provide specifics. Have any such agreements been planned but not yet accomplished?

*T.C.A. 62-32-307(k)...grants the Board the ability to enter into reciprocal agreements with other states whose laws are similar; provided, other state's law provides for liability insurance coverage, background checks, education or experience equal to or greater than Tennessee. To date, no other state has shown interest in such an agreement.*

18. What reports, if any, does the board prepare concerning its activities, operations and accomplishments? Who receives copies of these reports? Please attach copies of any such reports issued in fiscal years 2013 and 2014 and to date in fiscal year 2015.

*All programs prepare a year-end financial report. This includes the revenues and expenditures for the year and is presented to the board by the administration and director annually. Examples of the year-end financials are also attached as mentioned in answer #7.*

*Additionally, the director of the board prepares a monthly report submitted to the Assistant Commissioner with licensure numbers, complaint numbers and other information related to regular board business. An example is attached.*

*A Disciplinary Action Report is prepared monthly, which includes a list of the regulatory actions taken by the board for violations of the laws and rules. This report is combined with all other Regulatory programs within the Division of Regulatory Boards and posted on the website monthly for access by the media and general public.*

19. Please provide a breakdown of current board staff by title, ethnicity and gender.

Title	Ethnicity	Gender
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Executive Director	Caucasian	Female
Administrative Assistant RB 3	Caucasian	Female
Administrative Assistant RB 2	Egyptian	Female
Licensing Tech	Caucasian	Female
Licensing Tech	Caucasian	Male
Licensing Tech	Caucasian	Female

20. Please list all board contracts, detailing each contractor, the services provided, the amount of the contract and the ethnicity of the contractor/business owner.

*Examination Contract with PSI Services, LLC. Contract was awarded through non-competitive negotiation on September 1, 2013, cost \$20,000 for development of four (4) licensing examinations, contract expires August 30, 2016. Ethnicity unknown.*

21. Has the board developed and implemented quantitative performance measures for ensuring it is meeting its goals? (Please answer either yes or no). If the board has developed and implemented quantitative performance measures, answer questions 20 through 27. If the board has not developed quantitative performance measures, proceed directly to question 28.

*Yes, the Board has developed and implemented quantitative performance measures with the assistance of the Division of Regulatory Boards.*

22. What are your key performance measures for ensuring the board is meeting its goals? Describe so that someone unfamiliar with the program can understand what you are trying to measure and why it is important to the operation of your program.

*The Board's key performance measures are:*

- 1) Timely issuance of licenses*
- 2) Efficient resolution of complaints filed against industry members*
- 3) Financial self-sufficiency of the board*

*These goals are important because the program is charged with protecting the interests of consumers while ensuring effective and timely processing of licensure and oversight of Tennessee professionals.*

23. What aspect[s] of the program are you measuring?

*The aspects being measured are timely licensure, efficient complaint processing, and financial self-sufficiency.*

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24. Who collects relevant data and how is this data collected (e.g., what types information systems and/or software programs are used) and how often is the data collected? List the specific resources (e.g., report, other document, database, customer survey) of the raw data used for the performance measure.

*Licensure: The data collected for the licensure metric is pulled monthly from our Licensing System, RBS (Regulatory Board System) and reviewed by the Division's Accounting Manager. This data is used by the Accounting Manager to evaluate average licensure times and form a summary report within Excel.*

*Complaints: The data for the complaint information pulled weekly from RBS and is presented in a case and complaint report, which reports the current status of all complaints open. The Division's Accounting Manager then pulls raw data from RBS and utilizes Access and Excel monthly to calculate the complaint metric.*

*Self-Sufficiency:*

*The program works with the Fiscal Division and Accounting Manager to prepare an Annual Spending Plan. Then monthly the program reviews performance spreadsheets that include forecast and actual amounts, conducts monthly meetings with Assistant Commissioner's staff to review board performance, monitors expenses and revenue and schedules annual financial presentations to the board.*

25. How is the actual performance measure calculated? If a specific mathematical formula is used, provide it. If possible, provide the calculations and supporting documentation detailing your process for arriving at the actual performance measure.

*Complaint performance measure – The board is measured by evaluating whether complaints are resolved or referred to formal hearing within 180 days of their initial processing beginning with the date of receipt of the complaint.*

*Licensing performance measure – The average number of days required to issue a license is taken and compared annually against the previous year's average licensure timeframe.*

*Self-Sufficiency – The program is evaluated by whether the program can financially sustain its operations over (2) years.*

26. Is the reported performance measure result a real number or an estimate? If an estimate, explain why it is necessary to use an estimate. If an estimate, is the performance measure result recalculated, revised, and formally reported once the data for an actual calculation is available?

*It is a real number.*

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27. Who reviews the performance measures and associated data/calculations? Describe any process to verify that the measure and calculations are appropriate and accurate.

*The performance measures and associated data/calculations are reviewed by the Accounting Manager and the Board director. The 180 Day Case and Complaint metric is also reviewed by the program attorneys. The measure is compared to the prior month's measures to assess appropriateness and accuracy. The financial performance measures are reviewed by the Accounting Manager, the Board director, the Board, and the Assistant Commissioner for Regulatory Boards. Additionally, all licensure and complaint calculations are reported to the Office of Customer Focused Government monthly.*

28. Are there written procedures related to collecting the data or calculating and reviewing/verifying the performance measure? Provide copies of any procedures.

*Yes, see attached complaint SOP, which is used to describe the process used to measure the efficiency of the complaint process.*

*Yes, see attached self-sufficiency SOP and Annual Spending Plan, which maintains performance spreadsheet that includes forecast and actual amounts.*

29. Describe any concerns about the board's performance measures and any changes or improvements you think need to be made in the process.

*The current measures related to licensure and complaints will be impacted by the new licensure system that will be put into place this year. This system should create a more efficient process for handling licensure and complaints, but it will take time to make sure the measurements will accurately take into account the changes caused as a result of the implementation of the new licensure system processes.*

30. Provide an explanation of any items related to the board that may require legislative attention, including your proposed legislative changes.

**62-32-312. Employee registration -- Procedure.**

*(a) All alarm systems contractor employees with access to records, diagrams, plans or other sensitive information pertaining to monitored, installed or proposed alarm systems shall be registered with the board.*

*(b) In accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, the board shall promulgate rules to establish an appropriate system of employee classifications and registration.*

*(c) An alarm systems contractor may not employ any employee required to be registered with the board unless the employee is properly registered with the board in compliance with subsection (d) and meets the training requirements of subsection (g).*

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~~(d) All alarm systems contractors, within thirty (30) working days of the beginning of employment of any employee, shall furnish the board with the following:~~

- ~~(1) A set or sets of classifiable fingerprints on standard FBI/TBI applicant cards;~~  
~~(2) A recent color photograph or photographs of acceptable quality for identification; \_\_\_\_\_ and~~  
~~(3) Statements of any criminal records in each area where the employee has resided within the immediately preceding forty eight (48) months.~~

(d) Upon hiring an individual required to be registered, all alarm systems contractors shall furnish the board with the following:

- (1) A completed application for employee registration;
- (2) Two (2) color passport style photographs taken within the last six (6) months;
- (3) Proof of electronic fingerprinting;
- (4) Statements of all criminal records, with final dispositions or judgements, for any criminal charges placed against the applicant in any jurisdiction.
- (5) The required application fee.

(a) Pending issuance or denial of a registration card, the alarm employee applicant may work as an alarm employee while carrying a copy of the completed application.

(b) The application or registration card shall be exhibited upon request of the board, the board's designee, a consumer, or an employer to verify that the alarm employee is working pursuant to the requirements of this chapter.

(e) Upon receipt of an application, the board shall cause an FBI/TBI background investigation to be made, during which the applicant shall be required to show that the applicant meets all the following requirements and qualifications, prerequisite to registration or licensure:

- (1) The applicant is at least eighteen (18) years of age;
- (2) The applicant is of good moral character; and
- (3) Registration of an employee shall be for two (2) years and shall be subject to renewal.

(f) Employee registration pursuant to this section shall be renewed every two (2) years.

(g) All alarm system contractor employees who sell, install or repair alarm systems, including closed circuit television systems, shall take and successfully complete the National Burglar and Fire Alarm Association Level 1 or equivalent training. The board may determine what constitutes equivalent training.

(1) New employees after January 1, 2005, must successfully complete such training within one (1) year of employment.

(2) Employees not in compliance with this subsection (g) shall not sell, install or repair alarm systems, including closed circuit television systems.

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*(h) All alarm system contractors shall provide proof of employee training upon request by the board.*

*(i) Any costs associated with the alarm system training required by this section shall be the responsibility of and paid by the alarm system contractor who employs the person being trained.*

*This will eliminate the thirty (30) working days from the beginning of employment, and allow the applicant to work on a copy of the application for registration. This will also eliminate confusion regarding the background check we access through the TBI and FBI, which reveals all charges, not just in the past four (4) years, and the confusion applicants have over only disclosing charges that occurred in the past forty-eight (48) months. This will reduce the number of applications denied based on a material misstatement, and protect the public by requiring that applications be submitted upon hiring, and not thirty (30) working days after hiring.*

31. Should the board be continued? To what extent and in what ways would the absence of the board affect the public health, safety, or welfare of the citizens of the State of Tennessee?

*Yes. The procedures and qualifications for certification, license and registration were put in place to protect the safety and security of persons and property by assuring the competence of individuals or companies offering alarm systems and services to the general public.*

32. Please list all board programs or activities that receive federal financial assistance and, therefore are required to comply with Title VI of the Civil Rights Act of 1964. Include the amount of federal funding received by program/activity.

*None.*

3351032001 - Alarm Contractors	Work Plan	Expenditures:										Accrual	Requisitions/ Encumbrances	Year-to-Date Total	Percentage Expended to Date
		July Period 1	August Period 2	September Period 3	October Period 4	November Period 5	December Period 6	January Period 7	February Period 8	March Period 9	April Period 10				
Regular Salaries and Wages (70100)	132,300.00	9,203.92	9,203.68	9,259.57	10,890.25	11,365.99	11,068.53	11,059.61	11,059.11	11,059.72	11,059.78			105,230.16	79.54%
Longevity (70102)	5,600.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			3,000.00	53.57%
Overtime (70104)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Employee Benefits (702)	63,200.00	5,472.47	4,792.04	4,801.29	6,387.04	5,872.59	5,823.22	5,820.57	6,153.51	5,820.58	5,078.55			56,021.86	88.64%
Payroll Expenditures	201,100.00	17,676.39	13,995.72	14,060.86	17,277.29	17,238.58	16,891.75	16,880.18	17,212.62	16,880.30	16,138.33	0.00	0.00	164,252.02	81.68%
Travel (703)	16,800.00	0.00	0.00	2,554.87	1,888.86	321.83	2,487.46	0.00	0.00	272.40	1,846.75			9,372.17	55.79%
Printing, Duplicating & Film Proc. (704)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Utilities and Fuel (705)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Communications & Shipping (706)	5,200.00	154.93	159.79	348.64	260.84	150.46	645.55	209.84	230.33	491.12	411.69			3,063.19	58.91%
Maint., Repairs and Svcs by Others (707)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Third Party Prof. & Admin. Svcs (708)	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	397.00	0.00			397.00	10.73%
Supplies and Office Furniture (709)	4,600.00	0.00	40.57	408.00	50.88	0.00	10.37	0.00	0.00	32.27	0.00			542.09	11.78%
Rentals and Insurance (710)	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00%
Motor Vehicle Operation (711)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Awards and Indemnities (712)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Grants and Subsidies (713)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Unclassified Expenses (714)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Inventory (715)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Equipment (716)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Land (717)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Buildings (718)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Lost Discounts (719)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Highway Construction (720)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	#DIV/0!
Training of State Employees (721)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.20	0.00			13.20	#DIV/0!
Computer Related Items (722)	35,900.00	0.00	1,485.96	536.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00			2,022.66	5.63%
State Prof. Svcs. (725)	130,000.00	7,620.00	5,361.19	11,671.74	6,533.38	8,808.65	6,945.25	8,562.31	4,942.02	6,583.24	3,325.48	3,076.00		73,429.26	56.48%
Other Expenditures	199,900.00	7,774.93	7,047.51	15,519.95	8,733.96	9,280.94	10,088.63	8,772.15	5,172.35	7,789.23	5,583.92	3,076.00	0.00	88,839.57	44.44%
<b>TOTAL EXPENDITURES</b>	<b>401,000.00</b>	<b>25,451.32</b>	<b>21,043.23</b>	<b>29,580.81</b>	<b>26,011.25</b>	<b>26,519.52</b>	<b>26,980.38</b>	<b>25,652.33</b>	<b>22,384.97</b>	<b>24,669.53</b>	<b>21,722.25</b>	<b>3,076.00</b>	<b>0.00</b>	<b>253,091.59</b>	<b>63.12%</b>
<b>COSTBACK BUDGET</b>	<b>0.00</b>											<b>99,829.28</b>	<b>w/Costback=</b>	<b>253,091.59</b>	<b>63.12%</b>

**Attachment 1 – Board Member Roster  
Alarm Systems Contractors Board**

**Vivian L. Hixson, Board Chair  
Hixson, TN  
Public Member, East TN,  
Female, Age (45-59)  
Term expires December 31, 2019**

**McKenzie C. Roberts, Vice Chair  
McMinnville, TN  
Engaged in Alarm Contracting,  
Middle TN, Male, Age (60+)  
Term expires December 31, 2015**

**Karen D. Jones, Secretary  
Greeneville, TN  
Engaged in Alarm Contracting,  
East TN, Female, Age (45-59)  
Term expires December 31, 2015**

**William Scott Cockroft  
Memphis, TN  
Engaged in Alarm Contracting,  
West TN, Male, Age (45-59)  
Term expires December 31, 2017**

**John Keith Harvey  
Jackson, TN  
Engaged in Alarm Contracting,  
West TN, Male, Age (45-59)  
Term Expires December 31, 2018**

**There are currently no vacancies.**

**Alarm Systems Contractors Board**  
**Attachment 2 Revenue & Expenditures**  
**Fiscal Years 2013-2015**

REGULATORY BOARDS			
EXPENDITURES			
For Fiscal Years 2010-2013	FY12-13	FY13-14	FY14-15 through March 31, 2015
EXPENDITURES BY OBJECT	ALM CONT	ALM CONT	ALM CONT
Regular Salaries and Wages (70100)	\$ 171,668.92	\$ 136,070.49	\$ 94,170.38
Longevity (70102)	6,000.00	5,500.00	3,000.00
Overtime (70104)	-	-	-
Employee Benefits (702)	85,743.61	70,722.12	50,943.31
Travel (703)	10,962.88	11,643.07	7,525.42
Printing, Duplicating & Film Proc. (704)	-	-	-
Utilities and Fuel (705)	-	-	-
Communications & Shipping (706)	3,053.23	2,922.46	2,651.50
Maint., Repairs and Svcs by Others (707)	-	-	-
Third Party Prof. & Admin. Svcs (708)	1,226.00	20,000.00	397.00
Supplies and Office Furniture (709)	2,760.82	6,179.44	542.09
Rentals and Insurance (710)	1,614.24	-	-
Motor Vehicle Operation (711)	-	-	-
Awards and Indemnities (712)	-	-	-
Grants and Subsidies (713)	-	-	-
Unclassified Expenses (714)	-	-	-
Inventory (715)	-	-	-
Equipment (716)	-	-	-
Land (717)	-	-	-

Buildings (718)	-	-	
Lost Discounts (719)	-	-	-
Highway Construction (720)	-	-	-
Training of State Employees (721)	-	19.80	13.20
Computer Related Items (722)	10,994.72	1,561.65	2,022.66
State Prof. Svcs. (725)	129,976.90	126,214.80	70,103.78
Total Other Expenditures	160,588.79	168,541.22	83,255.65
GRAND TOTAL	424,001.32	380,833.83	231,369.34
Cost Backs:			
Administration	128,958.26	138,652.30	N/A
Investigation	10,480.97	11,017.83	N/A
Legal	49,119.29	68,626.40	N/A
Total Cost Backs	188,558.52	218,296.53	N/A
TOTAL EXPENDITURES	612,559.84	599,130.36	N/A
Licensing Revenue	689,679.67	784,222.83	535,400.00
Case and Complaint Revenue	60,420.00	64,810.00	92,950.00
Less: State Regulatory Fee	42,440.00	32,010.00	N/A
NET REVENUES	707,659.67	817,022.83	628,350.00
FISCAL YEAR BALANCE	95,099.83	217,892.47	N/A
PRIOR FISCAL YEAR RESERVE	654,677.00	749,776.83	N/A
RESERVE BALANCE	749,776.83	967,669.30	N/A

CORE Expense	-	56,053.86	N/A
RESERVE BALANCE AFTER CORE EXPENSE	749,776.83	911,615.44	N/A



**STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY, SECOND FLOOR  
DIVISION OF REGULATORY BOARDS  
NASHVILLE, TENNESSEE 37243-0572  
615-741-3449 FAX 615-741-6470**

**CONFLICT OF INTEREST STATEMENT**

**For**

**Board and Commission Members**

- 1) Each board or commission member shall avoid any action, whether or not specifically prohibited by statute or regulation, which might result in or create the appearance of:
  - i. Using public office for private gain;
  - ii. Giving preferential treatment to any person;
  - iii. Impeding government efficiency or economy;
  - iv. Losing complete independence or impartiality;
  - v. Making a government decision outside of official channels; or
  - vi. Affecting adversely the confidence of the public in the integrity of the government.
- 2) Use of information. No board or commission member shall, directly or indirectly:
  - i. Use, disclose, or allow the use of official information which was obtained through or in connection with his or her appointment to the respective board or commission and which has not been made available to the general public for the purpose of furthering the private interest or personal profit of any person, including the board or commission member; or
  - ii. Engage in a financial transaction as a result of, or primarily relying upon, information obtained through his or her board or commission appointment.
- 3) Use of government property. No board or commission member shall make use of the facilities, equipment, personnel, or supplies of the State or its agencies for private use or gain, except to the extent that the use is incidental or de minimis or is lawfully available to the general public.
- 4) The board or commission member will avoid all known conflicts of interest, and to the extent he or she becomes aware of a conflict of interest in connection with any matter brought before the board or commission on which he or she serves, he or she will disclose such conflict to the appropriate person and will further recuse himself or herself from participating in any consideration of the matter.
- 5) While serving on any board or commission, the board or commission member will not participate in considerations or actions involving individuals in his or her immediate family, individuals employed by him or her, or his or her organization, services provided by him or her, or his or her organization, or any other matter in which his or her participation may create an appearance of bias or impropriety.

**Attachment 3**

- 6) While serving on any board or commission, the board or commission member shall not serve as an officer, or otherwise serve in a policy-making role, in any trade or professional association directly related to the trade or profession regulated by the board or commission on which he or she serves. Service on committees of trade or professional associations is permissible; provided, however, that while in such service, the board or commission member does not participate in considerations or actions concerning the board or commission of which he or she is a member.
  
- 7) Questions on interpretation of this statement. When a board or commission member is in doubt as to the proper interpretation of this conflict of interest statement, he or she is expected to seek the advice of the Commissioner of Commerce and Insurance or the Ethics Compliance Officer of the Department of Commerce and Insurance.

\_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

Board or Commission Name: **TENNESSEE ALARM SYSTEMS CONTRACTORS BOARD**

Please list any conflicts of interest:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DEPARTMENT OF COMMERCE AND INSURANCE  
DIVISION OF REGULATORY BOARDS  
COMPLAINT HANDLING STANDARD OPERATING PROCEDURE**

**Form of complaint**

The original of a complaint received by or a complaint initiated by the Division shall be sent to the Respondent for a response. All complaints sent to the Respondent should be in writing. A complaint initiated by the Division should fully explain the allegation.

**Who can initiate a complaint?**

A complaint may be initiated by any member of the public. Complaints may also be initiated by referrals from the Division, the Department's legal staff, or Board or Commission members. All complaints initiated by the Division, the Department's legal staff, or Board or Commission members should be opened as staff complaints. All anonymous complaints shall be reviewed on a case-by-case basis by the Program Director in consultation with the attorney assigned to the program ("Program Attorney") to determine what, if any, action they merit. Unless a program has specific statutory authority to deny anonymous complaints, anonymous complaints should be opened under the regular procedure so long as they state a ground that the program could, if true, take action.

**Declining to open a complaint**

If the Executive Director and Program Attorney decide that a complaint fails to state any ground for the agency to take action, construed liberally in favor of opening a complaint, then a letter should be sent by U.S. mail to the Complainant explaining the reason for declining to open a complaint within seven (7) business days of receiving the complaint.

**Request for complaint form**

Board Staff should first direct the requestor to the complaint form on the website. If the requestor does not have internet access, then staff shall mail a complaint form to requestor within one (1) business day of the request with instructions explaining the Program's complaint process, legal authority, and a statement that Regulatory programs cannot require restitution or specific performance.

**Upon receipt of complaint**

Within two (2) business days of receipt of complaint, the Program Director or designee shall conduct an initial review of the complaint to determine: (1) whether the complaint has been filed with the correct program and (2) whether the complaint is a high priority matter (e.g., the alleged conduct poses an imminent danger to the public health, safety or welfare).

- 1) If the complaint is not filed with the correct program, then the Program Attorney should be consulted. Then the complaint should be forwarded to the correct Division program or other state regulatory program(s) within three (3) business days of its receipt.
- 2) If the complaint is a high priority matter, then the Program Attorney should immediately be consulted and he/she shall immediately notify the Deputy General Counsel and Assistant Commissioner. The Program Attorney should report the progress of all high priority matters in the weekly report to the Deputy General Counsel and the Program Director should report the progress of all high priority matters in his/her regular report to the Assistant Commissioner.

- 3) Within five (5) business days of receiving the complaint, the Complaint Coordinator shall:
  - a. Enter the complaint into the Regulatory Boards Case/Complaint System (“RBS”) which automatically assigns a complaint number.
  - b. Send a copy of the complaint, via U.S. mail, to the Respondent, unless otherwise advised by the Program Attorney after consultation with the Program Director.<sup>1</sup> The Complaint Coordinator shall enclose a letter instructing that Respondent has fourteen (14) calendar days (or the number of days allowed by the Program’s law and rules, but not to exceed thirty (30) calendar days) from date of receipt of the complaint to respond.
  - c. Send notification of receipt of the complaint to Complainant via U.S. mail.

### **No response to complaint**

If the Respondent does not respond, the Complaint Coordinator shall forward the complaint to the Division’s legal department within thirty (30) calendar days of its receipt.

### **Upon receipt of response to complaint**

Within three (3) business days of receiving Respondent’s response to the complaint, the Complaint Coordinator shall:

- 1) Update RBS.
- 2) Forward a copy of the complaint and Respondent’s response to the Program Director and Program Attorney.
- 3) Forward a copy of Respondent’s response to the Complainant.

### **Upon referral to Legal Staff**

The Legal Division Secretary or Program Paralegal shall open new matter transmittals in RBS as cases and transmit them to the Program Attorney within three (3) business days after receiving the complaint.

### **Investigation referrals**

The Program Attorney shall make a determination whether or not a complaint needs investigation within forty-five (45) days of receiving the complaint from the program. Investigations requests shall be completed and written investigation reports shall be sent to the Program Attorney within thirty (30) calendar days of referral. If additional time is needed for completion of investigations requests, then the investigator shall make such request by email to the Director of Investigations with a copy to the Attorney who requested the investigation. The request shall specify how much additional time is needed and must be made within twenty-five (25) calendar days of when the matter was referred.

### **Presentation to Regulatory Authority**

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<sup>1</sup> The program in consultation with the program attorney may determine that sending the complaint to the Respondent would be harmful to a future investigation of the complaint. An example of this includes a complaint of unlicensed activity or illegal action where a copy of the complaint requesting a response would solicit a denial from the Respondent and further harm a future investigation. In this scenario, the complaint may be forwarded directly to legal after consultation and agreement with the program attorney whose office will request an investigation of the complaint prior to informing the Respondent of the allegations.

After review of the complaint, as well as any response, investigation report or other relevant information, the Program Attorney will present an anonymous summary of the complaint in a written legal report to the Program's regulatory authority along with a recommendation as to probable cause and course of action. In cases where informal settlement is authorized (e.g., Consent Order), the Respondent shall be given thirty (30) calendar days from receipt of the offer of settlement to respond. If the Respondent fails to respond to the offer within the thirty (30) calendar day period, the Program Attorney shall refer the case to the Litigation Attorney for formal charges.

### **Final action and case closure**

#### 1) Procedure for case in which Respondent is to comply over time

Cases closed with a signed order (Consent Order, Agreed Order, Initial Order or Final Order) that includes a period of time for payment of a civil penalty and/or costs and/or any non-monetary conditions to be completed over a period of time shall be monitored by Program Staff and the Program Attorney. Within one (1) day of receipt, the Program Attorney will deliver a copy of the executed and/or filed order to the Program Director and the Program staff will initially enter the order on the appropriate tracking chart within three (3) business days of receipt of the Order.<sup>2</sup> The Program Attorney, Litigation Attorney and Program Director will review Respondent's compliance with such Orders at each monthly meeting. Any evidence of compliance received by the Attorney shall be delivered to Program Staff within one (1) business day of receipt. Program Staff shall update the tracking chart within three (3) business days of Program Staff's receipt of each item of compliance. Once Respondent fully complies with the terms of the Order or is determined by the Program Director and the Program Attorney to have failed to comply with the Order, any final action provided in the Order shall be taken and the case shall be closed as set forth below.

#### 2) Procedure for closing case

After final action is taken in a case, the Program or Litigation Attorney shall complete the Legal Status Tracking Memorandum, which shall include the date of closure and a description of the final action (e.g., dismissed, letter of warning, consent order paid, formal hearing/revocation, etc.). The Memorandum and the file shall be delivered to the Program Paralegal, who shall within three (3) business days of receipt deliver a copy of the Legal Status Tracking Memorandum and the executed order or letter of warning to the Program staff and update RBS within 3 days.

#### 3) Determining the Closure Date

A complaint's closure date shall be determined as follows:

Dismissed/Closed with no action: Date of board vote;

Letter of Warning: Date letter is sent;

Consent Order/ Agreed Order (no monitoring): Date executed order is received;

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<sup>2</sup> Orders requiring monitoring shall be included on the Disciplinary Action Report upon receipt of the executed and/or filed Order.

Consent Order/ Agreed Order (with monitoring): Date final payment or action is completed. The Board does not close the case until the final payment is received. Legal will close the case coding it “Payment Plan” but it will remain on the legal report until the final payment is received;

Order following a Formal Hearing: Date Initial/Final Order is filed with Secretary of State.

### **Complaint Closure**

The complaint coordinator shall close the complaint in RBS and send a written closure notification to the Complainant and the Respondent within three (3) business days of receipt of closure Memorandum from Legal Staff.

### **Cases Referred for Collection**

Any Order authorized or issued by a Board, Commission, Commissioner or Administrative Law Judge that assesses a civil penalty and/or costs that is not timely satisfied, is subject to being sent outside the Department for collection. Any Final Order that is thirty (30) calendar days past the appeal deadline or any fully executed Consent Order or Agreed Order that is sixty (60) calendar days past the payment deadline should be reviewed by the Litigation Attorney, who will determine whether it should be referred for collection. If it is determined that the Order should be referred for collection, the Litigation Attorney should follow the standard operating procedures for referring cases outside the Division for collection.

### **Reporting**

The Program Director or designee shall submit a Disciplinary Action Report to Mark Green – Chief Counsel and designated Paralegal by the close of business on the third (3rd) day of each month.

### **Meetings**

The following meetings are to be held regularly:

- 1) *Monthly*: The Program Director, Complaint Coordinator, Board Attorney, and Program Paralegal shall meet to review the accuracy of the weekly RBS complaint report, compliance with performance standards, cases for the upcoming legal report, Orders on the chart tracking compliance and any other issues related to the status and handling of cases that may arise.
- 2) *Quarterly (to be scheduled by Assistant Commissioner with each program)*: Assistant Commissioner, Deputy General Counsel, Chief Counsel, Program Director, Complaint Coordinator, Board Attorney, Litigation Attorney and Program Paralegal shall meet to review complaint patterns, i.e., oldest complaints, repeat offenders, unpaid citations, non-compliant respondents and any other issues related to the status and handling of complaints and cases that may arise.

### **Acknowledgement of receipt and understanding of Complaint Handling Standard Operating Procedure:**

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[PROGRAM DIRECTOR’S NAME]

## **Division of Regulatory Boards Self-Sufficiency SOP**

### **Objective:**

The following provides a brief overview of the plan that the Division of Regulatory Boards has developed in order to have a documented and formalized process to ensure that the financial position of each board is properly reviewed. Additionally, management will devote ongoing resources to education and training of appropriate program staff (Executive Directors and Administrative Managers) with regards to budget forecasting, allocation formulas, data integrity, best practices, etc.

### **Education:**

The Accounting Manager will prepare and conduct formalized training sessions related to the budget process and the monthly financial reports for the Division. This will include documents and training on commonly used reports, and any other financial topics, State and Fiscal policies as needed.

The budget process session will be held annually, prior to the preparation of the budget documents for F&A.

### **Monthly:**

The Accounting Manager will hold monthly meetings with each director to review and discuss their board(s) financial position. The Accounting Manager should strive to conduct these meetings within 10 working days following the release of the monthly reports from the Department's Fiscal Service Office. This discussion will allow the Accounting Manager to focus on each individual board to ensure that all aspects of each board's financial position is reviewed and evaluated. The meeting and any notes or corrections that arise from the meeting will be recorded and kept by the Accounting Manager with the current fiscal year information.

Following the individual discussions with the board directors the Accounting Manager will meet with the Assistant Commissioner of Regulatory Boards. During this meeting the Division's overall position and any specific concerns will be discussed. Documented meeting outcomes will include

- Trend Analysis, including over/under performance by board
- Notes related to remedial steps/action items to address performance failures
- Updating of the spreadsheet used to track action item statuses
- Minutes or notes related to the meeting

### **Quarterly:**

The Assistant Commissioner and the Accounting Manager will meet with the Deputy Commissioner and review the boards' financial positions. The meeting will be held at the conclusion of each quarter. Documented outcomes of the meeting shall include:

- Trend Analysis
- A quarterly view of the boards individual performance
- Forecast reports by board
- Identify and discuss extraneous threats to boards self-sufficiency
- Advise the Deputy Commissioner of current remedial steps/action items

The Accounting Manager will meet with the Department's Fiscal Service staff to discuss any upcoming financial reporting deadlines. The will include the annual budget, spending plans, reserve letters, and any other report required by F&A. The meeting will be held at the conclusion of the quarter.

### **Annually:**

The Accounting Manager will prepare a financial statement for each board within 30 working days of the F&A reserve letter deadline.

The Assistant Commissioner will appear before each board and discuss the board's financial position. This meeting will ensure that board members are apprised of any financial concerns or challenges that the board may be facing. During this meeting each year the Assistant Commissioners will present the board with its financial statements from the prior fiscal year. This meeting will be held as part of the board's established monthly, bimonthly or quarterly meeting.

During the annual budget process the Accounting Manager will coordinate the preparation of the following:

- Annual Revenue Projections – Each board director is responsible for their board(s) projection.
- Annual Spending Plan – The Accounting Manager and the Assistant Commissioner will prepare with input from the directors.